

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
IN BANKRUPTCY AND INSOLVENCY  
(COMMERCIAL LIST)**

**IN THE MATTER OF THE NOTICE OF INTENTION  
TO MAKE A PROPOSAL OF 2505243 ONTARIO LIMITED  
OF THE CITY OF TORONTO, IN THE PROVINCE OF ONTARIO**

**REPLY MOTION RECORD OF PRINCES GATES GP INC. LOWELL SECURITY INC., THE  
SMALL WINEMAKERS COLLECTION INC., D.N.B. MEDIA GROUP INC., PR CC PLATED  
MEALS INC., AND PLATINUM VALET HOTEL CLEANERS INC.**

(Motion returnable September 29, 2020)

**LOOPSTRA NIXON LLP**

135 Queens Plate Drive – Suite 600  
Toronto, ON M9W 6V7

**Peter Carey (LSO No.: 29410V)**

Tel: 416.748.4744

Email: [pcarey@loonix.com](mailto:pcarey@loonix.com)

**Thomas P. Lambert (LSO No.: 70354T)**

Tel: 416.748.5145

Email: [tlambert@loonix.com](mailto:tlambert@loonix.com)

*Lawyers for Prince Gates GP Inc., Lowell  
Security Inc., The Small Winemakers  
Collection Inc., D.N.B. Media Group Inc.,  
PR CC Plated Meals Inc., and Platinum  
Valet Hotel Cleaners Inc.*

**TO: ATTACHED SERVICE LIST**

## INDEX

<u>Tab</u>	<u>Description</u>	<u>Page</u>
1	Affidavit of Christopher Lambert sworn September 28, 2020	1 - 7
A	Exhibit "A" - Garden Restaurant Lease	8 - 71
B	Exhibit "B" - 2 <sup>nd</sup> Floor Restaurant Lease	72 - 135
C	Exhibit "C" - Food and Beverage Services Agreement	136 - 185
D	Exhibit "D" - Letter from Christopher Lambert to Peter Eliopolous dated January 3, 2020	186 - 188
E	Exhibit "E" - Letter from Peter W.G. Carey to Randy Sutton dated July 9, 2020	189 - 244
F	Exhibit "F" - Letter from Peter W.G. Carey to PnP dated July 2, 2020	245 - 248
G	Exhibit "G" - Letter from Peter W.G. Carey to Randy Sutton dated July 21, 2020	249 - 250
H	Exhibit "H" - Email exchange between Hotel X and PnP	251 - 255
I	Exhibit "I" - Fuller Landau LLP Memorandum dated September 16, 2020	256 - 258
J	Exhibit "J" - Email exchange between Hotel X and PnP	259 - 268
K	Exhibit "K" - Toronto Star article dated August 31, 2020	269 - 271
L	Exhibit "L" - Notice of Motion	272 - 279
M	Exhibit "M" - Bankruptcy Application	280 - 320

# TAB 1

**ONTARIO**  
**SUPERIOR COURT OF JUSTICE**  
**IN BANKRUPTCY AND INSOLVENCY**  
**(COMMERCIAL LIST)**

**IN THE MATTER OF THE NOTICE OF INTENTION**  
**TO MAKE A PROPOSAL OF 2505243 ONTARIO LIMITED**  
**OF THE CITY OF TORONTO, IN THE PROVINCE OF ONTARIO**

**AFFIDAVIT OF CHRISTOPHER LAMBERT**  
**(Sworn September 28, 2020)**

I, **CHRISTOPHER LAMBERT**, of the City of Oakville, in the Province of Ontario  
**MAKE OATH AND SAY:**

1. I am the managing director of the hotel located at 111 Princes Gates Boulevard, Toronto, Ontario (“Hotel X”) which is “owned” by the applicant Princes Gates GP Inc. and as such have knowledge to the matters contained in this affidavit. Where I provide evidence based on my information or belief, I state the source of that information or belief.

2. I am swearing this affidavit in response to the affidavit of Peter Eliopoulos sworn September 25, 2020.

3. As 2505243 Ontario Limited (“PnP”) only delivered their motion materials to stay the application for bankruptcy in the late afternoon of Friday, September 25, 2020 for a motion returnable Tuesday, September 29, 2020, this affidavit, of necessity, will be brief and not include much evidence which would otherwise be attached if time permitted.

4. In Mr. Eliopoulos’ affidavit of September 25, 2020, he has misstated many facts and omitted many facts. I will try to deal with his misstatements and omissions in this affidavit.

**Hotel X**

5. Hotel X is a recently opened hotel in Toronto. It is located on the exhibition grounds in Toronto. The design and goal of Hotel X was always to be a world class hotel on par with any high-end hotel anywhere in the world. In Toronto we would regard our competitors as being Royal York, St. Regis, Four Seasons, Ritz and Shangri-La hotels. Hundreds of millions of dollars have been invested in Hotel X and in order to achieve our goal of being the premier hotel in Toronto it is necessary that Hotel X have a superlative food and beverage service.

6. It is also necessary that such a food and beverage service be financially stable. If the food and beverage provider for the hotel were to suddenly cease operations it would be catastrophic for the hotel. It would cause uncalculable damages not only financially but also to the hotel's reputation.

7. Prior to July 2, 2020, Hotel X was using PnP as its food and beverage services provider

8. In 2017, Hotel X entered into two leases and a food and beverage services agreement (the "F&B" agreement) with PnP. Hotel X entered into these agreements because it was assured by PnP that PnP could deliver the high-quality service that Hotel X required, and that PnP was financially stable.

9. A copy of the lease of the main floor restaurant is attached as **Exhibit "A"** to this affidavit. A copy of the second floor restaurant lease is attached as **Exhibit "B"** (collectively the "Leases") to this affidavit. A copy of the F&B agreement (with amending agreement) is attached as **Exhibit "C"** to this affidavit.

10. It was a term of the F&B agreement that PnP was to pay all of its debts and obligations they came due (s. 6.4). It is important to note that a default under the F&B agreement is also a default under the Leases (s. 16.1 (xviii)).

11. The Leases were for a main floor restaurant called Petros 82 and a smaller second floor restaurant called Maxx's. In addition to operating these two restaurants under the terms the Leases, PnP also was to provide food and beverage services for the remainder of the hotel pursuant to the F&B agreement.

12. From the beginning of the relationship there were problems with PnP.

13. PnP simply did not provide the level of service and quality that was required of a premier hotel such as Hotel X.

14. In addition, there were numerous problems with employees of PnP caused by PnP not paying them properly. In one instance, Hotel X actually had to intervene and force PnP to pay its employees appropriate gratuities. A copy of a letter dated January 23, 2020 is attached as **Exhibit "D"** to this affidavit. In that letter Hotel X insists that PnP employees receive industry standard gratuities.

15. In addition to PnP's apparent inability to live up to the standards it had contracted for, it also appeared to be in serious financial trouble. In May of 2019, PnP ceased paying additional rent under the Leases.

16. This and other problems with PnP led to a series of communications between Mr. Eliopoulos, one of the principals of PnP, and Hotel X. On February 13, 2020 and February 24,

2020, PnP sent letters to Hotel X indicating that it wished “dissolve” its relationship with Hotel X as a result of the problems it was facing.

17. On February 27, 2020, Hotel X sent a letter to PnP and among other things requested that PnP provide its proposal for the “dissolution”.

18. There was no response to that letter. However, on April 7, 2020, PnP sent a letter to Hotel X indicating it would no longer be paying rent. Of course, PnP had not been paying additional rent since May of 2019 but now it stated it was not going to pay any rent.

19. In an email dated June 26, 2020, PnP also advised Hotel X that PnP had business losses of \$2 million dollars in the two years it had been in operation at Hotel X. True copies of the above letters, emails and other correspondence between Hotel X and PnP are attached to a letter from Hotel X’s lawyer to PnP’s lawyer dated July 9, 2020. A copy of that letter is attached as **Exhibit “E”** to this affidavit.

20. This caused great concern to Hotel X because, as stated above, it required a stable extremely high-quality food and beverage provider at Hotel X. Hotel X could not run the hotel in the fashion that it intended unless the food and beverage service was of an extremely high quality and the provider of that service was financially stable.

21. On July 2, 2020, Hotel X had its lawyers write PnP a letter advising that Hotel X was terminating the leases and the food and beverage agreement effective immediately. Mr. Eliopoulos mentioned this letter in his affidavit but does not include it. I am attaching a copy of this letter as **Exhibit “F”** to this affidavit. The letter clearly sets out the grounds for termination.

22. The letter sets out in detail the notices of defaults that had been sent to PnP on January 3, 2019, January 17, 2019, February 18, 2019, December 6, 2019, January 3, 2020, February 23, 2020, February 27, 2020 and April 19, 2020. The letter also sets out PnP's numerous breaches of the F&B agreement.

23. Among other issues it appeared to Hotel X that PnP had incurred considerable unserviced debt in carrying on its operations at Hotel X which was contrary to the F&B agreement. However, at that time we were unaware of quite how deeply PnP was in debt.

24. Subsequently, PnP commenced an action against Hotel X amongst others. As a part of this action, PnP through its counsel frequently threatened to bring an injunction to reinstate PnP at Hotel X.

25. No such motion for an injunction was ever brought.

26. Mr. Eliopoulos states that Hotel X has not responded to the action. This is not correct. The Leases have arbitration clauses and our counsel has already advised Mr. Sutton that it was Hotel X's intention to bring a motion to stay the action so that it may be arbitrated as called for in the Leases. A copy of Hotel X's lawyer's letter to this effect dated July 21, 2020 is found as **Exhibit "G"** to this affidavit.

27. Mr. Eliopoulos has also stated that Hotel X refused to cooperate with PnP to pursue government assistance under the CECRA program. This is not true. On or about May 23, 2020, PnP requested that Hotel X improperly modify its financial statements to understate PnP's income for the purposes of applying for the CECRA program. Hotel X refused to do this. A copy of emails with respect to this issue are attached as **Exhibit "H"** to this affidavit. In addition, Hotel X has

retained Fuller Landau to provide its opinion on whether PnP would qualify for the CECRA program. Fuller Landau has concluded that PnP would not have qualified for the CECRA program. A copy of Fuller Landau's report dated September 10, 2020 is attached as **Exhibit "I"** to this affidavit.

28. With respect to Mr. Eliopoulos' other comments, Hotel X took the steps required to make sure that PnP would not disrupt the hotel's business. There have never been any complaints by any of the employees of PnP that any of their belongings are missing. Nor have we sent misleading written or oral communications to PnP's suppliers, clients, former employees or landlords as stated.

29. However, PnP has done its best to disrupt the operations of the hotel. PnP advised its now ex-employees that they should somehow look to Hotel X for severance and notice payments. This despite the fact that Hotel X was never the employer of those individuals.

30. More importantly, PnP has sent a letter to its suppliers which essentially states that it can not pay them until it is successful in its legal action against Hotel X. A copy of such communication is attached as **Exhibit "J"** to this affidavit.

31. PnP has also given interviews to the media concerning this matter. A copy of a Toronto Star article dated August 31, 2020 is attached as **Exhibit "K"** to this affidavit.

32. Further PnP has recently purported to bring a motion to obtain a certificate of pending litigation over the entire Hotel X. A copy of PnP's notice of motion is attached as **Exhibit "L"** to this affidavit.

33. As a result of PnP's communication to its suppliers indicating that it could not pay them until it had won its lawsuit against Hotel X and our growing knowledge of PnP's indebtedness, Hotel X became very concerned that it was the defendant in an unmeritorious lawsuit by an insolvent plaintiff who could never pay costs or security for costs and was doing its best to damage Hotel X's business in the interim.

34. It seemed to Hotel X that the money that PnP was spending on its lawsuit would be better spent paying off its various creditors. As a result, on September 9, 2020, Hotel X and a number of PnP's creditors commenced an application to petition PnP into bankruptcy. At the time we were aware that PnP actually owed much more money to creditors than the applicants set out. It was our understanding at the time that PnP owed at least \$1.5 million dollars to various creditors in addition to the amounts claimed in the application for bankruptcy. A copy of the bankruptcy application is attached as Exhibit "M" to this affidavit. As a result of PnP's motion, we now know they owe more.

35. Hotel X is opposed to allowing PnP time to make a proposal because it is Hotel X's opinion that PnP is simply dragging this matter out again when it has no chance at ever making a successful proposal. With PnP's admitted insolvency and its admitted debt load and the fact that it lost \$2 million dollars in the first two years of operation at Hotel X, it is impossible that PnP would make any proposal that would be acceptable to its creditors. This will simply prolong the inevitable time when PnP goes into bankruptcy and further dissipate funds that should be available to creditors.

SWORN BEFORE ME at the City of )  
Toronto, in the Province of Ontario )  
this 28<sup>th</sup> day of September 2020 )  
\_\_\_\_\_)  
A Commissioner for taking Affidavits )

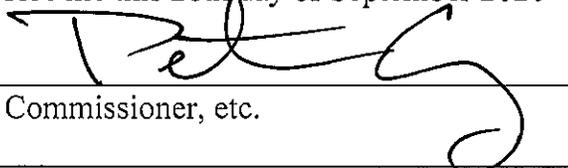
*Peter W. G. Carey*



CHRISTOPHER LAMBERT

# TAB A

This is Exhibit "A" referred to in the  
Affidavit of Christopher Lambert, sworn  
before me this 28th day of September 2020

  
A Commissioner, etc.

HOTEL X  
GARDEN RESTAURANT  
**LEASE**

BETWEEN

**Princes Gates GP Inc.,**  
in its capacity as General Partner of  
**Princes Gates Hotel Limited Partnership**

And

**25054243 Ontario Limited**

 1/25/17  


Hotel X  
111 Princes Boulevard  
Toronto, Ontario

**Restaurant**

TABLE OF CONTENTS

	Page
ARTICLE 1 DEFINITIONS.....	1
ARTICLE 2 PREPARATION OF LEASED PREMISES .....	7
2.1 Landlord's Work.....	7
2.2 Tenant's Work .....	7
2.3 Tenant's Plans.....	8
2.4 Examination of Leased Premises .....	8
2.5 Possession Date and Fixturing Period.....	8
2.6 Failure of the Tenant to Open .....	8
2.7 Tenant's Investment.....	8
2.8 PPSA Discharges .....	9
ARTICLE 3 DEMISE & TERM .....	9
3.1 Demise .....	9
3.2 Use of Common Area Facilities.....	9
3.3 Term of Lease .....	10
3.4 Options to Extend .....	10
3.5 Overholding .....	11
ARTICLE 4 LANDLORD & TENANT COVENANTS .....	11
4.1 Landlord Covenants .....	11
4.2 Tenant Covenants.....	11
ARTICLE 5 RENT .....	11
5.1 Intent .....	11
5.2 Minimum Rent .....	11
5.3 Percentage Rent .....	12
5.4 Reports by Tenant .....	12
5.5 Tenant's Records .....	13
5.6 Right to Examine Books .....	13
5.7 Audit Rights .....	13
5.8 Determination of Gross Receipts .....	14
5.9 The Landlord's Right to Terminate .....	14
5.10 INTENTIONALLY DELETED .....	14
5.11 INTENTIONALLY DELETED .....	14
5.12 Estimated Payments .....	14
5.13 Deposit.....	15
5.14 Place and Payment of Rent .....	15
5.15 INTENTIONALLY DELETED .....	15
5.16 No Set Off.....	15
5.17 INTENTIONALLY DELETED .....	15
5.18 Rent Free Period .....	16
5.19 Tenant Obligations.....	16
ARTICLE 6 TAXES.....	16
6.1 Taxes Payable by the Landlord.....	16
6.2 Direction for Payment of Taxes.....	16
6.3 Taxes Payable by the Tenant .....	16
6.4 Determination of the Tenant's Taxes.....	17
6.5 Business Taxes and Sales Taxes .....	17
6.6 Payment of Taxes.....	18
6.7 Tax Bills and Assessment Notices.....	18
6.8 Contest of Taxes .....	19
ARTICLE 7 COMPLEX AND COMMON AREA FACILITIES .....	19
7.1 Control of Complex and Common Area Facilities .....	19
7.2 Roof and Walls .....	20
7.3 Parking.....	20
7.4 No Merchandise in Common Area Facilities.....	21

TABLE OF CONTENTS  
(continued)

	Page
7.5 Rules and Regulations.....	21
7.6 Garbage.....	21
7.7 Energy Conservation.....	21
<b>ARTICLE 8 ASSIGNMENT AND SUBLETTING, ETC.</b> .....	<b>22</b>
8.1 Definitions.....	22
8.2 Transfers .....	22
8.3 No Advertising of Premises .....	24
8.4 Dispositions by the Landlord.....	24
8.5 Additional Conditions of Transfer .....	24
<b>ARTICLE 9 REPAIRS &amp; ALTERATIONS</b> .....	<b>24</b>
9.1 Landlord's Repairs.....	24
9.2 Tenant's Repairs .....	24
9.3 Tenant's Alterations and Improvements.....	25
9.4 Hazardous Substances.....	26
9.5 No Liens.....	27
9.6 Surrender.....	27
9.7 Ownership of Leasehold Improvements and Operating Equipment.....	28
<b>ARTICLE 10 ACCESS BY LANDLORD</b> .....	<b>28</b>
10.1 Access for Inspection & Repairs.....	28
10.2 Access for Excavation.....	28
10.3 Landlord Installations .....	28
10.4 Exhibiting Leased Premises.....	28
<b>ARTICLE 11 USE AND STANDARDS OF OPERATION</b> .....	<b>29</b>
11.1 Use of Leased Premises .....	29
11.2 Conduct of Business .....	29
11.3 Exclusive Use Outside Areas.....	33
11.4 Compliance With Laws.....	33
11.5 Operating Equipment, Etc.....	33
11.6 Signs.....	34
11.7 Pest Control.....	34
11.8 Deliveries .....	34
11.9 Janitorial Services .....	34
11.10 Compliance with Head Lease .....	34
<b>ARTICLE 12 INSURANCE &amp; INDEMNITY</b> .....	<b>34</b>
12.1 Tenant's Insurance .....	34
12.2 Not to Affect Landlord's Insurance .....	36
12.3 Landlord's Insurance .....	36
12.4 Limit of Liability.....	36
12.5 Indemnification.....	37
12.6 Employees.....	37
<b>ARTICLE 13 DAMAGE &amp; DESTRUCTION &amp; EXPROPRIATION &amp; TERMINATION OF HEAD LEASE</b> .....	<b>37</b>
13.1 Termination and Rent Abatement.....	37
13.2 Expropriation .....	38
13.3 Termination of Head Lease.....	39
<b>ARTICLE 14 UTILITIES, HEATING &amp; AIR CONDITIONING</b> .....	<b>39</b>
14.1 Public Utilities .....	39
14.2 Heating Ventilating and Air Conditioning.....	39
14.3 Central Air Conditioning and Heating.....	40
14.4 Right to Suspend Utilities .....	40
14.5 Telephone and Communications Services .....	41
14.6 Landlord's Services .....	41

**TABLE OF CONTENTS**  
(continued)

	Page
<b>ARTICLE 15 SUBORDINATION, ATTORNMENT &amp; ACKNOWLEDGEMENTS.....</b>	<b>41</b>
15.1 Subordination and Attornment.....	41
15.2 Acknowledgement .....	42
15.3 Non-Disturbance Agreement from Head Landlord .....	43
<b>ARTICLE 16 DEFAULT .....</b>	<b>42</b>
16.1 Events of Default .....	42
16.2 Right of Re-entry .....	44
16.3 Reletting.....	44
16.4 Landlord Forbearance .....	45
16.5 Remedies Not Exclusive .....	45
16.6 Waiver.....	45
16.7 Waiver of Exemption from Distress, etc.....	45
16.8 Landlord's Right to Cure Defaults.....	46
16.9 Interest on Arrears.....	46
16.10 Financial Covenants.....	46
<b>ARTICLE 17 MISCELLANEOUS .....</b>	<b>46</b>
17.1 Entire Agreement .....	46
17.2 Notice.....	46
17.3 No Offer .....	47
17.4 Captions and Bolding.....	47
17.5 Governing Law .....	47
17.6 Successors and Assigns.....	47
17.7 Joint and Several Liability .....	47
17.8 Tenant Partnership .....	47
17.9 Severability .....	47
17.10 Legal Relationship .....	47
17.11 Agents or Brokers .....	48
17.12 Registration.....	48
17.13 Time of the Essence.....	48
17.14 Landlord's Failure to Deliver Possession .....	48
17.15 Unavoidable Delay.....	48
17.16 Covenants.....	48
17.17 Grammatical Changes.....	48
17.18 Schedules .....	48
17.19 Arbitration.....	48
17.20 Compliance with PIPEDA .....	49
17.21 INTENTIONALLY DELETED .....	49
17.22 Authority to Bind .....	49
17.23 Confidentiality .....	49
17.24 Freely Negotiated.....	49

**SCHEDULES**

<b>LANDLORD'S WORK AND TENANT'S WORK.....</b>	<b>SCHEDULE "A"</b>
<b>LEGAL DESCRIPTION.....</b>	<b>SCHEDULE "B"</b>
<b>TENANT PLANS .....</b>	<b>SCHEDULE "C"</b>
<b>PLAN OF BUILDING AND LOCATION OF LEASED PREMISES .....</b>	<b>SCHEDULE "D"</b>
<b>RULES AND REGULATIONS.....</b>	<b>SCHEDULE "E"</b>
<b>PROHIBITED USES .....</b>	<b>SCHEDULE "F"</b>



THIS INDENTURE made the 4<sup>th</sup> day of January, 2017.

B E T W E E N:

**Princes Gates GP Inc.,**  
in its capacity as general partner of  
**Princes Gates Hotel Limited Partnership**

(hereinafter called the "LANDLORD")

OF THE FIRST PART;

and

**25054243 Ontario Limited**

(hereinafter called the "TENANT")

OF THE SECOND PART.

WHEREAS there are constructed on the Lands a hotel, fitness facility and heritage building in which are or may be located restaurants, bars, conference rooms, banquet facilities and other facilities together with other fixed improvements exterior to such buildings for the purposes of operating thereon a Complex as hereinafter defined.

NOW THIS INDENTURE WITNESSES:

**ARTICLE 1  
DEFINITIONS**

In this Lease unless there is something in the context inconsistent therewith, the parties hereto agree that:

- 1.1 "Additional Rent" means all amounts payable under this Lease other than Minimum Rent and Percentage Rent.
- 1.2 "Applicable Laws" means with the law of the Province of Ontario, including the Federal laws of Canada applicable therein (including the common law and principles of equity), statutes, regulations, treaties, bylaws, ordinances, judgments, decrees and (whether or not having the force of law) all applicable official directive, rules, consents, approvals, authorizations guidelines, standards, codes of practice, orders (including judicial administrative orders) and policies of any Authority having, or purporting to have authority over, or application to the Complex or any part thereof and including but not limited to the *Environmental Protection Act*, R.S.O. 1990, c.E.19, as amended.
- 1.3 "Architect" means the architect or land surveyor from time to time named by the Landlord.
- 1.4 "Authority" means any federal, provincial, regional or municipal governmental authority, body, agency, department, or corporation having or claiming jurisdiction over the Leased Premises or the Complex.
- 1.5 "Banquet Facilities" means the banquet halls, ballrooms and related facilities situated within the Hotel Component as the same may be reduced, altered or expanded by the Landlord from time to time.
- 1.6 "Buildings" means the thirty (30) storey hotel building comprising the Hotel Component, the two (2) storey building comprising the Stanley Barracks Component, the six (6) storey structure comprising the Fitness Facility Component and all other buildings, structures and improvements located on the Lands.

- 2 -

- 1.7 "Business Hours" means the hours of operation each day as may be designated from time to time by the Landlord. *NOT TO BE UNREASONABLE.*
- 1.8 "City" means The Corporation of the City of Toronto.
- 1.9 "Commencement Date" means the date set out in Section 3.3 for the commencement of the Term.
- 1.10 "Common Area Facilities" means: (a) the Complex, excluding only Leaseable Premises, and shall include, without limiting the generality of the foregoing, all lands, areas, facilities, systems, improvements, structures, furniture, fixtures and equipment forming part of or located on the Complex; roofs, exterior wall assemblies including weather walls, exterior and interior structural elements and bearing walls in the buildings and improvements, the parking areas and garages, roadways, sidewalks, landscaped areas, open or enclosed malls, truck courts, common loading areas, communal refuse areas, driveways, electrical, music and public address systems, public seating and service areas, furniture, furnishings and fixtures, conference rooms, if any, for management office, electrical, telephone, meter, valve, mechanical, mail, storage, service and janitor rooms and galleries, decorative and display installations, heating, ventilating, air conditioning (including any building or portion thereof which houses the central HVAC plant, if any, and the equipment, facilities, improvements, installations and utilities therein; the fuel and power facilities of the systems; the distribution system for piping hot and cold water; air handling units; and fan coil units which serve the Complex;) plumbing and drainage equipment and installations and any enclosures constructed therefore, public washrooms, fountains, customer and service stairways, escalators and moving sidewalks, elevators, general signs including pylon, entrance, exit, directional and traffic control signs and any exterior tenants' identification sign band, maintenance equipment; (b) all lands, areas, facilities, systems, improvements, structures, furniture, fixtures and equipment serving or benefiting the Complex, whether or not located within the Complex, to the extent that the same are designated or intended by Landlord to be part of the Common Area Facilities from time to time; and (c) all other common area facilities, equipment and installations (or any or all of them) which are provided or designated (and which may be changed) from time to time by the Landlord (including, but not limited to, any common area facilities, equipment and installations which are shared by the Hotel Component and any tenants or occupants of Leaseable Premises).
- 1.11 "Complex" means the Lands, the Common Area Facilities, the Buildings and all structures, improvements, equipment and facilities of any kind erected or located thereon from time to time, as such lands, buildings, structures, improvements, equipment and facilities may be expanded, reduced or otherwise altered by the Landlord in its sole discretion from time to time.
- 1.12 "Component" means any one or more of the Hotel Component, the Stanley Barracks Component, the Fitness Facility Component, the Restaurant Component and any other part or parts of the Complex that the Landlord may from time to time designate as a separate Component and which may include the Banquet Facilities and the Conference Room Facilities.
- 1.13 "Conference Room Facilities" means the meeting and conference rooms and related facilities forming part of the Hotel Component as the same may be reduced, altered or expanded by the Landlord from time to time.
- 1.14 "Expert" means any Architect, engineer, chartered accountant, land or quantity surveyor, interior designer, or other professional consultant, appointed by the Landlord and, in the reasonable opinion of the Landlord, qualified to perform the function for which he or she is retained.
- 1.15 "Fitness Facility Component" means that component of the Complex which is designated or which is intended by the Landlord for the use primarily as a fitness facility, all as may be altered, expanded, reduced or reconstructed from time to time and other facilities ancillary thereto as exists from time to time.

- 1.16 **"Fixturing Period"** means the period commencing on the Possession Date and expiring on such date that is the earlier of one hundred and eighty (180) days immediately following the Possession Date and the date that the Leased Premises are open for business to the public..
- 1.17 **"Food and Beverage Services Agreement"** means the Food and Beverage Services Agreement entered into between the Landlord and the Tenant providing for the catering of food and beverage to the Hotel Rooms, VIP Lounge, Rooftop Bar, Grab & Go, Cinema Concession, Conference Room Facilities and Banquet Facilities.
- 1.18 **"Gross Receipts"** means the total of all gross sales and receipts from all business conducted upon or from the Leased Premises or anywhere else in the Complex, whether or not by the Tenant, and whether for cash, partly cash, cheques, credit, gift or merchandise certificates, charge account, exchange or otherwise, and shall include, but not be limited to sales to employees, supplier rebates, the gross amount of any insurance proceeds which directly or indirectly represent reimbursement or recovery for sales, revenues receipts, gross or net profits lost, or which otherwise normally would have been realized or earned regardless of whether those proceeds are identified as such reimbursement or recovery by the insurer or whether the proceeds are separated or segregated in connection with any insurance claim, payment or settlement, any amounts received or receivable from the sale of goods or services and the amount of all orders taken or received at the Leased Premises regardless of where they are filled, whether such sales be made at a sales desk or counter, over the telephone, by internet or catalogue, or by any vending device. There shall be no deduction for bank, credit card or collection agency charges, however uncollectible amounts or bad debts will be deducted if the original sale was included in Gross Receipts. A credit or installment sale will be considered as a sale for the full price in the month the sale takes place. Gross Receipts shall not include:
- (a) sales for which the customer has received a refund, provided that the original sale was included in Gross Receipts;
  - (b) sales of merchandise in exchange for returned merchandise, but only to the extent the original sales of the returned merchandise was included in Gross Receipts;
  - (c) HST and any other sales, use, excise or gross receipts tax directly on sales and collected from customers at the point of sale, provided that the amount thereof is added to the selling price and shown and/or collected as a separate item, and paid by the Tenant to such Governmental Authority.
- 1.19 **"Hazardous Substances"** means any and all hazardous substances, hazardous waste, toxic waste, contaminants, pollutants or related materials, including without limitation, heavy oil, pesticides, flammables, explosives, radioactive materials, asbestos, urea formaldehyde foam insulation, radon gas, PCB, any products of waste, or any other contaminants, pollutants, substances or products declared to be hazardous or toxic under the Applicable Laws.
- 1.20 **"Head Landlord"** means the Board of Governors of Exhibition Place, acting as agent for the City, being the registered owner of the Lands, including its successors and assigns.
- 1.21 **"Head Lease"** means the ground lease entered into between the Head Landlord, as Landlord, and the Landlord, as Tenant, with respect to the Lands.
- 1.22 **"Hotel"** means the full service transient hotel constructed on the Lands and forming part of the Hotel Component of the Complex.
- 1.23 **"Hotel Component"** includes the Hotel, the Hotel Rooms, and unless the Landlord determines otherwise, includes the Banquet Facilities and the Conference Room Facilities.
- 1.24 **"Hotel Opening Date"** means the date all or any part of the Hotel is open for business.
- 1.25 **"Hotel Rooms"** means hotel rooms and suites situated within the Hotel.

- 1.26 "HVAC Equipment" shall have the meaning ascribed thereto in Section 14.2.
- 1.27 "Landlord Work" means the work and improvements described in Schedule "A" to be completed by the Landlord pursuant to Section 2.1.
- 1.28 "Lands" means the lands described in Schedule "B".
- 1.29 "Large Corporations Tax" means the tax imposed upon a corporation under Part 1.3 of the *Income Tax Act* (Canada), and any amendments thereto or any successor statutory provisions thereof.
- 1.30 "Lease" means this agreement, all Schedules attached hereto, the certificate of the Architect issued and delivered pursuant to Section 3.1, the Arbitrator's certificates, if any, issued and delivered pursuant to Section 17.19 and the rules and the regulations made from time to time by the Landlord under the provisions of Section 7.5.
- 1.31 "Leaseable Premises" means those premises in the Complex (including the Leased Premises) which are designated or intended by the Landlord from time to time to be rented to tenants but the term "Leaseable Premises" does not include any Common Area Facilities, Banquet Facilities, Conference Room Facilities, Hotel Rooms or the VIP Lounge, Rooftop Bar or Grab and Go sales areas situated within the Hotel, basement premises, mezzanines or other areas that are expressly excluded from the calculation of the Rentable Area of the Complex.
- 1.32 "Leased Premises" means the premises leased to the Tenant as referred to and described in Article 3 hereof. The boundaries of the Leased Premises shall extend from the top surface of the structural subfloor to the bottom surface of the structural ceiling. If the Leased Premises have no ceiling abutting the demising walls, but rather are open to the ceiling of the Component in which they are situated, the boundaries of the Leased Premises extend from the top surface of the structural subfloor to the height of the demising walls.
- 1.33 "Lease Year" means a period of time for the purposes of the calculations contemplated by Articles 5 and 6. The first Lease Year shall commence on the Commencement Date and end on the 31st day of December in the calendar year of the Commencement Date and thereafter each Lease Year shall consist of twelve (12) calendar months ending in each case on December 31st, save for the last Lease Year which shall end on the expiration or earlier termination of this Lease, as the case may be.
- 1.34 "Leasehold Improvements" means all fixtures, improvements, decorations, installations, alterations, repairs, works, replacements, changes and additions from time to time made, erected or installed by or on behalf of the Tenant or any former occupant in the Leased Premises, including the HVAC Equipment, sewage, sprinkler, mechanical and electrical equipment and facilities and equipment for or in connection with the supply of utilities or communications, wherever located, exclusively serving the Leased Premises, doors, window coverings, hardware, security equipment, partitions (including moveable partitions), any connection of apparatus to the electrical system (other than a connection to the existing duplex receptacle), to the plumbing lines, to the heating, ventilation and air-conditioning systems, the sprinkler system or any installation of electrical sub-meters, and finished floors or wall-to-wall carpeting, but excluding moveable trade fixtures, furniture, equipment and personal property not in the nature of trade fixtures.
- 1.35 "Manager" means the Person, if any, retained by the Landlord from time to time to operate or manage the Hotel or the Complex. In sections that contain a release or other exculpatory provision or an indemnity in favour of the Landlord it shall include any Manager, and its servants, employees, officers, directors, agents and invitees.
- 1.36 "Minimum Rent" means the annual rent payable pursuant to Section 5.2.
- 1.37 "Mortgagee" means a mortgagee or chargee that holds all or part of the Complex as security.

- 1.38 **"Operating Costs"** means the total costs and expense incurred or accrued and attributed by the Landlord in maintaining, operating, managing, administering, auditing, repairing, improving, altering and insuring the Complex, including the Common Area Facilities.
- 1.39 **"Operating Equipment"** means all trade fixtures, chattels, furniture, furnishings and equipment of every nature and kind whatsoever which is supplied by the Tenant and which is required to operate the Restaurant to the standards required under this Agreement including, without limitation, stoves, ovens, refrigeration equipment, prep tables, dishwashing equipment and facilities and cleaning equipment and food serving equipment, but expressly excluding smallwares consisting of cutlery, glassware and dishes.
- 1.40 **"Parking Areas"** means the parking areas of the Complex operated by the Landlord or by an independent contractor, as the same may be altered, expanded or reduced from time to time.
- 1.41 **"Percentage Rent"** means the rent payable by the Tenant pursuant to Section 5.3.
- 1.42 **"Permitted Uses"** shall have the meaning ascribed to it in Article 11 and shall at all times be subject to the limitations and restrictions set out therein.
- 1.43 **"Person"** according to the context, includes any person, corporation, firm, partnership or other entity, any group of persons, corporations, firms, partnerships or other entities, or any combination thereof.
- 1.44 **"Possession Date"** means the date the Landlord delivers possession of the Leased Premises to the Tenant for the purposes of commencing Tenant's Work which date shall be fixed by the Landlord by written notice to the Tenant and which date will be no earlier than March 15, 2017 and no later than March 30, 2017, subject to any Unavoidable Delay and subject to the provision of Section 2.1.
- 1.45 **"Rent"** means Minimum Rent, Percentage Rent, Additional Rent, and all other costs payable by the Tenant hereunder.
- 1.46 **"Rentable Area of the Leased Premises"** means the area (expressed in square feet) of all floors of the Leased Premises measured from:
- (i) the exterior face of all exterior walls, doors and windows;
  - (ii) the exterior face of all interior walls, doors and windows separating the Leased Premises from Common Area Facilities, if any; and
  - (iii) the centre line of all interior walls separating the Leased Premises from adjoining Leaseable Premises.
- The Rentable Area of the Leased Premises includes all interior space whether or not occupied by projections, structures or columns, structural or non-structural, and if the front is recessed from the lease line, the area of such recess for all purposes lies within the Rentable Area of the Leased Premises.
- 1.47 **"Rentable Area of the Complex"** means the aggregate Rentable Area of all Leaseable Premises, including the Leased Premises, in the Complex, whether actually rented or not, including the area of the Stanley Barracks Component and the area of the Fitness Facility Component, but excluding all areas designated as Common Area Facilities by the Landlord, the Hotel Rooms, Conference Room Facilities, Banquet Facilities, the area of the VIP Lounge, the area of the Rooftop Bar, the area of the Grab and Go sales area, the Parking Areas, the area of any basement areas in the Hotel or the Complex, the area of the cinema adjoining the Hotel and further excluding areas occupied as office space or mezzanines.

- 1.48 **"Restaurant Component"** means the areas designated by the Landlord from time to time for restaurant, bar and coffee shop uses and all related facilities and wheresoever located in the Complex, as the same may be expanded, reduced or altered by the Landlord from time to time.
- 1.49 **"Sales Taxes"** means all business transfer, multi-stage sales, sales, use, harmonized, consumption, value-added or other similar taxes imposed by any federal, provincial or municipal government upon the Landlord, or the Tenant in respect of this Lease, or the payments made by the Tenant hereunder or the goods and services provided by the Landlord hereunder including, without limitation, the rental of the Leased Premises and the provision of administrative services to the Tenant hereunder.
- 1.50 **"Second Floor Lease"** means the Premises Lease dated as of January 4, 2017, entered into between the Landlord and the Tenant with respect to approximately 3,767 square feet of restaurant premises situated on the second floor of the Hotel (the "Second Floor Premises").
- 1.51 **"Shared Common Area Facilities"** means those areas, facilities, utilities, improvements, equipment and installations that are in or adjacent to the Complex or that serve or are for the benefit of the various Components of the Complex and that are not designated or intended by the Landlord to be leased, from time to time, and are provided or designated (and may be changed from time to time) by the Landlord for the benefit or use of the tenants in the Complex, their employees, customers and invitees, in common with others with others entitled to their use or benefit in the manner and for the purposes permitted by this Lease.
- 1.52 **"Taxes"** means all taxes, rates, duties, levies, fees, charges and assessments whatsoever whether municipal, parliamentary or otherwise, levied, charged or assessed upon the Lands and Complex or upon any part or parts thereof and all furniture, fixtures, equipment or improvements now or hereafter erected or placed on the Lands, or charged against the Landlord on account thereof, including any tax or levy based on total gross area and/or floor area (being sometimes referred to as a Commercial Concentration Tax), local improvement charges but excluding the amount by which separate school taxes (if any should be payable) exceed the amount which would have been payable for school taxes if no assessment for separate school taxes had been made but an assessment for public school taxes had been made. In addition to the foregoing, Taxes shall include any and all taxes, rates, duties, fees, charges, levies or assessments which may in the future be levied, charged or assessed in lieu thereof or in addition thereto. Taxes shall also include all costs and expenses incurred by the Landlord in obtaining or attempting to obtain a reduction or prevent an increase in the amount of such Taxes and the cost of any consultants retained by the Landlord with respect to such Taxes. Taxes shall, in every instance be calculated on the basis of the Complex being fully assessed and taxed at prevailing commercial rates for occupied space for the period for which Taxes are being calculated. Notwithstanding the foregoing, Taxes shall exclude: (i) income, profit or excess profits taxes of the Landlord; (ii) Land Transfer Tax; and (iii) any other Taxes personal to the Landlord.
- 1.53 **"Tenant's Proportionate Share"** means that fraction having as its numerator the Rentable Area of the Leased Premises and as its denominator the Rentable Area of the Complex or the Rentable Area of the Component of the Complex to which Landlord, acting reasonably, but in its sole discretion, shall allocate such items of which Tenant is required to pay the Tenant's Proportionate Share, all as determined by Landlord.
- 1.54 **"Tenant's Tax Share"** has the meaning ascribed to it in Section 6.6.
- 1.55 **"Tenant's Work"** means the work and improvements described in Schedule "A" to be completed by the Tenant pursuant to Section 2.2.
- 1.56 **"Term"** means the Initial Term described in Section 3.3 and, if applicable, any Extended Term pursuant to Section 3.4.
- 1.57 **"Unavoidable Delay"** has the meaning ascribed to it in Section 17.15.

**ARTICLE 2  
PREPARATION OF LEASED PREMISES**

**2.1 Landlord's Work**

The Landlord has constructed the external structure of the Complex and is completing the Leased Premises incorporating all items of work included under the heading "Landlord's Work" in Schedule "A" hereto ("Landlord's Work"). The Landlord (and its employees, agents or contractors) shall carry out the all Landlord's Work in a good and workmanlike and professional manner and in compliance with all Applicable Laws. The Landlord shall utilize reasonable commercial efforts to complete all of Landlord's Work no later than the Possession Date, subject to Unavoidable Delay and except as hereinafter set forth, and shall provide as much prior written notice as may be practicable as to the exact Possession Date, including any anticipated delays. The Tenant acknowledges and agrees that the Landlord shall have access to the Leased Premises after the Possession Date for the purpose of completing any of Landlord's Work and, to the extent any of Landlord's Work may be completed during the Fixturing Period in a manner that does not interfere with the performance of Tenant's Work by the Tenant or its contractors, the Landlord shall be entitled to fix the Possession Date as hereinbefore set out notwithstanding that any part of Landlord's Work may not be completed prior to the Possession Date. The Tenant acknowledges and confirms that in the event of any delay in the completion of Landlord's Work, the Tenant shall not have any right to terminate this Lease or any right to any compensation of any kind whatsoever from the Landlord, save and except for the Tenant's entitlement to an extension of the Fixturing Period so as to allow the Tenant an opportunity to complete the Tenant's Work as a result of the Landlord's delay in completing the Landlord's Work. The Tenant agrees that there is no promise, representation or undertaking, by, or binding upon the Landlord with respect to any alteration, remodelling or decoration, or installation of equipment or fixtures in the Leased Premises except such as may be expressly set forth herein. Subject to completion of the Landlord's Work, the Tenant accepts possession of the Leased Premises in an "as is" condition as of the Possession Date.

**2.2 Tenant's Work**

The Tenant (and its employees, agents or contractors) shall forthwith complete at its own cost and expense in a good and workmanlike and professional manner in compliance with the provisions of Section 9.3 of this Lease and all Applicable Laws governing the use of the Leased Premises and to the satisfaction and approval of the Landlord or its Architect, if necessary, all items of work included under the heading "Tenant's Work" in Schedule "A" hereto ("Tenant's Work") and shall do or cause to be done whatever else is necessary to properly complete the Leased Premises for use and occupancy by the Tenant for the Permitted Uses and in accordance with the standards set out in Article 11. Without limiting the foregoing, all Tenant's Work to be performed by the Tenant shall:

- (a) be done in accordance with the design criteria set down by the Landlord or its authorized representatives with respect to the external and internal appearance of the Leased Premises;
- (b) be done as expeditiously as possible, in a good and workmanlike manner and with first class new materials;
- (c) be done in such manner as will not interfere unreasonably with work being done by the Landlord upon the Leased Premises or any other portion of the Complex;
- (d) be done in compliance with such rules and regulations as the Landlord or its agents or contractors may make;
- (e) be subject to the supervision of the Landlord or its agents or contractors;
- (f) if required, be done only by persons whose labour union affiliations are acceptable to the Landlord and the Head Landlord and that comply with the requirements of the Head Lease; and

- 8 -

(g) be done at the risk of the Tenant.

### 2.3 Tenant's Plans

The Tenant will provide the Landlord with the plans and specifications of the Tenant's Work as set out in Schedule "C" ("Tenant's Plans") no later than ~~February~~ February 15, 2017, and, within five (5) days thereafter, the Landlord will notify the Tenant either of its approval or of its disapproval of the Tenant's Plans. Once approved by the Landlord, the Tenant will then promptly prepare and submit to the Landlord, no later than five (5) days after written notice from the Landlord as to its approval or non-approval of Tenant's Plans, complete drawings and specifications amended as required by the Landlord. The Tenant acknowledges and confirms that the Landlord's approval of Tenant's plans does not in any way imply that the Tenant's plans comply with any Applicable Laws, and it is the Tenant's sole responsibility to ensure such compliance.

### 2.4 Examination of Leased Premises

The Tenant acknowledges that it will have examined the Leased Premises before taking possession. The acceptance of possession by the Tenant shall be conclusive evidence against the Tenant that at the time of such examination the Leased Premises were in satisfactory condition, subject only to any uncompleted Landlord's Work and subject to such deficiencies in Landlord's Work, if any, listed in writing in a notice delivered by the Tenant to the Landlord not more than ninety (90) days after the Possession Date. Notwithstanding the foregoing, the Landlord shall enforce for the benefit of the Tenant any warranties received by the Landlord from its contractors and suppliers in connection with the performance of the Landlord's Work.

### 2.5 Possession Date and Fixturing Period

Provided that upon the Landlord or its Architect giving notice to the Tenant that the Leased Premises are available for the commencement of the Tenant's Work, the Tenant shall immediately take possession of the Leased Premises on the Possession Date and shall during the Fixturing Period occupy same for the purpose of fixturing and installing its equipment, trade fixtures, improvements and inventory, at its own risk, free of the payment of Minimum Rent, Percentage Rent and Additional Rent (save for any Additional Rent arising by virtue of the default of the Tenant under this Lease and save for the obligation of the Tenant to pay for all utility charges, security, refuse removal and other services used by the Tenant or consumed in the Leased Premises during the Fixturing Period) and shall, during the Fixturing Period, be a tenant in the Leased Premises subject to the same covenants and agreements as are contained in this Lease, mutatis mutandis.

### 2.6 Failure of the Tenant to Open

In the event that the Tenant fails to take possession of the Leased Premises on the Possession Date as herein provided or fails to open the Leased Premises for business fully fixtured, stocked and staffed on or before the Commencement Date, then in addition to any and all remedies herein provided, the Landlord shall have the right to terminate this Lease upon thirty (30) days prior written notice to the Tenant which notice shall be nullified if the Tenant opens the Leased Premises for business as herein provided within such thirty (30) days. In the event the Lease is terminated pursuant to the provisions of this Section 2.6, the Landlord shall have the right to recover from the Tenant all losses and damages which the Landlord may suffer or incur as a result of the Tenant's default, which losses and damages may include any direct costs incurred by the Landlord in connection with the removal of or alterations to any Leasehold Improvements or the replacement of any part thereof in the event all or any of the existing Leasehold Improvements are not required by the new tenant or occupant of the Leased Premises.

### 2.7 Tenant's Investment

The Tenant covenants and agrees with the Landlord that the Tenant will at its sole expense and cost supply and install all of the Leasehold Improvements and Operating Equipment used in the operation of the Restaurant as specified in the Tenants Work herein, including trade fixtures, equipment, furnishings, furniture and all other chattels necessary for operation of a first class Restaurant. The Tenant will provide the Landlord no later than February 15, 2017, with Tenant's Plans as well as a detailed list of equipment and fixtures to be purchased and installed, and on or

- 9 -

before the Commencement Date, the Tenant shall provide a detailed statement setting out all of such costs actually incurred by the Tenant in connection with the purchase of the Operating Equipment and the Leasehold Improvements supplied and installed by the Tenant as well as proof of payment and a detailed listing of all Operating Equipment including serial numbers where applicable. It is a condition of this Lease that all of the Leasehold Improvements and Operating Equipment supplied to or installed in or upon the Leased Premises by the Tenant will be free and clear of all claims, demands, security interests, conditional sales agreements and other encumbrances of every nature and kind whatsoever and, upon delivery to or the installation thereof in or upon the Leased Premises, will be vested in the Landlord as the absolute owner thereof, subject to the right of Tenant to use the same during the Term in accordance with the terms of this Lease. The Tenant will, on or before the Commencement Date, execute in favour of and deliver to the Landlord a Bill of Sale with respect to all such Operating Equipment and Leasehold Improvements, in form and substance acceptable to the Landlord. The failure of the Tenant to comply with its obligations under this Section 2.7 shall constitute a material default under this Lease and the Landlord shall have the right to terminate this Lease upon thirty (30) days written notice to the Tenant which notice shall be nullified if the Tenant cures such default within such thirty (30) day period.

### 2.8 PPSA Discharges

It is a condition of this Lease that the Tenant shall, prior to the Possession Date, provide to the Landlord a certified PPSA search with respect to the Tenant reflecting that there are no Financing Statements registered against or with respect to the Tenant under the Personal Property Security Act (Ontario).

## ARTICLE 3 DEMISE & TERM

### 3.1 Demise

In consideration of the rents reserved and the covenants and agreements on the part of the Tenant contained herein and in the Schedules annexed hereto which Rent, covenants and agreements are to be paid, observed and performed by the Tenant, the Landlord hereby leases to the Tenant for the Term and upon the conditions herein set forth those certain premises situate on the Lands which are shown hatched on the leasing plan attached as Schedule "D" hereto, having a Rentable Area of approximately 9,472 square feet. Prior to the Possession Date, the Landlord may make reasonable variations in the form of the Leased Premises without recourse to the Tenant and such reasonable variations shall not render this Lease void or voidable. Prior to the Commencement Date, the Landlord shall submit to the Tenant a certificate of the Architect showing the Rentable Area of the Leased Premises. Upon delivery of the aforesaid certificate to the Tenant, this Section 3.1 shall be deemed to be amended by substituting the Rentable Area of the Leased Premises as set forth in the certificate for the Rentable Area of the Leased Premises as herein set out.

### 3.2 Use of Common Area Facilities

Subject to the terms of this Lease and the rules and regulations made pursuant to Section 7.5, the Tenant shall have for itself and its officers, agents and employees and for the use of persons having business with it and in connection with such business and for the use of its customers (only for the purpose of enabling such customers to avail themselves of the goods sold or the services rendered from time to time in the Leased Premises) non-exclusive rights to use, in common with all others entitled thereto, the part of the Common Area Facilities appropriate and intended for such use, in every case only for their proper and intended purposes (with the exception of parts of the Common Area Facilities from time to time allocated by the Landlord, in its sole discretion, to others for additional or other use, such as displays, entertainments, temporary structures, special features, rights of way or common usage) and during such hours as the Complex may be open for business as determined by the Landlord from time to time. In connection therewith, the Tenant (and its customers, employees and invitees) shall keep the lobbies, hallways, common rooms, driveways, parking lots, entrances and exits and all other Common Area Facilities unobstructed.

### 3.3 Term of Lease

To have and to hold the Leased Premises for and during the term (the "Initial Term") of ten (10) years, to be computed from the day next following the expiry of the Fixturing Period (the "Commencement Date") and expiring ten (10) years after the Commencement Date (unless the Commencement Date is not the first day of a month, in which case the Initial Term shall end ten (10) years after the last day of the month in which the Commencement Date occurs). Within a reasonable time after the Commencement Date, the Landlord will confirm the Commencement Date by notice to the Tenant and such confirmed Commencement Date shall apply for the purpose of this Lease.

### 3.4 Options to Extend

If the Tenant:

- (a) pays the Rent as and when due and punctually observes and performs its covenants, obligations and agreements under and in accordance with the terms of this Lease;
- (b) is not in breach or default under the terms of this Lease;
- (c) gives the Landlord not less than nine (9) months' and not more than twelve (12) months' written notice prior to the expiry of the Initial Term or the then expiring Extended Term, as the case may be, of its intention to extend the Term; and
- (d) has validly exercised its extension rights under the Second Floor Lease and the Food and Beverage Services Agreement and has fulfilled the conditions of extension provided for therein;

then the Tenant will have the right to extend the Initial Term for two (2) further periods of five (5) years each (each being referred to as an "Extended Term") upon the same terms and conditions as are set out in this Lease, except that:

- (i) there will be no further right to extend the Term beyond the second Extended Term;
- (ii) any Fixturing Period or requirement on the Landlord's part to do any Landlord's Work or pay to the Tenant any construction allowance, inducement, loan or other amount in connection with this Lease or improvements installed in the Leased Premises, set out in this Lease, shall not apply to any Extended Term;
- (iii) the Tenant will promptly execute an extension agreement prepared by the Landlord, at the Tenant's expense, which expense shall not be unreasonable, giving effect to the applicable Extended Term; and
- (iv) the annual Minimum Rent shall be mutually agreed upon between the Landlord and the Tenant based upon the current fair market minimum rent for similar premises for a similar use in first class hotels in the City of Toronto, including all Leasehold Improvements installed in or upon the Leased Premises. If the parties are unable to agree on the Minimum Rent rate by no later than three (3) months prior to the expiry of the Initial Term or the first Extended Term, as the case may be, the Minimum Rent shall be determined by a single arbitrator in accordance with Section 17.19 of this Lease, provided that the annual Minimum Rent shall not be less than the aggregate of the (i) annual Minimum Rent payable by the Tenant for the last twelve (12) months of the Initial Term or the first Extended Term, as the case may be, and (ii) the average amount of Percentage Rent paid by the Tenant during the last three (3) years of the Initial Term or first Extended Term, as the case may be. If submitted to arbitration in accordance with the foregoing provisions, the arbitrator's decision shall be final and binding on the parties with no further appeal and the costs of the arbitration shall be shared equally by the parties unless the arbitrator determines that it is equitable to do otherwise in light of the circumstances.

If the arbitration decision is not rendered prior to the commencement of the applicable Extended Term, the Tenant shall pay Minimum Rent at the rate payable during the last

- 11 -

year of the initial Term or the then expiring Extended Term, as the case may be, and within ten (10) days after the Minimum Rent for the Extended Term is determined, the Tenant shall pay to the Landlord any amount retroactively owing from the commencement of the applicable Extended Term.

### 3.5 Overholding

In the event the Tenant remains in possession of the Leased Premises after the end of the Term with the Landlord's written consent but without the execution and delivery of a new lease, there shall be no tacit renewal of this Lease or extension of the Term hereby granted and the Tenant shall be deemed to be occupying the Leased Premises as a tenant from month to month, at a monthly rent payable in advance on the first day of each month equal to the sum of (i) one hundred and twenty five percent (125%) of the Minimum Rent payable during the last month of the Term plus (ii) Percentage Rent as herein provided plus (iii) one twelfth of Additional Rent paid for the immediately preceding Lease Year of the Term and otherwise upon the same terms, conditions and provisos as are set forth in this Lease insofar as the same are applicable to a month to month tenancy. Provided that if, without the Landlord's written consent or the execution and delivery of a new lease, the Tenant shall remain in possession of the Leased Premises after the end of the Term the Tenant shall be a tenant at will of the Leased Premises and the Landlord may cause the Tenant to vacate the Leased Premises with a 90 calendar day notice and without recourse to legal proceedings.

## ARTICLE 4 LANDLORD & TENANT COVENANTS

### 4.1 Landlord Covenants

If the Tenant pays the Rent hereby reserved and performs the covenants herein on its part contained, the Tenant shall and may peaceably possess and enjoy the Leased Premises for the Term hereby granted without any interruption or disturbance from the Landlord or any other Person or persons lawfully claiming by, from or under the Landlord.

### 4.2 Tenant Covenants

The Tenant covenants to pay Rent and all other charges provided for in this Lease on the due dates and to observe and perform all of the covenants and provisions of this Lease on its part to be observed and performed.

## ARTICLE 5 RENT

### 5.1 Intent

It is the intention of this Lease that the Rent shall be net to the Landlord as herein set out and clear of all Taxes (except those assessed against Landlord's income), cost and charges arising from or relating to the Leased Premises and the Complex and that the Landlord shall not be responsible for any expenses or obligations of any kind whatsoever in respect of or attributable to the Leased Premises or the Complex, except as otherwise expressly provided in this Lease.

### 5.2 Minimum Rent

Tenant shall pay to the Landlord yearly and every year during the Initial Term a minimum rent (hereinafter called "Minimum Rent") as follows:

<u>PERIOD</u>	<u>ANNUAL RATE/SQ. FT. GROSS LEASEABLE AREA</u>	<u>ANNUAL RENT</u>	<u>MONTHLY INSTALMENT</u>
Year 1 through 3	\$40.00 x 9472 sf	\$378,880.00	\$31,573.33

- 12 -

<u>PERIOD</u>	<u>ANNUAL RATE/SQ. FT. GROSS LEASEABLE AREA</u>	<u>ANNUAL RENT</u>	<u>MONTHLY INSTALMENT</u>
Year 4 through 6	\$42.40 x 9472 sf	\$401,612.80	\$33,467.73
Year 7 through 10	\$44.94 x 9472 sf	\$425,671.68	\$35,472.64

Minimum Rent shall be payable in consecutive monthly instalments as set out above, each in advance on the 1st day of each and every month during the Term and not later than seven (7) calendar days thereafter, providing that any failure to pay Minimum Rent within the above period will result in Landlord charging the Tenant interest on the whole month calculated at the rate of 10% per annum.

Upon the delivery of a certificate of the Architect establishing the Rentable Area of the Leased Premises, the Minimum Rent shall be adjusted to give effect thereto by multiplying the rental rate for the Leased Premises hereinbefore stated by the number of square feet of the Rentable Area of the Leased Premises as certified for the Leased Premises. If the certificate is delivered following the Commencement Date the adjustment of the Minimum Rent shall be retroactive to the Commencement Date.

### 5.3 Percentage Rent

- (a) In addition to the Minimum Rent, the Tenant shall pay to the Landlord, in the manner and upon the conditions and at the times hereinafter set forth during each Lease Year, as Percentage Rent, a sum equivalent to **ten percent (10%)** of the Gross Receipts for such Lease Year that are in excess of \$5,000,000.00.
- (b) Percentage Rent shall be payable semi-annually at the office of the Landlord or at such other place as the Landlord designates, in lawful money of Canada. Payments of Percentage Rent shall be made on or before the 15<sup>th</sup> day of January and July during each Lease Year of the Term including the 15<sup>th</sup> day of the month following the end of the Term. The amount of each payment of Percentage Rent shall be equal to the excess, if any, obtained by applying the percentage referred to in Section 5.3(a) to the aggregate of the stated Gross Receipts for the immediately preceding six (6) month period that are in excess of \$2,500,000.00. If the audited statement to be provided by the Tenant pursuant to Section 5.4(b) hereof at the end of any Lease Year discloses that the total Percentage Rent paid by the Tenant for such Lease Year exceeds the Percentage Rent required to be paid by the Tenant for such Lease Year, the Landlord shall pay any excess to the Tenant as soon as reasonably possible after receipt of such audited statement unless an audited permitted by the Landlord under the terms of this Lease is in progress, or the Tenant shall pay to the Landlord contemporaneously with the delivery by the Tenant of the said audited statement, any such deficiency in Percentage Rent payable by the Tenant pursuant to this Lease, whichever of the foregoing is applicable.
- (c) For the purposes of computing the Percentage Rent payable hereunder, if any Lease Year during the Term does not correspond to a twelve (12) month period, the Gross Receipts for such Lease Year shall be adjusted proportionately.
- (d) Any and all final adjustment of percentage Rent are to be made within ninety (90) days after the end of each Lease Year

### 5.4 Reports by Tenant

- (a) The Tenant shall submit to the Landlord on or before the 15<sup>th</sup> day following the end of each calendar month during the Term and including the 15<sup>th</sup> day of the month following the end of the Term, at the place then fixed for the payment of Rent, a written statement signed by a senior executive of the Tenant and certified

by it to be true and correct and in such detail, form, style and scope as the Landlord reasonably determines, showing the amount of Gross Receipts for the preceding month (and fractional month, if any) and the amount of the Gross Receipts for all preceding months of such Lease Year and showing monthly payments made on account of Minimum Rent and Percentage Rent for such Lease Year.

- (b) On or before the 60th day following the end of each Lease Year (including the last Lease Year of the Term) the Tenant shall submit to the Landlord a statement in such form, style and scope as the Landlord reasonably determines, showing the amount of Gross Receipts during the preceding Lease Year, which statement shall be duly certified to be correct by the Tenant's independent chartered accountant, whose professional opinion shall without qualifications state specifically that they have examined the report of Gross Receipts for the preceding Lease Year and that in their opinion such report presents fairly and accurately the Gross Receipts of the Preceding Lease in accordance with the provisions of this Lease and generally accepted accounting principles applied on a basis consistent with that of the Lease Year immediately preceding (if any). The Tenant will not change its procedure relating to any aspect of its reporting of Gross Receipts without the prior written consent of the Landlord, which consent shall not be unreasonably withheld.
- (c) In addition to any other reports required by this Section 5.4, the Tenant shall also provide to the Landlord a statement of the approximate amount of Gross Receipts during any particular week in respect of which such a statement is requested by the Landlord, it being acknowledged that such weekly statement will be requested during weeks when promotions or other special activities are being carried on in the Complex.

#### 5.5 Tenant's Records

For the purpose of ascertaining the amount payable as Percentage Rent, the Tenant shall prepare and keep on the Leased Premises or at the Tenant's head office in Ontario for a period of not less than three (3) years following the end of each Lease Year, adequate books and records that will adhere to sound accounting practice and which shall show inventories and receipts of merchandise at the Leased Premises and daily receipts from all sales and other transactions in on or from the Leased Premises made by the Tenant as well as sales and rental tax returns, pertinent original sales and rental records and any other sales and rental records that the Landlord reasonably requires and that would normally be examined by an independent accountant pursuant to accepted auditing standards in performing an audit of the sales conducted at the Leased Premises. The Tenant covenants to record at the time of sale, in the presence of the customer, all receipts from sales or other transactions, whether for cash or credit, in an accurate, tamper-proof point-of-purchase register having a sealed cumulative total and any other control features required by the Landlord.

#### 5.6 Right to Examine Books

The acceptance by the Landlord of payments of Percentage Rent shall be without prejudice to the Landlord's rights to an examination of the Tenant's books and records of its Gross Receipts and inventories of merchandise at the Leased Premises in order to verify the amount of annual Gross Receipts received by the Tenant in and from the Leased Premises.

Notwithstanding the foregoing, the parties agree that any examinations of the Tenant's books and records shall be carried out without interruption and/or interference with the operation of the Tenant's business in the Leased Premises.

#### 5.7 Audit Rights

At its option, the Landlord may cause, at any reasonable time upon five (5) days' prior written notice to the Tenant, a complete audit to be made of the Tenant's entire business affairs and records relating to the Leased Premises for the period covered by any statement issued by the Tenant pursuant to Section 5.4. If such audit shall disclose a liability for Percentage Rent to the extent of three percent (3%) or more in excess of the Percentage Rent theretofore computed and paid by the Tenant for such period, the Tenant shall promptly pay to the Landlord the cost of

such audit, in addition to the deficiency, which deficiency shall be payable in any event. Provided always that if the shortage in computation of Percentage Rent by the Tenant was due to clerical or demonstrable error or as a result of the fraud or negligence of an employee of the Tenant, then the foregoing remedy of terminating the Lease shall not be applicable with respect to such shortage, but the Tenant shall still be obligated to pay to the Landlord the cost of said audit, together with the said deficiency. If such audit shall disclose the Tenant was not complying with one or more provisions of Sections 5.4 or 5.5, the Landlord may delivery a copy of such report to the Tenant and the Tenant shall forthwith take such steps as may be recommended, necessary or advisable to remedy such default. If such audit shall disclose that the Tenant's accounting records and procedures which the auditor was able to inspect were not sufficient to permit a determination of Gross Receipts for any period, the Landlord may thereafter deliver to the Tenant an estimate made by the Landlord of Gross Receipts for such period and the amount of any underpayment of Percentage Rent (which estimate shall be based upon any information accessible to the Landlord which the Landlord considers reliable, the apparent business conducted on or from the Leased Premises, and such records of the Tenant as have been made available having regard to the possibility of errors or inaccuracies therein) and the Tenant shall forthwith pay to the Landlord any amount therein set out as an underpayment of Percentage Rent. Every such estimate shall be binding upon the Tenant until and except to the extent that the Tenant proves it inaccurate, and shall not be contestable by the Tenant after one year after its delivery to the Tenant. Any information obtained by the Landlord as a result of such audit shall be held in strict confidence by the Landlord. Provided, however, that the Landlord shall have the right to disclose to Mortgagees, prospective Mortgagees and prospective purchasers of the Complex the contents of any such statements, reports and audits.

**5.8 Determination of Gross Receipts**

If the Tenant fails to deliver on the day when due hereunder any reports or statements to the Landlord as required hereby or if the Tenant's books, records and procedures to which the Landlord has had access were not sufficient in the Landlord's reasonable opinion to permit a determination of Gross Receipts for any period, the Landlord may thereafter forward to the Tenant an estimate, made by the Landlord at the Tenant's expense to be paid forthwith on demand, of Gross Receipts for such period and the amount of any deficiency of Percentage Rent paid for such period and the Tenant shall forthwith pay to the Landlord the amount of such deficiency of Percentage Rent. Such estimate by the Landlord shall be based upon such records, information and opinions to which the Landlord has had access and which the Landlord, acting reasonably, considers reliable, including the apparent business conducted on or from the Leased Premises. Every such estimate shall be final and binding upon the Tenant until and except to the extent that the Tenant expressly proves the same to be inaccurate, and in any event, no such estimate by the Landlord shall be subject to dispute by the Tenant after twelve (12) months following the date upon which the same is forwarded to the Tenant.

**5.9 The Landlord's Right to Terminate**

If the Tenant shall be found to have intentionally understated Gross Receipts by three percent (3%) or more in any reports or statements to the Landlord, or if the Tenant on more than two (2) occasions in any twelve (12) month period fails to deliver when due any reports or statements related to Gross Receipts as and when required hereby, then, in any such event, the Landlord shall have the right to terminate this Lease upon written notice to the Tenant.

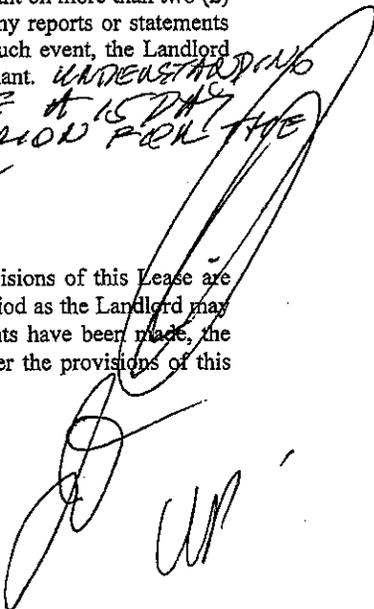
~~5.10 INTENTIONALLY DELETED~~

~~5.11 INTENTIONALLY DELETED~~

**5.12 Estimated Payments**

Where any of the amounts which the Tenant is to pay under the provisions of this Lease are unknown, such amounts may be estimated by the Landlord for such period as the Landlord may determine. At the end of the period for which such estimated payments have been made, the Tenant shall be advised of the actual amount required to be paid under the provisions of this Lease and adjustments shall thereupon be made between the parties.

*UNDERSTANDING THAT EACH TIME THERE WILL BE A 15 DAY GRACE PERIOD FOR THE ABOVE*



**5.13 Deposit**

- (a) The Tenant has delivered to the Landlord a deposit in the amount of **Thirty Five Thousand Six Hundred and Seventy Seven Dollars and Eighty Six Cents (\$35,677.86)** (including Sales Taxes) (the "Advance Rent Deposit"). The Advance Rent Deposit will be held by the Landlord, without interest, and will be applied to the Rent first becoming due under this Lease.
- (b) The Tenant has delivered to the Landlord a further deposit in the amount of **Eighty Thousand One Hundred and Sixty-Eight Dollars and 16 cents (\$80,168.16)** (including Sales Taxes) (the "Security Deposit") to be held, without interest, as security (without prejudice to the Landlord's other rights and remedies) for the observance and performance of the Tenant's obligations under this Lease. If the Tenant defaults in the performance of any of the terms, covenants, conditions and provisions of this Lease as and when the same are due to be performed by the Tenant, then the Landlord, at its option, may appropriate and apply all or any part of the Security Deposit on account of any losses or damages sustained by the Landlord as a result of such default. Upon demand by the Landlord following any such appropriation, the Tenant shall pay to the Landlord an amount sufficient to restore the total original amount of the Security Deposit. If the Tenant complies with all of the terms, covenants, conditions and provisions under this Lease and is not then overholding in accordance with Section 3.5, the Security Deposit shall be returned to the Tenant without interest within sixty (60) days after the expiry or earlier termination of the Term.

**5.14 Place and Payment of Rent**

- (a) Minimum Rent shall be paid in advance in equal monthly instalments on the first day of each month during the Term commencing on the Commencement Date together with all applicable Sales Taxes. Where the Commencement Date is not the first day of a calendar month, Rent for the period from the Commencement Date to the first day of the next ensuing calendar month shall be pro-rated on a per diem basis and paid with all other rent then required to be paid on the first day of the next ensuing calendar month.
- (b) Amounts not specifically required by this Lease to be paid to the Landlord on the first day of each month (or on the 15<sup>th</sup> day of January and July of each Lease Year in the case of payment of Percentage Rent) shall be paid within ten (10) days after receipt by the Tenant from the Landlord of a statement in respect of such amounts.
- (c) Any sums received by the Landlord from or for the account of the Tenant when the Tenant is in default hereunder may be applied at the Landlord's option to the satisfaction, in whole or in part, of any of the obligations of the Tenant then due hereunder in such manner as the Landlord sees fit, and regardless of any designation or instruction of the Tenant to the contrary.
- (d) Rent shall be paid in lawful money of Canada to the Landlord or as the Landlord may direct in writing, to the office of the Landlord in the Complex or at such other place as the Landlord may direct in writing.
- (e) The parties hereto agree that any money required to be paid as Additional Rent shall be deemed to be and be collectible as Rent and the Landlord shall have the same remedies in respect of arrears of Additional Rent as it has in respect of arrears of Rent.

**5.15 INTENTIONALLY DELETED****5.16 No Set Off**

All Rent payable by the Tenant to the Landlord shall be paid without any prior demand therefor and without any deduction, set off or abatement whatsoever.

**5.17 INTENTIONALLY DELETED**

### 5.18 Rent Free Period

The Landlord covenants and agrees that notwithstanding any other provision of this Lease Minimum Rent shall not accrue or be payable during the first six (6) months of the Initial Term (the "Rent Free Period"). The Tenant shall, however, pay and be responsible for Tenant's Tax Share of Taxes during the Rent Free period and shall also pay and be responsible for all utilities used or consumed in the Leased Premises, including electrical, gas, water and sewage. The Landlord further covenants and agrees that all Gross Receipts of the Tenant arising during the Rent Free Period shall not be included in the calculation of Percentage Rent.

### 5.19 Tenant Obligations

It is understood and agreed that throughout the Term of this Lease, the Tenant shall pay and be responsible for, in addition to Minimum Rent and Percentage Rent provided for herein, the following:

- (a) Tenant's Tax Share of Taxes, Sales Taxes and other charges set out in Article 6;
- (b) the cost of maintaining all insurance required under Section 12.1, excluding insurance maintained by the Landlord with respect to Leasehold Improvements and Operating Equipment as set out in Section 12.3;
- (c) all charges for utilities used or consumed in the Leased Premises as set out in Section 14.1;
- (d) all charges relating to HVAC Equipment as set out in Sections 14.2 and 14.3;
- (e) the costs of special services, if any, as set out in Section 14.6; and
- (f) any other costs and expenses that are the responsibility of the Tenant under the express terms of this Lease.

All amounts of Additional Rent shall be payable in the manner set out in Section 5.14(b).

## ARTICLE 6 TAXES

### 6.1 Taxes Payable by the Landlord

The Landlord shall pay the Taxes charged on the Complex to the applicable taxing authority, subject to reimbursement by the Tenant pursuant to this Article 6. The Landlord shall have no obligation to contest or litigate the imposition of any Taxes. The Landlord may defer payment of Taxes to the extent permitted by law if it diligently pursues or causes to be pursued the contest or appeal of the Taxes.

### 6.2 Direction for Payment of Taxes

The Landlord shall have the right to require the Tenant to pay Taxes and any other taxes which are the Tenant's responsibility as set out herein to the relevant taxing authority or the Landlord shall have the right to pay any such Taxes or other taxes directly to such taxing authority without thereby affecting the Tenant's obligation to pay or contribute to such Taxes or other taxes.

### 6.3 Taxes Payable by the Tenant

Commencing on the Commencement Date and thereafter at all times throughout the Term, the Tenant shall pay to the Landlord or the relevant taxing authority, as required by the Landlord, not later than the time when they fall due all Taxes levied, confirmed, imposed, assessed or charged (herein collectively or individually referred to as "charged") against or in respect of the Leased Premises and all furnishings, fixtures, equipment, improvements and alterations in or forming part of the Leased Premises, and including, without limiting the generality of the foregoing, any such Taxes charged against or attributable to the Leased Premises in respect of:

- (a) the Lands on which the Leased Premises are situated; and

UP  
JP

- 17 -

- (b) any Common Area Facilities.

#### 6.4 Determination of the Tenant's Taxes

The Tenant will pay to the Landlord, the Tenant's share of Taxes, which share shall be determined by the Landlord:

- (a) if applicable, based on the then current established principles of assessment used by the relevant assessing authorities and on the same basis as the assessment actually obtained for the Complex as a whole or the Component thereof in which the Leased Premises are located;
- (b) if the method set out in subparagraph (a) is not applicable, based on the Tenant's Proportionate Share of all Taxes assessed against the Complex if there is a single assessment for the Complex;
- (c) if there is a separate assessment for the Hotel Component and such assessment includes an amount for Common Area Facilities attributable to the Hotel Component, the Tenant's Tax share shall be Tenant's Proportionate Share of the amount assessed;
- (d) Tenant's Proportionate Share of all Taxes assessed against Common Area Facilities if there is a separate assessment for Common Area Facilities; and
- (e) Tenant's Proportionate Share of all Taxes assessed against the Common Area Facilities forming part of the Hotel Component, if there is a separate assessment for such Common Area Facilities.

The Tenant shall pay and remit to the Landlord its share of the cost of making such determination which share shall be as determined by the Landlord, acting reasonably.

Notwithstanding any other contrary provisions of this Lease, if, at any time during a Lease Year, any part of the Complex is not one hundred percent (100%) occupied, the Taxes shall be allocated by the Landlord to the Buildings, the Common Area Facilities and the other components or portions of the Complex without regard to any credits which may be received or receivable by the Landlord in respect of any vacant Leaseable Premises within the Complex and without regard to any reduced tax rate for such vacant Leaseable Premises. The Landlord may use an Expert to assist it in making such allocation and the Tenant shall pay and remit to the Landlord, the Tenant's share of the cost of making such allocation which share shall be determined by the Landlord, acting reasonably. Notwithstanding anything to the contrary: (i) the foregoing provisions will not be construed to allow the Landlord to recover more than one hundred percent (100%) of Taxes; and (ii) in no event shall the Tenant be required to pay an amount on account of Taxes in excess of what the Tenant would have had to pay had the Complex been one hundred percent (100%) occupied.

#### 6.5 Business Taxes and Sales Taxes

The Tenant shall pay as and when the same are due and payable all business taxes including all taxes charged in respect of or reasonably allocated by the Landlord to any business conducted on the Leased Premises or in respect of any use or occupancy of the Leased Premises, whether or not charged against the Landlord or the Leased Premises.

If a separate bill is not issued by the taxing authority for business taxes, the Tenant shall pay the Tenant's Proportionate Share of such taxes for the entire Complex to the Landlord.

The Tenant shall pay to the Landlord when due all Sales Taxes imposed on the Landlord with respect to Rent payable by the Tenant under this Lease. Amounts referred to in this Lease are without inclusion of any Sales Taxes that may be applicable in the jurisdiction and such Sales Taxes shall be in addition, unless otherwise stated.

If the Tenant defaults in payment of any Sales Taxes as and when the same is due and payable hereunder, the Landlord shall have the same rights and remedies against the Tenant upon such default as if such sum or sums were Rent in arrears under this Lease.

#### 6.6 Payment of Taxes

- (a) The Landlord shall be entitled at any time or times in any Lease Year, upon at least fifteen (15) days' notice to the Tenant to require the Tenant to pay to the Landlord the Tenant's share of Taxes pursuant to Sections 6.3 and 6.4 ("Tenant's Tax Share") for such Lease Year in equal monthly instalments. Such monthly amount shall be determined by dividing the Tenant's Tax Share by the number of months for the period from January 1<sup>st</sup> in each Lease Year of the Term until the due date of the final instalment of Taxes as established by the applicable taxing authority from time to time in each Lease Year ("Instalment Period") and shall be paid by the Tenant to the Landlord, monthly as Additional Rent, on the date for payment of monthly rental payments during the Instalment Period. The Landlord shall be entitled subsequently during such Lease Year, upon at least fifteen (15) days' notice to the Tenant, to revise its estimate of the amount of increase in such Taxes and the said monthly instalment shall be revised accordingly. All amounts received under this provision in any Lease Year on account of the estimated amount of such Taxes shall be applied in reduction of the actual amount of such Taxes for such Lease Year. If the amount received is less than the Tenant's Tax Share of the actual Taxes, the Tenant shall pay any deficiency to the Landlord as Additional Rent within fifteen (15) days following receipt by the Tenant of notice of the amount of such deficiency. If the amount received is greater than the Tenant's Share of the actual Taxes, the Landlord shall either refund the excess to the Tenant as soon as possible after the end of the Lease Year in respect of which such payments were made or, at the Landlord's option, shall apply such excess against any amounts owing or becoming due to the Landlord by the Tenant.

Within ninety (90) days after the end of each such Lease Year, the Landlord shall provide the Tenant with a statement of Taxes ("Statement") during such Year stipulating the amount of the Tenant's Tax Share and any necessary re-adjustments as to amounts paid by the Tenant on account of Taxes shall be made between the Landlord and the Tenant. The Tenant shall have one (1) year after receipt of such Statement to dispute the Statement by way of notice in writing to the Landlord failing which the Statement shall be conclusive and binding upon the Tenant. In the event the Tenant disputes any Statement by notice in writing to the Landlord within not more than one (1) year after receipt of such Statement and the parties are unable to resolve the dispute within thirty (30) days thereafter (the Landlord hereby agreeing to provide reasonable details regarding the manner in which Taxes have been allocated to the Tenant), then the Landlord shall have its independent consultant prepare a report ("Report"). The Report shall be at the Tenant's sole cost and expense to be added to Additional Rent hereunder unless the Report states that Taxes as determined by the independent consultant are actually lower by three percent (3%) or more than Taxes as stated in the disputed Statement, in which case the Report shall be at the Landlord's sole cost and expense. The Report shall be conclusive and binding upon the Tenant;

- (b) Business Taxes payable pursuant to Section 6.5 shall be paid by the Tenant when due if separate tax bills are issued and otherwise shall be paid to the Landlord within ten (10) days written demand therefore. If the Landlord requests, the Tenant shall provide the Landlord with evidence satisfactory to the Landlord of payment of all business taxes payable by the Tenant pursuant to Section 6.5; and
- (c) The Sales Taxes payable pursuant to Section 6.5 shall be paid to the Landlord with each payment of Rent or at such time or times as the Landlord from time to time determines by notice in writing to the Tenant.

#### 6.7 Tax Bills and Assessment Notices

The Tenant shall promptly deliver to the Landlord forthwith upon the Tenant's receiving the same:

- 19 -

- (a) copies of all assessment notices, tax bills and any other documents received by the Tenant related to Taxes chargeable against or in respect of the Leased Premises or the Complex; and
- (b) receipts for payment of Taxes and business taxes payable by the Tenant pursuant hereto.

On or before the expiry of each calendar year, the Tenant shall provide to the Landlord evidence satisfactory to the Landlord that all Taxes and business taxes payable by the Tenant pursuant to the terms hereof up to the expiry of such calendar year, including all penalties and interest resulting from late payment of Taxes and business taxes, have been duly paid.

The Landlord shall promptly upon written request from the Tenant deliver to the Tenant copies of all assessment notices, tax bills and any other documents received by the Landlord related to Taxes chargeable against or in respect of the Leased Premises and the Complex during the Term.

#### 6.8 Contest of Taxes

Taxes, or the assessments in respect of Taxes which are the subject of any contest by the Landlord, shall nonetheless be payable in accordance with the foregoing provisions hereof provided; however, that in the event the Tenant shall have paid any amount in respect of Taxes in excess of the amount ultimately found payable as a result of the disposition of any such contest, and the Landlord receives a refund in respect thereof, if the Tenant is not in monetary or other material default hereunder beyond the expiry of any applicable notice and cure period, the appropriate amount of such refund shall be refunded to or, at the option of the Landlord, credited to the account of the Tenant.

The Landlord may contest any Taxes with respect to the Leased Premises or any part or all of the Complex and appeal any assessments related thereto and may withdraw any such contest or appeal or may agree with the relevant authorities on any settlement, compromise or conclusion in respect thereof and the Tenant consents to the Landlord so doing. The Tenant will co-operate with the Landlord in respect of any such contest and appeal and shall make available to the Landlord such information in respect thereof as the Landlord requests. The Tenant will execute forthwith on request all consents, authorizations or other documents as the Landlord requests to give full effect to the foregoing. The Landlord shall act as would a reasonably prudent owner of a reasonably similar development with respect to contesting Taxes.

The Tenant will not contest any Taxes or appeal any assessments related to the Leased Premises or the Complex. If, however, the Tenant is eligible, due to the particular nature of the Tenant's use, for any Tax exemption or reduction, upon the Tenant's request, the Landlord shall co-operate with the Tenant for the purposes of enabling the Tenant to take advantage of any such Tax exemption or reduction, so long as any application for such an exemption or reduction is made to the applicable taxing authority by the Tenant directly and processed independently from the Taxes payable by the Landlord in respect of the Complex.

The Tenant shall pay to the Landlord forthwith upon demand the Tenant's Proportionate Share or such reasonable share as allocated by the Landlord acting on a bona fide and equitable basis of all costs and expenses of any kind incurred by the Landlord bona fide and acting reasonably in obtaining or attempting to obtain information in respect of or a reduction or re allocation in respect of Taxes and any assessments related thereto including, without limitation, legal, appraisal, administration and overhead costs.

### ARTICLE 7 COMPLEX AND COMMON AREA FACILITIES

#### 7.1 Control of Complex and Common Area Facilities

The Common Area Facilities shall at all times be subject to the exclusive control and management of the Landlord and without limiting the generality of the foregoing the Landlord shall have the right from time to time to construct, maintain, and operate lighting facilities in all the said areas and improvements and to police same; from time to time to change the area, level, location and arrangement of parking areas and other facilities; to restrict parking by tenants, their officers, agents and employees to employee parking areas; to close all or any portion of the said

areas or facilities to such extent as may, in the opinion of the Landlord's counsel be legally sufficient to prevent the dedication thereof or the accrual of any rights to any Person or the public therein; to close temporarily all or any portion of the parking areas or facilities to discourage non customer parking; to grant, modify and terminate any easements or other agreements respecting any use or occupancy, maintenance of or supply of any services to any part of the Complex, to use parts of the Common Area Facilities for display, decorations, entertainment and structures, permanent or otherwise, designed for special features or promotional activities; to regulate all aspects of loading and unloading and delivery and shipping of supplies, fixtures, equipment, furnishings and merchandise; to change the area, level, location or arrangement of the Complex or any part of it; make changes and additions to the pipes, conduits and ducts and other structural and non-structural installations in the Building (including in the Leased Premises) and for such purposes to construct and erect columns and support facilities in any portions of the Complex; and to do and perform such other acts in and to the said areas and improvements as, in the use of good business judgement, the Landlord shall determine to be advisable with a view to the improvement of the convenience and use thereof by the tenants, their officers, agents, employees, and customers. Notwithstanding anything contained in this Lease, at any time and from time to time and either prior to or after the Commencement Date the Landlord shall have the right to construct on or remove from the Complex or adjacent lands such other buildings, or extensions of buildings, or other improvements as the Landlord may desire. Landlord shall have the right to make any changes in, additions to, deletions from, re-arrangements of or relocations of any part or parts of the Complex (excluding the Leased Premises) including any of the Common Area Facilities as the Landlord shall consider necessary or desirable and for such purposes to construct and erect columns and support facilities in any portions of the Complex.

The Landlord will operate and maintain the Complex as would a prudent landlord of a comparable property in the City of Toronto having regard to size, age and location. Without limiting the scope of such discretion the Landlord shall have the full right and authority to employ all personnel and to make all rules and regulations pertaining to and necessary for the proper operation and maintenance of the Complex including the Common Area Facilities.

The Landlord shall not be liable for any diminution or alteration of the Common Area Facilities resulting from the exercise of the Landlord's rights hereunder and the Tenant shall not be entitled to a reduction or abatement of Rent or to compensation therefor.

#### **7.2 Roof and Walls**

- (a) The Landlord shall have the exclusive right to use all or any part of the roof of the Buildings for any purpose. The Landlord may make any use it desires of the side or rear walls of the Leased Premises, providing that such use shall not encroach upon the interior of the Leased Premises. There shall be no abatement of Rent because of any erections as aforesaid or any entry, installation, maintenance, use, repair or replacement as aforesaid.
- (b) The Tenant shall not be entitled to enter onto the roof of any Building or make any opening in the roof, floors and walls of the Leased Premises, except as consented to in writing in advance by the Landlord and then only on the terms and conditions imposed or approved by the Landlord in writing. Any such work required by the Tenant, if approved by the Landlord, will be performed in a professional manner at the Tenant's expense.

#### **7.3 Parking**

The Tenant, its employees, suppliers and other persons having business with the Tenant shall be permitted to use the Parking Areas as such may be designated and changed from time to time by the Landlord subject to payment of the fees established from time to time by the Landlord or the operator of the Parking Areas. The Landlord and employee parking shall be limited to specified times and places, arranged so as to cause minimal interference to business within the Complex. Parking shall be regulated by the Landlord or the independent contractor in a reasonable manner and the Tenant and its employees, suppliers and other persons shall abide by such regulations as may from time to time be established by the Landlord or the independent contractor. If requested by the Landlord the Tenant shall supply its employees' automobile licence numbers to the

Landlord. No motor vehicle other than a private passenger automobile, station wagon and sport utility vehicle or van shall be parked on or in any part of the Common Area Facilities of the Complex, including the Parking Areas, nor shall any repairs of a vehicle be made to any motor vehicle in or on any of the Common Area Facilities, including without limitation the Parking Areas, and no motor vehicle shall be driven on any part of the Common Area Facilities other than on a driveway or in the Parking Areas. It is understood and agreed that the Landlord is not responsible for theft of or damage to the vehicle or its equipment or articles left in the vehicle. The Landlord agrees to provide or make available to the Tenant for use by Tenant's employees six (6) non-exclusive parking spaces in the Parking Area underneath the Hotel free of charge, throughout the Term, as well as a three (3) hour free of charge parking, for all customers using the Leased Premises, the latter upon presentation by the customer of a parking ticket duly endorsed by the Tenant or its agent(s), subject to availability at any given time.

#### 7.4 No Merchandise in Common Area Facilities

The Tenant shall not keep, display or sell any merchandise except within the boundaries of the Leased Premises or the Exclusive Use Outside Areas nor shall it obstruct or use any part of the Common Area Facilities except as permitted by the Landlord and except for displays included in Complex promotions when recognized and permitted by the Landlord.

#### 7.5 Rules and Regulations

The Tenant covenants and agrees to comply with and abide by the rules and regulations attached hereto as Appendix "E" and to cause such rules and regulations to be observed and performed by the Tenant, its employees, servants, agents and invitees. The Landlord shall have the right to make or adopt such further and other reasonable rules and regulations relating to the Leased Premises and/or the Common Area Facilities and other common areas of the Complex as in its judgement may from time to time be deemed necessary for the proper operation of the Complex. All of such rules and regulations now or hereafter in force shall be read as forming part of the terms and conditions of this Lease as if the same were embodied herein and such new rules and regulations shall be binding upon the Tenant upon mailing a copy thereof to the Tenant or by posting the same in a conspicuous place or places within the Complex. For the enforcement of such rules and regulations, the Landlord shall have available to it all remedies in this Lease provided for breach thereof. All such rules and regulations may differentiate in their application to different types of business conducted in premises in the Complex, and the Landlord shall not be responsible to the Tenant nor obliged to enforce any such rules and regulations in the event of their actual or apparent non observance, breach or violation by any other tenant in the Complex.

#### 7.6 Garbage

The Landlord shall from time to time designate the areas and manner in which and the times at which the Tenant shall deposit debris, garbage, trash and refuse all of which shall be stored and dispose of, at Tenant's expense, by waste removal contractors approved by the Landlord. The Tenant at its own expense shall provide a properly refrigerated area in the Leased Premises for the deposit of debris, garbage, trash and refuse of a perishable nature if required by any Applicable Laws or the Landlord. No debris, garbage, trash or refuse shall be placed or left, or be permitted to be placed or left in, on or upon any part of the Complex outside of the Leased Premises. The Tenant at its expense shall at all times comply with the Landlord's rules and regulations regarding the separation, removal, storage and disposal of waste for the Leased Premises. Notwithstanding the foregoing, the Landlord shall have the option to take over the function of separating, removing and/or disposing of the waste and the cost to the Landlord of same shall be invoiced separately to the Tenant as Additional Rent.

#### 7.7 Energy Conservation

The Tenant shall comply with any practices or procedures that the Landlord, the Owner or any Authority may from time to time introduce to conserve or to reduce consumption of energy or to reduce or control other Operating Costs and shall pay as Additional Rent the costs of the additional energy in a reasonable manner and the Landlord may use an Expert to assist it in making such determination. The Tenant shall also convert to whatever system or units of measurement of energy consumption the Landlord may from time to time adopt. Without

limiting the generality of the foregoing, the Tenant's Work shall include the Leed's requirements described in Schedule "C" hereto, and the Tenant shall at all times operate and maintain the Leased Premises in a manner required to comply with all such Leed's requirements:

**ARTICLE 8  
ASSIGNMENT AND SUBLETTING, ETC.**

**8.1 Definitions**

For the purposes of this Article 8, the following terms shall mean:

- (a) "Affiliate" shall have the same meaning as set out in the *Ontario Business Corporations Act*.
- (b) "Transfer" means (i) an assignment, sale, conveyance, sublease or disposition of this Lease or the Leased Premises or any part of them or any interest in this Lease or a mortgage, charge or debenture or other encumbrance of this Lease or the Leased Premises or any part of them, (ii) a parting with or sharing of possession of all or part of the Leased Premises, and (iii) a transfer or issue by sale, assignment, bequest, inheritance, operation of law or other disposition or by subscription of all or part of the corporate shares of the Tenant or an Affiliate of the Tenant which results in a change in the effective voting control of the Tenant.
- (c) "Transferee" means the party to which the Transfer is made.

**8.2 Transfers**

- (a) The Tenant will not effect or permit a Transfer without the consent of the Landlord and the Head Landlord which consent will not be unreasonably withheld except that the Landlord or the Head Landlord may unreasonably or arbitrarily refuse its consent notwithstanding anything hereunder or in the *Commercial Tenancies Act* if:
  - (i) a Transfer will occur within the last twenty-four (24) months of the Term unless: (A) the Tenant has a remaining option to extend pursuant to Section 3.4 of this Lease; and (B) the Tenant notifies the Landlord, in writing, concurrently with the Tenant's delivery of its written request for consent to the applicable Transfer, that the Tenant is, subject to the Landlord consenting to the Transfer, exercising its option to extend, it being agreed that the terms of Section 3.4 shall apply *mutatis mutandis* except that, in the circumstances described in this Section 8.2(a)(i) only, the Tenant may exercise its option to extend earlier than as set out in Section 3.4;
  - (ii) the Permitted Uses of the Leased Premises as stipulated in Section 11.1 would be changed;
  - (iii) the Transfer is not in accordance with the obligations of the Landlord and the requirements of the Head Landlord under the Head Lease; or
  - (iv) the proposed Transfer is to occur prior to the second anniversary of the Commencement Date.
- (b) The Landlord and the Head Landlord may consider the following factors (which factors are hereby deemed to be reasonable grounds for withholding consent) before giving or withholding its consent and without limitation to any other grounds which the Landlord or the Head Landlord may have for withholding its consent:
  - (i) covenants, restrictions or commitments given by the Landlord to the Head Landlord or to other tenants in the Complex or to a Mortgagee which would prevent or inhibit the Landlord from giving its consent to the Transfer;

- 23 -

- (ii) there is a history of defaults under commercial leases by the Transferee;
  - (iii) subject to Section 8.2(a)(i), the length of time remaining in the Term of this Lease is less than twenty-four (24) months; and
  - (iv) the Transferee does not have a history of successful business operation in the business to be conducted in the Leased Premises and/or does not have a good credit rating and a substantial net worth.
- (c) Any consent by the Landlord or the Head Landlord to a Transfer shall be subject to the following express conditions and the conditions set out in Section 8.5:
- (i) the Transferee shall have executed an assumption agreement directly with the Landlord agreeing to be bound by this Lease provided however, that the Tenant shall remain jointly and severally liable with the Transferee for the fulfillment of all obligations of the Tenant under this Lease;
  - (ii) that the Landlord's consent and assumption agreement is prepared at the Tenant's expense by the Landlord's solicitor on the Landlord's form;
  - (iii) if this Lease is disaffirmed, disclaimed or terminated by any trustee in bankruptcy of a Transferee the original Tenant named in this Lease will be deemed on notice from the Landlord given within sixty (60) days from the date of such disaffirmation, disclaimer or termination to have entered into a Lease with the Landlord containing the same terms and conditions as in this Lease;
  - (iv) the consent of the Landlord or the Head Landlord is not a waiver of the requirement of the Landlord's consent for subsequent Transfers;
  - (v) the acceptance by the Landlord of Rent from a Transferee without the Landlord's consent shall not constitute a waiver of the requirement of such consent nor an acceptance of such party as the Tenant;
  - (vi) in the event of a Transfer which consists of a subletting of the Leased Premises, if the Rent paid to the Tenant exceeds the Rent payable to the Landlord then, any such excess will be paid to the Landlord;
  - (vii) if the Transfer does not take place within sixty (60) days of the giving of consent by the Landlord or the Head Landlord the consent shall expire and become null and void; and
  - (viii) the Tenant shall furnish to the Landlord a true copy of the offer or agreement to which the Transfer pertains and for which the Tenant's application for consent has been brought.
- (d) If a Transfer occurs without the consent of the Landlord and the Head Landlord when required, the Landlord may collect Rent from the party in whose favour the Transfer was made and apply the net amount collected to the Rent herein reserved but no such Transfer will be considered a waiver of this covenant or the acceptance of the Person in whose favour the Transfer was made as a tenant hereunder.
- (e) The Tenant shall promptly make available to the Landlord upon request, for inspection and copying, all books and records of the Tenant, any assignee or subtenant and their respective shareholders, which alone or with other data may show whether a Transfer has occurred.
- (f) The Landlord and the Head Landlord shall not be liable for any claims or actions by or for any damages, liabilities, losses or expenses of the Tenant arising out of the Landlord or the Head Landlord unreasonably withholding its consent to any Transfer and the Tenant's only recourse shall be to bring an application for a declaration that the Landlord and Head Landlord shall grant its consent to such Transfer.

### 8.3 No Advertising of Premises

The Tenant shall not advertise this Lease or all or any part of the Premises or the business or fixtures or contents therein for sale without the Landlord's prior written consent, which consent the Landlord shall not be unreasonably withheld or delayed subject to the other provisions hereof.

### 8.4 Dispositions by the Landlord

If the Landlord sells or otherwise transfers or disposes of the Complex or any part of it or assigns this Lease or any interest of the Landlord thereunder, to the extent that the purchaser, transferee or assignee agrees with the Landlord to assume the obligations of the Landlord under this Lease, the Landlord will be released from those obligations. Without limiting the general rights of the Landlord to assign this Lease, the Landlord shall be entitled to assign this Lease as collateral security for any mortgage or mortgages upon the Complex or any part thereof, and the Tenant covenants, if requested so to do, to acknowledge in writing any notice of assignment of this Lease by the Landlord.

### 8.5 Additional Conditions of Transfer

It is a condition of any Transfer that:

- (a) the Tenant shall Transfer all of its right, title and interest in and to the Second Floor Lease and all of its right, title and interest in and to all of the assets and undertaking of the restaurant business operated at and from the Second Floor Premises to the same Transferee of this Lease, and
- (b) the Tenant shall have Transferred all of its right, title and interest in and to the Food and Beverage Services Agreement and all of its right, title and interest in and to all of the assets and undertaking of catering business operated pursuant to the Food and Beverage Services Agreement to the same Transferee of this Lease; and
- (c) the Landlord and, if required, the Head Landlord shall have consented to the Transfer of the Second Floor Lease and the Food and Beverage Services Agreement; and
- (d) there is not at the time of the Transfer of this Lease any default by the Tenant under the Second Floor Lease or the Food and Beverage Services Agreement nor shall have any event occurred which with notice or lapse of time or both would constitute such a default.

## ARTICLE 9 REPAIRS & ALTERATIONS

### 9.1 Landlord's Repairs

Subject to Article 13 and Sections 7.1 and 7.2, the Landlord covenants with the Tenant: (a) to keep or cause to be kept in good repair, order and condition consistent with the standard of a good quality Canadian complex similar to the Complex, the Common Area Facilities and the structural portions of the Buildings, which structural portion shall consist of foundations, exterior weather walls (excluding store fronts and glass), structural sub floors and metal roofs deck, the structural portion of bearing walls and structural columns and beams; and (b) to keep the Common Area Facilities maintained clean and tidy.

### 9.2 Tenant's Repairs

The Tenant shall, at all times during the Term, at its own cost and expense, replace, repair, maintain and keep the Leased Premises, all equipment and fixtures including, without limitation, heating, ventilating and air conditioning exclusively serving the Leased Premises, plumbing and electrical equipment, doors and hardware attached thereto, plate glass and fixtures within the

Leased Premises or elsewhere if provided exclusively for the use or benefit of the Leased Premises and all Leasehold Improvements on or in the Leased Premises or for the exclusive benefit thereof, in first class condition in keeping with the standards of the Hotel as required by the Landlord and the Tenant covenants to perform such maintenance, and to effect such repairs and replacements and to decorate at its own cost and expense as and when necessary or required so to do by the Landlord. The Tenant shall also pay and be responsible for the cost of repairing any damage to the Complex, including any repairs to any structural components thereof (consisting of the foundation, load bearing walls and beams and columns and structural roof deck) caused by the acts or omission of the Tenant, its agents, employees, contractors, customers, invitees and others for whom the Tenant is in law responsible. Notwithstanding anything else contained herein, the Landlord shall at all times have the right, but not the obligation, upon fifteen (15) days prior written notice to the Tenant, to elect in its sole discretion to perform or cause repairs, maintenance or replacements to be undertaken and to charge the Tenant therefore. Should the Landlord deem it necessary to undertake any repairs or to do anything which is required to be undertaken or done by the Tenant under this Lease then the Tenant shall pay to the Landlord as a fee for supervision for carrying out the Tenant's obligation an amount equal to fifteen percent (15%) of the monies expended or of the cost of repairs or other work carried out by or under the supervision of the Landlord which amount shall in addition to the cost of such work or monies expended be deemed Additional Rent and payable by the Tenant pursuant to Section 14.6 hereof.

### 9.3 Tenant's Alterations and Improvements

- (a) The Tenant shall not, without the prior written approval of the Landlord and, if required, the Head Landlord, such approval not be unreasonably withheld, make any installations, alterations, additions, partitions, repairs or improvements in or to the Leased Premises, including doing anything in the Leased Premises which might affect the structural portions of the Leased Premises or the electrical, lighting, heating, ventilating, air conditioning, sprinkler, fire protection or other systems therein or any work that requires a building permit (the "Alterations"). The Tenant's request for approval shall be in writing and accompanied by an adequate description of the Alterations, and where appropriate, working drawings and specifications therefor and evidence satisfactory to the Landlord that the Tenant has obtained all necessary consents, permits, licenses and inspections from all Authorities having jurisdiction; the Landlord's costs of having its Architects, engineers or others examine such drawings and specifications shall be payable by the Tenant upon demand as Additional Rent; the Landlord may require that any or all Alterations be completed by the Landlord's contractors or workmen or by contractors or workmen engaged by the Tenant but first approved by the Landlord, and all Alterations shall be subject to inspection by and the reasonable supervision of the Landlord. All Alterations shall be completed in a good and workmanlike manner, and shall comply with all applicable statutes, regulations or by laws of any municipal, provincial or other governmental authority, be in accordance with plans/specifications submitted to and approved by the Landlord, and be in accordance with the Landlord's reasonable requirements (including a reasonable supervision fee of the Landlord to be paid by the Tenant). The Landlord's reasonable conditions may include, without limitation, the requirement for a security deposit in the amount to be determined by the Landlord (having regard to the nature of the Alterations and the size of the Leased Premises) and such security deposit shall be held by the Landlord and returned to the Tenant after the expiration or early termination of this Lease after a final inspection by the Landlord to satisfy itself that the Tenant has fulfilled its repair and restoration obligations under this Lease. In the event the Tenant fails to obtain, within a reasonable period of time, a final inspection and clearance of such work permits/approvals, then the Landlord may carry out and complete such work necessary in order to obtain a final inspection and clearance of such permit/approval and all costs and expenses incurred by the Landlord in carrying out such work, together with the Landlord's administrative fee of fifteen percent (15%) of such costs and expenses, shall be paid by the Tenant to the Landlord as Rent upon receipt of the Landlord's invoice and the Landlord may apply all or part of the security deposit on account of such costs and expenses. Any changes, alterations, additions or improvements to the structure, any perimeter wall, the sprinkler system, the heating, ventilating, air conditioning, plumbing, electrical or mechanical equipment or the concrete floor shall be performed by the Landlord at the Tenant's cost and such cost

together with the Landlord's administration fee of fifteen percent (15%) of such costs shall be paid to the Landlord as Additional Rent. The Tenant shall pay to the Landlord the amount of increase for any insurance coverage and/or municipal realty taxes to the extent that such increase is directly attributable to any action by the Tenant under this Section, and the Tenant covenants that such insurance shall not thereby be made liable to avoidance or cancellation by the insurer by reason of such changes, alterations, additions or improvements. The Tenant shall, at its own cost and before commencement of any work, obtain all necessary building or other permits and keep same in force.

- (b) All Alterations made by or on behalf of the Tenant shall be: (i) at the sole cost and expense of the Tenant; (ii) performed by competent workers whose labour union affiliations are in accordance with the requirements of the Landlord, the Head Landlord and their contractors, and who are fully covered by workers' compensation; (iii) performed in a first-class and workmanlike manner in accordance with the approved drawings and specifications, all applicable codes and regulations and the best standards of practice; and (iv) completed as expeditiously as possible with first-class new materials and equipment.
- (c) During the making of the Alterations, the Tenant shall obtain and maintain builder's all risks insurance satisfactory to the Landlord. The Tenant shall provide the Landlord with evidence satisfactory to the Landlord that the Tenant has taken out such insurance as approved by the Landlord.
- (d) Any Alterations made by the Tenant without the prior written consent of the Landlord or which are not in accordance with the drawings and specifications approved by the Landlord shall, if requested by the Landlord, be promptly removed by the Tenant at its expense and the Leased Premises restored to their previous condition.
- (e) Upon completion of any Alterations, the Tenant shall provide to the Landlord as-built drawings (including, without limitation, any and all electronic or digital versions thereof) and shall secure all applicable statutory declarations and certificates of inspection, approval and occupancy and provide evidence of same to the Landlord.
- (f) Notwithstanding any consents granted by the Landlord or the Head Landlord to any proposed Alterations, such consents relate only to the general acceptability of the proposed Alterations and by giving such consents, the Landlord shall not be deemed to have any direct or indirect interest, responsibility or liability with respect to such Alterations or the design, installation or maintenance of same or for the payment of same, all of which shall be the sole responsibility of the Tenant.

#### 9.4 Hazardous Substances

The Tenant covenants and agrees to utilize the Leased Premises and operate its business in a manner so that no part of the Leased Premises or surrounding lands are used to generate, manufacture, refine, treat, transport, store, handle, dispose of, transfer, produce or process any Hazardous Substances, except in strict compliance with all applicable federal, provincial and municipal statutes, by-laws and regulations, including without limitation, environmental, land use and occupational and health and safety laws, regulations, requirements, permits, statutes, by-laws and regulations. Further the Tenant hereby covenants and agrees to indemnify and save harmless the Landlord and those for whom the Landlord is in law responsible from any and all losses, costs, claims, damages, liabilities, expenses or injuries caused or contributed to by any Hazardous Substances which are at any time located, stored or incorporated in any part of the Leased Premises by the Tenant, its employees, agents, contractors, invitees and others for whom the Tenant is in law responsible. Notwithstanding the preceding sentence, the Tenant shall not be responsible for any Hazardous Substances existing on or in the Leased Premises prior to the Possession Date and to the extent such Hazardous Substances existing on or in the Leased Premises prior to the Possession Date exceed levels permitted by applicable government guidelines and require clean-up and/or remediation by authorities having jurisdiction, such Hazardous Substances shall be dealt with by the Landlord in compliance with the Ministry of Environment for the Province of Ontario.

The Tenant covenants and agrees that no Hazardous Substances shall be allowed to enter the

drains of any Building throughout the Term and any extension or renewal thereof, and upon the expiration or earlier termination of this Lease, the Tenant shall be responsible, at its cost, for the removal of any Hazardous Substances that were brought into or onto the Leased Premises by or on behalf of the Tenant, its employees, agents, contractors, invitees and others for whom the Tenant is in law responsible.

If any governmental authority having jurisdiction shall require the clean-up of any Hazardous Substances held, released, spilled, abandoned or placed upon the Leased Premises or the Complex or released into the environment by the Tenant in the course of the Tenant's business or as a result of the Tenant's use or occupancy of the Leased Premises, then the Tenant shall, at its own expense, prepare all necessary studies, plans and proposals and submit the same for approval, shall provide all bonds and other security required by governmental authorities having jurisdiction and shall carry out the work required and keep the Landlord fully informed and shall provide to the Landlord full information with respect to proposed plans and comply with the Landlord's reasonable requirements with respect to such plans. The Tenant further agrees that if the Landlord determines, in its own discretion that the Hotel, the Landlord or the Landlord's reputation is placed in a jeopardy by the requirement for any such work, the Landlord may itself undertake such work or any part thereof at the cost and expense of the Tenant, plus an administration charge equal to 15% of all such costs and expenses, all of which shall be collectible as Additional Rent.

#### 9.5 No Liens

In the event of the registration of any lien, charge or other encumbrance against the Leased Premises or the Complex for work or services performed or material supplied at the request of or on behalf of the Tenant, the Tenant shall at its own expense immediately cause the same to be discharged within thirty (30) days after receipt of written notice from the Landlord.

#### 9.6 Surrender

- (a) Upon the expiration or sooner termination of this Lease, the Tenant shall deliver to the Landlord vacant possession of the Leased Premises in the condition in which the Tenant is required to maintain the Leased Premises hereunder, subject to reasonable wear and tear not inconsistent with such standard of maintenance and shall ensure that all Operating Equipment remains within and is not removed from the Leased Premises. The Tenant shall deliver all keys for the Leased Premises to the Landlord and provide the Landlord with the combinations of any locks, safes and vaults in the Leased Premises.
- (b) The Tenant shall remove such of its Leasehold Improvements as may be required by the Landlord by written notice to the Tenant and shall repair all damage to the Leased Premises or the Hotel caused by the installation or removal thereof, failing which, the Landlord may do so, at the Tenant's expense.
- (c) Upon expiry of the Term and any renewal thereof, if applicable, the Tenant covenants and agrees to remove any materials which may be deemed by any governmental authority as contaminated or hazardous and if the Landlord has a reasonable concern that Hazardous Substances have been brought into or onto the Leased Premises by the Tenant or those for whom the Tenant is in law responsible, upon written request by the Landlord, the Tenant will provide the Landlord with a certificate from the Ministry of Environment for the Province of Ontario or any other appropriate governmental agency, stating that the Leased Premises are free from Hazardous Substances, hazardous waste and contamination and if such certificate is not available, then the Tenant covenants and agrees to comply at its own cost with the requirements of the relevant governmental agency to obtain such certificate. Notwithstanding the foregoing, the Tenant shall not be responsible for any Hazardous Substances existing on or in the Leased Premises prior to the Possession Date, nor will the Tenant be responsible for any Hazardous Substances released in, on or under the Leased Premises by a Person who is not the Tenant or those for whom the Tenant is in law responsible, and to the extent such Hazardous Substances existing on or in the Leased Premises prior to the Possession Date exceed levels permitted by applicable government guidelines and require clean-up and/or remediation by authorities having jurisdiction and to the extent that any such Hazardous Substances have been released in, on or under the Leased Premises by a Person who is not the Tenant

- 28 -

or those for whom the Tenant is in law responsible, such Hazardous Substances shall be dealt with by the Landlord in compliance with the Ministry of Environment for the Province of Ontario.

#### 9.7 Ownership of Leasehold Improvements and Operating Equipment

All Leasehold Improvements installed in the Premises by the Tenant, or by the Landlord on the Tenant's behalf, shall forthwith upon the installation thereof become the absolute property of the Landlord without compensation thereof but without the Landlord's having or thereby accepting any responsibility in respect of the maintenance, repair or replacement thereof, all of which shall be the Tenant's responsibility, and without in any way restricting the Landlord's rights under Section 9.6(b) to require that the Tenant remove all or any of the Leasehold Improvements from the Leased Premises upon the expiration or early termination of this Lease. In the event any Operating Equipment requires replacement, the cost of all such replacements shall be at the sole expense of the Tenant and all such replacements shall be the absolute property of the Landlord upon the installation thereof, and shall be subject to the provisions of this Section 9.7 and Section 2.7.

### ARTICLE 10 ACCESS BY LANDLORD

#### 10.1 Access for Inspection & Repairs

The Landlord and parties authorized by the Landlord shall be permitted during normal business hours (or after normal business hours with the consent of the Tenant, such consent not to be unreasonably withheld) or at any time during an emergency to enter and to have their authorized agents, employees and contractors enter the Leased Premises for the purpose of inspection, maintenance, making repairs, alterations or improvements to the Leased Premises or the Hotel Component or any part thereof including the expansion or renovation of the Hotel Component or to have access to utilities and service facilities therein contained, and the Tenant shall provide free and unhampered access for the purpose and shall not be entitled to compensation for any inconvenience, nuisance or discomfort caused thereby, but the Landlord or parties authorized by the Landlord in exercising their rights hereunder shall proceed to the extent reasonably possible so as to minimize interference with the Tenant's use and enjoyment of the Leased Premises.

#### 10.2 Access for Excavation

If an excavation shall be made upon the lands adjacent to the Hotel, the Tenant shall afford to the Landlord or the persons authorized to make such excavation the license to enter upon the Leased Premises for the purpose of doing such work as the Landlord shall deem necessary to preserve the wall of the Building from injury or damage and to support the same by proper foundations without any claim for damages or indemnity against the Landlord or abatement of Rent.

#### 10.3 Landlord Installations

The Landlord and any person authorized by the Landlord shall have the right to use, install, maintain and/or repair pipes, wires, ducts or other installations in, under or through the Leased Premises for or in connection with the supply of any services to the Leased Premises or any other premises in the Hotel. Such services shall include (without limiting the generality of the foregoing) gas, electricity, water, sanitation, heat, ventilation, air conditioning and security systems.

#### 10.4 Exhibiting Leased Premises

The Tenant shall permit the Landlord or the agents of the Landlord to place "For Rent" signs in and upon the Leased Premises and to exhibit the Leased Premises at all reasonable hours, in both cases during the last six (6) months of the Term, to prospective tenants and all other persons having written authority from the Landlord or the agents of the Landlord to view the Leased Premises. The Landlord shall, at any time, have the right to enter the Leased Premises at any time or times upon prior written notice to the Tenant in order to exhibit the Leased Premises to the Head Landlord, the City, the Mortgagee or to prospective purchasers or mortgagees of the Complex.

**ARTICLE 11  
USE AND STANDARDS OF OPERATION**

**11.1 Use of Leased Premises**

- (i) The Tenant hereby covenants, undertakes and agrees to use the Leased Premises solely for the purpose of a first class waiter service restaurant and bar open to the public (the "Restaurant") including the sale of beer, wine and liquor for premises consumption as a principal use thereof at the Restaurant tables and in a bar and lounge area. The concept, theme, décor and image of the Restaurant shall be subject to Landlord's approval, which approval may be arbitrarily withheld if such concept, theme, décor or image is not consistent with the highest standards established and maintained by the Landlord with respect to the Hotel. The Tenant acknowledges that the operation of the Restaurant will have a material impact on the ability of Landlord to successfully operate the Hotel as a first-class transient Hotel. Accordingly, Tenant acknowledges and agrees that its covenant and agreement to operate the Restaurant as a first-class waiter service restaurant was a material inducement to Landlord entering into this Lease with Tenant, that Landlord relied on such covenant and agreement of Tenant in entering into this Lease and that Landlord would not have entered into this Lease with Tenant in the absence of such covenant and agreement by Tenant.
- (ii) The Tenant agrees to maintain jointly with the Landlord a Province of Ontario Liquor License in respect of the Leased Premises and the Exclusive Use Outside Areas (the "Liquor License") at all times and acknowledges having been advised of the great significance and importance which attaches to the same. The suspension or cancelation of such Liquor License and the failure to have the same reinstated or reissued within thirty (30) days of such loss shall be deemed a material breach of this Lease entitling Landlord to terminate this Lease upon written notice to the Tenant. In such event, the Tenant hereby agrees to all such amendments to or assignments of the Liquor License as may be required by the Landlord and agrees to execute and deliver to the Landlord immediately upon request all releases, authorizations, consents and other documents as may be required by the issuer of the Liquor License.
- (iii) The Tenant shall only provide and offer menu items, including food and beverages, as are approved by the Landlord, subject to the strictest condition that all menu items are to be consistent with a first class restaurant facility that meets the standards established and maintained by the Landlord with respect to the Hotel. The Tenant shall not introduce new food or beverage items or offer new services to its customers without first obtaining the written consent of the Landlord. The Tenant acknowledges that it would be reasonable for the Landlord to withhold its consent if the introduction by the Tenant of new menu items or services is inconsistent with the approved use or infringe on exclusive covenants granted by the Landlord to any other tenant.
- (iv) The Tenant will only use the trade name "Table 82" or such other name the Landlord and the Tenant will agree to in writing, and will not change such advertised name of the business to be operated in the Leased Premises without the prior written consent of the Landlord.
- (v) The Tenant acknowledges and agrees that it does not have any exclusive rights with respect to the Tenant's Permitted Uses and that other tenants in the Complex will be operating their respective Leaseable Premises in the Complex for restaurant, bar, lounge, coffee shop and similar uses, which may include Starbucks and the Beer Garden, and that such uses do not in any way limit, qualify, restrict or impair the covenants and obligations of the Tenant under this Lease.

**11.2 Conduct of Business**

At all times through the Term, the Tenant shall continuously, actively and diligently conduct the Permitted Uses in the whole of the Leased Premises in an up-to-date, first class and reputable

manner each day during such Business Hours as may be determined by the Landlord.

- (a) In the course of the Tenant carrying on its business from the Leased Premises, the Tenant covenants and agrees to do the following:
- (i) Maintain an adequate sales staff to properly serve all customers so as to maximize Gross Receipts generated from the Leased Premises;
  - (ii) Restrict the colours and design of the interior or exterior of the Leased Premises to those approved by the Landlord, which approval may be withheld in the Landlord's sole and absolute discretion;
  - (iii) From and after the Commencement Date, carry on business in the Leased Premises and actively participate in any promotions during such hours and on such days as designated by the Landlord from time to time for the Complex, having regard for: (i) the nature of the particular business being conducted by the Tenant thereon, and (ii) any events being conducted at the Complex in which case such designated hours of business will reflect the hours during which the event in question is ongoing;
  - (iv) Use only the name designated for the Complex by the Landlord in all insignia, logos or other identifying names and features required by the Landlord in the Tenant's advertising and promotion of the Restaurant. Notwithstanding the foregoing provisions hereof the Tenant does not have, nor will it acquire, any rights in such names, marks or insignia and, at the option of the Landlord, the Tenant will abandon or assign to the Landlord any such rights which the Tenant may acquire by operation of law and will promptly execute such documents as in the opinion of the Landlord are or may be necessary to give effect to this subsection 11.2(iv);
  - (v) Not solicit business in any part of the Complex other than: (i) within the Leased Premises or the Exclusive Use Outside Areas, or (ii) as expressly permitted by the Landlord, nor display any merchandise elsewhere on or about the Complex;
  - (vi) Not commit any nuisance or other act (including decibel level of music) which disturbs the quiet enjoyment of any other tenant in the Complex including guests of the Hotel. The Tenant further agrees that live music in the Leased Premises and the Outside Exclusive Areas shall be expressly prohibited; unless prior approved by the Landlord in writing;
  - (vii) Not do or suffer, cause or permit any act in or about the Common Facilities of the Complex which in the Landlord's reasonable opinion hinders or interrupts any events commissioned by the Landlord from time to time such as, without limitation, movie filming, concerts, exhibitions, festivals, trade shows, street vending and performing and the like.
  - (viii) Not do, suffer, cause or permit services which infringe upon anything which will in any way obstruct or interfere with the rights of other tenants or occupants of the Complex or any adjacent property or the guests of the Hotel, or injure or annoy them, or which shall hinder or interrupt the flow of traffic to, in and from the Complex, or which will in any way materially obstruct the free movement of persons doing business in the Complex;
  - (ix) Not to use, or permit the sale of any items from, the Leased Premises in such a manner so as to violate or otherwise offend any existing or future (i) restrictive covenants and/or (ii) exclusive sponsorships and/or licenses and/or exclusive uses affecting the Complex (the particulars of which shall be made available from time to time upon the written request of the Tenant), the proceeds from which shall be the sole and exclusive property of the Landlord. Moreover, the Tenant shall not permit without Landlord's prior written approval any of the following businesses or activities to be conducted from the Premises, namely: on-site internet

connections for public use; movie filming or film shoots of any kind; the sale of second hand goods or surplus articles; insurance salvage stock; fire sale of bankruptcy stock; the sale of food except as may be expressly permitted in the Permitted Uses provisions of this Lease; an auction; liquidation sale; "going out of business" or bankruptcy sale; automated banking machines; and any business conduct or practice carried on by the Tenant which, in the reasonable opinion of the Landlord, may harm the business or reputation of the Landlord or reflect unfavourably on the Hotel;

- (x) Not use nor suffer or permit to be used any part of the Leased Premises for any purpose that is listed and described in Schedule "F" hereto;
- (xi) Not to object to or otherwise appeal any application initiated by or on behalf of the Landlord affecting the Complex;
- (xii) Maintain in good standing all licenses as may be required to sell alcohol including beer, wine and liquor at and from the Leased Premises.
- (xiii) At Tenant's sole cost and expense, keep the Leased Premises and all Exclusive Use Outside Areas (including the exterior and interior portions of all windows, doors and all other glass and any and all kitchen exhaust duct(s) and other similar equipment exclusively servicing the Leased Premises) in a neat and clean condition;
- (xiv) Use for office, clerical, or other non-selling purposes only such space in the Leased Premises as is reasonably required for Tenant's business therein, and not perform therein any functions for any other restaurant or business of Tenant or for any other person;
- (xv) Maintain at all times, at Tenant's sole cost and expense, the Leased Premises and all of Tenant's personal property therein as an attractive dining area, in accordance with the reputation and character of the Hotel as a first-class transient hotel, including the repair or replacement of all damaged, defective or worn out Operating Equipment;
- (xvi) Require all employees and attendants to (y) enter and exit the Leased Premises through the service entrance only, and (z) be properly attired when on duty and otherwise to have an appearance consistent with a first-class restaurant and in accordance with the reputation and character of the Hotel as a first-class transient hotel;
- (xvii) Take all reasonable precautions, at its sole cost and expense, to prevent any odors from emanating from the Leased Premises including, without limitation, the installation of such control devices (such as a rotoclone or other similar devices) at all points of cooking and the establishment of reasonable control procedures to eliminate such odors;
- (xviii) Install and maintain in all cooking areas, at its sole cost and expense, chemical fire extinguishing devices (such as ansul) approved by the Fire Insurance Rating Organization having jurisdiction over the Leased Premises and, if gas is used in the Leased Premises for cooking or other purposes, suitable gas cut-off devices (manual and automatic);
- (xix) Take all reasonable steps, at its sole cost and expense, to prevent fat, grease, or any other greasy substance from entering the waste lines of the Building including, without limitation, installation of a grease trap and ensure that all grease traps are cleaned professionally on a regular schedule;
- (xx) Perform, at its sole cost and expense, any and all maintenance reasonably necessary or desirable in order to keep the floors of all kitchen areas in a waterproof condition;

Handwritten signature and initials, possibly 'J.M.' and 'C.P.', located at the bottom right of the page.

- 32 -

- (xxi) The Tenant shall carry at all times in the Leased Premises a stock of food and beverages of such size, character and quality, and to maintain adequate trained personnel for effective service to customers as shall be reasonably designed to produce the maximum return to Landlord and Tenant;
  - (xxii) Restrict its operations to providing food and beverage for the Restaurant contained within the Leased Premises and the Exclusive Use Outside Areas and not permit the facilities to be utilized for either take-out, counter or catering services.
- (b) The Tenant acknowledges that the continuous operation of the Restaurant as provided herein is essential in order for Landlord to successfully operate the Hotel as a first-class transient hotel. Accordingly, Tenant acknowledges and agrees that its covenants and agreements contained herein to continuously operate the Restaurant in the manner and during the hours set forth in this Article 11 was a material inducement to Landlord entering into this Lease with Tenant, that Landlord relied on such covenants and agreements of Tenant in entering into this Lease and that Landlord would not have entered into this Lease with Tenant in the absence of such covenants and agreements and, as such, in addition to any other rights and remedies of the Landlord arising as a result of such default, the Landlord shall have the right to terminate this Lease by written notice to the Tenant;
- (c) The Tenant agrees that it shall not utilize any immoral method of business operation in the Leased Premises or any portion thereof, and shall not at any time, without first obtaining Landlord's prior written consent:
- (i) change (whether by alteration, replacement, rebuilding, or otherwise) the exterior color and/or architectural treatment of the Leased Premises or of the Hotel or any part thereof;
  - (ii) use, or permit to be used or obstructed, any corridor, or any other space outside the Leased Premises, for display, sale, storage, or any other similar undertaking or allow the Leased Premises or any portion thereof to be used for housing accommodations or sleeping purposes;
  - (iii) use or permit to be used, any advertising medium that may be heard outside the Leased Premises; or that does not comply with general policies or rules and regulations then in effect or allow any noise (whether music or otherwise) to emanate from the Leased Premises;
  - (iv) use the plumbing facilities for any purpose other than that for which they were constructed, or dispose of any garbage or other foreign substance therein, whether through the utilization of so-called "disposal" or similar units, or otherwise;
  - (v) perform any act, or carry on any practice, that may damage, mar, or deface the Leased Premises or any other part of the Hotel;
  - (vi) permit window cleaning or other maintenance and janitorial services in and for the Leased Premises to be performed except in accordance with all laws and by such person(s) as shall be reasonably approved by Landlord and except during reasonable hours designated for such purposes by Landlord;
  - (vii) place a load on any floor in the Leased Premises exceeding the floor load per square foot that such floor was designed to carry and that is allowed by law;
  - (viii) take any action that would (i) violate Landlord's union contracts, if any, affecting the Complex and the business operated therein, (ii) create any work stoppage, picketing, labor disruption, or labor dispute, (iii) interfere with the business of Landlord or any customer or other person lawfully in

and upon the Complex, or (iv) cause any impairment or reduction of the good will or reputation of the Complex. Landlord may at any time elect to renovate the Buildings and erect scaffolds and catwalk frontage for a period of time and as a part thereof, provided, however, that Landlord will not unreasonably impair access to the Leased Premises or unreasonably interfere with Tenant's business; or

- (ix) undertake any use, purpose or activity that is prohibited under the terms of the Head Lease.
- (d) The Tenant shall comply with all of Landlord's requirements and policies for signage and window displays. Tenant may place signs or window displays in, on, about, outside of or in the windows of the Leased Premises, provided that such signs or window displays (i) comply with all laws, regulations, ordinances, restrictions and rulings of any body having jurisdiction over the Building or the Leased Premises, (ii) are aesthetically compatible with the design and architecture of the Building and the Hotel being operated therein and (iii) are approved by Landlord in writing.

### 11.3 Exclusive Use Outside Areas

The Tenant shall have the right to utilize the outside areas adjacent to the Leased Premises in the location depicted on Schedule "D" hereto (the "Exclusive Use Outside Areas") for the sole purpose of carrying on the Permitted Uses in strict compliance with the provisions of this Lease, including this Article 11, and for greater certainty, the covenants and obligations of the Tenant under this Lease that are applicable to the Leased Premises shall also be applicable to the Exclusive Use Outside Areas. For the purposes hereof, Percentage Rent shall be calculated and payable in respect of all Gross Receipts generated at and from the Exclusive Use Outside Areas. However, no Minimum Rent shall accrue or be payable in respect of the Exclusive Use Outside Areas and the area of the Exclusive Use Outside Areas shall not be included in the calculation of the Rentable Area of the Leased Premises.

### 11.4 Compliance With Laws

At the sole cost and expense of the Tenant, the Tenant will promptly comply with and conform to the requirements of all Applicable Laws at any time or from time to time in force during the Term affecting the Leased Premises or any part thereof and/or the machinery, equipment and other facilities used in connection therewith provided that the Tenant shall not be required to remedy any work done by the Landlord to the Leased Premises in violation of any such Applicable Laws. The Tenant will make no use of the Leased Premises, whether within the use herein permitted or not, which will or may impose upon the Landlord any obligation to modify, extend, alter or replace any part of the Leased Premises or any of the said machinery, equipment and other facilities. In the event that the Tenant shall at any time or from time to time during the Term, do or permit to be done or omit to do any act or thing which shall result in any such obligation being imposed upon the Landlord, the Landlord may at its option either do or cause to be done the necessary work in order to comply with such obligation, at the expense of the Tenant. In the event that the Landlord shall undertake any work to be done at the expense of the Tenant hereunder, the cost thereof together with the Landlord's administration fee of fifteen percent (15%) of such cost of such work, shall be payable by the Tenant to the Landlord forthwith upon demand.

### 11.5 Operating Equipment, Etc.

The Tenant shall install new and unused trade fixtures, furnishings, furniture, equipment and chattels of a type required for its business and as approved by the Landlord and such installation shall be completed without damage to the structure of the Leased Premises or to the heating, ventilating, air conditioning, plumbing, electrical and other mechanical systems in the Complex. All such trade fixtures, furnishings, furniture, equipment and chattels shall be free and clear of any and all liens, security interests, conditional sales agreements and encumbrances throughout the Term.

### 11.6 Signs

Except with the prior written consent of the Landlord and except as set out in Section 11.2(d), the Tenant shall not erect, install, display, inscribe, paint or affix any signs, lettering or advertising medium in, upon or above any portion of the Leased Premises visible from the exterior or install any exterior lights, shades, awnings or decorations whatsoever. Should the Landlord at any time object to any sign, lettering or advertising medium not previously specifically approved in writing by the Landlord, the Tenant shall remove the same forthwith, and if it does not do so it shall be lawful for the Landlord to enter into and upon the Leased Premises or any part thereof and remove such sign, lettering or advertising medium without prejudice to the rights of the Landlord under this Lease or other lawful rights and remedies available to the Landlord and the cost thereof together with the Landlord's administration fee of fifteen percent (15%) of the cost of such work, shall be payable by the Tenant to the Landlord forthwith on demand. The Tenant shall not display any sign or signs within the Leased Premises not in keeping with the character of the Complex and in any event shall not display any signs visible from the exterior of the Leased Premises which are objected to by the Landlord.

### 11.7 Pest Control

The Tenant shall co-operate with the Landlord and with any contractor(s) engaged by the Landlord in respect of pest control and extermination in the Leased Premises and the Complex. The Tenant shall be responsible for pest control and pest extermination in respect of the Leased Premises and shall engage, for such purpose, such contractors at such intervals as the Landlord may require.

### 11.8 Deliveries

All deliveries to and from the Leased Premises, and loading and unloading of goods, merchandise, refuse, materials and any other items, shall be made only by way of such driveways, access routes, doorways, corridors and loading docks as the Landlord may from time to time designate and shall be subject to all applicable rules and regulations made by the Landlord from time to time.

### 11.9 Janitorial Services

Subject to the Landlord's reasonable security requirements, the Tenant shall, at its cost, provide janitorial services to the Leased Premises consistent with the standards prevailing for a first class transient hotel. Without limiting the generality of the foregoing, all curtains, carpets, rugs and drapes of any kind in the Premises shall be cleaned and maintained by the Tenant, at its cost. The Tenant shall not engage any Person to provide cleaning or janitorial services in or to the Leased Premises without the Landlord's prior written consent.

### 11.10 Compliance with Head Lease

The Tenant acknowledges receipt of a true copy of the Head Lease (with all financial and other business terms redacted) and covenants with the Landlord to (i) observe, perform and be bound by all the covenants, obligations and agreements for which the Landlord is responsible under the Head Lease (other than the payment of Rent) in respect of the Premises and (ii) not do any matter or thing that would cause the Landlord to be in default or breach of its covenants and obligations under the Head Lease. The Tenant covenants and agrees to indemnify and save harmless the Landlord, the Head Landlord and the City from and against any and all losses, claims, damages, expenses and demands which Landlord, the Head Landlord or the City may suffer or incur in respect of the Tenant's failure to comply with all such covenants, obligations and agreements.

## ARTICLE 12 INSURANCE & INDEMNITY

### 12.1 Tenant's Insurance

The Tenant shall, at its expense, maintain in force during the Term and any renewals or extensions thereof or while it is otherwise in possession of the Leased Premises, in the name of

the Tenant with the Landlord, the Head Landlord, the City, the Mortgagee and the Manager (collectively the "Landlord Insured Parties") shown as additional insureds, the following insurance:

- (a) Comprehensive general liability insurance against claims for bodily injury, death or property damage (including tenants' legal liability, personal injury liability, employees liability, owners' and contractors protective liability, property damage and contractual liability to cover all indemnities) with respect to the business carried on, in and from the Leased Premises and the activities and operations conducted by or on behalf of the Tenant, or for which the Tenant is legally liable, and any other person performing work for or on behalf of the Tenant anywhere on the Complex, in amounts required by the Landlord and any mortgagee of the Complex or any part thereof from time to time but in no event less than \$10,000,000.00 per occurrence;
- (b) **INTENTIONALLY DELETED**
- (c) If applicable, broad form comprehensive boiler and machinery insurance on a blanket repair and replacement basis, with limits for each accident in an amount not less than the full replacement of the cost of the property, with respect to all boilers, pressure vessels, air conditioning equipment and miscellaneous electrical apparatus or mechanical equipment owned or operated by the Tenant or by others (other than the Landlord) on behalf of the Tenant in the Leased Premises or otherwise relating to or serving the Leased Premises;
- (d) Business interruption insurance in an amount that will reimburse the Tenant for direct or indirect loss of gross earnings attributable to all perils insured against in Section 12.1(b) and (c) herein, and other perils commonly insured against by prudent tenants or attributable to prevention of access to the Leased Premises or the Complex as a result of those perils;
- (e) Standard owners' form automobile insurance providing third party liability insurance with Two Million Dollars (\$2,000,000.00) inclusive limits, and accident benefits insurance, covering all licensed vehicles owned, leased or operated by or on behalf of the Tenant;
- (f) Plate glass insurance with respect to all glass windows and all glass doors in or on the Leased Premises for the full replacement value thereof; and
- (g) Such other forms of insurance as may be reasonably required by the Landlord, Insured Parties from time to time.

All insurance required under this Section 12.1 shall be on terms and conditions satisfactory to the Landlord Insured Parties. All policies shall: (i) contain a cross liability and/or severability of interest clause; (ii) be primary and non-contributing to any other insurance available to the Landlord Insured Parties; (iii) not be invalidated with respect to the interest of the Landlord Insured Parties by reason of any breach or violation of warranties, representation, declarations or conditions contained in the policies; and (iv) contain any undertaking by the insurers to notify the Landlord Insured Parties in writing not less than thirty (30) days prior to any material change, cancellation or termination thereof and shall be subject only to such deductibles and exclusions as the Landlord may approve, acting reasonably. All policies written pursuant to paragraphs (b), (c) and (d) of this Section shall contain a waiver of any subrogation rights which the Tenant's insurers may have against the Landlord Insured Parties. The Tenant shall at all times maintain on file with the Landlord certificates or copies of current policies and proof of their renewal and payment of premium, and if the Tenant fails to insure or file satisfactory proof of insurance, the Landlord may without notice to the Tenant effect such insurance and any premiums paid therefore shall be deemed Additional Rent payable by the Tenant pursuant to Section 14.6 hereof. The Tenant shall promptly pay all premiums due on the insurance required to be effected by it hereunder.

## 12.2 Not to Affect Landlord's Insurance

The Tenant will not do or permit to be done, or omit to do anything in the Leased Premises or appurtenances thereto which shall cause or have the effect of causing the rate of insurance upon the Complex or any part thereof to be increased and if the insurance rate shall be thereby increased the Tenant shall pay to the Landlord as Additional Rent the amount by which the insurance premiums shall be so increased.

## 12.3 Landlord's Insurance

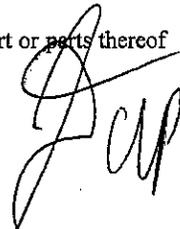
Throughout the Term of this Lease, the Landlord will provide and keep in force property insurance in respect of the Hotel Component (including the Leased Premises) against fire and such other perils as are normally insured against in the circumstances by prudent landlords of a similar complex and loss of rental income insurance subject to reasonable deductions and exceptions as the Landlord may determine and to amounts which the Landlord shall from time to time determine as being reasonable or sufficient.

The Landlord shall also insure, at the Landlord's sole cost, insurance with respect to any loss of or damage to the Leasehold Improvements and Operating Equipment, on a full replacement cost basis, arising from fire and such other perils as are normally insured against in the circumstances by prudent landlords of similar complexes.

Notwithstanding any contribution by the Tenant to the cost of any insurance effected by the Landlord, no insurable interest is conferred upon the Tenant under any such policies of insurance and (except as otherwise expressly provided in Section 13.1(d)) the Tenant has no right to receive any proceeds under any such insurance.

## 12.4 Limit of Liability

- (a) The Landlord Insured Parties and their respective agents, servants and employees shall not be liable for damage or injury to any property of the Tenant which is entrusted to the care or control of the Landlord Insured Parties or their respective agents, servants or employees, nor, except in the event of the gross negligence or wilful act of the Landlord or those for whom the Landlord is in law responsible, nor shall the Landlord Insured Parties be liable for any damage suffered to the Leased Premises or the contents thereof by reason of the Landlord Insured Parties or their respective agents, servants or contractors entering upon the Leased Premises to undertake any examination thereof or any work therein or in the case of any emergency.
- (b) The Landlord Insured Parties shall not be liable or responsible in any way for any personal or consequential injury of any nature whatsoever that may be suffered or sustained by the Tenant or any employee, agent, customer or invitee of the Tenant or any other person who may be upon the Leased Premises or for any loss of or damage or injury to any property belonging to the Tenant or to its employees or to any other person while such property is on the Leased Premises and, in particular (but without limiting the generality of the foregoing) the Landlord Insured Parties shall not be liable for any damage or damages of any nature whatsoever to any such property caused by the failure by reason of a breakdown or other cause to supply adequate drainage, snow or ice removal, or in the event of steam, water, rain or snow which may leak into, issue, or flow from any part of the Complex or from the water, steam, sprinkler, or drainage pipes or plumbing works of the same, or from any other place or quarter or for any damage caused by anything done or omitted to be done by any tenant, or by reason of the interruption of any public utility or service but the Landlord shall use all reasonable diligence to remedy such condition, failure or interruption of service when not directly or indirectly attributable to the Tenant, or by reason of the interruption of any public utility or service, after notice of same, when it is within its power and obligation so to do, nor shall the Tenant be entitled to any abatement of rent in respect of any such condition, failure or interruption of service.
- (c) In the event that the Leased Premises or the Complex or any part or parts thereof



- 37 -

are closed, inaccessible or unusable by reason of damage, necessary repair or by virtue of any other cause or condition whatsoever, whether within or beyond the Landlord's control, the Landlord Insured Parties shall not be liable or responsible in any way for any loss of business or any other damage to or loss, direct, indirect, consequential or otherwise sustained or suffered by the Tenant, nor shall the Tenant be entitled to any abatement of Rent, except, in the case of damage to the Leased Premises as expressly provided in Article 13 hereof.

#### 12.5 Indemnification

The Tenant shall indemnify and save harmless the Landlord Insured Parties against and from any and all claims, including without limiting the generality of the foregoing, all claims for personal injury, death or property damage arising from (i) any act or omission of the Tenant or any assignee, sub tenant, agent, contractor, employee, invitee or licensee of the Tenant, (ii) any occurrence in or upon the Lease Premises, and (iii) any default by the Tenant of any of its covenants and obligations under this Lease, and against and from all costs, counsel fees, expenses and liabilities incurred in or about any such claim or action or proceeding brought thereon. The Tenant's obligation hereunder shall survive the expiration or sooner termination of this Lease.

#### 12.6 Employees

It is agreed that every indemnity, exclusion or release of liability and waiver of subrogation herein contained for the benefit of the Landlord Insured Parties shall extend to and benefit the Landlord Insured Parties and their respective servants, agents, employees and those for whom any such party is in law responsible (collectively referred to in this Section 12.6 as "Employees"); solely for such purpose, and to the extent that the Landlord or the Tenant expressly chooses to enforce the benefits of this Section 12.6 for the Landlord Insured Parties and the Employees, it is agreed that the Landlord is the agent or trustee for the Landlord Insured Parties and the Employees.

### ARTICLE 13

#### DAMAGE & DESTRUCTION & EXPROPRIATION & TERMINATION OF HEAD LEASE

##### 13.1 Termination and Rent Abatement

- (a) (i) If and whenever by any cause, the Leased Premises shall be destroyed or suffer substantial damage such as to render them untenable in whole or in substantial part, and in such case, in the opinion of the Architect, the Leased Premises shall be incapable of being rebuilt and/or repaired or restored with reasonable diligence within one hundred and eighty (180) days of the occurrence of such destruction or damage, or if as a result of such damage or destruction the Head Lease is terminated by the Head Landlord, then the Landlord may at its option terminate this Lease upon not less than thirty (30) days' written notice to the Tenant given within ninety (90) days after the happening of such destruction or damage, in which event the Tenant shall upon the expiration of the period stipulated in such notice surrender the Leased Premises to the Landlord and this Lease shall terminate accordingly.
- (ii) If and whenever by any cause, the twenty-five percent (25%) or more of the Hotel Component has been destroyed or damaged (whether or not the Leased Premises are damaged), and in the opinion of the Architect, the area damaged shall be incapable of being rebuilt and/or repaired or restored with reasonable diligence within twenty-four (24) months days of the occurrence of such damage or destruction or if as a result of such damage or destruction, the Head Lease is terminated by the Head Landlord, then the Landlord may at its option terminate this Lease upon not less than thirty (30) days' written notice to the Tenant given within ninety (90) days after the happening of such destruction or damage, in which event the Tenant shall upon the expiration of the period stipulated in such notice surrender the Leased Premises to the Landlord and this Lease shall terminate accordingly.

- (b) If and whenever by any cause for which the Landlord is or is required by the terms of this Lease to insure for, the Building and improvements in the Complex or the Leased Premises are destroyed or damaged and this Lease shall not have been terminated pursuant to paragraph (a) hereof, the Landlord shall: (i) repair the Buildings in the Complex to the extent of its repair obligations specified in Section 9.1 and to the extent of the Landlord's Work described in Schedule "B" of this Lease, and (ii) repair or replace the Leasehold Improvements and Operating Equipment to the extent of all insurance proceeds received by the Landlord in respect thereof, and the Tenant shall do all other items of work necessary to properly make the Leased Premises ready for the carrying on of the Permitted Uses in accordance with the requirements of this Lease, including the restoring of all Leasehold Improvements and Operating Equipment to the extent that the insurance proceeds received by the Landlord in respect thereof are not sufficient to cover the actual costs of repair or replacement. If the Landlord is required to rebuild or replace the Complex, it shall have the right to rebuild the Complex with a different configuration, size and design and using different plans and specifications from the original Complex.
- (c) If as a result of any destruction or damage to the Leased Premises which the Landlord is obligated to repair under the provisions of this Lease and if the Landlord shall not have terminated this Lease pursuant to Section 13.1(a), the Leased Premises are rendered in whole or in substantial part untenable, Minimum Rent under Section 5.2 shall abate in proportion to the part of the Leased Premises rendered untenable from time to time, from the happening of such destruction or damage until the earlier of (i) thirty (30) days after the date of completion of the repairs to the Leased Premises which the Landlord is obligated to make and (ii) the date the Tenant reopens for business in any portion of the Leased Premises.
- (d) In the event that this Lease is terminated during the Initial Term as a result of a peril insured against by the Landlord, the Landlord shall pay and remit to the Tenant: (i) such portion of all of all insurance proceeds received by the Landlord in respect of the Operating Equipment that is in the same proportion that the unamortized cost of the Operating Equipment provided by the Tenant (determined on the basis of a straight line amortization over a period of ten (10) years commencing on the Commencement Date) bears to the original costs incurred by the Tenant with respect to the supply and/or installation of the Operating Equipment; and (ii) such portion of all insurance proceeds received by the Landlord in respect of the Leasehold Improvements that were installed by or on behalf of the Tenant at the Tenant's cost that is in the same proportion that the unamortized cost of such Leasehold Improvements (determined on the basis of a straight line amortization over a period of ten (10) years commencing on the Commencement Date) bears to the original costs incurred by the Tenant with respect to the supply and/or installation of such Leasehold Improvements.

### 13.2 Expropriation

If the entire Leased Premises shall be taken by expropriation or if so much of the Leased Premises or of the appurtenances thereof or such part of the means of ingress or egress to and from the Leased Premises shall be taken that it shall not be practical or feasible to use the untaken premises in the operation of the Tenant's business, at the Rent and subject to the covenants and conditions of this Lease, this Lease shall, upon vesting of title in the taker, its successors and assigns, terminate and the Rent shall be adjusted to the date of such termination. In such event the Landlord and the Tenant shall each be entitled to receive from the award or compensation for the Leased Premises the value of their respective interest therein. If any part of the Complex is expropriated (other than the Leased Premises) the full proceeds that are paid or awarded as a result will belong solely to the Landlord and the Tenant hereby assigns to the Landlord any rights that it may have or acquire in respect of such proceeds and will execute such further documents as the Landlord may reasonably require. If after a partial taking of the Complex, the Landlord determines that it is not feasible to operate the Hotel in a manner satisfactory to the Landlord, in its sole and absolute discretion, the Landlord may in its unfettered discretion conclude (and such conclusion shall bind the parties) that the Leased Premises are not

practical or feasible for a continuance of the Tenant's use, and in such event, this Lease shall terminate with the same force and effect as if there had been a total taking. If after a partial taking, this Lease shall continue, the Landlord shall restore any structural damage to the Leased Premises, resulting from such taking, and shall be reimbursed therefore from the award or compensation. The balance of the award or compensation shall be divided between the parties in accordance with their respective interests in the Leased Premises. The Minimum Rent hereunder shall be abated in the proportion that the portion of the Leased Premises so taken bears to the whole of the Leased Premises before such taking.

### 13.3 Termination of Head Lease

In the event the Head Lease is terminated by the Head Landlord for any reason other than the default of the Landlord, the Landlord shall have the right to terminate this Lease by written notice to the Tenant without compensation of any kind to the Tenant.

## ARTICLE 14 UTILITIES, HEATING & AIR CONDITIONING

### 14.1 Public Utilities

From and including the Possession Date, the Tenant shall pay for its electricity, gas, telephone, water, sewer and other utilities used in or for the Leased Premises. The Tenant shall establish accounts for all such utilities in the Tenant's own name, and shall pay the charges for the supply of any such utility directly to the supplier thereof. If the meter or meters measuring the use of such public utilities is shared by two or more tenants, the Tenant shall pay to the Landlord as Additional Rent pursuant to Section 5.19 hereof, its share of the total costs for such public utilities as allocated by the Landlord including the costs of maintenance, supervision and repairs of such public utilities systems and fifteen percent (15%) of such costs as administration costs. The Tenant's share shall be the ratio of the Rentable Area of the Leased Premises to the aggregate area of the Rentable Area of all Leaseable Premises (including the Leased Premises) serviced by such systems in the Complex. If required by the Landlord, the Tenant shall install at its expense a separate meter or meters to measure the consumption of any or all utilities in the Leased Premises, the type of meter and location to be as determined by Landlord, and in such event the Landlord shall charge the Tenant for consumption of any such utility used in or for the Leased Premises based on its actual usage or consumption of same as determined from the meters.

Should individual meters or apparatus for the measurement of the consumption of any or all utilities supplied to the Leased Premises not be installed at any time the Landlord, acting reasonably and equitably, shall allocate the cost of such utilities among the various users thereof and such allocation by Landlord shall be final and binding upon the Tenant and the Tenant shall pay to the Landlord as Additional Rent pursuant to Section 5.19 hereof, its share of the total costs for such utilities including the costs of maintenance, supervision and repairs of such utilities systems and fifteen percent (15%) of such costs as administration costs.

The Tenant's use of any such utilities shall not exceed the available capacity of the existing systems from time to time. If the Tenant desires at any time to obtain any such utilities in excess of such available capacity, the Tenant may supply and install at its expense any special wires, conduits or other equipment necessary to provide such additional capacity subject to the prior written consent of the Landlord.

### 14.2 Heating Ventilating and Air Conditioning

Without limiting its obligations under Section 9.2, throughout the Term the Tenant shall operate, maintain, repair, replace when necessary and regulate all interior climate control (including without limitation, heating, ventilating, air conditioning and climate control) systems and equipment installed within or exclusively serving the Leased Premises (the "HVAC Equipment") in first-class operating condition, subject to reasonable wear and tear which does not amount to a state of disrepair. The Tenant shall maintain such reasonable conditions of temperature, air circulation and humidity within the Leased Premises as are determined by the Landlord or its Architect so that no direct or indirect appropriation of the heating, ventilating or air conditioning

from the Common Areas Facilities shall occur. The Tenant shall comply with such stipulations and with all rules and regulations of the Landlord pertaining to the maintenance and operation of the HVAC Equipment.

In the event that the Landlord elects to maintain, repair and replace the HVAC Equipment (which election the Landlord shall be entitled to make at any time throughout the Term) then the Tenant shall pay monthly in advance, as Additional Rent, the Landlord's costs and expenses of all repairs, replacements to and maintenance and operations of the HVAC Equipment. Such costs and expenses shall, without limitation, include depreciation or amortization on such equipment and facilities and all repairs and replacements thereto, the cost of which is not charged in full in the year in which the cost is incurred, interest or carrying charges calculated at two (2) percentage points above the Prime Rate on the undepreciated or unamortized portion of the costs of such equipment and facilities, repairs and replacements and an administration fee of fifteen percent (15%) of all of the foregoing costs (excluding the undepreciated or amortized portion of the costs described above). If the Leased Premises are served by a heating, ventilating and air conditioning system which serves more than one premises in the Component of which the Leased Premises form a part, then the Tenant shall be obligated to pay a share only of the foregoing costs and expenses. The Tenant's share of all such costs and expenses shall be equitably determined by the Landlord upon the advice of an Expert and such costs or expenses shall be allocated amongst the tenants served by the said HVAC Equipment and facilities. The foregoing costs and expenses shall exclude the cost of fuel and electricity consumed by the use of such equipment to the extent only that such costs and expenses are charged separately to and paid by the Tenant pursuant to other provisions of this Lease.

The Landlord shall not be responsible for inadequate performance of the HVAC Equipment if attributable to any design, specifications, construction installation done by or on behalf of the Tenant, any arrangement or partitioning in the Leased Premises or changes therein, the failure to shade windows which are exposed to the sun, the production by the Tenant of smoke, odours or contaminated air which the HVAC Equipment is not designed to accommodate, or any use off electrical power by the Tenant which exceeds the standard of (i) normal use as determined by the Landlord, acting reasonably, or (ii) if the Tenant does not keep the heating, ventilation or air-conditioning vents or air-returns free and clear of all obstructions.

#### 14.3 Central Air Conditioning and Heating

If the Leased Premises are serviced by a central air conditioning and/or heating system that is shared by two or more tenants, the Tenant shall pay to the Landlord as Additional Rent pursuant to Section 5.19 hereof its share of the total costs of operating the central plant and its distributing systems, including without limiting the generality of the foregoing, the cost of power, fuel, water, water treatment, refrigerants, insurance, depreciation in accordance with generally accepted accounting practices and the cost of interest on all of the Landlord's undepreciated capital costs therefore from time to time, maintenance supervision and all repairs required, and fifteen percent (15%) of such total costs as administration costs, provided that any replacement of such heating and air conditioning system shall be at the Landlord's sole expense, unless such replacement is required as a result of the negligence of the Tenant or those for whom the Tenant is in law responsible, in which case the Tenant will be responsible for the replacement costs. The Tenant's share of all such costs and expenses shall be equitably determined by the Landlord upon the advice of an Expert and such costs or expenses shall be allocated amongst the tenants served by the said HVAC Equipment and facilities.

#### 14.4 Right to Suspend Utilities

In order to effect any maintenance, repairs, replacements, alterations or improvements to any utilities in the Complex or any part thereof, the Landlord shall have the right upon not less than forty-eight (48) hours' prior written notice (except in the case of an emergency, real or apprehended, in which case no notice shall be required), without liability whatsoever and without thereby constituting an interference with the Tenant's rights under this Lease or a breach by the Landlord of this Lease, and without thereby entitling the Tenant to any rights or compensation in respect thereof, to temporarily discontinue, suspend or modify any of the utilities at such reasonable time or times and from time to time as the Landlord, acting reasonably, shall deem necessary. The Landlord covenants and agrees to exercise such rights herein expeditiously and as prudently as possible so as to minimize any disruption of or inconvenience to the Tenant.

#### 14.5 Telephone and Communications Services

The Tenant shall not utilize any telephone or other network and telecommunications services (other than Complex standard telephone services) ("Telecom Services") which require any wiring or wireless or other connection or any transmission services to or from or within the Leased Premises or any part of the Complex without the Landlord's prior written consent, which may not be unreasonably withheld, conditioned or delayed. At the Landlord's option, any third party service provider shall, as a condition to being permitted to provide such service to the Leased Premises enter into a licence agreement with the Landlord, on the Landlord's standard form, entitling such party to connect to or transmit to or from or within the Leased Premises. Any costs incurred by the Landlord in documenting such agreement shall be paid for by the Tenant, as Additional Rent on demand.

The Tenant shall utilize such telephone systems as may be necessary to link to the telephone systems utilized by the Hotel with the intention being that calls for reservations for the Restaurant may be directed to the Restaurant way of the telephone systems of the Hotel. Furthermore, the Tenant shall in the operation of the Restaurant use such point of sales ("POS Systems") as may be designated by the Landlord in order to ensure that such POS Systems are compatible with and may be linked to the billing systems of the Hotel.

#### 14.6 Landlord's Services

The Tenant shall pay the Landlord forthwith on demand all charges as determined and allocated by the Landlord acting reasonably in respect of all special services provided to or for the benefit of Tenant beyond building standard services the costs for which are included in Operating Costs, such special services including, without limitation, charges for security, hoisting, supervision, waste removal, and receiving, storing and handling materials and articles. Unless otherwise expressly agreed between the Landlord and the Tenant to the contrary in respect of any specific matter from time to time, all work performed and materials supplied by the Landlord for the Tenant or otherwise respecting the Leased Premises pursuant to the provisions hereof or otherwise shall be paid for by the Tenant to the Landlord forthwith upon demand at the Landlord's cost for the same plus fifteen percent (15%) for inspection, supervision, overhead and profit.

### ARTICLE 15

#### SUBORDINATION, ATTORNMEN T & ACKNOWLEDGEMENTS

##### 15.1 Subordination and Attornment

At the option of the Landlord or the applicable mortgagee, chargee or trustee (as the case may be), this Lease shall be subject and subordinate to any and all mortgages, charges and deeds of trust (and instruments supplemental thereto), which may now or at any time hereafter affect the Leased Premises in whole or in part, or the Lands, or the Complex whether or not any such mortgage, charge or deed of trust affects only the Leased Premises or the Lands or the Complex or affects other premises as well. The Tenant acknowledges and agrees that any such mortgagee, chargee or trustee may unilaterally postpone and subordinate its mortgage, charge or deed of trust to this Lease and any renewals, modifications, consolidations, replacements or extensions thereof to the intent that this Lease and all right, title and interest of the Tenant in the Leased Premises shall be prior to the rights of such mortgagee, chargee or trustee as fully as if such Lease had been executed and registered before the registration of the mortgage, charge or deed of trust, as applicable. On request at any time and from time to time of the Landlord or of the mortgagee, chargee or trustee under any such mortgage, charge or deed of trust, the Tenant shall promptly, at no cost to the Landlord or mortgagee, chargee or trustee, but provided that the holder of any such mortgage, charge or deed of trust agrees in writing with the Tenant not to disturb the Tenant's use and occupation of the Leased Premises so long as the Tenant is not in default under this Lease:

- (a) attorn to such mortgagee, chargee or trustee and become its tenant of the Leased Premises or the tenant of the Leased Premises of any purchaser from such

- 42 -

mortgagee, chargee or trustee in the event of an exercise of any permitted power of sale contained in any such mortgage, charge or deed of trust for the then unexpired residue of the Term on the terms herein contained; and/or

- (b) postpone and subordinate this Lease to such mortgage, charge or deed of trust to the intent that this Lease and all right, title and interest of the Tenant in the Leased Premises shall be subject to the rights of such mortgagee, chargee or trustee as fully as if such mortgage, charge or deed of trust had been executed and registered and the money thereby secured had been advanced before the execution of this Lease (and notwithstanding any authority or consent of such mortgagee, or trustee, express or implied, to the making of this Lease).

Any such attornment or postponement and subordination shall extend to all renewals, modifications, consolidations, replacements and extension of any such mortgage, charge or deed of trust and every instrument supplemental or ancillary thereto or in implementation thereof. The Tenant shall forthwith execute any instruments of attornment or postponement and subordination which may be so requested to give effect to this Section. The Tenant shall, if required, also confirm to the Landlord's mortgagee: (i) that no prepayments of rent (except as provided in this Lease) and no material amendments, early termination or surrender of this Lease shall be binding on such mortgagee unless the mortgagee consents thereto; (ii) that the mortgagee shall not be liable for any default of the Landlord under this Lease arising prior to the mortgagee becoming a mortgagee in possession of the Leased Premises or succeeding to the Landlord's interest in this Lease; (iii) that the mortgagee shall be responsible for landlord obligations only so long as the mortgagee realizes on its security by entering into ownership, possession or control of the Leased Premises; and (iv) that the Tenant will deliver such mortgagee, simultaneously with delivery to the Landlord, a copy of any notice to the Landlord alleging default by the Landlord of its obligations under this Lease.

Upon written request by the Tenant, the Landlord will, at the Tenant's sole cost, use its reasonable efforts to obtain, within thirty (30) days after the Possession Date a non-disturbance agreement from any permanent mortgagee of the Building having priority over the Tenant, which non-disturbance agreement will be on such mortgagee's standard form.

### 15.2 Acknowledgement

The Tenant shall, within not more than ten (10) days' written request therefor, execute and return to the Landlord or its Mortgagee as required by the Landlord from time to time and without cost to the Landlord or such Mortgagee, a statement in writing certifying that this Lease is unmodified and in full force and effect (or if modified, stating the modifications and that this Lease is in full force and effect as modified), the amount of the annual Minimum Rent then being paid hereunder, the dates to which the same, by instalment or otherwise, and other charges hereunder have been paid, whether or not there is any existing default on the part of the Landlord of which the Tenant has notice, and any other information reasonably required.

### 15.3 Non-Disturbance Agreement from Head Landlord

The Landlord will, at Tenant's sole cost, use its reasonable efforts to obtain, within thirty (30) days after the Possession Date, a non-disturbance agreement from the Head Landlord which non-disturbance agreement will be in form and substance satisfactory to the Head Landlord.

## ARTICLE 16 DEFAULT

### 16.1 Events of Default

An "Event of Default" shall occur whenever:

- (i) any Rent payable by the Tenant under this Lease is not paid when due whether lawfully demanded or not and such failure continues for more than seven (7) days after such due date;

- 43 -

- (ii) the Tenant shall have breached or failed to comply with any of its covenants and agreements contained in this Lease (save for non-payment of Rent) and shall have failed to remedy such breach or non-compliance within thirty (30) days after written notice thereof given by the Landlord to the Tenant, or if the breach or failure would reasonably take more than thirty (30) days to remedy, an Event of Default will occur if the Tenant fails to start remedying the breach or failure within the thirty (30) day period, or fails to continue diligently and expeditiously to complete the remedy;
- (iii) the Tenant shall make any assignment for the benefit of creditors or become bankrupt or insolvent or take the benefit of any act now or hereinafter in force for bankrupt or insolvent debtors;
- (iv) a trustee, receiver, interim receiver, receiver and manager, custodian or liquidator is appointed for the business, property, affairs or revenue of the Tenant or the Indemnifier;
- (v) the Tenant is a corporation and any order shall be made for the winding up of the Tenant or other termination of the corporate existence of the Tenant;
- (vi) the Tenant makes or attempts to make a bulk sale of any of its assets regardless of where they are situated;
- (vii) the Leased Premises shall be vacated or remain unoccupied for twenty (20) days or more;
- (viii) this Lease or any of the Tenant's assets on the Leased Premises are taken or seized under writ of execution, an assignment, pledge, charge, debenture or other security instrument;
- (ix) the Tenant abandons or attempts to abandon the Leased Premises;
- (x) the Leased Premises shall be used by any Person other than the Tenant or for any purpose other than the Permitted Uses;
- (xi) the Tenant sells or disposes of the goods, chattels or equipment in the Leased Premises or removes, commences or threatens to remove them from the Leased Premises so that in the opinion of the Landlord there would not, in the event of such sale, disposal or removal, be sufficient goods on the Leased Premises subject to distress which would satisfy all Rent due or accruing hereunder for a period of six (6) months;
- (xii) any insurance policy on the Complex or any part thereof shall be cancelled or shall be threatened by the insurer to be cancelled or the coverage thereunder reduced in any way by the insurer by reason of the use or occupation of the Leased Premises or any part thereof by the Tenant and the Tenant shall have failed to remedy the condition giving rise to cancellation, threatened cancellation or reduction of coverage within forty eight (48) hours written notice given by the Landlord to the Tenant;
- (xiii) the Liquor License held by the Tenant and Landlord jointly with respect to the Leased Premises or the Exclusive Use Outside Areas shall have been suspended or cancelled and shall not have been reinstated or reissued within thirty (30) days after the date of such suspension or cancellation;
- (xiv) the Tenant fails to open its business in the whole of the Leased Premises pursuant to the provisions of Section 2.6 of this Lease or at any other time within two (2) days after delivery of written notice by the Landlord;
- (xv) if the Tenant is in default under any other agreement relating to the Leased Premises;
- (xvi) the Landlord shall have provided written notice of termination pursuant to Sections 2.6, 5.9, 11.1(ii) or 11.2(b) of this Lease;

- 44 -

- (xvii) the Tenant shall be in default of any of its covenants and obligations under the Second Floor Lease and the Landlord shall have terminated the Second Floor Lease as a result of such default;
- (xviii) the Tenant shall be in default of any of its covenants and obligations under the Food and Beverage Services Agreement and the Landlord shall have terminated the Food and Beverage Services Agreement as a result of such default;
- (xix) the Second Floor Lease or the Food and Beverage Services Agreement shall have been terminated for any other reason set out therein;
- (xx) in the event the Tenant fails for any reason to satisfy the conditions set out in Sections 2.7 or 0 hereof.

Upon the occurrence of an Event of Default, the then current month's Rent and next ensuing three (3) months' Rent shall immediately become due and be paid by the Tenant to the Landlord as accelerated Rent and the Landlord may immediately distrain for the same together with any Rent arrears then unpaid.

#### 16.2 Right of Re-entry

- (a) Upon the occurrence of an Event of Default, the Landlord may at any time thereafter, without notice to the Tenant, re-enter the Leased Premises or any part thereof in the name of the whole and terminate this Lease and all the rights of the Tenant hereunder.
- (b) If and whenever the Landlord exercises its option to re-enter the Leased Premises and terminate this Lease pursuant to paragraph (a) of this Section 16.2:
  - (i) the Tenant shall immediately vacate the Leased Premises and the Landlord may remove or cause to be removed from the Leased Premises the Tenant or any other occupant or occupants thereof and may remove all property therefrom and sell or dispose of it as the Landlord considers appropriate without liability for loss or damage and without prejudice to the rights of the Landlord to recover arrears of Rent or damages incurred by the Landlord; and
  - (ii) the Landlord shall be immediately entitled to the payment of Rent up to the date of termination together with all expenses incurred by the Landlord in such termination and the value of the Rent, calculated at the date of termination, for the unexpired portion of the Term.

#### 16.3 Reletting

At any time when the Landlord is entitled to re-enter the Leased Premises or terminate this Lease, the Landlord may without notice to the Tenant and without terminating this Lease enter upon and take custody of the Leased Premises in the name of and as agent of the Tenant, together with all the Tenant's improvements, fixtures and furnishings, and sublet the Leased Premises in the name of and as the agent of the Tenant on whatever terms the Landlord may deem appropriate but no such action by the Landlord shall waive any of the obligations of the Tenant or the subsequent exercise of any of the Landlord's remedies for default. If the Landlord shall sublet the Leased Premises as aforesaid, the Landlord shall be entitled to receive all sublease rent and apply the same in its discretion to any indebtedness of the Tenant to the Landlord hereunder, and the payment of any costs and expenses of reletting, and the Landlord shall be liable to account to the Tenant only for the excess, if any, of monies actually received by it. If the sublease rent is less than is necessary to pay and discharge all the then existing and continuing obligations of the Tenant hereunder, the Tenant shall pay such deficiency from time to time upon demand to the Landlord. Notwithstanding any such re-entry and subletting without termination, the Landlord may at any time thereafter terminate this Lease by reason of the previous or any other default under this Lease and the provisions of Section 16.2(b) shall apply.

Handwritten signature and initials in the bottom right corner of the page.

#### 16.4 Landlord Forbearance

In the event an Event of Default described in Section 16.1(ii), but expressly excluding any other Event of Default described in Section 16.1, shall occur and the Tenant fails to cure the default within the thirty (30) day cure period specified therein, the Tenant may, subject to Landlord's prior written approval, attempt to complete a sale of the Restaurant and a Transfer of this Lease to an arm's length third party (as determined in accordance with the provisions of the Income Tax Act (Canada), subject to the following conditions:

- (a) such sale or Transfer shall be completed within sixty (60) days after the expiry of the thirty (30) day cure period described in Section 16.1(ii); or such later date as may be agreed upon in writing by all parties;
- (b) the consent of the Landlord and, if required, the consent of the Head Landlord, shall have been obtained in accordance with the requirements of Article 8 hereof and all other terms and conditions of Article 8, including Section 8.5, shall have been satisfied and fulfilled,
- (c) the Tenant shall have paid and satisfied any and all amounts owing to the Landlord up to and including the closing date of such sale and Transfer;
- (d) the Landlord shall have been provided with true copies of the purchase agreement, statement of adjustments and all other closing documents as may be requested by the Landlord; and
- (e) the purchase price payable to the Tenant by the arm's length third party shall on closing be paid and directed to the Tenant, as to 50%, and to the Landlord, as to 50%, after deducting reasonable legal fees and commissions of the Tenant in respect of such sale and Transfer.

#### 16.5 Remedies Not Exclusive

Mention in this Lease of any particular remedy or remedies in respect of any default or threatened default by the Tenant in the performance of its obligations shall not preclude the Landlord from exercising, or limit the extent of, any other remedy in respect thereof, whether at law, in equity or pursuant to any express provision hereof. No remedy shall be interpreted as exclusive or dependent upon any other remedy, but the Landlord may from time to time exercise any one or more of such remedies independently or in combination.

#### 16.6 Waiver

No condoning, excusing or overlooking by the Landlord or Tenant of any default, breach or non observance by the Tenant or the Landlord at any time or times in respect of any covenant, proviso or condition herein contained shall operate as waiver of the Landlord's or the Tenant's rights hereunder in respect of any continuing or subsequent default, breach or non observance or so as to defeat or affect in any way the rights of the Landlord or Tenant herein in respect of any such continuing or subsequent default or breach, and no waiver shall be inferred from or implied by anything done or omitted by the Landlord or the Tenant save only express waiver in writing.

#### 16.7 Waiver of Exemption from Distress, etc.

The Tenant waives the benefit of any law from time to time purporting to limit or qualify any of the Landlord's rights of distress. The Tenant covenants and agrees that all of the Operating Equipment and Leasehold Improvements installed in or upon the Leased Premises by or on behalf of the Tenant shall immediately prior to the installation thereof be owned by the Tenant as the sole owner thereof, free and clear of all liens, security, interest, equipment leases, conditional sales agreements and other encumbrances whatsoever, and shall, upon delivery to or installation in the Leased Premises, be vested in the Landlord as the absolute owner thereof in accordance with the provisions of Sections 2.7 and 9.7.

### 16.8 Landlord's Right to Cure Defaults

If the Tenant shall default hereunder the Landlord may perform the Tenant's covenants for the account of the Tenant and may enter upon the Leased Premises for the purpose, and shall not be liable to the Tenant for any loss or damage to the Tenant's stock or business caused by acts of the Landlord in remedying such default, and the Tenant shall promptly pay to the Landlord the amount of all costs, charges and expenses incurred by the Landlord in connection with such default or in curing or attempting to cure such default, and in the enforcement of any provisions hereof together with an administration fee in the amount of fifteen percent (15%) of such costs.

### 16.9 Interest on Arrears

The Tenant covenants to pay the Rent and all other charges provided for in this Lease on their respective due dates in full, and if the Tenant is late in the payment of any Rent, in whole or in part, beyond the date appointed for the payment thereof, the Tenant shall pay forthwith to the Landlord: (i) the Landlord's administrative fee of \$500.00 for each month, or part month, that such Rent or any part thereof remains outstanding; plus (ii) interest equal to 2% of the amount of such Rent in arrears, calculated and compounded monthly, for each and every month (or part month) that such Rent remains outstanding. The Landlord's administrative fee and interest as aforesaid shall be deemed to be Rent hereunder.

### 16.10 Financial Covenants

The Tenant shall, from time to time and within ten (10) days after the Landlord's written request, permit the Landlord and any Person required by the Landlord in connection with the sale, financing or other transfer or conveyance of all or any part of the Complex or the Landlord's interest in the Complex, to view, at the Tenant's offices, such financial and other information as is reasonably required by such party to satisfy itself as to the financial strength of the Tenant and the continued ability of the Tenant to perform all of its covenants and obligations under this Lease.

## ARTICLE 17 MISCELLANEOUS

### 17.1 Entire Agreement

This Lease and the Schedules attached hereto and forming a part hereof, set forth all the covenants, promises, agreements, conditions and understandings between the Landlord and the Tenant concerning the Leased Premises and there are no covenants, promises, agreements, conditions or representations, either oral or written, between them other than are herein and in the said Schedules set forth. Except as herein otherwise provided, no subsequent alteration, amendment, change or addition to this Lease shall be binding upon the Landlord or the Tenant unless reduced to writing and signed by them.

### 17.2 Notice

Any notice, demand, request, consent or objection required or contemplated to be given to or made by any provision of this Lease shall be given or made in writing, mailed, registered, postage prepaid or by facsimile transmission, and if given or made to the Landlord shall be addressed to it at: 111 Princes Boulevard, Toronto Ontario, M6K 3C3, Attention: Asset Management, and if given or made to the Tenant shall be addressed to it at the Leased Premises, and the time of giving or making such notice, demand, request, consent or objection shall be conclusively deemed to be the third day after the day of mailing thereof or on the day of facsimile transmission if made before 5:00 p.m. Eastern Time on a business day, otherwise on the business day next following as evidenced by a written confirmation of such facsimile transmission. Such notice, demand, request, consent or objection shall also be sufficiently given if given or made to the Landlord by delivering the same to an executive officer of the Landlord at the Landlord's address set out above and if given or made to the Tenant by delivering the same to a director or officer of the Tenant or with a person at the Leased Premises who appears to be

in control or management of the Leased Premises, and the time of giving or making such notice, demand, request, consent or objection shall be conclusively deemed to be the time of such delivery if delivered as aforesaid. If in this Lease two or more persons are named as Tenant or Landlord, such notice, demand, request, consent or objection shall also be sufficiently given or made if and when the same shall be delivered personally to any one of such persons. Either party may at any time give notice in writing to the other of any change of address of the party giving such notice and from and after the giving of such notice the address therein specified shall be deemed to be the address of such party for the giving or making of any notice, demand, request, consent or objection hereunder. All payments required to be made by this Lease shall be addressed as provided for in this Section unless otherwise directed by the Landlord.

### **17.3 No Offer**

The Landlord shall not be deemed to have made an offer to the Tenant by furnishing to the Tenant a copy of this Lease with particulars inserted; notwithstanding that the first instalment of Minimum Rent may be received by the Landlord when this Lease is received by it for signature no contractual or other rights shall exist or be created between the Landlord and the Tenant until such time as all parties to this Lease have executed the same.

### **17.4 Captions and Bolding**

The captions appearing as headings in this Lease have been inserted and the bolding of type has been made as a matter of convenience and for reference only and in no way limit or enlarge the scope of meaning of this Lease or any provision thereof.

### **17.5 Governing Law**

This Lease shall be construed and governed by the laws of the Province of Ontario. Should any provision or provisions of this Lease and/or its conditions be illegal or not enforceable, it or they shall be considered separate and severable from this Lease and its remaining provisions and conditions shall remain in force and be binding upon the parties hereto as though the said provision or provisions had never been included.

### **17.6 Successors and Assigns**

Subject to the provisions of this Lease respecting assignment by the Tenant, this Lease shall endure to the benefit of and be binding upon the Landlord, its successors and assigns and the successors and permitted assigns of the Tenant.

### **17.7 Joint and Several Liability**

If the Tenant shall be comprised of more than one (1) Person, the liability of each such Person under this Lease shall be joint and several.

### **17.8 Tenant Partnership**

If the Tenant shall be a partnership, each Person who shall be a member of such partnership or successor thereof shall be and continue to be jointly and severally liable for the performance and observance of all covenants, obligations and agreements of the Tenant under this Lease even if such Person ceases to be a member of such partnership or successor thereof.

### **17.9 Severability**

If any provision of this Lease shall be unenforceable, it shall be considered separate and severable from the remaining provisions of this Lease which shall remain in force and be binding as though each provision had not been included.

### **17.10 Legal Relationship**

No provision of this Lease is intended to create a joint venture of partnership or any other similar relationship between the Landlord and the Tenant, such relationship being that of landlord and tenant only.

**17.11 Agents or Brokers**

The parties acknowledge that neither party has retained a broker, agent or other advisor, other than legal counsel, in respect of this Lease and, as such, neither party shall have any obligation to pay or contribute to any commissions or fees payable to any broker, agent or advisor retained or consulted by the other party.

**17.12 Registration**

The Tenant covenants and agrees with the Landlord that the Tenant will not register or record this Lease or any part thereof against the title to the Lands or any part thereof except by way of notice which shall be subject to the prior written approval of the Landlord and which shall only describe the parties, the Leased Premises, and the Term and any options to renew or extend (as applicable). The Tenant covenants to execute and return to the Landlord such notice, prepared by the Landlord in registrable form setting out the aforesaid details, within ten (10) days' written request therefor. The Landlord, on its own behalf, may also register notice of this Lease, or a short form thereof, against title to the Lands and the Tenant hereby appoints the Landlord as its agent for the purpose of preparing and submitting any Land Transfer Tax affidavit required in connection with such registration.

**17.13 Time of the Essence**

Time shall be of the essence of this Lease and every part thereof.

**17.14 Landlord's Failure to Deliver Possession**

Notwithstanding anything to the contrary, the Landlord shall not be in default of this Lease if it fails to give possession of the Leased Premises to the Tenant as required under this Lease by any reason which is not the result of Unavoidable Delay or the gross negligence of the Landlord.

**17.15 Unavoidable Delay**

Notwithstanding anything else contained in this Lease, if the Landlord or the Tenant is, in good faith, delayed or prevented from doing anything required by this Lease because of a strike; labour trouble; inability to get materials or services; power failure; restrictive governmental laws or regulations; riots; insurrection; sabotage; rebellion; war; act of God; or any other similar reason ("Unavoidable Delay"), that is not the fault of the party delayed (excepting in all cases insolvency or lack of funds) the doing of the thing is excused for the period of the delay and the party delayed will do what was delayed or prevented within the appropriate period after the delay. The preceding sentence does not excuse the Tenant from payment of Rent or the Landlord from payment of amounts that it is required to pay, in the amounts and at the times specified in this Lease.

**17.16 Covenants**

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

**17.17 Grammatical Changes**

Whenever the singular number is used herein the same shall include the plural and the neuter gender shall include the feminine and masculine genders.

**17.18 Schedules**

Schedules "A", "B", "C", "D", "E", and "F" attached hereto form an integral and binding part of this Lease and are hereby incorporated by reference.

**17.19 Arbitration**

Any matter in dispute between the Landlord and the Tenant under this Lease shall be referred to arbitration in accordance with the provisions of the *Arbitration Act, 1991* (Ontario) before a single arbitrator appointed by the parties. If the parties cannot agree on a single arbitrator then,

upon the application of either party, a Justice of the Superior Court of Ontario shall appoint an arbitrator whose sole determination shall be final. The arbitrator shall be an expert in the matter that is in dispute between the parties and who shall be disinterested and independent of the parties. The expense of such arbitration shall be borne equally by the Landlord and the Tenant. The arbitration shall take place in the City of Toronto and the decision of the arbitrator shall be final and binding on the parties and shall not be subject to any appeal or review procedure, except that a party may appeal on a question of law or mixed fact and law.

#### **17.20 Compliance with PIPEDA**

The parties hereto acknowledge that, in order to induce the Landlord to enter into this Lease, the Tenant may have provided the Landlord with "personal information" as defined in the federal *Personal Information Protection and Electronic Documents Act* ("PIPEDA") relating to the Tenant or other parties connected to the Tenant with respect to this Lease, including, without limitation, any indemnifier or guarantor. The Landlord complies with a privacy policy to ensure that the personal information of the Tenant and any indemnifier or guarantor is protected and that the Landlord's practices and procedures comply with PIPEDA. The Landlord will only use and disclose any personal information collected for the purposes identified in the Landlord's privacy policy or described below. In accordance with PIPEDA, the Tenant acknowledges that providing personal information to the Landlord is considered consent to the collection, use and disclosure of the Tenant's personal information from time to time during the Term (and any renewal or extension thereof) in order to conduct a credit check on the Tenant or for any other proper business purpose as it relates to this Lease, the Complex and/or the Leased Premises, and such personal information may be shared with related Landlord companies, the Landlord's solicitors, accountants, and other professional advisors, actual and potential lenders, and actual or potential purchasers. If the Tenant wishes to withdraw consent for one or more purposes, the Tenant must notify the Landlord's head office in writing.

#### **17.21 INTENTIONALLY DELETED**

#### **17.22 Authority to Bind**

The individuals affixing their signatures below as signing officers for each of the parties hereby declare, represent and warrant that they are personally each duly authorized, empowered and entitled to sign this Lease for and on behalf of the party they hereby respectively purport to represent.

#### **17.23 Confidentiality**

The Tenant shall not disclose to any Person the financial details of this Lease, except: (i) to its professional advisors, consultants and auditors, employees, directors, officers and potential and actual bankers, lenders, co-owners, purchasers and investors all of whom shall be expressly requested to maintain such information in the strictest of confidence; and (ii) as required by Applicable Law.

#### **17.24 Freely Negotiated**

The Landlord and the Tenant acknowledge and covenant that they are each experienced and knowledgeable in commercial leasing matters and that they have both been represented by legal counsel in the discussion, negotiation and execution of this Lease. The Landlord and the Tenant further acknowledge and covenant that the provisions of this Lease, including without restriction all schedules attached hereto and forming part hereof, have been freely and fully discussed and negotiated and that the execution of this Lease constitutes and is deemed to constitute full and final proof of the foregoing statement. The Landlord and the Tenant acknowledge and agree that they have read, examined, understood and approved all of the provisions of this Lease, including without restriction all schedules attached hereto and forming part hereof.

IN WITNESS WHEREOF the parties hereto have executed this Lease under seal:

LANDLORD

PRINCES GATE GP INC.,  
in its capacity as General Partner of  
PRINCES GATES HOTEL LIMITED  
PARTNERSHIP

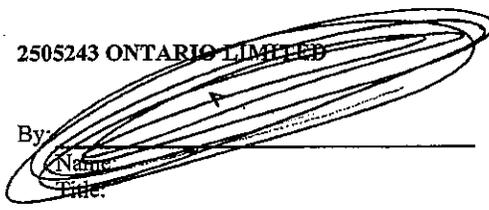
By:   
Name:  
Title:

By: \_\_\_\_\_  
Name:  
Title:

We have authority to bind the general partner  
and the general partner has the authority to bind  
the limited partnership.

TENANT

2505243 ONTARIO LIMITED

By:   
Name:  
Title:

By: \_\_\_\_\_  
Name:  
Title:

I/We have authority to bind the corporation.



**SCHEDULE "A"**  
**LANDLORD'S WORK AND TENANT'S WORK**

**LANDLORD'S WORK**

The Landlord shall only be responsible such of the items as are set out below under the heading of Tenant's Work that are expressly stated as being the responsibility of the Landlord

**TENANT'S WORK**

The Tenant shall provide, at its sole expense, the items enumerated below, if applicable and/or in the event of any future renovations, and will also provide all other work required for the finishing of the Leased Premises for their intended use (all in accordance with the Tenant's drawings and specifications as approved by the Landlord), save and except for the items below that are expressly stated as being the responsibility of the Landlord.

**Garden Restaurant (Ground Floor):**

**General:** Tenant will be responsible for all interior fit up including all partitioning, finishes, mechanical (HVAC, plumbing and fire protection), electrical, food & beverage equipment, IT, POS and furnishings. The Tenant will be responsible for all alterations to existing building elements, including, but not limited to, corings through the concrete structure.

**Floor:** Landlord will provide exposed concrete floors.

**Walls:** Landlord provides perimeter walls and doors only, including curtainwall glazing and doors to exterior. Exterior curtainwall provides louvered sections for the tenant to use for the intake and exhaust air for HVAC systems.

**Ceiling:** No ceiling provided by Landlord. Exposed structure is concrete.

**Power:** 600V, 400A, 3Ø, 3W metered feeder terminated in an unfused disconnect switch has been provided by Landlord. Lessee will be responsible for all power distribution downstream of disconnect switch.

**Fire Alarm:** Initiating devices (smoke detectors, pull station at exit to stairwell) and signaling devices (speakers) have been provided by Landlord for shell space. Lessee will be responsible for all costs for system modifications or additional devices required to suit tenant fit up. Devices must be of same type and by same manufacturer of base building fire alarm system. Fire alarm work must be installed and verified to ULC requirements by Owner's designated fire alarm contractor.

**Emergency Lighting Circuit:** Landlord has provide (x1) 120V, 15A unmetred emergency lighting circuit within shell space. Lessee will be responsible for all costs associated with modification and reworking of emergency lighting circuit.

**Exit Lighting:** Landlord has provided exit lighting (connected to emergency lighting circuit noted above) at exit doors from shell space. Lessee will be responsible for any additional exit signage required to suit tenant fit up.

**Telecom:** Landlord has provided (x1) 53mm conduit from shell space to local telecom room for Voice/Data services. Lessee will be responsible for costs associated with voice/data wiring/installation of devices within tenant space and for home run wiring to telecom room.

**Security:** Lessee will be responsible for costs associated with providing local, stand-alone security system for tenant space.

**Chilled Water:** Landlord has provided connection with shut off valve for chilled water pipes

- 2 -

(supply and return). Pipe size is 75 mm diameter (3").

**Sanitary Drain:** Landlord has provided connection for sanitary drain. Pipe size is 150mm diameter (6").

**Sanitary Vent:** Landlord has provided connection for sanitary vent. Pipe size is 100mm diameter (4").

**Domestic Water:** Landlord has provided connection for domestic cold water. Pipe size is 50mm diameter (2.0").

**Natural Gas:** Landlord has provided connection for natural gas. Pipe size is 75mm diameter (3").

**Fire Protection:** Landlord has provided Fire hose cabinet in the area. Landlord has provided sprinklers for required coverage for the vacant tenant space with upright heads. Modification of the sprinklers to suit tenant layout and requirements is responsibility of the tenant. Tenant shall provide sprinkler design and hydraulic calculations to meet the space classifications. Tenant shall provide any additional standpipe connections as needed for their space to meet the code requirements.

#### Clean up

In the event that the Tenant does not remove its construction debris, the Tenant will be charged by the Landlord a service fee to clean up and/or remove the Tenant's construction debris. The fee will be equivalent to thirty cents (\$0.30) per square foot of leased area with a minimum charge of ONE HUNDRED AND FIFTY (\$150.00) DOLLARS.

#### Performance of Tenant's Work

The following provisions are in addition to, and do not waive, the provisions of any general covenants between the Tenant and the Landlord as may be contained in this Lease:

- (a) Before doing any item of the Tenant's Work, the Tenant shall secure, and demonstrate to the Landlord on demand, all necessary permits. Upon completion, the Tenant shall secure all applicable certificates of completion and occupancy.
- (b) All items of work undertaken by the Tenant shall be performed by competent workmen whose labour union affiliations are compatible with those of others employed by the Landlord and its contractors and sub-contractors.
- (c) All work by the Tenant within the Leased Premises shall be completed in new materials. Materials and workmanship shall be of a uniformly high quality and used and/or performed in accordance with the very best standards of practice and shall not be in contravention of any governing codes or regulations and shall be subject to the approval of the Landlord and/or its Architect. Any damage to the Leased Premises or the Complex caused by the Tenant or any of its employees, contractors or workmen shall be repaired forthwith by the Landlord at the expense of the Tenant.
- (d) Under no circumstances will the Tenant, its employees, its contractors or its contractors' employees enter onto any roof of the Complex or make any opening in the roof.
- (e) The Tenant and its contractor(s) shall not impose a greater load on any concrete floor than the design live load of 100 pounds per square foot uniformly distributed. No unusual loads may be suspended from the underside of roof structure.
- (f) The Tenant shall maintain the Leased Premises in a reasonably clean and orderly manner and shall be responsible for the cost of removing from the Complex all excess materials, trash and cartons resulting from the Tenant's Work and stocking of the Leased Premises. Should the Tenant fail to regularly clean up construction

material, trash and cartons, the Landlord may remove such material and charge the costs to the Tenant.

- (g) The Tenant shall not allow any liens to be placed against the Leased Premises or the Complex. Failure to discharge any construction liens within two (2) days of notice by the Landlord so to do, shall constitute a default under this Lease at the sole discretion of the Landlord.

#### Exhaust and Odours

- (a) Objectionable odours from the Leased Premises shall, at the Tenant's expense be exhausted in such a manner as precludes their escaping into the Hotel or other rental areas, or short circuiting into any fresh air vents.
- (b) The Tenant's air-handling equipment may not under any circumstances draw air from the Hotel or exhaust into it.
- (c) Garbage refrigeration equipment must be installed in the Leased Premises by the Tenant if perishable items are handled.

#### LEEDS REQUIREMENTS

##### Retail Requirements:

This project is pursuing a silver level of certification under the Canada Green Building Council Leadership in Environmental and Energy Design for New Construction (CaGBC LEED NC 2009) green building rating system. To achieve this status, the building must achieve a predetermined number of points in seven environmental categories: Sustainable Sites, Water Efficiency, Energy and Atmosphere, Materials and Resources, Indoor Environmental Quality, Regional Priority, and Innovation and Design Process. Points are obtained by satisfying requirements defined by the Canada Green Building Council (CaGBC). In addition to base building and Owner occupied spaces, all leased spaces must comply with the selected requirements of this program. Specifically, all leased spaces

##### Lighting

Design of interior lighting shall comply with ASHRAE 90.1-2010. ASHRAE 90.1-2010 is referenced by the Ontario Building Code in addition to being a LEED requirement.

The allowed lighting power density (using the space-by-space method) shall comply with the following:

	Allowable Interior Lighting Power (W/ft <sup>2</sup> )
Retail Sales Area	1.68 + accent lighting allowance
Restaurant (Cafeteria)	0.65
Restaurant (Leisure Dining)	1.31
Office enclosed	0.8
Kitchen	0.99
Tennis court	1.20
Gymnasium	1
In active storage area	0.3
Conference /Meeting rooms	1.23
Corridor	0.66
Locker room	0.75
Lounge and Recreation	0.73

Tenant drawings shall include a schedule summarizing fixture types and quantities.

Interior lighting control shall comply with the control requirements as summarized in Chapter 9 of ASHRAE 90.1-2010. For example Occupancy sensor lighting control to be provided for storage rooms, office space (less than 250ft<sup>2</sup>), restroom, dressing, locker and fitting rooms, conference /meeting rooms

- 4 -

The tenant is required to provide drawings, specifications and supporting calculations confirming compliance with these lighting power density requirements and all other ASHRAE 90.1-2010 requirements for interior lighting prior to the building permit application for Landlord approval.

#### HVAC

Retail space will be provided with chilled water, heating water, and outside air duct.

Efficiencies of the equipment to be brought in by tenants have to meet ASHRAE 90.1-2010 efficiencies numbers, at COP 4.2 for heating and EER 12.0 for cooling.

The tenant is required to provide drawings and specifications confirming compliance with the heat pump efficiency requirements prior to the building permit application for Landlord approval.

All kitchen hoods installed to comply with ASHARE 90.1.2010, Section 6.5.7.1.4.

The following maximum flow rates are required for all tenant supplied flush and flow fixtures to achieve LEED certification:

Fixture	Maximum Flow Rate (LPF)	Maximum Flow Rate (GPF)
Water Closets	4.2	1.1
Urinals	1.9	0.5
Showerheads	5.7	1.5
Faucets	1.9	0.5
Replacement Aerators	1.9	0.5



**SCHEDULE "B"**

**LANDS**

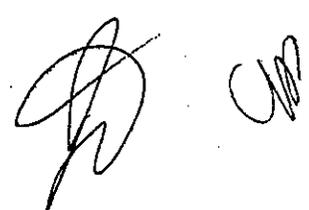
**LEGAL DESCRIPTION**

PART OF BLOCK 14 OF THE ORDNANCE RESERVE AND PART OF WATERLOT  
FRONTING THE ORDNANCE RESERVE, DESIGNATED AS PART 1 ON PLN 66R25067,  
SAVE AND EXCEPT PART 1 ON 66R27740; CITY OF TORONTO

Handwritten signatures in black ink, consisting of two distinct scribbled marks.

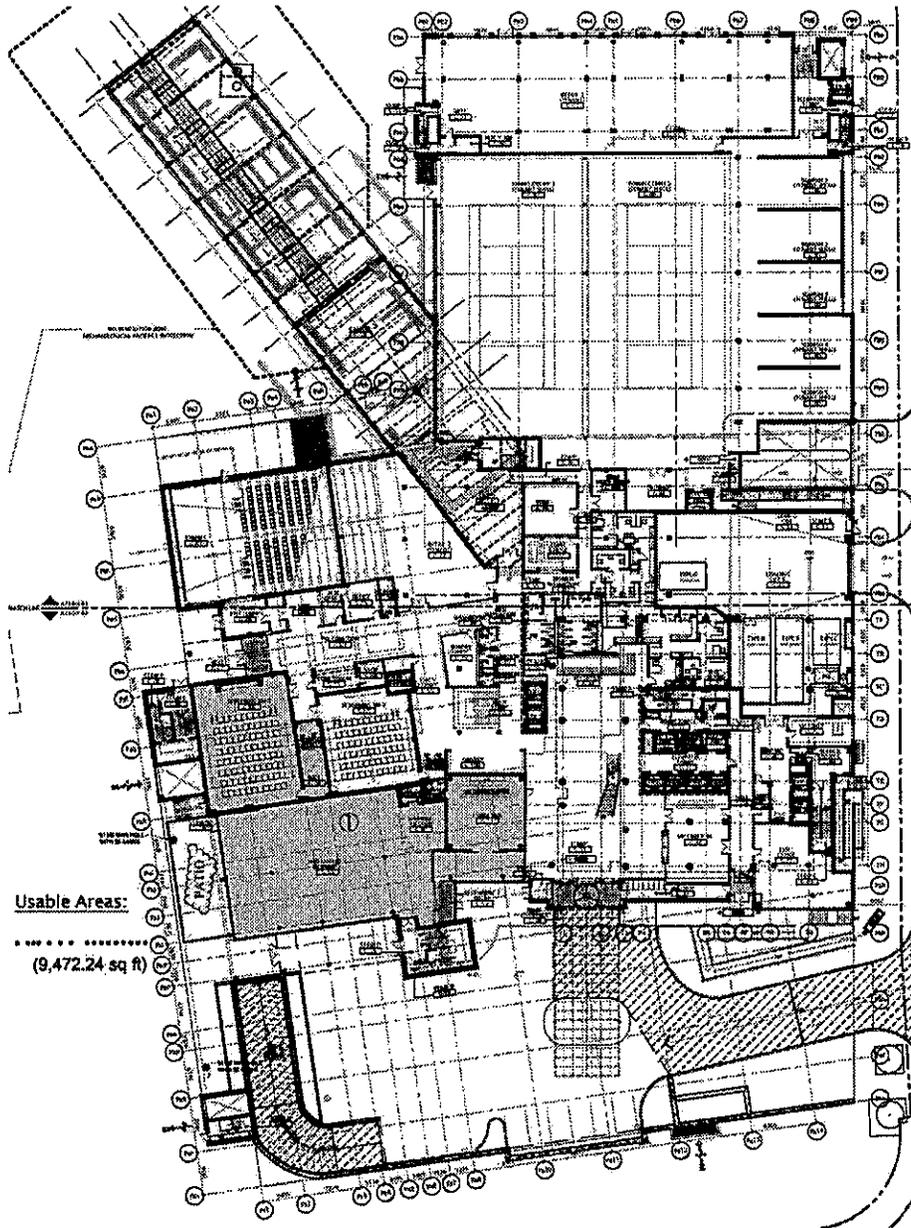
SCHEDULE "C"  
TENANT'S PLANS

To be provided

Handwritten signature and initials in black ink.

SCHEDULE "D"

PLAN OF BUILDING AND LOCATION OF LEASED PREMISES



The sole purpose of this plan is to show the approximate location of the Leased Premises in the Building.

A handwritten signature and initials are present in the bottom right corner of the page. The signature is a stylized, cursive name, and the initials below it appear to be 'JM'.

**SCHEDULE "E"**

**RULES AND REGULATIONS**

The Tenant shall observe the following Rules and Regulations (as amended, modified or supplemented from time to time by the Landlord as provided in this Lease):

1. The Tenant and its employees and agents shall not solicit business in the Common Area Facilities or elsewhere in the Complex, nor shall the Tenant distribute any handbills or other advertising matter in the Common Area Facilities without the express written approval of the Landlord.
2. No Person shall use the Leased Premises or any part thereof for sleeping apartments or for residential or any immoral or unlawful purpose.
3. The Tenant shall not grant any concessions, licenses or permission to any third parties to sell or take orders for merchandise or services in the Leased Premises without the prior written approval of the Landlord.
4. The Tenant shall, at all times, keep the Leased Premises, including both sides of all glass in doors and windows therein, and exterior store front surfaces, in a clean and sanitary condition. If required by the Landlord, pest and rodent extermination services shall be obtained by and at the expense of the Tenant.
5. The Tenant shall not transact any business nor sell any merchandise anywhere in the Complex outside of the Leased Premises without the express approval of the Landlord.
6. The Tenant shall not abuse, misuse or damage the Leased Premises or the Common Area Facilities, and in particular, shall not deposit rubbish in any plumbing apparatus and shall not deface or mark any walls or other parts of the Leased Premises or the Common Area Facilities: the expense of repairing or replacing any breakage, stoppage or damage resulting from a breach of this regulation, shall be borne by the Tenant.
7. The Tenant shall not permit any machines, vending or dispensing refreshments or merchandise, or providing amusement or entertainment of any character, to be located in the Leased Premises without the prior written consent of the Landlord.
8. No food or beverages may be brought to the Leased Premises except by such means, at such times and by such persons as have been authorized by the Landlord.
9. The entrance, lobbies, staircases, pedestrian malls and other public portions of the Common Area Facilities are for use only for access, and the Tenant shall not obstruct or misuse such facilities or permit them to be obstructed or misused by its agents, employees, invitees or others under its control.
10. The Tenant shall not use any advertising medium that shall be a nuisance to the Landlord or other tenants of the Complex and shall not utilize within the Leased Premises or any Common Area Facilities any live music, recorded music, loudspeakers, phonographs or radio broadcasts, in a manner to be heard outside the Leased Premises.
11. All loading and unloading of merchandise, supplies, fixtures, equipment and furniture shall be made at such times and in such manner and through such means of access to the Leased Premises as shall be approved in advance by the Landlord. The Tenant shall ensure that any trucks or other vehicles used for loading or unloading shall not obstruct any access areas adjacent to the Leased Premises.
12. The Tenant shall not cause or permit objectionable odour, vibration or noise from mechanical apparatus or other source, to emanate from or be dispelled beyond the limits of the Leased Premises.

**SCHEDULE "F"****PROHIBITED USES**

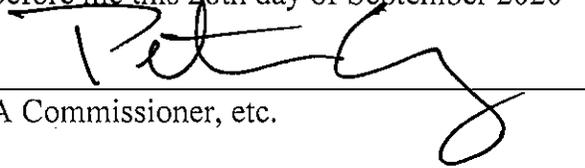
The Tenant shall not, without the prior written consent of Landlord and the Head Landlord, which consent may be unreasonably withheld in their sole discretion, occupy or use nor suffer or permit to be occupied or used any part of the Leased Premises for:

- (a) a casino or gaming facility;
- (b) a permanent themed dinner theatre;
- (c) professional live hockey, soccer or motor racing events;
- (d) a permanent liquor licensed venue/night club solely for the purpose of providing live and recorded musical entertainment for standing room crowd capacities of greater than 500 persons but less than 2999 persons;
- (e) a ticketed concert venue, promoted to the general public, for over 500 seats;
- (f) a shooting range, gun club or other activities which promote the use of firearms;
- (g) the sale and/or provision of goods and services not in keeping with a reputable and first class development, such as second hand goods or armed services surplus articles, insurance salvage stock, fire sale stock or bankruptcy stock or adult entertainment (excluding in-room adult movies);
- (h) the sale of firecrackers or fireworks;
- (i) an auction, other than an auction held in conjunction with a charity event taking place at the Hotel, or an auction of high quality art or artefacts, jewellery, collectibles or similar items of quality and/or interest;
- (j) a bulk sale (other than a bulk sale made to an assignee or sub-tenant under a permitted Transfer), liquidation sale, "going out of business" or bankruptcy sale, or warehouse sale, other than a sale of superfluous or out-of-date items, which shall be permitted, whether or not they are being replaced;
- (k) a use which, because of the merchandising methods or quality of operation likely to be used, would tend to lower the character of the Leased Premises, the Project or the balance of the Lands as a whole; or
- (l) any practice of unethical or deceptive advertising or selling procedures.



**TAB B**

This is Exhibit "B" referred to in the  
Affidavit of Christopher Lambert, sworn  
before me this 28th day of September 2020

  
A Commissioner, etc.

HOTEL X  
2<sup>ND</sup> FLOOR RESTAURANT

**LEASE**

BETWEEN

**Princes Gates GP Inc.,**  
in its capacity as General Partner of  
**Princes Gates Hotel Limited Partnership**

And

**2505243 Ontario Limited**

Hotel X  
111 Princes Boulevard  
Toronto, Ontario

 1/25/17  
CW

**2<sup>nd</sup> Floor Restaurant**

TABLE OF CONTENTS

**Page**

**ARTICLE 1 DEFINITIONS..... 1**

**ARTICLE 2 PREPARATION OF LEASED PREMISES..... 6**

    2.1 Landlord's Work..... 6

    2.2 Tenant's Work ..... 7

    2.3 Tenant's Plans ..... 7

    2.4 Examination of Leased Premises ..... 8

    2.5 Possession Date and Fixturing Period..... 8

    2.6 Failure of the Tenant to Open ..... 8

    2.7 Tenant's Investment..... 8

    2.8 PPSA Discharges ..... 9

**ARTICLE 3 DEMISE & TERM ..... 9**

    3.1 Demise ..... 9

    3.2 Use of Common Area Facilities..... 9

    3.3 Term of Lease ..... 10

    3.4 Options to Extend ..... 10

    3.5 Overholding ..... 11

**ARTICLE 4 LANDLORD & TENANT COVENANTS ..... 11**

    4.1 Landlord Covenants ..... 11

    4.2 Tenant Covenants..... 11

**ARTICLE 5 RENT ..... 11**

    5.1 Intent ..... 11

    5.2 Minimum Rent..... 11

    5.3 Percentage Rent ..... 12

    5.4 Reports by Tenant..... 12

    5.5 Tenant's Records ..... 13

    5.6 Right to Examine Books ..... 13

    5.7 Audit Rights ..... 13

    5.8 Determination of Gross Receipts ..... 14

    5.9 The Landlord's Right to Terminate ..... 14

    5.10 INTENTIONALLY DELETED ..... 14

    5.11 INTENTIONALLY DELETED ..... 14

    5.12 Estimated Payments ..... 14

    5.13 Deposit ..... 15

    5.14 Place and Payment of Rent ..... 15

    5.15 INTENTIONALLY DELETED ..... 15

    5.16 No Set Off..... 15

    5.17 INTENTIONALLY DELETED ..... 15

    5.18 Rent Free Period ..... 16

    5.19 Tenant Obligations..... 16

**ARTICLE 6 TAXES..... 16**

    6.1 Taxes Payable by the Landlord..... 16

    6.2 Direction for Payment of Taxes..... 16

    6.3 Taxes Payable by the Tenant ..... 16

    6.4 Determination of the Tenant's Taxes..... 17

    6.5 Business Taxes and Sales Taxes ..... 17

    6.6 Payment of Taxes..... 18

    6.7 Tax Bills and Assessment Notices ..... 18

    6.8 Contest of Taxes ..... 19

**ARTICLE 7 COMPLEX AND COMMON AREA FACILITIES ..... 19**

    7.1 Control of Complex and Common Area Facilities ..... 19

    7.2 Roof and Walls ..... 20

    7.3 Parking ..... 20

    7.4 No Merchandise in Common Area Facilities..... 21

**TABLE OF CONTENTS**  
(continued)

		Page
7.5	Rules and Regulations.....	21
7.6	Garbage.....	21
7.7	Energy Conservation.....	21
<b>ARTICLE 8 ASSIGNMENT AND SUBLETTING, ETC. ....</b>		<b>22</b>
8.1	Definitions.....	22
8.2	Transfers.....	22
8.3	No Advertising of Premises.....	24
8.4	Dispositions by the Landlord.....	24
8.5	Additional Conditions of Transfer.....	24
<b>ARTICLE 9 REPAIRS &amp; ALTERATIONS .....</b>		<b>24</b>
9.1	Landlord's Repairs.....	24
9.2	Tenant's Repairs.....	24
9.3	Tenant's Alterations and Improvements.....	25
9.4	Hazardous Substances.....	26
9.5	No Liens.....	27
9.6	Surrender.....	27
9.7	Ownership of Leasehold Improvements and Operating Equipment.....	28
<b>ARTICLE 10 ACCESS BY LANDLORD .....</b>		<b>28</b>
10.1	Access for Inspection & Repairs.....	28
10.2	Access for Excavation.....	28
10.3	Landlord Installations.....	28
10.4	Exhibiting Leased Premises.....	28
<b>ARTICLE 11 USE AND STANDARDS OF OPERATION.....</b>		<b>29</b>
11.1	Use of Leased Premises.....	29
11.2	Conduct of Business.....	29
11.3	Exclusive Use Outside Areas.....	33
11.4	Compliance With Laws.....	33
11.5	Operating Equipment, Etc.....	34
11.6	Signs.....	34
11.7	Pest Control.....	34
11.8	Deliveries.....	34
11.9	Janitorial Services.....	34
11.10	Compliance with Head Lease.....	34
<b>ARTICLE 12 INSURANCE &amp; INDEMNITY .....</b>		<b>35</b>
12.1	Tenant's Insurance.....	35
12.2	Not to Affect Landlord's Insurance.....	36
12.3	Landlord's Insurance.....	36
12.4	Limit of Liability.....	36
12.5	Indemnification.....	37
12.6	Employees.....	37
<b>ARTICLE 13 DAMAGE &amp; DESTRUCTION &amp; EXPROPRIATION &amp; TERMINATION OF HEAD LEASE.....</b>		<b>37</b>
13.1	Termination and Rent Abatement.....	37
13.2	Expropriation.....	38
13.3	Termination of Head Lease.....	39
<b>ARTICLE 14 UTILITIES, HEATING &amp; AIR CONDITIONING .....</b>		<b>39</b>
14.1	Public Utilities.....	39
14.2	Heating Ventilating and Air Conditioning.....	39
14.3	Central Air Conditioning and Heating.....	40
14.4	Right to Suspend Utilities.....	40
14.5	Telephone and Communications Services.....	41
14.6	Landlord's Services.....	41

TABLE OF CONTENTS  
(continued)

	Page
<b>ARTICLE 15 SUBORDINATION, ATTORNMEN T &amp; ACKNOWLEDGEMENTS.....</b>	<b>41</b>
15.1 Subordination and Attornment.....	41
15.2 Acknowledgement .....	42
15.3 Non-Disturbance Agreement from Head Landlord .....	42
<b>ARTICLE 16 DEFAULT .....</b>	<b>43</b>
16.1 Events of Default .....	43
16.2 Right of Re-entry .....	44
16.3 Reletting .....	44
16.4 Landlord Forbearance .....	45
16.5 Remedies Not Exclusive .....	45
16.6 Waiver.....	45
16.7 Waiver of Exemption from Distress, etc.....	45
16.8 Landlord’s Right to Cure Defaults.....	46
16.9 Interest on Arrears.....	46
16.10 Financial Covenants.....	46
<b>ARTICLE 17 MISCELLANEOUS .....</b>	<b>46</b>
17.1 Entire Agreement .....	46
17.2 Notice .....	46
17.3 No Offer .....	47
17.4 Captions and Bolding.....	47
17.5 Governing Law .....	47
17.6 Successors and Assigns.....	47
17.7 Joint and Several Liability .....	47
17.8 Tenant Partnership .....	47
17.9 Severability .....	47
17.10 Legal Relationship .....	47
17.11 Agents or Brokers .....	48
17.12 Registration .....	48
17.13 Time of the Essence .....	48
17.14 Landlord’s Failure to Deliver Possession .....	48
17.15 Unavoidable Delay.....	48
17.16 Covenants.....	48
17.17 Grammatical Changes .....	48
17.18 Schedules .....	48
17.19 Arbitration.....	49
17.20 Compliance with PIPEDA .....	49
17.21 INTENTIONALLY DELETED .....	49
17.22 Authority to Bind .....	49
17.23 Confidentiality .....	49
17.24 Freely Negotiated.....	49

**SCHEDULES**

<b>LANDLORD’S WORK AND TENANT’S WORK.....</b>	<b>SCHEDULE “A”</b>
<b>LEGAL DESCRIPTION.....</b>	<b>SCHEDULE “B”</b>
<b>TENANT PLANS .....</b>	<b>SCHEDULE “C”</b>
<b>PLAN OF BUILDING AND LOCATION OF LEASED PREMISES .....</b>	<b>SCHEDULE “D”</b>
<b>RULES AND REGULATIONS.....</b>	<b>SCHEDULE “E”</b>
<b>PROHIBITED USES .....</b>	<b>SCHEDULE “F”</b>

THIS INDENTURE made the 4th day of January, 2017.

B E T W E E N:

**Princes Gates GP Inc.,**  
in its capacity as general partner of  
**Princes Gates Hotel Limited Partnership**

(hereinafter called the "LANDLORD")

OF THE FIRST PART;

and

**2505243 Ontario Limited**

(hereinafter called the "TENANT")

OF THE SECOND PART.

WHEREAS there are constructed on the Lands a hotel, fitness facility and heritage building in which are or may be located restaurants, bars, conference rooms, banquet facilities and other facilities together with other fixed improvements exterior to such buildings for the purposes of operating thereon a Complex as hereinafter defined.

NOW THIS INDENTURE WITNESSES:

**ARTICLE 1**  
**DEFINITIONS**

In this Lease unless there is something in the context inconsistent therewith, the parties hereto agree that:

- 1.1 "Additional Rent" means all amounts payable under this Lease other than Minimum Rent and Percentage Rent.
- 1.2 "Applicable Laws" means with the law of the Province of Ontario, including the Federal laws of Canada applicable therein (including the common law and principles of equity), statutes, regulations, treaties, bylaws, ordinances, judgments, decrees and (whether or not having the force of law) all applicable official directive, rules, consents, approvals, authorizations guidelines, standards, codes of practice, orders (including judicial administrative orders) and policies of any Authority having, or purporting to have authority over, or application to the Complex or any part thereof and including but not limited to the *Environmental Protection Act*, R.S.O. 1990, c.E.19, as amended.
- 1.3 "Architect" means the architect or land surveyor from time to time named by the Landlord.
- 1.4 "Authority" means any federal, provincial, regional or municipal governmental authority, body, agency, department, or corporation having or claiming jurisdiction over the Leased Premises or the Complex.
- 1.5 "Banquet Facilities" means the banquet halls, ballrooms and related facilities situated within the Hotel Component as the same may be reduced, altered or expanded by the Landlord from time to time.
- 1.6 "Buildings" means the thirty (30) storey hotel building comprising the Hotel Component, the two (2) storey building comprising the Stanley Barracks Component, the six (6) storey structure comprising the Fitness Facility Component and all other buildings, structures and improvements located on the Lands.

- 2 -

- 1.7 **"Business Hours"** means the hours of operation each day as may be designated from time to time by the Landlord, more specifically the kitchen will be open from at least 7 am to 10 pm, 7 days a week/365 days a year, breakfast, lunch and dinner.
- 1.8 **"City"** means the Corporation of the City of Toronto.
- 1.9 **"Commencement Date"** means the date set out in Section 3.3 for the commencement of the Term.
- 1.10 **"Common Area Facilities"** means: (a) the Complex, excluding only Leaseable Premises, and shall include, without limiting the generality of the foregoing, all lands, areas, facilities, systems, improvements, structures, furniture, fixtures and equipment forming part of or located on the Complex; roofs, exterior wall assemblies including weather walls, exterior and interior structural elements and bearing walls in the buildings and improvements, the parking areas and garages, roadways, sidewalks, landscaped areas, open or enclosed malls, truck courts, common loading areas, communal refuse areas, driveways, electrical, music and public address systems, public seating and service areas, furniture, furnishings and fixtures, conference rooms, if any, for management office, electrical, telephone, meter, valve, mechanical, mail, storage, service and janitor rooms and galleries, decorative and display installations, heating, ventilating, air conditioning (including any building or portion thereof which houses the central HVAC plant, if any, and the equipment, facilities, improvements, installations and utilities therein; the fuel and power facilities of the systems; the distribution system for piping hot and cold water; air handling units; and fan coil units which serve the Complex;) plumbing and drainage equipment and installations and any enclosures constructed therefore, public washrooms, fountains, customer and service stairways, escalators and moving sidewalks, elevators, general signs including pylon, entrance, exit, directional and traffic control signs and any exterior tenants' identification sign band, maintenance equipment; (b) all lands, areas, facilities, systems, improvements, structures, furniture, fixtures and equipment serving or benefiting the Complex, whether or not located within the Complex, to the extent that the same are designated or intended by Landlord to be part of the Common Area Facilities from time to time; and (c) all other common area facilities, equipment and installations (or any or all of them) which are provided or designated (and which may be changed) from time to time by the Landlord (including, but not limited to, any common area facilities, equipment and installations which are shared by the Hotel Component and any tenants or occupants of Leaseable Premises).
- 1.11 **"Complex"** means the Lands, the Common Area Facilities, the Buildings and all structures, improvements, equipment and facilities of any kind erected or located thereon from time to time, as such lands, buildings, structures, improvements, equipment and facilities may be expanded, reduced or otherwise altered by the Landlord in its sole discretion from time to time.
- 1.12 **"Component"** means any one or more of the Hotel Component, the Stanley Barracks Component, the Fitness Facility Component, the Restaurant Component and any other part or parts of the Complex that the Landlord may from time to time designate as a separate Component and which may include the Banquet Facilities and the Conference Room Facilities.
- 1.13 **"Conference Room Facilities"** means the meeting and conference rooms and related facilities forming part of the Hotel Component as the same may be reduced, altered or expanded by the Landlord from time to time.
- 1.14 **"Expert"** means any Architect, engineer, chartered accountant, land or quantity surveyor, interior designer, or other professional consultant, appointed by the Landlord and, in the reasonable opinion of the Landlord, qualified to perform the function for which he or she is retained.
- 1.15 **"Fitness Facility Component"** means that component of the Complex which is designated or which is intended by the Landlord for the use primarily as a fitness facility, all as may be altered, expanded, reduced or reconstructed from time to time and other facilities ancillary thereto as exists from time to time.

A handwritten signature, possibly 'J. Volm', is written in dark ink. Below the signature, the initials 'JUP' are written in a similar style.

- 1.16 "Fixturing Period" means the period commencing on the Possession Date and ending fifteen (15) days prior to the Hotel Opening Date.
- 1.17 "Food and Beverage Services Agreement" means the Food and Beverage Services Agreement entered into between the Landlord and the Tenant providing for the catering of food and beverage to the Hotel Rooms, VIP Lounge, Rooftop Bar, Grab & Go, Cinema Concessions, Conference Room Facilities and Banquet Facilities.
- 1.18 "Gross Receipts" means the total of all gross sales and receipts from all business conducted upon or from the Leased Premises or anywhere else in the Complex, whether or not by the Tenant, and whether for cash, partly cash, cheques, credit, gift or merchandise certificates, charge account, exchange or otherwise, and shall include, but not be limited to sales to employees, supplier rebates, the gross amount of any insurance proceeds which directly or indirectly represent reimbursement or recovery for sales, revenues receipts, gross or net profits lost, or which otherwise normally would have been realized or earned regardless of whether those proceeds are identified as such reimbursement or recovery by the insurer or whether the proceeds are separated or segregated in connection with any insurance claim, payment or settlement, any amounts received or receivable from the sale of goods or services and the amount of all orders taken or received at the Leased Premises regardless of where they are filled, whether such sales be made at a sales desk or counter, over the telephone, by internet or catalogue, or by any vending device. There shall be no deduction for bank, credit card or collection agency charges, however uncollectible amounts or bad debts will be deducted if the original sale was included in Gross Receipts. A credit or installment sale will be considered as a sale for the full price in the month the sale takes place. Gross Receipts shall not include:
- (a) sales for which the customer has received a refund, provided that the original sale was included in Gross Receipts;
  - (b) sales of merchandise in exchange for returned merchandise, but only to the extent the original sales of the returned merchandise was included in Gross Receipts;
  - (c) HST and any other sales, use, excise or gross receipts tax directly on sales and collected from customers at the point of sale, provided that the amount thereof is added to the selling price and shown and/or collected as a separate item, and paid by the Tenant to such Governmental Authority.
- 1.19 "Ground Floor Lease" means the Premises Lease dated January 4, 2017, entered into between the Landlord and the Tenant with respect to approximately 9,472 square feet of restaurant premises and lobby bar situated on the ground floor of the Hotel (the "Ground Floor Premises").
- 1.20 "Hazardous Substances" means any and all hazardous substances, hazardous waste, toxic waste, contaminants, pollutants or related materials, including without limitation, heavy oil, pesticides, flammables, explosives, radioactive materials, asbestos, urea formaldehyde foam insulation, radon gas, PCB, any products of waste, or any other contaminants, pollutants, substances or products declared to be hazardous or toxic under the Applicable Laws.
- 1.21 "Head Landlord" means The Board of Governors of Exhibition Place, acting as agent for the City, being the registered owner of the Lands, including its successors and assigns.
- 1.22 "Head Lease" means the ground lease entered into between the Head Landlord, as Landlord, and the Landlord, as Tenant, with respect to the Lands.
- 1.23 "Hotel" means the full service transient hotel constructed on the Lands and forming part of the Hotel Component of the Complex.
- 1.24 "Hotel Component" includes the Hotel, the Hotel Rooms, and unless the Landlord determines otherwise, includes the Banquet Facilities and the Conference Room Facilities.

- 1.25 **"Hotel Opening Date"** means the date all or any part of the Hotel is open for business.
- 1.26 **"Hotel Rooms"** means hotel rooms and suites situated within the Hotel.
- 1.27 **"HVAC Equipment"** shall have the meaning ascribed thereto in Section 14.2.
- 1.28 **"Landlord Work"** means the work and improvements described in Schedule "A" to be completed by the Landlord pursuant to Section 2.1.
- 1.29 **"Lands"** means the lands described in Schedule "B".
- 1.30 **"Large Corporations Tax"** means the tax imposed upon a corporation under Part 1.3 of the *Income Tax Act* (Canada), and any amendments thereto or any successor statutory provisions thereof.
- 1.31 **"Lease"** means this agreement, all Schedules attached hereto, the certificate of the Architect issued and delivered pursuant to Section 3.1, the Arbitrator's certificates, if any, issued and delivered pursuant to Section 17.19 and the rules and the regulations made from time to time by the Landlord under the provisions of Section 7.5.
- 1.32 **"Leaseable Premises"** means those premises in the Complex (including the Leased Premises) which are designated or intended by the Landlord from time to time to be rented to tenants but the term "Leaseable Premises" does not include any Common Area Facilities, Banquet Facilities, Conference Room Facilities, Hotel Rooms or the VIP Lounge, Rooftop Bar or Grab and Go sales areas situated within the Hotel, basement premises, mezzanines or other areas that are expressly excluded from the calculation of the Rentable Area of the Complex.
- 1.33 **"Leased Premises"** means the premises leased to the Tenant as referred to and described in Article 3 hereof. The boundaries of the Leased Premises shall extend from the top surface of the structural subfloor to the bottom surface of the structural ceiling. If the Leased Premises have no ceiling abutting the demising walls, but rather are open to the ceiling of the Component in which they are situated, the boundaries of the Leased Premises extend from the top surface of the structural subfloor to the height of the demising walls.
- 1.34 **"Lease Year"** means a period of time for the purposes of the calculations contemplated by Articles 5 and 6. The first Lease Year shall commence on the Commencement Date and end on the 31st day of December in the calendar year of the Commencement Date and thereafter each Lease Year shall consist of twelve (12) calendar months ending in each case on December 31st, save for the last Lease Year which shall end on the expiration or earlier termination of this Lease, as the case may be.
- 1.35 **"Leasehold Improvements"** means all fixtures, improvements, decorations, installations, alterations, repairs, works, replacements, changes and additions from time to time made, erected or installed by or on behalf of the Tenant or any former occupant in the Leased Premises, including the HVAC Equipment, sewage, sprinkler, mechanical and electrical equipment and facilities and equipment for or in connection with the supply of utilities or communications, wherever located, exclusively serving the Leased Premises, doors, window coverings, hardware, security equipment, partitions (including moveable partitions), any connection of apparatus to the electrical system (other than a connection to the existing duplex receptacle), to the plumbing lines, to the heating, ventilation and air-conditioning systems, the sprinkler system or any installation of electrical sub-meters, and finished floors or wall-to-wall carpeting, but excluding moveable trade fixtures, furniture, equipment and personal property not in the nature of trade fixtures.
- 1.36 **"Manager"** means the Person, if any, retained by the Landlord from time to time to operate or manage the Hotel or the Complex. In sections that contain a release or other exculpatory provision or an indemnity in favour of the Landlord it shall include any Manager, and its servants, employees, officers, directors, agents and invitees.
- 1.37 **"Minimum Rent"** means the annual rent payable pursuant to Section 5.2.



- 1.38 "Mortgagee" means a mortgagee or chargee that holds all or part of the Complex as security.
- 1.39 "Operating Costs" means the total costs and expense incurred or accrued and attributed by the Landlord in maintaining, operating, managing, administering, auditing, repairing, improving, altering and insuring the Complex, including the Common Area Facilities
- 1.40 "Operating Equipment" means all trade fixtures, chattels, furniture, furnishings and equipment of every nature and kind whatsoever which is supplied by the Tenant and which is required to operate the Restaurant to the standards required under this Agreement including, without limitation, stoves, ovens, refrigeration equipment, prep tables, dishwashing equipment and facilities and cleaning equipment and food serving equipment.
- 1.41 "Parking Areas" means the parking areas of the Complex operated by the Landlord or by an independent contractor, as the same may be altered, expanded or reduced from time to time.
- 1.42 "Percentage Rent" means the rent payable by the Tenant pursuant to Section 5.3.
- 1.43 "Permitted Uses" shall have the meaning ascribed to it in Article 11 and shall at all times be subject to the limitations and restrictions set out therein.
- 1.44 "Person" according to the context, includes any person, corporation, firm, partnership or other entity, any group of persons, corporations, firms, partnerships or other entities, or any combination thereof.
- 1.45 "Possession Date" means the date the Landlord delivers possession of the Leased Premises to the Tenant for the purposes of commencing Tenant's Work which date shall be fixed by the Landlord by written notice to the Tenant and which date will be no earlier than January 30, 2017, subject to any Unavoidable Delay and subject to the provisions of Section 2.1.
- 1.46 "Rent" means Minimum Rent, Percentage Rent, Additional Rent, and all other costs payable by the Tenant hereunder.
- 1.47 "Rentable Area of the Leased Premises" means the area (expressed in square feet) of all floors of the Leased Premises measured from:
- (i) the exterior face of all exterior walls, doors and windows;
  - (ii) the exterior face of all interior walls, doors and windows separating the Leased Premises from Common Area Facilities, if any; and
  - (iii) the centre line of all interior walls separating the Leased Premises from adjoining Leaseable Premises.
- The Rentable Area of the Leased Premises includes all interior space whether or not occupied by projections, structures or columns, structural or non-structural, and if the front is recessed from the lease line, the area of such recess for all purposes lies within the Rentable Area of the Leased Premises.
- 1.48 "Rentable Area of the Complex" means the aggregate Rentable Area of all Leaseable Premises, including the Leased Premises, in the Complex, whether actually rented or not, including the area of the Stanley Barracks Component and the area of the Fitness Facility Component, but excluding all areas designated as Common Area Facilities by the Landlord, the Hotel Rooms, Conference Room Facilities, Banquet Facilities, the area of the VIP Lounge, the area of the Rooftop Bar, the area of the Grab and Go sales area, the Parking Areas, the area of any basement areas in the Hotel or the Complex, the area of the cinema adjoining the Hotel and further excluding areas occupied as office space or mezzanines.
- 1.49 "Restaurant Component" means the areas designated by the Landlord from time to time for restaurant, bar and coffee shop uses and all related facilities and wheresoever located

in the Complex, as the same may be expanded, reduced or altered by the Landlord from time to time.

- 1.50 "Sales Taxes" means all business transfer, multi-stage sales, sales, use, harmonized, consumption, value-added or other similar taxes imposed by any federal, provincial or municipal government upon the Landlord, or the Tenant in respect of this Lease, or the payments made by the Tenant hereunder or the goods and services provided by the Landlord hereunder including, without limitation, the rental of the Leased Premises and the provision of administrative services to the Tenant hereunder.
- 1.51 "Shared Common Area Facilities" means those areas, facilities, utilities, improvements, equipment and installations that are in or adjacent to the Complex or that serve or are for the benefit of the various Components of the Complex and that are not designated or intended by the Landlord to be leased, from time to time, and are provided or designated (and may be changed from time to time) by the Landlord for the benefit or use of the tenants in the Complex, their employees, customers and invitees, in common with others with others entitled to their use or benefit in the manner and for the purposes permitted by this Lease.
- 1.52 "Taxes" means all taxes, rates, duties, levies, fees, charges and assessments whatsoever whether municipal, parliamentary or otherwise, levied, charged or assessed upon the Lands and Complex or upon any part or parts thereof and all furniture, fixtures, equipment or improvements now or hereafter erected or placed on the Lands, or charged against the Landlord on account thereof, including any tax or levy based on total gross area and/or floor area (being sometimes referred to as a Commercial Concentration Tax), local improvement charges but excluding the amount by which separate school taxes (if any should be payable) exceed the amount which would have been payable for school taxes if no assessment for separate school taxes had been made but an assessment for public school taxes had been made. In addition to the foregoing, Taxes shall include any and all taxes, rates, duties, fees, charges, levies or assessments which may in the future be levied, charged or assessed in lieu thereof or in addition thereto. Taxes shall also include all costs and expenses incurred by the Landlord in obtaining or attempting to obtain a reduction or prevent an increase in the amount of such Taxes and the cost of any consultants retained by the Landlord with respect to such Taxes. Taxes shall, in every instance be calculated on the basis of the Complex being fully assessed and taxed at prevailing commercial rates for occupied space for the period for which Taxes are being calculated. Notwithstanding the foregoing, Taxes shall exclude: (i) income, profit or excess profits taxes of the Landlord; (ii) Land Transfer Tax; and (iii) any other Taxes personal to the Landlord.
- 1.53 "Tenant's Proportionate Share" means that fraction having as its numerator the Rentable Area of the Leased Premises and as its denominator the Rentable Area of the Complex or the Rentable Area of the Component of the Complex to which Landlord, acting reasonably, but in its sole discretion, shall allocate such items of which Tenant is required to pay the Tenant's Proportionate Share, all as determined by Landlord.
- 1.54 "Tenant's Tax Share" has the meaning ascribed to it in Section 6.6.
- 1.55 "Tenant's Work" means the work and improvements described in Schedule "A" to be completed by the Tenant pursuant to Section 2.2.
- 1.56 "Term" means the Initial Term described in Section 3.3 and, if applicable, any Extended Term pursuant to Section 3.4.
- 1.57 "Unavoidable Delay" has the meaning ascribed to it in Section 17.15.

## ARTICLE 2 PREPARATION OF LEASED PREMISES

### 2.1 Landlord's Work

The Landlord has constructed the external structure of the Complex and is completing the Leased

Premises incorporating all items of work included under the heading "Landlord's Work" in Schedule "A" hereto ("Landlord's Work"). The Landlord (and its employees, agents or contractors) shall carry out the all Landlord's Work in a good and workmanlike and professional manner and in compliance with all Applicable Laws. The Landlord shall utilize reasonable commercial efforts to complete all of Landlord's Work no later than the Possession Date, subject to Unavoidable Delay and except as hereinafter set forth, and shall provide as much prior written notice as may be practicable as to the exact Possession Date, including any anticipated delays. The Tenant acknowledges and agrees that the Landlord shall have access to the Leased Premises after the Possession Date for the purpose of completing any of Landlord's Work and, to the extent any of Landlord's Work may be completed during the Fixturing Period in a manner that does not interfere with the performance of Tenant's Work by the Tenant or its contractors, the Landlord shall be entitled to fix the Possession Date as hereinbefore set out notwithstanding that any part of Landlord's Work may not be completed prior to the Possession Date. The Tenant acknowledges and confirms that in the event of any delay in the completion of Landlord's Work, the Tenant shall not have any right to terminate this Lease or any right to any compensation of any kind whatsoever from the Landlord, save and except for the Tenant's entitlement to an extension of Fixturing Period so as to allow the Tenant an opportunity to complete the Tenant's Work as a result of the Landlord's delay in completing the Landlord's Work. The Tenant agrees that there is no promise, representation or undertaking, by, or binding upon the Landlord with respect to any alteration, remodelling or decoration, or installation of equipment or fixtures in the Leased Premises except such as may be expressly set forth herein. Subject to completion of the Landlord's Work, the Tenant accepts possession of the Leased Premises in an "as is" condition as of the Possession Date.

## 2.2 Tenant's Work

The Tenant (and its employees, agents or contractors) shall forthwith complete at its own cost and expense in a good and workmanlike and professional manner in compliance with the provisions of Section 9.3 of this Lease and all Applicable Laws governing the use of the Leased Premises and to the satisfaction and approval of the Landlord or its Architect, if necessary, all items of work included under the heading "Tenant's Work" in Schedule "A" hereto ("Tenant's Work") and shall do or cause to be done whatever else is necessary to properly complete the Leased Premises for use and occupancy by the Tenant for the Permitted Uses and in accordance with the standards set out in Article 11. Without limiting the foregoing, all Tenant's Work to be performed by the Tenant shall:

- (a) be done in accordance with the design criteria set down by the Landlord or its authorized representatives with respect to the external and internal appearance of the Leased Premises;
- (b) be done as expeditiously as possible, in a good and workmanlike manner and with first class new materials;
- (c) be done in such manner as will not interfere unreasonably with work being done by the Landlord upon the Leased Premises or any other portion of the Complex;
- (d) be done in compliance with such rules and regulations as the Landlord or its agents or contractors may make;
- (e) be subject to the supervision of the Landlord or its agents or contractors;
- (f) if required be done only by persons whose labour union affiliations are acceptable to the Landlord and the Head Landlord and that comply with the requirements of the Head Lease; and
- (g) be done at the risk of the Tenant.

## 2.3 Tenant's Plans

The Tenant will provide the Landlord with the plans and specifications of the Tenant's Work as set out in Schedule "C" ("Tenant's Plans") not later than ~~February 1, 2017~~ and, within five (5)

March 1, 2017

days thereafter, the Landlord will notify the Tenant either of its approval or of its disapproval of the Tenant's Plans. Once approved by the Landlord, the Tenant will then promptly prepare and submit to the Landlord, no later than five (5) days after written notice from the Landlord as to its approval or non-approval of Tenant's Plans, complete drawings and specifications amended as required by the Landlord. The Tenant acknowledges and confirms that the Landlord's approval of Tenant's plans does not in any way imply that the Tenant's plans comply with any Applicable Laws, and it is the Tenant's sole responsibility to ensure such compliance.

#### **2.4 Examination of Leased Premises**

The Tenant acknowledges that it will have examined the Leased Premises before taking possession. The acceptance of possession by the Tenant shall be conclusive evidence against the Tenant that at the time of such examination the Leased Premises were in satisfactory condition, subject only to any uncompleted Landlord's Work and subject to such deficiencies in Landlord's Work, if any, listed in writing in a notice delivered by the Tenant to the Landlord not more than ninety (90) days after the Possession Date. Notwithstanding the foregoing, the Landlord shall enforce for the benefit of the Tenant any warranties received by the Landlord from its contractors and suppliers in connection with the performance of Landlord's Work.

#### **2.5 Possession Date and Fixturing Period**

The Tenant shall take possession of the Leased Premises on the Possession Date and shall during the Fixturing Period occupy same for the purpose of fixturing and installing its Leasehold Improvements, Operating Equipment and inventory, at its own risk, and for a soft opening, free of the payment of Minimum Rent, Percentage Rent and Additional Rent (save for any Additional Rent arising by virtue of the default of the Tenant under this Lease and save for the obligation of the Tenant to pay for all utility charges, security, refuse removal and other services used by the Tenant or consumed in the Leased Premises during the Fixturing Period) and shall, during the Fixturing Period, be a tenant in the Leased Premises subject to the same covenants and agreements as are contained in this Lease, mutatis mutandis.

#### **2.6 Failure of the Tenant to Open**

Notwithstanding any other provisions in the Lease, in the event that the Tenant fails to open the Leased Premises for business fully fixtured, stocked and staffed within 135 days after "the Possession Date", the Tenant agrees and guarantees to supply the required "food and beverage services" to the Restaurant from its "outside facilities" provided the Hotel is open or ready to open for business. Should the Tenant fail to provide such services from the Restaurant for more than 165 days after the "Possession Date" and provided the Hotel is open for business then the Tenant shall in addition for providing outside service to the Restaurant pay to the Landlord for each additional day a sum of \$5000.00 as liquidated damages. Should the Tenant fail to provide such services as outlined above from the Restaurant for more than 195 days after the "Possession Date" the Landlord shall have, in addition to any and all remedies herein provided, the right, at its option, to terminate this Lease upon written notice to the Tenant and shall have the right to recover from the Tenant all losses and damages which the Landlord may suffer or incur as a result of Tenant's default, which losses and damages may include any direct costs incurred by the Landlord in connection with the removal of or alterations to any Leasehold Improvements or the replacement of any part thereof in the event all or any of the existing Leasehold Improvements are not required by the new tenant or occupant of the Leased Premises. Furthermore, for the avoidance of doubt the said daily sum of \$5,000.00 is the maximum liability of the Tenant under this Section 2.6 and such maximum amount is inclusive of any similar amount payable by the Tenant under the provisions of the Food and Beverage Services Agreement that correspond to this Section 2.6.

#### **2.7 Tenant's Investment**

The Tenant covenants and agrees with the Landlord that the Tenant will at its sole expense and cost supply and install all of the Leasehold Improvements and Operating Equipment used in the operation of the Restaurant as specified in the Tenants Work herein, including trade fixtures, equipment, furnishings, furniture and all other chattels necessary for operation of a first class Restaurant. The Tenant will provide the Landlord no later than February 1, 2017, with Tenant's Plans as well as a detailed list of equipment and fixtures to be purchased and installed, and on or

before the Commencement Date, the Tenant shall provide a detailed statement setting out all of such costs actually incurred by the Tenant in connection with the purchase of the Operating Equipment and the Leasehold Improvements supplied and installed by the Tenant as well as proof of payment and a detailed listing of all Operating Equipment including serial numbers where applicable. It is a condition of this Lease that all of the Leasehold Improvements and Operating Equipment supplied to or installed in or upon the Leased Premises by the Tenant will be free and clear of all claims, demands, security interests, conditional sales agreements and other encumbrances of every nature and kind whatsoever and, upon delivery to or the installation thereof in or upon the Leased Premises, will be vested in the Landlord as the absolute owner thereof, subject to the right of Tenant to use the same during the Term in accordance with the terms of this Lease. The Tenant will, on or before the Commencement Date, execute in favour of and deliver to the Landlord a Bill of Sale with respect to all such Operating Equipment and Leasehold Improvements, in form and substance acceptable to the Landlord. The failure of the Tenant to comply with its obligations under this Section 2.7 shall constitute a material default under this Lease and the Landlord shall have the right to terminate this Lease upon thirty (30) days written notice to the Tenant which notice shall be nullified if the Tenant cures such default within such thirty (30) day period.

### 2.8 PPSA Discharges

It is a condition of this Lease that the Tenant shall, prior to the Possession Date, provide to the Landlord a certified PPSA search with respect to the Tenant reflecting that there are no Financing Statements registered against or with respect to the Tenant under the Personal Property Security Act (Ontario).

## ARTICLE 3 DEMISE & TERM

### 3.1 Demise

In consideration of the rents reserved and the covenants and agreements on the part of the Tenant contained herein and in the Schedules annexed hereto which Rent, covenants and agreements are to be paid, observed and performed by the Tenant, the Landlord hereby leases to the Tenant for the Term and upon the conditions herein set forth those certain premises situate on the Lands which are shown hatched on the leasing plan attached as Schedule "D" hereto, having a Rentable Area of approximately 3,767 square feet. Prior to the Possession Date, the Landlord may make reasonable variations in the form of the Leased Premises without recourse to the Tenant and such reasonable variations shall not render this Lease void or voidable. Prior to the Commencement Date, the Landlord shall submit to the Tenant a certificate of the Architect showing the Rentable Area of the Leased Premises. Upon delivery of the aforesaid certificate to the Tenant, this Section 3.1 shall be deemed to be amended by substituting the Rentable Area of the Leased Premises as set forth in the certificate for the Rentable Area of the Leased Premises as herein set out.

### 3.2 Use of Common Area Facilities

Subject to the terms of this Lease and the rules and regulations made pursuant to Section 7.5, the Tenant shall have for itself and its officers, agents and employees and for the use of persons having business with it and in connection with such business and for the use of its customers (only for the purpose of enabling such customers to avail themselves of the goods sold or the services rendered from time to time in the Leased Premises) non-exclusive rights to use, in common with all others entitled thereto, the part of the Common Area Facilities appropriate and intended for such use, in every case only for their proper and intended purposes (with the exception of parts of the Common Area Facilities from time to time allocated by the Landlord, in its sole discretion, to others for additional or other use, such as displays, entertainments, temporary structures, special features, rights of way or common usage) and during such hours as the Complex may be open for business as determined by the Landlord from time to time. In connection therewith, the Tenant (and its customers, employees and invitees) shall keep the lobbies, hallways, common rooms, driveways, parking lots, entrances and exits and all other Common Area Facilities unobstructed.

### 3.3 Term of Lease

To have and to hold the Leased Premises for and during the term (the "Initial Term") of ten (10) years, to be computed from the Hotel Opening Date (the "Commencement Date") and expiring ten (10) years after the Commencement Date (unless the Commencement Date is not the first day of a month, in which case the Initial Term shall end ten (10) years after the last day of the month in which the Commencement Date occurs). Within a reasonable time after the Commencement Date, the Landlord will confirm the Commencement Date by notice to the Tenant and such confirmed Commencement Date shall apply for the purpose of this Lease. The Landlord covenants and agrees that the Hotel Opening Date will not be later than May 1, 2017, subject to any Unavoidable Delay.

### 3.4 Options to Extend

If the Tenant:

- (a) pays the Rent as and when due and punctually observes and performs its covenants, obligations and agreements under and in accordance with the terms of this Lease;
- (b) is not in breach or default under the terms of this Lease;
- (c) gives the Landlord not less than nine (9) months' and not more than twelve (12) months' written notice prior to the expiry of the Initial Term or the then expiring Extended Term, as the case may be, of its intention to extend the Term; and
- (d) has validly exercised its extension rights under the Ground Floor Lease and the Food and Beverage Services Agreement and has fulfilled the conditions of extension provided for therein;

then the Tenant will have the right to extend the Initial Term for two (2) further periods of five (5) years each (each being referred to as an "Extended Term") upon the same terms and conditions as are set out in this Lease, except that:

- (i) there will be no further right to extend the Term beyond the second Extended Term;
- (ii) any fixturing period or requirement on the Landlord's part to do any Landlord's Work or pay to the Tenant any construction allowance, inducement, loan or other amount in connection with this Lease or improvements installed in the Leased Premises, set out in this Lease, shall not apply to any Extended Term;
- (iii) the Tenant will promptly execute an extension agreement prepared by the Landlord, at the Tenant's expense, which expense shall not be unreasonable giving effect to the applicable Extended Term; and
- (iv) the annual Minimum Rent shall be mutually agreed upon between the Landlord and the Tenant based upon the current fair market minimum rent for similar premises for a similar use in first class hotels in the City of Toronto, including all Leasehold Improvements installed in or upon the Leased Premises. If the parties are unable to agree on the Minimum Rent rate by no later than three (3) months prior to the expiry of the Initial Term or the first Extended Term, as the case may be, the Minimum Rent shall be determined by a single arbitrator in accordance with Section 17.19 of this Lease, provided that the annual Minimum Rent shall not be less than the aggregate of the (i) annual Minimum Rent payable by the Tenant for the last twelve (12) months of the Initial Term or the first Extended Term, as the case may be, and (ii) the average amount of Percentage Rent paid by the Tenant during the last three (3) years of the Initial Term or first Extended Term, as the case may be. If submitted to arbitration in accordance with the foregoing provisions, the arbitrator's decision shall be final and binding on the parties with no further appeal and the costs of the arbitration shall be shared equally by the parties unless the arbitrator determines that it is equitable to do otherwise in light of the circumstances.

- 11 -

If the arbitration decision is not rendered prior to the commencement of the applicable Extended Term, the Tenant shall pay Minimum Rent at the rate payable during the last year of the initial Term or the then expiring Extended Term, as the case may be, and within ten (10) days after the Minimum Rent for the Extended Term is determined, the Tenant shall pay to the Landlord any amount retroactively owing from the commencement of the applicable Extended Term.

### 3.5 Overholding

In the event the Tenant remains in possession of the Leased Premises after the end of the Term with the Landlord's written consent but without the execution and delivery of a new lease, there shall be no tacit renewal of this Lease or extension of the Term hereby granted and the Tenant shall be deemed to be occupying the Leased Premises as a tenant from month to month, at a monthly rent payable in advance on the first day of each month equal to the sum of (i) one hundred and twenty five percent (125%) of the Minimum Rent payable during the last month of the Term plus (ii) Percentage Rent as herein provided plus (iii) one twelfth of Additional Rent paid for the immediately preceding Lease Year of the Term and otherwise upon the same terms, conditions and provisos as are set forth in this Lease insofar as the same are applicable to a month to month tenancy. Provided that if, without the Landlord's written consent or the execution and delivery of a new lease, the Tenant shall remain in possession of the Leased Premises after the end of the Term the Tenant shall be a tenant at will of the Leased Premises and the Landlord may cause the Tenant to vacate the Leased Premises with a 90 calendar day notice and without recourse to legal proceedings.

## ARTICLE 4 LANDLORD & TENANT COVENANTS

### 4.1 Landlord Covenants

If the Tenant pays the Rent hereby reserved and performs the covenants herein on its part contained, the Tenant shall and may peaceably possess and enjoy the Leased Premises for the Term hereby granted without any interruption or disturbance from the Landlord or any other Person or persons lawfully claiming by, from or under the Landlord.

### 4.2 Tenant Covenants

The Tenant covenants to pay Rent and all other charges provided for in this Lease on the due dates and to observe and perform all of the covenants and provisions of this Lease on its part to be observed and performed.

## ARTICLE 5 RENT

### 5.1 Intent

It is the intention of this Lease that the Rent shall be net to the Landlord as herein set out and clear of all Taxes (except those assessed against Landlord's income), cost and charges arising from or relating to the Leased Premises and the Complex and that the Landlord shall not be responsible for any expenses or obligations of any kind whatsoever in respect of or attributable to the Leased Premises or the Complex, except as otherwise expressly provided in this Lease.

### 5.2 Minimum Rent

Tenant shall pay to the Landlord yearly and every year during the Initial Term a minimum rent (hereinafter called "**Minimum Rent**") as follows:

A handwritten signature, possibly 'PUP', is written in the bottom right corner of the page.

<u>PERIOD</u>	<u>ANNUAL RATE/SQ. FT. GROSS LEASEABLE AREA</u>	<u>ANNUAL RENT</u>	<u>MONTHLY INSTALMENT</u>
Year 1 through 3	\$40.00 x 3767 sf	\$150,680.00	\$12,556.66
Year 4 through 6	\$42.40 x 3767 sf	\$159,720.80	\$13,310.06
Year 7 through 10	\$44.94 x 3767 sf	\$169,288.98	\$14,107.41

Minimum Rent shall be payable in consecutive monthly instalments as set out above, each in advance on the 1st day of each and every month during the Term and not later than seven (7) calendar days thereafter, providing that any failure to pay Minimum Rent within the above period will result in Landlord charging the Tenant interest on the whole month calculated at the rate of 10% per annum.

Upon the delivery of a certificate of the Architect establishing the Rentable Area of the Leased Premises, the Minimum Rent shall be adjusted to give effect thereto by multiplying the rental rate for the Leased Premises hereinbefore stated by the number of square feet of the Rentable Area of the Leased Premises as certified for the Leased Premises. If the certificate is delivered following the Commencement Date the adjustment of the Minimum Rent shall be retroactive to the Commencement Date.

### 5.3 Percentage Rent

- (a) In addition to the Minimum Rent, the Tenant shall pay to the Landlord, in the manner and upon the conditions and at the times hereinafter set forth during each Lease Year, as Percentage Rent, a sum equivalent to **ten percent (10%)** of the Gross Receipts for such Lease Year that are in excess of \$2,000,000.00.
- (b) Percentage Rent shall be payable semi-annually at the office of the Landlord or at such other place as the Landlord designates, in lawful money of Canada. Payments of Percentage Rent shall be made on or before the 15<sup>th</sup> day of January and July during each Lease Year of the Term including the 15<sup>th</sup> day of the month following the end of the Term. The amount of each payment of Percentage Rent shall be equal to the excess, if any, obtained by applying the percentage referred to in Section 5.3(a) to the aggregate of the stated Gross Receipts for the immediately preceding six (6) month period that are in excess of \$1,000,000.00. If the audited statement to be provided by the Tenant pursuant to Section 5.4(b) hereof at the end of any Lease Year discloses that the total Percentage Rent paid by the Tenant for such Lease Year exceeds the Percentage Rent required to be paid by the Tenant for such Lease Year, the Landlord shall pay any excess to the Tenant as soon as reasonably possible after receipt of such audited statement unless an audited permitted by the Landlord under the terms of this Lease is in progress, or the Tenant shall pay to the Landlord contemporaneously with the delivery by the Tenant of the said audited statement, any such deficiency in Percentage Rent payable by the Tenant pursuant to this Lease, whichever of the foregoing is applicable.
- (c) For the purposes of computing the Percentage Rent payable hereunder, if any Lease Year during the Term does not correspond to a twelve (12) month period, the Gross Receipts for such Lease Year shall be adjusted proportionately.
- (d) Any and all final adjustment of percentage Rent are to be made within ninety (90) days after the end of each Lease Year.

### 5.4 Reports by Tenant

- (a) The Tenant shall submit to the Landlord on or before the 15<sup>th</sup> day following the end of each calendar month during the Term and including the 15<sup>th</sup> day of the month following the end of the Term, at the place then fixed for the payment of Rent, a written statement signed by a senior executive of the Tenant and certified

by it to be true and correct and in such detail, form, style and scope as the Landlord reasonably determines, showing the amount of Gross Receipts for the preceding month (and fractional month, if any) and the amount of the Gross Receipts for all preceding months of such Lease Year and showing monthly payments made on account of Minimum Rent and Percentage Rent for such Lease Year.

- (b) On or before the 60th day following the end of each Lease Year (including the last Lease Year of the Term) the Tenant shall submit to the Landlord a statement in such form, style and scope as the Landlord reasonably determines, showing the amount of Gross Receipts during the preceding Lease Year, which statement shall be duly certified to be correct by the Tenant's independent chartered accountant, whose professional opinion shall without qualifications state specifically that they have examined the report of Gross Receipts for the preceding Lease Year and that in their opinion such report presents fairly and accurately the Gross Receipts of the Preceding Lease in accordance with the provisions of this Lease and generally accepted accounting principles applied on a basis consistent with that of the Lease Year immediately preceding (if any). The Tenant will not change its procedure relating to any aspect of its reporting of Gross Receipts without the prior written consent of the Landlord, which consent shall not be unreasonably withheld.
- (c) In addition to any other reports required by this Section 5.4, the Tenant shall also provide to the Landlord a statement of the approximate amount of Gross Receipts during any particular week in respect of which such a statement is requested by the Landlord, it being acknowledged that such weekly statement will be requested during weeks when promotions or other special activities are being carried on in the Complex.

#### 5.5 Tenant's Records

For the purpose of ascertaining the amount payable as Percentage Rent, the Tenant shall prepare and keep on the Leased Premises or at the Tenant's head office in Ontario for a period of not less than three (3) years following the end of each Lease Year, adequate books and records that will adhere to sound accounting practice and which shall show inventories and receipts of merchandise at the Leased Premises and daily receipts from all sales and other transactions in on or from the Leased Premises made by the Tenant as well as sales and rental tax returns, pertinent original sales and rental records and any other sales and rental records that the Landlord reasonably requires and that would normally be examined by an independent accountant pursuant to accepted auditing standards in performing an audit of the sales conducted at the Leased Premises. The Tenant covenants to record at the time of sale, in the presence of the customer, all receipts from sales or other transactions, whether for cash or credit, in an accurate, tamper-proof point-of-purchase register having a sealed cumulative total and any other control features required by the Landlord.

#### 5.6 Right to Examine Books

The acceptance by the Landlord of payments of Percentage Rent shall be without prejudice to the Landlord's rights to an examination of the Tenant's books and records of its Gross Receipts and inventories of merchandise at the Leased Premises in order to verify the amount of annual Gross Receipts received by the Tenant in and from the Leased Premises.

Notwithstanding the foregoing, the parties agree that any examinations of the Tenant's books and records shall be carried out without interruption and/or interference with the operation of the Tenant's business in the Leased Premises.

#### 5.7 Audit Rights

At its option, the Landlord may cause, at any reasonable time upon five (5) days' prior written notice to the Tenant, a complete audit to be made of the Tenant's entire business affairs and records relating to the Leased Premises for the period covered by any statement issued by the Tenant pursuant to Section 5.4. If such audit shall disclose a liability for Percentage Rent to the extent of three percent (3%) or more in excess of the Percentage Rent theretofore computed and paid by the Tenant for such period, the Tenant shall promptly pay to the Landlord the cost of

such audit, in addition to the deficiency, which deficiency shall be payable in any event. Provided always that if the shortage in computation of Percentage Rent by the Tenant was due to clerical or demonstrable error or as a result of the fraud or negligence of an employee of the Tenant, then the foregoing remedy of terminating the Lease shall not be applicable with respect to such shortage, but the Tenant shall still be obligated to pay to the Landlord the cost of said audit, together with the said deficiency. If such audit shall disclose the Tenant was not complying with one or more provisions of Sections 5.4 or 5.5, the Landlord may delivery a copy of such report to the Tenant and the Tenant shall forthwith take such steps as may be recommended, necessary or advisable to remedy such default. If such audit shall disclose that the Tenant's accounting records and procedures which the auditor was able to inspect were not sufficient to permit a determination of Gross Receipts for any period, the Landlord may thereafter deliver to the Tenant an estimate made by the Landlord of Gross Receipts for such period and the amount of any underpayment of Percentage Rent (which estimate shall be based upon any information accessible to the Landlord which the Landlord considers reliable, the apparent business conducted on or from the Leased Premises, and such records of the Tenant as have been made available having regard to the possibility of errors or inaccuracies therein) and the Tenant shall forthwith pay to the Landlord any amount therein set out as an underpayment of Percentage Rent. Every such estimate shall be binding upon the Tenant until and except to the extent that the Tenant proves it inaccurate, and shall not be contestable by the Tenant after one year after its delivery to the Tenant. Any information obtained by the Landlord as a result of such audit shall be held in strict confidence by the Landlord. Provided, however, that the Landlord shall have the right to disclose to Mortgagees, prospective Mortgagees and prospective purchasers of the Complex the contents of any such statements, reports and audits.

**5.8 Determination of Gross Receipts**

If the Tenant fails to deliver on the day when due hereunder any reports or statements to the Landlord as required hereby or if the Tenant's books, records and procedures to which the Landlord has had access were not sufficient in the Landlord's reasonable opinion to permit a determination of Gross Receipts for any period, the Landlord may thereafter forward to the Tenant an estimate, made by the Landlord at the Tenant's expense to be paid forthwith on demand, of Gross Receipts for such period and the amount of any deficiency of Percentage Rent paid for such period and the Tenant shall forthwith pay to the Landlord the amount of such deficiency of Percentage Rent. Such estimate by the Landlord shall be based upon such records, information and opinions to which the Landlord has had access and which the Landlord, acting reasonably, considers reliable, including the apparent business conducted on or from the Leased Premises. Every such estimate shall be final and binding upon the Tenant until and except to the extent that the Tenant expressly proves the same to be inaccurate, and in any event, no such estimate by the Landlord shall be subject to dispute by the Tenant after twelve (12) months following the date upon which the same is forwarded to the Tenant.

**5.9 The Landlord's Right to Terminate**

If the Tenant shall be found to have intentionally understated Gross Receipts by three percent (3%) or more in any reports or statements to the Landlord, or if the Tenant on more than two (2) occasions in any twelve (12) month period fails to deliver when due any reports or statements related to Gross Receipts as and when required hereby, then, in any such event, the Landlord shall have the right to terminate this Lease upon written notice to the Tenant.

*that each time there will be a 15 day grace period for the states*  
*Understanding*  
*JP*  
*E*

**5.10 INTENTIONALLY DELETED**

**5.11 INTENTIONALLY DELETED**

**5.12 Estimated Payments**

Where any of the amounts which the Tenant is to pay under the provisions of this Lease are unknown, such amounts may be estimated by the Landlord for such period as the Landlord may determine. At the end of the period for which such estimated payments have been made, the Tenant shall be advised of the actual amount required to be paid under the provisions of this Lease and adjustments shall thereupon be made between the parties.

*JUP*

**5.13 Deposit**

- (a) The Tenant has delivered to the Landlord a deposit in the amount of **Fourteen Thousand One Hundred and Eighty Nine Dollars and Two Cents (\$14,189.02)** (including Sales Taxes) (the "Advance Rent Deposit"). The Advance Rent Deposit will be held by the Landlord, without interest, and will be applied to the Rent first becoming due under this Lease.
- (b) The Tenant has delivered to the Landlord a further deposit in the amount of **Thirty One Thousand Eight Hundred and Eighty Two Dollars and Seventy Four cents (\$31,882.74)** (including Sales Taxes) (the "Security Deposit") to be held, without interest, as security (without prejudice to the Landlord's other rights and remedies) for the observance and performance of the Tenant's obligations under this Lease. If the Tenant defaults in the performance of any of the terms, covenants, conditions and provisions of this Lease as and when the same are due to be performed by the Tenant, then the Landlord, at its option, may appropriate and apply all or any part of the Security Deposit on account of any losses or damages sustained by the Landlord as a result of such default. Upon demand by the Landlord following any such appropriation, the Tenant shall pay to the Landlord an amount sufficient to restore the total original amount of the Security Deposit. If the Tenant complies with all of the terms, covenants, conditions and provisions under this Lease and is not then overholding in accordance with Section 3.5, the Security Deposit shall be returned to the Tenant without interest within sixty (60) days after the expiry or earlier termination of the Term.

**5.14 Place and Payment of Rent**

- (a) Minimum Rent shall be paid in advance in equal monthly instalments on the first day of each month during the Term commencing on the Commencement Date together with all applicable Sales Taxes. Where the Commencement Date is not the first day of a calendar month, Rent for the period from the Commencement Date to the first day of the next ensuing calendar month shall be pro-rated on a per diem basis and paid with all other rent then required to be paid on the first day of the next ensuing calendar month.
- (b) Amounts not specifically required by this Lease to be paid to the Landlord on the first day of each month (or on the 15<sup>th</sup> day of January and July of each Lease Year in the case of payment of Percentage Rent) shall be paid within ten (10) days after receipt by the Tenant from the Landlord of a statement in respect of such amounts.
- (c) Any sums received by the Landlord from or for the account of the Tenant when the Tenant is in default hereunder may be applied at the Landlord's option to the satisfaction, in whole or in part, of any of the obligations of the Tenant then due hereunder in such manner as the Landlord sees fit, and regardless of any designation or instruction of the Tenant to the contrary.
- (d) Rent shall be paid in lawful money of Canada to the Landlord or as the Landlord may direct in writing, to the office of the Landlord in the Complex or at such other place as the Landlord may direct in writing.
- (e) The parties hereto agree that any money required to be paid as Additional Rent shall be deemed to be and be collectible as Rent and the Landlord shall have the same remedies in respect of arrears of Additional Rent as it has in respect of arrears of Rent.

**5.15 INTENTIONALLY DELETED****5.16 No Set Off**

All Rent payable by the Tenant to the Landlord shall be paid without any prior demand therefor and without any deduction, set off or abatement whatsoever.

**5.17 INTENTIONALLY DELETED**

### 5.18 Rent Free Period

The Landlord covenants and agrees that notwithstanding any other provision of this Lease Minimum Rent shall not accrue or be payable during the first six (6) months of the Initial Term (the "Rent Free Period"). The Tenant shall, however, pay and be responsible for Tenant's Tax Share of Taxes during the Rent Free period and shall also pay and be responsible for all utilities used or consumed in the Leased Premises, including electrical, gas, water and sewage. The Landlord further covenants and agrees that all Gross Receipts of the Tenant arising during the Rent Free Period shall not be included in the calculation of Percentage Rent.

### 5.19 Tenant Obligations

It is understood and agreed that throughout the Term of this Lease, the Tenant shall pay and be responsible for, in addition to Minimum Rent and Percentage Rent provided for herein, the following:

- (a) Tenant's Tax Share of Taxes, Sales Taxes and other charges set out in Article 6;
- (b) the cost of maintaining all insurance required under Section 12.1, excluding insurance maintained by the Landlord with respect to Leasehold Improvements and Operating Equipment as set out in Section 12.3;
- (c) all charges for utilities used or consumed in the Leased Premises as set out in Section 14.1;
- (d) all charges relating to HVAC Equipment as set out in Sections 14.2 and 14.3;
- (e) the costs of special services, if any, as set out in Section 14.6; and
- (f) any other costs and expenses that are the responsibility of the Tenant under the express terms of this Lease.

All amounts of Additional Rent shall be payable in the manner set out in Section 5.14(b).

## ARTICLE 6 TAXES

### 6.1 Taxes Payable by the Landlord

The Landlord shall pay the Taxes charged on the Complex to the applicable taxing authority, subject to reimbursement by the Tenant pursuant to this Article 6. The Landlord shall have no obligation to contest or litigate the imposition of any Taxes. The Landlord may defer payment of Taxes to the extent permitted by law if it diligently pursues or causes to be pursued the contest or appeal of the Taxes.

### 6.2 Direction for Payment of Taxes

The Landlord shall have the right to require the Tenant to pay Taxes and any other taxes which are the Tenant's responsibility as set out herein to the relevant taxing authority or the Landlord shall have the right to pay any such Taxes or other taxes directly to such taxing authority without thereby affecting the Tenant's obligation to pay or contribute to such Taxes or other taxes.

### 6.3 Taxes Payable by the Tenant

Commencing on the Commencement Date and thereafter at all times throughout the Term, the Tenant shall pay to the Landlord or the relevant taxing authority, as required by the Landlord, not later than the time when they fall due all Taxes levied, confirmed, imposed, assessed or charged (herein collectively or individually referred to as "charged") against or in respect of the Leased Premises and all furnishings, fixtures, equipment, improvements and alterations in or forming part of the Leased Premises, and including, without limiting the generality of the foregoing, any such Taxes charged against or attributable to the Leased Premises in respect of:

- (a) the Lands on which the Leased Premises are situated; and
- (b) any Common Area Facilities.

#### 6.4 Determination of the Tenant's Taxes

The Tenant will pay to the Landlord, the Tenant's share of Taxes, which share shall be determined by the Landlord:

- (a) if applicable, based on the then current established principles of assessment used by the relevant assessing authorities and on the same basis as the assessment actually obtained for the Complex as a whole or the Component thereof in which the Leased Premises are located;
- (b) if the method set out in subparagraph (a) is not applicable, based on the Tenant's Proportionate Share of all Taxes assessed against the Complex if there is a single assessment for the Complex;
- (c) if there is a separate assessment for the Hotel Component and such assessment includes an amount for Common Area Facilities attributable to the Hotel Component, the Tenant's Tax share shall be Tenant's Proportionate Share of the amount assessed;
- (d) Tenant's Proportionate Share of all Taxes assessed against Common Area Facilities if there is a separate assessment for Common Area Facilities; and
- (e) Tenant's Proportionate Share of all Taxes assessed against the Common Area Facilities forming part of the Hotel Component, if there is a separate assessment for such Common Area Facilities

The Tenant shall pay and remit to the Landlord its share of the cost of making such determination which share shall be as determined by the Landlord acting reasonably.

Notwithstanding any other contrary provisions of this Lease, if, at any time during a Lease Year, any part of the Complex is not one hundred percent (100%) occupied, the Taxes shall be allocated by the Landlord to the Buildings, the Common Area Facilities and the other Components or portions of the Complex without regard to any credits which may be received or receivable by the Landlord in respect of any vacant Leaseable Premises within the Complex and without regard to any reduced tax rate for such vacant Leaseable Premises. The Landlord may use an Expert to assist it in making such allocation and the Tenant shall pay and remit to the Landlord, the Tenant's share of the cost of making such allocation which share shall be determined by the Landlord, acting reasonably. Notwithstanding anything to the contrary: (i) the foregoing provisions will not be construed to allow the Landlord to recover more than one hundred percent (100%) of Taxes; and (ii) in no event shall the Tenant be required to pay an amount on account of Taxes in excess of what the Tenant would have had to pay had the Complex been one hundred percent (100%) occupied.

#### 6.5 Business Taxes and Sales Taxes

The Tenant shall pay as and when the same are due and payable all business taxes including all taxes charged in respect of or reasonably allocated by the Landlord to any business conducted on the Leased Premises or in respect of any use or occupancy of the Leased Premises, whether or not charged against the Landlord or the Leased Premises.

If a separate bill is not issued by the taxing authority for business taxes, the Tenant shall pay the Tenant's Proportionate Share of such taxes for the entire Complex to the Landlord.

The Tenant shall pay to the Landlord when due all Sales Taxes imposed on the Landlord with respect to Rent payable by the Tenant under this Lease. Amounts referred to in this Lease are without inclusion of any Sales Taxes that may be applicable in the jurisdiction and such Sales Taxes shall be in addition, unless otherwise stated.

If the Tenant defaults in payment of any Sales Taxes as and when the same is due and payable hereunder, the Landlord shall have the same rights and remedies against the Tenant upon such default as if such sum or sums were Rent in arrears under this Lease.

#### 6.6 Payment of Taxes

- (a) The Landlord shall be entitled at any time or times in any Lease Year, upon at least fifteen (15) days' notice to the Tenant to require the Tenant to pay to the Landlord the Tenant's share of Taxes pursuant to Sections 6.3 and 6.4 ("Tenant's Tax Share") for such Lease Year in equal monthly instalments. Such monthly amount shall be determined by dividing the Tenant's Tax Share by the number of months for the period from January 1<sup>st</sup> in each Lease Year of the Term until the due date of the final instalment of Taxes as established by the applicable taxing authority from time to time in each Lease Year ("Instalment Period") and shall be paid by the Tenant to the Landlord, monthly as Additional Rent, on the date for payment of monthly rental payments during the Instalment Period. The Landlord shall be entitled subsequently during such Lease Year, upon at least fifteen (15) days' notice to the Tenant, to revise its estimate of the amount of increase in such Taxes and the said monthly instalment shall be revised accordingly. All amounts received under this provision in any Lease Year on account of the estimated amount of such Taxes shall be applied in reduction of the actual amount of such Taxes for such Lease Year. If the amount received is less than the Tenant's Tax Share of the actual Taxes, the Tenant shall pay any deficiency to the Landlord as Additional Rent within fifteen (15) days following receipt by the Tenant of notice of the amount of such deficiency. If the amount received is greater than the Tenant's Share of the actual Taxes, the Landlord shall either refund the excess to the Tenant as soon as possible after the end of the Lease Year in respect of which such payments were made or, at the Landlord's option, shall apply such excess against any amounts owing or becoming due to the Landlord by the Tenant.

Within ninety (90) days after the end of each such Lease Year, the Landlord shall provide the Tenant with a statement of Taxes ("Statement") during such Year stipulating the amount of the Tenant's Tax Share and any necessary re-adjustments as to amounts paid by the Tenant on account of Taxes shall be made between the Landlord and the Tenant. The Tenant shall have one (1) year after receipt of such Statement to dispute the Statement by way of notice in writing to the Landlord failing which the Statement shall be conclusive and binding upon the Tenant. In the event the Tenant disputes any Statement by notice in writing to the Landlord within not more than one (1) year after receipt of such Statement and the parties are unable to resolve the dispute within thirty (30) days thereafter (the Landlord hereby agreeing to provide reasonable details regarding the manner in which Taxes have been allocated to the Tenant), then the Landlord shall have its independent consultant prepare a report ("Report"). The Report shall be at the Tenant's sole cost and expense to be added to Additional Rent hereunder unless the Report states that Taxes as determined by the independent consultant are actually lower by three percent (3%) or more than Taxes as stated in the disputed Statement, in which case the Report shall be at the Landlord's sole cost and expense. The Report shall be conclusive and binding upon the Tenant;

- (b) Business Taxes payable pursuant to Section 6.5 shall be paid by the Tenant when due if separate tax bills are issued and otherwise shall be paid to the Landlord within ten (10) days written demand therefore. If the Landlord requests, the Tenant shall provide the Landlord with evidence satisfactory to the Landlord of payment of all business taxes payable by the Tenant pursuant to Section 6.5; and
- (c) The Sales Taxes payable pursuant to Section 6.5 shall be paid to the Landlord with each payment of Rent or at such time or times as the Landlord from time to time determines by notice in writing to the Tenant.

#### 6.7 Tax Bills and Assessment Notices

The Tenant shall promptly deliver to the Landlord forthwith upon the Tenant's receiving the same:

- (a) copies of all assessment notices, tax bills and any other documents received by the

Tenant related to Taxes chargeable against or in respect of the Leased Premises or the Complex; and

- (b) receipts for payment of Taxes and business taxes payable by the Tenant pursuant hereto.

On or before the expiry of each calendar year, the Tenant shall provide to the Landlord evidence satisfactory to the Landlord that all Taxes and business taxes payable by the Tenant pursuant to the terms hereof up to the expiry of such calendar year, including all penalties and interest resulting from late payment of Taxes and business taxes, have been duly paid.

The Landlord shall promptly upon written request from the Tenant deliver to the Tenant copies of all assessment notices, tax bills and any other documents received by the Landlord related to Taxes chargeable against or in respect of the Leased Premises and the Complex during the Term.

#### 6.8 Contest of Taxes

Taxes, or the assessments in respect of Taxes which are the subject of any contest by the Landlord, shall nonetheless be payable in accordance with the foregoing provisions hereof provided; however, that in the event the Tenant shall have paid any amount in respect of Taxes in excess of the amount ultimately found payable as a result of the disposition of any such contest, and the Landlord receives a refund in respect thereof, if the Tenant is not in monetary or other material default hereunder beyond the expiry of any applicable notice and cure period, the appropriate amount of such refund shall be refunded to or, at the option of the Landlord, credited to the account of the Tenant.

The Landlord may contest any Taxes with respect to the Leased Premises or any part or all of the Complex and appeal any assessments related thereto and may withdraw any such contest or appeal or may agree with the relevant authorities on any settlement, compromise or conclusion in respect thereof and the Tenant consents to the Landlord so doing. The Tenant will co-operate with the Landlord in respect of any such contest and appeal and shall make available to the Landlord such information in respect thereof as the Landlord requests. The Tenant will execute forthwith on request all consents, authorizations or other documents as the Landlord requests to give full effect to the foregoing. The Landlord shall act as would a reasonably prudent owner of a reasonably similar development with respect to contesting Taxes.

The Tenant will not contest any Taxes or appeal any assessments related to the Leased Premises or the Complex. If, however, the Tenant is eligible, due to the particular nature of the Tenant's use, for any Tax exemption or reduction, upon the Tenant's request, the Landlord shall co-operate with the Tenant for the purposes of enabling the Tenant to take advantage of any such Tax exemption or reduction, so long as any application for such an exemption or reduction is made to the applicable taxing authority by the Tenant directly and processed independently from the Taxes payable by the Landlord in respect of the Complex.

The Tenant shall pay to the Landlord forthwith upon demand the Tenant's Proportionate Share or such reasonable share as allocated by the Landlord acting on a bona fide and equitable basis of all costs and expenses of any kind incurred by the Landlord bona fide and acting reasonably in obtaining or attempting to obtain information in respect of or a reduction or re allocation in respect of Taxes and any assessments related thereto including, without limitation, legal, appraisal, administration and overhead costs.

### ARTICLE 7 COMPLEX AND COMMON AREA FACILITIES

#### 7.1 Control of Complex and Common Area Facilities

The Common Area Facilities shall at all times be subject to the exclusive control and management of the Landlord and without limiting the generality of the foregoing the Landlord shall have the right from time to time to construct, maintain, and operate lighting facilities in all the said areas and improvements and to police same; from time to time to change the area, level, location and arrangement of parking areas and other facilities; to restrict parking by tenants, their

officers, agents and employees to employee parking areas; to close all or any portion of the said areas or facilities to such extent as may, in the opinion of the Landlord's counsel be legally sufficient to prevent the dedication thereof or the accrual of any rights to any Person or the public therein; to close temporarily all or any portion of the parking areas or facilities to discourage non customer parking; to grant, modify and terminate any easements or other agreements respecting any use or occupancy, maintenance of or supply of any services to any part of the Complex, to use parts of the Common Area Facilities for display, decorations, entertainment and structures, permanent or otherwise, designed for special features or promotional activities; to regulate all aspects of loading and unloading and delivery and shipping of supplies, fixtures, equipment, furnishings and merchandise; to change the area, level, location or arrangement of the Complex or any part of it; make changes and additions to the pipes, conduits and ducts and other structural and non-structural installations in the Building (including in the Leased Premises) and for such purposes to construct and erect columns and support facilities in any portions of the Complex; and to do and perform such other acts in and to the said areas and improvements as, in the use of good business judgement, the Landlord shall determine to be advisable with a view to the improvement of the convenience and use thereof by the tenants, their officers, agents, employees, and customers. Notwithstanding anything contained in this Lease, at any time and from time to time and either prior to or after the Commencement Date the Landlord shall have the right to construct on or remove from the Complex or adjacent lands such other buildings, or extensions of buildings, or other improvements as the Landlord may desire. Landlord shall have the right to make any changes in, additions to, deletions from, re-arrangements of or relocations of any part or parts of the Complex (excluding the Leased Premises) including any of the Common Area Facilities as the Landlord shall consider necessary or desirable and for such purposes to construct and erect columns and support facilities in any portions of the Complex.

The Landlord will operate and maintain the Complex as would a prudent landlord of a comparable property in the City of Toronto having regard to size, age and location. Without limiting the scope of such discretion the Landlord shall have the full right and authority to employ all personnel and to make all rules and regulations pertaining to and necessary for the proper operation and maintenance of the Complex including the Common Area Facilities.

The Landlord shall not be liable for any diminution or alteration of the Common Area Facilities resulting from the exercise of the Landlord's rights hereunder and the Tenant shall not be entitled to a reduction or abatement of Rent or to compensation therefor.

## 7.2 Roof and Walls

- (a) The Landlord shall have the exclusive right to use all or any part of the roof of the Buildings for any purpose. The Landlord may make any use it desires of the side or rear walls of the Leased Premises, providing that such use shall not encroach upon the interior of the Leased Premises. There shall be no abatement of Rent because of any erections as aforesaid or any entry, installation, maintenance, use, repair or replacement as aforesaid.
- (b) The Tenant shall not be entitled to enter onto the roof of any Building or make any opening in the roof, floors and walls of the Leased Premises, except as consented to in writing in advance by the Landlord and then only on the terms and conditions imposed or approved by the Landlord in writing. Any such work required by the Tenant, if approved by the Landlord, will be performed in a professional manner at the Tenant's expense.

## 7.3 Parking

The Tenant, its employees, suppliers and other persons having business with the Tenant shall be permitted to use the Parking Areas as such may be designated and changed from time to time by the Landlord subject to payment of the fees established from time to time by the Landlord or the operator of the Parking Areas. The Landlord and employee parking shall be limited to specified times and places, arranged so as to cause minimal interference to business within the Complex. Parking shall be regulated by the Landlord or the independent contractor in a reasonable manner and the Tenant and its employees, suppliers and other persons shall abide by such regulations as

may from time to time be established by the Landlord or the independent contractor. If requested by the Landlord the Tenant shall supply its employees' automobile licence numbers to the Landlord. No motor vehicle other than a private passenger automobile, station wagon and sport utility vehicle or van shall be parked on or in any part of the Common Area Facilities of the Complex, including the Parking Areas, nor shall any repairs of a vehicle be made to any motor vehicle in or on any of the Common Area Facilities, including without limitation the Parking Areas, and no motor vehicle shall be driven on any part of the Common Area Facilities other than on a driveway or in the Parking Areas. It is understood and agreed that the Landlord is not responsible for theft of or damage to the vehicle or its equipment or articles left in the vehicle. The Landlord agrees to provide or make available to the Tenant for use by Tenant's employees six (6) non-exclusive parking spaces in the Parking Area underneath the Hotel free of charge, throughout the Term, as well as a three (3) hour free of charge parking, for all customers using the Leased Premises, the latter upon presentation by the customer of a parking ticket duly endorsed by the Tenant or its agent(s), subject to availability at any given time.

#### 7.4 No Merchandise in Common Area Facilities

The Tenant shall not keep, display or sell any merchandise except within the boundaries of the Leased Premises or the Exclusive Use Outside Areas nor shall it obstruct or use any part of the Common Area Facilities except as permitted by the Landlord and except for displays included in Complex promotions when recognized and permitted by the Landlord.

#### 7.5 Rules and Regulations

The Tenant covenants and agrees to comply with and abide by the rules and regulations attached hereto as Appendix "E" and to cause such rules and regulations to be observed and performed by the Tenant, its employees, servants, agents and invitees. The Landlord shall have the right to make or adopt such further and other reasonable rules and regulations relating to the Leased Premises and/or the Common Area Facilities and other common areas of the Complex as in its judgement may from time to time be deemed necessary for the proper operation of the Complex. All of such rules and regulations now or hereafter in force shall be read as forming part of the terms and conditions of this Lease as if the same were embodied herein and such new rules and regulations shall be binding upon the Tenant upon mailing a copy thereof to the Tenant or by posting the same in a conspicuous place or places within the Complex. For the enforcement of such rules and regulations, the Landlord shall have available to it all remedies in this Lease provided for breach thereof. All such rules and regulations may differentiate in their application to different types of business conducted in premises in the Complex, and the Landlord shall not be responsible to the Tenant nor obliged to enforce any such rules and regulations in the event of their actual or apparent non observance, breach or violation by any other tenant in the Complex.

#### 7.6 Garbage

The Landlord shall from time to time designate the areas and manner in which and the times at which the Tenant shall deposit debris, garbage, trash and refuse all of which shall be stored and dispose of, at Tenant's expense, by waste removal contractors approved by the Landlord. The Tenant at its own expense shall provide a properly refrigerated area in the Leased Premises for the deposit of debris, garbage, trash and refuse of a perishable nature if required by any Applicable Laws or the Landlord. No debris, garbage, trash or refuse shall be placed or left, or be permitted to be placed or left in, on or upon any part of the Complex outside of the Leased Premises. The Tenant at its expense shall at all times comply with the Landlord's rules and regulations regarding the separation, removal, storage and disposal of waste for the Leased Premises. Notwithstanding the foregoing, the Landlord shall have the option to take over the function of separating, removing and/or disposing of the waste and the cost to the Landlord of same shall be invoiced separately to the Tenant as Additional Rent.

#### 7.7 Energy Conservation

The Tenant shall comply with any practices or procedures that the Landlord, the Owner or any Authority may from time to time introduce to conserve or to reduce consumption of energy or to reduce or control other Operating Costs and shall pay as Additional Rent the costs of the additional energy in a reasonable manner and the Landlord may use an Expert to assist it in

making such determination. The Tenant shall also convert to whatever system or units of measurement of energy consumption the Landlord may from time to time adopt. Without limiting the generality of the foregoing, the Tenant's Work shall include the Leed's requirements described in Schedule "C" hereto, and the Tenant shall at all times operate and maintain the Leased Premises in a manner required to comply with all such Leed's requirements.

## ARTICLE 8 ASSIGNMENT AND SUBLETTING, ETC.

### 8.1 Definitions

For the purposes of this Article 8, the following terms shall mean:

- (a) "Affiliate" shall have the same meaning as set out in the *Ontario Business Corporations Act*.
- (b) "Transfer" means (i) an assignment, sale, conveyance, sublease or disposition of this Lease or the Leased Premises or any part of them or any interest in this Lease or a mortgage, charge or debenture or other encumbrance of this Lease or the Leased Premises or any part of them, (ii) a parting with or sharing of possession of all or part of the Leased Premises, and (iii) a transfer or issue by sale, assignment, bequest, inheritance, operation of law or other disposition or by subscription of all or part of the corporate shares of the Tenant or an Affiliate of the Tenant which results in a change in the effective voting control of the Tenant.
- (c) "Transferee" means the party to which the Transfer is made.

### 8.2 Transfers

- (a) The Tenant will not effect or permit a Transfer without the consent of the Landlord and the Head Landlord which consent will not be unreasonably withheld or delayed except that the Landlord or the Head Landlord may unreasonably or arbitrarily refuse its consent notwithstanding anything hereunder or in the *Commercial Tenancies Act* if:
  - (i) a Transfer will occur within the last twenty-four (24) months of the Term unless: (A) the Tenant has a remaining option to extend pursuant to Section 3.4 of this Lease; and (B) the Tenant notifies the Landlord, in writing, concurrently with the Tenant's delivery of its written request for consent to the applicable Transfer, that the Tenant is, subject to the Landlord consenting to the Transfer, exercising its option to extend, it being agreed that the terms of Section 3.4 shall apply *mutatis mutandis* except that, in the circumstances described in this Section 8.2(a)(i) only, the Tenant may exercise its option to extend earlier than as set out in Section 3.4;
  - (ii) the Permitted Uses of the Leased Premises as stipulated in Section 11.1 would be changed;
  - (iii) the Transfer is not in accordance with the obligations of the Landlord and the requirements of the Head Landlord under the Head Lease; or
  - (iv) the proposed Transfer is to occur prior to the second anniversary of the Commencement Date.
- (b) The Landlord and the Head Landlord may consider the following factors (which factors are hereby deemed to be reasonable grounds for withholding consent) before giving or withholding its consent and without limitation to any other grounds which the Landlord or the Head Landlord may have for withholding its consent:
  - (i) covenants, restrictions or commitments given by the Landlord to the Head Landlord or to other tenants in the Complex or to a Mortgagee which would prevent or inhibit the Landlord from giving its consent to the Transfer;

- 23 -

- (ii) there is a history of defaults under commercial leases by the Transferee;
  - (iii) subject to Section 8.2(a)(i), the length of time remaining in the Term of this Lease is less than twenty-four (24) months; and
  - (iv) the Transferee does not have a history of successful business operation in the business to be conducted in the Leased Premises and/or does not have a good credit rating and a substantial net worth.
- (c) Any consent by the Landlord or the Head Landlord to a Transfer shall be subject to the following express conditions and the conditions set out in Section 8.5:
- (i) the Transferee shall have executed an assumption agreement directly with the Landlord agreeing to be bound by this Lease provided however, that the Tenant shall remain jointly and severally liable with the Transferee for the fulfillment of all obligations of the Tenant under this Lease;
  - (ii) that the Landlord's consent and assumption agreement is prepared at the Tenant's expense by the Landlord's solicitor on the Landlord's form;
  - (iii) if this Lease is disaffirmed, disclaimed or terminated by any trustee in bankruptcy of a Transferee the original Tenant named in this Lease will be deemed on notice from the Landlord given within sixty (60) days from the date of such disaffirmation, disclaimer or termination to have entered into a Lease with the Landlord containing the same terms and conditions as in this Lease;
  - (iv) the consent of the Landlord or the Head Landlord is not a waiver of the requirement of the Landlord's consent for subsequent Transfers;
  - (v) the acceptance by the Landlord of Rent from a Transferee without the Landlord's consent shall not constitute a waiver of the requirement of such consent nor an acceptance of such party as the Tenant;
  - (vi) in the event of a Transfer which consists of a subletting of the Leased Premises, if the Rent paid to the Tenant exceeds the Rent payable to the Landlord then, any such excess will be paid to the Landlord;
  - (vii) if the Transfer does not take place within sixty (60) days of the giving of consent by the Landlord, or the Head Landlord, the consent shall expire and become null and void; and
  - (viii) the Tenant shall furnish to the Landlord a true copy of the offer or agreement to which the Transfer pertains and for which the Tenant's application for consent has been brought.
- (d) If a Transfer occurs without the consent of the Landlord and the Head Landlord when required, the Landlord may collect Rent from the party in whose favour the Transfer was made and apply the net amount collected to the Rent herein reserved but no such Transfer will be considered a waiver of this covenant or the acceptance of the Person in whose favour the Transfer was made as a tenant hereunder.
- (e) The Tenant shall promptly make available to the Landlord upon request, for inspection and copying, all books and records of the Tenant, any assignee or subtenant and their respective shareholders, which alone or with other data may show whether a Transfer has occurred.
- (f) The Landlord and the Head Landlord shall not be liable for any claims or actions by or for any damages, liabilities, losses or expenses of the Tenant arising out of the Landlord or the Head Landlord unreasonably withholding its consent to any Transfer and the Tenant's only recourse shall be to bring an application for a declaration that the Landlord and Head Landlord shall grant its consent to such Transfer.

### 8.3 No Advertising of Premises

The Tenant shall not advertise this Lease or all or any part of the Premises or the business or fixtures or contents therein for sale without the Landlord's prior written consent, which consent the Landlord shall not be unreasonably withheld or delayed subject to the other provisions hereof.

### 8.4 Dispositions by the Landlord

If the Landlord sells or otherwise transfers or disposes of the Complex or any part of it or assigns this Lease or any interest of the Landlord thereunder, to the extent that the purchaser, transferee or assignee agrees with the Landlord to assume the obligations of the Landlord under this Lease, the Landlord will be released from those obligations. Without limiting the general rights of the Landlord to assign this Lease, the Landlord shall be entitled to assign this Lease as collateral security for any mortgage or mortgages upon the Complex or any part thereof, and the Tenant covenants, if requested so to do, to acknowledge in writing any notice of assignment of this Lease by the Landlord.

### 8.5 Additional Conditions of Transfer

It is a further condition of any Transfer that:

- (a) the Tenant shall Transfer all of its right, title and interest in and to the Ground Floor Lease and all of its right, title and interest in and to all of the assets and undertaking of the restaurant business operated at and from the Ground Floor Premises to the same Transferee of this Lease, and
- (b) the Tenant shall have Transferred all of its right, title and interest in and to the Food and Beverage Services Agreement and all of its right, title and interest in and to all of the assets and undertaking of catering business operated pursuant to the Food and Beverage Services Agreement to the same Transferee of this Lease; and
- (c) the Landlord and, if required, the Head Landlord shall have consented to the Transfer of the Ground Floor Lease and the Food and Beverage Services Agreement; and
- (d) there is not at the time of the Transfer of this Lease any default by the Tenant under the Ground Floor Lease or the Food and Beverage Services Agreement nor shall have any event occurred which with notice or lapse of time or both would constitute such a default.

## ARTICLE 9 REPAIRS & ALTERATIONS

### 9.1 Landlord's Repairs

Subject to Article 13 and Sections 7.1 and 7.2, the Landlord covenants with the Tenant: (a) to keep or cause to be kept in good repair, order and condition consistent with the standard of a good quality Canadian complex similar to the Complex, the Common Area Facilities and the structural portions of the Buildings, which structural portion shall consist of foundations, exterior weather walls (excluding store fronts and glass), structural sub floors and metal roofs deck, the structural portion of bearing walls and structural columns and beams; and (b) to keep the Common Area Facilities maintained clean and tidy..

### 9.2 Tenant's Repairs

The Tenant shall, at all times during the Term, at its own cost and expense, replace, repair, maintain and keep the Leased Premises, all equipment and fixtures including, without limitation, heating, ventilating and air conditioning exclusively serving the Leased Premises, plumbing and electrical equipment, doors and hardware attached thereto, plate glass and fixtures within the

Leased Premises or elsewhere if provided exclusively for the use or benefit of the Leased Premises and all Leasehold Improvements on or in the Leased Premises or for the exclusive benefit thereof, in first class condition in keeping with the standards of the Hotel as required by the Landlord and the Tenant covenants to perform such maintenance, and to effect such repairs and replacements and to decorate at its own cost and expense as and when necessary or required so to do by the Landlord. The Tenant shall also pay and be responsible for the cost of repairing any damage to the Complex, including any repairs to any structural components thereof (consisting of the foundation, load bearing walls and beams and columns and structural roof deck) caused by the acts or omission of the Tenant, its agents, employees, contractors, customers, invitees and others for whom the Tenant is in law responsible. Notwithstanding anything else contained herein, the Landlord shall at all times have the right, but not the obligation, upon fifteen (15) days prior written notice to the Tenant, to elect in its sole discretion to perform or cause repairs, maintenance or replacements to be undertaken and to charge the Tenant therefore. Should the Landlord deem it necessary to undertake any repairs or to do anything which is required to be undertaken or done by the Tenant under this Lease then the Tenant shall pay to the Landlord as a fee for supervision for carrying out the Tenant's obligation an amount equal to fifteen percent (15%) of the monies expended or of the cost of repairs or other work carried out by or under the supervision of the Landlord which amount shall in addition to the cost of such work or monies expended be deemed Additional Rent and payable by the Tenant pursuant to Section 14.6 hereof.

### 9.3 Tenant's Alterations and Improvements

- (a) The Tenant shall not, without the prior written approval of the Landlord and, if required, the Head Landlord, such approval not be unreasonably withheld, make any installations, alterations, additions, partitions, repairs or improvements in or to the Leased Premises, including doing anything in the Leased Premises which might affect the structural portions of the Leased Premises or the electrical, lighting, heating, ventilating, air conditioning, sprinkler, fire protection or other systems therein or any work that requires a building permit (the "Alterations"). The Tenant's request for approval shall be in writing and accompanied by an adequate description of the Alterations, and where appropriate, working drawings and specifications therefor and evidence satisfactory to the Landlord that the Tenant has obtained all necessary consents, permits, licenses and inspections from all Authorities having jurisdiction; the Landlord's costs of having its Architects, engineers or others examine such drawings and specifications shall be payable by the Tenant upon demand as Additional Rent; the Landlord may require that any or all Alterations be completed by the Landlord's contractors or workmen or by contractors or workmen engaged by the Tenant but first approved by the Landlord, and all Alterations shall be subject to inspection by and the reasonable supervision of the Landlord. All Alterations shall be completed in a good and workmanlike manner, and shall comply with all applicable statutes, regulations or by laws of any municipal, provincial or other governmental authority, be in accordance with plans/specifications submitted to and approved by the Landlord, and be in accordance with the Landlord's reasonable requirements (including a reasonable supervision fee of the Landlord to be paid by the Tenant). The Landlord's reasonable conditions may include, without limitation, the requirement for a security deposit in the amount to be determined by the Landlord (having regard to the nature of the Alterations and the size of the Leased Premises) and such security deposit shall be held by the Landlord and returned to the Tenant after the expiration or early termination of this Lease after a final inspection by the Landlord to satisfy itself that the Tenant has fulfilled its repair and restoration obligations under this Lease. In the event the Tenant fails to obtain, within a reasonable period of time, a final inspection and clearance of such work permits/approvals, then the Landlord may carry out and complete such work necessary in order to obtain a final inspection and clearance of such permit/approval and all costs and expenses incurred by the Landlord in carrying out such work, together with the Landlord's administrative fee of fifteen percent (15%) of such costs and expenses, shall be paid by the Tenant to the Landlord as Rent upon receipt of the Landlord's invoice and the Landlord may apply all or part of the security deposit on account of such costs and expenses. Any changes, alterations, additions or improvements to the structure, any perimeter wall, the sprinkler system, the heating, ventilating, air conditioning, plumbing, electrical or mechanical equipment or the concrete floor shall be performed by the Landlord at the Tenant's cost and such cost

together with the Landlord's administration fee of fifteen percent (15%) of such costs shall be paid to the Landlord as Additional Rent. The Tenant shall pay to the Landlord the amount of increase for any insurance coverage and/or municipal realty taxes to the extent that such increase is directly attributable to any action by the Tenant under this Section, and the Tenant covenants that such insurance shall not thereby be made liable to avoidance or cancellation by the insurer by reason of such changes, alterations, additions or improvements. The Tenant shall, at its own cost and before commencement of any work, obtain all necessary building or other permits and keep same in force.

- (b) All Alterations made by or on behalf of the Tenant shall be: (i) at the sole cost and expense of the Tenant; (ii) performed by competent workers whose labour union affiliations are in accordance with the requirements of the Landlord, the Head Landlord and their contractors, and who are fully covered by workers' compensation; (iii) performed in a first-class and workmanlike manner in accordance with the approved drawings and specifications, all applicable codes and regulations and the best standards of practice; and (iv) completed as expeditiously as possible with first-class new materials and equipment.
- (c) During the making of the Alterations, the Tenant shall obtain and maintain builder's all risks insurance satisfactory to the Landlord. The Tenant shall provide the Landlord with evidence satisfactory to the Landlord that the Tenant has taken out such insurance as approved by the Landlord.
- (d) Any Alterations made by the Tenant without the prior written consent of the Landlord or which are not in accordance with the drawings and specifications approved by the Landlord shall, if requested by the Landlord, be promptly removed by the Tenant at its expense and the Leased Premises restored to their previous condition.
- (e) Upon completion of any Alterations, the Tenant shall provide to the Landlord as-built drawings (including, without limitation, any and all electronic or digital versions thereof) and shall secure all applicable statutory declarations and certificates of inspection, approval and occupancy and provide evidence of same to the Landlord.
- (f) Notwithstanding any consents granted by the Landlord or the Head Landlord to any proposed Alterations, such consents relate only to the general acceptability of the proposed Alterations and by giving such consents, the Landlord shall not be deemed to have any direct or indirect interest, responsibility or liability with respect to such Alterations or the design, installation or maintenance of same or for the payment of same, all of which shall be the sole responsibility of the Tenant.

#### 9.4 Hazardous Substances

The Tenant covenants and agrees to utilize the Leased Premises and operate its business in a manner so that no part of the Leased Premises or surrounding lands are used to generate, manufacture, refine, treat, transport, store, handle, dispose of, transfer, produce or process any Hazardous Substances, except in strict compliance with all applicable federal, provincial and municipal statutes, by-laws and regulations, including without limitation, environmental, land use and occupational and health and safety laws, regulations, requirements, permits, statutes, by-laws and regulations. Further the Tenant hereby covenants and agrees to indemnify and save harmless the Landlord and those for whom the Landlord is in law responsible from any and all losses, costs, claims, damages, liabilities, expenses or injuries caused or contributed to by any Hazardous Substances which are at any time located, stored or incorporated in any part of the Leased Premises by the Tenant, its employees, agents, contractors, invitees and others for whom the Tenant is in law responsible. Notwithstanding the preceding sentence, the Tenant shall not be responsible for any Hazardous Substances existing on or in the Leased Premises prior to the Possession Date and to the extent such Hazardous Substances existing on or in the Leased Premises prior to the Possession Date exceed levels permitted by applicable government guidelines and require clean-up and/or remediation by authorities having jurisdiction, such Hazardous Substances shall be dealt with by the Landlord in compliance with the Ministry of Environment for the Province of Ontario.

The Tenant covenants and agrees that no Hazardous Substances shall be allowed to enter the

drains of any Building throughout the Term and any extension or renewal thereof, and upon the expiration or earlier termination of this Lease, the Tenant shall be responsible, at its cost, for the removal of any Hazardous Substances that were brought into or onto the Leased Premises by or on behalf of the Tenant, its employees, agents, contractors, invitees and others for whom the Tenant is in law responsible.

If any governmental authority having jurisdiction shall require the clean-up of any Hazardous Substances held, released, spilled, abandoned or placed upon the Leased Premises or the Complex or released into the environment by the Tenant in the course of the Tenant's business or as a result of the Tenant's use or occupancy of the Leased Premises, then the Tenant shall, at its own expense, prepare all necessary studies, plans and proposals and submit the same for approval, shall provide all bonds and other security required by governmental authorities having jurisdiction and shall carry out the work required and keep the Landlord fully informed and shall provide to the Landlord full information with respect to proposed plans and comply with the Landlord's reasonable requirements with respect to such plans. The Tenant further agrees that if the Landlord determines, in its own discretion that the Hotel, the Landlord or the Landlord's reputation is placed in a jeopardy by the requirement for any such work, the Landlord may itself undertake such work or any part thereof at the cost and expense of the Tenant, plus an administration charge equal to 15% of all such costs and expenses, all of which shall be collectible as Additional Rent..

#### 9.5 No Liens

In the event of the registration of any lien, charge or other encumbrance against the Leased Premises or the Complex for work or services performed or material supplied at the request of or on behalf of the Tenant, the Tenant shall at its own expense immediately cause the same to be discharged within thirty (30) days after receipt of written notice from the Landlord.

#### 9.6 Surrender

- (a) Upon the expiration or sooner termination of this Lease, the Tenant shall deliver to the Landlord vacant possession of the Leased Premises in the condition in which the Tenant is required to maintain the Leased Premises hereunder, subject to reasonable wear and tear not inconsistent with such standard of maintenance, and shall ensure that all Operating Equipment remains within and is not removed from the Leased Premises. The Tenant shall deliver all keys for the Leased Premises to the Landlord and provide the Landlord with the combinations of any locks, safes and vaults in the Leased Premises.
- (b) The Tenant shall remove such of its Leasehold Improvements as may be required by the Landlord by written notice to the Tenant and shall repair all damage to the Leased Premises or the Hotel caused by the installation or removal thereof, failing which, the Landlord may do so, at the Tenant's expense.
- (c) Upon expiry of the Term and any renewal thereof, if applicable, the Tenant covenants and agrees to remove any materials which may be deemed by any governmental authority as contaminated or hazardous and if the Landlord has a reasonable concern that Hazardous Substances have been brought into or onto the Leased Premises by the Tenant or those for whom the Tenant is in law responsible, upon written request by the Landlord, the Tenant will provide the Landlord with a certificate from the Ministry of Environment for the Province of Ontario or any other appropriate governmental agency, stating that the Leased Premises are free from Hazardous Substances, hazardous waste and contamination and if such certificate is not available, then the Tenant covenants and agrees to comply at its own cost with the requirements of the relevant governmental agency to obtain such certificate. Notwithstanding the foregoing, the Tenant shall not be responsible for any Hazardous Substances existing on or in the Leased Premises prior to the Possession Date, nor will the Tenant be responsible for any Hazardous Substances released in, on or under the Leased Premises by a Person who is not the Tenant or those for whom the Tenant is in law responsible, and to the extent such Hazardous Substances existing on or in the Leased Premises prior to the Possession Date exceed levels permitted by applicable government guidelines and require clean-up and/or remediation by authorities having jurisdiction and to the extent that any such Hazardous Substances have been released in, on or under the Leased Premises by a Person who is not the Tenant

- 28 -

or those for whom the Tenant is in law responsible, such Hazardous Substances shall be dealt with by the Landlord in compliance with the Ministry of Environment for the Province of Ontario.

#### 9.7 Ownership of Leasehold Improvements and Operating Equipment

All Leasehold Improvements and Operating Equipment delivered to or installed in the Leased Premises by the Tenant, or by the Landlord on the Tenant's behalf, shall forthwith upon such delivery to or such installation become the absolute property of the Landlord without compensation thereof but without the Landlord's having or thereby accepting any responsibility in respect of the maintenance, repair or replacement thereof, all of which shall be the Tenant's responsibility, and without in any way restricting the Landlord's rights under Section 9.6(b) to require that the Tenant remove all or any of the Leasehold Improvements from the Leased Premises upon the expiration or early termination of this Lease. In the event any Operating Equipment requires replacement, the cost of all such replacements shall be at the sole expense of the Tenant and all such replacements shall be the absolute property of the Landlord upon the installation thereof, and shall be subject to the provisions of this Section 9.7 and Section 2.7.

### ARTICLE 10 ACCESS BY LANDLORD

#### 10.1 Access for Inspection & Repairs

The Landlord and parties authorized by the Landlord shall be permitted during normal business hours (or after normal business hours with the consent of the Tenant, such consent not to be unreasonably withheld) or at any time during an emergency to enter and to have their authorized agents, employees and contractors enter the Leased Premises for the purpose of inspection, maintenance, making repairs, alterations or improvements to the Leased Premises or the Hotel Component or any part thereof including the expansion or renovation of the Hotel Component or to have access to utilities and service facilities therein contained, and the Tenant shall provide free and unhampered access for the purpose and shall not be entitled to compensation for any inconvenience, nuisance or discomfort caused thereby, but the Landlord or parties authorized by the Landlord in exercising their rights hereunder shall proceed to the extent reasonably possible so as to minimize interference with the Tenant's use and enjoyment of the Leased Premises.

#### 10.2 Access for Excavation

If an excavation shall be made upon the lands adjacent to the Hotel, the Tenant shall afford to the Landlord or the persons authorized to make such excavation the license to enter upon the Leased Premises for the purpose of doing such work as the Landlord shall deem necessary to preserve the wall of the Building from injury or damage and to support the same by proper foundations without any claim for damages or indemnity against the Landlord or abatement of Rent.

#### 10.3 Landlord Installations

The Landlord and any person authorized by the Landlord shall have the right to use, install, maintain and/or repair pipes, wires, ducts or other installations in, under or through the Leased Premises for or in connection with the supply of any services to the Leased Premises or any other premises in the Hotel. Such services shall include (without limiting the generality of the foregoing) gas, electricity, water, sanitation, heat, ventilation, air conditioning and security systems.

#### 10.4 Exhibiting Leased Premises

The Tenant shall permit the Landlord or the agents of the Landlord to place "For Rent" signs in and upon the Leased Premises and to exhibit the Leased Premises at all reasonable hours, in both cases during the last six (6) months of the Term, to prospective tenants and all other persons having written authority from the Landlord or the agents of the Landlord to view the Leased Premises. The Landlord shall, at any time, have the right to enter the Leased Premises at any time or times upon prior written notice to the Tenant in order to exhibit the Leased Premises to the Head Landlord, the City, the Mortgagee or to prospective purchasers or mortgagees of the Complex.

**ARTICLE 11  
USE AND STANDARDS OF OPERATION**

**11.1 Use of Leased Premises**

- (i) The Tenant hereby covenants, undertakes and agrees to use the Leased Premises as first class waiter service restaurant with its primary purpose of a breakfast, lunch, and dinner restaurant open to the public (the "Restaurant") including the sale of beer, wine and liquor for premises consumption as a principal use thereof at the Restaurant tables and in a bar and lounge area. The concept, theme, décor and image of the Restaurant shall be subject to Landlord's approval, which approval may be arbitrarily withheld if such concept, theme, décor or image is not consistent with the highest standards established and maintained by the Landlord with respect to the Hotel. The Tenant acknowledges that the operation of the Restaurant will have a material impact on the ability of Landlord to successfully operate the Hotel as a first-class transient Hotel. Accordingly, Tenant acknowledges and agrees that its covenant and agreement to operate the Restaurant as a first-class waiter service restaurant was a material inducement to Landlord entering into this Lease with Tenant, that Landlord relied on such covenant and agreement of Tenant in entering into this Lease and that Landlord would not have entered into this Lease with Tenant in the absence of such covenant and agreement by Tenant.
- (ii) The Tenant agrees to maintain jointly with the Landlord a Province of Ontario Liquor License in respect of the Leased Premises and the Exclusive Use Outside Areas (the "Liquor License") at all times and acknowledges having been advised of the great significance and importance which attaches to the same. The suspension or cancellation of such Liquor License and the failure to have the same reinstated or reissued within thirty (30) days of such loss shall be deemed a material breach of this Lease entitling Landlord to terminate this Lease upon written notice to the Tenant. In such event, the Tenant hereby agrees to all such amendments to or assignments of the Liquor License as may be required by the Landlord and agrees to execute and deliver to the Landlord immediately upon request all releases, authorizations, consents and other documents as may be required by the issuer of the Liquor License.
- (iii) The Tenant shall only provide and offer menu items, including food and beverages, as are approved by the Landlord, subject to the strictest condition that all menu items are to be consistent with a first class restaurant facility that meets the standards established and maintained by the Landlord with respect to the Hotel such as, for example, Café Boulud at the Four Seasons Hotel, Toronto, and One, at the Hazelton Hotel, Toronto. The Tenant shall not introduce new food or beverage items or offer new services to its customers without first obtaining the written consent of the Landlord. The Tenant acknowledges that it would be reasonable for the Landlord to withhold its consent if the introduction by the Tenant of new menu items or services is inconsistent with the approved use or infringe on exclusive covenants granted by the Landlord to any other tenant.
- (iv) The Tenant will only use the trade name "Maxx's" or such other name the Landlord and the Tenant will agree to in writing, and will not change such advertised name of the business to be operated in the Leased Premises without the prior written consent of the Landlord.
- (v) The Tenant acknowledges and agrees that it does not have any exclusive rights with respect to the Tenant's Permitted Uses and that other tenants in the Complex will be operating their respective Leaseable Premises in the Complex for restaurant, bar, lounge, coffee shop and similar uses, which may include Starbucks and the Beer Garden, and that such uses do not in any way limit, qualify, restrict or impair the covenants and obligations of the Tenant under this Lease.

**11.2 Conduct of Business**

From and after the Hotel Opening Date and throughout the remainder of the Term, the Tenant shall continuously, actively and diligently conduct the Permitted Uses in the whole of the Leased Premises in an up-to-date, first class and reputable manner each day during such Business Hours

as may be determined by the Landlord.

- (a) In the course of the Tenant carrying on its business from the Leased Premises, the Tenant covenants and agrees to do the following:
- (i) Maintain adequate on site sales staff, including hostesses, servers, bartenders, bus personnel, food prep and kitchen staff and floor managers, to properly serve all customers so as to maximize Gross Receipts generated from the Leased Premises and the Exclusive Use Outside Areas and so as to maintain the highest standards established and maintained by the Landlord with respect to the Hotel;
  - (ii) Restrict the colours and design of the interior or exterior of the Leased Premises to those approved by the Landlord and the Head Landlord, which approval may be withheld in the Landlord's sole and absolute discretion of the Landlord and the Head Landlord, and it shall be a condition of approval, if granted, that the colours and design of the interior or exterior of the Leased Premises are in compliance with all Applicable Laws;
  - (iii) From and after the Commencement Date, carry on business in the Leased Premises and actively participate in any promotions during such hours and on such days as designated by the Landlord from time to time for the Complex, having regard for: (i) the nature of the particular business being conducted by the Tenant thereon, and (ii) any events being conducted at the Complex in which case such designated hours of business will reflect the hours during which the event in question is ongoing;
  - (iv) Use only the name designated for the Complex by the Landlord in all insignia, logos or other identifying names and features required by the Landlord in the Tenant's advertising and promotion of the Restaurant. Notwithstanding the foregoing provisions hereof the Tenant does not have, nor will it acquire, any rights in such names, marks or insignia and, at the option of the Landlord, the Tenant will abandon or assign to the Landlord any such rights which the Tenant may acquire by operation of law and will promptly execute such documents as in the opinion of the Landlord are or may be necessary to give effect to this subsection 11.2(iv);
  - (v) Not solicit business in any part of the Complex other than: (i) within the Leased Premises or the Exclusive Use Outside Areas, or (ii) as expressly permitted by the Landlord, nor display any merchandise elsewhere on or about the Complex;
  - (vi) Not commit any nuisance or other act (including decibel level of music) which disturbs the quiet enjoyment of any other tenant in the Complex including guests of the Hotel. The Tenant further agrees that live music in the Leased Premises shall be expressly prohibited unless prior approved by the Landlord in writing;
  - (vii) Not do or suffer, cause or permit any act in or about the Common Facilities of the Complex which in the Landlord's reasonable opinion hinders or interrupts any events commissioned by the Landlord from time to time such as, without limitation, movie filming, concerts, exhibitions, festivals, trade shows, street vending and performing and the like.
  - (viii) Not do, suffer, cause or permit services which infringe upon anything which will in any way obstruct or interfere with the rights of other tenants or occupants of the Complex or any adjacent property or the guests of the Hotel, or injure or annoy them, or which shall hinder or interrupt the flow of traffic to, in and from the Complex, or which will in any way materially obstruct the free movement of persons doing business in the Complex;
  - (ix) Not to use, or permit the sale of any items from, the Leased Premises in such a manner so as to violate or otherwise offend any existing or future

- (i) restrictive covenants and/or (ii) exclusive sponsorships and/or licenses and/or exclusive uses affecting the Complex (the particulars of which shall be made available from time to time upon the written request of the Tenant), the proceeds from which shall be the sole and exclusive property of the Landlord. Moreover, the Tenant shall not permit without Landlord's prior written approval any on-site internet connections for public use; movie filming or film shoots of any kind; and shall not permit any of the following businesses or activities to be conducted from the Premises, namely the sale of second hand goods or surplus articles; insurance salvage stock; fire sale of bankruptcy stock; the sale of food except as may be expressly permitted in the Permitted Uses provisions of this Lease; an auction; liquidation sale; "going out of business" or bankruptcy sale; automated banking machines; and any business conduct or practice carried on by the Tenant which, in the reasonable opinion of the Landlord, may harm the business or reputation of the Landlord or reflect unfavourably on the Hotel;
- (x) Not use nor suffer or permit to be used any part of the Leased Premises for any purpose that is listed and described in Schedule "F" hereto;
  - (xi) Not to object to or otherwise appeal any application initiated by or on behalf of the Landlord affecting the Complex;
  - (xii) Maintain in good standing all licenses as may be required to sell alcohol including beer, wine and liquor at and from the Leased Premises.
  - (xiii) At Tenant's sole cost and expense, keep the Leased Premises and all Exclusive Use Outside Areas (including the exterior and interior portions of all windows, doors and all other glass and any and all kitchen exhaust duct(s) and other similar equipment exclusively servicing the Leased Premises) in a neat and clean condition;
  - (xiv) Use for office, clerical, or other non-selling purposes only such space in the Leased Premises as is reasonably required for Tenant's business therein, and not perform therein any functions for any other restaurant or business of Tenant or for any other person;
  - (xv) Maintain at all times, at Tenant's sole cost and expense, the Leased Premises, the Leasehold Improvements installed therein and all of the Operating Equipment therein, as an attractive dining area in accordance with the reputation and character of the Hotel as a first-class transient hotel, including the repair or replacement of all damaged, defective or worn out Operating Equipment;
  - (xvi) Require all employees and attendants to (y) enter and exit the Leased Premises through the service entrance only, and (z) be properly attired when on duty and otherwise to have an appearance consistent with a first-class restaurant and in accordance with the reputation and character of the Hotel as a first-class transient hotel;
  - (xvii) Take all reasonable precautions, at its sole cost and expense, to prevent any odors from emanating from the Leased Premises including, without limitation, the installation of such control devices (such as a rotoclone or other similar devices) at all points of cooking and the establishment of reasonable control procedures to eliminate such odors;
  - (xviii) Install and maintain in all cooking areas, at its sole cost and expense, chemical fire extinguishing devices (such as ansul) approved by the Fire Insurance Rating Organization having jurisdiction over the Leased Premises and, if gas is used in the Leased Premises for cooking or other purposes, suitable gas cut-off devices (manual and automatic);

- 32 -

- (xix) Take all reasonable steps, at its sole cost and expense, to prevent fat, grease, or any other greasy substance from entering the waste lines of the Building including, without limitation, installation of a grease trap and ensure that all grease traps are cleaned professionally on a regular schedule;
  - (xx) Perform, at its sole cost and expense, any and all maintenance reasonably necessary or desirable in order to keep the floors of all kitchen areas in a waterproof condition;
  - (xxi) The Tenant shall carry at all times in the Leased Premises a stock of food and beverages of such size, character and quality, and to maintain adequate trained personnel for effective service to customers as shall be reasonably designed to produce the maximum return to Landlord and Tenant;
  - (xxii) Restrict its operations to providing food and beverage for the Restaurant contained within the Leased Premises and not permit the facilities to be utilized for either take-out, counter or catering services.
- (b) The Tenant acknowledges that the continuous operation of the Restaurant as provided herein is essential in order for Landlord to successfully operate the Hotel as a first-class transient hotel. Accordingly, Tenant acknowledges and agrees that its covenants and agreements contained herein to continuously operate the Restaurant in the manner and during the hours set forth in this Article 11 was a material inducement to Landlord entering into this Lease with Tenant, that Landlord relied on such covenants and agreements of Tenant in entering into this Lease and that Landlord would not have entered into this Lease with Tenant in the absence of such covenants and agreements and, as such, in addition to any other rights and remedies of the Landlord arising as a result of such default, the Landlord shall have the right to terminate this Lease by written notice to the Tenant;
- (c) The Tenant agrees that it shall not utilize any immoral method of business operation in the Leased Premises or any portion thereof, and shall not at any time, without first obtaining Landlord's prior written consent:
- (i) change (whether by alteration, replacement, rebuilding, or otherwise) the exterior color and/or architectural treatment of the Leased Premises or of the Hotel or any part thereof;
  - (ii) use, or permit to be used or obstructed, any corridor, or any other space outside the Leased Premises, for display, sale, storage, or any other similar undertaking or allow the Leased Premises or any portion thereof to be used for housing accommodations or sleeping purposes;
  - (iii) use or permit to be used, any advertising medium that may be heard outside the Leased Premises; or that does not comply with general policies or rules and regulations then in effect or allow any noise (whether music or otherwise) to emanate from the Leased Premises;
  - (iv) use the plumbing facilities for any purpose other than that for which they were constructed, or dispose of any garbage or other foreign substance therein, whether through the utilization of so-called "disposal" or similar units, or otherwise;
  - (v) perform any act, or carry on any practice, that may damage, mar, or deface the Leased Premises or any other part of the Hotel;
  - (vi) permit window cleaning or other maintenance and janitorial services in and for the Leased Premises to be performed except in accordance with all laws and by such person(s) as shall be reasonably approved by Landlord and except during reasonable hours designated for such purposes by Landlord;

- (vii) place a load on any floor in the Leased Premises exceeding the floor load per square foot that such floor was designed to carry and that is allowed by law;
  - (viii) take any action that would (i) violate Landlord's union contracts, if any, affecting the Complex and the business operated therein, (ii) create any work stoppage, picketing, labor disruption, or labor dispute, (iii) interfere with the business of Landlord or any customer or other person lawfully in and upon the Complex, or (iv) cause any impairment or reduction of the good will or reputation of the Complex. Landlord may at any time elect to renovate the Buildings and erect scaffolds and catwalk frontage for a period of time and as a part thereof, provided, however, that Landlord will not unreasonably impair access to the Leased Premises or unreasonably interfere with Tenant's business; or
  - (ix) undertake any use, purpose or activity that is prohibited under the terms of the Head Lease.
- (d) The Tenant shall comply with all of Landlord's requirements and policies for signage and window displays. Tenant may place signs or window displays in, on, about, outside of or in the windows of the Leased Premises, provided that such signs or window displays (i) comply with all laws, regulations, ordinances, restrictions and rulings of any body having jurisdiction over the Building or the Leased Premises, (ii) are aesthetically compatible with the design and architecture of the Building and the Hotel being operated therein and (iii) are approved by Landlord in writing.

### 11.3 Exclusive Use Outside Areas

The Tenant shall have the right to utilize the outside areas adjacent to the Leased Premises in the location depicted in green on Schedule "D" hereto (the "Exclusive Use Outside Areas") for the sole purpose of carrying on the Permitted Uses in strict compliance with the provisions of this Lease, including this Article 11, and for greater certainty, the covenants and obligations of the Tenant under this Lease that are applicable to the Leased Premises shall also be applicable to the Exclusive Use Outside Areas. For the purposes hereof, Percentage Rent shall be calculated and payable in respect of all Gross Receipts generated at and from the Exclusive Use Outside Areas. However, no Minimum Rent shall accrue or be payable in respect of the Exclusive Use Outside Areas and the area of the Exclusive Use Outside Areas shall not be included in the calculation of the Rentable Area of the Leased Premises.

### 11.4 Compliance With Laws

At the sole cost and expense of the Tenant, the Tenant will promptly comply with and conform to the requirements of all Applicable Laws at any time or from time to time in force during the Term affecting the Leased Premises or any part thereof and/or the machinery, equipment and other facilities used in connection therewith provided that the Tenant shall not be required to remedy any work done by the Landlord to the Leased Premises in violation of any such Applicable Laws. The Tenant will make no use of the Leased Premises, whether within the use herein permitted or not, which will or may impose upon the Landlord any obligation to modify, extend, alter or replace any part of the Leased Premises or any of the said machinery, equipment and other facilities. In the event that the Tenant shall at any time or from time to time during the Term, do or permit to be done or omit to do any act or thing which shall result in any such obligation being imposed upon the Landlord, the Landlord may at its option either do or cause to be done the necessary work in order to comply with such obligation, at the expense of the Tenant. In the event that the Landlord shall undertake any work to be done at the expense of the Tenant hereunder, the cost thereof together with the Landlord's administration fee of fifteen percent (15%) of such cost of such work, shall be payable by the Tenant to the Landlord forthwith upon demand.

### 11.5 Operating Equipment, Etc.

The Tenant shall install new and unused trade fixtures, furnishings, furniture, equipment and chattels of a type required for its business and as approved by the Landlord and such installation shall be completed without damage to the structure of the Leased Premises or to the heating, ventilating, air conditioning, plumbing, electrical and other mechanical systems in the Complex. All such trade fixtures, furnishings, furniture, equipment and chattels shall be free and clear of any and all liens, security interests, conditional sales agreements and encumbrances throughout the Term.

### 11.6 Signs

Except with the prior written consent of the Landlord and except as set out in Section 11.2(d), the Tenant shall not erect, install, display, inscribe, paint or affix any signs, lettering or advertising medium in, upon or above any portion of the Leased Premises visible from the exterior or install any exterior lights, shades, awnings or decorations whatsoever. Should the Landlord at any time object to any sign, lettering or advertising medium not previously specifically approved in writing by the Landlord, the Tenant shall remove the same forthwith, and if it does not do so it shall be lawful for the Landlord to enter into and upon the Leased Premises or any part thereof and remove such sign, lettering or advertising medium without prejudice to the rights of the Landlord under this Lease or other lawful rights and remedies available to the Landlord and the cost thereof together with the Landlord's administration fee of fifteen percent (15%) of the cost of such work, shall be payable by the Tenant to the Landlord forthwith on demand. The Tenant shall not display any sign or signs within the Leased Premises not in keeping with the character of the Complex and in any event shall not display any signs visible from the exterior of the Leased Premises which are objected to by the Landlord.

### 11.7 Pest Control

The Tenant shall co-operate with the Landlord and with any contractor(s) engaged by the Landlord in respect of pest control and extermination in the Leased Premises and the Complex. The Tenant shall be responsible for pest control and pest extermination in respect of the Leased Premises and shall engage, for such purpose, such contractors at such intervals as the Landlord may require.

### 11.8 Deliveries

All deliveries to and from the Leased Premises, and loading and unloading of goods, merchandise, refuse, materials and any other items, shall be made only by way of such driveways, access routes, doorways, corridors and loading docks as the Landlord may from time to time designate and shall be subject to all applicable rules and regulations made by the Landlord from time to time.

### 11.9 Janitorial Services

Subject to the Landlord's reasonable security requirements, the Tenant shall, at its cost, provide janitorial services to the Leased Premises consistent with the standards prevailing for a first class transient hotel. Without limiting the generality of the foregoing, all curtains, carpets, rugs and drapes of any kind in the Premises shall be cleaned and maintained by the Tenant, at its cost. The Tenant shall not engage any Person to provide cleaning or janitorial services in or to the Leased Premises without the Landlord's prior written consent.

### 11.10 Compliance with Head Lease

The Tenant acknowledges receipt of a true copy of the Head Lease (with all financial and other business terms redacted) and covenants with the Landlord to (i) observe, perform and be bound by all the covenants, obligations and agreements for which the Landlord is responsible under the Head Lease (other than the payment of Rent) in respect of the Premises and (ii) not do any matter or thing that would cause the Landlord to be in default or breach of its covenants and obligations under the Head Lease. The Tenant covenants and agrees to indemnify and save harmless the Landlord, the Head Landlord and the City from and against any and all losses, claims, damages,

expenses and demands which Landlord, the Head Landlord or the City may suffer or incur in respect of the Tenant's failure to comply with all such covenants, obligations and agreements.

## ARTICLE 12 INSURANCE & INDEMNITY

### 12.1 Tenant's Insurance

The Tenant shall, at its expense, maintain in force during the Term and any renewals or extensions thereof or while it is otherwise in possession of the Leased Premises, in the name of the Tenant with the Landlord, the Head Landlord, the City, the Mortgagee and the Manager (collectively the "Landlord Insured Parties") shown as additional insureds, the following insurance:

- (a) Comprehensive general liability insurance against claims for bodily injury, death or property damage (including tenants' legal liability, personal injury liability, employees liability, owners' and contractors protective liability, property damage and contractual liability to cover all indemnities) with respect to the business carried on, in and from the Leased Premises and the activities and operations conducted by or on behalf of the Tenant, or for which the Tenant is legally liable, and any other person performing work for or on behalf of the Tenant anywhere on the Complex, in amounts required by the Landlord and any mortgagee of the Complex or any part thereof from time to time but in no event less than \$10,000,000.00 per occurrence;
- (b) **INTENTIONALLY DELETED**
- (c) If applicable, broad form comprehensive boiler and machinery insurance on a blanket repair and replacement basis, with limits for each accident in an amount not less than the full replacement of the cost of the property, with respect to all boilers, pressure vessels, air conditioning equipment and miscellaneous electrical apparatus or mechanical equipment owned or operated by the Tenant or by others (other than the Landlord) on behalf of the Tenant in the Leased Premises or otherwise relating to or serving the Leased Premises;
- (d) Business interruption insurance in an amount that will reimburse the Tenant for direct or indirect loss of gross earnings attributable to all perils insured against in Section 12.1(b) and (c) herein, and other perils commonly insured against by prudent tenants or attributable to prevention of access to the Leased Premises or the Complex as a result of those perils;
- (e) Standard owners' form automobile insurance providing third party liability insurance with Two Million Dollars (\$2,000,000.00) inclusive limits, and accident benefits insurance, covering all licensed vehicles owned, leased or operated by or on behalf of the Tenant;
- (f) Plate glass insurance with respect to all glass windows and all glass doors in or on the Leased Premises for the full replacement value thereof; and
- (g) Such other forms of insurance as may be reasonably required by the Landlord, Insured Parties from time to time.

All insurance required under this Section 12.1 shall be on terms and conditions satisfactory to the Landlord Insured Parties. All policies shall: (i) contain a cross liability and/or severability of interest clause; (ii) be primary and non-contributing to any other insurance available to the Landlord Insured Parties; (iii) not be invalidated with respect to the interest of the Landlord Insured Parties by reason of any breach or violation of warranties, representation, declarations or conditions contained in the policies; and (iv) contain any undertaking by the insurers to notify the Landlord Insured Parties in writing not less than thirty (30) days prior to any material change, cancellation or termination thereof and shall be subject only to such deductibles and exclusions as the Landlord may approve, acting reasonably. All policies written pursuant to paragraphs (b),

(c) and (d) of this Section shall contain a waiver of any subrogation rights which the Tenant's insurers may have against the Landlord Insured Parties. The Tenant shall at all times maintain on file with the Landlord certificates or copies of current policies and proof of their renewal and payment of premium, and if the Tenant fails to insure or file satisfactory proof of insurance, the Landlord may without notice to the Tenant effect such insurance and any premiums paid therefore shall be deemed Additional Rent payable by the Tenant pursuant to Section 14.6 hereof. The Tenant shall promptly pay all premiums due on the insurance required to be effected by it hereunder.

#### 12.2 Not to Affect Landlord's Insurance

The Tenant will not do or permit to be done, or omit to do anything in the Leased Premises or appurtenances thereto which shall cause or have the effect of causing the rate of insurance upon the Complex or any part thereof to be increased and if the insurance rate shall be thereby increased the Tenant shall pay to the Landlord as Additional Rent the amount by which the insurance premiums shall be so increased.

#### 12.3 Landlord's Insurance

Throughout the Term of this Lease, the Landlord will provide and keep in force property insurance in respect of the Hotel Component (including the Leased Premises) against fire and such other perils as are normally insured against in the circumstances by prudent landlords of a similar complex and loss of rental income insurance subject to reasonable deductions and exceptions as the Landlord may determine and to amounts which the Landlord shall from time to time determine as being reasonable or sufficient.

The Landlord shall also insure, at the Landlord's sole cost, insurance with respect to any loss of or damage to the Leasehold Improvements and Operating Equipment, on a full replacement cost basis, arising from fire and such other perils as are normally insurance against in the circumstances by prudent landlords of similar complexes.

Notwithstanding any contribution by the Tenant to the cost of any insurance effected by the Landlord, no insurable interest is conferred upon the Tenant under any such policies of insurance and (except as otherwise expressly provided in Section 13.1(d)) the Tenant has no right to receive any proceeds under any such insurance.

#### 12.4 Limit of Liability

- (a) The Landlord Insured Parties and their respective agents, servants and employees shall not be liable for damage or injury to any property of the Tenant which is entrusted to the care or control of the Landlord Insured Parties or their respective agents, servants or employees, nor, except in the event of the gross negligence or wilful act of the Landlord or those for whom the Landlord is in law responsible, nor shall the Landlord Insured Parties be liable for any damage suffered to the Leased Premises or the contents thereof by reason of the Landlord Insured Parties or their respective agents, servants or contractors entering upon the Leased Premises to undertake any examination thereof or any work therein or in the case of any emergency.
- (b) The Landlord Insured Parties shall not be liable or responsible in any way for any personal or consequential injury of any nature whatsoever that may be suffered or sustained by the Tenant or any employee, agent, customer or invitee of the Tenant or any other person who may be upon the Leased Premises or for any loss of or damage or injury to any property belonging to the Tenant or to its employees or to any other person while such property is on the Leased Premises and, in particular (but without limiting the generality of the foregoing) the Landlord Insured Parties shall not be liable for any damage or damages of any nature whatsoever to any such property caused by the failure by reason of a breakdown or other cause to supply adequate drainage, snow or ice removal, or in the event of steam, water, rain or snow which may leak into, issue, or flow from any part of the Complex or from the water, steam, sprinkler, or drainage pipes or plumbing works of the same, or from any other place or quarter or for any damage caused by anything done or omitted to be done by any tenant, or by reason of the interruption of any public utility or service but the Landlord shall use all reasonable diligence to remedy

such condition, failure or interruption of service when not directly or indirectly attributable to the Tenant, or by reason of the interruption of any public utility or service, after notice of same, when it is within its power and obligation so to do, nor shall the Tenant be entitled to any abatement of rent in respect of any such condition, failure or interruption of service.

- (c) In the event that the Leased Premises or the Complex or any part or parts thereof are closed, inaccessible or unusable by reason of damage, necessary repair or by virtue of any other cause or condition whatsoever, whether within or beyond the Landlord's control, the Landlord Insured Parties shall not be liable or responsible in any way for any loss of business or any other damage to or loss, direct, indirect, consequential or otherwise sustained or suffered by the Tenant, nor shall the Tenant be entitled to any abatement of Rent, except, in the case of damage to the Leased Premises as expressly provided in Article 13 hereof.

#### 12.5 Indemnification

The Tenant shall indemnify and save harmless the Landlord Insured Parties against and from any and all claims, including without limiting the generality of the foregoing, all claims for personal injury, death or property damage arising from (i) any act or omission of the Tenant or any assignee, sub tenant, agent, contractor, employee, invitee or licensee of the Tenant, (ii) any occurrence in or upon the Leased Premises, and (iii) any default by the Tenant under any of its covenants and obligations under this Lease, and against and from all costs, counsel fees, expenses and liabilities incurred in or about any such claim or action or proceeding brought thereon. The Tenant's obligation hereunder shall survive the expiration or sooner termination of this Lease.

#### 12.6 Employees

It is agreed that every indemnity, exclusion or release of liability and waiver of subrogation herein contained for the benefit of the Landlord Insured Parties shall extend to and benefit the Landlord Insured Parties and their respective servants, agents, employees and those for whom any such party is in law responsible (collectively referred to in this Section 12.6 as "Employees"); solely for such purpose, and to the extent that the Landlord or the Tenant expressly chooses to enforce the benefits of this Section 12.6 for the Landlord Insured Parties and the Employees, it is agreed that the Landlord is the agent or trustee for the Landlord Insured Parties and the Employees.

### ARTICLE 13

#### DAMAGE & DESTRUCTION & EXPROPRIATION & TERMINATION OF HEAD LEASE

##### 13.1 Termination and Rent Abatement

- (a) (i) If and whenever by any cause, the Leased Premises shall be destroyed or suffer substantial damage such as to render them untenable in whole or in substantial part, and in such case, in the opinion of the Architect, the Leased Premises shall be incapable of being rebuilt and/or repaired or restored with reasonable diligence within one hundred and eighty (180) days of the occurrence of such destruction or damage, or if as a result of such damage or destruction the Head Lease is terminated by the Head Landlord, then the Landlord may at its option terminate this Lease upon not less than thirty (30) days' written notice to the Tenant given within ninety (90) days after the happening of such destruction or damage, in which event the Tenant shall upon the expiration of the period stipulated in such notice surrender the Leased Premises to the Landlord and this Lease shall terminate accordingly.
- (ii) If and whenever by any cause, the twenty-five percent (25%) or more of the Hotel Component has been destroyed or damaged (whether or not the Leased Premises are damaged), and in the opinion of the Architect, the area damaged shall be incapable of being rebuilt and/or repaired or restored with reasonable diligence within twenty-four (24) months days of the occurrence of such damage or destruction or if as a result of such

Handwritten signatures and initials, including a large stylized signature and the initials 'EP'.

damage or destruction, the Head Lease is terminated by the Head Landlord, then the Landlord may at its option terminate this Lease upon not less than thirty (30) days' written notice to the Tenant given within ninety (90) days after the happening of such destruction or damage, in which event the Tenant shall upon the expiration of the period stipulated in such notice surrender the Leased Premises to the Landlord and this Lease shall terminate accordingly.

- (b) If and whenever by any cause for which the Landlord is or is required by the terms of this Lease to insure for, the Buildings and improvements in the Complex or the Leased Premises are destroyed or damaged and this Lease shall not have been terminated pursuant to paragraph (a) hereof, the Landlord shall: (i) repair the Buildings in the Complex to the extent of its repair obligations specified in Section 9.1 and to the extent of the Landlord's Work described in Schedule "A" of this Lease; (ii) repair or replace the Leasehold Improvements and Operating Equipment to the extent of all insurance proceeds received by the Landlord in respect thereof; and the Tenant shall do all other items of work necessary to properly make the Leased Premises ready for the carrying on of the Permitted Uses in accordance with the requirements of this Lease, including restoring of all Leasehold Improvements and Operating Equipment to the extent that the insurance proceeds received by the Landlord in respect thereof are not sufficient to cover the actual costs of repair or replacement. If the Landlord is required to rebuild or replace the Complex, it shall have the right to rebuild the Complex with a different configuration, size and design and using different plans and specifications from the original Complex.
- (c) If as a result of any destruction or damage to the Leased Premises which the Landlord is obligated to repair under the provisions of this Lease and if the Landlord shall not have terminated this Lease pursuant to Section 13.1(a), the Leased Premises are rendered in whole or in substantial part untenable, Minimum Rent under Section 5.2 shall abate in proportion to the part of the Leased Premises rendered untenable from time to time, from the happening of such destruction or damage until the earlier of (i) thirty (30) days after the date of completion of the repairs to the Leased Premises which the Landlord is obligated to make and (ii) the date the Tenant reopens for business in any portion of the Leased Premises.
- (d) In the event that this Lease is terminated during the Initial Term as a result of a peril insured against by the Landlord, the Landlord shall pay and remit to the Tenant: (i) such portion of all of all insurance proceeds received by the Landlord in respect of the Operating Equipment that is in the same proportion that the unamortized cost of the Operating Equipment provided by the Tenant (determined on the basis of a straight line amortization over a period of ten (10) years commencing on the Commencement Date) bears to the original costs incurred by the Tenant with respect to the supply and/or installation of the Operating Equipment; and (ii) such portion of all insurance proceeds received by the Landlord in respect of the Leasehold Improvements that were installed by or on behalf of the Tenant at the Tenant's cost that is in the same proportion that the unamortized cost of such Leasehold Improvements (determined on the basis of a straight line amortization over a period of ten (10) years commencing on the Commencement Date) bears to the original costs incurred by the Tenant with respect to the supply and/or installation of such Leasehold Improvements.

### 13.2 Expropriation

If the entire Leased Premises shall be taken by expropriation or if so much of the Leased Premises or of the appurtenances thereof or such part of the means of ingress or egress to and from the Leased Premises shall be taken that it shall not be practical or feasible to use the untaken premises in the operation of the Tenant's business, at the Rent and subject to the covenants and conditions of this Lease, this Lease shall, upon vesting of title in the taker, its successors and assigns, terminate and the Rent shall be adjusted to the date of such termination. In such event the Landlord and the Tenant shall each be entitled to receive from the award or compensation for the Leased Premises the value of their respective interest therein. If any part of the Complex is expropriated (other than the Leased Premises) the full proceeds that are paid or awarded as a result will belong solely to the Landlord and the Tenant hereby assigns to the Landlord any rights that it may have or acquire in respect of such proceeds and will execute such further documents as the Landlord may reasonably require. If after a partial taking of the

Complex, the Landlord determines that it is not feasible to operate the Hotel in a manner satisfactory to the Landlord, in its sole and absolute discretion, the Landlord may in its unfettered discretion conclude (and such conclusion shall bind the parties) that the Leased Premises are not practical or feasible for a continuance of the Tenant's use, and in such event, this Lease shall terminate with the same force and effect as if there had been a total taking. If after a partial taking, this Lease shall continue, the Landlord shall restore any structural damage to the Leased Premises, resulting from such taking, and shall be reimbursed therefore from the award or compensation. The balance of the award or compensation shall be divided between the parties in accordance with their respective interests in the Leased Premises. The Minimum Rent hereunder shall be abated in the proportion that the portion of the Leased Premises so taken bears to the whole of the Leased Premises before such taking.

### 13.3 Termination of Head Lease

In the event the Head Lease is terminated by the Head Landlord for any reason other than the default of the Landlord, the Landlord shall have the right to terminate this Lease by written notice to the Tenant without compensation of any kind to the Tenant.

## ARTICLE 14 UTILITIES, HEATING & AIR CONDITIONING

### 14.1 Public Utilities

From and including the Possession Date, the Tenant shall pay for its electricity, gas, telephone, water, sewer and other utilities used in or for the Leased Premises. The Tenant shall establish accounts for all such utilities in the Tenant's own name, and shall pay the charges for the supply of any such utility directly to the supplier thereof. If the meter or meters measuring the use of such public utilities is shared by two or more tenants, the Tenant shall pay to the Landlord as Additional Rent pursuant to Section 5.19 hereof, its share of the total costs for such public utilities as allocated by the Landlord including the costs of maintenance, supervision and repairs of such public utilities systems and fifteen percent (15%) of such costs as administration costs. The Tenant's share shall be the ratio of the Rentable Area of the Leased Premises to the aggregate area of the Rentable Area of all Leaseable Premises (including the Leased Premises) serviced by such systems in the Complex. If required by the Landlord, the Tenant shall install at its expense a separate meter or meters to measure the consumption of any or all utilities in the Leased Premises, the type of meter and location to be as determined by Landlord, and in such event the Landlord shall charge the Tenant for consumption of any such utility used in or for the Leased Premises based on its actual usage or consumption of same as determined from the meters.

Should individual meters or apparatus for the measurement of the consumption of any or all utilities supplied to the Leased Premises not be installed at any time the Landlord, acting reasonably and equitably, shall allocate the cost of such utilities among the various users thereof and such allocation by Landlord shall be final and binding upon the Tenant and the Tenant shall pay to the Landlord as Additional Rent pursuant to Section 5.19 hereof, its share of the total costs for such utilities including the costs of maintenance, supervision and repairs of such utilities systems and fifteen percent (15%) of such costs as administration costs.

The Tenant's use of any such utilities shall not exceed the available capacity of the existing systems from time to time. If the Tenant desires at any time to obtain any such utilities in excess of such available capacity, the Tenant may supply and install at its expense any special wires, conduits or other equipment necessary to provide such additional capacity subject to the prior written consent of the Landlord.

### 14.2 Heating Ventilating and Air Conditioning

Without limiting its obligations under Section 9.2, throughout the Term the Tenant shall operate, maintain, repair, replace when necessary and regulate all interior climate control (including without limitation, heating, ventilating, air conditioning and climate control) systems and

equipment installed within or exclusively serving the Leased Premises (the "HVAC Equipment") in first-class operating condition, subject to reasonable wear and tear which does not amount to a state of disrepair. The Tenant shall maintain such reasonable conditions of temperature, air circulation and humidity within the Leased Premises as are determined by the Landlord or its Architect so that no direct or indirect appropriation of the heating, ventilating or air conditioning from the Common Areas Facilities shall occur. The Tenant shall comply with such stipulations and with all rules and regulations of the Landlord pertaining to the maintenance and operation of the HVAC Equipment.

In the event that the Landlord elects to maintain, repair and replace the HVAC Equipment (which election the Landlord shall be entitled to make at any time throughout the Term) then the Tenant shall pay monthly in advance, as Additional Rent, the Landlord's costs and expenses of all repairs, replacements to and maintenance and operations of the HVAC Equipment. Such costs and expenses shall, without limitation, include depreciation or amortization on such equipment and facilities and all repairs and replacements thereto, the cost of which is not charged in full in the year in which the cost is incurred, interest or carrying charges calculated at two (2) percentage points above the Prime Rate on the undepreciated or unamortized portion of the costs of such equipment and facilities, repairs and replacements and an administration fee of fifteen percent (15%) of all of the foregoing costs (excluding the undepreciated or amortized portion of the costs described above). If the Leased Premises are served by a heating, ventilating and air conditioning system which serves more than one premises in the Component of which the Leased Premises form a part, then the Tenant shall be obligated to pay a share only of the foregoing costs and expenses. The Tenant's share of all such costs and expenses shall be equitably determined by the Landlord upon the advice of an Expert and such costs or expenses shall be allocated amongst the tenants served by the said HVAC Equipment and facilities. The foregoing costs and expenses shall exclude the cost of fuel and electricity consumed by the use of such equipment to the extent only that such costs and expenses are charged separately to and paid by the Tenant pursuant to other provisions of this Lease.

The Landlord shall not be responsible for inadequate performance of the HVAC Equipment if attributable to any design, specifications, construction installation done by or on behalf of the Tenant, any arrangement or partitioning in the Leased Premises or changes therein, the failure to shade windows which are exposed to the sun, the production by the Tenant of smoke, odours or contaminated air which the HVAC Equipment is not designed to accommodate, or any use off electrical power by the Tenant which exceeds the standard of (i) normal use as determined by the Landlord, acting reasonably, or (ii) if the Tenant does not keep the heating, ventilation or air-conditioning vents or air-returns free and clear of all obstructions.

#### **14.3 Central Air Conditioning and Heating**

If the Leased Premises are serviced by a central air conditioning and/or heating system that is shared by two or more tenants, the Tenant shall pay to the Landlord as Additional Rent pursuant to Section 5.19 hereof its share of the total costs of operating the central plant and its distributing systems, including without limiting the generality of the foregoing, the cost of power, fuel, water, water treatment, refrigerants, insurance, depreciation in accordance with generally accepted accounting practices and the cost of interest on all of the Landlord's undepreciated capital costs therefore from time to time, maintenance supervision and all repairs required, and fifteen percent (15%) of such total costs as administration costs, provided that any replacement of such heating and air conditioning system shall be at the Landlord's sole expense, unless such replacement is required as a result of the negligence of the Tenant or those for whom the Tenant is in law responsible, in which case the Tenant will be responsible for the replacement costs. The Tenant's share of all such costs and expenses shall be equitably determined by the Landlord upon the advice of an Expert and such costs or expenses shall be allocated amongst the tenants served by the said HVAC Equipment and facilities.

#### **14.4 Right to Suspend Utilities**

In order to effect any maintenance, repairs, replacements, alterations or improvements to any utilities in the Complex or any part thereof, the Landlord shall have the right upon not less than forty-eight (48) hours' prior written notice (except in the case of an emergency, real or

apprehended, in which case no notice shall be required), without liability whatsoever and without thereby constituting an interference with the Tenant's rights under this Lease or a breach by the Landlord of this Lease, and without thereby entitling the Tenant to any rights or compensation in respect thereof, to temporarily discontinue, suspend or modify any of the utilities at such reasonable time or times and from time to time as the Landlord, acting reasonably, shall deem necessary. The Landlord covenants and agrees to exercise such rights herein expeditiously and as prudently as possible so as to minimize any disruption of or inconvenience to the Tenant.

#### 14.5 Telephone and Communications Services

The Tenant shall not utilize any telephone or other network and telecommunications services (other than Complex standard telephone services) ("Telecom Services") which require any wiring or wireless or other connection or any transmission services to or from or within the Leased Premises or any part of the Complex without the Landlord's prior written consent, which may not be unreasonably withheld, conditioned or delayed. At the Landlord's option, any third party service provider shall, as a condition to being permitted to provide such service to the Leased Premises enter into a licence agreement with the Landlord, on the Landlord's standard form, entitling such party to connect to or transmit to or from or within the Leased Premises. Any costs incurred by the Landlord in documenting such agreement shall be paid for by the Tenant, as Additional Rent on demand.

The Tenant shall utilize such telephone systems as may be necessary to link to the telephone systems utilized by the Hotel with the intention being that calls for reservations for the Restaurant may be directed to the Restaurant way of the telephone systems of the Hotel. Furthermore, the Tenant shall in the operation of the Restaurant use such point of sales ("POS Systems") as may be designated by the Landlord in order to ensure that such POS Systems are compatible with and may be linked to the billing systems of the Hotel.

#### 14.6 Landlord's Services

The Tenant shall pay the Landlord forthwith on demand all charges as determined and allocated by the Landlord acting reasonably in respect of all special services provided to or for the benefit of Tenant beyond building standard services the costs for which are included in Operating Costs, such special services including, without limitation, charges for security, hoisting, supervision, waste removal, and receiving, storing and handling materials and articles. Unless otherwise expressly agreed between the Landlord and the Tenant to the contrary in respect of any specific matter from time to time, all work performed and materials supplied by the Landlord for the Tenant or otherwise respecting the Leased Premises pursuant to the provisions hereof or otherwise shall be paid for by the Tenant to the Landlord forthwith upon demand at the Landlord's cost for the same plus fifteen percent (15%) for inspection, supervision, overhead and profit.

### ARTICLE 15

#### SUBORDINATION, ATTORNMENT & ACKNOWLEDGEMENTS

##### 15.1 Subordination and Attornment

At the option of the Landlord or the applicable mortgagee, chargee or trustee (as the case may be), this Lease shall be subject and subordinate to any and all mortgages, charges and deeds of trust (and instruments supplemental thereto), which may now or at any time hereafter affect the Leased Premises in whole or in part, or the Lands, or the Complex whether or not any such mortgage, charge or deed of trust affects only the Leased Premises or the Lands or the Complex or affects other premises as well. The Tenant acknowledges and agrees that any such mortgagee, chargee or trustee may unilaterally postpone and subordinate its mortgage, charge or deed of trust to this Lease and any renewals, modifications, consolidations, replacements or extensions thereof to the intent that this Lease and all right, title and interest of the Tenant in the Leased Premises shall be prior to the rights of such mortgagee, chargee or trustee as fully as if such Lease had been executed and registered before the registration of the mortgage, charge or deed of trust, as applicable. On request at any time and from time to time of the Landlord or of the mortgagee, chargee or trustee under any such mortgage, charge or deed of trust, the Tenant shall promptly, at no cost to the Landlord or mortgagee, chargee or trustee, but provided that the

holder of any such mortgage, charge or deed of trust agrees in writing with the Tenant not to disturb the Tenant's use and occupation of the Leased Premises so long as the Tenant is not in default under this Lease:

- (a) attorn to such mortgagee, chargee or trustee and become its tenant of the Leased Premises or the tenant of the Leased Premises of any purchaser from such mortgagee, chargee or trustee in the event of an exercise of any permitted power of sale contained in any such mortgage, charge or deed of trust for the then unexpired residue of the Term on the terms herein contained; and/or
- (b) postpone and subordinate this Lease to such mortgage, charge or deed of trust to the intent that this Lease and all right, title and interest of the Tenant in the Leased Premises shall be subject to the rights of such mortgagee, chargee or trustee as fully as if such mortgage, charge or deed of trust had been executed and registered and the money thereby secured had been advanced before the execution of this Lease (and notwithstanding any authority or consent of such mortgagee, or trustee, express or implied, to the making of this Lease).

Any such attornment or postponement and subordination shall extend to all renewals, modifications, consolidations, replacements and extension of any such mortgage, charge or deed of trust and every instrument supplemental or ancillary thereto or in implementation thereof. The Tenant shall forthwith execute any instruments of attornment or postponement and subordination which may be so requested to give effect to this Section. The Tenant shall, if required, also confirm to the Landlord's mortgagee: (i) that no prepayments of rent (except as provided in this Lease) and no material amendments, early termination or surrender of this Lease shall be binding on such mortgagee unless the mortgagee consents thereto; (ii) that the mortgagee shall not be liable for any default of the Landlord under this Lease arising prior to the mortgagee becoming a mortgagee in possession of the Leased Premises or succeeding to the Landlord's interest in this Lease; (iii) that the mortgagee shall be responsible for landlord obligations only so long as the mortgagee realizes on its security by entering into ownership, possession or control of the Leased Premises; and (iv) that the Tenant will deliver such mortgagee, simultaneously with delivery to the Landlord, a copy of any notice to the Landlord alleging default by the Landlord of its obligations under this Lease.

Upon written request by the Tenant, the Landlord will, at the Tenant's sole cost, use its reasonable efforts to obtain, within thirty (30) days after the Possession Date, a non-disturbance agreement from any permanent mortgagee of the Building having priority over the Tenant, which non-disturbance agreement will be on such mortgagee's standard form.

### 15.2 Acknowledgement

The Tenant shall, within not more than ten (10) days' written request therefor, execute and return to the Landlord or its Mortgagee as required by the Landlord from time to time and without cost to the Landlord or such Mortgagee, a statement in writing certifying that this Lease is unmodified and in full force and effect (or if modified, stating the modifications and that this Lease is in full force and effect as modified), the amount of the annual Minimum Rent then being paid hereunder, the dates to which the same, by instalment or otherwise, and other charges hereunder have been paid, whether or not there is any existing default on the part of the Landlord of which the Tenant has notice, and any other information reasonably required.

### 15.3 Non-Disturbance Agreement from Head Landlord

The Landlord will, at Tenant's sole cost, use its reasonable efforts to obtain, within thirty (30) days after the Possession Date, a non-disturbance agreement from the Head Landlord which non-disturbance agreement will be in form and substance satisfactory to the Head Landlord.

## ARTICLE 16

## DEFAULT

## 16.1 Events of Default

An "Event of Default" shall occur whenever:

- (i) any Rent payable by the Tenant under this Lease is not paid when due whether lawfully demanded or not and such failure continues for more than seven (7) days after such due date;
- (ii) the Tenant shall have breached or failed to comply with any of its covenants and agreements contained in this Lease (save for non-payment of Rent) and shall have failed to remedy such breach or non-compliance within thirty (30) days after written notice thereof given by the Landlord to the Tenant, or if the breach or failure would reasonably take more than thirty (30) days to remedy, an Event of Default will occur if the Tenant fails to start remedying the breach or failure within the thirty (30) day period, or fails to continue diligently and expeditiously to complete the remedy;
- (iii) the Tenant shall make any assignment for the benefit of creditors or become bankrupt or insolvent or take the benefit of any act now or hereinafter in force for bankrupt or insolvent debtors;
- (iv) a trustee, receiver, interim receiver, receiver and manager, custodian or liquidator is appointed for the business, property, affairs or revenue of the Tenant or the Indemnifier;
- (v) the Tenant is a corporation and any order shall be made for the winding up of the Tenant or other termination of the corporate existence of the Tenant;
- (vi) the Tenant makes or attempts to make a bulk sale of any of its assets regardless of where they are situated;
- (vii) the Leased Premises shall be vacated or remain unoccupied for twenty (20) days or more;
- (viii) this Lease or any of the Tenant's assets on the Leased Premises are taken or seized under writ of execution, an assignment, pledge, charge, debenture or other security instrument;
- (ix) the Tenant abandons or attempts to abandon the Leased Premises;
- (x) the Leased Premises shall be used by any Person other than the Tenant or for any purpose other than the Permitted Uses;
- (xi) the Tenant attempts to sell or dispose of or, without the prior written consent of the Landlord, remove from the Leased Premises any Operating Equipment except in the normal course of business for the repair and replacement of same;
- (xii) any insurance policy on the Complex or any part thereof shall be cancelled or shall be threatened by the insurer to be cancelled or the coverage thereunder reduced in any way by the insurer by reason of the use or occupation of the Leased Premises or any part thereof by the Tenant and the Tenant shall have failed to remedy the condition giving rise to cancellation, threatened cancellation or reduction of coverage within forty eight (48) hours written notice given by the Landlord to the Tenant;
- (xiii) the Liquor License held by the Tenant and Landlord jointly with respect to the Leased Premises or the Exclusive Use Outside Areas shall have been suspended or cancelled and shall not have been reinstated or reissued within thirty (30) days after the date of such suspension or cancellation;
- (xiv) the Tenant fails to open its business in the whole of the Leased Premises pursuant to the provisions of Section 2.6 of this Lease or at any other time within two (2)

- days after delivery of written notice by the Landlord;
- (xv) if the Tenant is in default under any other agreement relating to the Leased Premises;
  - (xvi) the Landlord shall have provided written notice of termination pursuant to Sections 2.6, 5.9, 11.1(ii) or 11.2(b) of this Lease;
  - (xvii) the Tenant shall be in default of any of its covenants and obligations under the Ground Floor Lease and the Landlord shall have terminated the Ground Floor Lease as a result of such default;
  - (xviii) the Tenant shall be in default of any of its covenants and obligations under the Food and Beverage Services Agreement and the Landlord shall have terminated the Food and Beverage Services Agreement as a result of such default;
  - (xix) the Ground Floor Lease or the Food and Beverage Services Agreement shall have been terminated for any other reason set out therein;
  - (xx) in the event the Tenant fails for any reason to satisfy the conditions set out in Sections 2.7 or 2.8 hereof.

Upon the occurrence of an Event of Default, the then current month's Rent and next ensuing three (3) months' Rent shall immediately become due and be paid by the Tenant to the Landlord as accelerated Rent and the Landlord may immediately distrain for the same together with any Rent arrears then unpaid.

#### 16.2 Right of Re-entry

- (a) Upon the occurrence of an Event of Default, the Landlord may at any time thereafter, without notice to the Tenant, re-enter the Leased Premises or any part thereof in the name of the whole and terminate this Lease and all the rights of the Tenant hereunder.
- (b) If and whenever the Landlord exercises its option to re-enter the Leased Premises and terminate this Lease pursuant to paragraph (a) of this Section 16.2:
  - (i) the Tenant shall immediately vacate the Leased Premises and the Landlord may remove or cause to be removed from the Leased Premises the Tenant or any other occupant or occupants thereof and may remove all property therefrom and sell or dispose of it as the Landlord considers appropriate without liability for loss or damage and without prejudice to the rights of the Landlord to recover arrears of Rent or damages incurred by the Landlord; and
  - (ii) the Landlord shall be immediately entitled to the payment of Rent up to the date of termination together with all expenses incurred by the Landlord in such termination and the value of the Rent, calculated at the date of termination, for the unexpired portion of the Term.

#### 16.3 Reletting

At any time when the Landlord is entitled to re-enter the Leased Premises or terminate this Lease, the Landlord may without notice to the Tenant and without terminating this Lease enter upon and take custody of the Leased Premises in the name of and as agent of the Tenant, together with all the Tenant's improvements, fixtures and furnishings, and sublet the Leased Premises in the name of and as the agent of the Tenant on whatever terms the Landlord may deem appropriate but no such action by the Landlord shall waive any of the obligations of the Tenant or the subsequent exercise of any of the Landlord's remedies for default. If the Landlord shall sublet the Leased Premises as aforesaid, the Landlord shall be entitled to receive all sublease rent and apply the same in its discretion to any indebtedness of the Tenant to the Landlord hereunder, and the payment of any costs and expenses of reletting, and the Landlord shall be liable to account to the Tenant only for the excess, if any, of monies actually received by

it. If the sublease rent is less than is necessary to pay and discharge all the then existing and continuing obligations of the Tenant hereunder, the Tenant shall pay such deficiency from time to time upon demand to the Landlord. Notwithstanding any such re-entry and subletting without termination, the Landlord may at any time thereafter terminate this Lease by reason of the previous or any other default under this Lease and the provisions of Section 16.2(b) shall apply.

#### 16.4 Landlord Forbearance

In the event an Event of Default described in Section 16.1(ii), but expressly excluding any other Event of Default described in Section 16.1, shall occur and the Tenant fails to cure the default within the thirty (30) day cure period specified therein, the Tenant may, subject to Landlord's prior written approval, attempt to complete a sale of the Restaurant and a Transfer of this Lease to an arm's length third party (as determined in accordance with the provisions of the Income Tax Act (Canada), subject to the following conditions:

- (a) such sale or Transfer shall be completed within sixty (60) days after the expiry of the thirty (30) day cure period described in Section 16.1(ii); or such later date as may be agreed upon in writing by the parties;
- (b) the consent of the Landlord and, if required, the consent of the Head Landlord, shall have been obtained in accordance with the requirements of Article 8 hereof and all other terms and conditions of Article 8, including Section 8.5, shall have been satisfied and fulfilled,
- (c) the Tenant shall have paid and satisfied any and all amounts owing to the Landlord up to and including the closing date of such sale and Transfer;
- (d) the Landlord shall have been provided with true copies of the purchase agreement, statement of adjustments and all other closing documents as may be requested by the Landlord; and
- (e) the purchase price payable to the Tenant by the arm's length third party shall on closing be paid and directed to the Tenant, as to 50%, and to the Landlord, as to 50%, after deducting reasonable legal fees and commissions of the Tenant in respect of such sale and Transfer.

#### 16.5 Remedies Not Exclusive

Mention in this Lease of any particular remedy or remedies in respect of any default or threatened default by the Tenant in the performance of its obligations shall not preclude the Landlord from exercising, or limit the extent of, any other remedy in respect thereof, whether at law, in equity or pursuant to any express provision hereof. No remedy shall be interpreted as exclusive or dependent upon any other remedy, but the Landlord may from time to time exercise any one or more of such remedies independently or in combination.

#### 16.6 Waiver

No condoning, excusing or overlooking by the Landlord or Tenant of any default, breach or non observance by the Tenant or the Landlord at any time or times in respect of any covenant, proviso or condition herein contained shall operate as waiver of the Landlord's or the Tenant's rights hereunder in respect of any continuing or subsequent default, breach or non observance or so as to defeat or affect in any way the rights of the Landlord or Tenant herein in respect of any such continuing or subsequent default or breach, and no waiver shall be inferred from or implied by anything done or omitted by the Landlord or the Tenant save only express waiver in writing.

#### 16.7 Waiver of Exemption from Distress, etc.

The Tenant waives the benefit of any law from time to time purporting to limit or qualify any of the Landlord's rights of distress. The Tenant covenants and agrees that all of the Operating Equipment and all of the Leasehold Improvements delivered to or installed in or upon the Leased Premises by or on behalf of the Tenant shall immediately prior to such delivery or installation be owned by the Tenant as the sole owner thereof, free and clear of all liens, security, interest, equipment leases, conditional sales agreements and other encumbrances whatsoever, and shall,

upon such delivery to or installation in the Leased Premises, be vested in the Landlord as the absolute owner thereof in accordance with the provisions of Sections 2.7 and 9.7.

#### 16.8 Landlord's Right to Cure Defaults

If the Tenant shall default hereunder the Landlord may perform the Tenant's covenants for the account of the Tenant and may enter upon the Leased Premises for the purpose, and shall not be liable to the Tenant for any loss or damage to the Tenant's stock or business caused by acts of the Landlord in remedying such default, and the Tenant shall promptly pay to the Landlord the amount of all costs, charges and expenses incurred by the Landlord in connection with such default or in curing or attempting to cure such default, and in the enforcement of any provisions hereof together with an administration fee in the amount of fifteen percent (15%) of such costs.

#### 16.9 Interest on Arrears

The Tenant covenants to pay the Rent and all other charges provided for in this Lease on their respective due dates in full, and if the Tenant is late in the payment of any Rent, in whole or in part, beyond the date appointed for the payment thereof, the Tenant shall pay forthwith to the Landlord: (i) the Landlord's administrative fee of \$500.00 for each month, or part month, that such Rent or any part thereof remains outstanding; plus (ii) interest equal to 2% of the amount of such Rent in arrears, calculated and compounded monthly, for each and every month (or part month) that such Rent remains outstanding. The Landlord's administrative fee and interest as aforesaid shall be deemed to be Rent hereunder.

#### 16.10 Financial Covenants

The Tenant shall, from time to time and within ten (10) days after the Landlord's written request, permit the Landlord and any Person required by the Landlord in connection with the sale, financing or other transfer or conveyance of all or any part of the Complex or the Landlord's interest in the Complex, to view, at the Tenant's offices, such financial and other information as is reasonably required by such party to satisfy itself as to the financial strength of the Tenant and the continued ability of the Tenant to perform all of its covenants and obligations under this Lease.

### ARTICLE 17 MISCELLANEOUS

#### 17.1 Entire Agreement

This Lease and the Schedules attached hereto and forming a part hereof, set forth all the covenants, promises, agreements, conditions and understandings between the Landlord and the Tenant concerning the Leased Premises and there are no covenants, promises, agreements, conditions or representations, either oral or written, between them other than are herein and in the said Schedules set forth. Except as herein otherwise provided, no subsequent alteration, amendment, change or addition to this Lease shall be binding upon the Landlord or the Tenant unless reduced to writing and signed by them.

#### 17.2 Notice

Any notice, demand, request, consent or objection required or contemplated to be given to or made by any provision of this Lease shall be given or made in writing, mailed, registered, postage prepaid or by facsimile transmission, and if given or made to the Landlord shall be addressed to it at: 111 Princes Boulevard, Toronto Ontario, M6K 3C3, Attention: Asset Management, and if given or made to the Tenant shall be addressed to it at the Leased Premises, and the time of giving or making such notice, demand, request, consent or objection shall be conclusively deemed to be the third day after the day of mailing thereof or on the day of facsimile transmission if made before 5:00 p.m. Eastern Time on a business day, otherwise on the business day next following as evidenced by a written confirmation of such facsimile transmission. Such notice, demand, request, consent or objection shall also be sufficiently given if given or made to the Landlord by delivering the same to an executive officer of the Landlord at the Landlord's address set out above and if given or made to the Tenant by delivering the same

to a director or officer of the Tenant or with a person at the Leased Premises who appears to be in control or management of the Leased Premises, and the time of giving or making such notice, demand, request, consent or objection shall be conclusively deemed to be the time of such delivery if delivered as aforesaid. If in this Lease two or more persons are named as Tenant or Landlord, such notice, demand, request, consent or objection shall also be sufficiently given or made if and when the same shall be delivered personally to any one of such persons. Either party may at any time give notice in writing to the other of any change of address of the party giving such notice and from and after the giving of such notice the address therein specified shall be deemed to be the address of such party for the giving or making of any notice, demand, request, consent or objection hereunder. All payments required to be made by this Lease shall be addressed as provided for in this Section unless otherwise directed by the Landlord.

### 17.3 No Offer

The Landlord shall not be deemed to have made an offer to the Tenant by furnishing to the Tenant a copy of this Lease with particulars inserted; notwithstanding that the first instalment of Minimum Rent may be received by the Landlord when this Lease is received by it for signature no contractual or other rights shall exist or be created between the Landlord and the Tenant until such time as all parties to this Lease have executed the same.

### 17.4 Captions and Bolding

The captions appearing as headings in this Lease have been inserted and the bolding of type has been made as a matter of convenience and for reference only and in no way limit or enlarge the scope of meaning of this Lease or any provision thereof.

### 17.5 Governing Law

This Lease shall be construed and governed by the laws of the Province of Ontario. Should any provision or provisions of this Lease and/or its conditions be illegal or not enforceable, it or they shall be considered separate and severable from this Lease and its remaining provisions and conditions shall remain in force and be binding upon the parties hereto as though the said provision or provisions had never been included.

### 17.6 Successors and Assigns

Subject to the provisions of this Lease respecting assignment by the Tenant, this Lease shall enure to the benefit of and be binding upon the Landlord, its successors and assigns and the successors and permitted assigns of the Tenant.

### 17.7 Joint and Several Liability

If the Tenant shall be comprised of more than one (1) Person, the liability of each such Person under this Lease shall be joint and several.

### 17.8 Tenant Partnership

If the Tenant shall be a partnership, each Person who shall be a member of such partnership or successor thereof shall be and continue to be jointly and severally liable for the performance and observance of all covenants, obligations and agreements of the Tenant under this Lease even if such Person ceases to be a member of such partnership or successor thereof.

### 17.9 Severability

If any provision of this Lease shall be unenforceable, it shall be considered separate and severable from the remaining provisions of this Lease which shall remain in force and be binding as though each provision had not been included.

### 17.10 Legal Relationship

No provision of this Lease is intended to create a joint venture of partnership or any other similar relationship between the Landlord and the Tenant, such relationship being that of Landlord and

tenant only.

#### 17.11 Agents or Brokers

The parties acknowledge that neither party has retained a broker, agent or other advisor, other than legal counsel, in respect of this Lease and, as such, neither party shall have any obligation to pay or contribute to any commissions or fees payable to any broker, agent or advisor retained or consulted by the other party.

#### 17.12 Registration

The Tenant covenants and agrees with the Landlord that the Tenant will not register or record this Lease or any part thereof against the title to the Lands or any part thereof except by way of notice which shall be subject to the prior written approval of the Landlord and which shall only describe the parties, the Leased Premises, and the Term and any options to renew or extend (as applicable). The Tenant covenants to execute and return to the Landlord such notice, prepared by the Landlord in registrable form setting out the aforesaid details, within ten (10) days' written request therefor. The Landlord, on its own behalf, may also register notice of this Lease, or a short form thereof, against title to the Lands and the Tenant hereby appoints the Landlord as its agent for the purpose of preparing and submitting any Land Transfer Tax affidavit required in connection with such registration, and if the Landlord attends to the aforementioned the Landlord covenants to inform the Tenant and provide the Tenant with a copy of the registered Notice of this Lease within ten (10) days of registration

#### 17.13 Time of the Essence

Time shall be of the essence of this Lease and every part thereof.

#### 17.14 Landlord's Failure to Deliver Possession

Notwithstanding anything to the contrary, the Landlord shall not be in default of this Lease if it fails to give possession of the Leased Premises to the Tenant as required under this Lease by any reason which is not the result of Unavoidable Delay or the gross negligence of the Landlord.

#### 17.15 Unavoidable Delay

Notwithstanding anything else contained in this Lease, if the Landlord or the Tenant is, in good faith, delayed or prevented from doing anything required by this Lease because of a strike; labour trouble; inability to get materials or services; power failure; restrictive governmental laws or regulations; riots; insurrection; sabotage; rebellion; war; act of God; or any other similar reason ("Unavoidable Delay"), that is not the fault of the party delayed (excepting in all cases insolvency or lack of funds) the doing of the thing is excused for the period of the delay and the party delayed will do what was delayed or prevented within the appropriate period after the delay. The preceding sentence does not excuse the Tenant from payment of Rent or the Landlord from payment of amounts that it is required to pay, in the amounts and at the times specified in this Lease.

#### 17.16 Covenants

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

#### 17.17 Grammatical Changes

Whenever the singular number is used herein the same shall include the plural and the neuter gender shall include the feminine and masculine genders.

#### 17.18 Schedules

Schedules "A", "B", "C", "D", "E", and "F" attached hereto form an integral and binding part of this Lease and are hereby incorporated by reference.

Handwritten signatures and initials, including a large stylized signature and the initials 'UP'.

**17.19 Arbitration**

Any matter in dispute between the Landlord and the Tenant under this Lease shall be referred to arbitration in accordance with the provisions of the *Arbitration Act, 1991* (Ontario) before a single arbitrator appointed by the parties. If the parties cannot agree on a single arbitrator then, upon the application of either party, a Justice of the Superior Court of Ontario shall appoint an arbitrator whose sole determination shall be final. The arbitrator shall be an expert in the matter that is in dispute between the parties and who shall be disinterested and independent of the parties. The expense of such arbitration shall be borne equally by the Landlord and the Tenant. The arbitration shall take place in the City of Toronto and the decision of the arbitrator shall be final and binding on the parties and shall not be subject to any appeal or review procedure, except that a party may appeal on a question of law or mixed fact and law.

**17.20 Compliance with PIPEDA**

The parties hereto acknowledge that, in order to induce the Landlord to enter into this Lease, the Tenant may have provided the Landlord with "personal information" as defined in the federal *Personal Information Protection and Electronic Documents Act* ("PIPEDA") relating to the Tenant or other parties connected to the Tenant with respect to this Lease, including, without limitation, any indemnifier or guarantor. The Landlord complies with a privacy policy to ensure that the personal information of the Tenant and any indemnifier or guarantor is protected and that the Landlord's practices and procedures comply with PIPEDA. The Landlord will only use and disclose any personal information collected for the purposes identified in the Landlord's privacy policy or described below. In accordance with PIPEDA, the Tenant acknowledges that providing personal information to the Landlord is considered consent to the collection, use and disclosure of the Tenant's personal information from time to time during the Term (and any renewal or extension thereof) in order to conduct a credit check on the Tenant or for any other proper business purpose as it relates to this Lease, the Complex and/or the Leased Premises, and such personal information may be shared with related Landlord companies, the Landlord's solicitors, accountants, and other professional advisors, actual and potential lenders, and actual or potential purchasers. If the Tenant wishes to withdraw consent for one or more purposes, the Tenant must notify the Landlord's head office in writing.

**17.21 INTENTIONALLY DELETED****17.22 Authority to Bind**

The individuals affixing their signatures below as signing officers for each of the parties hereby declare, represent and warrant that they are personally each duly authorized, empowered and entitled to sign this Lease for and on behalf of the party they hereby respectively purport to represent.

**17.23 Confidentiality**

The Tenant shall not disclose to any Person the financial details of this Lease, except: (i) to its professional advisors, consultants and auditors, employees, directors, officers and potential and actual bankers, lenders, co-owners, purchasers and investors all of whom shall be expressly requested to maintain such information in the strictest of confidence; and (ii) as required by Applicable Law.

**17.24 Freely Negotiated**

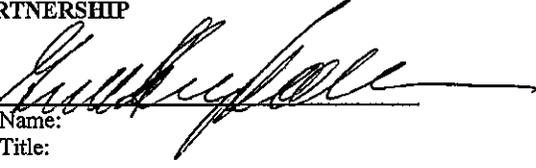
The Landlord and the Tenant acknowledge and covenant that they are each experienced and knowledgeable in commercial leasing matters and that they have both been represented by legal counsel in the discussion, negotiation and execution of this Lease. The Landlord and the Tenant further acknowledge and covenant that the provisions of this Lease, including without restriction all schedules attached hereto and forming part hereof, have been freely and fully discussed and negotiated and that the execution of this Lease constitutes and is deemed to constitute full and final proof of the foregoing statement. The Landlord and the Tenant acknowledge and agree that they have read, examined, understood and approved all of the provisions of this Lease, including

without restriction all schedules attached hereto and forming part hereof.

IN WITNESS WHEREOF the parties hereto have executed this Lease under seal:

LANDLORD

PRINCES GATE GP INC.,  
in its capacity as General Partner of  
PRINCES GATES HOTEL LIMITED  
PARTNERSHIP

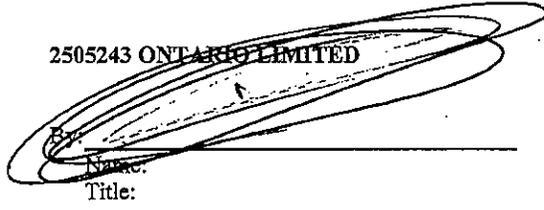
By:   
Name:  
Title:

By: \_\_\_\_\_  
Name:  
Title:

We have authority to bind the general partner  
and the general partner has the authority to bind  
the limited partnership.

TENANT

2505243 ONTARIO LIMITED

  
By: \_\_\_\_\_  
Name:  
Title:

By: \_\_\_\_\_  
Name:  
Title:

I/We have authority to bind the corporation.



**SCHEDULE "A"**

**LANDLORD'S WORK AND TENANT'S WORK**

**LANDLORD'S WORK**

The Landlord shall only be responsible for such of the items as are set out below under the heading of Tenant's Work that are expressly stated as being the responsibility of the Landlord

**TENANT'S WORK**

The Tenant shall provide, at its sole expense, the items enumerated below, if applicable and/or in the event of any future renovations, and will also provide all other work required for the finishing of the Leased Premises for their intended use (all in accordance with the Tenant's drawings and specifications as approved by the Landlord), save and except for the items below that are expressly stated as being the responsibility of the Landlord.

**Restaurant #2 (Second Floor):**

**General:** Tenant will be responsible for all interior fit up including all partitioning, finishes, mechanical (HVAC, plumbing and fire protection), electrical, food & beverage equipment, IT, POS and furnishings. The Tenant will be responsible for all alterations to existing building elements, including, but not limited to, corings through the concrete structure.

**Floor:** Landlord will provide exposed concrete floors.

**Walls:** Landlord provides perimeter walls and doors only, including curtainwall glazing and doors to exterior. Exterior curtainwall provides louvered sections for the tenant to use for the intake and exhaust air for HVAC systems.

**Ceiling:** No ceiling provided by Landlord. Exposed structure is concrete.

**Power:** 600V, 400A, 3Ø, 3W metered feeder terminated in a unfused disconnect switch has been provided by Landlord. Lessee will be responsible for all power distribution downstream of disconnect switch.

**Fire Alarm:** Initiating devices (smoke detectors, pull station at exit to stairwell) and signaling devices (speakers) have been provided by Landlord for shell space. Lessee will be responsible for all costs for system modifications or additional devices required to suit tenant fit up. Devices must be of same type and by same manufacturer of base building fire alarm system. Fire alarm work must be installed and verified to ULC requirements by Owner's designated fire alarm contractor.

**Emergency Lighting Circuit:** Landlord has provide (x1) 120V, 15A unmetered emergency lighting circuit within shell space. Lessee will be responsible for all costs associated with modification and reworking of emergency lighting circuit.

**Exit Lighting:** Landlord has provided exit lighting (connected to emergency lighting circuit noted above) at exit doors from shell space. Lessee will be responsible for any additional exit signage required to suit tenant fit up.

**Telecom:** Landlord has provided (x1) 53mm conduit from shell space to local telecom room for Voice/Data services. Lessee will be responsible for costs associated with voice/data wiring/installation of devices within tenant space and for home run wiring to telecom room.

**Security:** Lessee will be responsible for costs associated with providing local, stand-alone security system for tenant space.

**Chilled Water:** Landlord has provided connection with shut off valve for chilled water pipes

- 2 -

(supply and return). Pipe size is 75 mm diameter (3").

**Sanitary Drain:** Landlord has provided connection for sanitary drain. Pipe size is 150mm diameter (6").

**Sanitary Vent:** Landlord has provided connection for sanitary vent. Pipe size is 100mm diameter (4").

**Domestic Water:** Landlord has provided connection for domestic cold water. Pipe size is 50mm diameter (2.0").

**Natural Gas:** Landlord has provided connection for natural gas. Pipe size is 75mm diameter (3").

**Fire Protection:** Landlord has provided Fire hose cabinet in the area. Landlord has provided sprinklers for required coverage for the vacant tenant space with upright heads. Modification of the sprinklers to suit tenant layout and requirements is responsibility of the tenant. Tenant shall provide sprinkler design and hydraulic calculations to meet the space classifications. Tenant shall provide any additional standpipe connections as needed for their space to meet the code requirements.

#### **Clean up**

In the event that the Tenant does not remove its construction debris, the Tenant will be charged by the Landlord a service fee to clean up and/or remove the Tenant's construction debris. The fee will be equivalent to thirty cents (\$0.30) per square foot of leased area with a minimum charge of ONE HUNDRED AND FIFTY (\$150.00) DOLLARS.

#### **Performance of Tenant's Work**

The following provisions are in addition to, and do not waive, the provisions of any general covenants between the Tenant and the Landlord as may be contained in this Lease:

- (a) Before doing any item of the Tenant's Work, the Tenant shall secure, and demonstrate to the Landlord on demand, all necessary permits. Upon completion, the Tenant shall secure all applicable certificates of completion and occupancy.
- (b) All items of work undertaken by the Tenant shall be performed by competent workmen whose labour union affiliations are compatible with those of others employed by the Landlord and its contractors and sub-contractors.
- (c) All work by the Tenant within the Leased Premises shall be completed in new materials. Materials and workmanship shall be of a uniformly high quality and used and/or performed in accordance with the very best standards of practice and shall not be in contravention of any governing codes or regulations and shall be subject to the approval of the Landlord and/or its Architect. Any damage to the Leased Premises or the Complex caused by the Tenant or any of its employees, contractors or workmen shall be repaired forthwith by the Landlord at the expense of the Tenant.
- (d) Under no circumstances will the Tenant, its employees, its contractors or its contractors' employees enter onto any roof of the Complex or make any opening in the roof.
- (e) The Tenant and its contractor(s) shall not impose a greater load on any concrete floor than the design live load of 100 pounds per square foot uniformly distributed. No unusual loads may be suspended from the underside of roof structure.
- (f) The Tenant shall maintain the Leased Premises in a reasonably clean and orderly manner and shall be responsible for the cost of removing from the Complex all excess materials, trash and cartons resulting from the Tenant's Work and stocking of the Leased Premises. Should the Tenant fail to regularly clean up construction

material, trash and cartons, the Landlord may remove such material and charge the costs to the Tenant.

- (g) The Tenant shall not allow any liens to be placed against the Leased Premises or the Complex. Failure to discharge any construction liens within two (2) days of notice by the Landlord so to do, shall constitute a default under this Lease at the sole discretion of the Landlord.

**Exhaust and Odours**

- (a) Objectionable odours from the Leased Premises shall, at the Tenant's expense be exhausted in such a manner as precludes their escaping into the Hotel or other rental areas, or short circuiting into any fresh air vents.
- (b) The Tenant's air-handling equipment may not under any circumstances draw air from the Hotel or exhaust into it.
- (c) Garbage refrigeration equipment must be installed in the Leased Premises by the Tenant if perishable items are handled.

**LEEDS REQUIREMENTS**

**Retail Requirements:**

This project is pursuing a silver level of-certification under the Canada Green Building Council Leadership in Environmental and Energy Design for New Construction (CaGBC LEED NC 2009) green building rating system. To achieve this status, the building must achieve a predetermined number of points in seven environmental categories: Sustainable Sites, Water Efficiency, Energy and Atmosphere, Materials and Resources, Indoor Environmental Quality, Regional Priority, and Innovation and Design Process. Points are obtained by satisfying requirements defined by the Canada Green Building Council (CaGBC). In addition to base building and Owner occupied spaces, all leased spaces must comply with the selected requirements of this program. Specifically, all leased spaces

**Lighting**

Design of interior lighting shall comply with ASHRAE 90.1-2010. ASHRAE 90.1-2010 is referenced by the Ontario Building Code in addition to being a LEED requirement. The allowed lighting power density (using the space-by-space method) shall comply with the following:

	Allowable Interior Lighting Power (W/ft2)
Retail Sales Area	1.68 + accent lighting allowance
Restaurant (Cafeteria)	0.65
Restaurant (Leisure Dining)	1.31
Office enclosed	0.8
Kitchen	0.99
Tennis court	1.20
Gymnasium	1
In active storage area	0.3
Conference /Meeting rooms	1.23
Corridor	0.66
Locker room	0.75
Lounge and Recreation	0.73

Tenant drawings shall include a schedule summarizing fixture types and quantities.

Interior lighting control shall comply with the control requirements as summarized in Chapter 9 of ASHRAE 90.1-2010. For example Occupancy sensor lighting control to be provided for storage rooms, office space (less than 250ft2), restroom, dressing , locker and fitting rooms, conference /meeting rooms

Handwritten signatures and initials, including a large stylized signature and the initials 'CP'.

The tenant is required to provide drawings, specifications and supporting calculations confirming compliance with these lighting power density requirements and all other ASHRAE 90.1-2010 requirements for interior lighting prior to the building permit application for Landlord approval.

**HVAC**

Retail space will be provided with chilled water, heating water, and outside air duct.

Efficiencies of the equipment to be brought in by tenants have to meet ASHRAE 90.1-2010 efficiencies numbers, at COP 4.2 for heating and EER 12.0 for cooling.

The tenant is required to provide drawings and specifications confirming compliance with the heat pump efficiency requirements prior to the building permit application for Landlord approval.

All kitchen hoods installed to comply with ASHARE 90.1.2010, Section 6.5.7.1.4.

The following maximum flow rates are required for all tenant supplied flush and flow fixtures to achieve LEED certification:

Fixture	Maximum Flow Rate (LPF)	Maximum Flow Rate (GPF)
Water Closets	4.2	1.1
Urinals	1.9	0.5
Showerheads	5.7	1.5
Faucets	1.9	0.5
Replacement Aerators	1.9	0.5

**SCHEDULE "B"**

**LANDS**

**LEGAL DESCRIPTION**

PART OF BLOCK 14 OF THE ORDNANCE RESERVE AND PART OF WATERLOT  
FRONTING THE ORDNANCE RESERVE, DESIGNATED AS PART 1 ON PLN 66R25067,  
SAVE AND EXCEPT PART 1 ON 66R27740; CITY OF TORONTO

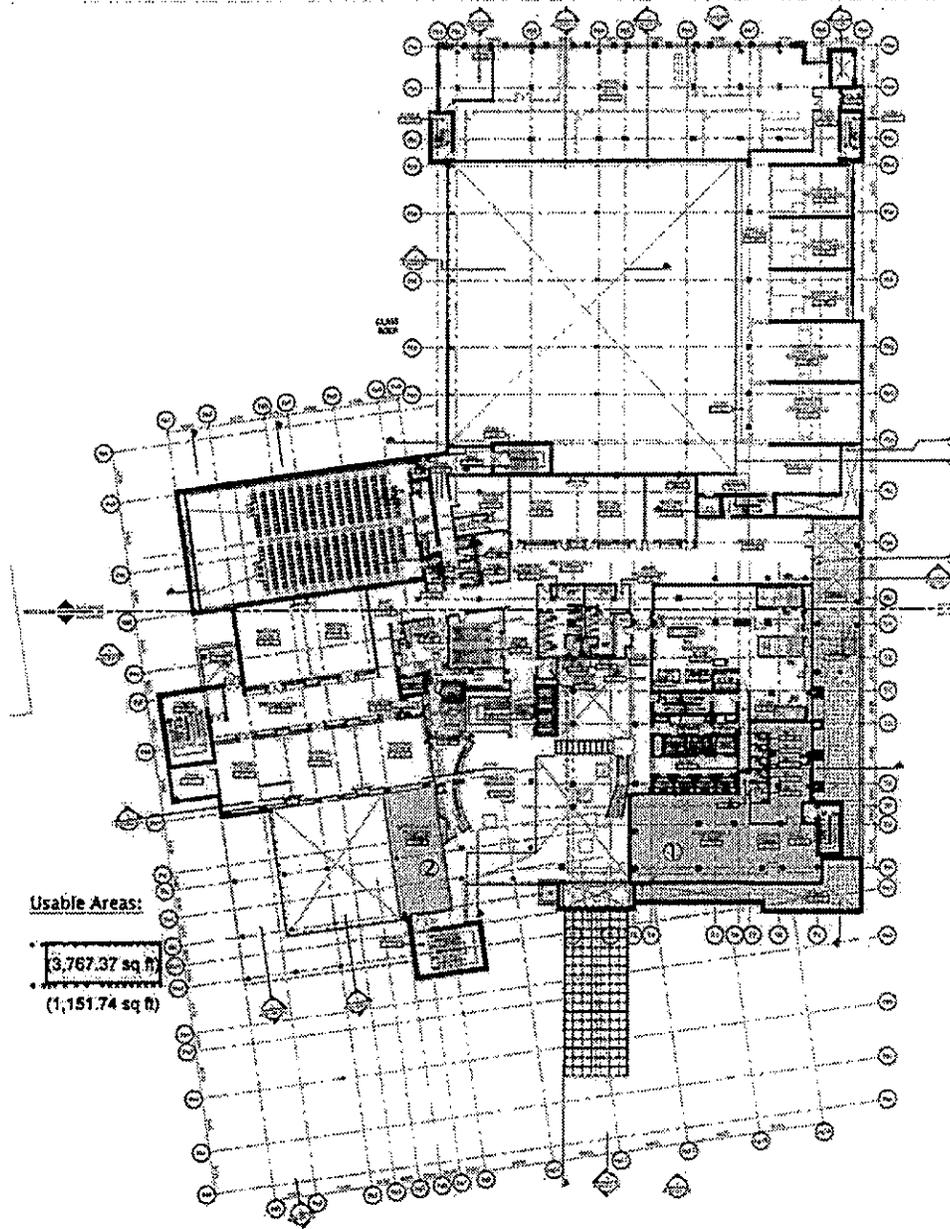
A handwritten signature in black ink, appearing to be 'DUP' or similar, located in the bottom right corner of the page.

**SCHEDULE "C"**  
**TENANT'S PLANS**

To be provided



SCHEDULE "D"  
PLAN OF BUILDING AND LOCATION OF LEASED PREMISES



The sole purpose of this plan is to show the approximate location of the Leased Premises in the Building.

A handwritten signature or set of initials, possibly 'D. W.', is written in the bottom right corner of the page.

**SCHEDULE "E"**

**RULES AND REGULATIONS**

The Tenant shall observe the following Rules and Regulations (as amended, modified or supplemented from time to time by the Landlord as provided in this Lease):

1. The Tenant and its employees and agents shall not solicit business in the Common Area Facilities or elsewhere in the Complex, nor shall the Tenant distribute any handbills or other advertising matter in the Common Area Facilities, without the express written approval of the Landlord
2. No Person shall use the Leased Premises or any part thereof for sleeping apartments or for residential or any immoral or unlawful purpose.
3. The Tenant shall not grant any concessions, licenses or permission to any third parties to sell or take orders for merchandise or services in the Leased Premises without the prior written approval of the Landlord.
4. The Tenant shall, at all times, keep the Leased Premises, including both sides of all glass in doors and windows therein, and exterior store front surfaces, in a clean and sanitary condition. If required by the Landlord, pest and rodent extermination services shall be obtained by and at the expense of the Tenant.
5. The Tenant shall not transact any business nor sell any merchandise anywhere in the Complex outside of the Leased Premises without the express approval of the Landlord.
6. The Tenant shall not abuse, misuse or damage the Leased Premises or the Common Area Facilities, and in particular, shall not deposit rubbish in any plumbing apparatus and shall not deface or mark any walls or other parts of the Leased Premises or the Common Area Facilities: the expense of repairing or replacing any breakage, stoppage or damage resulting from a breach of this regulation, shall be borne by the Tenant.
7. The Tenant shall not permit any machines, vending or dispensing refreshments or merchandise, or providing amusement or entertainment of any character, to be located in the Leased Premises without the prior written consent of the Landlord.
8. No food or beverages may be brought to the Leased Premises except by such means, at such times and by such persons as have been authorized by the Landlord.
9. The entrance, lobbies, staircases, pedestrian malls and other public portions of the Common Area Facilities are for use only for access, and the Tenant shall not obstruct or misuse such facilities or permit them to be obstructed or misused by its agents, employees, invitees or others under its control.
10. The Tenant shall not use any advertising medium that shall be a nuisance to the Landlord or other tenants of the Complex and shall not utilize within the Leased Premises or any Common Area Facilities any live music, recorded music, loudspeakers, phonographs or radio broadcasts, in a manner to be heard outside the Leased Premises.
11. All loading and unloading of merchandise, supplies, fixtures, equipment and furniture shall be made at such times and in such manner and through such means of access to the Leased Premises as shall be approved in advance by the Landlord. The Tenant shall ensure that any trucks or other vehicles used for loading or unloading shall not obstruct any access areas adjacent to the Leased Premises.
12. The Tenant shall not cause or permit objectionable odour, vibration or noise from mechanical apparatus or other source, to emanate from or be dispelled beyond the limits of the Leased Premises.

## SCHEDULE "F"

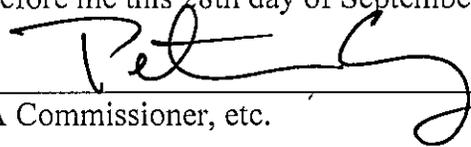
## PROHIBITED USES

The Tenant shall not, without the prior written consent of Landlord and the Head Landlord, which consent may be unreasonably withheld in their sole discretion, occupy or use nor suffer or permit to be occupied or used any part of the Leased Premises for:

- (a) a casino or gaming facility;
- (b) a permanent themed dinner theatre;
- (c) professional live hockey, soccer or motor racing events;
- (d) a permanent liquor licensed venue/night club solely for the purpose of providing live and recorded musical entertainment for standing room crowd capacities of greater than 500 persons but less than 2999 persons;
- (e) a ticketed concert venue, promoted to the general public, for over 500 seats;
- (f) a shooting range, gun club or other activities which promote the use of firearms;
- (g) the sale and/or provision of goods and services not in keeping with a reputable and first class development, such as second hand goods or armed services surplus articles, insurance salvage stock, fire sale stock or bankruptcy stock or adult entertainment (excluding in-room adult movies);
- (h) the sale of firecrackers or fireworks;
- (i) an auction, other than an auction held in conjunction with a charity event taking place at the Hotel, or an auction of high quality art or artefacts, jewellery, collectibles or similar items of quality and/or interest;
- (j) a bulk sale (other than a bulk sale made to an assignee or sub-tenant under a permitted Transfer), liquidation sale, "going out of business" or bankruptcy sale, or warehouse sale, other than a sale of superfluous or out-of-date items, which shall be permitted, whether or not they are being replaced;
- (k) a use which, because of the merchandising methods or quality of operation likely to be used, would tend to lower the character of the Leased Premises, the Project or the balance of the Lands as a whole; or
- (l) any practice of unethical or deceptive advertising or selling procedures.

**TAB C**

This is Exhibit "C" referred to in the  
Affidavit of Christopher Lambert, sworn  
before me this 28th day of September 2020

  
A Commissioner, etc.

**Food and Beverage Services Agreement**

for

**Hotel X**

**Toronto, Ontario**

UP JW 1/25/17

## Food and Beverage Services Agreement

This Food and Beverage Services Agreement (this "Agreement") dated January 4, 2017, is entered into by and between Princes Gates Hotel GP Inc., as general partner of Princes Gates Hotel Limited Partnership, a limited partnership established and existing under the laws of the Province of Ontario (hereinafter called "PGH") and 2505243 Ontario Limited, a corporation incorporated under the laws of the Province of Ontario (hereinafter called the "Operator"), operated by Peter&Paul.com.

### WITNESSETH:

**WHEREAS**, PGH is constructing the Hotel upon the Lands and is scheduled to open the Hotel for business on the Hotel Opening Date;

**WHEREAS**, the Operator is engaged in the business of catering of food and beverages, including beer, wine and liquor, and has represented to PGH that it has the knowledge, skill, experience and financial resources to provide all food and beverage services to Guests of the Hotel to the standards required by the terms of this Agreement; and

**WHEREAS**, except as otherwise provided in this Agreement, PGH wishes to grant to the Operator the sole and exclusive right to provide food and beverage services (hereinafter referred to as the "Services") at the Hotel to Guests of the Hotel and the Operator has agreed to provide all of such food and beverage services upon and subject to the terms and conditions of this Agreement.

**NOW, THEREFORE**, in consideration of the mutual covenants, terms, conditions, privileges and obligations herein set forth, and intending themselves to be legally bound hereby, PGH and the Operator mutually agree as follows:

---

### 1. Definitions

---

Unless otherwise specifically indicated in this Agreement, the following words and phrases shall be defined as follows:

**Accounting Period** – means a period of two consecutive calendar weeks commencing at 12:01 a.m. on the Monday of a calendar week and ending at midnight on the second following Sunday.

**Agreement** – means this Agreement as the same may be amended, restated or replaced from time to time.

**Applicable Laws** – means with the law of the Province of Ontario, including the Federal laws of Canada applicable therein (including the common law and principles of equity), statutes, regulations, treaties, bylaws, ordinances, judgments, decrees and (whether or not having the force of law) all applicable official directive, rules, consents, approvals, authorizations guidelines, standards, codes of practice, orders (including judicial administrative orders) and policies of any Authority having, or purporting to have authority over, or application to the Complex or any part thereof and including but not limited to Environmental Laws.

**Architect** – means the architect or land surveyor from time to time named by PGH.

**Authority** – means any federal, provincial, regional or municipal governmental authority, body, agency, department, or corporation having or claiming jurisdiction over the Hotel, the Facilities or the Complex.

**Banquet Facilities** – means the banquet halls and related facilities situated within the Hotel, as the same may be reduced, altered or expanded by PGH from time to time.

**Business Hours** – means the hours of operation each day as may be designated from time to time by PGH and as otherwise expressly provided herein.

**Cinema Concessions** – means the food and beverage concessions adjacent to the Cinema situated within the Hotel, as the same may be altered, expanded, reduced or relocated by PGH from time to time.

**City** – means The Corporation of the City of Toronto.

**Commencement Date** – means the date set out in Section 3.1 for the commencement of the Term.

**Common Area Facilities** - means: (a) all lands, areas, facilities, systems, improvements, structures, furniture, fixtures and equipment serving or benefiting the Complex, whether or not located within the Complex, to the extent that the same are designated or intended by PGH to be part of the Common Area Facilities from time to time; and (b) all other common area facilities, equipment and installations (or any or all of them) which are provided or designated (and which may be changed) from time to time by PGH (including, but not limited to, any common area facilities, equipment and installations which are shared by the Hotel Component and any tenants or occupants of Complex).

**Complex** – means the Lands, the Common Area Facilities and all structures, improvements, equipment and facilities of any kind erected or located thereon from time to time, as such lands, buildings, structures, improvements, equipment and facilities may be expanded, reduced or otherwise altered by PGH in its sole discretion from time to time.

**Conference Room Facilities** – means the meeting and conference rooms and related facilities situated within the Hotel, as the same may be reduced, altered or expanded by PGH from time to time.

**Contract Year** – means each successive one (1) year period commencing on the Commencement Date.

**Employee Cafeteria** – means the employee cafeteria situated within the Hotel utilized for the purchase and on site consumption or takeout of food and beverages by the employees of the Hotel, as the same may be altered, expanded, reduced or relocated from time to time.

**Employee Locker Rooms** – means the change rooms situated within the Hotel for use by employees of the Hotel, as the same may be altered, expanded, reduced or relocated from time to time.

**Environmental Laws** – shall have the meaning provided in Section 30 of this Agreement.

**Facilities** – shall mean the Kitchen and Prep Facilities, the Cinema Concessions, the Rooftop Bar, the VIP Lounge, the Grab & Go, the Banquet Facilities and the Conference Room Facilities that are to be utilized by the Operator for the sole purpose of providing the Services and which are located within the approximate location set out in Schedule "A" hereto.

**Fitness Facility** – means that component of the Complex which is designated or which is intended by the PGH for the use primarily as a fitness facility, all as may be altered, expanded, reduced or reconstructed by PGH from time to time.

**Fixturing Period** – means the period commencing on the Possession Date and expiring on the day immediately preceding the Hotel Opening Date.

**GAAP** – generally (industry wide) accepted accounting procedures.

**Grab & Go** – means the food concession within the Hotel where food and beverages are made available for purchase and takeout.

**Gross Receipts** – means the total of all gross sales and receipts from all business conducted by the Operator upon or from the Hotel or the supply and performance of the Services, save and except gross receipts derived from the second floor restaurant operated by the Operator pursuant to the Second Floor Lease and gross receipts derived from the main floor garden restaurant and lobby bar operated by the Operator pursuant to the Ground Floor Lease, whether or not by the Operator, and whether for cash, partly cash, cheques, credit, gift or merchandise certificates, charge account, exchange or otherwise, and shall include, but not be limited to sales to employees, supplier rebates, the gross amount of any insurance proceeds which directly or indirectly represent reimbursement or recovery for sales, revenues receipts, gross or net profits lost, or which otherwise normally would have been realized or earned regardless of whether those proceeds are identified as such reimbursement or recovery by the insurer or whether the proceeds are separated or segregated in connection with any insurance claim, payment or settlement, any amounts received or receivable from the sale of goods or services and the amount of all orders taken or received at or from the Hotel or the Facilities regardless of where they are filled, whether such sales be made at a sales desk or counter, over the telephone or by internet. Interest, installment, finance charges and deposits will be included, and bank or collection agency charges and uncollectible amounts or bad debts will not be deducted. A credit or installment sale or conditional sales contract will be considered as a sale for the full price in the Accounting Period in which it takes place. Gross Receipts shall not include:

- (a) sales for which the Guests have received a refund, provided that the original sale was included in Gross Receipts;
- (b) HST and any other sales, use, excise or gross receipts tax directly on sales and collected from guests at the point of sale, provided that the amount thereof is added to the selling price and shown and/or collected as a separate item, and paid by the Operator to such Authority.

**Ground Floor Lease** – means the premises lease dated January 4, 2017, entered into between PGH, as Landlord, and the Operator, as Tenant, with respect to the Garden Restaurant and Lobby Bar situated on the ground floor of the Hotel.

**Guests** means persons who are registered as guests of the Hotel and any other Persons who require food, beverage or catering services at and from the Hotel Rooms, Banquet Facilities, Conference Room Facilities, the Cinema Concessions, the Grab & Go or in connection with Special Events, and includes patrons of the Rooftop Bar and VIP Lounge.

**Hazardous Substances** shall have the meaning provided in Section 30.

**Hotel** – means the full service transient hotel constructed on the Lands and forming part of the Complex.

**Hotel Opening Date** – means May 1, 2017, or such earlier or later date as may be determined by PGH upon at least thirty (30) days prior written notice to the Operator.

**Hotel Rooms** - means hotel rooms and suites situated within the Hotel.

**Improvements** – means all fixtures, improvements, decorations, installations, alterations, repairs, works, replacements, changes and additions from time to time made, erected or installed by or on behalf of PGH, the Operator, or their successor in interest in and to or exclusively servicing the Facilities, including heating and ventilation, sewage, sprinkler, mechanical and electrical equipment and facilities and equipment for or in connection with the supply of utilities or communications, wherever located, exclusively serving the Facilities, doors, window coverings, hardware, security equipment, partitions (including moveable partitions), any connection of apparatus to the electrical system, to the plumbing lines, to the heating, ventilation and air-conditioning systems, the sprinkler system or any installation of electrical sub meters, and finished floors or wall-to-wall carpeting, but excluding Operating Equipment.

**Initial Term** means the period of time set out in Section 0.

**Kitchen and Prep Facilities** – means the food, storage, food preparation of cooking areas situated within the basement of the Hotel which are located in the approximate location set out in Schedule "A" hereto and which are to be utilized by the Operator for purposes of performing the Services to the Guests, as the same may be altered, expanded, reduced or relocated from time to time.

**Lands** – means the lands described in Schedule "B".

**Lease** – means the premises lease entered into between PGH, as tenant, and The Board of Governors of Exhibition Place, acting as agent for the City of Toronto, as landlord, with respect to the whole of the Complex.

**License Fees** – means all amounts payable by the Operator to PGH pursuant to the terms of this Agreement.

**Manager** - means the Person who manages and operates the Hotel for and on behalf of PGH.

**Operating Equipment** – means all trade fixtures, chattels, furniture, furnishings and equipment of every nature and kind whatsoever which is supplied by the Operator and which is required to provide the Services to the standards required under this Agreement including, without limitation, stoves, ovens, refrigeration equipment, prep tables, dishwashing equipment and facilities and cleaning equipment and food serving equipment, but excluding only smallwares consisting of cutlery, glassware and dishes.

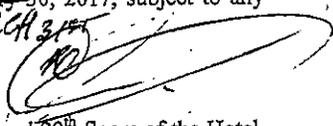
**Operator** – means 2505243 Ontario Limited., operated by Peter and Paul.com.

**Owner** – means The Board of Governors of Exhibition Place, acting as agent for the City of Toronto, being the registered owner of the Lands.

**Parking Facilities** – means the parking areas situated within the Complex that are managed or controlled by PGH or an independent operator, as the same may be altered, expanded or reduced by PGH from time to time.

**Person** – according to the context, includes any person, corporation, firm, partnership or other entity, any group of persons, corporations, firms, partnerships or other entities, or any combination thereof.

**Possession Date** – means the date PGH delivers possession of the Operator Built Facilities to the Operator for the purposes of commencing the Operator's Work which date shall be fixed by PGH by written notice to the Operator and which date will be no later than ~~January 30, 2017~~, subject to any Unavoidable Delay and subject to the provisions of Section 3.4. *MARCH 31<sup>ST</sup>*

**Release** – shall have the meaning provided in Section 30 of this Agreement. 

**Rooftop Bar** – means the licensed bar and lounge situated on the 27<sup>th</sup>, 28<sup>th</sup> and 29<sup>th</sup> floors of the Hotel, as the same may be altered, expanded, reduced or relocated from time to time upon written notice to the Operator of at least ninety (90) days.

**Room Rental Fees** – means the fees paid or payable by a Guest for use of the Banquet Facilities, Conference Facilities or any Special Events.

**Sales Taxes** - means all business transfer, multi-stage sales, sales, use, harmonized, consumption, value-added or other similar taxes imposed by any federal, provincial or municipal government upon PGH or the Operator in respect of this Agreement, or the payments made by the Operator hereunder or the Services provided by the Operator hereunder.

**Second Floor Lease** – means the premises lease dated January 4, 2017, entered into between PGH, as Landlord, and the Operator, as Tenant, with respect to the restaurant situated on the second floor of the Hotel.

**Services** – includes (a) the supply, preparation and serving of food and beverages, including beer, wine and liquor, required for room service to the Hotel Rooms, the operation and management of the Rooftop Bar, the VIP Lounge, the Employee Cafeteria, the Grab & Go and the Cinema Concessions and the catering of all functions and events at the Banquet Facilities, the Conference Room Facilities and at Special Events, as described in this Agreement and (b) the performance of all other duties and responsibilities that are the obligation of the Operator under this Agreement, including Schedule "E" hereto.

**Special Events** – means (a) such events and functions which are undertaken by the Operator, or by PGH from time to time for its own business, promotional or other purposes and (b) such other events conducted by any Person, including the Operator, the Owner, at the Complex or at Exhibition Place, Toronto, Ontario, such as, without limitation, Honda Indy, TIFF, Toronto Argonaut Football Club, Toronto Raptors and Toronto FC Soccer Club.

**Term** – means the Initial Term, as the same may be extended pursuant to Section 3.8.

**Transfer** – means (i) an assignment, sale, conveyance or disposition of this Agreement or the Facilities or any part of them or any interest in this Agreement or a mortgage, charge or debenture or other encumbrance of this Agreement and includes any subcontracting of the Services to be provided by the Operator under this Agreement, (ii) a parting with or sharing of possession of all or substantial part(s) of the Facilities, and (iii) a transfer or issue by sale, assignment, bequest, inheritance, operation of law or other disposition or by subscription of all or part of the corporate shares of the Operator or an Affiliate of the Operator which results in a change in the effective voting control of the Operator.

**Unavoidable Delay** – has the meaning ascribed to it in Section 28.1.

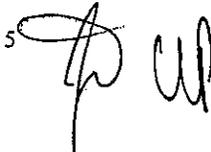
**VIP Lounge** – means the licensed bar and lounge situated on the third floor of the Hotel that is commonly referred to as "The Library Club Lounge" and that is for the exclusive use of registered Guests of the Hotel who are provided access thereto in connection with their Hotel Room reservation.

---

## 2. Use of Facilities

---

2.1 The Operator shall have access to and use of the Facilities for the sole purpose of performing and

5 

providing, within the Hotel, the Services described herein, in all cases as an independent operator and not as an employee or agent of PGH, in strict compliance with the terms and conditions as set forth in this Agreement and for no other business or purpose whatsoever except as otherwise approved by PGH.

---

### 3. Delivery of Possession, PGH's Work

---

#### 3.1. PGH's Work

PGH is constructing the Hotel, including the Common Area Facilities, and is responsible for completing the construction of and all Improvements to, the VIP Lounge, the Rooftop Bar, the Grab & Go, the Cinema Concessions, the Banquet Facilities and the Conference Room Facilities (collectively, the "PGH Built Facilities") incorporating all items of work included under the heading "PGH Work" in Schedule "C" hereto (the "PGH Work"). PGH (and its employees, agents or operators) shall carry out all PGH Work in a good and workmanlike and professional manner and in compliance with all Applicable Laws. PGH shall utilize reasonable commercial efforts to complete all of PGH's Work no later than the Hotel Opening Date, subject to Unavoidable Delay. PGH acknowledges and agrees that the Operator shall have access to the PGH Built Facilities from and after the Possession Date for the purpose of completing any of the Operator's Work. The Operator acknowledges and confirms that in the event of any delay in the completion of PGH's Work, the Operator shall not have any right to terminate this Agreement or any right to any compensation of any kind whatsoever from PGH save and except for the Operator's entitlement to an extension of the Fixturing Period, so as to allow the Operator to complete the Operator's Work as a result of PGH's delay in completing PGH's work. The Operator agrees that there is no promise, representation or undertaking, by, or binding upon PGH with respect to any alteration, remodelling or decoration, or installation of equipment or fixtures in the PGH Built Facilities except such as may be expressly set forth herein. Subject to completion of the PGH Work, the Operator agrees to accept possession of the PGH Built Facilities in an "as is" condition as of the Possession Date subject to any warranties and representations as to PGH's Work.

#### 3.2. Operator's Work

The Operator is responsible for completing the construction of and all Improvements to the Kitchen and Prep Facilities, Employee Cafeteria and the Employee Locker Rooms (the "Operator Built Facilities") including all items of work included under the heading "Operator's Work" in Schedule "C" hereto (the "Operator's Work"). Subject to completion of the PGH Work, Operator agrees to accept possession of the Operator built Facilities in an "as is" condition as of the Possession Date subject to any warranties and representations as to PGH's Work. The Operator is also responsible for providing and installing all required Operating Equipment as set out herein.

The Operator (and its employees, agents or operators) shall forthwith complete at its own cost and expense in a good and workmanlike and professional manner, in compliance with this Agreement and all Applicable Laws governing the use of the Facilities and to the satisfaction and approval of PGH and the Owner, all of the Operator's Work and shall do or cause to be done whatever else is necessary to properly complete the Operator Built Facilities during the Fixturing Period for use and occupancy by the Operator for the purpose of providing the Services to the standards required under this Agreement commencing on and as of the Hotel Opening Date. Without limiting the generality of the foregoing, all Operator's Work to be performed by the Operator shall:

- (a) be done in accordance with the design criteria set down by PGH, the Owner or their authorized representatives with respect to the external and internal appearance of the Operator Built Facilities;
- (b) be done as expeditiously as possible, in a good and workmanlike manner and with first class new materials;
- (c) be done in such manner as will not interfere unreasonably with work being done by PGH upon the Facilities or any other portion of the Hotel;
- (d) be done in compliance with such rules and regulations as PGH, acting reasonably may make;
- (e) be subject to the supervision of PGH or its agents or operators;
- (f) where required, be undertaken and performed only by persons whose labour union

6 

affiliations are acceptable to PGH and the Owner, and that comply with the requirements of the "Lease"; and

- (g) be undertaken and performed at the risk of the Operator.

### 3.3. Operator's Plans

The Operator will provide PGH with the plans and specifications of the Operator's Work as set out in Schedule "D" (the "Operator's Plans") on or before ~~January~~ <sup>April 30th, 2017</sup> 15, 2017 and, within five (5) days thereafter, PGH will notify the Operator either of its approval or of its disapproval of the Operator's Plans. Once approved by PGH, the Operator will then promptly prepare and submit to PGH, no later than five (5) days after written notice from PGH as to its approval or non-approval of the Operator's Plans, complete drawings and specifications amended as required by PGH. In addition, the Operator shall, use its best efforts to provide to PGH for review and approval by PGH, on or before January 30, 2017, the following:

- (a) a list of all required Operating Equipment, including brand, model, price;
- (b) proposed Improvements to be installed in the Operator Built Facilities, including design, layout, plans and specifications;
- (c) menu items and pricing;
- (d) proof of availability of insurance;
- (e) particulars of all bookkeeping, inventory and other controls and systems;
- (f) a listing of all proposed suppliers, including preferred suppliers;
- (g) proof of submitted application for liquor license;
- (h) a proposed budget for all capital costs and expenses; and
- (i) a listing of the number of employees to be employed by the Operator to perform the Services on a full time or part time basis, including responsibilities of each such person.

### 3.4. Possession Date

Upon PGH or its Architect giving notice to the Operator that the Operator Built Facilities are available for the commencement of the Operator's Work, the Operator shall immediately take possession of the Operator Built Facilities and shall occupy same for the purpose of building and completing the Improvements to the space, with all of the Operator's Work including, without limitation, fixturing and installing its trade fixtures, furniture, furnishings, equipment, inventory and improvements, by no later than the Hotel Opening Date. The Operator shall pay for all utility charges, temporary heating, security, refuse removal and other services used by the Operator or consumed in the Operator Built Facilities during the Fixturing Period and shall, during the Fixturing Period, observe, perform and be bound by all of its covenants and agreements set out in this Agreement.

### 3.5. Examination of Facilities

The Operator acknowledges that it will have examined the Facilities before taking possession. The acceptance of possession by the Operator shall be conclusive evidence against the Operator that at the time of such examination the Facilities were in satisfactory condition, subject only to any uncompleted PGH Work and subject to such deficiencies in PGH Work, if any, listed in writing in a notice delivered by the Operator to PGH not more than ninety (90) days after the Possession Date. Notwithstanding the foregoing, PGH shall enforce for the benefit of the Operator any warranties received by PGH from its contractors and suppliers in connection with the performance of PGH's Work.

### 3.6. Failure of the Operator to Commence Services

Notwithstanding any other provisions in the Agreement, in the event that the Operator fails to commence the supply and performance of the Services from the "hotel premises", and to the standards required under this Agreement within 135 days after "the Possession Date", the Operator agrees and guarantees to supply the required "food and beverage services" to the Hotel from its "outside facilities", provided the Hotel is open or ready to open for business. Should the Operator fail to provide such

Services from the "hotel premises" for more than 165 days after the "Possession Date" and provided the Hotel is open for business then the Operator shall in addition to providing outside service pay PGH for each additional day a sum of \$5,000.00 as liquidated damages. Should the Operator fail to provide such Services as outlined above from the Hotel premises for more than 195 days after the "Possession Date" PGH shall have, in addition to any and all remedies herein provided, the right, at its option, to terminate this Agreement upon written notice to the Operator and shall have the right to recover from the Operator all losses and damages which PGH may suffer or incur as a result of Operator's default, which losses and damages may include any direct costs incurred by PGH in connection with the removal of or alterations to any Improvements or the replacement of any part thereof in the event all or any of the existing Improvements are not required by the new operator or occupant of the Facilities. Furthermore, for the avoidance of doubt the said daily sum of \$5,000.00 is the maximum liability of the Operator under this Section 3.6 and such maximum amount is inclusive of any similar amount payable by the Operator under the provisions of the Second Floor Restaurant Lease that correspond to this Section 3.6.

### 3.7. Term of Agreement

The initial term of this Agreement (the "Initial Term") is ten (10) years, to be computed from the Hotel Opening Date (the "Commencement Date") and expiring ten (10) years after the Commencement Date (unless the Commencement Date is not the first day of a month, in which case the Initial Term shall end ten (10) years after the last day of the month in which the Commencement Date occurs). Within a reasonable time after the Commencement Date, PGH will confirm the Commencement Date by notice to the Operator and such confirmed Commencement Date shall apply for the purpose of this Agreement. Notwithstanding the foregoing, the Operator shall observe, perform and be bound by all of its covenants and obligations under this Agreement upon the execution hereof by PGH and the Operator.

### 3.8. Renewal Rights

If the Operator:

- (a) pays the License Fees as and when due and punctually observes and performs its covenants, obligations and agreements under and in accordance with the terms of this Agreement;
- (b) is not in breach or default under the terms of this Agreement;
- (c) gives PGH not less than nine (9) months' and not more than twelve (12) months' written notice prior to the expiry of the Initial Term or the then expiring Extended Term, as the case may be, of its intention to extend the Term; and
- (d) has validly exercised its extension rights under the Ground Floor Lease and the Second Floor Lease and has fulfilled the conditions of extension provided for therein;

then the Operator will have the right to extend the Initial Term for two (2) further periods of five (5) years each (each being referred to as an "Extended Term") upon the same terms and conditions as are set out in this Agreement, except that:

- (i) there will be no further right to extend the Term beyond the second Extended Term;
- (ii) any fixturing period or requirement on PGH'S part to do any PGH Work shall not apply to any Extended Term; and
- (iii) the Operator will promptly execute an extension agreement prepared by PGH, at the Operator's reasonable expense, giving effect to the applicable Extended Term.

---

## 4. Description of Services

---

### 4.1. Performance of the Services

- (a) The Operator agrees to provide and perform the Services in a manner that is consistent with the highest standards established and maintained by PGH with respect to the Hotel as a first class transient hotel comparable to Four Season Hotel, Trump Hotel or the Hazelton Hotel in Toronto, Ontario. At all times through the Term, the Operator shall continuously, actively and diligently provide the Services in an up-to-date, and first-class and reputable manner each day during such

Business Hours as may be determined by PGH acting reasonably and in conjunction with the Operator. The Parties agree that "room service" to the Hotel Rooms will be provided on a 24 hour, 7 days per week basis.

- (b) The Operator shall only provide and offer menu items, including food, beverages, beer, wine and spirits, as are approved by PGH, acting reasonably, subject to the strictest condition that the menu items, include beer, wine and spirits, are to be consistent with the highest standards established and maintained by PGH with respect to the Hotel as a first class transient hotel. The Operator shall not introduce new food or beverage items or offer new services without first obtaining the written consent of PGH. The Operator acknowledges that it would be reasonable for PGH to withhold its consent if the introduction by the Operator of new menu items or services is inconsistent with the highest standards established and maintained by PGH with respect to the Hotel. The Operator will use its best efforts to provide to PGH, on or before January 30, 2017, a proposed menu, including food, beverages and snacks, for room service to the Hotel Rooms, Banquet Rooms, Conference Room Facilities, Employee Cafeteria, Grab & Go and Cinema Concessions, including the price of each offered item. Each of such menus shall be subject to PGH's review and approval and may not be modified in any way without the prior written approval of PGH which approval shall not be unreasonably withheld or delayed. Each of such menus will be reviewed and updated on a seasonal or other periodic basis as may be required by PGH from time to time.
- (c) The Operator agrees to maintain a Province of Ontario Liquor License (the "Liquor License") at all times in connection with the performance of the Services to the level and standards required under this Agreement and acknowledges having been advised of the great significance and importance which attaches to the same. The Liquor License shall be in the joint name of PGH and the Operator. The suspension, restriction or cancellation of such Liquor License and the failure to have the same fully reinstated or reissued within thirty (30) days of such suspension, restriction or cancellation shall be deemed to be a material breach of this Agreement and PGH shall have the right to terminate this Agreement upon written notice to the Operator. In such event, the Operator hereby agrees to all such amendments to or assignments of the Liquor License as may be required by PGH and agrees to execute and deliver to PGH immediately upon request all releases, authorizations, consents and other documents as may be required by the issuer of the Liquor License.
- (d) The Operator acknowledges that the performance of the Services will have a material impact on the ability of PGH to successfully operate the Hotel as a first-class transient hotel comparable to the Four Seasons Hotel, the Trump Hotel and the Hazelton Hotel in Toronto, Ontario. Accordingly, the Operator acknowledges and agrees that its covenants and agreements to provide the Services at the times, in the manner and to the level and standards required by this Agreement was a material inducement to PGH entering into this Agreement with the Operator, that PGH relied on such covenants and agreements of the Operator in entering into this Agreement and that PGH would not have entered into this Agreement with the Operator in the absence of such covenants and agreements by the Operator. If at any time, in the sole opinion of PGH, the services are not being performed in compliance with the standards established and maintained by PGH with respect to the Hotel or in the event the Operator is not complying with the provisions of this Agreement, including, without limitation, this Article 4, the PGH Operational Requirements (as hereinafter defined) and Schedule "E", PGH shall provide written notice thereof to the Operator specifying the items of default and the remedial actions to be taken by the Operator (a "Default Notice"). The Operator shall have a period of sixty (60) days to remedy, to the satisfaction of PGH, all of the items of default referred to in the Default Notice, failing which PHG shall have the right to terminate this Agreement upon written notice to the Operator.

#### 4.2. Covenants of the Operator

- (a) In the course of the Operator's performance of the Services and use of the Facilities, the Operator covenants and agrees to do the following:
- (i) Maintain such number of full time and part-time personnel, including hostesses, servers, bartenders, bus personnel, food prep and kitchen staff, and managers, to ensure that the Services are performed to the standards required by PGH and so as to maintain the highest standards established and maintained by the Landlord with respect to the Hotel;
- (ii) Actively participate in and provide Services in respect of any Special Events during such hours and on such days as may be requested by PGH from time to time;

- (iii) All insignia, logos or other identifying names and features utilized on any flatware, glassware, smallwares, dishes, napkins or any other items provided or made available to Guests in the performance of the Services shall bear and prominently display the name "Hotel X, Toronto" or such other name as may be designated by PGH and may identify the name of the caterer as official caterer (in subtext only) of the Hotel and shall be in form, style and appearance as may be approved by PGH from time to time. The Operator may, in its promotion and advertising of the Services, describe itself as the official caterer of Hotel X, Toronto, provided that the name of the Hotel shall be prominently displayed and that the reference to the Operator shall be as a subtext to the name of the Hotel and provided that all such promotional and advertising materials shall be subject to the approval of PGH in all respects. In addition, all business documents and records used in connection with the performance of the Services including, without limitation, quotations, invoices, purchase orders, business cards, contracts, reservation forms, credit card printouts, receipts and all other documents and forms used in the performance of the Services (the "Business Documents") shall prominently display and reflect the name Hotel X, Toronto, and may refer to the Operator as official caterer of the Hotel, but only as a subtext. All Business Documents shall be in form and substance as approved by PGH. Notwithstanding the foregoing provisions hereof, the Operator does not have, nor will it acquire, any rights in such names, marks or insignia and, at the option of PGH, the Operator will abandon or assign to PGH any such rights which PGH may acquire by operation of law and will promptly execute such documents as in the opinion of PGH are or may be necessary to give effect to this subsection 4.2(a)(iii);
- (iv) Not solicit business in any part of the Complex other than: (i) as permitted in this Agreement or (ii) as expressly permitted by PGH;
- (v) Not commit any nuisance or other act which in the sole and absolute opinion of PGH disturbs the quiet enjoyment of any tenant in the Complex or Guests of the Hotel;
- (vi) Not do or suffer, cause or permit any act in or about the Common Area Facilities of the Complex which in PGH's reasonable opinion hinders or interrupts any events commissioned by PGH from time to time such as, without limitation, movie filming, concerts, exhibitions, festivals, trade shows, street vending and performing and the like.
- (vii) Not do, suffer, cause or permit services which infringe upon or which will in any way obstruct or interfere with the rights of any tenants or occupants of the Complex or any adjacent property or the Guests of the Hotel or injure or annoy them, or which shall hinder or interrupt the flow of traffic to, in and from the Complex, or which will in any way materially obstruct the free movement of persons doing business in the Hotel;
- (viii) Not to use, or permit the sale of any items in such a manner so as to violate or otherwise offend any existing or future (i) restrictive covenants and/or (ii) exclusive sponsorships and/or licenses and/or exclusive uses affecting the Complex (the particulars of which shall be made available from time to time upon the written request of the Operator).
- (ix) At Operator's sole cost and expense, keep the Facilities (including the exterior and interior portions of all windows, doors and all other glass and any and all kitchen exhaust duct(s) and other similar equipment exclusively servicing the Facilities) in a neat, clean and safe condition, save and except that the daily cleaning of the VIP Lounge, lounge areas, all corridors, and washrooms facilities, will be the responsibility of PGH;
- (x) Maintain at all times, at Operator's sole cost and expense, the Operator Built Facilities and the Improvements installed therein or exclusively serving the Operator Built Facilities and all Operating Equipment, in good condition and state of repair, in accordance with the standards, reputation and character of the Hotel as a first-class transient hotel, including replacement of all damaged, defective or worn out Improvements and Operating Equipment;
- (xi) Require all employees and attendants to (y) enter and exit the Facilities or the Hotel through the service entrance only, and (z) be properly attired when on duty and otherwise to have an appearance consistent with the standards, reputation and character of the Hotel as a first-class transient hotel;
- (xii) Take all reasonable precautions, at its sole cost and expense, to prevent any odors from emanating from the Kitchen and Prep Facilities including, without limitation, the installation of such control devices (such as a photocloner or other similar devices) at all

points of cooking and the establishment of reasonable control procedures to eliminate such odors;

- (xiii) Install and maintain in all cooking areas, at its sole cost and expense, chemical fire extinguishing devices (such as ansul) approved by the Fire Insurance Rating Organization having jurisdiction over the Facilities and, if gas is used in the Facilities for cooking or other purposes, suitable gas cut-off devices (manual and automatic);
  - (xiv) Take all reasonable steps, at its sole cost and expense, to prevent fat, grease, or any other greasy substance from entering the waste lines of the Hotel including, without limitation, installation of a grease trap and ensure that all grease traps are cleaned professionally on a regular schedule;.
  - (xv) Perform, at its sole cost and expense, any and all maintenance reasonably necessary or desirable in order to keep the floors of all kitchen areas in a waterproof condition;
  - (xvi) Carry at all times such quantities of food and beverages of such size, character and quality as may be reasonably required to maximize Gross Receipts.
- (b) The Operator agrees that it shall not utilize any unethical method of business operation in the performance of the Services, and shall not at any time, without first obtaining PGH's prior written consent:
- (i) use, or permit to be used or obstructed, any corridor, or any other space outside the Facilities, for display, sale, storage, or any other similar undertaking or allow the Facilities or any portion thereof to be used for housing accommodations or sleeping purposes;
  - (ii) use the plumbing facilities for any purpose other than that for which they were constructed, or dispose of any garbage or other foreign substance therein, whether through the utilization of so-called "disposal" or similar units, or otherwise;
  - (iii) perform any act, or carry on any practice, that may damage, mar, or deface the Facilities or any other part of the Hotel;
  - (iv) permit window cleaning or other maintenance and janitorial services in and for the Facilities to be performed except in accordance with all Applicable Laws and by such person(s) as shall be reasonably approved by PGH and except during reasonable hours designated for such purposes by PGH;
  - (v) place a load on any floor in the Facilities exceeding the floor load per square foot that such floor was designed to carry and that is allowed by Applicable Laws;
  - (vi) take any action that would (i) violate any union contracts of PGH or the Owner, if any, affecting the Complex and the business operated therein, (ii) create any work stoppage, picketing, labor disruption, or labor dispute, (iii) interfere with the operation of the Hotel as a first class transient hotel or interfere any Guest, customer or other person lawfully in and upon the Complex, or (iv) cause any impairment or reduction of the goodwill or reputation of the Hotel; or
  - (vii) undertake any use, purpose or activity that is prohibited under the terms of the Lease.

#### 4.3. Storage of Hazardous Substances

The Operator will not store or permit to be stored upon or in the Facilities anything illegal that is not offered or to be offered for sale from the Facilities nor any Hazardous Substances including anything of a dangerous, inflammable, radioactive or explosive nature nor anything which would have the effect of increasing PGH's insurance costs or resulting in the cancellation of such insurance.

#### 4.4. Nuisance

The Operator shall not use or permit any part of the Facilities to be used in such manner as to cause or permit annoying noises or vibrations, as determined by PGH in its sole and absolute discretion, and shall not do or bring anything or permit anything to be done or brought on or about the Facilities or the Complex which results in mold, mildew, mycotoxins or microbial growth. The Operator agrees that

PGH shall determine, while acting reasonably, in its own discretion if any such state or condition exists.

#### 4.5. Deliveries

All deliveries to and from the Facilities, and loading and unloading of goods, merchandise, refuse, materials and any other items, shall be made only by way of such driveways, access routes, doorways, corridors and loading docks as PGH may from time to time designate and shall be subject to all applicable rules and regulations made by PGH from time to time.

#### 4.6. Pest Control

The Operator shall co-operate with PGH and with any operator(s) engaged by PGH in respect of pest control and extermination in the Facilities and the Complex. The Operator shall be responsible for pest control and pest extermination in respect of the Facilities and shall engage, for such purpose, such operators at such intervals as PGH may require.

#### 4.7. Compliance with Laws

At the sole cost and expense of the Operator, the Operator will promptly comply with and conform to the requirements of all Applicable Laws at any time or from time to time in force during the Term affecting the Facilities or the performance of the Services or any part thereof and/or the machinery, equipment and other facilities used in connection therewith provided that the Operator shall not be required to remedy any work done by PGH to the Facilities in violation of any such Applicable Laws. The Operator will make no use of the Facilities, whether within the use herein permitted or not, which will or may impose upon PGH any obligation to modify, extend, alter or replace any part of the Facilities or any of the said machinery, equipment and other facilities. In the event that the Operator shall at any time or from time to time during the Term, do or permit to be done or omit to do any act or thing which shall result in any such obligation being imposed upon PGH, PGH may at its option either do or cause to be done the necessary work in order to comply with such obligation, at the expense of the Operator. In the event that PGH shall undertake any work to be done at the expense of the Operator hereunder, the cost thereof together with PGH's administration fee of fifteen percent (15%) of such cost of such work, shall be payable by the Operator to PGH forthwith upon demand.

#### 4.8. Food Safety

The Operator is solely responsible for complying with all industry standard food safety procedures and for any health issues arising from the service of food and beverages by the Operator or any of its employees or agents.

#### 4.9. Liquor Law Compliance

The privilege to sell alcoholic beverages shall be subject to the requirements of all laws of the Province of Ontario applicable to the sale of liquor, wine and beer. The Operator shall at all times perform the Services in compliance with all such requirements.

#### 4.10. Liquor Sales

PGH shall, while acting reasonably in conjunction with the Operator designate the manner in which liquor and/or beer and/or wine may be sold. The final decision as to when, where, if and which types of alcoholic beverages may be sold rests within the discretion of Operator to the extent permitted by Applicable Laws. It is agreed and understood that there shall be no adjustment of the License Fees to be paid by the Operator should PGH restrict or prohibit the sale of alcoholic beverages at events, such as, but not limited to, religious based activities, high school and college events.

#### 4.11. Training and Operations

The Operator acknowledges and agrees that on-site premises (which shall mean, a minimum of a general manager, service manager and kitchen manager) and on-site sales and service personnel are required in order for the Operator to adhere to the standards required pursuant to this Agreement and that a sufficient number of service and food preparation employees must be available at all times to receive deliveries, properly store same and begin or continue preparation of food and beverages to be provided by the Operator in the performance of the Services. In addition, supervisory personnel shall be on duty during preparation, serving and clean-up periods to ensure a first class dining experience for the Guests. The Operator shall select, employ, train, furnish, and deploy in the necessary number (to match work

requirements), in each work classification, employees who are proficient, productive and courteous. The Operator shall conduct regularly scheduled training classes for all employees and management throughout the Term. This training schedule and its content shall be approved by PGH in writing (which consent shall not be unreasonably withheld or delayed) and, at a minimum, shall include customer service training, positional skills training, banquet service training, buffet set-up, bartending and serving techniques, food and wine service techniques, food handling, and other facility operations. Without limiting the generality of the foregoing, the Operator shall provide:

- (a) training to employees as it pertains to providing quality food and beverage services under this Agreement to Guests with a disability. The Operator shall ensure that all employees are trained in accordance with PGH's reasonable corporate standards.
- (b) an alcohol awareness training program for all alcohol service and monitoring staff sufficient to ensure an understanding of all requirements of serving alcoholic beverages pursuant to Applicable Laws, and one or more professional courses in alcohol awareness (i.e. Smart Serve Training). The alcohol awareness and training program shall be provided to all new alcohol service and monitoring staff during their new employee orientation and to all other alcohol service and monitoring staff at least once per year.

A record of all training required of and offered to staff shall be provided to PGH within fifteen days (15) of PGH's written request.

#### 4.12. Uniforms and Appearance

The Operator shall ensure that employees maintain a professional appearance while performing the Services pursuant to this Agreement. The Operator will provide and maintain uniforms for all employees. Selection type, color, style and dress code of uniforms, including specialty uniforms designated to fit the exact nature of the various operations at the Hotel, shall be subject to the approval of PGH, which approval shall not be unreasonably withheld or delayed and shall be consistent with the standards established and maintained by PGH with respect to the Hotel. All uniforms shall bear the name Hotel X and shall not have any other identifying features other than an approved form of name tag for the employees. Additionally, the condition of the hygiene and appearance of employees is the Operator's sole responsibility notwithstanding the fact PGH shall have the right to comment on and where necessary, cause the Operator to ensure that all employees meet minimum reasonable hygiene and appearance standards.

#### 4.13. PGH Approval of Personnel

PGH shall have the right to approve the Operator's personnel and reserves the right to request and have the Operator comply with personnel changes to the extent permitted by Applicable Laws. If at any time, any personnel are unsatisfactory to PGH, the Operator shall make a change in such personnel acceptable to PGH within ten (10) days of written notice from PGH. PGH must give appropriate reasons for requesting the personnel change that do not discriminate against any individuals based on race, color, religion, national origin, gender, age, military status, sexual orientation, gender variance, marital status, or physical or mental disability. Personnel supplied by the Operator shall be employees of the Operator and shall not at any time or for any purpose be considered employees or agents of PGH.

#### 4.14. Catering Sales Personnel

The Operator shall have at all times on premises sales personnel who shall, upon reasonable notice and during reasonable hours request of PGH, meet with PGH and its agents to assist in reviewing and planning food and beverage services as well as marketing and finalizing catering sales at and from the Hotel.

#### 4.15. Catering Functions

PGH will provide the Operator particulars of all scheduled catering functions at and from the Banquet Facilities, Conference Room Facilities and Cinema Concessions, including Special Events, and such information, as is available, regarding the estimated attendance at each event. PGH will also provide notice of cancellation of previously scheduled catering functions, including Special Events, but PGH shall not be liable to the Operator for failure to deliver notice of such cancellation save and except for any costs incurred by the Operator as a result of PGH's cancellation. Furthermore, all deposits received and cancellation fees and penalties shall form part of the Gross Receipts. The Operator shall be strictly responsible for performing the Services for the full period of time required for any scheduled catering

function and for each Special Event for which it has received notice. All of such notices shall be via centralized event and client information software (Delphi) to which Operator shall have access on a daily basis for the purposes of planning and performing the Services associated with Banquet Facilities, Conference Room Facilities, Cinema Concessions and Special Events.

#### 4.16. Pricing

The Operator's menu pricing shall be pre-approved by PGH during the Term of this Agreement. At a minimum, the Operator will conduct an annual pricing survey of comparable hotels in Toronto, Ontario, which survey shall be provided along with a pricing proposal for PGH to review and approve and which approval shall not be unreasonably withheld or delayed. The Operator shall submit its proposed menu pricing to PGH for review and approval prior to hotel opening. Final decisions on all menu pricing rest solely with PGH.

#### 4.17. Special Events

The Operator shall provide food, beverage and catering services for Special Events agreed upon with the Operator and as and when reasonably requested by PGH, at cost plus a markup of ten percent (10%) or such other markup as PGH and the Operator may reasonably determine, for Special Events organized by third parties and at cost for Special Events that relate to PGH's own business. For purposes of clarity, the "cost" includes cost of product and any direct cost associated with the product (including direct labor and delivery costs) and the "plus ten percent (10%)" or other markup is based upon the applicable costs. It is agreed that the Operator shall pay no Licence fee on the mark-up to PGH as to these Special Events.

#### 4.18. Employee Cafeteria and VIP Lounge

The Operator shall provide all food, beverage and catering services required for the VIP Lounge and the Employee Cafeteria to the level and standards required by PGH. All of such food, beverage and catering services shall be invoiced to PGH at the Operator's "cost" (as defined above) on a weekly or other periodic basis.

#### 4.19. Small wares

All small wares necessary to the efficient performance of the Services to the standards required under this Agreement shall be provided by the Operator at its sole expense.

#### 4.20. Operating Equipment

The Operator shall provide and install all Operating Equipment required to perform the Services to the standards required under this Agreement. All of the Operating Equipment to be provided and installed by the Operator shall be at the Operator's sole expense and shall be of a type required to perform the Services under this Agreement and as approved by PGH which approval shall not be unreasonably withheld or delayed and all of such items shall be new and the installation thereof shall be completed without damage to the Facilities or to the heating, ventilating, air conditioning, plumbing, electrical and other mechanical systems in the Hotel. All such Operating Equipment and all Improvements to be constructed by the Operator as part of Operator's Work shall be free and clear of any and all liens, security interests, conditional sales agreements and encumbrances whatsoever and shall, upon delivery to or the installation thereof in or to the Facilities, become the property of PGH as the sole and absolute owner thereof and the Operator shall have no right, title or interest therein of any nature or kind whatsoever, save and except for the exclusive right to use the same during the Term in accordance with the terms of this Agreement. The Operator will provide to PGH on or before the Commencement Date a detailed statement setting out all of the costs actually incurred by the Operator in supplying and installing the Improvements and the Operating Equipment as well as proof of payment and a detailed listing of all Operating Equipment including serial numbers where applicable. The Operator will, on or before the Commencement Date, execute in favour of and deliver to PGH a Bill of Sale with respect to all such Operating Equipment and Improvements, in form and substance acceptable to PGH. In the event any Operating Equipment requires replacement, the cost of all such replacements shall be at the sole expense of the Operator and all such replacements shall be the absolute property of PGH upon the installation thereof, and shall be subject to the provisions of this Section 4.20

The Operator shall, notwithstanding the foregoing, be solely responsible for, at its sole expense, all maintenance of, repairs to and replacements of any and all Operating Equipment.

The Operator further covenants and agrees that it will not remove any Operating Equipment from the Facilities save and except for the removal of any Operating Equipment that is being replaced.

The failure of the Operator to comply with its obligations under this Section 4.20 shall constitute a material default under this Agreement and PGH shall have the right to terminate this Agreement upon thirty (30) days written notice to the Operator which notice shall be nullified if the Operator cures such default within such thirty (30) day period.

#### 4.21. Garbage

PGH shall from time to time designate the areas and manner in which and the times at which the Operator, shall deposit debris, garbage, trash and refuse all of which shall be stored and disposed of, at Operator's expense, by waste removal operators approved by PGH. The Operator shall, at its own expense, provide a properly refrigerated area in the Facilities for the deposit of debris, garbage, trash and refuse of a perishable nature if required by any Applicable Laws or PGH. No debris, garbage, trash or refuse shall be placed or left, or be permitted to be placed or left in, on or upon any part of the Hotel outside of the Facilities. The Operator shall, at its expense, comply at all times with PGH's rules and regulations regarding the separation, removal, storage and disposal of waste for the Facilities.

#### 4.22. Sales Taxes

PGH shall collect and promptly remit to the applicable Authority all Sales Taxes for all sales conducted by the Operator at and from the Hotel in connection with the performance of the Services.

#### 4.23. POS Systems

The Operator shall utilize such telephone systems as may be necessary to link to the telephone systems utilized by the Hotel with the intention being that calls for Services at the Hotel may be directed to the Operator way of the telephone systems of the Hotel. Further, the Operator shall in the performance of the Services use such point of sales ("POS Systems") as may be designated by the PGH in order to ensure that all billings for Services provided to the Guests, including guests and/or patrons of the Roof Top Bar, Grab & Go, Cinema Concessions and Employee Cafeteria, are undertaken solely by and through PGH and not by the Operator.

#### 4.24. Restrooms

PGH shall be responsible for daily cleaning and maintaining all restroom facilities, corridors and lounge areas that are available for use by Guests of the Banquet Facilities, Conference Room Facilities, Roof Top Bar, Cinema Concessions and Special Events to ensure the condition and appearance of such restroom facilities, corridors and lounge areas are consistent with the standards maintained by PGH with respect to the Hotel.

#### 4.25. Coat check

The Operator will also operate, at its sole expense, a coat check room for all events and functions at the Banquet Facilities and Conference Room Facilities, and, where applicable, Special Events.

#### 4.26. Compliance with Lease

The Operator acknowledges receipt of a true copy of the Lease (with all financial and other business terms redacted) and covenants with PGH to (i) observe, perform and be bound by all the covenants, obligations and agreements for which PGH is responsible under the Lease (other than the payment of Rent) in respect of the Facilities and (ii) not do any matter or thing that would cause PGH to be in default or breach of its covenants and obligations under the Lease. The Operator covenants and agrees to indemnify and save harmless PGH, the Head Landlord and the City from and against any and all losses, claims, damages, expenses and demands which PGH, the Head Landlord or the City may suffer or incur in respect of the Operator's failure to comply with all such covenants, obligations and agreements.

#### 4.27. PGH House Accounts

All management employees of PGH who have PGH "house accounts" shall receive food and beverages at 40% discount from the Operator's retail cost before taxes, provided that such cost is not subject to the 22.5% fee.

---

### 5. Payments

---

5.1. In consideration of the rights and privileges herein granted, PGH and the Contactor agree to the following:

- (a) **Payment of License Fees** - The Operator shall pay to PGH an amount equal to twenty two and one-half percent (22.5%) of the Gross Receipts generated in each Accounting Period (the "License Fees"). The License Fees shall be paid to PGH at the same time that PGH provides to the Operator its bi-weekly statement of Gross Receipts for the immediately preceding Accounting Period. License Fees shall be payable bi-weekly on Monday of each second week during the Term including the Monday next following the end of the Term. The amount of each payment shall be equal to the amount determined by applying the percentage referred to in Section 5.1(a) to the aggregate of the Gross Receipts for the immediately preceding Accounting Period.
- (b) **Sales Taxes** - The Operator shall provide proof of payment and remit to PGH, together with each payment of License Fees, all Sales Taxes that PGH is required to collect in respect of License Fees.

5.2. The Parties acknowledge that all Gross Receipts, including Sales Taxes, resulting from the performance of the Services will be invoiced and collected by PGH or the Manager in order to ensure the seamless interaction among the Hotel, the Operator and the Guests of the Hotel. PGH, or the Manager, shall fully account to the Operator on Monday of every second week with respect to all such amounts that were collected by PGH, or the Manager, during the immediately preceding Accounting Period, and shall pay and remit all such amounts to the Operator, less any applicable credit card charges retained by the applicable credit card issuer and less any applicable License Fees payable by the Operator to PGH. The Parties will work diligently to finalize all reporting and cash control systems that may be required to facilitate such financial reconciliations.

5.3. **Rooftop Bar and Room Rental (RB+RR) revenue split** - All revenue received for the Rooftop Bar event space rental (RBR) as well as revenue received from Room Rental (RR) will be split 60% to PGH and 40% to the Operator. Pricing for RB+RR may be re-visited upon the written request of either PGH or the Operator and changed upon the mutual agreement of PGH and the Operator. For further clarity, it is agreed that there shall be no License Fees paid by the Operator on the forty percent (40%) of such RB and RR revenue that is allocated the Operator.

5.4. The Operator agrees that:

- (a) any sums received by PGH from or for the account of the Operator when the Operator is in default hereunder may be applied at PGH's option to the satisfaction, in whole or in part, of any of the obligations of the Operator then due hereunder in such manner as PGH sees fit, and regardless of any designation or instruction of the Operator to the contrary; and
- (b) all License Fees and other amounts payable by the Operator to PGH shall be paid without any deduction, set off or abatement whatsoever unless otherwise agreed in the Agreement.

5.5. All quotes, contracts, invoices and other commitments relating to the Services shall be in the name of the Hotel as the supplier of all such services.

5.6. The Parties acknowledge and confirm that all amounts paid by Guests for access to the VIP Lounge and all amounts received by PGH in connection with Special Events that are catered by Persons other than the Operator shall be the sole and exclusive property of PGH and the Operator shall not be entitled to receive any portion of any such amounts.

---

### 6. Operator Financial Responsibilities

---

#### 6.1. PPSA Discharges

It is a condition of this Agreement that the Operator shall, prior to the Possession Date, provide to PGH a certified PPSA search with respect to the Operator reflecting that there are no Financing Statements registered against or with respect to the Operator under the Personal Property Security Act (Ontario).

## 6.2. Supply of Inventory, etc.

The Operator shall supply, at its sole cost and expense, all inventory of food, beverages and other items and all supplies and other items that may be required to perform the Services to the standards required under this Agreement.

## 6.3. Employees

The Operator shall hire all full time and part time employees that may be required to perform the Services as set out in this Agreement and, without limitation, employees to operate and manage, the Roof Top Bar, the Grab & Go, the Cinema Concessions, Special Events and all functions at the Banquet Facilities and Conference Room Facilities.

## 6.4. Payment to Third Parties

The Operator shall pay and satisfy, as and when due, all debts and obligations which the Operator may incur in the performance of the Services and in the fulfillment of its obligations under this Agreement, including, without limitation, payment for or to insurance premiums, including product liability insurance, food and beverage suppliers, service suppliers, utilities, cleaning, maintenance and services, waste disposal, all employee costs and all other overhead and other costs and expenses of the Operator incurred in the performance of the Services. The Operator will pay, as and when due, all trade debts and obligations incurred by the Operator in connection with the performance of the Services, including all amounts owing in respect of capital expenditures for Equipment, trade fixtures and improvements, all of which shall be an integral term of this Service Agreement.

## 6.5. Operating Equipment

The Operator shall provide all Operating Equipment as set out herein, including all required replacements thereof.

---

## 7. Contract Rights and Obligations

---

### 7.1. Exclusive Rights

The Operator shall have exclusive right to provide the Services within the Hotel, save and except as otherwise set out in Section 7.2 hereof.

### 7.2. Exclusive Rights Exceptions

- (a) The Operator acknowledges that PGH will enter into leases with one or more third parties (the "Other Operators") with respect to the rental of premises within the Complex for use as restaurants, bars, lounges and coffee shops and that the exclusive rights herein conferred upon the Operator are subject to all such uses. Also PGH agrees to give the Operator the First Right of Offer to operate any Food and Beverage opportunities in Phase II if build by PGH.
- (b) The Operator acknowledges and agrees that its rights under this Agreement do not include the supply of Services to any member, guest or patron of the Fitness Facility.
- (c) The Operator further acknowledges and agrees that its exclusive right to provide the Services is also subject to the following: When PGH's customer for a catering function requests the use of an outside caterer and PGH agrees and, if any of the Operator Built Facilities and equipment of the Operator must be used by the outside caterer, the use of the Operator Built Facilities and equipment of the Operator by the outside caterer shall be permitted, provided the outside caterer agrees to a compensation to be shared by PGH and the Operator and provides insurance and indemnification and hold harmless agreements in a form acceptable to PGH for the benefit of both the PGH and the Operator. The Operator shall be notified reasonably in advance of any intent to use any of the Facilities by anyone other than the Operator.
- (d) PGH reserves the right to utilize the Operator to provide food, beverage and catering services in connection with any Special Events.

---

## *8. Inspection and Testing by PGH*

---

### 8.1. Operations Observations

PGH shall have the right to observe any transaction or transactions between the Operator and the Guests of the Hotel involving any sales authorized hereunder for the purposes of determining the quality and quantities of food and beverages offered to the Guests, the prices charged therefore and the accountability of the Gross Receipts derived therefrom. PGH shall upon reasonable notice to the Operator, and without interruption of the Operator's business, also have the right to make any and all examinations, tests, measurements, weightings, etc. as it may desire of all food and supplies in the Operator's possession and to be sold by the Operator in order to determine their quality and quantity.

### 8.2. Facilities Inspections

PGH shall have the upon reasonable notice to the Operator, and without interruption of the Operator's business, have the right as often as PGH considers necessary to inspect the Facilities and to advise the Operator of the existence of any conditions which PGH determines to be unsafe, unsanitary or detrimental to the Guests or any other Person or the provision of the Services. The Operator agrees to correct all such conditions promptly after reasonable notice.

---

## *9. Right of Entry Reserved*

---

9.1. PGH, through its agents and/or employees, representatives, and operators, shall have the continual right to enter upon and under all portions of the Facilities to inspect the same, to observe the performance of the Operator of its obligations under this Agreement, to conduct inspections and/or audits as indicated in Sections 8.1 and 8.2 hereof, and to install, remove, adjust, repair, replace or otherwise handle any equipment, utility lines, or other matters in, on, or about the Facilities, or to do any act or thing which PGH may be obligated or has the right to do under this Agreement or otherwise. Nothing contained in this Section is intended or shall be construed to limit any other rights of PGH under this Agreement.

9.2. No abatement of any payments by the Operator shall be claimed by or allowed to the Operator by reason of the exercise of any of the rights set forth in this Section 9; provided, however, that in the exercise of the foregoing rights, PGH shall not materially interfere in the Operator's business activities nor shall PGH assert any non-performance by the Operator of its responsibilities hereunder as a result of the exercise by PGH of such rights.

9.3. Nothing in this Section shall impose or shall be construed to impose upon PGH any obligations to construct or maintain or make repairs, replacements, alterations, additions, or improvements or shall create any liability for any failure to do so. PGH agrees that it will make ordinary inspections and undertake other non-emergency activities only at reasonable times, provided, however, that nothing in this Section shall be construed to limit or diminish PGH's right of entry at any time in an emergency, as determined by PGH.

---

## *10. Use of Common Area Facilities*

---

10.1 Subject to the terms of this Agreement and the rules and regulations made pursuant to Section 14, the Operator shall have for itself and its officers, agents and employees and for the use of Persons having business with it and in connection with the supply and performance of the Services non-exclusive rights to use, in common with all others entitled thereto, the part of the Common Area Facilities appropriate and intended for such use, in every case only for their proper and intended purposes (with the exception of parts of the Common Area Facilities from time to time allocated by PGH, in its sole discretion, to others for additional or other use, such as displays, entertainments, temporary structures, special features, rights of way or common usage) and during such hours as the Complex may be open for business as determined by PGH from time to time. In connection therewith, the Operator (and its customers, employees and invitees) shall keep the lobbies, hallways, common rooms, driveways, parking lots, entrances and exits and all other Common Area Facilities unobstructed.

---

### *11. Parking*

---

11.1 The Operator, its employees, suppliers and other persons having business with the Operator shall be permitted to use the Parking Facilities as such may be designated and changed from time to time by PGH subject to payment of the fees established from time to time by PGH or the operator of the Parking Facilities. The Operator and employee parking shall be limited to specified times and places, arranged so as to cause minimal interference to business within the Complex. Parking shall be regulated by PGH or an independent contractor for PGH, in a reasonable manner and the Operator and its employees, suppliers and other persons shall abide by such regulations as may from time to time be established by PGH or its independent contractor. If requested by PGH or its independent contractor, the Operator shall supply its employees' automobile licence numbers to PGH. No motor vehicle other than a private passenger automobile, station wagon and sport utility vehicle or van shall be parked on or in any part of the Common Area Facilities of the Complex, including the Parking Facilities, nor shall any repairs of a vehicle be made to any motor vehicle in or on any of the Common Area Facilities, including without limitation the Parking Facilities, and no motor vehicle shall be driven on any part of the Common Area Facilities other than on a driveway or in the Parking Facilities. It is understood and agreed that PGH is not responsible for theft of or damage to the vehicle or its equipment or articles left in the vehicle.

---

### *12. Permits and Licenses*

---

12.1. The Operator shall obtain and maintain, at its sole expense, any permits and licenses that may be required for the performance of the Services. The Operator shall use its best efforts to deliver copies of all such permits or licenses to PGH not less than thirty (30) days prior to the Hotel Opening Date and thereafter from time to time upon request.

---

### *13. Taxes*

---

13.1. The Operator shall pay as and when the same are due and payable all business taxes including all taxes charged in respect of or reasonably allocated by PGH to the business conducted by the Operator pursuant to this Agreement or in respect of any use or occupancy of the Facilities, whether or not charged against PGH or the Facilities. If a separate bill is not issued by the taxing authority for business taxes, the Operator shall pay the Operator's share of such taxes as security determined and allocated by PGH. The Operator shall also pay and be responsible for, as and when due, all taxes payable by the Operator in respect of the net income of the Operator derived from the performance of the Services.

---

### *14. Rules and Regulations*

---

14.1. The Operator covenants and agrees to comply with and abide by the rules and regulations attached hereto as Appendix "F" and to cause such rules and regulations to be observed and performed by the Operator, its employees, servants, agents and invitees. PGH shall have the right to make or adopt such further and other reasonable rules and regulations relating to the Facilities and/or the Common Area Facilities and other common areas of the Complex as in its judgement may from time to time be deemed necessary for the proper operation of the Complex. All of such rules and regulations now or hereafter in force shall be read as forming part of the terms and conditions of this Agreement as if the same were embodied herein and such new rules and regulations shall be binding upon the Operator upon mailing a copy thereof to the Operator or by posting the same in a conspicuous place or places within the Complex. For the enforcement of such rules and regulations, PGH shall have available to it all remedies in this Agreement provided for breach thereof. All such rules and regulations may differentiate in their application to different types of business conducted in premises in the Complex, and PGH shall not be responsible to the Operator nor obliged to enforce any such rules and regulations in the event of their actual or apparent non observance, breach or violation by any other tenant in the Complex provided same does not interrupt the Operator from carrying out its services under this Agreement.

#### 14.2. PGH Operational Requirements

The Operator agrees that in connection with the performance of the Services the Operator will comply with all directives, policies and procedures as PGH while acting reasonably may determine from time to time in order to ensure that the operation of the Hotel by PGH, and the performance of the Services by the Operator, are consistent, efficient, seamless and totally integrated (the "PGH Operational

Requirements"). All of such Operational Requirements now or hereafter in force shall be read as forming part of the terms and conditions of this Agreement as if the same were embodied herein and such Operational Requirements shall be binding upon the Operator upon mailing a copy thereof to the Operator or by posting the same in a conspicuous place or places within the Facilities. For the enforcement of such Operational Requirements, PGH shall have available to it all remedies in this Agreement provided for breach thereof.

---

### 15. *Union Affiliations*

---

15.1. All Persons employed by the Operator in connection with the performance of the Services shall have such labour union affiliation as may be required by PGH and the Owner.

---

### 16. *Utilities*

---

#### 16.1. Utilities

The Operator shall pay and be responsible for all electric, gas, heat, water, sewer and other utilities used and consumed in or on the Facilities or used or consumed in the performance of the Services. The Operator shall also be responsible for providing and installing all separate utility lines and meters as are necessary for the delivery of the Services under this Agreement. The Operator is responsible for its telephone internet lines and service.

#### 16.2. Utility Maintenance

The Operator shall be responsible for maintaining and repairing all utility lines and utility service equipment within the Facilities. For the purposes of this Section, the point at which responsibility shall pass from PGH to the Operator is the point at which the utility service line enters into the wall of the Facilities.

#### 16.3. PGH Limited Liability

Anything herein to the contrary notwithstanding, PGH shall not be liable or responsible for any failure to furnish utility services, whether occasioned by strike or other work stoppage; federal, provincial or local government action; breakdown or failure of apparatus, equipment or machinery employed in supplying the said services; any temporary stoppage for the repairs, improvements or enlargement thereof or any act or condition beyond its reasonable control. PGH shall not be responsible for any goods, products or equipment stored at the Facilities, nor will PGH be responsible for damage resulting from a power failure, flood, fire, explosion and/or other causes.

#### 16.4. Right to Suspend Utilities

In order to effect any maintenance, repairs, replacements, alterations or improvements to any utilities in the Complex or any part thereof, PGH shall have the right upon not less than forty-eight (48) hours' prior written notice (except in the case of an emergency, real or apprehended, in which case no notice shall be required), without liability whatsoever and without thereby constituting an interference with the Operator's rights under this Agreement or a breach by PGH of this Agreement, and without thereby entitling the Operator to any rights or compensation in respect thereof, to temporarily discontinue, suspend or modify any of the utilities at such reasonable time or times and from time to time as PGH, acting reasonably, shall deem necessary. PGH covenants and agrees to exercise such rights herein expeditiously and as prudently as possible so as to minimize any disruption of or inconvenience to the Operator.

#### 16.5. Telephone and Communications Services

The Operator shall not utilize any telephone or other network and telecommunications services (other than Complex standard telephone services) ("Telecom Services") which require any wiring or wireless or other connection or any transmission services to or from or within the Facilities or any part of the Complex without PGH's prior written consent, which may not be unreasonably withheld, conditioned or delayed. At PGH's option, any third party service provider shall, as a condition to being permitted to provide such service to the Facilities enter into a licence agreement with PGH, on PGH's standard form, entitling such party to connect to or transmit to or from or within the Facilities. Any costs incurred by PGH in documenting such agreement shall be paid for by the Operator on demand.

### 16.6. Energy Conservation

The Operator shall comply with any practices or procedures that PGH, the City or any Authority may from time to time introduce to conserve or to reduce consumption of energy or to reduce or control costs and shall pay the costs of the additional energy in a reasonable manner and PGH may use such expert as it may choose to assist it in making such determination. The Operator shall also convert to whatever system or units of measurement of energy consumption PGH may from time to time adopt.

---

## 17. Repairs and Maintenance

---

### 17.1. Operator Obligations

The Operator shall, at all times during the Term, at its own cost and expense, replace, repair, maintain and keep the Operator Built Facilities, including, without limitation, heating, ventilating and air conditioning exclusively serving the Operator Built Facilities, plumbing and electrical equipment, doors and hardware attached thereto, plate glass and fixtures within the Operator Built Facilities or elsewhere and all Improvements on or in the Operator Built Facilities or used for the exclusive benefit thereof, in first class condition and in a manner consistent with the highest standards established and maintained by PGH with respect to the Hotel, and the Operator covenants to perform such maintenance, and to effect such repairs and replacements, at its own cost and expense as and when necessary or as and when required to do so by PGH. The Operator shall also complete, at its sole expense, to the standards set forth above and to the satisfaction of PGH, all repairs and replacements to the PGH Built Facilities, including all Improvements installed therein or serving the PGH Built Facilities, if such repairs or replacements relate to damage caused by the Operator, its agents employees, servants, operators or invitees. Notwithstanding anything else contained herein, PGH shall at all times have the right, but not the obligation, upon ten (10) days prior written notice to the Operator, to elect in its sole discretion to perform or cause repairs, maintenance or replacements to be undertaken and to charge the Operator the full cost thereof, together with a supervision fee equal to fifteen (15%) percent of such costs. Should PGH deem it necessary to undertake any repairs or to do anything which is required to be undertaken or done by the Operator under this Agreement then the Operator shall pay to PGH as a fee for supervision for carrying out the Operator's obligation an amount equal to fifteen percent (15%) of the monies expended or of the cost of repairs or other work carried out by or under the supervision of PGH which amount shall in addition to the cost of such work or monies expended.

### 17.2. Operator's Repairs

The Operator shall, prior to making any repairs to the Operator Built Facilities, or Operating Equipment, other than emergency repairs, consult with PGH to determine whether PGH wishes to make the repairs with its own personnel and charge the Operator for all of the costs thereof. In the event PGH elects not to make the repairs, the Operator shall proceed to do so; provided, however, that all contractors, suppliers and tradesmen shall have such union affiliations as may be acceptable to PGH and the Owner. All work done by the Operator, or on its account, shall be of first class quality in both materials and workmanship, shall conform to Applicable Laws and shall be subject to PGH's prior written approval and which approval shall not be unreasonably withheld or delayed

### 17.3. PGH May Perform Obligations

In the event that the Operator refuses or neglects to make the repairs and maintenance specified in this Section 17, to the extent the Operator is obligated to do so under this Agreement and after receipt of written notice by PGH to the Operator regarding the same; or if PGH is required to make any repairs to any of the Facilities, including the PGH Built Facilities, necessitated by the negligent acts or omissions of the Operator, its employees, agents, servants, operators or invitees, PGH shall have the right, but shall not be obligated, to make such repairs on behalf of or for the account of the Operator. In the event that PGH shall make such repairs, such work shall be paid for by the Operator upon receipt of a statement therefore in the amount of PGH's costs plus a supervision fee equal to fifteen (15%) of all such costs.

---

## 18. Alterations and Repairs by the Operator

---

### 18.1. Alterations and Repairs

The Operator may alter, modify, or make non-routine repairs to or installations at the Operator Built

Facilities or install any fixtures therein, only with the prior written consent of PGH and, if required, the Owner which consent shall not be unreasonably withheld or delayed. In the event the Operator is required or permitted by PGH and the Owner to make alterations, non-routine repairs, modifications, or installations at or to the Facilities, such work shall be built or made strictly in accordance with the following terms and conditions, and no such work or contracts or subcontracts for the same shall be entered until the Operator has established to PGH's reasonable satisfaction that the following terms and conditions have been fully and appropriately satisfied.

- (a) Before the commencement of such work, (i) conceptual/schematic, preliminary and final detailed plans (which shall include samples of colors and materials), and specifications shall be filed with and approved by PGH and all governmental departments or authorities having jurisdiction, (ii) all such work shall be done subject to and in accordance with the requirements of Applicable Laws and, when required, each affected public utility company, and (iii) all work shall be fully coordinated with scheduled Hotel events and with the construction, remodeling, repair and other work being performed by others at the Hotel.
- (b) Before the commencement of such work, the Operator shall obtain, and provide to PGH for approval, payment and performance bonds to the extent reasonably required by PGH or the Owner.
- (c) The Operator shall pay and ensure that its construction contractors and subcontractors utilize workmen and labourers if applicable, whose union affiliation are approved by PGH and the Owner
- (d) The Operator shall obtain insurance as required by PGH and provide evidence thereof to PGH, against all liabilities and claims potentially arising out of or related to the work contemplated by this Section 18. PGH shall be notified of all such work prior to commencement of the work and, upon receipt of notice thereof, will require appropriate insurance of the Operator and/or the Operator's subcontractors. Insurance requirements may include, without limitation, Builders' Risk and an Installation Floater covering the property and equipment, with PGH listed as an Additional Insured, and professional insurance covering all engineering and architectural work. All subcontractors and subconsultants are required to procure and maintain the same coverages required of the Operator, as applicable to the scope of work. All coverages related to the subject work shall be kept in full force at all times during the work, warranty period, and ~~for two (2) years after termination of this Agreement.~~ Evidence of coverage must be submitted to PGH before commencement of such work. Neither the obligation to obtain such insurance nor the obtaining of such insurance shall relieve or lessen the Operator's indemnification of PGH, except to the extent of payment under policies of such insurance.
- (e) Such work shall be performed in a first class workmanlike manner and in accordance with the plans and specifications approved for the same and by operators satisfactory to PGH. The Operator shall redo or replace, at its sole cost and expense, prior to or after completion of such work, any work as determined by PGH which is not completed in accordance with such plans and specifications as approved by PGH.
- (f) The Operator shall, at its sole cost and expense, submit to PGH as soon as practicable following final completion of such work as described hereinabove, the following: (i) written notice of completion indicating the effective date of completion of said work; (ii) an itemized statement of the costs incurred by the Operator for such work with invoices attached and showing a breakdown of costs in fixed or movable improvements and/or equipment; (iii) one set of as built plans showing the improvements as constructed; and; (iv) a schedule of equipment listing serial numbers and location of each item.
- (g) Unless otherwise approved in writing by PGH, the Operator shall be the sole owner of all fixtures, equipment and other personal property situated in or upon the Facilities or used in the performance of the Services and no such fixtures, equipment or other personal property shall be leased or subject to any conditional sale or security agreement of any kind whatsoever.

- (h) The risk of loss or damage to all such required or permitted repairs, alterations, modifications or installations prior to completion thereof shall be upon the Operator and the Operator shall, at its own cost and expense, replace and repair any and all such damage in accordance with the provisions of this Section.

### 18.2. Ownership of Improvements

All Improvements installed in the Facilities by the Operator, or by PGH on the Operator's behalf, shall forthwith upon the installation thereof become the absolute property of PGH without compensation thereof but without PGH's having or thereby accepting any responsibility in respect of the maintenance, repair or replacement thereof, all of which shall as set out in Section 17.1.

### 18.3. Construction Liens

In the event of the registration of any lien, charge or other encumbrance against the Facilities or the Complex for work or services performed or material supplied at the request of or on behalf of the Operator, the Operator shall at its own expense immediately cause the same to be discharged within thirty (30) days after receipt of written notice from PGH.

---

## 19. Damage and Destruction

---

### 19.1. Termination and Abatement

- (a) If and whenever by any cause, the Facilities or the Hotel shall be destroyed or suffer substantial damage such as to render them untenable in whole or in substantial part, and in such case, in <sup>PH/S</sup> the opinion of the Architect, the Facilities or the Hotel shall be incapable of being rebuilt and/or repaired or restored with reasonable diligence within one hundred and eighty (180) of the happening of such destruction or damage or in the event the Owner terminates the Lease as a result of the occurrence of such loss or damage, then PGH may at its option terminate this Agreement upon not less than thirty (30) days' written notice to the Operator given within ninety (90) days after the happening of such destruction or damage, in which event the Operator shall upon the expiration of the period stipulated in such notice surrender the Facilities to PGH and this Agreement shall terminate accordingly.
- (b) If and whenever by any cause, twenty-five percent (25%) or more of the Hotel has been destroyed or damaged (whether or not the Facilities are damaged), and in the opinion of the Architect, the area damaged shall be incapable of being rebuilt and/or repaired or restructured with reasonable diligence within twenty-four (24) months of the occurrence of such damage or destruction or if the Lease is terminated by the Owner, then PGH may at its option terminate this Agreement upon not less than thirty (30) days' written notice to the Operator given within ninety (90) days after the happening of such destruction or damage, in which event the Operator shall upon the expiration of the period stipulated in such notice surrender the Facilities to PGH and this Agreement shall terminate accordingly.
- (c) If and whenever by any cause for which PGH is or is required by the terms of this Agreement to insure for, the Hotel and improvements in the Complex or the Facilities are destroyed or damaged and this Agreement shall not have been terminated pursuant to Sections 19.1(a) or 19.1(b) hereof, PGH shall: (i) repair the building and the improvements in the Complex including the PGH Built Facilities to the extent of PGH's Work described in Schedule "C" of this Agreement, (ii) repair and replace the Improvements installed by or on behalf of the Operator in the Operator Built Facilities, but only to the extent of the insurance proceeds received by PGH in respect thereof and (iii) repair and replace the Operating Equipment but only to the extent of the insurance proceeds received by PGH in respect thereof and the Operator shall do all other items of work necessary to properly make the Operator Built Facilities ready for the performance of the Services in accordance with the requirements of this Agreement, including restoring of all Improvements and Operating Equipment to the extent that the insurance proceeds received by PGH in respect thereof are not sufficient to cover the actual costs of repair or replacement. If PGH is required to rebuild or replace the Complex, it shall have the right to rebuild the Complex with a different configuration, size and design and using different plans and specifications from the original Complex.
- (d) In the event that the Lease is terminated during the Initial Term as a result of a peril insured against by PGH, PGH shall pay and remit to the Operator: (i) such portion of all of all insurance proceeds received by PGH in respect of the Operating Equipment that is in the same proportion

that the unamortized cost of the Operating Equipment provided by the Operator (determined on the basis of a straight line amortization over a period of ten (10) years commencing on the Commencement Date) bears to the original costs incurred by the Operator with respect to the supply and/or installation of the Operating Equipment; and (ii) such portion of all insurance proceeds received by PGH in respect of the Leasehold Improvements that were installed by or on behalf of the Operator at the Operator's cost that is in the same proportion that the unamortized cost of such Improvements (determined on the basis of a straight line amortization over a period of ten (10) years commencing on the Commencement Date) bears to the original costs incurred by the Operator with respect to the supply and/or installation of such Improvements.

---

## *20. Insurance, Liability and Bonds*

---

### 20.1. Insurance Requirements

1. **General Conditions:** The Operator agrees to secure, on or before the Possession Date, the following insurance covering all operations, goods or services provided pursuant to this Agreement. The Operator shall keep the required insurance coverage in force at all times during the Term of this Agreement, or any extension thereof, during any warranty period. The required insurance shall be underwritten by an insurer licensed or authorized to do business in the Province of Ontario and having such rating as may be satisfactory to PGH, acting reasonably. Each policy of insurance must provide that not less than thirty (30) days prior written notice of cancellation, non-renewal and any reduction in coverage will be provided to PGH. The Operator shall be responsible for the payment of any deductible. The insurance coverages specified in this Agreement are the minimum requirements, and these requirements do not lessen or limit the liability of the Operator. The Operator shall maintain, at its own expense, any additional kinds or amounts of insurance that it may deem necessary to cover its obligations and liabilities under this Agreement.
2. **Proof of Insurance:** PGH's acceptance of a certificate of insurance or other proof of insurance that does not comply with all insurance requirements set forth in this Agreement shall not act as a waiver of the Operator's breach of this Agreement or of any of PGH's rights or remedies under this Agreement. PGH may require additional proof of insurance, including proof of endorsements. In addition, in the event a claim results in a dispute over coverage under a policy required by this Agreement, the Operator shall provide PGH with a copy of the relevant provisions of the subject policy.
3. **Additional Insureds:** For Commercial General Liability, Liquor Legal Liability and Auto Liability, the Operator's insurer(s) shall name PGH, the Owner, the City and the Manager and their respective directors, officers, officials, agents and employees as additional insureds.
4. **Waiver of Subrogation:** For all coverages, the Operator's insurer(s) shall be required to provide a waiver of subrogation rights against PGH, the Owner, the City, the Manager and their respective directors, officers, officials, agents and employees.
5. **Workers' Compensation:** The Operator shall maintain the coverage as required by workers' compensation laws of the Province of Ontario.
6. **Commercial General Liability:** the Operator shall maintain a Commercial General Liability insurance policy with limits of \$10,000,000 for each occurrence, \$10,000,000 for each personal and advertising injury claim, \$5,000,000 products and completed operations aggregate, and \$20,000,000 policy aggregate.
7. **Liquor Legal Liability:** the Operator shall maintain limits of \$10,000,000 per claim and \$20,000,000 policy aggregate limit, which coverage may be provided pursuant to the Commercial General Liability insurance policy described above provided that a limit of \$10,000,000 specific to liquor liability is included in said policy.
8. **Business Automobile Liability:** the Operator shall maintain Business Automobile Liability with limits of \$5,000,000 combined single limit applicable to all owned, hired and non-owned vehicles used in performing services under this Agreement

## 9. Additional Provisions:

- (a) For Commercial General Liability, the policies must provide the following:
- (i) That this Agreement is an Insured Contract under the policy;
  - (ii) Defense costs are in excess of policy limits;
  - (iii) A severability of interests or separation of insureds provision (no insured vs. insured exclusion); and
  - (iv) A provision that coverage is primary with other coverage or self-insurance maintained by PGH.
- (b) For claims made coverage the retroactive date must be on or before the contract date or the first date when any goods or services were provided to PGH, whichever is earlier.
- (c) The Operator shall advise PGH in the event any general aggregate or other aggregate limits are reduced below the required per occurrence limits. At their own expense, and where such general aggregate or other aggregate limits have been reduced below the required per occurrence limit, the Operator will procure such per occurrence limits and furnish a new certificate of insurance showing such coverage is in force.

## 20.2. PGH Insurance

PGH shall maintain, at its sole cost and expense, insurance with respect to (i) the Improvements installed in or upon the Contractor Built Facilities and (ii) the Operating Equipment, on a replacement cost basis, with respect to fire and other insured perils that are maintained by prudent operators of hotels in Toronto, Ontario.

## 20.3. Indemnification

The Operator shall indemnify and hold harmless and defend PGH, the Owner, the City and the Manager and their respective directors, officers, officials, agents and employees (the "Indemnified Persons") from and against any and all claims, liability or loss of any nature or kind whatsoever arising out of or relating to the Operator's use or occupancy of the Facilities or the supply and performance of the Services. This indemnity shall be interpreted to indemnify each of such Indemnified Persons for any acts or omissions of the Operator, its agents, employees, operators, invitees or licensees, whether passive or active, irrespective of fault, including the concurrent negligence of any Indemnified Person, whether active or passive; provided however, that the Operator shall not be required to indemnify or save harmless an Indemnified Person from liability or damages to the extent arising from the gross negligence or willful misconduct of such Indemnified Person. Defense costs coverage must be included in the liability coverage provided for PGH, the Owner, the City, the Manager and their directors, officers, officials, agents and employees as additional insureds.

---

## 21. Termination by PGH

---

## 21.1. Grounds for Termination

If any one or more of the following shall occur (each, an "Event of Default"), PGH may at its option terminate this Agreement by written notice of termination delivered to the Operator at its address set forth herein which notice shall be deemed given when received.

- (a) The Operator fails to observe or perform any of its obligations under this Agreement other than a default in the payment of License Fees and other than a default described in a Default Notice, and such default continues for thirty (30) days (or such longer period as reasonably required to remedy such default if it cannot, with reasonable diligence, be remedied within such thirty (30) day period, provided that during such thirty (30) day period the Operator commences, and thereafter diligently pursues to complete, remedying such default), or such shorter period as expressly provided herein, after written notice to the Operator specifying the nature of the default and requiring it to be remedied;
- (b) The Operator fails to remedy a default specified in a Default Notice and, as a result, PGH is entitled to terminate this Agreement (pursuant to Section 4.1(d));

- (c) The Operator becomes bankrupt or insolvent or takes the benefit of any statute for bankrupt or insolvent debtors or makes any proposal, an assignment or arrangement with its creditors, or any steps are taken or proceedings commenced by any Person for the dissolution, winding-up or other termination of the Operator's existence or the liquidation of its assets;
- (d) A trustee, receiver, receiver/manager, or a Person acting in a similar capacity is appointed with respect to the business or assets of the Operator;
- (e) The Operator makes a sale in bulk of all or a substantial portion of its assets other than in conjunction with a Transfer approved by PGH;
- (f) This Agreement or any of the Operator's assets are taken under a writ of execution and such writ is not stayed or vacated within 15 days after the date of such taking;
- (g) The Operator makes a Transfer other than in compliance with the provisions of this Agreement;
- (h) The Operator abandons or attempts to abandon the Facilities or the Facilities become vacant or unoccupied for a period of three (3) consecutive days or more without the prior written consent of PGH or if the Operator ceases to perform or abandons performance of the Services for two (2) consecutive days or more without the prior written consent of PGH or if the Operator ceases to perform the Services or abandons the performance of the Services during any day or part thereof on more than two (2) occasions in any Contract Year;
- (i) Any insurance policy covering any part of the Hotel is, or is threatened to be, cancelled or adversely changed (including a substantial premium increase which the Operator is unwilling or unable to pay upon demand) as a result of any action or omission by the Operator or any person for whom it is legally responsible;
- (j) Any delay contemplated in Section 3.6 which entitles PGH to terminate this Agreement;
- (k) If the Liquor License required to be obtained and maintained by the Operator is suspended, restricted or cancelled such that PGH has the right to terminate this Agreement pursuant to Section 4.1(c);
- (l) The Facilities shall be used by any Person other than the Operator or for any purpose other than the performance of the Services;
- (m) If the Services are performed by a Person other than the Operator, its servants and employees;
- (n) If the Second Floor Lease is terminated for any reason whatsoever;
- (o) If the Ground Floor Lease is terminated for any reason whatsoever;
- (p) If the Operator is in default under any other agreement relating to the Facilities; or

PGH shall also have the right to terminate this Agreement in the event the Lease is terminated for any reason whatsoever with the result that the operation of the Hotel is terminated.

21.2. If any of the events enumerated in Paragraphs (c), (d) or (f) of Section 21.1 shall occur with respect to any of the shareholders of the Operator who have effective voting control of the Operator, then upon the occurrence of any such event or at any time thereafter during the continuance thereof, PGH may at its option terminate this Agreement by written notice of termination to the Operator.

21.3. Upon the occurrence of an Event of Default and upon the termination of this Agreement pursuant to any other provision hereof, PGH may at any time thereafter, without notice to the Operator, re-enter the Facilities or any part thereof in the name of the whole and terminate this Agreement and all of the rights and privileges of the Operator hereunder. If and whenever PGH exercises its option to re-enter the Facilities and terminates this Agreement pursuant to this Section 21.3:

- (i) the Operator shall immediately vacate the Facilities and PGH may remove or cause to be removed from the Facilities the Operator or any other occupant or occupants thereof and may remove all personal property of the Operator therefrom and sell or dispose of it in such manner and on such terms as PGH considers appropriate without liability for loss or damage and without prejudice to the rights of PGH to recover arrears of License Fees or losses and damages incurred by PGH as a result of the Operator's default;

- (ii) PGH shall be immediately entitled to the payment of License Fees up to the date of termination together with all costs and expenses incurred by PGH in connection with such termination.

21.4. If the Operator shall be in default of any of its covenants and obligations hereunder PGH may perform the Operator's covenants for the account of the Operator and may enter upon, use and occupy the Facilities for such purpose, and shall not be liable to the Operator for any loss or damage caused by acts of PGH in remedying such default, and the Operator shall promptly pay to PGH the amount of all costs, charges and expenses incurred by PGH in connection with such default or in curing or attempting to cure such default, and in the enforcement of any provisions hereof, together with a supervision fee in the amount of fifteen percent (15%) of such costs.

#### 21.5. INTENTIONALLY DELETED

#### 21.6. PGH Forbearance

In the event an Event of Default described in Section 21.1(a), but expressly excluding any other Event of Default described in Section 21.1, shall occur and the Operator fails to cure the default within the thirty (30) day cure period specified therein, the Operator may, subject to PGH's prior written approval, attempt to complete a Transfer of the rights, benefits and obligations of the Operator under this Agreement to an arm's length third party (as determined in accordance with the provisions of the Income Tax Act (Canada), subject to the following conditions:

- (a) such Transfer shall be completed within sixty (60) days after the expiry of the thirty (30) day cure period described in Section 21.1(a); or such later date as may be agreed upon
- (b) the consent of PGH and, if required, the consent of the Owner, shall have been obtained and all terms and conditions of Sections 21.7 and 21.8 hereof, shall have been satisfied and fulfilled;
- (c) the Operator shall have paid and satisfied any and all amounts owing to PGH up to and including the closing date of such Transfer;
- (d) PGH shall have been provided with true copies of the purchase agreement, statement of adjustments and all other closing documents as may be requested by PGH; and
- (e) the purchase price payable to the Operator by the arm's length third party shall on closing be paid and directed to the Operator, as to 50%, and to PGH, as to 50%, after deducting reasonable legal fees and commissions of the Operator in respect of such Transfer.

#### 21.7. Conditions of Transfer

- (a) Any consent by PGH to a Transfer shall be subject to the following express conditions and the conditions set out in Section 21.8:
  - (i) the Transferee shall have executed an assumption agreement directly with PGH agreeing to be bound by this Agreement provided however, that the Operator shall remain jointly and severally liable with the Transferee for the fulfillment of all obligations of the Operator under this Agreement;
  - (ii) the Transferee shall have executed an assumption agreement directly with PGH agreeing to be bound by this Agreement provided however, that the Operator shall remain jointly and severally liable with the Transferee for the fulfillment of all obligations of the Operator under this Agreement;
  - (iii) that PGH's consent and assumption agreement is prepared at the Operator's expense by PGH's solicitors on PGH's form;
  - (iv) the consent of PGH is not a waiver of the requirement of PGH's consent for subsequent Transfers;
  - (v) if the Transfer does not take place within sixty (60) days of the giving of consent by PGH or such later date as may be agreed upon, the consent shall expire and become null and void.

- (b) PGH shall not be liable for any claims or actions by or for any damages, liabilities, losses or expenses of the Operator arising out of PGH unreasonably withholding its consent to any Transfer and the Operator's only recourse shall be to bring an application for a declaration that PGH shall grant its consent to such Transfer.

#### 21.8. Additional Conditions of Transfer

It is a condition of any Transfer that:

- (a) Unless otherwise agreed the Operator shall Transfer all of its right, title and interest in and to the Ground Floor Lease and all of its right, title and interest in and to all of the assets and undertaking of the restaurant business operated at and from the Ground Floor Premises to the same Transferee of this Agreement,
- (b) Unless otherwise agreed the Operator shall Transfer all of its right, title and interest in and to the Second Floor Lease and all of its right, title and interest in and to all of the assets and undertaking of the restaurant business operated at and from the Second Floor Premises to the same Transferee of this Agreement;
- (c) Unless otherwise agreed PGH and, if required, the Owner, shall have consented to the Transfer of the Ground Floor Lease and the Second Floor Lease Agreement; and
- (d) Unless otherwise agreed there is not at the time of the Transfer of this Agreement any default by the Tenant under the Ground Floor Lease or the Second Floor Lease nor shall have any event occurred which with notice or lapse of time or both would constitute such a default.

21.9. The Operator shall, from time to time and within ten (10) days after PGH's written request, permit PGH and any other Person designated by PGH to view, at the Operator's offices, such financial and other information as is reasonably required by PGH or such other Person to satisfy itself as to the financial position of the Operator and the continued ability of the Operator to perform all of its covenants and obligations under this Agreement.

---

#### 22. Non-Waiver by PGH

---

22.1. A failure by PGH to take any action with respect to any default or violation by the Operator of any of the terms, covenants, or conditions of this Agreement shall not in any respect limit, prejudice, diminish, or constitute a waiver of any rights of PGH to act with respect to any prior, contemporaneous, or subsequent violation or default or with respect to any continuation or repetition of the original violation or default. The acceptance by PGH of payment for any period or periods after a default or violation of any of the terms, conditions, and covenants of this Agreement shall not constitute a waiver or diminution of, nor create any limitation upon any right of PGH pursuant to this Agreement to terminate this Agreement for such violation or default or for continuation or repetition of the original violation or default.

---

#### 23. Prohibition on Transfers

---

23.1. The Operator shall not suffer or permit any Transfer to occur without the prior written consent of PGH which consent may be arbitrarily withheld. For such purpose, the Operator shall provide, upon request, access to all of the corporate minute books and records of the Operator or any of its Affiliates in order to determine whether or not a Transfer has occurred.

---

#### 24. Operator an Independent Operator

---

24.1. It is understood and agreed that nothing herein contained is intended or shall be construed to in any way create or establish the relationship of co-partners between PGH and the Operator or as constituting the Operator as a representative or agent of PGH for any purpose whatsoever.

---

**25. Surrender of Facilities**

---

25.1. The Operator covenants and agrees to yield and deliver peaceably to PGH possession of the Facilities, all Improvements and all Operating Equipment therein or thereon upon the termination or expiration of this Agreement promptly and in good condition, order and repair, except for reasonable wear and tear.

---

**26. No Personal Liability**

---

26.1. No shareholder, director, officer, agent or employee of PGH shall be charged personally or held contractually liable by or to the Operator under any term or provision of this Agreement or because of any breach thereof or because of its or their execution, approval or attempted execution of this Agreement.

---

**27. Damages**

---

27.1. Under no circumstances whatsoever shall PGH be liable to the Operator or to any other Person for any punitive, incidental or consequential damages arising out of this Agreement or any other transaction(s) between the parties hereto. Each party shall use commercially reasonable efforts to mitigate losses resulting from a breach or early termination of this Agreement.

27.2. PGH shall not be liable to the Operator for any damage to any property of the Operator at any time due to water, rain, snow, or any other substance which may leak into, issue, or flow from any part of the Hotel or from the pipes or plumbing works of same or from any other place.

---

**28. Unavoidable Delay**

---

28.1. Notwithstanding anything else contained in this Agreement, if PGH or the Operator is, in good faith, delayed or prevented from doing anything required by this Agreement because of a strike; labour trouble; inability to get materials or services; power failure; riots; insurrection; sabotage; rebellion; war; act of God; or any other similar reason ("Unavoidable Delay"), that is not the fault of the party delayed (excepting in all cases insolvency or lack of funds) the doing of the thing is excused for the period of the delay and the party delayed will do what was delayed or prevented within the appropriate period after the delay. The preceding sentence does not excuse the Operator from payment of any License Fees and other amounts payable to PGH hereunder at the times specified in this Agreement.

28.2. Except as otherwise expressly provided in this Agreement, no abatement, diminution or reduction of the License Fees or other payments or charges payable by the Operator shall be claimed by or allowed to the Operator for any inconvenience, interruption, cessation, or loss of business or other loss caused, directly or indirectly, by any present or future laws, rules, requirements, orders, directives, ordinances or regulations of Canada, or of the Province of Ontario, or City of Toronto, or any other lawful authority whatsoever, or by priorities, rationing, or curtailment of labor or materials, or by war or any matter or thing resulting therefrom, or by any other cause or causes beyond the control of PGH, nor shall this Agreement be affected by any such causes.

---

**29. Trademarks and Copyrighted Products**

---

29.1. The Operator expressly understands and acknowledges each of the matters set out below.

- (a) PGH is the owner of the name "Hotel X" and all trademarks registered or pending in respect thereof (the "Marks").
- (b) The Marks, once formally registered, will be valid and serve to identify the Hotel.
- (c) The Operator will not directly or indirectly contest the validity or the ownership of the Marks.
- (d) The Operator's use of the Marks pursuant to this Agreement does not give the Operator any ownership interest or other interest in or to the Marks.

- (e) Any and all goodwill arising from the Operator's use of the Marks pursuant to this Agreement will accrue solely and exclusively to PGH's benefit, and upon expiration or termination of this Agreement, no monetary amount will be paid or attributable to any goodwill associated with the Operator's use of the Marks.
- (f) PGH reserves the right to substitute different names and Marks for use in identifying the Hotel or the Complex.
- (g) The Operator will not register or attempt to register the Marks in the Operator's name or that of any other person, firm, entity or corporation. The prohibition in this Article will not prevent or inhibit the Operator from complying with any legislation requiring registration of a business, trade or fictitious name of the Operator.

29.2. The Operator acknowledges that PGH is the owner of the copyright in all systems, binders, videotapes, software, and printed materials utilized in the performance of the Services (collectively, the "Copyrighted Materials"). The Operator acknowledges that the Operator's right to use the Copyrighted Materials is derived solely from this Agreement and is limited to the supply of the Services by the Operator pursuant to and in compliance with this Agreement. Any unauthorized use of any of the Copyrighted Materials by the Operator will be an infringement of PGH's rights in and to the Copyrighted Materials and will constitute a breach of this Agreement. The Operator will ensure that all materials used by the Operator in the performance of the Services bear whatever copyright notice as may be prescribed from time to time by PGH.

---

### *30. Hazardous Substances*

---

30.1. As used in this Agreement, the following terms shall have the following definitions: (a) "Environmental Laws" means any federal, provincial, and local statute, law, ordinance, regulation, rule, resolution, order, determination, writ, injunction, common law ruling, award, judgments and decrees, relating to the remediation, generation, production, installation, use, storage, treatment, transportation, Release, threatened Release, or disposal of Hazardous Substances, or the protection of human health, safety, natural resources, animal health or welfare, or the environment; (b) "Hazardous Substances" means any substance, chemical, compound, product, solid, gas, liquid, waste, by-product, pollutant, contaminant or material that is listed, classified or regulated pursuant to any Environmental Law; and (c) "Release" means any presence, emission, spill, seepage, leak, escape, leaching, discharge, injection, pumping, pouring, emptying, dumping, disposal, migration, or release of Hazardous Materials from any source into or upon the environment, including the air, soil, improvements, surface water, groundwater, the sewer, septic system, storm drain, publicly owned treatment works, or waste treatment, storage, or disposal systems. The Operator, in performing the Services and its associated rights and obligations under this Agreement, shall comply with all Environmental Laws, including but not limited to Environmental Laws regarding the storage, use, and disposal of Hazardous Materials and regarding Releases or threatened Releases of Hazardous Materials into the environment.

---

### *31. Interpretation*

---

#### **31.1. In General**

It is the intention of the parties hereto that the language hereof, and in all parts of this Agreement shall be in all cases construed simply according to their fair meaning and not strictly for or against either PGH or the Operator.

#### **31.2. Law Governing Interpretation**

PGH and the Operator agrees that any litigation filed by either as a result of any breach of contract or other matter arising out of this Agreement shall be filed exclusively in the City of Toronto and that the interpretation of this Agreement shall be in all respects governed by the laws of the Province of Ontario, without regard to any statute or rule of law purporting to provide for a different choice of law.

#### **31.3. Section and Paragraph Headings**

The Section and/or Paragraph headings herein and through this Agreement are for the convenience of PGH and the Operator in reference only, and are not intended and shall not be used to construe the intent

of this Agreement or any part thereof, or to modify, amplify, or aid in the interpretation or construction of the provisions thereof.

#### 31.4. Gender and Number

The use of any gender herein shall include any or all genders, and use of any number shall be construed as the singular and/or the plural, all as the context may require.

---

#### 32. Severability

---

32.1. PGH and the Operator agree that, if any section or provision of this Agreement, or any portion of any Section or provision, shall for any reason be held to be void, illegal or otherwise enforceable, all other portions of this Agreement shall nevertheless remain in full force and effect.

---

#### 33. Quiet Enjoyment

---

33.1. Except for such rights and acts of PGH authorized by this Agreement, PGH covenants that the Operator, upon paying all payments, fees, and other charges due hereunder and performing and complying with all covenants, agreements, provisions, obligations and duties incumbent upon the Operator under this Agreement, shall and may peaceably have, hold and enjoy the Facilities in the manner described herein during the term of this Agreement.

---

#### 34. Notices

---

Notices - Any notice, direction, or other communication required or permitted to be given under the provisions of this Agreement shall be in writing and shall be sufficiently given if delivered personally to such party, or if sent by prepaid registered mail or if transmitted by telex or other form of recorded communication as follows:

- (a) to PGH:  
Henry Kallan or John Mader  
111 Princes Blvd., Toronto, ON M6K 3C3
- (b) to the Operator:  
The Facilities  
Attention: Manager

or at such other address as the party to whom such notice is to be given shall have last notified the party giving the same in the manner herein provided. Any notice delivered to the party to whom it is addressed as hereinbefore provided shall be deemed to have been given and received on the day it is so delivered at such address, provided that if such day is not a business day, then the notice shall be deemed to have been given and received on the business day next following such day. Any notice mailed as aforesaid shall be deemed to have been given and received on the fifth business day next following the date of its mailing provided no postal strike is then in effect or comes into effect within five business days after such mailing. Any Person giving such notice, direction or other instrument by mail, shall forthwith upon mailing confirm to the addressee in person or by telephone or by telegram the date of such mailing. Any notice transmitted by telex or other form of recorded communication shall be deemed given and received on the day of its transmission if such day is a business day and if not on the next following business day.

---

### *35. Confidentiality*

---

35.1. The Operator shall not disclose to any Person the financial details of this Agreement, except: (i) to its professional advisors, consultants and auditors, employees, directors, officers and potential and actual bankers, lenders, co-owners, purchasers and investors all of whom shall be requested to maintain such information in the strictest of confidence; and (ii) as required by Applicable Laws.

---

### *36. Entire Agreement*

---

36.1. This Agreement, including the Exhibits hereto, supersedes any prior Agreement on the subject of the operation of the Services to be provided by the Operator. This Agreement constitutes the entire Agreement of the parties in the subject matter thereof, and may not be changed, modified, discharged or extended by oral agreement or representation or otherwise except by written amendment duly executed by an authorized representative of the Operator and PGH.

---

### *37. Schedules*

---

37.1. The following Exhibits and Attachments are attached hereto and incorporated herein by reference and the rights and obligations contained therein are hereby incorporated into and shall be a part of this Agreement as if contained in the main body of this Agreement:

- Schedule A - Approximate Location of Facilities
- Schedule B - Lands
- Schedule C - PGH Work and Operator Work
- Schedule D - Operator's Plans
- Schedule E - Operating Standards
- Schedule F - Rules and Regulations

---

### *38. Freely Negotiated*

---

38.1. PGH and the Operator acknowledge and covenant that they are each experienced and knowledgeable in commercial transactions of this nature and that they have both been represented by legal counsel in the discussion, negotiation and execution of this Agreement. PGH and the Operator further acknowledge and covenant that the provisions of this Agreement, including without restriction all schedules attached hereto and forming part hereof, have been freely and fully discussed and negotiated and that the execution of this Agreement constitutes and is deemed to constitute full and final proof of the foregoing statement. PGH and the Operator acknowledge and agree that they have read, examined, understood and approved all of the provisions of this Agreement, including without restriction all schedules attached hereto and forming part hereof.

---

### *39. Electronic Signatures and Electronic Records*

---

39.1. This Agreement, and any other documents requiring a signature hereunder, may be signed electronically by PGH or the Operator. The parties agree not to deny the legal effect or enforceability of this Agreement solely because it is in electronic form or because an electronic record was used in its formation. The parties agree not to object to the admissibility of this Agreement in the form of an electronic record, or a paper copy of an electronic document, or a paper copy of a document bearing an electronic signature, on the ground that it is an electronic record or electronic signature or that it is not in its original form or is not an original.

PRINCES GATES HOTEL LIMITED PARTNERSHIP,  
by its general partner,  
Princes Gates GP Inc.

Per:   
Name: Arun Kataria  
Title: President  
*I have authority to bind the Corporation and the Corporation has authority to bind the Limited Partnership*

2505243 ONTARIO LIMITED

Per:   
Name:  
Title:

*I have authority to bind the Corporation*

Z:\MyFiles\64909\Food and Beverage Services Agr JM Comments. Jan 17, 2017.clean.docx



SCHEDULE A

## APPROXIMATE LOCATION OF FACILITIES

Facility is located within  
Hotel "X", located at 111 Princes  
Boulevard, Exhibition Place,  
City of Toronto, Canada

JW

SCHEDULE B

DESCRIPTION OF LANDS

PART OF BLOCK 14 OF THE ORDNANCE RESERVE AND PART OF WATERLOT FRONTING THE ORDNANCE RESERVE, DESIGNATED AS PART 1 ON PLN 66R25067, SAVE AND EXCEPT PART 1 ON 66R27740; CITY OF TORONTO

Handwritten signature or initials, possibly 'WAP' or similar, located in the lower right quadrant of the page.

SCHEDULE C

## PGH'S WORK AND OPERATOR'S WORK

## PGH'S WORK

The PGH shall only be responsible such as are set out below under the heading of Operator's Work that are expressly stated as being the responsibility of the PGH

## OPERATOR'S WORK

The Operator shall provide, at its sole expense, the items enumerated below, if applicable and/or in the event of any future renovations, and will also provide all other work required for the finishing of the Facilities for their intended use (all in accordance with the Operator's drawings and specifications as approved by the PGH), save and except for the items below that are expressly stated as being the responsibility of the PGH.

**General:** PGH will provide the designated spaces with finishes and equipment indicated in the PGH/BMCC Contract documents and as follows:

- Level B1 Kitchens and Associates Dining areas – equipment rough-ins/infrastructure. Operator to provide equipment and to be responsible for cost of changes required to equipment rough-ins/infrastructure to suit Operator design.
- Level 2 Kitchen – Rough-ins and kitchen equipment. Operator to be responsible for cost of changes required to equipment rough-ins/infrastructure to suit Operator design.
- Level 2 Grab & Go – Millwork & equipment, subject to design by Operator. Operator will be responsible for costs to change from PGH/BMCC Contract.
- Level 3 Kitchens - Rough-ins and kitchen equipment. Operator to be responsible for cost of changes required to equipment rough-ins/infrastructure to suit Operator design.
- Bars – Millwork, counters, Rough-ins and kitchen equipment. Operator to be responsible for cost of changes required to equipment rough-ins/infrastructure to suit Operator design.

Operator will be responsible for the cost of changes to all interior fit up including all partitioning, finishes, mechanical (HVAC, plumbing and fire protection), electrical, food & beverage equipment, IT, POS and furnishings as they are indicated in the contract documents for the Contract between PGH and BMCC, including, but not limited to, corings through the concrete structure.

**Floor:** PGH will provide floors finishes as indicated in the contract documents for the Contract between PGH and BMCC. The typical kitchen floor finish is vinyl composite tile.

**Walls:** PGH will provide perimeter walls, interior partitions and doors as indicated in the contract documents for the Contract between PGH and BMCC. The typical kitchen wall finish is FRP wall panels.

**Ceiling:** PGH will provide finished ceilings as indicated in the contract documents for the Contract between PGH and BMCC. The typical kitchen ceiling finish is lay-in acoustic tile ceiling.

**Power:** PGH will provide power to the above noted locations, including distribution to the kitchen and bar equipment as per the kitchen layouts provided by Trimen. The cost of changes to the distribution and connections made to suit changes requested by the Operator to the contract documents for the Contract between PGH and BMCC, will be the responsibility of the Operator.

**Fire Alarm:** PGH will provide the fire alarm system for the spaces. The Operator will be responsible for providing the fire suppression systems for the level B1 kitchen exhaust hoods and for the maintenance of the fire suppression systems for all kitchen exhaust hoods.

**Emergency Lighting Circuit:** PGH will provide emergency lighting based on the contract documents for the Contract between PGH and BMCC.

**Exit Lighting:** PGH will provide exit lighting as indicated in the contract documents for the Contract between PGH and BMCC. **Telecom:** PGH will provide telecom system integrated to the hotel system as indicated in the contract documents for the Contract between PGH and BMCC.

**Security:** PGH will provide security system integrated to the hotel system as indicated in the contract documents for the Contract between PGH and BMCC.

**Chilled Water:** PGH will provide chilled water to HVAC systems. PGH will provide chilled water distribution to the kitchen and bar equipment as per the kitchen layouts provided by Trimen. The cost of changes to the distribution and connections made to suit changes requested by the Operator to the contract documents for the Contract between PGH and BMCC, will be the responsibility of the Operator.

**Sanitary Drain:** PGH will provide sanitary drains to the kitchen and bar equipment as per the kitchen layouts provided by Trimen. The cost of changes to the distribution and connections made to suit changes requested by the Operator to the contract documents for the Contract between PGH and BMCC, will be the responsibility of the Operator.

**Sanitary Vent:** PGH will provide sanitary vents to the kitchen and bar equipment as per the kitchen layouts provided by Trimen. The cost of changes to the distribution and connections made to suit changes requested by the Operator to the contract documents for the Contract between PGH and BMCC, will be the responsibility of the Operator.

**Domestic Water:** PGH will provide domestic to the kitchen and bar equipment as per the kitchen layouts provided by Trimen. The cost of changes to the distribution and connections made to suit changes requested by the Operator to the contract documents for the Contract between PGH and BMCC, will be the responsibility of the Operator.

**Natural Gas:** PGH will provide natural gas to the kitchen and bar equipment as per the kitchen layouts provided by Trimen. The cost of changes to the distribution and connections made to suit changes requested by the Operator to the contract documents for the Contract between PGH and BMCC, will be the responsibility of the Operator. **Fire Protection:** PGH has provided Fire hose cabinet in the area. PGH has provided sprinklers for required coverage as per the kitchen layouts provided by Trimen. The cost of changes to the sprinkler layout made to suit changes requested by the Operator to the contract documents for the Contract between PGH and BMCC, will be the responsibility of the Operator. The Operator will be responsible for providing the fire suppression systems for the level B1 kitchen exhaust hoods and for the maintenance of the fire suppression systems for all kitchen exhaust hoods.

#### Clean up

In the event that the Operator does not remove its construction debris, the Operator will be charged by PGH a service fee to clean up and/or remove the Operator's construction debris. The fee will be equivalent to thirty cents (\$0.30) per square foot of the area of the Operator Built Facilities with a minimum charge of ONE HUNDRED AND FIFTY (\$150.00) DOLLARS.

#### Performance of Operator's Work

The following provisions are in addition to, and do not waive, the provisions of any general covenants between the Operator and the PGH as may be contained in this Lease:

- (a) Before doing any item of the Operator's Work, the Operator shall secure, and demonstrate to the PGH on demand, all necessary permits. Upon completion, the Operator shall secure all applicable certificates of completion and occupancy.
- (b) All items of work undertaken by the Operator shall be performed by competent workmen, and if applicable, whose labour union affiliations are compatible with those of others employed by the PGH and its contractors and sub-contractors.
- (c) All work by the Operator within the Facilities shall be completed in new materials. Materials and workmanship shall be of a uniformly high quality and used and/or performed in accordance with the very best standards of practice and shall not be in contravention of any governing codes or regulations and shall be subject to the approval

of the PGH and/or its Architect. Any damage to the Facilities or the Complex caused by the Operator or any of its employees, contractors or workmen shall be repaired forthwith by the PGH at the expense of the Operator.

- (d) Under no circumstances will the Operator, its employees, its contractors or its contractors' employees enter onto any roof of the Complex or make any opening in the roof.
- (e) The Operator and its contractor(s) shall not impose a greater load on any concrete floor than the design live load of 100 pounds per square foot uniformly distributed. No unusual loads may be suspended from the underside of roof structure.
- (f) The Operator shall maintain the Facilities in a reasonably clean and orderly manner and shall be responsible for the cost of removing from the Complex all excess materials, trash and cartons resulting from the Operator's Work and stocking of the Facilities. Should the Operator fail to regularly clean up construction material, trash and cartons, the PGH may remove such material and charge the costs to the Operator.
- (g) The Operator shall not allow any liens to be placed against the Facilities or the Complex. Failure to discharge any construction liens within thirty (30) days of notice by the PGH so to do, shall constitute a default under this Lease at the sole discretion of the PGH.

**Exhaust and Odours**

- (a) Objectionable odours from the Facilities shall, at the Operator's expense be exhausted in such a manner as precludes their escaping into the Hotel or other rental areas, or short circuiting into any fresh air vents.
- (b) The Operator shall not add or modify the air-handling equipment in a manner that would draw additional air from the Hotel or exhaust air into it.
- (c) If additional garbage refrigeration equipment for handling perishable items is required it must be installed in the Facilities by the Operator at the Operator's cost.

**LEEDS REQUIREMENTS**

This project is pursuing a silver level of certification under the Canada Green Building Council Leadership in Environmental and Energy Design for New Construction (CaGBC LEED NC 2009) green building rating system. To achieve this status, the building must achieve a predetermined number of points in seven environmental categories: Sustainable Sites, Water Efficiency, Energy and Atmosphere, Materials and Resources, Indoor Environmental Quality, Regional Priority, and Innovation and Design Process. Points are obtained by satisfying requirements defined by the Canada Green Building Council (CaGBC). The Operator's areas have been designed to meet these requirements and the design and operation of these spaces must conform to the LEED requirements.

The following provides clarification of the requirements incorporated into the Operator's spaces:

**Lighting**

Design of interior lighting shall comply with ASHRAE 90.1-2010. ASHRAE 90.1-2010 is referenced by the Ontario Building Code in addition to being a LEED requirement.

The allowed lighting power density (using the space-by-space method) shall comply with the following:

	Allowable Interior Lighting Power (W/R2)
Retail Sales Area	1.68 + accent lighting allowance
Restaurant (Cafeteria)	0.65

Restaurant (Leisure Dining)	1.31
Office enclosed	0.8
Kitchen	0.99
Tennis court	1.20
Gymnasium	1
In active storage area	0.3
Conference /Meeting rooms	1.23
Corridor	0.66
Locker room	0.75
Lounge and Recreation	0.73

Interior lighting control shall comply with the control requirements as summarized in Chapter 9 of ASHRAE 90.1-2010. For example Occupancy sensor lighting control to be provided for storage rooms, office space (less than 250ft<sup>2</sup>), restroom, dressing , locker and fitting rooms, conference /meeting rooms

#### HVAC

Efficiencies of the equipment to be brought in by Operators have to meet ASHRAE 90.1 mandatory requirement as laid out in Table 6.8.1A to 6.8.1K.

Specifically, the efficiencies of the water source heat pumps shall be at least meeting ASHRAE 90.1-2010 efficiencies numbers, at COP 4.2 for heating and EER 12.0 for cooling.

All kitchen hoods installed to comply with ASHARE 90.1.2010, Section 6.5.7.1.4.

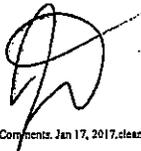
The following maximum flow rates are required for all Operator supplied flush and flow fixtures to achieve LEED certification:

Fixture	Maximum Flow Rate (LPF)	Maximum Flow Rate (GPF)
Water Closets	4.2	1.1
Urinals	1.9	0.5
Showerheads	5.7	1.5
Faucets	1.9	0.5
Replacement Aerators	1.9	0.5

SCHEDULE D

OPERATOR'S PLANS

To be provided by Operator



40



SCHEDULE E

## DESCRIPTION OF SERVICES AND OPERATING STANDARDS

## 1. ROOM SERVICE

## 2. BANQUET FACILITIES

## 3. CONFERENCE ROOM FACILITIES

## 4. ROOFTOP BAR

## 5. VIP LOUNGE

**B. GENERAL INFORMATION:**

The Operator shall provide food and beverages, including beer, wine and liquor, as provided herein to the Hotel Rooms, Rooftop Bar, VIP Lounge, Grab & Go, Cinema Concessions, Banquet Facilities and Conference Room Facilities and at Special Events.

**C. DEFINITIONS:** Capitalized terms used in this Schedule shall have the definitions provided in Section 1 of the Agreement or as provided below.

**D. EQUIPMENT:**

The Operator shall provide all equipment, smallwares, fixtures, furniture, furnishings and equipment necessary for the performance of the Services under this Agreement, all of which shall be of a type and class approved by PGH and in sufficient quantities to provide the highest standards of service to the Guests of the Hotel, all such items to be approved by PGH. All such equipment, smallwares, furniture, furnishings, fixtures and equipment shall be new, of modern design, and of first-class material and construction. The furniture, furnishings, smallwares, and equipment shall be of such quality, design, and finish as will be in keeping, in the opinion of PGH, with the highest standards of the Hotel. The Operator must obtain written approval from PGH before purchase and installation.

**E. RECYCLING OF WASTE MATERIALS:**

The Operator shall collect, sort, and separate into such categories as may be legally required, all solid waste products generated from the performance of the Services, and recycle all such products that are locally accepted for recycling. Each separately sorted category of waste products shall be placed in separate receptacles reasonably approved by PGH, which receptacles shall be dumped or removed from the Facilities at Operator's sole cost and expense, at such minimum frequency as is specified by PGH. The Operator shall use a waste removal operator satisfactory to PGH. The Operator shall pay all costs, fines, penalties, and damages that may be imposed on PGH or the Operator as a consequence of the Operator's failure to comply with the provisions of this Section.

**F. SPECIALIZED SERVICES TO BE PROVIDED BY OPERATOR:**

In addition to the normal food and beverage catering functions the Operator will provide specialized services normally associated with catering activities undertaken at first class hotels. These specialized services may include, but are not limited to, the following:

- Preparation and clean-up both before and after all events and functions.
- Main Kitchen storage/preparation.
- Water, tablecloth, and table skirting service.

#### G. CATERING REQUIREMENTS:

Food served must be cooked and prepared by the chef at and from the Facilities with the exception of baked goods and standard canned and packaged items. Any deviation from this requirement must be approved in advance in writing by PGH.

#### H. USE OF FACILITIES FOR OFFSITE FOOD FUNCTIONS:

The Operator will not utilize the Facilities for off-site food functions without the prior written consent of PGH, which consent may be arbitrarily withheld. If PGH provides such consent, all revenues generated from all such services are to be considered part of Gross Receipts.

#### I. PROCUREMENT POLICY:

The Operator shall purchase food, beverages, and operational supplies, such as uniforms, laundry service, paper goods, and detergents needed for the Services and related operating supports to be supplied hereunder from whatever source or sources that will establish and effect procedures which assure the quality and quantity required to the standards in keeping with a first class full service transient hotel. All such purchases shall be in the Operator's name and payment shall be made directly to the supplier. PGH reserves the final right of approval of all such suppliers.

#### J. MENUS:

The Operator shall plan and prepare imaginative menus in consultation and coordination with PGH and in accordance with PGH specifications. Quantities, portions and prices for all food and beverages shall be subject to approval by PGH according to its requirements. Only foods and beverages that are wholesome and of the best quality, in the opinion of PGH, shall be purchased (and served). Any changes to the menu or pricing are subject to approval by PGH.

The Operator shall prepare approved, printed catering and other menus utilizing the Hotel logos all of which shall be used exclusively for the Hotel, in sufficient quantities to ensure clean, neat menus are available at all times to guests. All menus shall be subject to the approval of PGH prior to distribution and shall be used by PGH and the Operator's marketing department for sales purposes.

#### K. FOOD HANDLING:

The Operator shall inspect all merchandise upon delivery for quality and quantity compliance with the original order and shall store all food and beverage merchandise in proper areas in sanitary containers which are dated for effective rotation of stock on a first-in, first-out basis. The Operator shall cover all refreshments and food in showcases or other suitable containers. The Operator shall wrap all pre-packaged sandwiches, cakes, and other similar products in cellophane or similar transparent wrapping appropriate to the food service industry. The Operator agrees to provide the Services in a professional and resourceful manner, complying with all public health regulations including a Grade "A" sanitation rating or similar designation to the satisfaction of all authorized local Health Department officers and PGH.

#### L. FOOD QUALITY:

The Operator shall sell only foods and beverages that comply with all Applicable Laws.

#### M. DELIVERIES

The Operator shall monitor the movement of products in and out of the Facilities to avoid all conflicts with functions and events at the Hotel. The Operator shall cover or otherwise protect all food, beverages, food handling and merchandise equipment being moved through public areas. The Operator will adhere to all relevant Hotel policies and procedures relating to the movement of food and beverages from the Facilities to the Hotel Rooms, Banquet Facilities and Conference Facilities.

Handwritten signature and initials, possibly 'A' and 'UP', located at the bottom right of the page.

**N. TAKEOUT SALES:**

Take-out sales are strictly prohibited unless otherwise agreed by the parties

**O. ADVERTISING & MARKETING:**

PGH retains and reserves the sole and exclusive right to negotiate and sell sponsorships and advertising at and with regard to the Hotel. The Operator retains no advertising rights or approvals within this Agreement. The Operator shall not advertise in any manner other than as approved by PGH and the Operator shall have no right to use the trademarks, symbols, or trade name or name of the Hotel, directly or indirectly, in connection with any production, promotion, service, or publication not located in the Hotel, without the prior written approval of PGH, which consent may be arbitrarily withheld.

**P. PERSONNEL:**

The Operator assumes full responsibility for the actions of its personnel while performing the Services pursuant to the Agreement, and shall be solely responsible for their supervision, daily direction and control, payment of salary (including withholding and income taxes, unemployment insurance, workers' compensation, and social security) and the like, as required by Applicable Laws.

PGH requires that all the Operator's full-time employees engage in the preparing, handling, serving, and storing food, meet all Applicable Laws. The Operator shall comply with the minimum health requirements provided by law for full-time food and beverage service employees at the Hotel and such other requirements as shall be determined by PGH.

The Operator shall maintain all records regarding required medical examinations, substance abuse testing and other requirements agreed upon by PGH and the Operator provided they are not in contravention of any Applicable Laws. The Operator shall provide evidence of compliance with such testing (but not actual results) to PGH upon request, subject to compliance with Applicable Laws (including employee privacy laws). All foodservice employees' medical reports shall be kept in a confidential file by the Operator at and kept up to date.

In the event that any employee refuses health inspections, upon PGH's request, subject to, and to the extent permitted by, Applicable Laws, the Operator shall remove the employee from the foodservice operations.

Subject to, and to the extent permitted by, Applicable Laws, the Operator shall remove from the foodservice and/or retail operations any employee whom PGH considers detrimental to the best interests of the Hotel.

**Q. SPECIAL PERSONNEL SERVICES:**

On various occasions the Operator may be called upon to provide personnel for Special Events such as bartending, waiter/waitress, host/hostess, or other activities. The special personnel services are not to be confused with the normal personnel required by the Operator to meet the Operator's responsibilities to provide the Services at the Hotel.

**R. TIPPING POLICY:**

The Operator's employees at the Hotel will not solicit but may accept tips or other gratuities.

**S. EQUIPMENT AND SMALLWARES:**

The Operator shall maintain and repair all equipment as provided in the Agreement. The Operator will cooperate with PGH's maintenance personnel to develop and institute a comprehensive preventative maintenance program and shall organize and institute maintenance contracts on all major pieces of foodservice equipment to ensure continuous, high-quality, long-term maintenance and upkeep on this important equipment.

The Operator shall maintain the Facilities in first-class condition and shall maintain all equipment (including smallwares) in first class condition and perform the Services generally at the highest level of cleanliness and neat appearance at all times.

PGH shall be sole judge as to the sufficiency of the cleanliness and neatness of appearance of the Facilities and equipment and shall have the right to order any changes or alterations thereto that it may deem desirable.

The Operator shall, from time to time and with the prior written approval of PGH, furnish additional equipment and smallwares as required for the proper performance of the Services.

The Operator shall provide any additional small wares adequate to provide the Services at the Hotel for special function areas, in dining areas as well as equipment as set out herein etc. as specified by PGH. Such equipment provided by the Operator, shall include but may not be limited to the following:

- Adequate supply of china, including but not limited to plates, bowls, cups, saucers, water pitchers, and related items. Unless otherwise directed by PGH the china may have the logo of the Hotel imprinted thereon.
- Beverage glassware.
- Adequate supply of trays (both service and cafeteria style).
- Supply of stainless steel and/or silver plated dining utensils, including but not limited to: knives, forks, spoons, and soup spoons.
- Ample supplies of back-of-the-house servicewares, including but not limited to: Kitchen utensils, equipment cleaning aids, and related items.
- Buffet and catering equipment, i.e., chafing dishes, mobile carts, servicewares, and related items.
- Salt and pepper shakers.
- Specialty mobile foodservice equipment/carts.
- Other miscellaneous tabletop smallwares as required.
- Electronic, computerized point-of-sale cash/inventory control system with all tie in equipment necessary to operate fully with PGH and the Facilities computer systems.
- Food service related furniture including but not limited to tables, chairs, and interior furniture primarily for use in the areas serving catered events.

#### T. CLEANING, INSPECTION AND SANITATION:

The Operator will maintain, at all times, all kitchens, food preparation and serving areas, storage areas, and all equipment, fixtures, paraphernalia, material, utensils, and other items therein, in a clean and sanitary condition and comply with all Applicable Laws.

#### U. OPERATIONS WAREWASHING:

The Operator will wash after each use, all non-disposable service ware, flatware, glassware, and cutlery to achieve maximum cleanliness and sanitation. The Operator's washing of glassware and cutlery must produce spotless drying. All catering operations shall utilize permanent small wares, dishes, silverware, glassware, and place settings in service to their guests unless specified, modified, or altered in writing to the Operator by PGH.

#### V. GARBAGE:

The Operator shall transport all waste materials, including grease, from foodservice locations, to the dumpster or compactor area, as well as transporting recycling materials to recycling area in a manner and by a route designated by PGH. Such removal shall be made after each event. Cost of repair of damage done to floors, walls, windows of the Hotel by reason of the Operator's negligent operation or due to the Operator's willful misconduct, will be the responsibility of the Operator.

SCHEDULE F

## RULES AND REGULATIONS

The Operator shall observe the following Rules and Regulations (as amended, modified or supplemented from time to time by the Landlord as provided in this Agreement):

1. The Operator and its employees and agents shall not solicit business in the Common Area Facilities or elsewhere in the Complex, nor shall the Operator distribute any handbills or other advertising matter in the Common Area Facilities.
2. No Person shall use the Facilities or any part thereof for sleeping apartments or for residential or any immoral or unlawful purpose.
3. The Operator shall not grant any concessions, licenses or permission to any third parties to sell or take orders for merchandise or services in the Facilities without the prior written approval of the Landlord.
4. The Operator shall, at all times, keep the Facilities, including both sides of all glass in doors and windows therein, and exterior store front surfaces, in a clean and sanitary condition. If required by the Landlord, pest and rodent extermination services shall be obtained by and at the expense of the Operator.
5. The Operator shall not transact any business nor sell any merchandise anywhere in the Complex outside of the Facilities without the express approval of the Landlord.
6. The Operator shall not abuse, misuse or damage the Facilities or the Common Area Facilities, and in particular, shall not deposit rubbish in any plumbing apparatus and shall not deface or mark any walls or other parts of the Facilities or the Common Area Facilities: the expense of repairing or replacing any breakage, stoppage or damage resulting from a breach of this regulation, shall be borne by the Operator.
7. The Operator shall not permit any machines, vending or dispensing refreshments or merchandise, or providing amusement or entertainment of any character, to be located in the Facilities without the prior written consent of the Landlord.
8. No food or beverages may be brought to the Facilities except by such means, at such times and by such persons as have been authorized by the Landlord.
9. The entrance, lobbies, staircases, pedestrian malls and other public portions of the Common Area Facilities are for use only for access, and the Operator shall not obstruct or misuse such facilities or permit them to be obstructed or misused by its agents, employees, invitees or others under its control.
10. The Operator shall not use any advertising medium that shall be a nuisance to the Landlord or other Operators of the Complex and shall not utilize within the Facilities or any Common Area Facilities any live music, recorded music, loudspeakers, phonographs or radio broadcasts, in a manner to be heard outside the Facilities.
11. All loading and unloading of merchandise, supplies, fixtures, equipment and furniture shall be made at such times and in such manner and through such means of access to the Facilities as shall be approved in advance by the Landlord. The Operator shall ensure that any trucks or other vehicles used for loading or unloading shall not obstruct any access areas adjacent to the Facilities.
12. The Operator shall not cause or permit objectionable odour, vibration or noise from mechanical apparatus or other source, to emanate from or be dispelled beyond the limits of the Facilities.

**AMENDING AGREEMENT**

This Amending Agreement made as of the 16<sup>th</sup> day of March, 2018.

BETWEEN:

**PRINCES GATES GP INC.**,  
a corporation incorporated under the laws  
of the Province of Ontario, as general  
partner of Princes Gates Hotel Limited  
Partnership

(hereinafter called the "PGH")

OF THE FIRST PART

-and-

**25054243 ONTARIO LIMITED.**  
a corporation incorporated under the laws  
of the Province of Ontario

(hereinafter called the "Operator")

OF THE SECOND PART

**WHEREAS** PGH and the Operator have entered into a Food and Beverage Services Agreement dated January 4, 2017 (the "Food and Beverage Services Agreement").

**AND WHEREAS** the Parties have agreed to amend the Food and Beverage Services Agreement as herein expressly provided.

**NOW THEREFORE** in consideration of the mutual covenants and agreements set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto, intending to be legally bound, agree as follows:

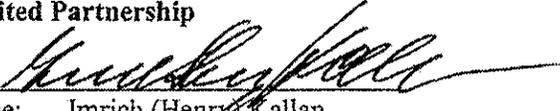
1. The Parties agree that the provisions of this Agreement shall be effective as and from the date hereof (the "Effective Date").
2. The first sentence of the existing Section 5.1 (a) of the Food and Beverage Services Agreement be and is hereby deleted, existing the Section 5.1 (a) be and is hereby designated as Section 5.1 (b) and the existing Section 5.1 (b) is hereby designated as Section 5.1 (c).

3. The following new Section 5.1 (a) be and is hereby included in the Food and Beverage Services Agreement:
  - 5.1 (a) The Operator shall pay to PGH, for each Accounting Period, license fees calculated as follows (collectively, the "License Fees"):
    - (i) With respect to Gross Receipts generated from the Banquet Facilities and Conference Room Facilities, the License Fees shall be Fifteen Percent (15%) of all such Gross Receipts that are less than Fifteen (15) Million Dollars (\$15,000,000.00) in any Year and Twenty Two and One Half Percent (22.5%) of all such Gross Receipts that are in excess of Fifteen Million Dollars (\$15,000,000.00) in any Year;
    - (ii) With respect to Gross Receipts generated from the Rooftop Bar, the License Fees shall be Fifteen Percent (15%) of all such Gross Receipts that are less than Five Million Dollars (\$5,000,000.00) in any Year and Twenty Two and One Half Percent (22.5%) of all such Gross Receipts that are in excess of Five Million Dollars (\$5,000,000.00). For clarity, all Gross Receipts generated from the outdoor terrace situated on the 4<sup>th</sup> floor of the Hotel shall be treated as Gross Receipts that are generated from the Rooftop Bar; and
    - (iii) There shall be no License Fees payable in respect of any Gross Receipts generated from the supply of food and beverages to the Hotel Rooms, the Grab & Go or the Cinema Concessions.
4. The Parties agree that in each Year the payments of License Fees pursuant to Section 5.1 (a) (i) and (ii) shall, for each Accounting Period, be determined initially on the basis of Fifteen Percent (15%) of such Gross Receipts for such Year. Once the threshold of Gross Receipts for such Year is achieved (\$15,000,000 in the case of Section 5.1 (a)(i) and \$5,000,000 in the case of Section 5.1 (a) (ii)), the License Fees payable for each subsequent Accounting Period in such Year shall be determined and paid on the basis of Twenty Two and One Half Percent (22.5%). A final adjustment shall be made within sixty (60) days after the end of each Year and any underpayments or overpayments of License Fees shall be paid and satisfied within thirty (30) days after the date such final adjustments are determined.
5. For the purposes hereof, "Year" means a period of twelve (12) months commencing on the Hotel Opening Date, or such other period of twelve months as may be determined by the Landlord from time to time; the threshold amounts set out in Sections 5.1 (a)(i) and (ii) shall be prorated for any period that is less than twelve months.

6. The following Section 4.2 (c) be and is hereby included in the Food and Beverage Services Agreement:
  - (c) The Operator agrees to select and provide compensation packages (wages and benefits) for its employees working at the Hotel equal to or better than the average provided by five-star hotels in downtown Toronto. For clarity, this requirement is also applicable to the restaurant and bar businesses carried on by the Operator at and from its leased premises in the Hotel and shall be an integral covenant and obligation of the Operator under the premises leases, each dated January 4, 2017, entered into between PGH, as landlord and the Operator, as tenant, with respect to such leased premises (collectively, the "Premises Leases"). The Operator agrees to provide PGH with its compensation packages on an on-demand basis. Failure of the Operator to comply with its obligations under this Section 4.2 (c) shall constitute a material breach under the Food and Beverage Services Agreement and each of the Premises Leases, and PGH shall have the right to terminate this the Food and Beverage Services Agreement and the Premises Leases upon thirty (30) days written notice to the Operator, which notice shall be rescinded if the Operator cures such default within such thirty (30) day period.
7. The Parties agree that in the event of the termination of this Agreement for any reason whatsoever, the Operator shall pay and remit to PGH within the Accounting Period in which the termination becomes effective, all advance deposits received from any Guests (as defined in the Food and Beverage Services Agreement), PGH shall have the authority to set off and deduct the amount of all such advance deposits from all amounts owing to the Operator pursuant to Section 5.1 (b).
8. The Parties acknowledge and confirm that the Food and Beverage Services Agreement is in full force and effect and constitutes a legal, valid and binding obligation of the Parties in accordance with its terms as amended by the express terms of this Amending Agreement.
9. All capitalized terms that are not expressly defined herein shall have the meanings ascribed to them in the Food and Beverage Services Agreement.
10. This Amending Agreement shall enure to the benefit of and be binding upon the Parties hereto and on their respective permitted successors and assigns.
11. The Operator acknowledges and confirms that it has obtained independent legal advice from its own legal counsel prior to the execution and delivery of this Amending Agreement.

IN WITNESS WHEREOF, Employee and the Company have executed this Amending Agreement this            day of March, 2018.

**PRINCES GATES INC. as general  
Partner of Princes Gates Hotel  
Limited Partnership**

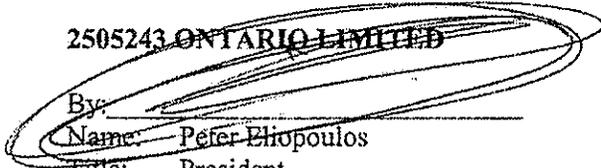
By: 

Name: Imrich (Henry) Kallan

Title: President

*I have authority to bind the  
Corporation and the Corporation has  
authority to bind the Limited Partnership*

**2505243 ONTARIO LIMITED**



By: 

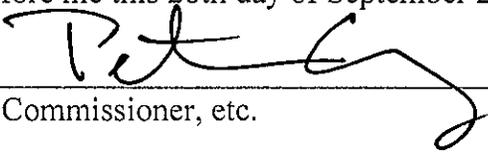
Name: Peter Eliopoulos

Title: President

*I have authority to bind the  
Corporation*

**TAB D**

This is Exhibit "D" referred to in the  
Affidavit of Christopher Lambert, sworn  
before me this 28th day of September 2020

  
A Commissioner, etc.



January 3, 2020

**VIA EMAIL**

2505243 Ontario Limited  
 o/a Peter and Paul.com  
 111 Princes Blvd  
 Toronto, Ontario  
 M6K 3C3

Attention: Mr. Peter Eliopolous:

Dear Peter:

**Re: Food and Beverage Services Agreement  
 dated January 4, 2017, as amended by  
Amending Agreement dated March 16, 2018**

Thank you for your email of December 23, 2019, addressed to Henry Kallan. Mr. Kallan has requested that I respond to you directly on his behalf.

As set out in my letter of December 6, 2019, it is imperative that, effective immediately, gratuities of 14% be paid to the banquet servers, porters and bartenders who are working at the banquet facilities. From and after April 1, 2020, this percentage must be increased to 15%. Your email of December 23, 2019, appears to be a conditional acceptance of these minimum percentages. The conditions stipulated in your email are that:

- (i) the remaining 6% (from the current 20%, and decreasing to 5% on April 1, 2020) of the administration fee for food & beverage banquet revenues not to be subject to the 15% License Fees payable to Hotel X Toronto under the Food and Beverage Services Agreement; and
- (ii) the full 20% administration fee on room rental be retained by Peter and Paul without any allocations to Hotel X Toronto. The current split is 60/40 to the Hotel and by Peter and Paul, and has been the practice since May 2018.

These conditions are not acceptable to Hotel X Toronto and it is not appropriate for you to unilaterally impose conditions to the compliance with your obligations under the Amending Agreement referred to above (attached for your reference). Further meetings and discussions with yourself and Dino Galanis will be necessary in order for Hotel X Toronto to determine whether it is prepared to make any changes to the existing allocations. Our discussions will also need to address the responsibilities for repairs and replacements of existing furniture and

111 Princes' Boulevard, Toronto, ON M6K 3C3  
 T: 647.943.9300  
 HotelXToronto.com



**NEW YORK CITY**  
 Library Hotel  
 Hotel Giraffe  
 Hotel Elysée  
 Casablanca Hotel

**TORONTO**  
 Hotel X Toronto

**BUDAPEST**  
 Aria Hotel Budapest

**PRAGUE**  
 Aria Hotel Prague

furnishings, and inclusion of “deposits” in the calculation of Gross Receipts under the Food and Beverage Services Agreement.

In the interim, the requirements of my letter to you of December 6, 2019, remain in full force and effect and must be complied with, failing which Hotel X Toronto reserves all of its legal rights as set out in such letter.

Yours very truly,

**HOTEL X TORONTO**



Christopher Lambert  
Managing Director

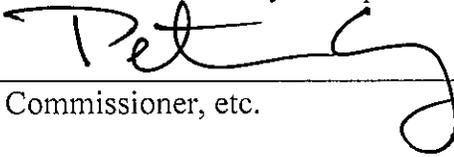
cc: Mr. Henry Kallan

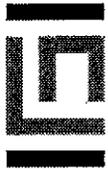
cc: Mr. Dino Galanis



# T A B E

This is Exhibit "E" referred to in the  
Affidavit of Christopher Lambert, sworn  
before me this 28th day of September 2020

  
A Commissioner, etc.



**LOOPSTRA NIXON** LLP  
BARRISTERS AND SOLICITORS

Peter W. G. Carey  
416.746.4710  
E-mail: pcarey@loonix.com

**BY EMAIL (randy.sutton@nortonrosefulbright.com)**

July 9, 2020

Norton Rose Fulbright  
222 Bay Street, Suite 3000, P.O. Box 53  
Toronto, ON M5K 1E7

Attention: Mr. Randy Sutton

Dear Mr. Sutton,

**Re: Hotel X Toronto  
Our File #: 17600-0005**

This is in response to your letter of July 7, 2020.

In this responding correspondence, I will use the same abbreviations as I used in my July 2, 2020 letter to your client.

***CECRA Does Not Apply***

Your client has not paid minimum rent on the Leases since March 2020 nor additional rent since May 2019.

Contrary to your assertion, the CECRA program does not apply. P & P does not qualify for the CECRA program.

Your client attempted to persuade Hotel X to improperly state P & P's revenues in order to make it seem that P & P qualified for that program, but Hotel X refused to do so.

***P & P's Incorrect Financial Statement***

The financial statement you have included with your correspondence fails to account for over \$600,000 of money owing by P & P to Hotel X as a result of advance payment of customer deposits by Hotel X to P & P. An accurate statement is attached. The statement accurately indicates that the rent owing, even allowing for all possible setoff in favour of P & P, is \$865,694.85.



**LOOPSTRA NIXON** LLP  
BARRISTERS AND SOLICITORS

In short, your client has simply failed to pay rent as it is due since May 2019 without any legal basis for so doing and now owes \$865,694.85 in back rent.

***P & P Repudiates Leases and F & B Agreement***

It is also highly unlikely that your client was "shocked" at the termination of the Leases. Your client has known for months that it was in default of its obligations under the Leases and F & B Agreement.

On February 13, 2020 and February 24, 2020, P & P sent correspondence to Hotel X indicating that it wished to "immediately begin the negotiation to dissolve our contracts". (Copies attached). On February 27, 2020, Hotel X sent a letter to P & P detailing all of the then breaches of the Leases and F & B Agreement. Hotel X also requested that P & P provide specific proposals that they had for the dissolution of their relationship prior to any meetings. (Copy attached). There was no response to this correspondence, however on April 7, 2020 P & P sent a letter to Hotel X indicating that it would no longer be paying rent. (Copy attached)

On April 19, 2020, Hotel X replied indicating that rent was still required and also requested a response to their correspondence of February 27, 2020. (Copy attached)

Once again, there was no response. On June 4, 2020, Hotel X sent correspondence to P & P requesting payment of all arrears of rent and again requested a response to Hotel X's correspondence. (Copy attached)

On June 12, 2020, Peter Eliopoulos of P & P sent an email to Hotel X indicating that contrary to his earlier representations, P & P was prepared to carry on with its relationship with the Hotel, although Mr. Eliopoulos did not indicate that P & P was prepared to pay rent. (Copy attached)

On June 14, 2020, Hotel X replied to Mr. Eliopoulos indicating that Hotel X had relied on Mr. Eliopoulos' earlier representations that he wished to dissolve the relationship and had moved forward accordingly and requested a zoom meeting to discuss the terms of P & P's amicable departure. (Copy attached)

In response, Mr. Eliopoulos sent an email on June 15, 2020 to Hotel X in which he indicated that P & P wished to continue to work with Hotel X and incorrectly implied that it was Hotel X that requested the dissolution of their relationship. Mr. Eliopoulos then requested compensation. (Copy attached)

A zoom meeting was held between the parties on June 17, 2020 on a without prejudice basis.

On June 23, 2020, in a letter to Mr. Eliopoulos, Mr. Kallan stated that he received several phone calls from Mr. Eliopoulos. The first call was to discuss monies that Mr. Eliopoulos claimed were owed to P & P as a result of the dissolution of their relationship. Mr. Eliopoulos then said that he wanted to continue the Leases for Maxx's Kitchen and Petros 82 but wanted to cancel the



**LOOPSTRA NIXON** LLP  
BARRISTERS AND SOLICITORS

F & B Agreement. Mr. Eliopoulos called Mr. Kallan on June 22, 2020 and said that he still wished to cancel the F & B Agreement but wanted to continue the Leases for Maxx's Kitchen and Petros 82. When Mr. Kallan indicated that this wasn't possible, Mr. Eliopoulos then stated that in that case he was no longer willing to cancel any of the existing contracts with the Hotel. Mr. Kallan stated quite accurately

*"the Hotel has a substantial business and we cannot be held hostage to your changing whims as to whether or not you wish to cancel all of your contractual arrangements with us. You have until this past Saturday, been very unequivocal that you wished to cancel your contractual arrangements with the Hotel and the only concern was to obtain reimbursement of certain of your expenses. The position that you took in our telephone call of yesterday can only be viewed as a misguided attempt to extract unwarranted financial compensation from the Hotel without having to provide any documentation to support your demands." (Copy attached)*

On June 26, 2020, Mr. Eliopoulos sent two emails to Mr. Kallan, one "with prejudice" and one "without prejudice". In the "without prejudice" email, Mr. Eliopoulos discussed the compensation that P & P wished upon dissolution of the agreements. In the "with prejudice" email, Mr. Eliopoulos stated that P & P wished to carry on with the existing agreements. (Copies attached)

In short, P & P has repeatedly expressed their wish to dissolve the relationship with Hotel X. Hotel X has relied upon those representations. Any attempt by P & P to obtain possession of the premises after the Leases have been terminated is nothing more than an attempt to interfere with Hotel X's business in order to extort monies from Hotel X.

***P & P Is In Default of Leases and F & B Agreement***

The defaults which were set out in my July 2, 2020 correspondence are all continuous and ongoing.

P & P has never provided the level of service required under the Leases or the F & B Agreement. Hotel X has a file of customer complaints concerning the food and beverage service at Hotel X which complaints have been caused entirely by your client's inability to perform its function as required. Please see the February 27, 2020 letter in this regard.

Your letter states and/or implies throughout that Hotel X has access to your client's financial records. This is not true. P & P maintains an onsite accounting office however, Hotel X does not have access to P & P's financial records other than limited records located on a common server. These available records do not provide the information required in Section 2.7 of the Petros 82 Lease. Likewise, any limited records available to Hotel X do not provide the information that is required of P & P in Section 5.4 of the Leases. The financial information that P & P is required to provide, pursuant to Section 16.1 of the Lease, is not located in the common server.



**LOOPSTRA NIXON** LLP

**BARRISTERS AND SOLICITORS**

Your client has an obligation to provide the information required in the Lease and your letter implicitly confirms that they have failed to do so and instead suggests that somehow Hotel X should avail itself of unavailable financial records.

Your letter states that P & P has maintained adequate management staffing in order to provide its first-class service. This is once again not true. Your client has never had a management team in place that was adequate for the two restaurants and first class food and beverage service that it was to provide.

Your client has a terrible reputation amongst its employees. Please find attached the results of a questionnaire that was given to P & P employees. It indicates wide spread dissatisfaction. Indeed, it wasn't until Hotel X insisted that P & P properly provide gratuities to its employees that it reluctantly agreed to do so.

P & P has already admitted they have lost approximately \$2,000,000 CAD in the last two years. This and the resultant inability to cure its defaults is why P& P have advised Hotel X that they wished to dissolve their relationship providing they were paid sufficient monies.

#### ***Improper Practices by P & P***

The factors you set out as "context" are generally not true and more importantly irrelevant to the issues between our clients.

However, there are two important points that require comment; First of all, your client advises that it has payables of only approximately \$200,000 on "holdback". Our understanding is that this is false. P & P still owes substantial funds to suppliers and has been "paying" the suppliers by providing service at the Hotel and not accurately accounting for the service.

This is consistent with P & P implicitly admitting that it has engaged in the practice of voiding customer bills at the rooftop bar. Contrary to your client's allegations, Hotel X has never been advised of or permitted any such practice. Once again, due to the lack of proper financial reporting, Hotel X has no way of knowing if this issue has been resolved or not.

#### ***Summary***

Your client has been aware since May 2019 that it has been in breach of the Leases and the F & B Agreement. Your client has advised that it has lost approximately \$2,000,000 CAD during its two years of operation. Your client has also repeatedly stated that it wishes to dissolve the relationship between itself and Hotel X.

As a result, Hotel X had no choice but to accept P & P's repudiation of the Leases and F & B Agreement. Hotel X has also made arrangements to carry on the operation of the food and beverages services at the Hotel. Any attempt by P & P to get back into the premises will disrupt the food and beverage service of the Hotel as it is presently being constituted and we will hold P & P and Mr. Eliopoulos and Mr. Galanis personally responsible for any damages caused thereby.



**LOOPSTRA NIXON** LLP  
BARRISTERS AND SOLICITORS

I would suggest that Mr. Eliopoulos do what he has repeatedly said he would do and get in touch with Hotel X management to discuss what monies, if any, are payable to P & P to resolve our respective clients' differences.

Yours truly,

**LOOPSTRA NIXON LLP**

Per:

Peter W. G. Carey

/lb

Encls.



byPeterandPauls.com  
hospitality & entertainment group • est: 1982

★★★★★

6260 HIGHWAY 7, UNIT 1 VAUGHAN, ON, L4H 4G3 | t 905.326.2000 | e global@bypnp.com

Mr. Henry Kallan  
Hotel X Toronto  
111 Princes Boulevard  
Toronto ON, M6K 3C3

February 13, 2020

Without Prejudice

RE: Letter February 3, 2020 and Meeting February 12, 2020

Henry,

Following our meeting yesterday it is evident that we can not move forward. I was simply outraged upon the receipt of Christopher's letter dated February 3, 2020, and beyond frustrated following our meeting yesterday. I had hoped our meeting would be productive and you would understand that you are being unreasonable and frustrating the terms of the contract without just cause. We are doing a very good job of operating the food and beverage services, and your suggestion today that you are sitting at number four on trip advisor versus number one, due to our performance is outrageous. This shows your clear lack of respect for our commitment to the hotel, and our contribution that has led to its success.

As stated yesterday in good faith we agreed to your requests to increase the gratuity (this was done at the beginning of January 2020) and hire additional management, and in turn it was agreed upon by you, on many occasions, that the monies owing (over 1 Million dollars) would be released should we fulfil these demands, and the portion of the gratuity that the hotel is retaining and counting as revenue (15% out of the 25% gratuity from all food and beverage and 60% of the 20% of the gratuity from the room rental on administration fee), would be redirected to employees as it belongs.



The Official Entertainment

BY PETER AND PAULS.COM GROUP OF COMPANIES



byPeterandPauls



UNIVERSAL

PARAMOUNT

BELLAGIO



THE VUE

CLUBHOUSE

SAVOY

DAVID DUNDAN HOUSE

BLACK CREEK Kortright



KALTEZIOTIS

Masini's

PETROS

Peter and Pauls

VISION

ENGINEER



PURE



EF ZIN



**byPeterandPauls.com**  
hospitality & entertainment group • est. 1982

★★★★★

6260 HIGHWAY 7, UNIT 1 VAUGHAN, ON, L4H 4G3 | t: 905.326.2000 | e: global@bypnp.com

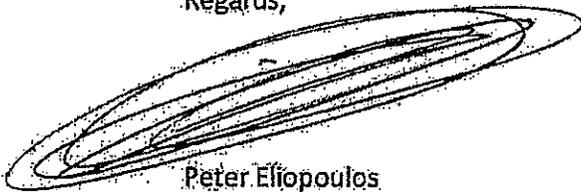
You have done neither. As of today's date we request that you release all outstanding monies owing immediately as there is no valid reason why these should be withheld, and release the gratuity to the employees. Failing to release the monies owing we feel constitutes a default under our agreement with PGH, and by not immediately releasing the gratuity to the employees, this puts us all at risk to labour disputes, and heightens the threat of unionization.

Henry, you clearly feel we are not a good enough operator for your hotel and thus you continue to aggravate the terms of our contract(s), it appears now following our meeting that we are at a clear impasse. We have no interest in this constant struggle as we should be working as a team offering mutual cooperation, understanding, and respect. Your recent letter and yesterday's meeting shows you are not reasonable and are continuing to cause nuisance not allowing us the quite enjoyment of the terms of our contract(s) with you.

We cannot continue to work under this extreme stress, be bullied, or adhere to the unreasonable "asks", that seem to change and expand with each letter received by PGH. We are doing our best to adhere to the contracts, and adjust to your course of business, and feel based on our performance the letters and criticisms are unjust and without clear basis. We would like to immediately begin the negotiation to dissolve of our contract(s).

Lastly, your slanderous attacks on me personally and my organization will not be tolerated, and I caution you, as these should stop immediately.

Regards,



Peter Eliopoulos

cc. Christopher Lambert, Fariyal Hasham, Angela Racco, Dino Galanis, Erin Breckbill, Dominic Campione, and James Marrelli



The City of Vaughan

BYPETERANDPAULS.COM GROUP OF COMPANIES:



byPeterandPauls



UNIVERSAL

PARAMOUNT

BELLAGIO



THE VIEW

CLUBHOUSE

SAVOY

DAVID DUNCAN HOUSE

BLACK CREEK Kortright



KALIEZIOU'S



PETROS

PeterandPauls

VISION

ENGINEER



PURE



EFZIN



byPeterandPauls.com  
hospitality & entertainment group > est. 1982



6260 HIGHWAY 7, UNIT 1 VAUGHAN, ON, L4H 4G3 | t 905.326.2000 | e global@bypnp.com

Mr. Henry Kallan  
Hotel X Toronto  
111 Princes' Boulevard.  
Toronto ON M6K 3C3

February 24, 2020

Without Prejudice

RE: Meeting February 20, 2020

Henry,

Following our meeting Thursday February 20, 2020 it is evident that we can not move forward. You and your team once again deliberately continue to frustrate and aggravate the terms of the contract, without any clear basis. We have allowed plenty of opportunity for you to address our comments and obstacles outlined in the letter dated February 13, 2020 and you have not made any attempts to rectify these. It is now clear that we have no choice but to part ways. You are not reasonable and are continuing to cause nuisance, not allowing us the quite enjoyment of the terms of our contract(s) with you.

As stated on Thursday we are an excellent operator and there are no issues in our operation that constitute your treatment, badgering, or interference. In good faith we agreed to your requests to increase the gratuity (this was done at the beginning of January 2020) and hire additional management, and in turn it was agreed upon by you, on many occasions, that the monies owing (over 1 Million dollars) would be released should we fulfil these demands, and the portion of the gratuity that the hotel is retaining and counting as revenue, would be redirected to employees as it belongs. As of today's date you have not released the gratuities or our monies owing to us. Failing to release the monies owing has constituted a default under our agreement with PGH.



The ANX Entertainment

BYPETERANDPAULS.COM GROUP OF COMPANIES



byPeterandPauls



UNIVERSAL  
EXPERIENCE

PARAMOUNT  
EXPERIENCE

BELLAGIO  
EXPERIENCE



THE VUE  
EXPERIENCE

CLUBHOUSE  
EXPERIENCE

SAVOY  
EXPERIENCE

DAVID DUNGAN  
HOUSE  
EXPERIENCE

BLACK CREEK Kortright  
EXPERIENCE



MALTEZIANI



PETROS

PeterandPauls

VISION

ENGINEER  
MEDIA



PURE  
BY P&P

PETERANDPAULS  
GIFTS

EFZIN



byPeterandPauls.com  
hospitality & entertainment group • Est. 1982



6260 HIGHWAY 7, UNIT 1 VAUGHAN, ON, L4H 4G3 | t 905.326.2000 | e global@bypnp.com

At this stage I would like to formally advise you that we would like to immediately begin the negotiation to dissolve our contract(s) and we would like to have this process completed by March 31, 2020.

Please advise when you are available the week of March 2, 2020 to meet and begin the negotiations.

Regards,

Peter Eliopoulos

cc. Dino Galanis, Erin Breckbill, Dominic Campione, and James Marrelli



BYPETERANDPAULS.COM GROUP OF COMPANIES:



UNIVERSAL

PARAMOUNT

BELLAGIO



THE VIEW

CLUBHOUSE

SAVOY

DAVID DUNCAN HOUSE

BLACK CREEK

Kortright



KALTEZIOTIS



PETROS

PeterandPauls

VISION

ENGINE





February 27, 2020

VIA EMAIL

2505243 Ontario Limited  
o/a Peter and Paul.com  
111 Princes Blvd  
Toronto, Ontario  
M6K 3C3

**Without Prejudice**

Attention: Mr. Peter Eliopolous:

Dear Peter:

**Re: Food and Beverage Services Agreement dated  
January 4, 2017, as amended by Amending  
Agreement dated March 16, 2018,  
2<sup>nd</sup> Floor Restaurant Lease dated January 25, 2017,  
and Garden Restaurant Lease dated January 25, 2017**

**Meeting February 12, 2019**

We agreed that Jacob Park is in charge and has the authority and autonomy to manage the Food & Beverage operation at Hotel X Toronto. We also agreed on the attached organizational chart, and you have agreed to fill the vacant positions as soon as possible. This is critical in our view.

Effective March 1, 2020, we agreed to stop charging license fees on the food & beverage administration fee, and allocating the full 20% to byPeterandPaul ("PnP"). The 20% administration fee on room rental will also be allocated in full to PnP, and 14% (15% April 1) will be allocated to the hourly banquet associates as gratuity for both administration fees allocated to you. This concession from the Hotel represents approximately \$300,000 on an annual basis.

111 Princes' Boulevard, Toronto, ON M6K 3C3  
T: 647.943.9300  
HotelXToronto.com



**NEW YORK CITY**  
Library Hotel  
Hotel Giraffe  
Hotel Elysée  
Casablanca Hotel

**TORONTO**  
Hotel X Toronto

**BUDAPEST**  
Aria Hotel Budapest

**PRAGUE**  
Aria Hotel Prague

For clarity, under no circumstances should administration fees be confused with gratuities, and the Hotel has never collected gratuities intended to be paid out to any PnP employees.

### **Marketing and Promotion**

You continue to insist you are not responsible for marketing and promotion under the F&B Services Agreement. There is nothing in the F&B agreement that prevents you from doing promotion and marketing, as long as you use our Hotel X Toronto tradename and logo. With a percentage rent arrangement, it is implied that the Operator will operate the business to maximize revenues, which includes promoting and marketing the Hotel. Your lack of commitment to promoting the F&B operation would indicate that you are not interested in maximising revenues over the long term.

### **Repairs and Maintenance**

The agreement is clear PnP is responsible for repairs and replacements to the PGH built facilities (Room Service, VIP lounge, the 3-level rooftop bar, the Grab-n-Go, the cinema concessions, the Banquet facilities and the Conference room facilities), including improvements installed therein, and all operating equipment. The same obligations exist for the Operator built facilities, and any offices and storage used to perform the services. Naturally, this includes operating equipment supplied by the hotel to perform the services (chairs, tables) as otherwise you would have had to supply this equipment yourself. If you are not going to maintain this equipment, the alternative is we remove this equipment from your inventory, and you will have to find suitable replacements at your own expense. Not adhering to the above is a clear violation of the agreement.

### **Letters from Peter E February 13, 2020 and February 24, 2020**

#### **Performance**

You represent that you “are doing a very good job of operating the food and beverage services”. The food and beverage services agreement stipulates; “The Operator agrees to provide and perform the services in a manner that is consistent with the highest standards established and maintained by PGH with respect to the hotel as a first class transient hotel comparable to Four Seasons Hotel, Trump Hotel (now the St Regis Hotel), or the Hazelton Hotel in Toronto”.

As we have repeatedly stated, the service and execution does not live up to this standard, and the reason we believe is the lack of management structure and service culture, which we have also repeatedly stated to you in letters dated Jan 3, 2019, Feb 18, 2019 and in our meeting on Jan 23, 2019, and many more times during less formal communications.

A summary of the F&B complaints from online reviews and guests who complained while at the hotel reveals 247 complaints since 2018 (this number is understated as we have not compiled all the complaints yet), mainly related the F&B outlets, **where the management turnover and vacancies has been a consistent problem as you know. The main concerns in these reviews are Service (mentioned 139 times), Quality (mentioned 101 times), and Cost (mentioned 73 times).**

Our objective has remained consistent, to help your organization rise up to the highest standards.

111 Princes' Boulevard, Toronto, ON M6K 3C3  
T: 647.943.9300  
HotelXToronto.com



**NEW YORK CITY**  
Library Hotel  
Hotel Giraffe  
Hotel Elysée  
Casablanca Hotel

**TORONTO**  
Hotel X Toronto

**BUDAPEST**  
Aria Hotel Budapest

**PRAGUE**  
Aria Hotel Prague

For example;

- We have recommended and requested that you hire a Director of Human Resources since late 2017. This role is critical to build a management team, yet you have never hired this position, even though you agree with the organizational chart we discussed in our Feb 12, 2020, meeting, and it was included with the organizational chart PnP provided to us in March 2018.
- We reduced the license fee from 22.5% to 15% (Banquets and Falcon Skybar), and eliminated the license fee (from 22.5%) for Room Service and Grab-n-Go, in order to help you meet wage and benefit requirements to operate in a luxury downtown hotel, and attract quality employees. **This was a \$1.2M concession in forgone annual income to the Hotel.**
- Effective March 1, 2020, the Hotel will allocate all administration fees in banquet F&B and room rental to PnP, to help you increase the gratuity pool for the banquet hourly associates. This was a \$300,000 concession in forgone annual income to the Hotel.
- We hired a Director of Guest Experience to help you manage the online guest reviews and take corrective action, since this was becoming a major cause for concern, negatively affecting the image and reputation of the Hotel. We have not billed back any expenses for this.
- We provided a complimentary hotel room for 5 months to help you evaluate your operation, including opening Petros82.

These are clear examples of the Hotel doing all we can to help you succeed at the Hotel, and elevate your performance to the level required. We continue to ask that you honour your contractual obligations at the Hotel, and build a management structure that can deliver the required service level.

### Deposits

In the past, we have treated “deposits” received from customers as “Gross Sales” for the purposes of calculating payments set out in Article 5 of the Food and Beverage Services Agreement, as amended by the Amending Agreement dated March 16, 2018. We proceeded on that basis solely to assist PnP with cash flow needs as you ramped up your operation. It has always been the position of the Hotel that “deposits” only constitute “Gross Sales” when the catering services have been actually performed. The Food and Beverage Services Agreement defines “Gross Sales” as “gross sales and receipts from the supply and performance of the Services”. In our view, this means that deposits are included in Gross Sales when they are earned. The deposits are only earned when the catering services have been performed. As you know, the Hotel is obligated to return the deposits to the Customer in the event the catering event does not proceed. As the number of catering events increases, the amount of the deposits held at any time becomes significant.

PnPs request to include the deposits as part of Gross Sales at the time the deposits are received, results in significant financial risk to the Hotel, and ultimately to PnP, if the deposits are utilized by PnP to pay its current trade debts and payroll (when, in fact, the deposits relate to expenses that are not and will not be incurred until such time as the catering service is performed). The result could be considered to be a significant financial liability for the Hotel.

Deposits for events falling within the biweekly statement of gross receipts will continue to be released as is current practice. Deposits for future events will remain with the Hotel until they fall within the biweekly statement of

111 Princes' Boulevard, Toronto, ON M6K 3C3  
T: 647943.9300  
HotelXToronto.com



**NEW YORK CITY**  
Library Hotel  
Hotel Giraffe  
Hotel Elysée  
Casablanca Hotel

**TORONTO**  
Hotel X Toronto

**BUDAPEST**  
Aria Hotel Budapest

**PRAGUE**  
Aria Hotel Prague

gross receipts. We will consider changes to this practice if it can be justified based on your performance and in good faith.

### **Adhering to contracts**

You state “we are doing our best to adhere to the contracts”, yet we had to escalate the issues over banquet gratuities and Petros82 hours of operation to the point of noting you in default under the agreements. Now that gratuities have been increased to 14%, and going to 15% April 1, we understand that the hourly banquet associates are no longer complaining about the gratuity split, and you have met this obligation under the Amended F&B Services Agreement, until labour market conditions dictate a change again to be competitive with other luxury Toronto hotels.

### **Negotiations to dissolve your contracts**

We note from your letters dated February 13, 2020, and February 24, 2020, that you would like to immediately begin a negotiation to dissolve your contracts. We would prefer that you remain as Operator and Tenant in the hotel, and focus on creating and sustaining a culture and management structure that enables you to perform the services at the level required. **This has always been our objective.** However, we are open to discussions if you insist. Any discussions would be on the strict basis that the Hotel is not in default of any of its contracts with PnP, and that PnP has a desire to leave on a voluntary basis. Your request for a meeting to discuss the dissolution of your contracts is premature. We request that you provide to us for our review any specific proposals that you may have with respect to the requested dissolution of the contracts. We can have a meeting with you once we have seen and reviewed your specific proposals.

### **Professional conduct**

Peter, we believe your lack of professional conduct has also impacted the culture in your operations in the Hotel, and impedes your ability to attract and retain quality management candidates. We have many first account examples of you being intoxicated in the outlets, you yelling and being inappropriate with staff, voiding checks and not tipping, all of which set the tone and culture in your organization.

This is also evidenced by what some of your former employees are writing on indeed.com, for example;

- September 18, 2019 – “It all starts from the ORGANIZATIONAL CULTURE practiced by the business owners. There is no positive leadership in managers and they practice the same behavior patterns that the owner preaches.”
- June 27, 2019 – “Owner is extremely rude and aggressive with employees.”
- March 17, 2019 – “Owner is a flake. Lies, lies, lies and more lies. Wow!”
- March 17, 2019 – “Unpleasant environment because of impulsive and very rude ownership.”

We expect that you behave in a professional manner and lead by example. This conduct is unacceptable and will not be tolerated.

It is very difficult for us to appreciate and understand that after you investing millions of dollars in the Hotel, you continuously do not seem serious enough to manifest enough concern to protect your investment, the reputation of the Hotel and your own organization, and rejecting our recommendations to improve your organization. If it is

111 Princes' Boulevard, Toronto, ON M6K 3C3  
T: 647.943.9300  
HotelXToronto.com



**NEW YORK CITY**  
Library Hotel  
Hotel Giraffe  
Hotel Elysée  
Casablanca Hotel

**TORONTO**  
Hotel X Toronto

**BUDAPEST**  
Aria Hotel Budapest

**PRAGUE**  
Aria Hotel Prague

in fact your preference to dissolve your contracts with the Hotel on a voluntary basis, please provide us with your specific proposals at your earliest convenience.

### **Financial Covenants**

The Hotel is currently in the process of refinancing the existing loan on the Hotel. As part of the process, the lender requires financial and other information to satisfy itself as to the financial strength of the Tenant and the continued ability of the Tenant to perform all of its covenants and obligations under its contracts with the Hotel.

In accordance with your leases, please accept this as a written request, and within 10 days after this request, to provide permission for the Landlord to view at the Tenant's offices, such financial and other information for 2505243 Ontario Limited.

Yours very truly,

**HOTEL X TORONTO**



Christopher Lambert  
Managing Director

cc: Mr. Henry Kallan  
cc: Mr. Dino Galanis  
cc: Mr. James Marrelli  
cc: Mr. Dominic Campione

111 Princes' Boulevard, Toronto, ON M6K 3C3  
T: 647.943.9300  
HotelXToronto.com



**NEW YORK CITY**  
Library Hotel  
Hotel Giraffe  
Hotel Elysée  
Casablanca Hotel

**TORONTO**  
Hotel X Toronto

**BUDAPEST**  
Aria Hotel Budapest

**PRAGUE**  
Aria Hotel Prague





6260 HIGHWAY 7, UNIT 1 VAUGHAN, ON, L4H 4G3 t 905.326.2000 | e global@bypnp.com

Mr. Henry Kallan  
 Hotel X Toronto  
 111 Princes' Boulevard.  
 Toronto ON. M6K 3C3

April 7, 2020

Without Prejudice

RE: Rent for Petros 82 and Maxx's Kitchen & Invoice #2522

Henry,

We have received an invoice for the rent for Maxx's Kitchen and Petros 82 for the month of April 2020. As of today's date we have paid the rent for both Maxx's Kitchen and Petros 82 up until the end of March 2020. The Hotel was closed on March 23, 2020 and it should be noted that therefore an additional 8 days of rent was paid following the closure.

Given the current climate and these unprecedented economic times as a result of COVID-19 we are not in a position to pay rent going forward until normal business resumes.

Further to this it should be noted that you have closed the hotel making it not possible to operate or even to do take-out at a basic level, as we are doing at our other restaurant, and hence your request to pay rent is not reasonable, as you have restricted all revenue generating opportunities. It is also unclear when the hotel will reopen, nor was I formally advised that the hotel was closing with proper written communication.

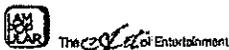
Until further notice rent will not be paid for Maxx's Kitchen or Petros 82.

We kindly ask that we receive updated communication on the status of the re-opening, and the go forward plan for the hotel, as we need to plan accordingly for our business.

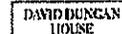
Regards,

Dino Galanis

Cc. Budhi Laksmono, Anil Dash



BYPETERANDPAULS.COM GROUP OF COMPANIES





VIA EMAIL

June 4, 2020

2505243 Ontario Ltd.  
6260 Hwy 7, Unit 1  
Vaughan, ON  
L4H 4G3

Attention: Mr. Peter Eliopoulos

Dear Peter:

**Re: Food and Beverage Services Agreement  
Ground Floor Lease  
Second Floor Lease**

---

In your letters of February 13, 2020, and February 24, 2020, and during our in-person meeting at Hotel X Toronto on February 12, 2020, you advised us of your decision to dissolve your contracts with Hotel X Toronto. Despite this, you have taken no steps whatsoever to meet with us to discuss the dissolution of your contracts, and you have failed to reply to our correspondence dated February 27, 2020, and April 19, 2020, and you have not paid rent owing for the months of April, May and June 2020.

As you can well appreciate, Hotel X Toronto must ensure that all facilities at the property are ready to open following clearance from applicable government authorities. Any further, unnecessary interruption to Hotel X Toronto food and beverage operations would cause irreparable harm to our business during this critical juncture of re-opening.

We expect that you will promptly follow-through with immediate payment of all arrears of rent and that you will also meet with us no later than **June 12<sup>th</sup>, 2020**, to discuss dissolution of your contracts with Hotel X Toronto.

Kindly provide us with a response by **June 8, 2020**, failing which we will need to consider all other remedies available to protect the interests of Hotel X Toronto.

We reserve all of our legal rights.

111 Princes' Boulevard, Toronto, ON M6K 3C3  
T: 6479439300  
HotelXToronto.com



**NEW YORK CITY**  
Library Hotel  
Hotel Giraffe  
Hotel Elysée  
Casablanca Hotel

**TORONTO**  
Hotel X Toronto

**BUDAPEST**  
Aria Hotel Budapest

**PRAGUE**  
Aria Hotel Prague

Yours very truly,  
**HOTEL X TORONTO**



Christopher Lambert, CPA, CGA  
Managing Director

111 Princes' Boulevard, Toronto, ON M6K 3C3  
T: 647.943.9300  
HotelXToronto.com



**NEW YORK CITY**  
Library Hotel  
Hotel Giraffe  
Hotel Elysée  
Casablanca Hotel

**TORONTO**  
Hotel X Toronto

**BUDAPEST**  
Aria Hotel Budapest

**PRAGUE**  
Aria Hotel Prague

---

-----Original Message-----

From: Christopher Lambert  
Sent: June 14, 2020 3:26 PM  
To: Peter E <peterandpauls@gmail.com>  
Cc: Henry Kallan <henry@libraryhotelcollection.com>; Dino Galanis <dino@bypnp.com>  
Subject: RE: Moving forward

Dear Peter,  
Please find attached letter in response to your email below.  
Sincerely,  
Chris

Christopher Lambert, CPA, CGA  
Managing Director

E. christopher.lambert@hotelxtoronto.com  
D. 647-475-9252  
C. 647-401-8144  
111 Princes' Boulevard  
Toronto, ON M6K 3C3  
Canada

-----Original Message-----

From: Peter E <peterandpauls@gmail.com>  
Sent: June 12, 2020 2:09 PM  
To: Christopher Lambert <Christopher.Lambert@hotelxtoronto.com>  
Cc: Henry Kallan <henry@libraryhotelcollection.com>; Dino Galanis <dino@bypnp.com>  
Subject: Moving forward

> Thank you Christopher for your patience. We are writing to respond to your letter of June 4, 2020.  
>  
> As you can appreciate, in light of the current landscape caused by COVID-19, we have required additional time to consider next steps. We confirm that we are prepared to resume our operations at Hotel X Toronto by July 15, 2020.

With that said, we must be aligned on our agreements going forward, and while we are prepared to discuss some of the proposed amendments and requests outlined in your letters dated February 3, 2020 and February 27, 2020, some of them are problematic and not in line with agreements that we signed. We need to work towards a compromise that ensures both parties can continue to operate successfully.

>

> With respect to rent, while we understand the leases provides for certain payments to be made, in the current circumstances we believe all parties must act reasonably given Hotel X has been closed for a number of months. We would like you to work with us to obtain the proper government relief as other landlords have done. We find it unreasonable that you have not tried to assist or accommodate us during these difficult times, although we understand that you also are facing significant pressures.

>

> To be clear, we intend to continue to work with you and fulfill our contractual obligations, and while we expressed certain frustrations in February as a result of PGH's actions, we are ready to discuss a path to move forward. I am hopeful we can move forward amicably and take this opportunity to refresh and revive our relationship in a positive direction with both parties acting reasonably.

>

> Please advise on a day and time when you would like to meet and discuss reopening logistics.

>

> Thank you, Peter



VIA EMAIL

June 14, 2020

2505243 Ontario Ltd.  
6260 Hwy 7, Unit 1  
Vaughan, ON  
L4H 4G3

Attention: Mr. Peter Eliopoulos.

Dear Peter:

**Re: Food and Beverage Services Agreement  
Ground Floor Lease  
Second Floor Lease**

---

Dear Peter:

We acknowledge your email dated June 12<sup>th</sup>, which was the first we have heard from you on these issues since your letter of February 24<sup>th</sup>.

With respect, your latest email proceeds in the wrong direction. You had already clearly set out through correspondence dated February 13<sup>th</sup> and 24<sup>th</sup>, as well as during our meeting at the Hotel VIP check-in lounge on the afternoon of February 20<sup>th</sup>, your decision to terminate PnP's relationship with the Hotel rather than correct the many breaches of contract set out in our earlier notices. In fact, you had stated that the Hotel (rather than you) should find a suitable operator to replace PnP such that the only questions remaining are what reimbursement of expenses might be owed, if any, as well as the date when the leased premises should be returned. The Hotel has already accepted your demands and has been moving forward accordingly so as to minimize the impact to our operations while we prepare to re-open following COVID-19.

We are available to meet online through the "Zoom" platform on any of the following dates for a "without prejudice" meeting to discuss terms of PnP's amicable departure:

- June 15
- June 16
- June 17
- June 18

111 Princes' Boulevard, Toronto, ON M6K 3C3  
T: 6479439300  
HotelXToronto.com



**NEW YORK CITY**  
Library Hotel  
Hotel Giraffe  
Hotel Elysée  
Casablanca Hotel

**TORONTO**  
Hotel X Toronto

**BUDAPEST**  
Aria Hotel Budapest

**PRAGUE**  
Aria Hotel Prague

Kindly indicate your preference so that we can coordinate the logistics. Time is of the essence.

We look forward to meeting with you.

Sincerely,

Yours very truly,  
**HOTEL X TORONTO**



Henry Kallan

111 Princes' Boulevard, Toronto, ON M6K 3C3  
T: 647543.9300  
HotelXToronto.com



**NEW YORK CITY**  
Library Hotel  
Hotel Giraffe  
Hotel Elysée  
Casablanca Hotel

**TORONTO**  
Hotel X Toronto

**BUDAPEST**  
Aria Hotel Budapest

**PRAGUE**  
Aria Hotel Prague

---

**From:** Christopher Lambert  
**Sent:** June 16, 2020 8:55 PM  
**To:** 'Peter E' <peterandpauls@gmail.com>; Henry Kallan <henry@libraryhotelcollection.com>  
**Cc:** 'Dino Galanis' <dino@bypnp.com>  
**Subject:** RE: Response to June 14th Letter

Dear Peter,  
Please find the agenda for tomorrow below.

1. Settle any remaining obligations to trades or suppliers by PnP
2. Discuss outstanding financial obligations towards Hotel X (minimum rent & additional rent, return unearned deposits)
3. Departure date
4. Agreements to formalize the dissolution of contracts

Sincerely,  
Chris

---

**From:** Christopher Lambert  
**Sent:** June 15, 2020 2:13 PM  
**To:** Peter E <peterandpauls@gmail.com>; Henry Kallan <henry@libraryhotelcollection.com>  
**Cc:** Dino Galanis <dino@bypnp.com>  
**Subject:** RE: Response to June 14th Letter

Dear Peter,

Please find call-in details for the video call below.

For clarity, this meeting is between the principals, without legal counsel present. It is also entirely without prejudice and the parties, by participating, agree not to record the attendance. Please confirm your attendance.

Sincerely,  
Chris

Chris Lambert is inviting you to a scheduled Zoom meeting.

Topic: HOTEL X - PNP Meeting (Zoom)  
Time: Jun 17, 2020 11:15 AM Eastern Time (US and Canada)

Join Zoom Meeting

<https://us02web.zoom.us/j/89528988644?pwd=N2JDSzBoQVVTRGkxQ01RSzUvM3dQdz09>

Meeting ID: 895 2898 8644

Password: 083951

---

**From:** Peter E <[peterandpauls@gmail.com](mailto:peterandpauls@gmail.com)>

**Sent:** June 15, 2020 12:47 PM

**To:** Henry Kallan <[henry@libraryhotelcollection.com](mailto:henry@libraryhotelcollection.com)>

**Cc:** Christopher Lambert <[Christopher.Lambert@hotelxtoronto.com](mailto:Christopher.Lambert@hotelxtoronto.com)>; Dino Galanis <[dino@bypnp.com](mailto:dino@bypnp.com)>

**Subject:** Response to June 14th Letter

Dear Henry,

I write in response to your letter of Sunday, June 14, which we received late in the evening.

As it relates to timing of our response, given the pandemic, the ultimate shutdown of the Hotel and the ongoing management of our business during the pandemic, our team has been focussed on dealing with a number of issues. We have reviewed the operative agreements governing our contractual relationship at Hotel X Toronto and have noted that the terms do not provide for our ability to unilaterally terminate the agreements and leases which in our view remain in force.

As it relates to the direction of our email, we advised you on June 12 of our continued intention to work with you and to fulfil our contractual obligations. This is of course premised on ensuring we each have clarity around our respective obligations going forward. If your position now is that the agreements and leases have been or are being terminated, and you intend to bring in a new operator, please confirm this, and provide the basis for the termination and what terms you are proposing to compensate our group for your decision to terminate.

We remain hopeful that we can continue to discuss a path forward, are confident that if we work together we can be in a position to move forward on July 15 with the continued operation of the premises. This will of course minimize the impact on both parties and the Hotel which we understand to be the goal as we prepare to re-open following the pandemic.

We are prepared to meet with you for a without prejudice discussion on June 17, 2020 at 11:15 am by Zoom. Please send us invite to the call so that Dino and I may access the call.

Thank you,

Peter Eliopoulos

Sent from my iPhone



VIA EMAIL

June 23, 2020

2505243 Ontario Ltd.  
 6260 Hwy 7, Unit 1  
 Vaughan, ON  
 L4H 4G3

Attention: Mr. Peter Eliopoulos

Dear Peter:

**Re: Food and Beverage Services Agreement**  
**Ground Floor Lease**  
**Second Floor Lease**

---

We refer to our without prejudice Zoom conference call of Wednesday, June 17, 2020. During that call, in furtherance of your previous written and verbal requests to cancel your contracts with Hotel X Toronto, we requested that you (i) advise us of a firm departure date, (ii) provide all supporting documentation (in the form of purchase orders, invoices and cancelled cheques) to support expenses for which you are seeking reimbursement and (iii) repay all unearned deposits of approximately \$600,000 paid to you for catering services. Your only expressed concern was as to the amount of expense reimbursement to be paid to you and you agreed to respond to our requests by no later than yesterday in order that we would be in a position to finalize, without further delay, your departure from the Hotel.

You called me on Saturday, June 20, 2020, and informed me that you do have documentation to support your claim for expense reimbursement, however, you also informed me that up to \$1 Million of your expenses incurred with contractors and others were actually paid for in cash and are not recorded in your financial books and records. It is therefore impossible to verify the accuracy of the cash payout amounts. You also stated that you wished to continue with your existing leases for Maxx's Kitchen and Petros 82, but that you still wished to cancel your Food and Beverage Services Agreement with the Hotel. I advised you that this change in position is no longer tenable.

You called me again on Monday, June 22, 2020, and advised me again that you still wished to cancel the Food and Beverage Services Agreement, but that you wished to continue with the restaurant leases for Maxx's Kitchen and Petros 82. I advised you again that this was not possible. You then replied to me that, in that case,

111 Princes' Boulevard, Toronto, ON M6K 3C3  
 T: 6479439300  
 HotelXToronto.com



**NEW YORK CITY**  
 Library Hotel  
 Hotel Giraffe  
 Hotel Elysée  
 Casablanca Hotel

**TORONTO**  
 Hotel X Toronto

**BUDAPEST**  
 Aria Hotel Budapest

**PRAGUE**  
 Aria Hotel Prague

you would continue with all of your operations at the Hotel and would no longer be willing to cancel any of your existing contracts with the Hotel, including the Food and Beverage Services Agreement. The Hotel has a substantial business and we cannot be held hostage to your changing whims as to whether or not you wish to cancel all of your contractual arrangements with us. You have, until this past Saturday, been very unequivocal that you wished to cancel your contractual arrangements with the Hotel and that your only concern was to obtain reimbursement of certain of your expenses. The position that you took in our telephone call of yesterday can only be viewed as a misguided attempt to extract unwarranted financial compensation from the Hotel without having to provide any documentation to support your demands.

We have been making every reasonable effort to finalize, on an amicable basis, the terms of your departure from the Hotel, but it now appears that you are willfully attempting to frustrate all of such efforts, including your request that we falsify CECRA documents to assist you with payment of your Rent for Maxx's Kitchen and Petros 82. We have no interest in participating in any CECRA fraud and we remind you that you continue to be in default of your obligations under the Food and Beverage Services Agreement and under the leases for Maxx's Kitchen and Petros 82. With regard to the leases for Maxx's Kitchen and Petros 82, respectively, your continuing default includes non-payment of minimum rent and additional rent for the months of April, May and June, 2020. While we have the legal right to terminate all of our contractual arrangements with you without further notice, we prefer to settle the terms of your departure on an amicable basis, provided that you are prepared to work with us in good faith. In doing so, the Hotel does not waive any rights under the various agreements.

Please let us know by 5:00 p.m. on Wednesday, June 24, 2020 as to how you wish to proceed, your proposed departure date and produce the documentation requested above.

Yours very truly,  
**HOTEL X TORONTO**



Henry Kallan

111 Princes' Boulevard, Toronto, ON M6K 3C3  
 T: 647.943.9300  
 HotelXToronto.com



**NEW YORK CITY**  
 Library Hotel  
 Hotel Giraffe  
 Hotel Elysée  
 Casablanca Hotel

**TORONTO**  
 Hotel X Toronto

**BUDAPEST**  
 Aria Hotel Budapest

**PRAGUE**  
 Aria Hotel Prague

---

**From:** Peter E <peterandpauls@gmail.com>  
**Sent:** Friday, June 26, 2020 2:44:36 PM  
**To:** Henry Kallan <henry@libraryhotelcollection.com>  
**Cc:** Christopher Lambert <Christopher.Lambert@hotelxtoronto.com>; Dino Galanis <dino@bypnp.com>  
**Subject:** Re: Letter June 23- With Prejudice

>

> WITH PREJUDICE

>

> Henry,

> I am sending this email in response to your letter of June 23, 2020.

> First, our Zoom call on Wednesday, June 17, 2020 was without prejudice as were my subsequent calls to you. Our goal was to settle an ongoing dispute as to our respective rights and obligations under the various agreements with a view to moving forward constructively. Your summary of these discussions in your recent letter is improper in this context, ultimately inadmissible, and inaccurate in any event.

> As I have advised you in my letters of June 12 and June 15, we are prepared to resume our operations at Hotel X Toronto by July 15, 2020. Continuing to permit us, as the established operator of these facilities, to ramp back up as the Hotel prepares to re-open will of course minimize the impact on both parties and the Hotel, which we understand to be the goal as you prepare to re-open following the pandemic. The continued delay on your part in confirming that we can proceed is prejudicing us, impacting our ability to do what needs to be done in the short time between now and July 15, 2020. Continuing in your approach will only lead to challenges as we move forward and potentially greater expenses or losses incurred.

> With respect to rent, while we understand that the leases provide for certain payments to be made, as you know in the current circumstances all parties must act reasonably as has been stated repeatedly by local and government officials. Give that the Hotel has been closed for a number of months, we again confirm that we would like you to work with us to obtain the proper government relief as other landlords have done, and in a manner that complies with all of the relevant requirements.

↳ In your letter, you have completely mischaracterized our request for your assistance in securing available government assistance. I did not and would never seek to do anything that was not in line with the applicable government guidelines, nor did I, nor would I, ask you to take any such steps during our without prejudice discussion. Your allegation that we suggested any attempt to engage in fraud or defraud the government is outrageous, false and malicious. I expect that you will formally retract it immediately.

> We continue to find it unreasonable that you have not tried in any way to assist or accommodate us during these difficult times as it relates to rent payments. We reiterate our request and wish to work with you to obtain what relief is legally available. We also are prepared to consider an abatement or deferral agreement regarding the rent if that is of interest to you. We understand many landlords have taken this approach. Our desire to work with you on this issue is consistent with the fact that we genuinely want to be in a position so that we can fulfill our contractual obligations. We are ready to discuss a path to move forward.

> That being said, in prior conversations many months back, you proposed a compromise whereby we could continue to operate under the existing leases for Maxx's Kitchen and Petros 82, with the remainder of the F&B services agreement terminated. While not preferable, we also remain open to that as an alternative solution on the understanding that such an arrangement would need to be mutually agreed upon by both parties. We are prepared to respect the spirit of the existing agreements as part of those negotiations and sit down with you whenever you are available.

> To be clear, your statement that we have agreed to terminate our relationship is not reflective of the status of this matter nor our discussions or correspondence. We have continued to express our desire to continue to provide the services that we contracted to perform at the Hotel on the terms set out and in accordance with the agreements. We continue to disagree that you have the legal right to terminate all of our contractual arrangements and continue to await a clear statement from you as to the basis for your entitlement to do so, in addition to confirmation that you have complied with your obligations under the same agreements so as to be in a position to terminate.

> Further, even if you did have that right, in the current context termination would be contractually unreasonable, in bad faith and would lack even the most basic business ethics. I am very concerned that your approach appears to be to bully us to leave behind all of the hard work and our significant investment and infrastructure, so that you can take advantage of an unfortunate situation, being the closure of the Hotel given the COVID-19 pandemic. We note that you decided unilaterally to close the hotel one week prior to the mandated shutdown due to the pandemic, and since that time you have not permitted us to take any steps to try to bring in revenue through either take-out operations, or more recently, patio service which was requested and denied this week.

> The closure of the Hotel has compounded the fact that the Hotel (to date) has not lived up to the representations that you made both as to the timeframe under which it was to open, or the level of its occupancy and activity, and ultimately, its profitability. You know that there were many promises and representations made by you at the time the agreements were originally entered into, each of which led us to enter into a business arrangement with you, and which have since clearly been proven to be inaccurate.

> Throughout this relationship we have been misled and bullied by you and your team, and I can only believe that you have in the recent past sought to take steps to ensure that we are not profitable. While I am concerned that you never actually wanted us to succeed in the operations, we have done our best to maintain operations in very difficult circumstances. And despite all of this, we remain prepared to continue to work with you and fulfill our contractual obligations. We do this because I believe that the Hotel can be a success, and I wish to take the necessary steps to ensure that we can all profit from the work and investments that we have made to date. Contrary to the statements made in your letter, we have full back up documentation for \$6,966,871.34 in hard costs invested in the Hotel's premises in anticipation of a ten year or more agreement with you. This number does not include the significant soft costs, time and energy incurred in ramp-up and start up, advertising, marketing, staff training, etc. that I had mentioned in our call, these will exceed the hard costs incurred and some are not able to be documented with proper backup.

> I will again reiterate that we are prepared to fulfill our obligations. If you are terminating the agreements, please set out clearly the basis on which you are doing so, in compliance with the applicable agreements. We will otherwise continue to prepare to reopen the premises on July 15th in accordance with the agreements. We look forward to working cooperatively with you in the coming days to do so, and remain available for further discussion.

> Regards,

> Peter Eliopoulos

>

>

---

**From:** Peter E <peterandpauls@gmail.com>  
**Sent:** Friday, June 26, 2020 2:47:32 PM  
**To:** Henry Kallan <henry@libraryhotelcollection.com>  
**Cc:** Dino Galanis <dino@bypnp.com>; Christopher Lambert <Christopher.Lambert@hotelxtoronto.com>  
**Subject:** Re: Letter June 23- Without Prejudice

- >
- > WITHOUT PREJUDICE
- >
- > Henry,
- >
- > As noted in my with prejudice correspondence, we do not believe that we are in breach of the agreements or that you have a basis on which to terminate the agreements.
- >
- > That said, if you have no intention of letting us continue to honour our agreements and are seeking to terminate the agreements now, then I suggest that we work towards a solution that avoids either of us having to resort to legal remedies.
- >
- > We have now confirmed that we have expended an aggregate of \$6,966,871.34 of hard costs in the development and build out of the premises of the restaurants and other spaces of Hotel X Toronto. We have back up documentation for all of these expenditures. This number does not include the significant soft costs, time and energy incurred in ramp-up and start up, advertising, marketing, staff training, etc. these will exceed the hard costs incurred and some are not able to be documented with proper backup. These equate to approx. 2 Million Dollars. In addition we have incurred approx. an additional 2 Million Dollars in business losses during the two year period the hotel has been opened due to poor performance and false promises on behalf of Hotel X Toronto.
- >
- > As you know, the first two years of the Hotel's operations have not been profitable and so by terminating the

agreements early, you are also forcing us to forgo the ability to recover any part of our significant initial investment, nor profit from the remaining term of the agreements.

>

> In light of this, we would be prepared to vacate the premises and agree to a mutual termination of all agreements between us in exchange for a one time lump sum cash payment of CAD \$10 Million Dollars, to be paid by no later than July 15, 2020. Upon payment of such sum, and the execution of mutual releases drafted by our lawyers for both our protection, we will be prepared to vacate on a mutually agreed date.

>

> Please provide us with your response by no later than 5:00 p.m. on Monday, June 29, 2020.

>

> Regards,

>

> Peter Eliopoulos

>

>

## HRIR - Employee Satisfaction Surveys

### I feel my pay is fair.

- (1) I think that the tips receive are very low compared to the amounts that the client actually signs for. We have asked on several occasions to have an explanation of the tip percentages and how they are allotted. We have not yet received a proper run down and explanation.
- (2) I feel as banquet servers with the amount of work we do per client the pay could be more. I've heard from other banquet servers their rates are higher within other companies.
- (3) I feel the gratuities that we make are very unfair. Its been more than a year that I have been working here and I feel its a shame that the company gets so much business and is so miser when it comes to sharing with us. I have worked and am still working as a part time server in another five star hotel and I truly do know what we deserve and are working for and what we are actually getting. my last paycheck i worked around 80 hours and then calculated i made only 80 something dollars per night and i am sure it can 't be an honest amount and its not just me everyone else i work with is so upset and disappointed in the company that they are selfish enough to keep all the profits to themselves.
- (4) tips are very low
- (5) IM NOT HAPPY WITH MY GRATS. FEEL LIKE A SOME ONE STEALING
- (6) Promised raise several months ago has not fair and gratuities seem to be in constant decline even as the department gets busier.
- (7) we need to know how to calculate tips
- (8) Need to be clear how to separate the TIPS (compare to other hotel TIPS NOT FARE)
- (9) For some people, it is a lot of money compared what they do.
- (10) There are more than usual tasks to do that are not a part of my responsibility, moreover the same position is paid more elsewhere.
- (11) The employees are not paid based upon their skills and hard work but based upon what language they speak (Spanish) for better opportunities.
- (12) I feel that my pay is not at all up to the mark plus the tips are very inconsistent at least the pay should be up to 25\$ based on the type of work we do and the quality we produce.
- (13) I'm happy with mine but increase won't hurt
- (14) But, there should be an annual increase in wages reflecting the increasing inflation rate.
- (15) The hours well over exceed a standard 40 hrs/week and the pay does not match the level of commitment required.
- (16) At the beginning it was, but lately with the dramatic changes we are undergoing - much more responsibility is assigned to us that has naturally been affecting our personal life.
- (17) bar backs should be tipped out more from waitresses and bartenders
- (18) love it
- (19) I believe that the Supervisor position should have a higher hourly rate than the service staff.
- (20) people who have easier jobs then I do get paid way more hourly. I am the lowest paid person at maxx
- (21) i m working for PnP for almost 2 years now never talking about any race or even if i will try to the managers talking they are looking like no interested to have any conversation
- (22) tips would be nice or more pay
- (23) pay is fair but would nice to have an incentive for increase
- (24) i feel my pay is fair but its been stagnant for almost 2 years now. increase in pay motivates a person to do even better.
- (25) can be better
- (26) Salary could be a bit more as some events require late nights/weekends
- (27) comparing to other hotels who are not unionized pays more..
- (28) Pay here is incredible for the job- but there are no clear divisions between management roles and just regular kitchen roles. i noticed that many people get promoted so that they make less money. WHICH IS CRAZY! you need more than one sous chef and a supervising manager on EACH shift..

### I have the tools and equipment I need to do my job.

- (1) We are constantly short on many items in the kitchen that we need in order to set up properly for an event.
- (2) Sometimes we are very short of the stuff we need.
- (3) Just when we are having a few events at the same time we are running out of cutlery and glasses.
- (4) WE NEED TO BUY SOME TOOLS
- (5) Most tools are broken, are stolen by other companies when dropping off/picking up rentals, or don't fit through doors, or are so dangerous to use, if they're accessible at all, because of the location of the items that we have to pick up for set ups.
- (6) Most of equipment need to get improved and we need more equipment for cooking. Ex) proper dehydrator or Sous vide machine.
- (7) there are equipment that are either not safe to use or are less in quantity which is a drawback for the pace of getting things done, as promised by the managers the equipment is ordered from more that a year now but still not shipped.
- (8) Have to bring in my own tools
- (9) I have pretty much enough tools fr the job as long as others return it back after using.
- (10) Sometimes missing some items/misplaced items which results to no tools and equipment to do the task.
- (11) This is very untrue for the Falcon Skybar, many of the necessary spaces and tools to complete daily tasks are just not there.
- (12) As of recently yes, but at the beginning no.
- (13) unrealistic bar set up. Not enough tables. Mix match patio furniture. Need more back bar levels. Need more bar mats.
- (14) the bar has a horrible set up, not enough tables, and the tables we do have dont accommodate the guests and party sizes
- (15) a lot of the times we run out of stocks and supplies
- (16) Sometimes we get out of basic material tools and/or products for almost a week.
- (17) A second nespresso machine would help speed up service.
- (18) there are many items that need to be replaced, and others we need to give a more impactful experience for the guest
- (19) My tools are often taken from others in other departments
- (20) a lot of times we do not have enough equipment in the kitchen to get the job done. (i.e Not enough hotel pans or cambros)
- (21) not enough equipment we are running from department to department looking for basic tools, this is a waste of my time
- (22) we only have 8 steak knives in the whole restaurant
- (23) We are not well equipped with communications. Would prefer a cloud system for shared documents to have a history of updates and changes on amenity sheets and other documents. Also, our service elevators are regularly backed up, especially on busy days, and between 9-10am in the morning daily when the housekeeping staff begin their shifts.
- (24) elavators are an issue.IRD can use one to make sure food gets there hot and prompt
- (25) elevator wait times are an issue for deliveries, two service elevators isn't functional
- (26) pls help get better photocopier
- (27) Clarity on some newly added spaces being sold
- (28) We dont have the right utensils and equipment to do our job, as soon as we get them they disappear. SO MANY BROKEN EQUIPMENTS, because staff arent trained on how to use them properly, doesnt mean you dont have to get them fixed.

### Considering everything, I am satisfied working for this organization at the present time.

- (1) I am not happy with my pay at all, I don't believe its enough for all the hard work and time they want us to put in and hold back on to our money that belongs to the servers.
- (2) Read the above. The constant decline in expected gratuities and lack of clarity around this factor is a serious issue. Agree or Disagree, survey reader?
- (3) I satisfy with pay and working schedule but I do not like working in this hotel as a chef or cook.
- (4) I have stayed because of good relationship with my manager and hoping things would change or us in banquets.

- (5) Satisfaction is not just about money but it's also about equal rights and mutual respect but that can't be attained where the Managers and head operations team be quiet after numerous formal complaints and does not take any actions where disrespect is happening.
- (6) banquets lack professionalism and should be looked upon most of the workers speak Spanish even the manager and they continue doing it while working with people who are not familiar with the language which is a serious job hazard somehow there is more preference to the people who speak spanish. I wonder how they even keep people who dont really understand or speak english. not at all satisfied.
- (7) I like the morale and the people who work here.
- (8) I like my team members, some of management is amazing (john)
- (9) There's always room for improvement.
- (10) Sometimes the disorganization and my peers make it difficult to enjoy working here
- (11) A completely closed attitude by management for discussing issues pertinent to our jobs is why I disagree. Also many changes made come across as cheap and mildly disrespectful.
- (12) I enjoy working for this organization. The only thing that bothers me is the bullying being done by our "chef". He is very disrespectful to most of the employees. I have heard him make racist remarks on multiple occasions. (i.e. Calling the latino people beaners when they are not in the room). Verbal abuse should not be taking place in the work place. This is very inappropriate behavior from someone who is supposed to be a leader.
- (13) I have been in this industry of 22 years and this place is the most disorganized I've seen.
- (14) The attitude of certain coworkers is negative, rude and impolite. People like Lebert Williams, who is a manager, behaves this way at specific times, which creates an atmosphere of tension and stress among other co-workers.
- (15) I like to be challenged with improving daily logistical improvements/adjustments, and that I have plenty here.
- (16) leaders lacking skill and experience
- (17) I am not satisfied, people in the management or LACK THERE OF, should have a better idea of the food and workload that needs to get done. If we weren't so wasteful we could get raises.
- (18) I am very satisfied and grateful to be working here, but the unfairness, most of the times, in my department is very discouraging.

### **I feel that the work I do directly impacts the success of my organization.**

- (1) we are always encouraging the new servers and captains to be working as a team .
- (2) Good luck finding less familiar less skilled labor to do the same job in the same time with any reliability or consistency. Uselessness of DGS staff overnight demonstrates the difference.
- (3) I strongly feel like chefs do not care about quality of dishes and I think as an experienced cook, it is difficult to change if you have arrogant and impassionate.
- (4) I strongly believe in the sentence, but its very hard to pull someone else's weight on your shoulders, considering the people that are hired with no such background as hospitality.
- (5) Management frequently consults staff directly on day to day duties and how our systems can improve to help us do our jobs better
- (6) Regardless of the job, I take pride in my work ethic, attention to detail and ability to encourage a warm and productive environment
- (7) What I'm doing most of the time is correcting mistakes done by others, very simple tasks not done right
- (8) I take pride in building relationships with every department to develop a team working attitude, rather than acting as a separate company (p&p). Also, I have been improving daily flow of service since day 1 that I've been here.
- (9) rivers make ocean. I am one of those rivers
- (10) A lot of the weight of responsibility here goes towards the cooks, because there are no sous-chefs. this creates a huge issue because if you're not self motivated you can get away with doing nothing with the others suffer.

### **I have sufficient freedom to determine how I carry out my job responsibilities.**

- (1) we are always following the managers indications and the banquet procedures.
- (2) Could do with more support to acquire functional tools and have a say in where storage is located before everything is eventually relocated to another building entirely.
- (3) Supervisors here have no idea how to communicate neither manager which vigorously decreases our freedom.
- (4) you cannot work on your own terms because it's a team effort and when the top heads in the team wants to do things without any suggestions from the team members and carry out work on their own terms, How can one ?
- (5) I agree, people often take advantage such as my supervisors, one of them goes on a tou every time on his shift to enjoy the view of hotel and hit on female workers, that's complete freedom thank god!

- (6) Every supervisor/manager instruct me to the same thing in different ways and then I get told off for doing it specifically that way. For most the times there's no instruction or support at all
- (7) Often times, when I do extra for guests and go above and beyond, I am met with resistance by my manager
- (8) We are micro-managed and not given chances to show our skills
- (9) I still have road blocks when it comes to logistical improvements. 1 housekeeping use of elevators need to be minimized by dedicating carts to each floor and not to each person. The staff and carts often take up VERY VALUABLE TIME travelling from floor to floor significantly slowing down our flow of service. (often times, our service attendants spend over an hour a day waiting for elevators alone.)
- (10) I DON'T KNOW MY JOB RESPONSIBILITIES because no one oversees the work I do, and it hasn't been clearly laid out for everyone

### **I understand my organization's goals and objectives.**

- (1) It's obvious what the goals are - do I have full comprehension? I don't know
- (2) well goals and objectives are shared for the organization and new employees are educated about the organization during orientations but that does not apply here, there are no orientations for new employees
- (3) nah nah nah, don't even get me started, the sign lacks the transparency it's all words no reality
- (4) we need consistency, too many broken promises by too many different management
- (5) half the time were a lounge, half the time were a club, or were "fine dining"- pick what we are and stick with it
- (6) I do not understand what kind of business Falcon SkyBar is. It's either a night club or an upscale lounge bar.
- (7) there is no goal or set goal
- (8) Sometimes I feel that there is a miscommunication on managers side on goals and objectives, which make it harder for employees to do their job according to standards sometimes
- (9) I agree with the statement but as the organization is concerned there is no goal or objective
- (10) need an orientation
- (11) I actually am not aware of the existence of either P&P's nor HotelX's mission statements
- (12) do as told
- (13) there is no clear team mentality, no communication between departments, and no one from the company has actually taught us recipes or care how things turn out

### **My organization is making the changes to be successful.**

- (1) We are on many occasions understaffed. The reason for this is staff do not show up for their shifts and do not inform management that they are unable to make it to work. We have asked on many occasions for items we need to set up do our events efficiently and have not yet received them. Also we have been short on uniforms for many months now.
- (2) as I mentioned before I have been here for a year and I stayed thinking it's a new hotel and we will slowly make changes and make progress from where we started but sadly we are still so disorganized and it's shameful that we are hiring more and more inexperienced people so that they don't find out how they are being tricked into making less and less money with more and more success of the company. the more we are getting popular and busy, the more our pay is going down. How is that even possible?
- (3) to improve we need to do some changes
- (4) Flexibility with hours and understanding of MODs is all that prevents this from being a Strongly Disagree response.
- (5) There have been tons of things that the management is notified about hence no desired outcome or steps towards making this place a better environment to work.
- (6) it seems like the Operations head does not care about the success of the organization, or even thinks about making these workplaces better for employees. NO WONDER THIS PLACE IS A MESS.
- (7) a little bit somehow.
- (8) in some degree, but not enough to make this place successful
- (9) Instead of getting the whole team together to give us instructions/training, scattered information with some of the team members.
- (10) the changes that are going to be made is not in a right way
- (11) Some of the changes made seem arbitrary and purely for the sake of change while others make the staff feel alienated and disrespected.
- (12) They turn a blind eye

- (13) Due to the inability to act as one unit, we often have "who's paying for this?" issues, and I still find that the separate P&P departments do not act as one. I believe this is due to a poor new employee introduction to the new job and workplace.
- (14) I hope so they are making the changes to be successful.
- (15) More time could be taken when training new employees
- (16) numbers speaks for it self
- (17) THEY HAVENT CHANGED ANYTHING: alot of the issues have been blamed on being a new facility but in the year or so that they've been open there has been no drastic changes to make the job more cohesive and an easier to be in.

### **I understand how my work contributes to the organization.**

- (1) Same as 6.
- (2) true that.

### **In the last month my direct supervisor has encouraged me to be innovative and creative.**

- (1) its more like they want things done the way they like it. they don't care or approve of the way we want to do things.
- (2) Even when we follow the managers indications we can contribute new ideas .
- (3) Within the bounds of what is currently possible, yes.
- (4) Our supervisors don't care about anything at all. We have no idea when they clock In or out, It is because of our (setup Crew) manager that this place is running smoothly and He has a massive respect from every setup crew or it would have been a havoc.
- (5) Encouragement happens when teams have unity and but the supervisors(Ahmad) don't even talk to the team respectfully.
- (6) my supervisor lacks the skills of supervisor, not really a human the guy is known for his aggressive nature a complete package to destroy a beautiful day at work. earning for free. this is the guy who goes on tour in hotel hitting on random female workers.
- (7) I dont really know who my supervisor is.
- (8) john has, not so much anyone else
- (9) my supervisors are not knowledgeable about what hospitality means and what could help for creative and innovations
- (10) more training and coaching needs to be implemented
- (11) Some encourage and empower, others are too afraid/preoccupied of how they will look and of getting in trouble for ridiculous things
- (12) What supervisor they seem to change monthly and never around when they are needed
- (13) No positive re-enforcement
- (14) Managers such as Rudi Atanassov and Elizabeth Moraes, encourage the staffs to work as a team, motivating them with constructive comments, polite words and also, showing them how to improve the quality of the service they provide to the guests.
- (15) agree
- (16) not quite sure who my supervisor is, but i have the freedom to do what i want because of this, just this mentality to FIGURE IT OUT

### **I care a great deal about the quality of my work**

- (1) i am always trying to do my best.
- (2) It is ultimately easier and more efficient to focus on the quality of work than not in my opinion.
- (3) i have my own ethics which stats to give my more than 100% at my workplace regardless of everything else. I am a person who puts in the work first and then expect in return.
- (4) I do but no one care's, not regard no motivation nothing, feels like a cage sometimes to be here. " have bills to pay though"
- (5) i take pride in serving my customers and giving them a great experience but its rare to actually get recognition from anyone other than john so its hard to care
- (6) I always care about my work, but it becomes more difficult to be genuine in my interactions when communication about groups, reservations and scheduling is so poor and then I feel frustrated

- (7) That has been my overall goal top notch work
- (8) i am one of 10 maybe 12 cooks who actually care about my performance and the attitude i have here.

### **In the last month I have been recognized for my efforts at work by my direct supervisor.**

- (1) I feel I have put a lot of work and effort into my department. Taking some of the responsibility of captain from time to time without a complaint. I don't ask acknowledgement however it would be nice.
- (2) I am usually left to do my work - this is a bit like recognition, and I appreciate that.
- (3) There is no such thing as recognition here. glad that now I know. Regardless of how much you do in the end there is no one who can take charge when things go right or even when things go wrong. It's a mess and no one cares. It's a feeling of disappointment to see our own workplace handled so carelessly.
- (4) Forget about supervisors, even managers are not recognizing people for their efforts.
- (5) no matter how much effort you put in, no one exactly wants to pay you extra so they ignore it. I mean i can only dream to be at a position here cause it cannot be true. people dont really appreciate.
- (6) Dont know who my supervisor is. No recognition
- (7) for the most part, more recognition would be appreciated - we work hard
- (8) only john as previously mentioned
- (9) Many of my managers and supervisors are more comfortable with the flow of service while I am working, and the looks of relief and happiness when I return from days off are how I interpret doing a good job
- (10) in the past year no recognition
- (11) I notice alot in terms of waste managment and leading fellow team members not once have i have been told i am doing a great job..

### **I feel my organization values me.**

- (1) Basically the same as 11.
- (2) oh does it! I'm sorry never felt that way. that's what i get to miss my family happenings and come to work just for my organization.
- (3) somewhat. not really sure. i dont get much feedback
- (4) we have all been told several times by multiple managers that everyone is replaceable
- (5) Stephen does not value employee suggestions
- (6) They do, but not always in the right way.
- (7) Our Chef does not value our efforts and that is the reason for such a high turn-over rate.
- (8) Haven't hear a postive comment in the past two years
- (9) Just enough to keep me from leaving.
- (10) i constantly hear threats of peoples jobs, the dont promote within or try to better the staff by example.. they just yell in frustration.

### **I am willing to put in as much effort as necessary to get my job done.**

- (1) Would Strongly Agree if the average level of effort wasn't so low with staff that going 100% means doing other people's work for them, which is already an issue.
- (2) Again for me it is always about giving more than 100% every time I step into my role because My work done shows the character I carry.
- (3) I do. and my managers would believe me to if they stop their listening from third person and check my work themselves.
- (4) always put in my 100%
- (5) however, I don't much care for picking up the slack of others on a regular basis.
- (6) i always do my best
- (7) So long as the task logically makes sense. I get frustrated by illogical requests.
- (8) and no more, with such a low moral and piss poor attudite I just give what needs to be
- (9) and some.
- (10) I always put in extra work when need be
- (11) I give 100% on all my shifts. even when we're dead. i dont see this drive from half the cooks because their work isnt valued, or they just dont care- but still they get paid the same as me..

### **The organization where it can, strives to create opportunity for work life and home life balance.**

- (1) Flexibility around schedule and altering schedule allows for this, yes.
- (2) No wonder Jefferey spends his whole life here, while you never see Fabian or Karen working as hard as Jefferey. (The only reason Goran left)
- (3) IS IT POSSIBLE HERE? NEVER HAD THAT.
- (4) Dont feel like there is a work life and home life balance.
- (5) For times I am requested to stay longer or arrive earlier.
- (6) ....sometimes there's 7 hours in between shifts. lots of double shifts given without much opportunity to decline
- (7) everyone think for themself rather than whole
- (8) Christianne is amazing and always does her best to accommodate everyone's needs regarding the schedule. She is very understanding of our university schedules and encourages us to have a work/school life balance.
- (9) They are very accomodating in my schedule so I do feel I have a great work and life balance
- (10) there is no balance. We work long hours with little or no respect from our chef. When trying to book days off for personal reasons, he continues to make employees feel bad for doing so: He says "I dont give a fuck!"
- (11) scheduling sucks our schedule goes up late saturday afternoon
- (12) I have worked 7/6 days in a row multiple weeks
- (13) Our schedule comes out on saturdays and honestly its incredibly frustrating
- (14) I had to demand this for myself. Not once has there been any conversation of well being nor work life balance since I've started here. P&P doesn't have a system for onboarding and training new employees. Rather it's simply a learn on the go process without skills and responsibilities checklists nor milestones, which I prefer.
- (15) There could be a better balance - some events require a lot of details/ ground work and at times multiple functions can be assigned to one individual which then results in late night/ weekend work
- (16) people get threatened with their jobs if they request days and are denied. they say if you call in sick dont bother coming back. we get our schedule on saturday nights which is usually not long enough to book an appointment.

### **My direct supervisor in this organization behaves in an honest manner.**

- (1) When it comes to basic deliverables as per BEOs, yes, but not when it comes to fair compensation, gratulties, or explanation about the latter especially.
- (2) 2/3 Supervisors here don't care enough. Funny thing, there is no concept of "Lead By Example" here.
- (3) well not really, at least not Ahmad.
- (4) MY supervisor lies to managers to his co workers and goes on tour, also the guy is high on weed alot of times and even after bringing it in managers consideration the guy still works here. I mean i can be one of these supervisors i have diploma and my supervisor is a school dropout. i can do better than them i can change the way work is done here.
- (5) Dont know who my supervisor is. No direct supervisor.
- (6) john is amazing, most of everyone else is shady
- (7) I've noticed that some people have benefits/priorities just by being friends with the managers/supervisors.
- (8) one of them are hired as a assisting manager and not server but she take tables and get those tips
- (9) 100%. Christianne is amazing and always does what she can to encourage our success.
- (10) Not 100% of the time, that is certain.
- (11) PnP Peter and paul they have managers working for them which they don t know about what really it s going on in the maxx restaurant ,completly useless.
- (12) will throw any one under the bus
- (13) Williams behaves like a bully if he is not happy with your work. Sometimes I hear complaints like "he laughed at me" or "he made me cry yesterday", which is unacceptable in any workplace. This also affects the quality of my work, due to the stress it causes me.
- (14) I also believe she works in a "just hope I dont get fired" manner.
- (15) ive witnessed some very racist, wrong, and just flat out rude things being said and done to staff. its VERY disrespectful

### **I feel as an organization we listen to the needs of our customers.**

- (1) In moments of crisis, yes, but NOT in preparation or preventing problems from recurring.
- (2) As long as the managers are making money, nobody sitting in the banquets office cares other than Jefferey.
- (3) but everything is last minute
- (4) Frequent customer comments about pricing of certain food & beverage items have been overlooked, frequent complaints about timeliness of food service have yet to be addressed & corrected
- (5) the seating is not functional. the menu is too small. we have poor choices in beer/wine are only some of the complaints we receive
- (6) even customers complain about the set up of the bar/layout of furniture and nothing is being done
- (7) For times, part of the team is being cut to save money for the company but we turn up getting busy and that has a strong connection to the quality of product/service provided.
- (8) Christ is an amazing supervisor who trained us to be capable to do so
- (9) alot of the staff dont have strong knowledge of the menu therefor cant give the customers the best service.

### **The organization is strongly committed to its policy to prevent sexual harassment in the workplace.**

- (1) but I am not sure it is committed to preventing racial harassment.
- (2) the only thing that I like here, its clean here. I have never seen harassment sexually.
- (3) where is peter & pauls HR???
- (4) I have seen those harassment in work place and none of our manager done anything about it

### **I am satisfied with my working conditions.**

- (1) I don't feel this hotel was created to have a banquets department. There is no space for us or our belongings, and any space we do have is now being utilized by other organizations within the hotel. We are climbing over each other. It makes it dangerous when we have bigger functions such as weddings, when we have no where to properly clear, or pass by. Materials that are needed are broken or unusable, making the job harder to complete.
- (2) its physically impossible for a person to work 10 hours straight without a break and its not something that the management should be okay with. we should get a break half way from our shift because we run around so much especially during weddings first they dont send us on break on time and then the cafetera closes which not our fault at all and sometimes we just go home like fools with no food and no break with half n hour deducted from my paycheck for a break that I never took. GREAT! SHAMEFUL!
- (3) Access to safe and plentiful tools would change this. The working space is one thing, but on site safety and efficiency another.
- (4) Too much inequality, even after many complaints by the whole setup team about one supervisor named Ahmad there is not a single step taken against him after multiple warnings and even disrespecting head managers in front of everybody and got into multiple fights with team members and also consuming Marijuana during breaks.
- (5) sometimes around negative environment. people shouting - disrespecting.
- (6) Though, storage rooms are very clustered and needs organization.
- (7) Ive worked at worse places
- (8) the heater does not work during winter
- (9) We dont have the tools available for a happy place to work
- (10) Our office is insufficient for room service order taking, also the elevator issues is on the top of my list of concerns when it comes to the well being of this company. Our service on busy days, when it matters most, takes way longer than any paying guest of our hotel would care to wait for a service. Ice buckets are the worst on busy days.
- (11) a more efficient photocopier please
- (12) A quieter office would be great
- (13) because there is not alot of supervision alot of things dont get labelled or properly cooled down or even cleaned, thus not a great environment to be in.

### **There are opportunities available for me to develop new skills.**

- (1) the place needs motivation and directions, help please!
- (2) No training. You have to learn it on your own!
- (3) the opportunities are given without proper training so it can hinder the development of new skills
- (4) my organization doesn't offer a training or anything to be successful

- (5) unknown to them
- (6) I wish there were more
- (7) no new menu development, very primal culinary skills are executed because not everyone is properly trained to make the finer things.

### **My ideas and opinions count at work.**

- (1) I think everyone has their own way of doing what they want. Even if they say they agree, they will still not comply.
- (2) no one has the time to care.
- (3) Supervisors don't care enough to listen or they get mad and crazy includes losing temper and use of inappropriate words. If you ask the Banquets managers, they know who I am talking about.
- (4) no one gives a flying cupcake about what I say.
- (5) management never listens to the staff on what would work for this place, some of which have never worked in the restaurant or hotel industry prior to here
- (6) Ideas can create problem in their opinions
- (7) Stephen does not value employee suggestions
- (8) Some managers are more encouraging than others
- (9) For the most part, and there are also times when I feel that valid issues I raise are not listened to.
- (10) we never ever had any meeting to meet with all the staff, they can't never ever understand ideas if don't know your staff, pretty awful job dears management
- (11) every opinion I have give has been ignored or questioned.

### **Overall, I am satisfied with my position here.**

- (1) Lack of raise and fair compensation while watching less qualified people shifted into positions of authority or even hired alongside me is something I'm tired of observing/dealing with.
- (2) not for what I get in return but for the fact that I get an opportunity to wake up and come put in my efforts, I can do it somewhere else but I think it isn't a good idea to jump off a sinking boat but rather you be the savior.
- (3) its a honey trap
- (4) Even though I've been offered a senior position, it will pay less and that I do not want.
- (5) it pays the bills and is one of the best rates in the industry for pay with benefits.

### **People feel very secure about their jobs at this organization.**

- (1) I actually feel neutral about this based on me not being able to speak for others.
- (2) Sometimes too secure. Repeat offenders still have their jobs and seem emboldened to continue getting slack in their jobs, causing others to follow their lead.
- (3) only as long as they speak anything or do anything that is right in values and ethics.
- (4) nah dont say that
- (5) There are a lot of people I see come and go. Turnover rate is terrible
- (6) it has been made clear that we are replaceable
- (7) a new manager has made it known that some girls don't fit the look hes looking for and is overstaffing on purpose to get some of us to quit and make room for newer prettier girls
- (8) there is no difference between full time and part time
- (9) Chef has threatened to fire employees for many reasons. most of us do not feel any security.
- (10) If you happen to be on the outs with a manger you may lose your job
- (11) P&P within Hotel X is not a well oiled machine yet, and often times employees throw each other under the bus for their own well being rather than having constructive conversations to move past issues and build stronger bonds.
- (12) I would have said even wort but strongly disagree is the last option available. the staff turnover in the organisation is insane. everyday new people join and some get expelled.
- (13) no clear team decisions. no one has any idea of anything before its done. as im writing these answers I am anxious about my position here.

### **I would refer a friend to apply for a job at this organization.**

- (1) this depend on the context
- (2) LOL
- (3) nope will keep it to my self dont want anyone else to suffer
- (4) No
- (5) i used to not anymore not worth the headaches and anxiety
- (6) I have given chef a few resumes of amazing cooks who were hoping to work here, but chef did not hire them because i was the one who gave in the resumes. Prejudice should not be happening in the work place. He judged my character, without actually knowing anything about me.
- (7) More likely with Hotel X than P&P
- (8) I would never
- (9) its almost embarrassing to say i work here because im not proud of what we execute

### **Management believes that employees are the most important asset of our firm.**

- (1) Many inexperienced staff are hired in this department.
- (2) I believe management feels clients are the most important asset to this firm. I think they feel employees are replaceable, and under valued for the amount of work we put in.
- (3) THEY FEEL MONEY IS THE MOST IMPORTANT ASSET OF OUR FIRM.
- (4) In moments of crisis, yes. Fair and accurate compensation (reflecting punch ins/outs etc) would be a priority if staff were truly valued.
- (5) Not at all, there's a lack of transparency. There are particular questions regarding payroll which are yet dodged and we couldn't find a clear answer. This comes from setup crew as whole.
- (6) Never have i felt that, not a single time.
- (7) making guests happy is more important than making employees happy
- (8) as i said weve all been told were replaceable
- (9) they make us feel replaceable
- (10) Chef treats us like we are disposable.
- (11) Majority of the management team. One of the members aren't
- (12) You can be fired on the drop of a hat if you are the bad side of a manger
- (13) Rudi, the manage appreciate each member so it makes it easy for all of us to work harder.
- (14) Management believes in making money, not investing in people.
- (15) no they do not
- (16) same departments are more aggressive then others, we miss an HR department with honest people. same manager miss inform the worker.
- (17) I feel like they see us as numbers and a paycheck.

### **Information and knowledge are shared openly within this organization.**

- (1) Yes, however it is not always directly directed to everyone
- (2) we really want to know how the organization distribute the tips
- (3) lack of transparency and a big communication gap
- (4) there is lack of transparency in everything, and certain questions are never answered, you just get jumped around from one manager to others
- (5) Lots of miscommunication
- (6) most of the time we are not told when new procedures are put into place
- (7) Mostly only bad information is shared. The few times when any benefit or perk has been available, we have not been informed
- (8) One of the managers does not communicate information clearly to the staff nor to the assistant management team
- (9) at times have no idea what the heck is going on day after day
- (10) \*\*Neither agree nor disagree. Simply put, here are people who do, and people who don't.
- (11) we know nothing, the culinary team would benefit from monthly or even quarterly team meetings- where we can bring up our concerns and have a voice.

**At this organization we maintain very high standards of quality in everything we do.**

- (1) almost always
- (2) For appearances, yes, but not behind the scenes or materially.
- (3) That is something as an org won't compromise on which shows the hierarchy has a great mindset but its the dept. that has gone wayside.
- (4) Could be better in the future.
- (5) There is room for improvement on our cocktail list to bring us up to the level of other hotel bars. There is also room for improvement on training and standardization of procedures/
- (6) some more than others
- (7) I have high standards I hold myself accountable for, but it appears to me that man others do not
- (8) Lack of staff training, possibly staff training budget doesn't exist? I feel it's a satisfactory quality.
- (9) no direct supervision so i can assume whatever quality i want to send out.

**This organization has a good understanding of what constitutes a positive customer experience.**

- (1) some more than others
- (2) on the kitchen side i feel yes but some front of house managers lack skills
- (3) quality of our service and employee moral has gone down and has a direct impact on what the customers experience

**There is good communication between people in different areas of the organization.**

- (1) The communication can be better. I feel as if other departments do not take banquets as seriously, when we are in need of something for a client especially if we are in a rush. Perfect example, 2/3rd floor ice machines were out of ice (forgetting the 4th floor) went to use the ice machine in the basement and has a small confrontation with an IRD employee over the ice machine. Instead of allowing me to use the ice machine to fill a small bucket so I could go back to the client I had to then wait once again for the elevator just to go to the 4th floor to use the ice machine. Small things like that should not be an issue if we are all her er to please our clients.
- (2) the communication between banquet and kitchen need to improve.
- (3) Zero.
- (4) some speak Spanish and some dont understand English if you know what i mean
- (5) Daily staff meetings are required (at least twice a day) to share what is going on in our workplace.
- (6) Frequent miscommunications between Banquets and Falcon cause issues with Falcon's ability to operate, and impact our guest experience/
- (7) nobody tells each other anything and it makes us look stupid in front of our guests when we dont know what they're talking about
- (8) no communication done whatsoever
- (9) the hotel and BYPNP never seem to be on the same page.. communication is lacking majorly
- (10) THERE is no communication what so ever
- (11) As previously stated, some people are great, and some are not great with communication.
- (12) usually difficult to communicate between outlets. communication between HXT and PNP is extremely difficult
- (13) can be improved
- (14) There is communication however sometimes I feel it takes a long time to get a response or some push back rather than alternative solutions
- (15) not everyone speaks English and i do not like to carry my google translator every time while i am working
- (16) If there is communcation with different departments and the culinary staff its because the two people took initiative to talk it out. lots of wrong room set ups and issues occur because people dont talk..

**My organization values honesty and integrity.**

- (1) hahahaaa
- (2) if i was to tell my true thoughts about how we are treated, i feel like i would be fired

- (3) "Neither agree nor disagree." I have no idea whether P&P cares. HotelX with this survey has proven to me that you do. Thank you!
- (4) once again still feel anxious about my job security because im writing honest answers

### Individual differences are respected here (e.g gender, race, age etc)

- (1) If that was true, Chef James would not have called us Mexicans and treated us like we not equal. He makes us feel his superior than most of us. He is so rude and obnoxious.
- (2) I NEED LEARN SPANISH CUZ THEY ALWAYS USING SPANISH
- (3) In many cases yes, but in important areas I have seen people under the heel of a boss, their power systematically at odds because of racial backgrounds.
- (4) Head chef says racist comments
- (5) it does including personal differences.
- (6) No. There are a lot of things you hear but you cant say anything, or else you get in trouble.
- (7) age, gender, and race - yes, different body types? not always
- (8) some managers are sexist and dont like women
- (9) Not much cultural representation
- (10) I have heard our chef make so many racist jokes, these jokes should not be heard at work.
- (11) racism does happen at times
- (12) As I noticed, sometimes people are being bullied.
- (13) watched a f to m trans person get given a womens work card for the changeroom. THERE SHOULD BE NEUTRAL ONES AVAILABLE, yet alone all the other racist things I hear almost on a daily

### The management team holds zero tolerance for unethical behaviour.

- (1) If this was true, we have had 2 of our supervisors fired so far but the sad thing is things go under the rag and never brought to attention.
- (2) well not really, if that was the case my 2 Supervisors would have been fired few months back for Everything they did. (Proof - ASK FABIAN FOR ALL THE LETTERS AND COMPLAINT REPORTS AGAINST AHMAD FROM THE SETUP TEAM.)
- (3) my supervisor is unethical and still works here even after messing with managers he was able to get away with it I wonder the director of banquets was doing here.
- (4) no, I dont think they care
- (5) they play favourites regardless of what happened with who
- (6) Its the management who are being unethical.
- (7) Rud in Maxx's should have been fired multiple times for the way he speaks to his staff.
- (8) in general yes, but same managers same times they stand by they people
- (9) see alot of sketchy things that dont coincide with the food handlers laws.

### People here are held accountable for their actions.

- (1) People were found sleeping in the coat check, bar tenders were found heavily drunk, servers were found stealing food and we find empty beer bottles every single time we clean the fridge or storage rooms. Honestly, sometimes we feel that we are stupid because we are so honest. all the management does is suspend them for a couple of days which is clearly not enough.
- (2) WELL only applies for the base employees.
- (3) everything for people who work under but nothing is accountable for people who work on top way too bossy of what position they are on. at least should have some human courtesy
- (4) people who are suppose to get fired are not and the people who are lazy stay within the company
- (5) There is a lack of consequences for behaviors such as missing shifts, unfair tip pooling practices & failing to complete daily duties,
- (6) for the most part... however no consequences are given to those who constantly arrive late.
- (7) If someone shows up late no management cares
- (8) Agree, as majority of the management team implement the policy. disagree in a sense that one of the higher management doesn't held the staff accountable for their actions.

- (9) I am aware of things that get swept under the rug rather than acknowledged and improved upon. The fear of being reprimanded or fired prevents people from being honest and own mistakes made.
- (10) same times...
- (11) never seen someone written up for anything.

### **This organization has a code of professional conduct that employees are expected to follow.**

- (1) Employees are expected to behave in a professional manner. Many employees constantly go against certain rules.
- (2) That an employee must and shouldn't negotiate with it at all.
- (3) only if my bosses follow it too and set a good example
- (4) there is a huge divide between hotel staff and PNP staff, hotel staff treats PNP staff like garbage and are very unprofessional but expects us to treat them like royalty
- (5) no code of conducts
- (6) Where in this organization I haven't witnessed it
- (7) Maybe in Hotel X, but P&P is wishy washy.
- (8) never seen it...

### **If I observe unethical behaviour I know where to report it.**

- (1) But no one takes action against it
- (2) I know where to report, reported a certain time but sadly no actions taken yet
- (3) I know where to report but after reporting no further actions are being taken on anybody.
- (4) I have did it alot of times but no consideration for it
- (5) No, I didnt even know where the HR is. I never received orientation
- (6) we have been told PNP doesnt have HR here and none of us have had pleasant experiences with the hotel HR people and have been told "thats not the hotels problem"
- (7) even if I report it I get into troubles
- (8) peter and Pauls has no HR department
- (9) I dont have full confidence that actions will be taken after reporting
- (10) My direct supervisor first, then Jacob, then hotelX MOD.
- (11) no clear place to report incidents i see. we were told we dont have an hr person for us.. only the hotel members.

### **Company leadership has made changes which are positive for me.**

- (1) There are constant rule changes in the department. Eg no phones: a positive rule HOWEVER as a server, we do not have access to keys, we do not have enough radios for every server, when days are busy, I use my phone to keep in contact with my captains/managers, it makes communication easier and also does save a lot of time from having to run around to find the captain, sometimes just to ask a question. I feel like the company looks at banquet servers like we are invisible people until we need to be visible. All the rules feel like you can't even be human. (again the phone example was just one example)
- (2) the leadership really need to more close to the workers and hear theirs the concerns.
- (3) There is no leadership here in this organization they just know to give orders and sit in the office and drink
- (4) I wish
- (5) more work and no increase in pay
- (6) slowly
- (7) Stephen has made our work environment uncomfortable and over staffs thinking it is compromising guest experience but all the top servers will just leave
- (8) I see mostly status quo happening
- (9) Agree and disagree HotelX is constantly improving while P&P is just in survival mode.
- (10) nothing has changed to better the moral and work environment of any kitchen staff

### Overall, I am satisfied with the spirit of teamwork within this organization.

- (1) We generally work well as a team. There are some employees that lack work ethics
- (2) I think it's every man for themselves, from stewarding to chefs. We are all suppose to be one unit, yet I feel that is not the case. When DGS (agency) servers are here I feel it makes things more complicated and difficult to move as a unit. Too many opinions, too many different ways of doing the smallest thing. Making us PnP workers work twice as long and hard.
- (3) Teamwork among the crew is what sets us apart.
- (4) Moral has been going down since I started here. There is very little team work.
- (5) Moral is in the toilet many do not want to work here at all.
- (6) HotelX yes, minus housekeeping management. P&P not so much.
- (7) I truly believe this is where we struggle the most, and that departments within the hotel could greatly benefit from better understanding each other's daily routines/needs/issues.
- (8) very few people are happy to be here, and almost NO ONE likes working here.

### My supervisor takes time to listen to me.

- (1) THEY HEAR ME BUT DONT TAKEN ACTION
- (2) Sorry but Never. Supervisors are irresponsible, lack professionalism, big time and has no etiquette and it's not only me who has this view but entire crew stands in this. I wish they have right people in the place and the efficiency can go up in a short span.
- (3) well if he is around to help the team, 99% of the time he's lost in the hotel and meets us at the end of the shift and listens to us on our way back home.
- (4) John listens and does everything he can, Joanna and gucci are great also
- (5) John is amazing when it comes to this, if you have any concern he will listen and do whatever he can to fix it
- (6) only couple of them do well like Joanna and Gucci and Danny
- (7) Yes, Christ dedicates time and value to help me become a better person at my job.
- (8) Christianne always encourages teamwork and creates a positive space for us to share our thoughts/opinions about the work environment openly.
- (9) Depends on supervisor, answer could be from agree to strongly disagree
- (10) If I ever have questions about a task I avoid asking chef because in the past when I have asked him, he has belittled me in front of all of my co-workers, constantly making employees feel bad for asking how to complete a task.
- (11) when they are around
- (12) once again, what supervisor???

### Management and non-management employees work well together.

- (1) 50/50 agree/disagree, erring on agree
- (2) some\*
- (3) There are some miscommunications between managers and as a result between employees and managers as well
- (4) Depends on the department.
- (5) in some cases its very nice but there is all ways a but, some managers do not respect the workers
- (6) no clear distinction in the kitchen- probably because everyone ius getting paid the same, and the managment even less..
- (7) Sometimes

### Team members are held accountable for the decisions they make.

- (1) I neither agree or disagree. Team members are held accountable but captains take the fall regardless.
- (2) Only in moments of crisis, brashly, and too generally.
- (3) It depends on the manager who is handling the issue
- (4) Only if it's owned and acknowledged.
- (5) even when employee's mess up 100's of dollars of things no one is reprimanded

### Company policies and procedures are applied consistently in my department.

- (1) I neither agree or disagree because I'm unsure
- (2) this place is extremely inconsistent
- (3) Absolutely not. I understand the hotel is still making decisions/changes regarding minor elements, but they aren't being addressed consistently by all managers in various departments. We are often told to change something by one person and then told by another to change it back. I feel this is unfair because managers will get upset with us for changing something, but we are simply doing what we are told to do. I think they should come to a common agreement on their own, and transmit the new information to us once a decision has been made.
- (4) It seems like the code of conduct does not apply to the kitchen staff, verbal abuse is a daily occurrence.
- (5) Wishy washy
- (6) no idea what the company policies are or where to even leave if there is a fire

### Senior management understands the problems we face in our jobs.

- (1) If they did then the problems would not continue to arise .
- (2) STRONGLY DISAGREE. They need to know how to listen and accept. not making excuses
- (3) They do but surprisingly there are no actions being taken.
- (4) i hope they will after this survey
- (5) senior management doesnt even know our names let alone the problems we face
- (6) Stephan understands the issues we have with the set up of the bar and understands how difficult it is for the bartenders to work with one well
- (7) John is amazing, Stephen does not take the time to be practical and understanding
- (8) As a server, I have no control over how long food takes to cook, what communication is passed from higher above, I can only fully control the encounter between guest and myself. I am confident that I exceed in that area, however when the schedule is missing staff or support, I can not give the service I know I am otherwise capable of.
- (9) Don't real care about our jobs
- (10) no idea of what happens in the day to day prep and cooking for the hotel

### I respect my supervisor.

- (1) IF THEY RESPECT ME THEN YES
- (2) not everyone
- (3) I respect him for who he is as a human being at the end of the day and his inconsistency and slacking at work has nothing to do with how I respect every individual.
- (4) I respect him as a human being but expect the same back
- (5) I tried but he does not allow me to
- (6) dont know who it is
- (7) / disagree. I expect more a "lead by example" from my superiors.
- (8) John, Joanna, and gucci
- (9) Honestly best management i have ever had.
- (10) 100%. Christianne is an amazing supervisor.
- (11) Jacob is great.
- (12) all the supervisors are great people. it is only chef who is not respected because he does not respect any of us.
- (13) Some I do
- (14) I respect because I am professional

### It really feels like everybody is on the same team here.

- (1) It feels like every man for themselves, or problems are left to be solved by a different person
- (2) It never feels like all the other departments realize that we work for the same company at all. Once we were all working in the ground flour and we were in urgent need of ice so this lady Lessity the in room dinning manager WAS EXTREMELY RUDE to one of our servers and literally started screaming at her. no one is supposed to talk to anyone like that. it is so wrong and she was so unapologetic about that unacceptable behavior.
- (3) well the Unity between the Set-up team is amazing but when it comes to anyone other than crew members seems like the upper management is lost, even the supervisors as well.

- (4) people like to take tours and not work, its more like he would or they would do it attitude.
- (5) No. Everyone does their own thing to get the job done
- (6) Maybe someday
- (7) the servers are, and were all unhappy
- (8) some employees i feel are more focused on their tips than a customer's experience
- (9) I love my LCL team. There is not a single person i do not enjoy working with.
- (10) everyone out for themselves they don't care about each other
- (11) there are too many teams, and some times the extras have a stronger voice then us
- (12) NO TEAM ENVIRONMENT

### **My supervisor has reasonable expectations of my work.**

- (1) He expects the crew to do everything.
- (2) Agreed, he expects me to do everything.
- (3) never saw anything motivational in him i learned nothing from him.
- (4) john does
- (5) somewhat agree
- (6) alot of the burden of the hotel gets put on very few employees and they expect wonders from people who are just COOKS not CHEFS or supervisors.

### **My direct supervisor ensures that employees who do a good job are recognized and appreciated.**

- (1) we should be as it will encourage us to do better but we are not
- (2) Nothing like this sorry. I hope this makes a difference. at this point it has a great necessity where there is tremendous group of employee but supervisors and mgmt is slacking
- (3) No. If i had one they dont show it
- (4) yes, but we can apply more employee recognition to heighten the morale.
- (5) John especially.
- (6) john does
- (7) even if we do god job at the end its just a job to them
- (8) Depends on supervisor/manager
- (9) Recognition has been in empty words which are drowned out by other negative tones. The few opportunities that have existed (such as the early discounted spa appointments) were never told to us by management
- (10) i have seen chef give more recognition to the employees who work poorly. A lot of the very hard working people are treated with disrespect.
- (11) Again for a year and a half nothing
- (12) no one is supervising us on the floor and no one is giving you reassurance, more of talking you down than anything.

### **I believe that this organization provides a safe environment for employees and guests.**

- (1) it can be better, if people are not treated just as numbers, some of the management may be the problem
- (2) no proper safety training because we dont have paid training here

### **I am proud to work for this organization.**

- (1) i am proud because everyone i know ask me the same question how come i am not fired from the organisation yet? so it makes me feel proud.
- (2) how can i be proud to waste food as much as we do.

### **I am treated with respect.**

- (1) sometimes.
- (2) most of the time
- (3) From the supervisors I feel a lack of commitment in making the whole team working together. Some of the employees do and say whatever they want because they know they will be protected.
- (4) I have lost track of all the times I have felt disrespected. Verbal abuse will not be tolerated. the labor board will be contacted if nothing is done about this.
- (5) Negative comments are common in the afternoon shift. There are gossip and drama , encouraged by a small group of people, that negatively affects the staff.
- (6) by the boss yes, not by same managers
- (7) you build the respect you want here.

### **I feel that I am given adequate direction to do my job.**

- (1) Some times there is a lack of communication
- (2) I wouldn't seek out alternate forms of information if I had any confidence in direction given
- (3) somewhat.
- (4) waiting for proper training for staff members
- (5) We need a training program which we do not have at this time
- (6) Adequate, and insufficient. I had to find the information that I needed from the start. There is no guide to success in IRD
- (7) NOT EVEN RECIPES, yet alone direction.

### **I have all the resources I need.**

- (1) no always
- (2) no, always missing something
- (3) it has gotten better now that there aren't many guest this time of season but during summer or busy days/nights we would run out of paper cups, plastic cups, lids, mint, oranges, limes, beer, wine etc
- (4) Uniforms are very faded, sometimes there are only uniforms that fit ridiculously. (ie. pants too short and shirts too big)
- (5) Second Nespresso machine.
- (6) There is no H-R department
- (7) we already talked about all the broken, unfixed equipment that they still haven't fixed

### **My feedback is listened to.**

- (1) When it comes to interpersonal conflicts, yes.
- (2) when people suggest something to managers they said we don't do it, we have our rules and don't compare to other hotel.
- (3) never have I received any answers to feedback from my complains and any requests.
- (4) I hope someday
- (5) not really, normally just heard but no action
- (6) always listened to but now always considered
- (7) only one person will listen
- (8) everyone minus Stephen
- (9) Again depends on a manager
- (10) sometimes.
- (11) same times, very rare
- (12) I hope this is listened to because before this nothing has made a difference no matter what supervisor I tell to.

### **Suggestions to give feedback to improve the work environment is accessible.**

- (1) If a company is too cheap to buy adequate rolls of tape why would it care about any larger more impactful tools to improve the work environment? And if criticism of how some staff are managed isn't heard or followed through on then what is the point of bringing things up to begin with?



- (3) There is no training available, you are put out on the field from the first day and you have to just figure it out from there
- (4) No training program
- (5) Not sure where the training programs are available
- (6) very limited training, trainers do their best but are not given the tools to successfully train individuals, most training comes from previous work experience in different establishments
- (7) no training for new staff
- (8) ive been working here more then half a year, yet still didn't have orientation
- (9) There is minimal in the way of training program
- (10) when employees start here, they are given no training what so ever
- (11) There was no training program in place when i joined the team
- (12) NO TRAINING PROGRAM
- (13) doesnt feel like there is any training
- (14) Gostaria que nos tivessemos treinamentos mais rigidos
- (15) non existent
- (16) WE DONT TRAIN COOKS HERE. THIS WOULD HELP ALOT BUT WE DONT HAVE SOUS-CHEFS TO DO SO!

### **Overall, I'm satisfied with the leadership of my General Manager/Administrator.**

- (1) Knowing how poor it is elsewhere in the building helps.
- (2) John, yes, anyone else, no
- (3) stephan is great and experienced
- (4) Very happy with Jacob.
- (5) Strongly Agree with the leadership of our F&B General Manager. Disagree with the leadership of our Outlet General Manager
- (6) I m having a baby soon and the general manager Jacob Park i been asking about any benefit about it he never ever answer back to me.
- (7) If I was things might have improved
- (8) If refering to Jacob.
- (9) I still havent done an orientation and no one asked me if i needed to do one. all i see the gm come to kitchen for is to complain about the food.

### **My immediate supervisor takes an active interest in my growth and development.**

- (1) I personally don't think they care
- (2) no one cares about anything regarding staff development
- (3) never wants to grow the cooks we have would rather fire someone then train properly. how can they care about me if they dont care about anyone else.

### **The actions of the management team show that they trust employees.**

- (1) Much of the time, yes.
- (2) there are no actions from the management, they are frozen by the upper management and can't even take a single small decision on their own
- (3) Not sure about this question.
- (4) many changes to recipes and menus are done without talking to or emailing the cooks. this shows they dont trust everyone on their culinary team

### **The no harassment/no discrimination policy is clearly understood.**

- (1) Culturally, yes. I think people are well enough behaved that I have not personally seen instances where action was needed, however, I am sure others feel differently about this.
- (2) at least not to my supervisor (AHMAD)
- (3) supervisors not setting up a good example
- (4) there is not policy is there or given yet

- (5) again, the harassment policy seems like it does not apply to chef
- (6) disagree, i see management being rude all the time upset and harassment on people it's all the time thank you for liberat Williams he is the best in harassment
- (7) Management seems to have missed this memo
- (8) I stand for this.
- (9) like on our schedule two hispanic guys started with us, he didnt have to write MEX beside their names for like 2 weeks, they arent even Mexican

### Overall, I'm satisfied with the leadership of my Supervisor.

- (1) Sorry but NO. They don't deserve where they are, seniority
- (2) it cannot be said leadership from what he does and tends to do
- (3) only john joanna and gucci
- (4) i feel like we are lacking leadership qualities in some supervisors who can inspire and coach our staff to be better at what they do every day coming to work in hospitality world.
- (5) again, some of them great!
- (6) what leadership they show none
- (7) what leadership? i dont feel lead i feel like a dog being told what to do and when to do it.

### I feel that our hotel's policies are accurate, up to date and do not need to be changed.

- (1) to improve we need to do some changes
- (2) Depends on the policies. Reacting to the slightest possibility of people smoking marijuana on site may be necessary but there is a massive issue with policies around payment and gratuities.
- (3) There are lots of things need to be changed or do meeting
- (4) changes in hiring process should be looked at, supervisors should be made according to work ethic and management skills not based on seniority
- (5) I havent seen a policy yet
- (6) I know nothing about hotel policies as they have not been discussed
- (7) Neither agree nor disagree. I have not been introduced to these policies.
- (8) need for consistent communications to ensure everyone's aligned.
- (9) I dont know what hotel policies are, where can i find hotel policies for prp employees??
- (10) for a couple year old hotel there's still many issues that need to be settled and dealt with

### I like my job.

- (1) I do enjoy what I do. But I believe a lot of changes can be made so that we can be more organised, work more as a team. Also our pay is very low compared to many other hotels in the city and again the tips are not what they should.
- (2) Sometimes agree. Many of my disagreements are above, and some unwritten are regarding problems with fellow staff that I think are likely systemic and can't be solved so easily.
- (3) Again schedule is good but the quality of work is so bad, I cannot believe it is 4 starred hotel.
- (4) I like the place where I work but the pay that I receive from my work place is not clearly explained. I feel like I am making nothing but minimum wage here.
- (5) Its like I have alot of expectations that it hurts.
- (6) I like my job and the people I work with. Just communication between management and workers arent that great.
- (7) LOVE MY JOB<3
- (8) But dont enjoy the piss poor moral everyday.
- (9) I dont mind working here most people are quite nice but i feel like we are lacking direction and organization its also not great that we no longer provide uniforms as it can be hard to have clean uniforms on day to day basis, getting your schedule on saturday for a shift you hvae monday leaves little to no time to make any plans outside of work. I feel as if higher up managers dont respect most of the workers and as i said before the biggest downside of working for this company would have to be how hard the managers are. They dont care and disrespect.
- (10) even though i am not happy with my management i like this job because it pays me enough and the colleagues i work with are great that is the reason i still show up.

- (11) but sometimes long hours can make it tiring...
- (12) no one in the kitchen does just go around and ask

**Please take this opportunity to elaborate on any of your above indicated responses and raise any other concerns you may have.**

- (1) Love my job!
- (2) no comment
- (3) I genuinely like my job. One of the best I've had, however I feel the rate of pay could be more and to separate the GRATS from our pay. And it should be more clear who to speak to about becoming full time
- (4) we need to be more fair, more organized and hire more managers to ensure we have enough heads to look into that and the owner needs to stop stealing our hard earned money.
- (5) I like my job but we are not paid fairly. It really hurts when you put your 1000% in your job and not get paid fairly. We need change.
- (6) we can be very successful in the hospitality business but leadership, managers and worker we must work together to archive the same goals.
- (7) the company may give a better quality and fresh food for the employees
- (8) WE NEED TO TALK ABOUT OUR PAYMENT YOU GUYS TAKING OUR MONEY TO PAY DGS GUYS THIS IS NOT FAIR EVERY TIME WE ASK ABOUT
- (9) In summary, fix gratuities, be clear and prompt with raises, and replace/fix broken or unsafe tools
- (10) I am dissatisfied with the amount we are earning I don't believe it is being handled, furthermore there are cliques forming between individuals of the same background, as a result we often see the managers conversing exclusively in their native tongues, the management is also extremely disorganized often not planning ahead leaving us with too few supplies on shift, there is a lot of disorder and no body listens to each other, amongst people. In addition, our collective tips are used to pay other workers and this is extremely unfair, they are giving new employees more hours than more veteraned ones
- (11) 1. Servers need to know that how to separate gratuity. I don't understand why we pay DGS people, dishwashers and polishing people from our gratuity (It's over payment, management didn't even say anything to servers.) It is unacceptable some times they work for other department. 2. banquet servers we can only drink coffee, tea and tap water, when we work 28 floor or ground floor we are thirsty some people don't drink tap water please provide something for us. We are thirsty. 3. need training new people also health and safety !!! also just my opinion, I don't think it is good idea to hire under 18 years old people because they need to go to school early in the morning, don't schedule till over midnight also can't even serve alcohol. Lastly it would be great if management need to listen (need meeting) and clear for everything. I like my job and working here but good co-workers try to leave because how they pay unclear.
- (12) I have worked for at least 6 years in many bars, casual fine dining and fine dining but I have never seen unsanitary stuff that we have in this hotel. I think senior management of front and back of the house have to wake up and improve the quality of services that our guests are supposed to get!
- (13) \*\*\*\* Confidentiality Requested \*\*\*\* Taking active steps towards current supervisors can have a massive shift in how things are done here. 2/3 banquet supervisors have set very wrong examples for the entire crew with their actions and behaviors. English is a universal language but not here. It annoying how 80% people working here has a big communication gap when it comes to speaking English and it gets really hard to pass on a message.
- (14) Confidentiality requested! I hope this efforts also does not goes in vain just like all our efforts from past few months that we tried with the managers to make this workplace a better place. And hopefully any actions are being taken and everybody is treated equally. THANK YOU
- (15) I hope I explained myself and what I feel and felt, I hope my review will help and shall bring changes in the working environment. thanks
- (16) 1. We get our schedules Saturday evening, I would like to get the on Tuesday the week before so we can plan our week ahead. Or 2 weeks ahead. 2. I don't know who my direct supervisor is. I would like to know because there are times where there are "acting" supervisors and they bump heads. One person tells me one thing - I do it.. then the other person says its wrong and I get into trouble. 3. Everyone is expected to know what they are doing. There's no recipe book. 4. No positive feed back... or negative feedback. Or any feedback. 4. Full time - lts 40 hrs a week - there are times we do not get it. Most of us have bills and when we don't make hours its difficult at home. 5. Breaks - they are NOT enforced. No one is making us go on breaks. Sometimes we miss it and the time is deducted from our pay. It is not fair at all. 6. Cafe - there should be a quiet room for the employees to go when they go on their break. Cafeteria is awful. doesn't look welcoming or comfy.
- (17) Communication is a big problem in the Banquets department. There are too many people telling us what to do. Captains tell us one thing and then managers come and tell us another. There is no clear communication. Always

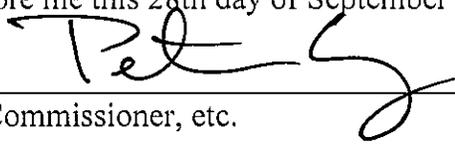
changing. Some of the new managers have huge ego attitude, so young and sure of themselves when they barely have much experience.

- (18) would like to have more motivation as a team member
- (19) This is a very good place to work
- (20) I would appreciate if we get a online copy for our pay slip and hours
- (21) we are slowly and surly getting better by having the supplies that we need but also ipads being put in place which im excited to use for next summer! cant wait to see what 2020 has to offer for us
- (22) ambience of the falcon skybar will deteriorate if too much mainstream music is introduced
- (23) While working here i really have found that the management is incredible, John Hansen leads a very motivated team and i couldn't ask for a better set of supervisors. however the set up of the bar really lacks, due to the fact that the bartenders only have one bar well on each bar to work out of, this really slows things down on busy nights and lowers sales long term. having the proper set up is essential in order to really bring falcon sky bar to its full extraordinary potential.
- (24) All the supervisor are vary helpful when it is busy .The concern that i have is with the bar if we have a more functioning bar. It will help with keeping the guest happy and increase the alcohol sale
- (25) love it here, thanks guys :)
- (26) Certain rules in the employee handbook should be updated. Tattoos for example are an increasingly popular thing that is becoming more accepted through society. The current handbook explains that they cannot be shown at all. I believe that is extremely outdated.
- (27) Overall, I am content at work and enjoy the environment that the staff and management team have created.
- (28) I do not have any concerns, Christi is an amazing manager who understands for us. She brings value to the company and helps all of us grow as a team.
- (29) I am very satisfied with my experience at Hotel X.
- (30) don't have
- (31) I feel the policies here are well set up with no concerns
- (32) I like my job but I feel like I am expected to help everyone when no one helps me, also the pay is extremely unfair, I think because its a new position they haven't figured out whats the right amount to pay us and because of that they wont have any long time employees in my position
- (33) There are always opportunities for growth and improvement, so in the comments from this survey, I am not trying to come across as though everything is terrible and no one does a good job. My impression however, is that many people act out of fear and not innovation. Many changes seem as though they are made to prove that someone is doing something/anything and don't always make sense. I don't find equipment is handled properly and the build up of the small complaints and annoyances make people cranky and less focused on doing the best job in which they are capable of. Often times, it comes down to the tone in which we are spoken to, a change of set up which looks cheap, or lack of information which sends us scrambling. A few months ago, the tip out procedure was arbitrarily changed with no explanation, flexibility or break down of where it is going. Tipping out support staff has never been an issue or concern to servers, but when we are forced to tip out to a position we are not on shift with, that is a big concern. If I do not have a bartender or busser on my shift and I still have to tip them out, I do not think that is fair.
- (34) I like working here and want to continue to work here. I just take being bullied by my boss
- (35) An Outlet GM must have full knowledge and understanding of the daily operations. People skills is very important to the success of any organizations as well as open communication with the team. Holding the team accountable for their actions must be implemented with full knowledge and disclosure and must start from the top.
- (36) My manager Lebert does not show great leadership. He can be condescending and will never give positive reinforcement. I am afraid to go to him with issues because of the way he reacts and deals with his employees.
- (37) Kitchen tip out did not happen all cooks were told we would be tipped out and nothing happened
- (38) At Max's Kitchen, people need to center their focus around teamwork and helping and motivating each other. It's not what you say - its how you say it. Respect needs to be exercised - we need to treat everyone equal and respect each other.
- (39) N/A
- (40) Manager's should correct employees not bully them, and they should show an appreciation with everyone. This helps the employees to give more effort on their job and it will lead the company to grow more. Manager's should know that everyone who works here are just a human and make mistakes, there are sometimes that they can be strict but not in front of the customer, employees may feel humiliated though it's not. A good management will always lead the company's success.
- (41) I am concerned that the negative attitudes of a small group of people, push good people to quit, and that as a result foster negativity among the staff.
- (42) I hope you read my comments ;) cheers
- (43) service elavators for IRD

- (44) The job as an in-room dining server is fine. But the only complaint i have about is, We often get very busy during the weekends and sometimes during the weekdays too. But we dont have a proper elevator for our department, which leads to some delays in orders. So any elevators for inroom dining department would be nice.
- (45) my only problem is that Hotel team sees us as the enemy is hard to work with a team that is always looking for what we do wrong and not what we do right, at times we made mistakes that's true but is not always the case. secrets meeting with the hotel managements and Gm of PNP should not happen everybody needs a chance to participate and defend themselves if need be
- (46) IRD does the best we can with our lack of resources, but we seemed to be blamed for many issues that come up. When service elevators are busy we cannot guarantee that any orders will come in time. If we are busy we are not always given access to our own elevator. We cannot provide corkscrews to guest as we run out due to guests taking them home, we've been waiting for weeks for the hotel to provide them. Communication with the front desk is difficult, we are not made aware of room changes and therefore amenities are end up delivered to the wrong rooms. Many of the front desk/PBX staff are unaware of amenity procedures (outside requests and what is available last minute). They also dont know how to use hotSOS. We've communicated this to the staff and we have the same issues.
- (47) there are two concerns i would like to highlight: 1) we need more stability in the work place regarding staff. want to feel secure about my job not coming everyday thinking today is my last day. its been almost 2 years now and still i feel the same. 2) the pay is fine but its been stagnant since we started working. there should be a review and appraisal which will motivate the staff to do better. the place is missing motivational leadership.
- (48) this company and management has provided us a better area and a directions to grow our knowledge on this field of work.
- (49) we are learning every day with every body, hope the managers will reflect on what they are doing
- (50) Information needs to be better communicated and taken into account by various members of the managerial team. Also, certain managerial departments need to ensure that they do not just "read" emails, but rather take measures to reply back when they are directly reached out to. Overall a good place to work though!
- (51) I enjoy my job, however there could be additional resources to help balance the workload. At times communications is not always clear
- (52) A lot of things happen in these kitchens that because people go unsupervised no one knows about. people cooking the wrong items, the wrong way, with the wrong method, but nothing changes and no one gets in trouble. how can we as cooks do our job properly if everything is done differently every single time and no one is punished for when they dont do it properly because THERE IS NO ONE THERE SUPERVISING
- (53) unpaid lunch breaks are rarely taken but taken off our pay.. not right.
- (54) none
- (55) I've noticed some of the cooks mixing food with their bare hands. That is very unsanitary and needs to stop! Gloves are provided and need to be worn. I also would like for management to be fair; everyone should be treated equally.
- (56) My concerns are when i am put to work with staff who do not speak english. It a safety hazard incase of an agency. Also when we as full time are working with agency they are only spanish speaking and can only communicate with the supervisor. they come in with no training and are not able to perform a simple task efficiently. cleanliness is also a major factor. They also come with attitude and plays hide n seek on the job. you can find them sitting down or on the phone a lot and this is known to the supervisor who hires them. in the future all agencies should be able to communicate in english. and get a supervised and proper training before working in this fast pace environment.

**TAB F**

This is Exhibit "F" referred to in the  
Affidavit of Christopher Lambert, sworn  
before me this 28th day of September 2020

  
A Commissioner, etc.



**LOOPSTRA NIXON** LLP  
BARRISTERS AND SOLICITORS

**Peter W. Carey**  
Tel: (416) 748-4774  
Email: [pcarey@loonix.com](mailto:pcarey@loonix.com)

**BY EMAIL & COURIER**

July 2, 2020

byPeterandPauls.com  
2505243 Ontario Ltd.  
6260 Hwy 7, Unit 1  
Vaughan, ON  
L4H 4G3

Attention: Mr. Peter Eliopoulos ([peterandpauls@gmail.com](mailto:peterandpauls@gmail.com))  
Mr. Dino Galanis ([dino@bypnp.com](mailto:dino@bypnp.com))

Dear Sirs:

**Re: Food and Beverage Services Agreement (the "F&B Agreement")  
Ground Floor Lease (the "Petros 82 Lease")  
Second Floor Lease (the "Maxx's Kitchen Lease") (the "Leases")**

We have been retained by Hotel X Toronto.

As you are aware, despite numerous requests, 25054243 Ontario Limited o/a byPeterandPaul.com ("P&P") has failed to pay rent on the Leases since March 2020. As of the date of this correspondence P&P owes at least \$702,007.92 in back rent, even accounting for set off of amounts owing by Hotel X to P&P.

In addition, P&P has been in default of the Leases on an ongoing and constant basis since at least January 2019. These additional defaults include;

1. Failure to operate the Petros 82 restaurant and Maxx's Kitchen restaurant (collectively the "Restaurants") to a level that is consistent with restaurants in other first-class hotels in the City of Toronto, including The Four Seasons Hotel, St. Regis Hotel (formerly Trump Hotel) or the Hazelton Hotel;
2. Failure to provide the list of equipment and related information required under Section 2.7 of the Petros 82 Lease.
3. Failure to provide the written reports set out in Section 5.4 of both Leases.
4. Failure to provide or make available the financial information requested by Hotel X pursuant to Section 16.10 of each of the Leases.



**LOOPSTRA NIXON** LLP  
BARRISTERS AND SOLICITORS

5. With respect to both Leases, the failure to maintain an adequate management staff in order to provide first class service; and
6. Failure to abide by operational requirements and minimum standards as set out at Article 11 of the Leases and as particularized in Hotel X's earlier letters to you.

You have been notified of these defaults in correspondence dated January 3, 2019, January 17, 2019, February 18, 2019, December 6, 2019, January 3, 2020, February 3, 2020, February 27, 2020 and April 19, 2020.

As a result of the above defaults Hotel X is terminating the Leases effective immediately.

Please contact the undersigned to advise when, prior to Friday July 10, 2020, P&P wishes to attend at Hotel X to pick up personal effects.

P&P is also in breach of the F&B Agreement. P&P has been notified of those breaches in the above noted correspondence. The breaches include:

1. Failure to perform the food and beverage services to a level that is consistent with other first-class hotels in the City of Toronto, including The Four Seasons Hotel, St. Regis Hotel (formerly Trump Hotel) or the Hazelton Hotel;
2. Failure to provide staffing levels to the level required under Section 4.2(a) of the F&B Agreement;
3. Failure to abide by PGH Operational Requirements as detailed in Hotel X's earlier letters to you;
4. Failure to adequately advertise and promote the food and beverage services at Hotel X, including the requirement to provide a detailed marketing plan, as pertains to the "Falcon Skybar" and catering and other event operations;
5. Failure to ensure that F&B staff cooperate fully with management of Hotel X Toronto to ensure efficient and seamless performance of the food and beverage services;
6. Failure to undertake repairs and maintenance of equipment and facilities that are your express obligation under the F&B Agreement;
7. Failure to consistently conduct yourself in a professional manner and in compliance with all applicable laws, including laws relating to employee harassment;
8. Failure to pay and satisfy all of your trade debts, including amounts owing to food suppliers and others, as and when they became due and payable;
9. Failure to ensure that you maintain at all times cash on deposit or other liquid investments equal to the amount of all client deposits paid to you, currently in the outstanding amount of approximately \$600,000;



**LOOPSTRA NIXON** LLP  
BARRISTERS AND SOLICITORS

10. Failure to ensure that client deposits paid to you are applied solely and exclusively to the cost and expense of specific events to which they relate; and
11. Voiding customer bills at the rooftop bar in order to avoid payment of Licence Fees owing under the F&B Agreement.

As a result of the above, Hotel X considers P&P to have repudiated the F&B Agreement and has, under earlier cover, already accepted this repudiation. Hotel X reconfirms its acceptance of this repudiation effective immediately.

The termination of the Leases and the F&B Agreement can be of no surprise to P&P. P&P has already advised Hotel X that it wished to "dissolve" its relationship with Hotel X in correspondence dated February 13, 2020, February 24, 2020 and June 26, 2020. P&P has also advised that it has lost approximately \$2,000,000.00 in the two years it has been in operation at Hotel X.

In the above communications, P&P advised that it wished to be paid certain monies as a result of the cessation of the relationship with Hotel X. Hotel X remains ready and willing to discuss what monies, if any, should be paid to P&P as a result of the cessation of the relationship.

Hotel X has arranged and is fully ready to assume operations of the food and beverage service and Restaurants. Any attempt by P&P to interfere with these new arrangements at Hotel X would not only be legally untenable but could cause Hotel X major financial damages. Were P&P to attempt any such interference, it will result in an immediate claim against P&P and Peter Eliopoulos and Dino Galanis personally.

Please advise when you are free to discuss monetary issues.

Yours truly,  
**LOOPSTRA NIXON LLP**

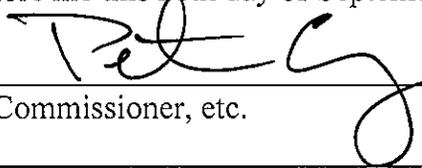
Per:

Peter W.G. Carey  
PWC/

Cc: Alexander Rovt (ARovt@ibetrade.com)  
Cc: Philip Roth (proth@ibetrade.com)  
Cc: Henry Kallan (henry@libraryhotelcollection.com)  
Cc: Joshua Durst (joshdurst@msn.com)  
Cc: Stephen Plotnick (seplotnick@gmail.com)

**TAB G**

This is Exhibit "G" referred to in the  
Affidavit of Christopher Lambert, sworn  
before me this 28th day of September 2020

A handwritten signature in black ink, appearing to be 'T. G.', written over a horizontal line.

A Commissioner, etc.



**LOOPSTRA NIXON** LLP  
BARRISTERS AND SOLICITORS

Peter W. G. Carey  
416.746.4710  
E-mail: [pcarey@loonix.com](mailto:pcarey@loonix.com)

**BY EMAIL ([randy.sutton@nortonrosefulbright.com](mailto:randy.sutton@nortonrosefulbright.com))**

July 21, 2020

Norton Rose Fulbright  
222 Bay Street, Suite 3000, P.O. Box 53  
Toronto, ON M5K 1E7

Attention: Mr. Randy Sutton

Dear Mr. Sutton,

**Re: Hotel X Toronto**

In response to your email yesterday, we do not have instructions to accept service of the Statement of Claim.

However, I note that in both Leases, at Section 17.19, there is an arbitration clause which would effectively require arbitration of any claims with respect to the Leases.

There appears to be no such arbitration clause in the Food and Beverage Agreement. However, under the Food and Beverage Agreement if either of the Leases are terminated, that Agreement is also terminated. As a result, it is our view that all of these matters should be dealt with by way of arbitration.

Please let us know your position on this issue.

Thank you.

Yours truly,

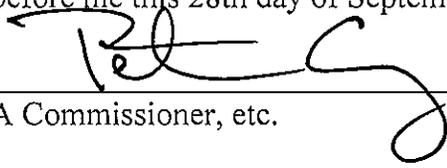
LOOPSTRA NIXON LLP

Per:

Peter W. G. Carey  
PWC/lb

TAB H

This is Exhibit "H" referred to in the  
Affidavit of Christopher Lambert, sworn  
before me this 28th day of September 2020

  
\_\_\_\_\_  
A Commissioner, etc.

**Carey, Peter**

---

**From:** Christopher Lambert <Christopher.Lambert@hotelxtoronto.com>  
**Sent:** Wednesday, July 8, 2020 1:31 PM  
**To:** Carey, Peter; Martin, Paul  
**Subject:** FW: April & May 2020 - Rent Invoice  
**Attachments:** BPNP Revenue 2019 and T12.xlsx

CECRA back up

---

**From:** Budi Laksmono <budi.laksmono@hotelxtoronto.com>  
**Sent:** May 25, 2020 11:17 AM  
**To:** Christopher Lambert <Christopher.Lambert@hotelxtoronto.com>; Anil Dash <anil@bypnp.com>  
**Cc:** Dino Galanis <dino@bypnp.com>  
**Subject:** RE: April & May 2020 - Rent Invoice

Good morning Anil,

Based on your HST reporting under 2505243 Ontario Ltd

2019 Sales & Revenue \$21,614,368  
 T-12 March 2020 Sales & Revenue \$22,383,099

2505243 Ontario Limited would not be qualified under the current CECRA program.

Thank you

Budi

---

**From:** Christopher Lambert <[Christopher.Lambert@hotelxtoronto.com](mailto:Christopher.Lambert@hotelxtoronto.com)>  
**Sent:** Saturday, May 23, 2020 3:30 PM  
**To:** Anil Dash <[anil@bypnp.com](mailto:anil@bypnp.com)>  
**Cc:** Dino Galanis <[dino@bypnp.com](mailto:dino@bypnp.com)>; Budi Laksmono <[budi.laksmono@hotelxtoronto.com](mailto:budi.laksmono@hotelxtoronto.com)>  
**Subject:** RE: April & May 2020 - Rent Invoice

Hi Anil,

Budi forwarded me your email. Please copy me on all correspondence going forward.

- In regards to the outstanding rent, please review our letter on April 19 – see attached.
- We have established that you are reporting more than \$20M on a consolidated basis and are therefore not eligible for the CECRA program. If you disagree, please send us the 2019 financials for the 2505243 company, reviewed by an independent CPA.
- Can you please explain where in the lease it contemplates rent refunds due to pandemic emergencies declaring restaurants to be closed for dine in services?
- I understand from Budi that you will not refund deposits to the Hotel that you are holding, even though we are now refunding some cancelled events with deposits that were previously paid out to you. Can you please confirm your position on this?

Thank you,  
Chris

**Christopher Lambert, CPA, CGA**  
Managing Director

E. [christopher.lambert@hotelxtoronto.com](mailto:christopher.lambert@hotelxtoronto.com)  
D. 647-475-9252  
C. 647-401-8144  
111 Princes' Boulevard  
Toronto, ON M6K 3C3  
Canada

---

**From:** Budi Laksmono <[budi.laksmono@hotelxtoronto.com](mailto:budi.laksmono@hotelxtoronto.com)>  
**Sent:** May 21, 2020 4:01 AM  
**To:** Christopher Lambert <[Christopher.Lambert@hotelxtoronto.com](mailto:Christopher.Lambert@hotelxtoronto.com)>  
**Subject:** Fwd: April & May 2020 - Rent Invoice

Good morning Chris,

See below from BPNP.

Budi Laksmono  
Chief Financial Officer  
Hotel X Toronto and Ten X Toronto

Begin forwarded message:

**From:** Anil Dash <[anil@bypnp.com](mailto:anil@bypnp.com)>  
**Date:** May 20, 2020 at 11:54:25 PM EDT  
**To:** Budi Laksmono <[budi.laksmono@hotelxtoronto.com](mailto:budi.laksmono@hotelxtoronto.com)>  
**Cc:** Dino Galanis <[dino@bypnp.com](mailto:dino@bypnp.com)>  
**Subject:** **FW: April & May 2020 - Rent Invoice**

Hi Budi,

This is in reference to your today's discussion with Dino.

- We would like to reconfirm for year 2019,
  - With respect to Food and Beverage services agreement, even though total gross receipts shows as per Micros is higher than \$20m, our sales net of gratuity is below \$20m. In other word out of total sales shown in Micro, we have banquet and room rental revenue \$13.2m of which 20% is for gratuities i.e. \$2.1m inclusive. Above figure also include room rental sales \$1.3m of which 60% allocated to HX at source level, agreement clearly states this is a revenue split and no licensing fees will be collected upon HX portion of revenue (60%).
  - With respect to 2<sup>nd</sup> Floor Restaurant lease agreement we have \$2.6m sales (Maxx's) for which we pay \$12,556.66 monthly rent + HST.

- With respect to Garden Restaurant lease agreement we have \$1m sales (Petro's) for which we pay \$31,573.33 monthly rent + HST

Which is falling under the eligibility criteria "that small business tenants that pay less than \$50,000 per month in rent, per location, as per a valid and legally enforceable rental agreement"

Please find attached two PDF files with respect to CECRA, where in President of Ontario of Chamber of Commerce addressing to Premier about further rent relief for commercial tenants :*"We also believe increasing the cap from \$20 to \$40 million would allow Ontario's medium-sized enterprises to access the program"*

In other pdf file "Rent Relief Update", wherein they have expressed doubt *whether \$20m annual revenue will be measured over the 2019 calendar year!* This specific point is not clear about time-line like any other eligibility requirement.

We understand the deadline to apply for the CECRA is August 31, 2020, in between they might come up with further clarification &/or emerge new guidelines.

I would like to share following article about the calculation of 25% which does not cover profit:  
<https://www.grantthornton.ca/insights/coronavirus-covid-19/rental-relief-for-small-businesses-canada-emergency-commercial-rent-assistance-cecra>

- **OCECRA does not cover profit:** The program will specifically cover rent relating to fixed costs. Funding through OCECRA will not cover any profit element of the landlord.
- In addition to above Dino advised me to remind you about his discussion for **March 2019 full rent payment**, irrespective of the fact HX asked us to close down the restaurant and we could not do business. So we are expecting HX to refund us back proportionate rent for those lost days.
- With respect to **Gross Receipts**, Dino advised me to remind you as per Food and Beverage services agreement Gross Receipts includes total of all gross sale and **receipts** from all business conducted excepts gross receipts derived from Maxx's and Petro's. This clause even further explains that Interest, installment, finance charges and **deposit** will be included under the definition of Gross Receipts. Furthermore under clause 4.15 catering functions, it clearly states that **all deposits** received and cancellation fees and penalties shall form part of the Gross Receipts. Hence we are requesting you again to give attention and understand the intention of service agreement which serve very foundation for calculation of licensing fees and please remit us all such Gross receipts including **deposit** as defined in the service agreement, which you are withholding since Nov 2019.

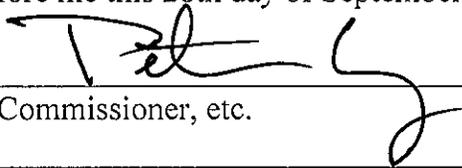
Thank you,  
 Anil Dash  
 CFO  
 t. 905-326-8100 [www.bypeterandpauls.com](http://www.bypeterandpauls.com)  
[anil@bypnp.com](mailto:anil@bypnp.com)  
 6250 Hwy 7 Unit J, Vaughan, ON L4H 4G3, Canada.

## Sale &amp; Revenue Reported to CRA under 2505243 Ontario Ltd.

January	\$	1,167,635.08		
February	\$	961,315.34		
March	\$	864,382.23		
April	\$	1,489,231.93		
May	\$	2,061,759.97		
June	\$	2,676,914.99		
July	\$	1,919,575.19		
August	\$	2,335,345.75		
September	\$	2,282,419.35		
October	\$	1,786,582.11		
November	\$	2,516,549.21		
December	\$	1,552,657.37	\$ 21,614,368.52	2019
January	\$	1,165,415.17		
February	\$	1,298,324.29		
March	\$	1,298,324.29	\$ 22,383,099.62	T-12

# TAB I

This is Exhibit "I" referred to in the  
Affidavit of Christopher Lambert, sworn  
before me this 28th day of September 2020

A handwritten signature in black ink, appearing to be "T. El G", written over a horizontal line.

A Commissioner, etc.



AUDIT  
TAX  
ADVISORY

# Memorandum

**To:** Christopher Lambert  
**Cc:** Budi Laksmono, Peter Carey  
**From:** Sam Tabrizi  
**Date:** September 16, 2020  
**Re:** Hotel X Toronto vs BPNP

---

The purpose of this memo is to set out our findings with regards to the eligibility of Hotel X Toronto ("Hotel X") for the Canada Emergency Commercial Rent Assistance ("CECRA") for small businesses and the eligibility of byPeterandPauls.com ("BPNP") to qualify as an impacted small business tenant for the purposes of CECRA.

## QUICK SUMMARY OF CECRA

Hotel X would be the party to apply for CECRA. To qualify for CECRA for small businesses, the commercial property owner is required to enter (or have already entered) into a legally binding rent reduction agreement for the period of April, May and June 2020, reducing an impacted small business tenant's rent by at least 75%. Once approved, CECRA for small businesses will provide unsecured forgivable loans to the commercial property owner to cover up to 50% of the gross rent. In this case, Hotel X must forgive 25% of the gross rent, the tenant (BPNP) will pay 25% of the rent, and the government will cover the other 50% of the rent. For example, if the monthly rent is normally \$10,000, in order to be eligible for CECRA, Hotel X must forgive \$2,500 of this rent. BPNP will have to pay \$2,500 to Hotel X, and the government will provide a forgivable loan of \$5,000 to Hotel X. In total, Hotel X will receive \$7,500 and will have a net loss of \$2,500 compared to its regular rent.

## OUR FINDINGS

1. Applying for CECRA is optional and at the discretion of the landlord (i.e. Hotel X). As Hotel X will have to forgo 25% of the rent in order to be eligible to apply for CECRA as mentioned above, there is no obligation for Hotel X to do so. Therefore, Hotel X can simply decide not to file the CECRA application. Moreover, the government in no way can force Hotel X to do so.
2. However, Section 80 of the Protecting Small Business Act, 2020 prevents the landlord from evicting the tenant as long as the landlord would be eligible to receive assistance under the CECRA for small business program if the landlord entered into a rent reduction agreement with the tenant containing a moratorium on eviction. As a result, as long as BPNP qualifies as an impacted small business tenant for the purposes of CECRA, provided the other criteria are met, Hotel X would be eligible to apply for rental relief under CECRA even though it decides not to do so. Hotel X thus cannot evict

Fuller Landau LLP  
[www.fullerllp.com](http://www.fullerllp.com)

151 Bloor Street West, 12<sup>th</sup> Floor  
 Toronto, Ontario M5S 1S4  
 416.645.6500

Toronto • Hamilton

BPNP until the end of the non-enforcement period (September 1, 2020) even though BPNP had unpaid rent in May 2019, assuming BPNP is eligible for CECRA.

3. The below are the criteria that would have to be met for BPNP to qualify as an eligible impacted small business tenant:
  - a. Its monthly gross rent per location (per the lease agreement) needs to be less than or equal to \$50,000. Based on our review, it seems Hotel X has separate lease agreements by location, and each rental agreement indicates rent of less than \$50,000 a month. Therefore, BPNP would qualify as an eligible impacted small business tenant on this point, and thus we agree with the KPMG opinion on this point only.
  - b. BPNP must generate no more than \$20 million in gross annual revenues, calculated on a consolidated basis (at the ultimate parent level). Based on our review of the 2019 BPNP revenue reported on the GST/HST returns, the total 2019 revenue for BPNP was \$21,614,368. Even if we looked at another 12-month period, such as the period from April 2019 to March 2020, the total reported revenue was \$21,743,142. It is therefore our opinion that BPNP would not qualify as an eligible impacted small business tenant based on this point. The government specifically states that gross annual revenues are calculated based on the tenant's financial revenue. That is what is reported to the CRA on the tenant's T2 or GST/HST return. No other expenses can be netted against this revenue for the purposes of CECRA eligibility. KPMG's own opinion does not specify BPNP's eligibility on this point. They simply indicate that using 250243's revenue (i.e. BPNP) should be the basis for the \$20 million threshold.
  - c. Therefore, since both point a and b above must be met for BPNP to qualify as an eligible impacted small business tenant, it is our opinion that point b negates the overall ability for BPNP to be classified as an eligible impacted small business tenant for CECRA purposes.

Thank you,

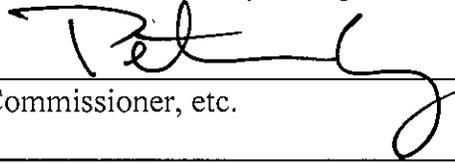
stabrizi@fullerlandau.com  
erllp.com

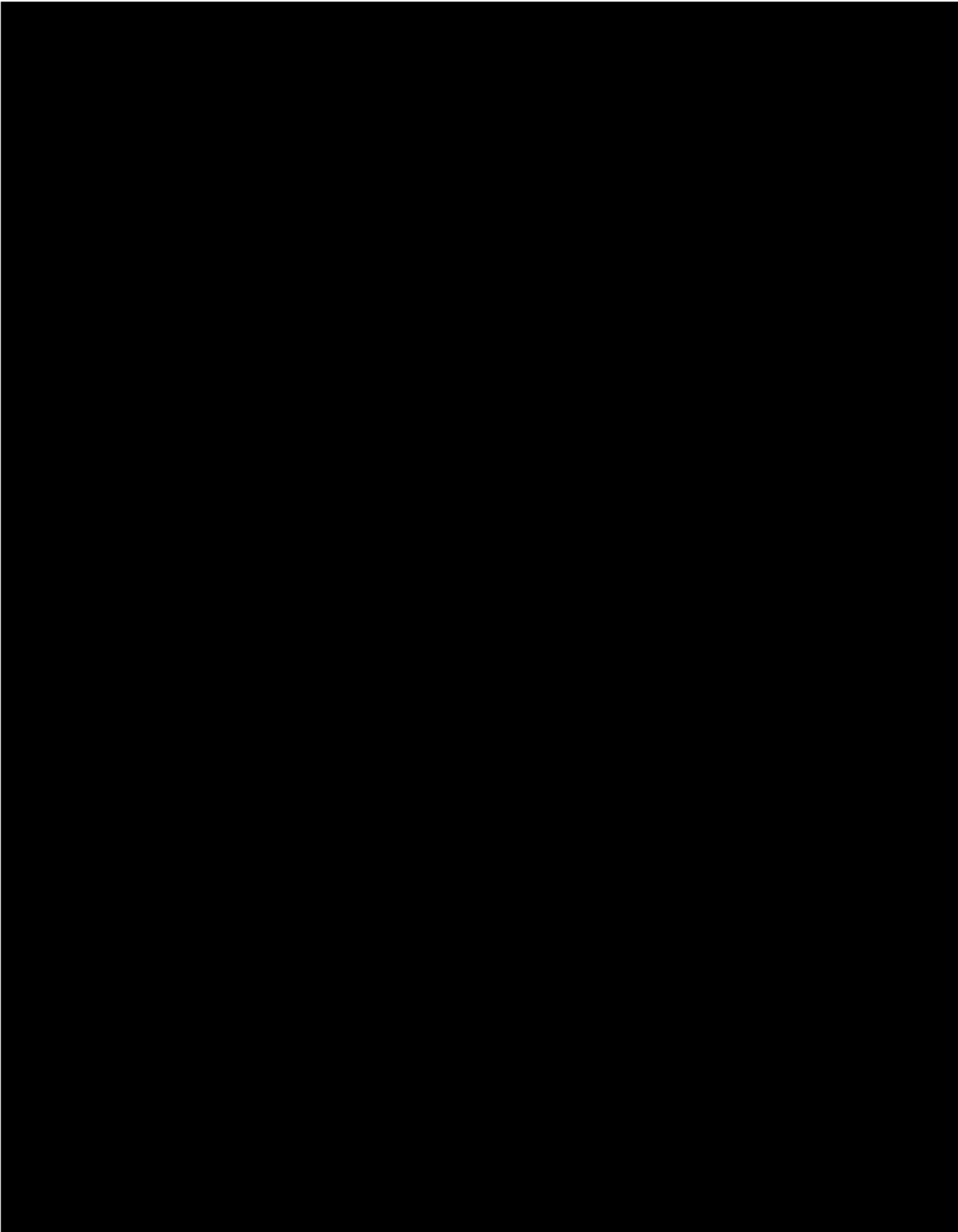
Sam Tabrizi  
Tax Principal, Fuller Landau LLP



# TAB J

This is Exhibit "J" referred to in the  
Affidavit of Christopher Lambert, sworn  
before me this 28th day of September 2020

  
A Commissioner, etc.



**From:** Richard Godin <[richardg@smallwinemakers.ca](mailto:richardg@smallwinemakers.ca)>  
**Sent:** Tuesday, September 1, 2020 6:08:08 PM  
**To:** Christopher Lambert <[Christopher.Lambert@hotelxtoronto.com](mailto:Christopher.Lambert@hotelxtoronto.com)>  
**Subject:** PnP note about Hotel X related invoices

Hi Chris,

Yes my sales rep received it about a week ago.

Richard Godin (*Dip. W.S.E.T.*)  
Director, Licensee Sales  
***The Small Winemakers Collection Inc.***  
100 Broadview Ave, Suite 318  
Toronto, ON M4M3H3  
Cell: 416-937-7924

[richardg@smallwinemakers.ca](mailto:richardg@smallwinemakers.ca)

**From:** "[jacob@bypnp.com](mailto:jacob@bypnp.com)" <[jacob@bypnp.com](mailto:jacob@bypnp.com)>  
**Date:** August 24, 2020 at 10:20:20 AM EDT  
**To:** "[jacob@bypnp.com](mailto:jacob@bypnp.com)" <[jacob@bypnp.com](mailto:jacob@bypnp.com)>  
**Subject:** Outstanding invoices

[CAUTION EXTERNAL EMAIL ADDRESS]

Dear VALUED SUPPLIER,  
Together, we are facing a truly unprecedented situation. The global coronavirus pandemic is affecting our families, our businesses, our communities, and our way of life. We hope you are well and staying safe during this time.

I am writing to thank you, as one of our valued partners, for your tremendous support. Your patience is truly appreciated. These are very unusual and challenging circumstances, and we appreciate that you as our supplier are also having to adapt your business to changes as they happen.

With respect to the outstanding invoices due to you relating to your supply of goods and services to the company 2505243 Ontario Limited that operated facilities at Hotel X, I want to personally update you on the current situation.

Our intention was to return to Hotel X in mid-July of 2020 when the hotel reopened. Unfortunately, Hotel X terminated the leases and other agreements at the Hotel just two weeks before Hotel X was to start hosting the NHL players. Since then, Hotel X has essentially kept us from working at Hotel X.

I can assure you that we believe that the actions of Hotel X management are wrong and that we and our employees have every right to still be operating at Hotel X. We have started legal proceedings against the operators of Hotel X seeking to recover our losses and to regain our ability to operate at the Hotel. To add to these challenges, Hotel X had been withholding payments that we believe our company was entitled to since November of last year. As a result, there is now an ongoing legal dispute regarding the right of our company to continue to provide services at Hotel X and to secure our outstanding payments from Hotel X.

In time, I am confident that the true facts as to what has transpired at the hotel will become known. But we do not have a clear timeline as of yet, on when this will be resolved. We are working hard to remedy this situation, but given these events, the company that was operating at Hotel X is unable to settle outstanding invoices owing to you at this time. We fully acknowledge that money is owed to you, and although the terms of our arrangements vary, our goal is to satisfy our debts as we always have. Our intention is and always will be to pay you what is owed, but this terrible situation has impacted our ability to do this.

Our loyalty is to you, first and foremost and we value the business relationship that we have built with you over the years and respect you and your business as a fellow leader in the GTA business community. However, we now need your understanding and patience at this time as it relates to your supply to our company 2505243 Ontario Limited at Hotel X. We are doing everything we can to rectify this matter, and will provide you with an update as soon as we can.

Please do not hesitate to reach out to me directly at any time.

Sincerely,

For and behalf of 2505243 Ontario Limited Management  
Jacob Park  
General Manager / Food and Beverage - [Jacob@bypnp.com](mailto:Jacob@bypnp.com)  
cc. Peter Eliopoulos, Dino Galanis

By Peter and Paul  
Summary of Gross Receipt Payments  
Year - 2019

Event	Received	Date Posted	PNP	GR Date	Audit	Group Block	From	To
<b>Balance 2018</b>	<b>984,930.46</b>		<b>611,981.59</b>		<b>984,930.46</b>			
Plener - Reisler	10,000.00	25-Jun-19	8,201.15	15-Jul-19	\$ 10,000.00	RACH032820	28-Mar-20	30-Mar-20
Dermatology	8,500.00	11-Oct-19	2,893.63	4-Nov-19	\$ 8,500.00	DAON040420	4-Apr-20	5-Apr-20
Lam - Bogdan Wedding	8,000.00	24-May-19	6,086.03	3-Jun-19	\$ 8,000.00	NPS2960	4-Apr-20	4-Apr-20
Lam - Bogdan 2	14,000.00	5-Nov-19	10,637.33	18-Nov-19	\$ 14,000.00	NPS2960	4-Apr-20	4-Apr-20
Cognition AM	17,985.00	12-Feb-19	5,114.25	25-Feb-19	\$ 17,985.00	TMO2550	17-Apr-20	20-Apr-20
Thakkar - Chaudhary Wedding	10,000.00	13-May-19	8,245.00	3-Jun-19	\$ 10,000.00	NPS3279	18-Apr-20	18-Apr-20
Weitzman - Rodness Wed	12,000.00	28-Jun-19	9,638.24	15-Jul-19	\$ 12,000.00	NPS3499	25-Apr-20	25-Apr-20
Sarah Dongas Bridal	4,000.00	10-May-19	3,290.51	20-May-19	\$ 4,000.00	MPAO3496	26-Apr-20	26-Apr-20
Israel - Orian Wed	10,000.00	10-Jun-19	8,125.05	1-Jul-19	\$ 10,000.00	NPS3548	26-Apr-20	27-Apr-20
Astellas SAM3651	20,000.00	7-Aug-19	6,708.96	26-Aug-19	\$ 20,000.00	SAM3651	26-Apr-20	1-May-20
Ontario Dental Assoc	5,000.00	12-Aug-19	3,896.98	26-Aug-19	\$ 5,000.00	CHR3386	1-May-20	2-May-20
Ontario Dental Assoc	24,989.73	15-Aug-19	20,015.41	26-Aug-19	\$ 24,989.73	CHR3386	1-May-20	2-May-20
Jennifer - Jean	10,000.00	18-Jul-19	8,043.20	29-Jul-19	\$ 10,000.00	NPS3529	2-May-20	3-May-20
Jennifer - Jean Wed	5,000.00	22-Jul-19	4,000.87	12-Aug-19	\$ 5,000.00	NPS3529	2-May-20	2-May-20
TTA	5,288.40	23-Oct-19	4,495.14	4-Nov-19	\$ 5,288.40	TORONTO050720	7-May-20	7-May-20
Shechtman & Winston	6,000.00	27-Nov-18	4,991.02	17-Dec-18	\$ 6,000.00	NIC7748	17-May-20	18-May-20
Tsang - Ma Wed	10,500.00	9-Aug-19	8,657.25	26-Aug-19	\$ 10,500.00	ATS052220	22-May-20	23-May-20
RBC Ins Svcs	50,000.00	15-Apr-19	13,494.92	6-May-19	\$ 50,000.00	MOO3123	22-May-20	22-May-20
Susan Singh	8,000.00	19-Feb-19	6,491.25	11-Mar-19	\$ 8,000.00	NPS2608	23-May-20	23-May-20
Singh - Irani 2	14,000.00	25-Sep-19	11,529.19	7-Oct-19	\$ 14,000.00	NPS2608	23-May-20	23-May-20
Rakshika - Rajeev	10,000.00	13-Jun-19	8,245.00	1-Jul-19	\$ 10,000.00	NPS3524	24-May-20	24-May-20
2020 ON Assn of Architects	2,100.00	10-May-18	226.13	18-Jun-18	\$ 2,100.00	CTA230	25-May-20	31-May-20
2020 On Assn of Arch	5,000.00	3-Oct-18	557.73	22-Oct-18	\$ 5,000.00	CTA230	25-May-20	31-May-20
Canada Green	5,000.00	27-Mar-19		8-Apr-19	\$ 5,000.00	SAM1881	29-May-20	29-May-20
Municipal Inf Systems	11,780.00	17-Apr-18	2,962.55	7-May-18	\$ 11,780.00	CTA573	30-May-20	4-Jun-20
Municipal Inf	29,450.00	5-Jun-19	8,794.06	17-Jun-19	\$ 29,450.00	CTA573	30-May-20	30-May-20
Martin - Lombardi 3	5,000.00	5-Nov-19	3,925.30	18-Nov-19	\$ 5,000.00	NPS3169	30-May-20	30-May-20
Magee-Klinkhoff Wedding	8,000.00	4-Apr-19	6,343.05	22-Apr-19	\$ 8,000.00	NPS3164	6-Jun-20	6-Jun-20
Magee - Klinkhoff 2	14,000.00	31-Oct-19	11,100.33	18-Nov-19	\$ 14,000.00	NPS3164	6-Jun-20	6-Jun-20
Nguyen - Goatcher Wed	10,000.00	10-Jun-19	7,918.60	1-Jul-19	\$ 10,000.00	NPS3689	6-Jun-20	6-Jun-20
RIA Canada	29,985.00	26-Feb-19	11,992.60	11-Mar-19	\$ 29,985.00	TMO2440	6-Jun-20	10-Jun-20
Girlando - Griffiths Wed	10,000.00	10-Jun-19	7,354.18	1-Jul-19	\$ 10,000.00	MPAO3687	13-Jun-20	14-Jun-20
Laura Mila	18,000.00	19-Feb-19	14,764.50	11-Mar-19	\$ 18,000.00	NPS2824	13-Jun-20	13-Jun-20
Carly - Lawton Wed	10,000.00	28-Jun-19	7,798.57	15-Jul-19	\$ 10,000.00	NPS3554	19-Jun-20	20-Jun-20
Jenna & Samuel Wed	10,000.00	6-Mar-19	8,245.00	25-Mar-19	\$ 10,000.00	NPS3057	20-Jun-20	20-Jun-20
Abraham - Wong Wedding	15,000.00	4-Apr-19		22-Apr-19	\$ 15,000.00	NPS3298	20-Jun-20	20-Jun-20
Li-Chang Wed	6,000.00	15-Jul-19	3,883.45	29-Jul-19	\$ 6,000.00	PEON062020	20-Jun-20	21-Jun-20
Lucas Goodenough	9,000.00	19-Feb-19	6,851.97	11-Mar-19	\$ 9,000.00	NPS2728	27-Jun-20	27-Jun-20
Bernadette wedding	4,541.46	5-Oct-18	3,744.43	22-Oct-18	\$ 4,541.46	SAN2039	27-Jun-20	28-Jun-20
Melanie Brockman	16,000.00	19-Feb-19	13,192.00	11-Mar-19	\$ 16,000.00	NPS2724	28-Jun-20	28-Jun-20
Victoria Graziosi Wed	10,000.00	26-Feb-19	8,500.00	11-Mar-19	\$ 10,000.00	NPS2897	4-Jul-20	4-Jul-20
Victoria Graziosi Wed 2	5,000.00	27-Feb-19	4,250.00	11-Mar-19	\$ 5,000.00	NPS2897	4-Jul-20	4-Jul-20
Lundgren & Chan Wwed	15,000.00	3-May-19	12,103.62	20-May-19	\$ 15,000.00	NPS3377	18-Jul-20	18-Jul-20
Romualdi Bridal Shower	3,205.35	23-Jul-19	2,382.50	12-Aug-19	\$ 3,205.35	MAP0618	19-Jul-20	19-Jul-20
Wood Mitchison Wedding	35,000.00	16-Aug-19	26,381.57	12-Aug-19	\$ 35,000.00	NJP3429	24-Jul-20	26-Jul-20
Education Connection - PB	4,000.00	30-Oct-19	640.04	18-Nov-19	\$ 4,000.00	ECA07312020	30-Jul-20	4-Aug-20
Leung - Luu wed	8,000.00	24-Jul-19	6,596.00	12-Aug-19	\$ 8,000.00	SHIRO80220	2-Aug-20	3-Aug-20
World Mathematical	30,000.00	5-Jul-19	6,561.70	15-Jul-19	\$ 30,000.00	MOO7777	4-Aug-20	7-Aug-20
Peraita & Trat Wedding	7,785.00	24-Oct-18	6,000.48	5-Nov-18	\$ 7,785.00	ENZ1777	8-Aug-20	8-Aug-20
Miranda Caldwell	15,000.00	19-Feb-19	11,761.81	11-Mar-19	\$ 15,000.00	NPS2899	8-Aug-20	8-Aug-20
Caldwell - Heckbert 2	25,000.00	1-Nov-19	19,603.02	18-Nov-19	\$ 25,000.00	NPS2899	8-Aug-20	9-Aug-20
Swedyk & Dunville Wed	4,500.00	14-Dec-18	3,397.47	31-Dec-18	\$ 4,500.00	NPS2588	9-Aug-20	10-Aug-20
Adamczewski&Martinez wedding	8,000.00	13-Nov-18	6,268.67	3-Dec-18	\$ 8,000.00	NIC6677	15-Aug-20	15-Aug-20
Marchese - Carusi wedding	12,000.00	13-May-19	9,894.00	3-Jun-19	\$ 12,000.00	NPS3507	15-Aug-20	15-Aug-20
Park - An wedding	5,274.56	6-Nov-19	4,240.68	18-Nov-19	\$ 5,274.56	JAN012120	21-Aug-20	21-Aug-20
Shek-McKinlay Wed	10,000.00	5-Apr-19	8,011.52	22-Apr-19	\$ 10,000.00	NPS3029	22-Aug-20	22-Aug-20
Daisy - Nathan Wed	10,000.00	24-Jun-19	8,245.00	15-Jul-19	\$ 10,000.00	NPS3820	22-Aug-20	22-Aug-20
Suter - Savole Wed	8,000.00	2-Jul-19	6,004.89	15-Jul-19	\$ 8,000.00	SUTE8720	27-Aug-20	27-Aug-20
Marissa Garcia	1,000.00	7-Nov-18	767.07	19-Nov-18	\$ 1,000.00	NIC2253	29-Aug-20	29-Aug-20
Garcia - Debison	18,000.00	8-Aug-19	13,812.60	26-Aug-19	\$ 18,000.00	NIC2253	29-Aug-20	29-Aug-20
Coppens - Estelreiro Wed	18,000.00	15-Aug-19	14,024.93	26-Aug-19	\$ 18,000.00	COES090520	5-Sep-20	6-Sep-20
Griesman - Kaplin	10,000.00	8-Jul-19	8,326.00	29-Jul-19	\$ 10,000.00	DANA090620	6-Sep-20	6-Sep-20
Dana Griesman - Scott Kaplin 2	10,000.00	23-Aug-19	8,326.00	9-Sep-19	\$ 10,000.00	DANA090620	6-Sep-20	7-Sep-20
Garvey - Parks 2	14,000.00	5-Nov-19	11,058.86	18-Nov-19	\$ 14,000.00	NPS2826	11-Sep-20	11-Sep-20
Garvey - Parks	8,000.00	6-May-19	6,323.67	20-May-19	\$ 8,000.00	NPS2826	12-Sep-20	12-Sep-20
Penney & Brett	8,000.00	30-Apr-19	6,328.00	20-May-19	\$ 8,000.00	NPS3357	19-Sep-20	19-Sep-20
CND Tours 3	1,000.00	13-Sep-19	82.35	23-Sep-19	\$ 1,000.00	TMO2168	25-Sep-20	30-Sep-20
Mirette - Mina Wed	4,736.08	25-Jul-19	3,884.77	12-Aug-19	\$ 4,736.08	NPS3593	26-Sep-20	26-Sep-20
Zaky - Fanous Wed	5,000.00	7-Aug-19	3,855.91	26-Aug-19	\$ 5,000.00	NPS3593	26-Sep-20	26-Sep-20
CND Tours	6,007.14	9-Jan-19	2,050.28	28-Jan-19	\$ 6,007.14	TMO2168	28-Sep-20	30-Sep-20
Canadian Tours Intl 2	10,000.00	12-Sep-19	823.49	23-Sep-19	\$ 10,000.00	TMO2168	28-Sep-20	30-Sep-20
CSaps	10,000.00	5-Mar-19	3,469.91	25-Mar-19	\$ 10,000.00	SAM2413	1-Oct-20	4-Oct-20
CSAPS 2	49,240.00	13-Sep-19	17,085.84	23-Sep-19	\$ 49,240.00	SAM2413	1-Oct-20	4-Oct-20
Lexisse - Corbin Wed	16,562.74	15-Aug-19	13,062.47	26-Aug-19	\$ 16,562.74	LAP0101020	10-Oct-20	11-Oct-20
Kotsuk - Black Wed	25,000.00	25-Jun-19	20,000.08	15-Jul-19	\$ 25,000.00	ALEX101720	17-Oct-20	18-Oct-20
Raggio - Almeida wedding	5,000.00	13-May-19	3,954.35	3-Jun-19	\$ 5,000.00	NPS3600	6-Nov-20	6-Nov-20
Raggio - Almeida	5,000.00	2-Jul-19	3,954.35	15-Jul-19	\$ 5,000.00	NPS3600	6-Nov-20	6-Nov-20
Amgen	30,000.00	20-Feb-19	11,716.74	11-Mar-19	\$ 30,000.00	SA42254	24-Jan-21	31-Jan-21
Athale - Lingnurkar	12,500.00	24-Oct-19	9,955.71	4-Nov-19	\$ 12,500.00	MIS050121	1-May-21	1-May-21
Piedad - Henson - PB	20,000.00	31-Oct-19	15,820.41	18-Nov-19	\$ 20,000.00	SPD091820	22-May-21	23-May-21



2505243 Ontario Limited  
 111 Princes Blvd.,  
 Toronto, ON M6K 3C3  
 Canada

Statement Date: August 24, 2020  
 A/R Account Number: PNP250

Amount Paid: \_\_\_\_\_

This account is due and payable upon receipt of this Statement.

Date	Inv. No.	Bill No.	Description	Debit	Credit	Balance
11-13-18	1138	28739	2505243 Ontario Limited Sword Security - Jul 2 - Sep 23, 2018 -	59,582.64	0.00	59,582.64
05-03-19	1694	49663	2505243 Ontario Limited May 2019 - MISC BB	58,885.35	-22,020.82	36,864.53
08-12-19	2104	74317	2505243 Ontario Limited Jul 2019 - BBPNP	72,546.58		72,546.58
08-23-19	2159	77508	2505243 Ontario Limited Aug 2019 - MISC BB	39,194.46		39,194.46
09-10-19	2207	82275	2505243 Ontario Limited Aug 2019 - BBPNP	71,505.54		71,505.54
10-08-19	2282	88741	2505243 Ontario Limited Sep 2019 - MISC BB	54,595.12		54,595.12
11-06-19	2341	93899	2505243 Ontario Limited Sep 2019 - BBPNP	73,834.71		73,834.71
11-06-19	2344	93941	2505243 Ontario Limited Oct 2019 - MISC BB	3,249.51		3,249.51
11-11-19	2361	95124	2505243 Ontario Limited Oct 2019 - BBPNP	96,948.76		96,948.76
12-11-19	2409	100241	2505243 Ontario Limited Nov 2019 - BBPNP	76,511.46		76,511.46
12-19-19	2419	101190	2505243 Ontario Limited Nov 2019 - MISC BB	29,643.30		29,643.30
01-28-20	2464	106147	2505243 Ontario Limited Dec 2019 - MISC BB	17,048.61		17,048.61
01-28-20	2465	106151	2505243 Ontario Limited Dec 2019 - BBPNP	83,308.75		83,308.75
03-06-20	2512	111923	2505243 Ontario Limited Feb 2020 - HST on License Fee	19,052.97		19,052.97
03-11-20	2514	112378	2505243 Ontario Limited Jan 2020 - BBPNP	78,169.76		78,169.76
03-11-20	2515	112380	2505243 Ontario Limited Jan 2020 - MISC BB	15,675.37		15,675.37
03-12-20	2517	112462	2505243 Ontario Limited	91,101.33		91,101.33
04-02-20	2522	103089	2505243 Ontario Limited, Rent April 2020	49,866.89		49,866.89
04-23-20	2525	113230	2505243 Ontario Limited MARBB2020	62,262.94		62,262.94
05-02-20	2529	103089	2505243 Ontario Limited, Rent May 2020	49,866.89		49,866.89
05-21-20	2530	113313	2505243 Ontario Limited BB APR 2020 including HST	35,921.78		35,921.78



2505243 Ontario Limited  
 111 Princes Blvd.,  
 Toronto, ON M6K 3C3  
 Canada

Statement Date: August 24, 2020  
 A/R Account Number: PNP250

Amount Paid: \_\_\_\_\_

This account is due and payable upon receipt of this Statement.

Date	Inv. No.	Bill No.	Description	Debit	Credit	Balance
06-02-20	2533	103089	2505243 Ontario Limited, Rent June 2020	49,866.89		49,866.89
06-08-20	2535	113365	2505243 Ontario Limited Feb BB orkin admin fees reversal	-156.96		-156.96
06-16-20	2537	113390	2505243 Ontario Limited May 2020 - BB	39,079.06		39,079.06
06-17-20	2539	113392	2505243 Ontario Limited Feb 2020 Misc BB	7,036.60		7,036.60
06-17-20	2540	113394	2505243 Ontario Limited March 2020 License Fees - HST	7,937.37		7,937.37
06-17-20	2541	113395	2505243 Ontario Limited Misc BB - March 2020	1,446.51		1,446.51
07-01-20	2545	103089	2505243 Ontario Limited, Rent July 2020	49,866.89		49,866.89
07-14-20	2548	113441	2505243 Ontario Limited June 2020 BB	46,752.88		46,752.88

Balance Due: **1,318,581.14**

**Aging Summary:**

Up to 30	31 - 60	61 - 90	91 - 120	121 - 150	151 and Over
1,318,581.14	0.00	0.00	0.00	0.00	0.00

**REMIT TO:**

**ATTN: AR**  
**111 Princes' Boulevard**  
**Toronto, Ontario, M6K 3C3, CA**



2505243 Ontario Limited (Room charges)  
Canada

Statement Date: August 24, 2020  
A/R Account Number: PNPRM250

Amount Paid: \_\_\_\_\_

This account is due and payable upon receipt of this Statement.

Date	Inv. No.	Bill No.	Description	Debit	Credit	Balance
09-17-19	2241	83820	2505243 Ontario Limited, Eleftheriou Manos	891.62		891.62
09-24-19	2255	83820	2505243 Ontario Limited, CARR BRAD	160.01		160.01
10-04-19	2277	87892	2505243 Ontario Limited Falcon Skybar Cash Shortage	102.45		102.45
11-03-19	2323	93351	Ramirez, Fabian	58.76		58.76
11-17-19	2378	96238	Ramirez, Fabian	117.52		117.52
12-03-19	2395	98901	Ramirez, Fabian	58.76		58.76
12-17-19	2417	101067	Willemsen, James	58.76		58.76
12-17-19	2418	101070	Tanaya, Bertie	58.76		58.76
12-25-19	2426	101699	Law, Michelle	58.76		58.76
01-01-20	2430	102779	Soleas, George	264.42		264.42
01-01-20	2431	102840	Seguin, Stephan	58.76		58.76
01-01-20	2432	102863	Tanaya, Bertie	58.76		58.76
01-01-20	2433	102865	Willemsen, James	58.76		58.76
01-01-20	2434	102866	Sotirov, Justin	58.76		58.76
01-01-20	2435	102877	Acevedo, Karen	58.76		58.76
01-01-20	2436	102879	Gonzalez, Patricia	58.76		58.76
01-01-20	2437	102888	Ramirez, Fabian	58.76		58.76
01-01-20	2438	102891	Park, Jacob	58.76		58.76
01-02-20	2440	102935	Eliopoulos, Kathy charged to P&P as per comments	264.42		264.42
01-04-20	2444	103158	Sandur, Sultan	241.14		241.14
01-26-20	2458	105693	Charles, James	528.84		528.84
01-27-20	2460	105998	BPNP Service Recovery, Peter did not want the	300.00		300.00



2505243 Ontario Limited (Room charges)  
Canada

Statement Date: August 24, 2020  
A/R Account Number: PNPRM250

Amount Paid: \_\_\_\_\_

This account is due and payable upon receipt of this Statement.

Date	Inv. No.	Bill No.	Description	Debit	Credit	Balance
			photographers for Petros to get charged for parking			
01-27-20	2461	106004	BPNP Service Recovery, Cooperate sales manager - Caroline Isautier - Another P&P Location Manager	30.00		30.00
01-27-20	2462	106012	Eliopoulos, Peter	300.00		300.00
01-28-20	2463	106081	Riggin, Lindsay	45.00		45.00
02-02-20	2467	106891	Micciche, Gerry	58.76		58.76
02-09-20	2479	107853	Sotirov, Justin	58.76		58.76
02-09-20	2480	107869	Ramirez, Fabian	58.76		58.76
02-16-20	2485	108737	Micciche, Jerry	58.76		58.76

Balance Due: 4,244.34

**Aging Summary:**

Up to 30	31 - 60	61 - 90	91 - 120	121 - 150	151 and Over
3,031.50	58.76	0.00	1,154.08	0.00	0.00

**REMIT TO:**

**ATTN: AR**  
**111 Princes' Boulevard**  
**Toronto, Ontario, M6K 3C3, CA**



Payment Detail Report | 10017233 | Princess Gates GP Inc

Aug 7, 2020 10:39:35 AM

ID: 53119780  
Payment Type: EFT Direct Deposit - Ad-hoc

Client FCN: 253  
CMO FCN: CAD  
Currency: CAD

Originator ID: 0102035296  
Funding Account: 004121835017

Value Date: 08/06/20  
Batch Status: Released  
Entry Method: Freeform

Template: AP20200806

File Name: Payment on behalf of  
Comments:

Audit Information

User ID	Company	Timestamp
92080056	10017233	Aug 6, 2020 5:31:28 PM
92084629	10017233	Aug 6, 2020 5:47:28 PM
92084629	10017233	Aug 6, 2020 5:47:28 PM
92084629	10017233	Aug 6, 2020 5:47:28 PM
92084629	10017233	Aug 6, 2020 5:47:28 PM
92084629	10017233	Aug 6, 2020 5:47:28 PM

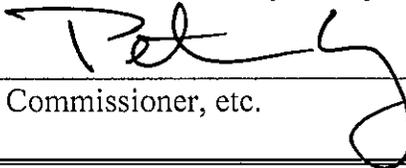
Payee/Payor Name	Receiver ID	Amount	Debit / Credit	Sundry	Bank	From Account	Status	Short Name
Rogers & Company Chateau, Villa & E		11,459.10	Credit	2505043	001610522	177301001	Entered	PRINCES GATES G

Batch Totals

Dollar Amount	Item Count
Debits: 0.00	0
Credits: 11,459.10	1

# TAB K

This is Exhibit "K" referred to in the  
Affidavit of Christopher Lambert, sworn  
before me this 28th day of September 2020

  
\_\_\_\_\_  
A Commissioner, etc.

# THE STAR

This copy is for your personal non-commercial use only. To order presentation-ready copies of Toronto Star content for distribution to colleagues, clients or customers, or inquire about permissions/licensing, please go to: [www.TorontoStarReprints.com](http://www.TorontoStarReprints.com)

## BUSINESS

# Catering company sues NHL bubble residence Hotel X for \$60-million — alleges it was tossed for company with hockey ties

By **Josh Rubin** Business Reporter

Mon., Aug. 31, 2020 | 3 min. read

Article was updated Sep. 01, 2020

When Kevin Lee heard rumours the NHL was bringing its playoff bubble to Toronto and that some teams would be staying at Hotel X, he breathed a sigh of relief.

The 32-year-old assistant restaurant manager assumed it meant he'd be going back to work at the hotel on the CNE grounds with his company, By Peter & Paul's, after sitting idle since the hotel was shut down March 23 because of the global [COVID-19 pandemic](#).

"I started hearing from a few other friends in the industry that the NHL was coming to Hotel X. I got excited. I thought it was a good score," said Lee.

Instead, along with more than 200 colleagues, Lee is now looking for work after Hotel X terminated the lease of By Peter & Paul's, the catering and entertainment company that had run food and drink services since the hotel's launch in 2018. The catering company issued official termination notices to Lee and its other hotel staff in early August.

By Peter & Paul's is now suing Hotel X and its owner, Princes Gate Hotel LP, for \$60 million, claiming its lease for running two restaurants and a catering kitchen was terminated unfairly. PGH is controlled by New York-based hotel entrepreneur Henry Kallan. The suit also says Hotel X replaced the caterer with Harlo Entertainment, a Toronto-based company that also owns a minority stake in the NHL's Pittsburgh Penguins.

Through a spokesperson, Hotel X denied that it had done anything wrong.

"Hotel X Toronto's actions were in compliance with its contractual commitments and all applicable laws. Since these matters are in litigation we are unable to comment further," said the statement.

Hotel X and its owner have until Sept. 4 to file a defence to the suit with the Ontario Court of Justice. None of the allegations in the suit have been proven in court.

By Peter & Paul's president Peter Eliopoulos said he was stunned when his company's lease at Hotel X was terminated for nonpayment of rent.

"I'm devastated, most of all for my employees. It would have been packed in there," said Eliopoulos, who's been in the catering and restaurant business for 38 years. Given that the restaurant and catering industry has been hammered by COVID-19-related

restrictions, Eliopoulos said he had no choice but to issue termination notices to his employees who'd been working at the hotel — there wasn't anywhere in his company to put them.

Eliopoulos said his company paid Hotel X full rent for March, but acknowledged not paying rent since then because the hotel had been closed. Once Ontario entered Stage 2 and allowed for takeout food sales and patio dining, Hotel X still didn't allow his restaurants to open back up, Eliopoulos said. Nor, according to the statement of claim filed by Eliopoulos's company, did Hotel X apply for the Canada Emergency Commercial Rent Assistance program designed to help small businesses pay their rent during the pandemic.

The lawsuit claims Hotel X's owner was motivated to replace By Peter & Paul's because of Harlo's links to the NHL. In addition to catering and restaurant operations, Harlo Entertainment also owns a minority stake in the NHL's Pittsburgh Penguins and Overactive Media, which controls two Toronto-based sports franchises. Harlo Entertainment is a subsidiary of Harlo Capital, a real estate private equity firm founded by Toronto's Jeffrey Kimel.

"PGH's plan to replace PNP with Harlo Entertainment was for the purpose of leveraging Harlo Entertainment's connections with the National Hockey League and the e-sports industry," the suit alleges.

The Penguins, since eliminated from the NHL playoffs, were one of several teams hosted at Hotel X. Earlier in the playoffs, several other teams had been staying at the Fairmont Royal York.

The suit also says Hotel X had been in negotiations for months with Harlo about taking over food and beverage services at the hotel, and plans for an e-sports arena near the hotel.

Neither the NHL nor Kimel responded immediately to questions about whether the league's choice of Hotel X was contingent upon Harlo getting the food and beverage contract at the hotel. Nor did the NHL respond to a question about whether it was aware of discussions between Hotel X and By Peter & Paul's.

Eliopoulos said having his lease terminated was especially frustrating after repeated construction delays and fewer than expected customers at the hotel. He also estimates he spent \$11 million of By Peter & Paul's money in construction and other costs for the two restaurants and catering kitchen.



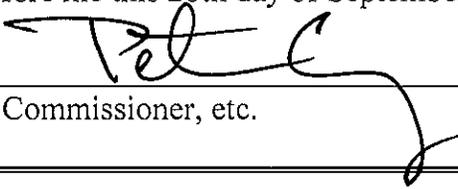
**Josh Rubin** is a Toronto-based business reporter. Follow him on Twitter: @starbeer

## More from The Star & Partners

Copyright owned or licensed by Toronto Star Newspapers Limited. All rights reserved. Republication or distribution of this content is expressly prohibited without the prior written consent of Toronto Star Newspapers Limited and/or its licensors. To order copies of Toronto Star articles, please go to: [www.TorontoStarReprints.com](http://www.TorontoStarReprints.com)

# TAB L

This is Exhibit "L" referred to in the  
Affidavit of Christopher Lambert, sworn  
before me this 28th day of September 2020

  
\_\_\_\_\_  
A Commissioner, etc.

Court File No.: CV-20-00644262

**ONTARIO  
SUPERIOR COURT OF JUSTICE**

BETWEEN:

25054243 ONTARIO LIMITED

Plaintiff

- and -

PRINCES GATES GP INC. IN ITS CAPACITY AS GENERAL PARTNER OF PRINCES GATES  
HOTEL LIMITED PARTNERSHIP

Defendant

**NOTICE OF MOTION**

The Plaintiff will make a motion to the Court on a date to be set, or as soon as the motion can be heard, at 393 University Avenue.

PROPOSED METHOD OF HEARING: The motion is to be heard:

 orally.

**THE MOTION IS FOR:**

- (a) An order granting leave for the issuance of a Certificate of Pending Litigation (CPL) as against the lands and premises municipally known as 111 Princes Boulevard, Exhibition Place, City of Toronto, Canada: PART OF BLOCK 14 OF THE ORDNANCE RESERVE AND PART OF WATERLOT FRONTING THE ORDNANCE RESERVE, DESIGNATED AS PART 1 ON PLAN 66R25067, SAVE AND EXCEPT PART 1 ON 66R27740; CITY OF TORONTO (the **Hotel X Premises**);
- (b) The Plaintiff's costs of this motion; and

- (c) Such further and other relief as counsel for the Plaintiff may request and this Honourable Court deems just.

**THE GROUNDS FOR THE MOTION ARE:**

- (d) The Plaintiff 2505243 Ontario Ltd. (**25054243**) is an Ontario corporation that formerly operated two restaurants at the Hotel X Toronto in Toronto;
- (e) The Defendant Princes Gates GP Inc. (**PGH**) owns and operates Hotel X Toronto, located at 111 Princes Boulevard, Exhibition Place, Toronto (**Hotel X**);
- (f) 25054243 has a leasehold interest in the Hotel X Premises through two commercial leasing agreements with PGH:
- (i) a Leasing Agreement dated January 4, 2017, and continuing for a 10-year term, relating to a unit comprising approximately 9,472 square feet and operating as a restaurant known as Petros 82 (**Petros 82**) located on the ground floor of Hotel X (the **Petros 82 Lease**); and
  - (ii) a Leasing Agreement dated January 4, 2017, and continuing for a 10-year term, with respect to a unit comprising approximately 3,767 square feet and operating as a restaurant known as Maxx's Kitchen (**Maxx's Kitchen**) located on the second floor of Hotel X (the **Maxx's Kitchen Lease**). The Maxx's Kitchen Lease and the Petros 82 Lease are collectively referred to as the **Leases**;
- (g) 25054243 and PGH are also parties to a Food and Beverage Services Agreement (the **F&B Agreement**) dated January 4, 2017, as amended by the parties on March 16, 2018 (collectively with the Leases, the **Agreements**);

- (h) The F&B Agreement grants 25054243 the sole and exclusive right to provide food and beverage services (the **Services**) to guests of Hotel X through the hotel's banquet facilities, conference room facilities, cinema, rooftop bar, VIP lounge and room service offerings (the **Facilities**);
- (i) 25054243 took possession of and began operating Maxx's Kitchen in March 2018 and Petros 82 in September 2019. 25054243 began offering Services at Hotel X under the F&B Agreement in April 2018;
- (j) Following the declaration of a state of emergency in Ontario, Hotel X closed to the public on March 23, 2020;
- (k) On July 2, 2020, PGH purported to terminate the Leases and the F&B Agreement on the basis of 25054243's failure to pay rent and various other alleged defaults under the Agreements;
- (l) 25054243 commenced the within action on July 20, 2020, further amended on August 4, 2020 and September 3, 2020 seeking, amongst other things:
  - (i) An interim, interlocutory and permanent injunction prohibiting PGH from interfering with 25054243's right of possession at the Hotel X Premises in connection with the Leases;
  - (ii) An interim, interlocutory and permanent injunction prohibiting PGH from interfering with 25054243's right of access to and use of the Facilities during the term of the F&B Agreement;
  - (iii) An order declaring that the Leases and F&B Agreement remain in force and have not been terminated; and

- (iv) A certification of pending litigation with respect to the Hotel X Premises;
- (m) The purported termination of the Agreements was unlawful, contrary to the terms of the agreements, and not reasonable given that Hotel X has been closed for a number of months;
- (n) 25054243 was not in default of the Agreements and/or PGH failed to provide 25054243 with written notice of any alleged default and an opportunity to remedy any alleged default, as required under the terms of the Agreements;
- (o) PGH's actions in re-entering and re-possessing the Hotel X Premises were contrary to the provisions of Part IV the *Commercial Tenancies Act (CTA)* as amended by the *Protecting Small Business Act, 2020*, SO 2020, C 10;
- (p) 25054243 sought to establish that it is a qualifying small business under the Canada Emergency Commercial Rent Assistance (CECRA) program which provides government assistance in the form of a forgivable loan to cover a portion of commercial rent expenses to eligible small businesses and their commercial landlords;
- (q) 25054243 has asked PGH to apply for funding under CECRA on numerous occasions, but PGH failed or refused to apply for CECRA, notwithstanding that 25054243's auditor, KPMG LLP, has provided an opinion that 25054243 meets the qualification requirements;
- (r) As a commercial landlord eligible to receive assistance under CECRA, PGH:
  - (i) was prohibited under section 82 of the *CTA* from re-entering Petros 82 or Maxx's Kitchen;

- (ii) was prohibited under section 84 of the *CTA* from seizing any goods or chattels as a distress for arrears of rent; and
- (iii) is not entitled to an order for a writ of possession on the basis of an arrears of rent, pursuant to section 81 of the *CTA*;
- (s) There is a triable issue with respect to 25054243's leasehold interest in the Hotel X Premises under the Agreements;
- (t) The Hotel X Premises were uniquely suited for the distinct atmosphere, ambience and clientele that 25054243 has created with Petros 82 and Maxx's Kitchen, which cannot easily be recreated elsewhere;
- (u) The quantum of 25054243's damages cannot be easily measured and the manner in which 25054243 was ejected from Hotel X has had a significant impact on 25054243's overall business and reputation, which cannot be adequately measured or remedied with an award of damages;
- (v) 25054243 will suffer harm if the CPL is not registered as its right to be reinstated at the Hotel X Premises may not be adequately protected;
- (w) The harm suffered by 25054243 if the CPL is not granted far outweighs any inconvenience the registration of the CPL may cause for PGH;
- (x) 25054243 has sought to diligently prosecute its action in an attempt to protect its interest in the Hotel X Premises and PGH has failed to respond to this action;
- (y) Rules 1.04, 37 and 42.01 of the *Rules of Civil Procedure*, RRO 1990, Reg 194;
- (z) Section 103 of the *Courts of Justice Act*, RSO 1990, c C.43; and

- (aa) Such further and other grounds as counsel for the Plaintiff may advise and this Honourable Court permits.

**THE FOLLOWING DOCUMENTARY EVIDENCE** will be used at the hearing of the motion:

- (bb) The affidavit of Peter Eliopoulos sworn September 17, 2020;
- (cc) The pleadings in this action; and
- (dd) Such further and other materials as counsel for the Plaintiff may advise and this Honourable Court may permit.

September 21, 2020

**Norton Rose Fulbright Canada LLP**  
222 Bay Street, Suite 3000, P.O. Box 53  
Toronto, Ontario M5K 1E7 Canada

**Randy Sutton LSO #: 50369C**  
randy.sutton@nortonrosefulbright.com  
**Andrea Brewer LSO#: 54215K**  
andrea.brewer@nortonrosefulbright.com  
**Erika Anschuetz LSO #: 72120D**  
erika.anschuetz@nortonrosefulbright.com  
Tel: +1 416.216.4000  
Fax: +1 416.216.3930

Lawyers for the Plaintiff

25054243 ONTARIO LIMITED o/a  
BYPETERANDPAUL.COM and

PRINCES GATES GP INC. IN ITS CAPACITY  
AS GENERAL PARTNER OF PRINCES GATES  
HOTEL LIMITED PARTNERSHIP

Court File No.: CV-20-00644262

Plaintiff

Defendant

**ONTARIO  
SUPERIOR COURT OF JUSTICE**

Proceeding commenced at TORONTO

**NOTICE OF MOTION  
(Returnable ●, 2020)**

**Norton Rose Fulbright Canada LLP**  
222 Bay Street, Suite 3000, P.O. Box 53  
Toronto, Ontario M5K 1E7 Canada

**Randy Sutton LSO #: 50369C**

randy.sutton@nortonrosefulbright.com

**Andrea Brewer LSO#: 54215K**

andrea.brewer@nortonrosefulbright.com

**Erika Anschuetz LSO #: 72120D**

erika.anschuetz@nortonrosefulbright.com

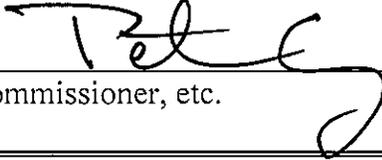
Tel: +1 416.216.4000

Fax: +1 416.216.3930

Lawyers for the Plaintiff

TAB M

This is Exhibit "M" referred to in the  
Affidavit of Christopher Lambert, sworn  
before me this 28th day of September 2020

  
\_\_\_\_\_  
A Commissioner, etc.

Court File No.: BK-20-00208450-OT31

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
IN BANKRUPTCY AND INSOLVENCY**

**IN THE MATTER OF THE BANKRUPTCY OF 2505243 ONTARIO LTD.  
o/a BYPETERANDPAULS.COM  
OF THE CITY OF VAUGHAN, IN THE PROVINCE OF ONTARIO**



**BANKRUPTCY APPLICATION**

**PRINCES GATES GP INC.** (the "Hotel X"), a company incorporated pursuant to the laws of the Province of British Columbia that operates a hotel at the premises municipally known at 111 Princes Gates Boulevard, Toronto, **LOWELL SECURITY INC.** ("Sword Security"), a company incorporated pursuant to the laws of the Province of Ontario that provides security services, **THE SMALL WINEMAKERS COLLECTION INC.** ("SW Collection"), a company incorporated pursuant to the laws of the Province of Ontario that operates as a supplier of wine, **D.N.B. MEDIA GROUP INC.** ("DNB Media") a company incorporated pursuant to the laws of the Province of Ontario that operates as a printing company, **PR CC PLATED MEALS INC.** ("PRC Caterers") a company incorporated pursuant to the laws of the Province of Ontario that provides catering services and **PLATINUM VALET HOTEL CLEANERS INC.** ("Platinum Valet" and collectively with all other applicants, the "Applicants") a company incorporated pursuant to the laws of the Province of Ontario that provides dry cleaning services, hereby apply to the Court that **2505243 Ontario Ltd. o/a Bypeterandpauls.com** (the "Debtor") be adjudged bankrupt and that a Bankruptcy Order be made in respect of the property of the Debtor and say:

1. That the Debtor has a registered head office address of 6260 Hwy 7, Unit 1, in the City of Vaughan, in the Province of Ontario, within the jurisdiction of the Court.
2. That the Debtor is justly and truly indebted to, *inter alia*:

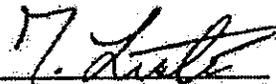
- (i) Hotel X in the amount of \$1,946,266.17;
  - (ii) Sword Security in the amount of \$27,484.44;
  - (iii) SW Collection in the amount of \$52,789.06;
  - (iv) DNB Media in the amount of \$2,689.40;
  - (v) PR CC Plates Meals in the amount of \$2,670.19; and
  - (vi) Platinum Valet in the amount of \$7,700.49.
3. That the Applicants do not, nor does any person on its behalf, hold any security on the Debtor's property, or any part thereof, for the payment of said sums.
4. That the Debtor, within the six months preceding the date of the filing of this Application, committed the following acts of bankruptcy:
- (i) ceasing to meet its liabilities generally as they become due; and
  - (ii) presenting at a meeting of its creditors a written admission of its inability to pay its debts.
5. That The Fuller Landau Group of the City of Toronto, in the Province of Ontario, is qualified to act as Trustee of the property of the Debtor and has agreed to act as such and is acceptable to the undermentioned Applicants:

<u>Creditor</u>	<u>Address</u>	<u>Principal Amount</u>
Princes Gates GP Inc.	111 Princes' Boulevard Toronto, Ontario M6K 3C3	\$1,946,266.17
Lowell Security Inc.	1205 Queen Street West, Unit 1, Toronto, Ontario M6K 0B9	\$27,484.44

The Small Winemakers Collection	100 Broadview Ave, Suite 318, Toronto, Ontario M4M 3H3	\$52,789.06
D.N B. Media Group Inc	19 Jevins Close, Brampton, Ontario L6X2Y6	\$2,689.40
PR CC Plated Meals Inc.	240 Viceroy Road Unit 1 Vaughan, Ontario L4K 3N9	\$2,670.19
Platinum Valet Hotel Cleaners Inc.	19 Waterman Ave., Unit 14 Toronto, Ontario M4B 1Y2	\$7,700.49

DATED at the City of Toronto, this 2<sup>nd</sup> day of September, 2020.

Signed by the Applicant  
in the Presence of:

  
Signature of Witness  
Print Name: Thomas Lambert

PRINCES GATES GP INC.

Per:

  
Name: Christopher Lambert  
Title: Managing Director

I have authority to bind the Company.

Signed by the Applicant  
in the Presence of:

  
Signature of Witness  
Print Name: Thomas Lambert

LOWELL SECURITY INC.

Per:

  
Name: Ajay Parmar  
Title: Director of Operations

I have authority to bind the Company.

Signed by the Applicant  
in the Presence of:

T. Lambert  
Signature of Witness  
Print Name: Thomas Lambert

**THE SMALL WINEMAKERS  
COLLECTION**

Per: R. Goan  
Name: RICHARD GOAN  
Title: Director, License Sales  
I have authority to bind the Company.

Signed by the Applicant  
in the Presence of:

T. Lambert  
Signature of Witness  
Print Name: Thomas Lambert

**D.N.B. MEDIA GROUP INC.**

Per: B. Punia  
Name: Bob Punia  
Title: Director  
I have authority to bind the Company.

Signed by the Applicant  
in the Presence of:

T. Lambert  
Signature of Witness  
Print Name: Thomas Lambert

**PR CC PLATED MEALS INC.**

Per: J. Elmaeh  
Name: JOE ELMAEH  
Title: Vice-President  
I have authority to bind the Company.

Signed by the Applicant  
in the Presence of:

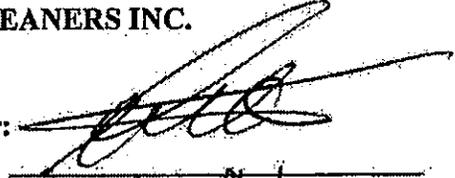
PLATINUM VALET HOTEL  
CLEANERS INC.



Signature of Witness

Print Name: Thomas Lambert

Per:



Name: Gus Platis

Title: owner

I have authority to bind the Company.

ISSUED at the City of Toronto, in the Province of Ontario, this 9 day of ~~August~~ <sup>September</sup>, 2020.



Registrar in Bankruptcy

**Master M. Jean**

Date: 9 September 2020

Court File No.: BK-20-00208450-OT31

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
IN BANKRUPTCY AND INSOLVENCY**

**IN THE MATTER OF THE BANKRUPTCY OF 2505243 ONTARIO LTD.  
o/a BYPEETERANDPAULS.COM  
OF THE CITY OF VAUGHAN IN THE PROVINCE OF ONTARIO**

**AFFIDAVIT OF VERIFICATION**

**I, CHRISTOPHER LAMBERT, of the City of Oakville, in the Province of Ontario,  
MAKE OATH AND SAY AS FOLLOWS:**

1. I am the managing director of the Applicant, Princes Gates GP Inc., named in the application hereto annexed (the "**Application**"), and have knowledge of the facts to which I hereinafter depose to.
2. The facts alleged in paragraphs 1, 2(i), 3, 4 and 5 of said Application are within my own knowledge and true, and that, based on the information provided to me by the co-applicants to the Application as set out in paragraphs 3-8 herein, the facts alleged in subparagraphs 2(ii) to 2(vi) of the Application are true.
3. I am advised by Richard Godin, a director of the co-applicant The Small Winemakers Collection, that the Debtor is justly and truly indebted to The Small Winemakers Collection in the amount of \$52,789.06 as noted in the Statement of Account attached hereto as Exhibit "A".
4. I am advised by Joe Elmaleh, the vice president of the co-applicant PR CC Plated Meals Inc., that the Debtor is justly and truly indebted to PR CC Plated Meals Inc. in

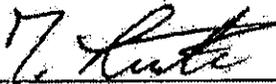
the amount \$2,670.19 as noted in the Statement of Account attached hereto as Exhibit "B".

5. I am advised by Deep Sihota, a director of the co-applicant D.N.B. Media Group Inc., that the Debtor is justly and truly indebted to D.N.B. Media Group Inc. in the amount of \$2,689.40 as noted in the Statement of Account attached hereto as Exhibit "C".

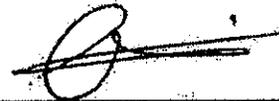
6. I am advised by Lee Rice, the Finance Administrator for the co-applicant Lowell Security Inc., that the Debtor is justly and truly indebted to Lowell Security Inc. in the amount of \$27,484.44 as noted in the Statement of Account attached hereto as Exhibit "D".

7. I am advised by Gus Platis, the President of the co-applicant Platinum Valet Hotel Cleaners Inc., that the Debtor is justly and truly indebted to Platinum Valet Hotel Cleaners Inc. in the amount of \$7,700.49 as noted in the Statement of Account and related invoices attached collectively hereto as Exhibit "E".

SWORN BEFORE ME at the City of Toronto, in the Province of Ontario, on September 2<sup>nd</sup>, 2020



Commissioner for Taking Affidavits  
(or as may be)



CHRISTOPHER LAMBERT

THOMAS LAMBERT  
Barrister & Solicitor  
LSO # 70354T

This is Exhibit "A" referred to in the  
affidavit of Christopher Lambert  
sworn before me, this 2<sup>nd</sup>  
day of September, 2020



.....  
A commissioner, etc....

The Small Winemakers Collection Inc.  
 100 Broadview Ave., Suite 318  
 Toronto, ON M4M 3H3  
 (416) 463-7178

# Account Report

Aug 20, 2020

Below is a summary of outstanding invoices.

2505243 Ontario Ltd. Hotel X - F&B by Peter			Fax:	E-Mail:michelle.		
<u>Invoice Number</u>	<u>Delivery Date</u>	<u>Invoice Cost of Order</u>	<u>Credit</u>	<u>Chk/visa#</u>	<u>Date</u>	<u>Amount Owning</u>
224484	3 Oct, 2019	\$6977.32				\$6977.32
225155	17 Oct, 2019	\$3721.26				\$3721.26
228232	7 Nov, 2019	\$2325.78				\$2325.78
227097	21 Nov, 2019	\$3903.95				\$3903.95
227338	27 Nov, 2019	\$14711.04				\$14711.04
227770	4 Dec, 2019	\$8343.26				\$8343.26
227984	6 Dec, 2019	\$1130.73				\$1130.73
228300	11 Dec, 2019	\$2297.29				\$2297.29
228953	19 Dec, 2019	\$2551.24				\$2551.24
229905	20 Jan, 2020	\$4651.58				\$4651.58
230255	28 Jan, 2020	\$2859.08				\$2859.08
230826	5 Feb, 2020	\$1482.61				\$1482.61
230849	6 Feb, 2020	\$3721.26				\$3721.26
231301	19 Feb, 2020	\$920.48				\$920.48
239787	18 Aug, 2020	-\$9274.72				-\$9274.72
Total Outstanding						\$50102.17

If you have any questions, please contact your salesrep Paul Wilk

The Small Winemakers Collection Inc.  
 100 Broadview Ave., Suite 318  
 Toronto, ON M4M 3H3  
 (416) 463-7178

# Account Report

Aug 20, 2020

Below is a summary of outstanding Invoices.

## 2505243 Ontario Ltd. - Petros 82

Fax:

E-Mail [matthew@petros](mailto:matthew@petros)

<u>Invoice Number</u>	<u>Delivery Date</u>	<u>Invoice Cost of Order</u>	<u>Credit</u>	<u>Chk/visa#</u>	<u>Date</u>	<u>Amount Owning</u>
228245	8 Nov, 2019	\$461.78				\$461.78
227567	3 Dec, 2019	\$1109.82				\$1109.82
231317	19 Feb, 2020	\$1115.29				\$1115.29
Total Outstanding						\$2686.89

If you have any questions, please contact your salesrep Paul Wilk

This is Exhibit "B" referred to in the  
affidavit of Christopher Lambert  
sworn before me, this 2<sup>nd</sup>  
day of September, 2020



.....  
A commissioner, etc....



# Statement

Date 08/06/2020

To:

2505243 Ontario Ltd.  
 Hotel X-F&B bypeterandpauls.com  
 111 Princes' Blvd.  
 Toronto, ON, M6K 3C3

Date	Description	Amount	Balance
07/11/2019	INV #5724, Orig. Amount \$457.65.	457.65	457.65
15/11/2019	INV #5801, Orig. Amount \$480.25.	480.25	937.90
17/11/2019	INV #5805, Orig. Amount \$132.21.	132.21	1,070.11
22/11/2019	INV #5855, Orig. Amount \$231.65.	231.65	1,301.76
13/12/2019	INV #four6057, Orig. Amount \$231.65.	231.65	1,533.41
20/01/2020	INV #6159, Orig. Amount \$271.20.	271.20	1,804.61
21/01/2020	INV #6161, Orig. Amount \$282.50.	282.50	2,087.11
12/02/2020	INV #6235, Orig. Amount \$209.05.	209.05	2,296.16
13/02/2020	INV #6242, Orig. Amount \$159.33.	159.33	2,455.49
11/03/2020	INV #6320, Orig. Amount \$214.70.	214.70	2,670.19
<b>CURRENT</b>			
0.00			
<b>1-30 DAYS PAST DUE</b>			
0.00			
<b>31-60 DAYS PAST DUE</b>			
0.00			
<b>61-90 DAYS PAST DUE</b>			
		214.70	
<b>OVER 90 DAYS PAST DUE</b>			
		2,455.49	
			<b>AMOUNT DUE</b>
			2,670.19

240 Viceroy Road, Unit 1, Vaughan, Ontario, L4K 3N9  
 Tel: (416) 787-9889 Fax: (416) 352-7487  
 GST/HST # R79702 6895 RT001

This is Exhibit "C" referred to in the  
affidavit of Christopher Lambert  
sworn before me, this 2<sup>nd</sup>  
day of September, 2020

A handwritten signature in black ink, appearing to read "T. Hunte", is written over a horizontal dotted line.

A commissioner, etc....

8/28/2020

Wave



D.N.B. MEDIA GROUP INC  
19 Jevins Close  
Brampton, Ontario L6X 2Y6  
Canada

### Statement of Account

Outstanding invoices

Bill to

**2505243 Ontario Ltd.**  
Jacob Park  
111 Princes' Boulevard  
Toronto M6K 3C3

Canadian dollar (CAD)

Overdue \$2,689.40  
Not yet due \$0.00  
Outstanding balance (CAD) \$2,689.40

Invoice #	Invoice date	Due date	Total	Paid	Due
Invoice 002539	Dec 4, 2019	Jan 3, 2020 Overdue	\$1,344.70	\$0.00	\$1,344.70
Invoice 002602	Feb 26, 2020	Mar 27, 2020 Overdue	\$1,344.70	\$0.00	\$1,344.70

Outstanding balance (CAD) \$2,689.40

This is Exhibit "D" referred to in the  
affidavit of Christopher Lambert  
sworn before me, this 2<sup>nd</sup>  
day of September, 2020



.....  
A commissioner, etc....

Lowell Security Inc O/A Sword Security  
 1205 Queen Street West #1  
 Toronto ON M6K0B9  
 torontoaccounts@swordsecurity.com  
 www.swordsecurity.ca



# Statement

TO  
 All  
 Hotel X F&B  
 bypeterandpauls.com  
 2505243 Ontario Ltd.  
 111 Princes' Blvd  
 Toronto ON M6K 3C3

STATEMENT NO. 2964  
 DATE 08/19/2020  
 TOTAL DUE CAD 27,484.44  
 ENCLOSED

DATE	DESCRIPTION	AMOUNT	OPEN AMOUNT
04/30/2019	Invoice #BPNP-1899: Due 05/14/2019.	745.80	745.80
05/09/2019	Invoice #BPNP-1900: Due 05/23/2019.	796.65	796.65
09/25/2019	Invoice #BPNP-1914: Due 10/09/2019.	1,508.55	1,508.55
11/05/2019	Invoice #BPNP-1920: Due 11/19/2019.	508.50	508.50
11/11/2019	Invoice #BPNP-1921: Due 11/25/2019.	1,237.35	1,237.35
11/19/2019	Invoice #BPNP-1922: Due 12/03/2019.	1,271.25	1,271.25
11/26/2019	Invoice #BPNP-1923: Due 12/10/2019.	694.95	694.95
12/03/2019	Invoice #BPNP-1924: Due 12/17/2019.	2,923.88	2,923.88
12/10/2019	Invoice #BPNP-1925: Due 12/24/2019.	1,932.30	1,932.30
12/18/2019	Invoice #BPNP-1926: Due 01/01/2020.	1,822.13	1,822.13
12/30/2019	Invoice #BPNP-1927: Due 01/13/2020.	203.40	203.40
01/06/2020	Invoice #BPNP-1928: Due 01/20/2020.	7,491.90	7,491.90
01/14/2020	Invoice #BPNP-1929: Due 01/28/2020.	135.60	135.60
01/21/2020	Invoice #BPNP-1930: Due 02/04/2020.	813.60	813.60

Current Due	1-30 Days Past Due	31-60 Days Past Due	61-90 Days Past Due	90+ Days Past Due	Amount Due
0.00	0.00	0.00	0.00	27,484.44	CAD 27,484.44

DATE	DESCRIPTION	AMOUNT	OPEN AMOUNT
01/28/2020	Invoice #BPNP-1931: Due 02/11/2020.	1,067.85	1,067.85
02/11/2020	Invoice #BPNP-1932: Due 02/25/2020.	711.90	711.90
02/25/2020	Invoice #BPNP-1933: Due 03/10/2020.	898.35	898.35
03/02/2020	Invoice #BPNP-1934: Due 03/16/2020.	576.30	576.30
03/11/2020	Invoice #BPNP-1935: Due 03/25/2020.	1,423.80	1,423.80
03/16/2020	Invoice #BPNP-1936: Due 03/30/2020.	720.38	720.38

Current Due	1-30 Days Past Due	31-60 Days Past Due	61-90 Days Past Due	90+ Days Past Due	Amount Due
0.00	0.00	0.00	0.00	27,484.44	CAD 27,484.44

This is Exhibit "E" referred to in the  
affidavit of Christopher Lambert

sworn before me, this 2<sup>nd</sup>

day of September, 2020

A handwritten signature in black ink, appearing to read "J. Smith", is written over a horizontal dotted line.

A commissioner, etc....

# PLATIS

CLEANERS  
SINCE 1988

7 Trophy Dr  
Toronto, On M4A 1L7

Date: 2/1/2020  
Invoice #: 16985  
HST #: 835496415  
Statement #: 4799

Bill To: 2505243 Ontario Ltd. Peter & Paul  
111 Princes Blvd.  
Toronto Ontario

Department	Monthly Transactions (\$)	Discount	Total (\$)
			\$ -
F&B	\$ 2,644.65		\$ 2,644.65
			\$ -
			\$ -
Fuel	\$ 50.00		\$ 50.00
			\$ -
<b>Total</b>			<b>\$ 2,694.65</b>
HST			\$ 350.30
<b>Balance</b>			<b>\$ 3,044.95</b>

**PLATIS CLEANERS**

**STATEMENT**

19 Waterman Ave • Toronto • ON • M4B 1Y2 • Tel: 416-755-6400

<b>HOTEL NAME</b>	<b>TOTAL AMOUNT DUE</b>
HOTEL X F&B	2988.80

<b>STATEMENT No.</b>	<b>PERIOD</b>
4798	01/01/2020 -01/31/2020

**DEPARTMENT: STAFF**

INVOICE NO.	ORDER No.	DATE IN	R.O.L.	NAME	DESCRIPTION	QTY	PRICE	AMOUNT
48119	8049	01/02/2020	8213	Aguawal Abhishek	Pants Jacket Sweater Shirt	1 3 3 7	3.10 4.10 3.85 1.70	3.10 12.30 11.55 11.90
							<b>SUB-TOTAL</b>	<b>39.15</b>
48119	8050	01/02/2020	8214	Alenna Mezquita	Jacket	1	4.10	4.10
							<b>SUB-TOTAL</b>	<b>4.10</b>
48119	8031	01/02/2020	8212	Jeffery Tsang	Jacket Shirt	1 6	4.10 1.70	4.10 10.20
							<b>SUB-TOTAL</b>	<b>14.30</b>
48119	8055	01/02/2020		F&B	Apron Blouse Pants Shirt Chef Jacket Vest Jacket Tie	12 2 8 17 8 2 2 1	1.50 3.25 3.10 1.70 4.50 2.50 4.10 1.85	18.00 6.50 24.80 28.90 36.00 5.00 8.20 1.85
							<b>SUB-TOTAL</b>	<b>120.35</b>
48126	8068	01/02/2020		F&B	Chef Jacket	10	4.50	45.00
							<b>SUB-TOTAL</b>	<b>45.00</b>
48131	8073	01/03/2020		F&B	Apron Blouse Dress Pants Shirt Chef Jacket	8 1 2 2 13 5	1.60 3.25 6.50 3.10 1.70 4.50	12.80 3.25 13.00 6.20 22.10 22.50
							<b>SUB-TOTAL</b>	<b>79.05</b>
48131	8082	01/04/2020		F&B	Apron Dress Shirt Chef Jacket	4 1 5 7	1.50 6.50 1.70 4.50	6.00 6.50 8.50 31.50
							<b>SUB-TOTAL</b>	<b>52.50</b>
48137	8112	01/06/2020		F&B	Apron Blouse Pants Shirt Chef Jacket Vest Jacket Scarf	8 8 11 8 8 3 1 1	1.50 3.25 3.10 1.70 4.50 2.50 4.10 2.95	12.00 26.00 34.10 13.60 36.00 7.50 4.10 2.95
							<b>SUB-TOTAL</b>	<b>117.15</b>
48142	8122	01/06/2020		F&B	Apron Pants Shirt Chef Jacket Vest Jacket	4 1 9 2 4 1	1.50 3.10 1.70 4.50 2.50 4.10	6.00 3.10 15.30 9.00 10.00 4.10
							<b>SUB-TOTAL</b>	<b>47.60</b>
48147	8134	01/07/2020		F&B	Apron Pants	3 1	1.50 3.10	4.50 3.10

INVOICE NO.	ORDER No.	DATE IN	P.O.L.	NAME	DESCRIPTION	QTY	PRICE	AMOUNT
	8134				Shirt Chef Jacket	10 3	1.70 4.60	17.00 13.80
						<b>SUB-TOTAL</b>		<b>30.80</b>
48151	8140	01/08/2020	8240	John Wasel	Shirt	5	1.70	8.50
						<b>SUB-TOTAL</b>		<b>8.50</b>
48151	8141	01/09/2020		F&B	Apron Chef Jacket Blouse Shirt	8 4 3 2	1.50 4.50 3.25 1.70	9.00 18.00 9.75 3.40
						<b>SUB-TOTAL</b>		<b>30.90</b>
48158	8155	01/09/2020		Alanna Mezquita	Jacket black, BEBE WRONG MARKING NOT ARMANI	1	4.10	4.10
						<b>SUB-TOTAL</b>		<b>4.10</b>
48158	8156	01/09/2020		Fabian Ramirez	Pants Shirt Shirt -	2 3 1	3.10 1.70 3.10	6.20 5.10 3.10
						<b>SUB-TOTAL</b>		<b>17.80</b>
48158	8157	01/09/2020		Vincen Ye	Jacket Shirt	1 3	4.10 1.70	4.10 5.10
						<b>SUB-TOTAL</b>		<b>9.20</b>
48158	8180	01/09/2020		F&B	Shirt Chef Jacket	4 5	1.70 4.50	6.80 22.50
						<b>SUB-TOTAL</b>		<b>29.30</b>
48184	8170	01/10/2020		F&B	Apron Pants Shirt Chef Jacket Vest Jacket	9 1 2 5 2 1	1.50 3.10 1.70 4.50 2.50 4.10	13.50 3.10 3.40 22.50 5.00 4.10
						<b>SUB-TOTAL</b>		<b>51.80</b>
	8180	01/11/2020		Rudi Alanssov	Shirt	5	1.70	8.50
						<b>SUB-TOTAL</b>		<b>8.50</b>
48171	8232	01/11/2020		F&B	Apron Blouse Pants Shirt Chef Jacket Vest	4 1 4 7 7 1	1.50 3.25 3.10 1.70 4.50 2.50	7.60 3.25 12.40 11.90 31.50 2.50
						<b>SUB-TOTAL</b>		<b>69.05</b>
48176	8236	01/13/2020	8285	Fabian Ramirez	Shirt drycleaned shirts Jacket fancy	3 3 1	1.70 3.10 6.50	5.10 9.30 6.50
						<b>SUB-TOTAL</b>		<b>20.90</b>
48176	8237	01/13/2020	8284	John Wasel	drycleaned shirts Shirt	2 3	3.10 1.70	6.20 5.10
						<b>SUB-TOTAL</b>		<b>11.30</b>
48176	8238	01/13/2020	8286	Williams	Pants Shirt	2 8	3.10 1.70	6.20 13.60
						<b>SUB-TOTAL</b>		<b>19.80</b>
48176	8245	01/13/2020		F&B	Apron Blouse Pants Shirt Chef Jacket Vest Jacket	10 2 5 9 4 1 1	1.50 3.25 3.10 1.70 4.50 2.50 4.10	15.00 6.50 15.50 15.30 18.00 2.50 4.10
						<b>SUB-TOTAL</b>		<b>76.80</b>
48183	8283	01/13/2020		F&B	Blouse Shirt Chef Jacket	2 6 7	3.25 1.70 4.50	6.50 10.20 31.50

						<b>SUB-TOTAL</b>		<b>48.20</b>
48187	8258	01/14/2020		Fabian Ramirez	Pants Shirt	1 1	3.10 1.70	3.10 1.70
						<b>SUB-TOTAL</b>		<b>4.80</b>
48187	8260	01/14/2020		Kevin Lee	2pc Suit Pants Jacket Shirt	1 1 1 2	5.90 3.10 4.10 1.70	5.90 3.10 4.10 3.40
						<b>SUB-TOTAL</b>		<b>18.10</b>
48187	8261	01/14/2020		Karen Acevedo	Pants belt red Jacket Dress belt gran whrta printed Blouse	2 1 3 4 1 2	3.10 0.00 4.10 8.50 0.00 3.25	6.20 0.00 12.30 20.00 0.00 6.50
						<b>SUB-TOTAL</b>		<b>51.00</b>
48187	8283	01/14/2020		F&B	Apron Pants Shirt Chef Jacket	4 1 4 3	1.50 3.10 1.70 4.50	6.00 3.10 6.80 13.80
						<b>SUB-TOTAL</b>		<b>29.40</b>
48211	8274	01/15/2020		Rudi Atanasov	2pc Suit Shirt	1 2	6.50 1.70	5.50 3.40
						<b>SUB-TOTAL</b>		<b>8.90</b>
48185	8277	01/15/2020		Agnawal Abhishek	Pants Jacket spring Jacket Sweater Shirt Shirt - dry clean Robe	3 1 1 5 6 1 1	3.10 6.50 4.10 3.85 1.70 3.10 3.50	9.30 6.50 4.10 19.75 10.20 3.10 3.50
						<b>SUB-TOTAL</b>		<b>65.45</b>
48185	8278	01/15/2020		F&B	Apron Blouse Pants Shirt Chef Jacket Jacket	5 3 1 4 5 1	1.50 3.25 3.10 1.70 4.50 4.10	7.50 9.75 3.10 6.80 22.50 4.10
						<b>SUB-TOTAL</b>		<b>53.75</b>
48201	8293	01/16/2020		F&B	Apron Blouse Pants Shirt Chef Jacket Jacket	2 5 3 2 3 1	1.50 3.25 3.10 1.70 4.50 4.10	3.00 16.25 9.30 3.40 13.50 4.10
						<b>SUB-TOTAL</b>		<b>49.55</b>
48210	8296	01/17/2020	8311	John Wasel	Pants Shirt	1 5	3.10 1.70	3.10 8.50
						<b>SUB-TOTAL</b>		<b>11.60</b>
48210	8298	01/17/2020	8308	Errol Salvador	2pc Suit Shirt	1 8	6.50 1.70	5.50 13.80
						<b>SUB-TOTAL</b>		<b>19.10</b>
48210	8302	01/17/2020	8304	Fabian Ramirez	Pants Jacket Shirt drycleaned	2 1 2	3.10 4.10 3.10	6.20 4.10 6.20
						<b>SUB-TOTAL</b>		<b>16.50</b>
48210	8312	01/17/2020		F&B	Apron Blouse Dress Pants Shirt Chef Jacket Vest	3 4 1 3 2 4 2	1.50 3.25 8.50 3.10 1.70 4.50 2.50	4.50 13.00 8.50 9.30 3.40 18.00 5.00

					<b>SUB-TOTAL</b>		<b>59.70</b>	
48212	6316	01/18/2020		F&B	Apron	2	1.50	13.50
					Blouse	1	3.25	3.25
					Pants	3	3.10	9.30
					Shirt	7	1.70	11.90
					Chef Jacket	8	4.50	36.00
					Vest	1	2.50	2.50
					Jacket	1	4.10	4.10
					Skirt	1	3.50	3.50
					<b>SUB-TOTAL</b>		<b>84.05</b>	
48220	6376	01/20/2020		F&B	Apron	7	1.50	10.50
					Pants	7	3.10	21.70
					Shirt	10	1.70	17.00
					Vest	5	2.50	12.50
					Jacket	1	4.10	4.10
					<b>SUB-TOTAL</b>		<b>65.80</b>	
48228	6381	01/20/2020		F&B	Blouse	6	3.25	19.25
					Shirt	3	1.70	5.10
					Chef Jacket	4	4.50	18.00
					Vest	2	2.50	5.00
					Jacket	1	4.10	4.10
					<b>SUB-TOTAL</b>		<b>46.45</b>	
48229	6387	01/20/2020		F&B	Shirt	6	1.70	10.20
					Chef Jacket	2	4.50	9.00
					Blouse	2	3.25	6.50
					<b>SUB-TOTAL</b>		<b>25.70</b>	
48230	6390	01/20/2020		F&B	Apron	4	1.50	6.00
					Chef Jacket	4	4.50	18.00
					Pants	3	3.10	9.30
					<b>SUB-TOTAL</b>		<b>33.30</b>	
48244	6404	01/21/2020		Rudi Akhmetov	Shirt	6	1.70	10.20
					Pants	1	3.10	3.10
					Jacket	1	4.10	4.10
					marked for a suit .. its not p jacket brown black pattern			
					<b>SUB-TOTAL</b>		<b>17.40</b>	
48236	6405	01/21/2020		Alanna Mezquía	Jacket black	1	4.10	4.10
					<b>SUB-TOTAL</b>		<b>4.10</b>	
48236	6406	01/21/2020		F&B	Apron	7	1.50	10.50
					Blouse	1	3.25	3.25
					Pants	1	3.10	3.10
					Shirt	7	1.70	11.90
					Chef Jacket	5	4.50	22.50
					Vest	2	2.50	5.00
					<b>SUB-TOTAL</b>		<b>56.25</b>	
48243	6420	01/22/2020		F&B	Apron	4	1.50	6.00
					Blouse	3	3.25	9.75
					Pants	7	3.10	21.70
					Shirt	18	1.70	30.60
					Chef Jacket	4	4.50	18.00
					Vest	8	2.50	20.00
					Jacket	1	4.10	4.10
					<b>SUB-TOTAL</b>		<b>110.15</b>	
48252	6434	01/23/2020		F&B	Apron	4	1.50	6.00
					Blouse	5	3.25	16.25
					Dress	1	6.50	6.50
					Pants	4	3.10	12.40
					Shirt	8	1.70	13.60
					Chef Jacket	4	4.50	18.00
					Vest	4	2.50	10.00
					<b>SUB-TOTAL</b>		<b>82.75</b>	
48259	6460	01/24/2020		F&B	Apron	9	1.50	13.50
					Pants	7	3.10	21.70

INVOICE NO.	ORDER No.	DATE IN	B.O.L.	NAME	DESCRIPTION	QTY	PRICE	AMOUNT
	8480				Shirt	8	1.70	13.60
					Chef Jacket	6	4.60	27.60
					Vest	1	2.60	2.60
					Jacket	1	4.10	4.10
					hat	1	1.95	1.95
							<b>SUB-TOTAL</b>	<b>79.85</b>
48283	8467	01/26/2020		Agnew Abhishek	Pants	1	3.10	3.10
					Jacket	1	4.10	4.10
					Sweater	2	3.95	7.90
					Shirt	6	1.70	10.20
							<b>SUB-TOTAL</b>	<b>26.30</b>
48283	8480	01/28/2020		F&B	Apron	7	1.60	11.20
					Chef Jacket	9	4.60	41.40
					Pants	4	3.10	12.40
					Shirt	3	1.70	5.10
					Vest	2	2.50	5.00
					Jacket	4	4.10	16.40
							<b>SUB-TOTAL</b>	<b>89.90</b>
48275	8477	01/28/2020		Rudi Alanassov	Jacket	1	4.10	4.10
					Shirt	8	1.70	13.60
							<b>SUB-TOTAL</b>	<b>17.70</b>
48274	8510	01/27/2020	8331	Allene Masquia	Jacket	1	4.10	4.10
							<b>SUB-TOTAL</b>	<b>4.10</b>
48274	8511	01/27/2020	8329	Jacob Park	Shirt	13	1.70	22.10
					Drycleaned shirt	1	4.88	4.88
					Pants	1	3.10	3.10
							<b>SUB-TOTAL</b>	<b>30.18</b>
48274	8320	01/27/2020		F&B	Apron	11	1.50	16.50
					Blouse	5	3.25	16.25
					Dress	1	8.50	8.50
					Pants	4	3.10	12.40
					Shirt	5	1.70	8.50
					Chef Jacket	10	4.60	46.00
					Jacket	2	4.10	8.20
							<b>SUB-TOTAL</b>	<b>115.05</b>
48281	8527	01/27/2020		F&B	Apron	5	1.50	7.50
					Blouse	5	3.25	16.25
					Pants	1	3.10	3.10
					Shirt	5	1.70	8.50
					Chef Jacket	2	4.60	9.20
					Vest	5	2.50	12.50
					Jacket	2	4.10	8.20
							<b>SUB-TOTAL</b>	<b>69.20</b>
48282	8528	01/27/2020		F&B	Chef Jacket	5	4.60	23.00
							<b>SUB-TOTAL</b>	<b>23.00</b>
48283	8530	01/28/2020	8333	Kevin Lee	Pants	2	3.10	6.20
					Jacket	1	4.10	4.10
					Shirt	1	1.70	1.70
							<b>SUB-TOTAL</b>	<b>12.00</b>
48283	8531	01/28/2020	8334	Lisety Barriano	Jacket	4	4.10	16.40
					Jacket not done	1	0.00	0.00
							<b>SUB-TOTAL</b>	<b>16.40</b>
48283	8540	01/28/2020		F&B	Apron	7	1.50	10.50
					Blouse	1	3.25	3.25
					Shirt	8	1.70	13.60
					Chef Jacket	3	4.60	13.80
							<b>SUB-TOTAL</b>	<b>40.85</b>
48280	8548	01/29/2020		F&B	Apron	5	1.50	7.50
					Blouse	5	3.25	16.25
					Pants	2	3.10	6.20
					Shirt	5	1.70	8.50

INVOICE NO.	ORDER No.	DATE IN	B.O.L.	NAME	DESCRIPTION	QTY	PRICE	AMOUNT
	8348				Chef Jacket	4	4.50	18.00
					Vest	2	2.50	5.00
						<b>SUB-TOTAL</b>		<b>66.56</b>
48301	8568	01/30/2020	8338	Alanna Mezquia	Blouse	1	3.25	3.25
					Jacket	1	4.10	4.10
						<b>SUB-TOTAL</b>		<b>7.35</b>
48301	8587	01/30/2020		FAB	Apron	3	1.50	4.50
					Blouse	2	3.25	6.50
					Pants	8	3.10	24.80
					Shirt	8	1.70	13.60
					Chef Jacket	2	4.50	9.00
					Vest	3	2.50	7.50
					Jacket	2	4.10	8.20
						<b>SUB-TOTAL</b>		<b>69.60</b>
48306	8674	01/31/2020		FAB	Apron	3	1.50	4.50
					Blouse	2	3.25	6.50
					Pants	12	3.10	37.20
					Shirt	2	1.70	3.40
					Vest	5	2.50	12.50
					Jacket	1	4.10	4.10
						<b>SUB-TOTAL</b>		<b>68.20</b>
48314	8582	01/31/2020		FAB	Shirt	8	1.70	13.60
					Chef Jacket	5	4.50	22.50
						<b>SUB-TOTAL</b>		<b>37.80</b>
<b>DEPARTMENT SUB-TOTAL</b>								<b>2,844.85</b>

DEPARTMENT	SUB-TOTAL	DISCOUNT	TAX	TOTAL
STAFF	2844.85	0.00	343.85	2988.60
<b>GRAND TOTAL</b>	<b>2844.85</b>	<b>0.00</b>	<b>343.85</b>	<b>2988.60</b>

# PLATIS

CLEANERS  
SINCE 1968

7 Trophy Dr  
Toronto, On M4A 1L7

Date: 3/1/2020  
Invoice #: 19525  
HST #: 835496415  
Statement #:

4809  
Bill To: 2505243 Ontario Ltd. Peter & Paul  
111 Princes Blvd.  
Toronto Ontario

Department	Monthly Transactions (\$)	Discount	Total (\$)
			\$ -
F&B	\$ 2,580.40		\$ 2,580.40
			\$ -
			\$ -
Fuel	\$ 50.00		\$ 50.00
			\$ -
<b>Total</b>			<b>\$ 2,630.40</b>
<b>HST</b>			<b>\$ 341.95</b>
<b>Balance</b>			<b>\$ 2,972.35</b>

**PLATIS CLEANERS**

**STATEMENT**

19 Waterman Ave • Toronto • ON • M4B 1Y2 • Tel: 416-755-8400

<b>HOTEL NAME</b>	<b>TOTAL AMOUNT DUE</b>	<b>STATEMENT No.</b>	<b>PERIOD</b>
HOTEL X F&B	2915.96	4808	02/01/2020 -02/28/2020

**DEPARTMENTS STAFF**

INVOICE NO.	ORDER No.	DATE IN	B.O.L.	NAME	DESCRIPTION	QTY	PRICE	AMOUNT
48314	8585	02/01/2020	8344	John Wasaf	Pants Shirt	2 4	3.10 1.70	6.20 6.80
						<b>SUB-TOTAL</b>		<b>13.00</b>
48314	8587	02/01/2020	8348	Aguawal Abhishek	Jacket Pants Shirt	2 1 7	4.10 3.10 1.70	8.20 3.10 11.90
						<b>SUB-TOTAL</b>		<b>23.20</b>
48313	8588	02/01/2020	8348	Rudi Alanassov	Pants Jacket Shirt	2 1 8	3.10 4.10 1.70	6.20 4.10 8.50
						<b>SUB-TOTAL</b>		<b>18.80</b>
48314	8588	02/01/2020		F&B	Apron Blouse Pants Shirt Chef Jacket Vest	8 2 8 8 8 3	1.80 3.25 3.10 1.70 4.50 2.50	13.60 6.50 16.80 10.20 36.00 7.50
						<b>SUB-TOTAL</b>		<b>92.30</b>
48322	8618	02/03/2020		F&B	Apron Blouse Dress Pants Shirt Chef Jacket Vest Jacket	18 8 2 8 18 18 2 1	1.50 3.25 6.50 3.10 1.70 4.50 2.50 4.10	24.00 19.50 13.00 16.60 27.20 81.00 5.00 4.10
						<b>SUB-TOTAL</b>		<b>192.40</b>
48337	8624	02/03/2020	8352	Williams	Pants Jacket Shirt	1 2 8	3.10 4.10 1.70	3.10 8.20 13.60
						<b>SUB-TOTAL</b>		<b>24.90</b>
48337	8625	02/03/2020	8550	Alanna Mezquita	Jacket Pants	1 1	4.10 3.10	4.10 3.10
						<b>SUB-TOTAL</b>		<b>7.20</b>
48337	8626	02/03/2020	8361	Vincent Ye	Pants Jacket Shirt	1 1 3	3.10 4.10 1.70	3.10 4.10 8.10
						<b>SUB-TOTAL</b>		<b>12.30</b>
48325	8632	02/04/2020	8355	Matthew	Shirt	3	1.70	5.10
						<b>SUB-TOTAL</b>		<b>5.10</b>
48325	8633	02/04/2020	8350	Fabian Ramirez	Pants Jacket Shirt T-shirt hanky	8 2 7 1 1	3.10 4.10 1.70 2.50 2.95	15.50 8.20 11.80 2.50 2.95
						<b>SUB-TOTAL</b>		<b>41.08</b>
48325	8634	02/04/2020	8354	Kevin Lee	Shirt Pants 2pcs Suit	4 1 1	1.70 3.10 5.50	6.80 3.10 5.50
						<b>SUB-TOTAL</b>		<b>15.40</b>

INVOICE NO.	ORDER No.	DATE IN	B.O.L.	NAME	DESCRIPTION	QTY	PRICE	AMOUNT
48325	8837	02/04/2020		F&B	Apron	4	1.80	7.20
					Blouse	1	3.25	3.25
					Dress	1	8.80	8.80
					Pants	3	3.10	9.30
					Shirt	4	1.70	6.80
					Chef Jacket	4	4.50	18.00
					Jacket	1	4.10	4.10
					<b>SUB-TOTAL</b>			
48332	8852	02/05/2020		F&B	Apron	3	1.60	4.80
					Blouse	2	3.25	6.50
					Dress	1	8.80	8.80
					Pants	2	3.10	6.20
					Shirt	8	1.70	13.60
					Chef Jacket	4	4.50	18.00
					Vest	4	2.60	10.40
					<b>SUB-TOTAL</b>			
48337	8888	02/08/2020	8361	Aguwel Abusheh	Jacket	1	4.10	4.10
					Pants	1	3.10	3.10
					Shirt	3	1.70	5.10
					Sweater	4	3.85	15.40
					<b>SUB-TOTAL</b>			
48337	8888	02/08/2020	8359	Fabian Ramirez	hanky	2	2.95	5.90
					Pants	3	3.10	9.30
					Jacket	1	4.10	4.10
					Sweater	1	3.85	3.85
					Shirt - drycleaned	1	3.10	3.10
					golf shirt	1	3.10	3.10
					Vest	1	2.50	2.50
					<b>SUB-TOTAL</b>			
48337	8873	02/08/2020		F&B	Apron	6	1.50	9.00
					Blouse	2	3.25	6.50
					Pants	3	3.10	9.30
					Shirt	4	1.70	6.80
					Chef Jacket	4	4.50	18.00
					Vest	2	2.50	5.00
					<b>SUB-TOTAL</b>			
48345	8885	02/07/2020		F&B	Apron	6	1.50	9.00
					Blouse	2	3.25	6.50
					Pants	8	3.10	24.80
					Shirt	6	1.70	10.20
					Chef Jacket	6	4.50	27.00
					Vest	1	2.50	2.50
					<b>SUB-TOTAL</b>			
48351	8898	02/08/2020	8377	Rudi Alanassov	Shirt	5	1.70	8.50
<b>SUB-TOTAL</b>							<b>8.50</b>	
48350	8895	02/08/2020		F&B	Apron	8	1.50	12.00
					Pants	1	3.10	3.10
					Chef Jacket	9	4.80	43.20
					Shirt	7	1.70	11.90
					Jacket	1	4.10	4.10
					<b>SUB-TOTAL</b>			
48358	8717	02/10/2020	8378	Jeffery Tsang	Pants	2	3.10	6.20
					Jacket	1	4.10	4.10
					Shirt	7	1.70	11.90
<b>SUB-TOTAL</b>							<b>22.20</b>	
48358	8718	02/10/2020		F&B	Apron	10	1.50	15.00
					Blouse	6	3.25	19.50
					Pants	8	3.10	24.80
					Shirt	10	1.70	17.00
					Chef Jacket	18	4.50	81.00
					Vest	2	2.50	5.00
					<b>SUB-TOTAL</b>			

INVOICE NO.	ORDER No.	DATE IN	B.O.L	NAME	DESCRIPTION	QTY	PRICE	AMOUNT
48344	8731	02/11/2020	8382	Karen Acevedo	Pants Jacket Blouse Skirt	1 1 3 1	3.10 4.10 3.25 3.60	3.10 4.10 9.75 3.60
<b>SUB-TOTAL</b>								<b>20.45</b>
48344	8732	02/11/2020		F&B	Apron Dress Pants Shirt Chef Jacket Blouse	6 1 2 11 8 6	1.50 6.50 3.10 1.70 4.50 3.25	9.00 6.50 6.20 18.70 27.00 19.25
<b>SUB-TOTAL</b>								<b>83.85</b>
48371	8741	02/12/2020	8385	Fabian Ramirez	Pants Jacket Shirt Sweater	2 1 7 1	3.10 4.10 1.70 3.95	6.20 4.10 11.90 3.95
<b>SUB-TOTAL</b>								<b>29.15</b>
48371	8747	02/12/2020	8387	Agneswal Abshahet	Pants Shirt	1 7	3.10 1.70	3.10 11.90
<b>SUB-TOTAL</b>								<b>15.00</b>
48371	8748	02/12/2020	8383	Lesely Samano	Pants Jacket Jacket on hold as they are dam at this point ill we hear bac	1 4 3	3.10 4.10 0.00	3.10 16.40 0.00
<b>SUB-TOTAL</b>								<b>19.50</b>
48371	8749	02/12/2020		F&B	Apron Blouse Shirt Chef Jacket Vest	5 2 6 2 3	1.50 3.25 1.70 4.50 2.50	7.50 6.50 10.20 9.00 7.50
<b>SUB-TOTAL</b>								<b>40.70</b>
48377	8761	02/13/2020	8391	Jacob Park	Shirt Pants	10 1	1.70 3.10	17.00 3.10
<b>SUB-TOTAL</b>								<b>20.10</b>
48377	8763	02/13/2020		F&B	Apron Blouse Pants Shirt Chef Jacket Vest	6 2 2 8 8 2	1.50 3.25 3.10 1.70 4.50 2.50	7.50 6.50 6.20 13.60 27.00 5.00
<b>SUB-TOTAL</b>								<b>65.80</b>
48383	8777	02/14/2020		F&B	Apron Dress Pants Shirt Chef Jacket Jacket	11 2 8 8 10 3	1.50 6.50 3.10 1.70 4.50 4.10	16.50 13.00 16.80 8.60 45.00 12.30
<b>SUB-TOTAL</b>								<b>113.90</b>
48390	8784	02/16/2020		F&B	Apron Blouse Shirt Chef Jacket Vest	14 3 5 11 1	1.50 3.25 1.70 4.50 2.50	21.00 9.75 8.50 49.50 2.50
<b>SUB-TOTAL</b>								<b>91.25</b>
48399	8811	02/18/2020		F&B	Blouse Pants Shirt Chef Jacket Jacket	3 1 10 5 1	3.25 3.10 1.70 4.50 4.10	9.75 3.10 17.00 22.50 4.10
<b>SUB-TOTAL</b>								<b>56.45</b>
48402	8814	02/18/2020		F&B	Apron Shirt	28 1	1.50 1.70	39.00 1.70

INVOICE NO.	ORDER NO.	DATE IN	P.O.L.	NAME	DESCRIPTION	QTY	PRICE	AMOUNT
	8814				Chef Jacket	20	4.50	90.00
						<b>SUB-TOTAL</b>		<b>130.70</b>
48406	8823	02/19/2020	8389	Rudi Alanassov	Shirt	6	1.70	8.50
					Pants	1	3.10	3.10
					2pcr Surt	1	5.50	5.50
						<b>SUB-TOTAL</b>		<b>17.10</b>
48407	8824	02/19/2020	8402	John Wasef	Shrt	4	1.70	6.80
						<b>SUB-TOTAL</b>		<b>6.80</b>
48407	8826	02/19/2020		F&B	Apron	2	1.50	3.00
					Blouse	2	3.25	6.50
					Shirt	2	1.70	3.40
					Chef Jacket	4	4.50	18.00
						<b>SUB-TOTAL</b>		<b>30.90</b>
48414	8835	02/20/2020		F&B	Apron	8	1.50	12.00
					Blouse	3	3.25	9.75
					Pants	3	3.10	9.30
					Shirt	2	1.70	3.40
					Chef Jacket	7	4.50	31.50
						<b>SUB-TOTAL</b>		<b>65.95</b>
48420	8850	02/21/2020	8407	Rudi Alanassov	Jacket	1	4.10	4.10
					Shrt	3	1.70	5.10
						<b>SUB-TOTAL</b>		<b>9.20</b>
48421	8851	02/21/2020		F&B	Apron	5	1.50	7.50
					Blouse	1	3.25	3.25
					Pants	1	3.10	3.10
					Shirt	1	1.70	1.70
					Chef Jacket	4	4.50	18.00
					Jacket	1	4.10	4.10
						<b>SUB-TOTAL</b>		<b>37.65</b>
48428	8860	02/22/2020	8408	Kevin Lee	Jacket	1	4.10	4.10
					Pants	1	3.10	3.10
					Shrt	3	1.70	5.10
						<b>SUB-TOTAL</b>		<b>12.30</b>
48428	8866	02/22/2020	8411	Aqurwal Abhishek	Pants	2	3.10	6.20
					Jacket	3	4.10	12.30
					Sweater	2	3.95	7.90
					Shrt	6	1.70	10.20
						<b>SUB-TOTAL</b>		<b>36.60</b>
48428	8888	02/22/2020		F&B	Apron	14	1.50	21.00
					Blouse	1	3.25	3.25
					Shrt	7	1.70	11.90
					Chef Jacket	11	4.50	49.50
					Jacket	1	4.10	4.10
						<b>SUB-TOTAL</b>		<b>89.75</b>
48434	8881	02/24/2020	8418	Jacob Park	Shrt	8	1.70	10.20
					Drycleaned shrt	1	3.95	3.95
						<b>SUB-TOTAL</b>		<b>14.15</b>
48434	8893	02/24/2020	8419	Williams	Pants	2	3.10	6.20
					Shrt	7	1.70	11.90
						<b>SUB-TOTAL</b>		<b>18.10</b>
48434	8895	02/24/2020		F&B	Apron	14	1.50	21.00
					Blouse	4	3.25	13.00
					Pants	1	3.10	3.10
					Shrt	8	1.70	10.20
					Chef Jacket	13	4.50	58.50
					Veit	3	2.50	7.50
						<b>SUB-TOTAL</b>		<b>115.30</b>
48440	8903	02/24/2020		F&B	Apron	2	1.50	3.00
					Blouse	2	3.25	6.50
					Pants	1	3.10	3.10
					Chef Jacket	9	4.50	40.50

INVOICE NO.	ORDER NO.	DATE IN	D.O.I.	NAME	DESCRIPTION	QTY	PRICE	AMOUNT
	8803				Vest	1	2.80	2.80
						<b>SUB-TOTAL</b>		<b>85.80</b>
48446	8911	02/25/2020		F&B	Apron	8	1.50	12.00
					Blouse	1	3.25	3.25
					Shirt	2	1.70	3.40
					Chef Jacket	5	4.50	22.50
					Jacket	1	4.10	4.10
						<b>SUB-TOTAL</b>		<b>45.25</b>
48451	8919	02/26/2020		F&B	Apron	5	1.80	7.50
					Blouse	4	3.25	13.00
					Dress	1	6.80	6.80
					Shirt	1	3.60	3.60
					Pants	2	3.10	6.20
					Shirt	3	1.70	5.10
					Chef Jacket	4	4.50	18.00
						<b>SUB-TOTAL</b>		<b>69.80</b>
48458	8932	02/27/2020	8425	Vincent Ye	Pants	2	3.10	6.20
					Shirt	4	1.70	6.80
						<b>SUB-TOTAL</b>		<b>13.00</b>
48458	8934	02/27/2020	8422	Karen Acevedo	Pants	1	3.10	3.10
					Dress	1	6.50	6.50
					Jacket	1	4.10	4.10
					Blouse	2	3.25	6.50
						<b>SUB-TOTAL</b>		<b>20.20</b>
48458	8940	02/27/2020		F&B	Apron	8	1.90	7.90
					Blouse	2	3.25	6.50
					Chef Jacket	6	4.50	27.00
						<b>SUB-TOTAL</b>		<b>41.00</b>
48465	8947	02/28/2020	8429	Fabian Ramirez	Sweater	2	3.95	7.90
					shirt drycleaned	1	3.95	3.95
					Shirt	8	1.70	13.60
						<b>SUB-TOTAL</b>		<b>25.45</b>
48468	8950	02/28/2020	8434	Rudi Alanasev	Jacket	1	4.10	4.10
					Pants	1	3.10	3.10
					Shirt	3	1.70	5.10
						<b>SUB-TOTAL</b>		<b>12.30</b>
48465	8953	02/28/2020	8433	Agumwal Ableshet	Shirt drycleaned	1	3.95	3.95
					Shirt	4	1.70	6.80
					Sweater	1	3.95	3.95
					Pants	2	3.10	6.20
						<b>SUB-TOTAL</b>		<b>20.90</b>
48468	8959	02/28/2020		F&B	Apron	4	1.50	6.00
					Blouse	2	3.25	6.50
					Pants	1	3.10	3.10
					Shirt	4	1.70	6.80
					Chef Jacket	4	4.50	18.00
					Jacket	1	4.10	4.10
						<b>SUB-TOTAL</b>		<b>44.50</b>
48472	8964	02/28/2020	8438	Kevin Lee	2pcs Suit	1	6.00	6.00
					Pants	1	3.10	3.10
					Shin	1	1.70	1.70
						<b>SUB-TOTAL</b>		<b>10.30</b>
48472	8971	02/28/2020		F&B	Apron	10	1.50	15.00
					Blouse	7	3.25	22.75
					Shirt	3	1.70	5.10
					Chef Jacket	10	4.50	45.00
						<b>SUB-TOTAL</b>		<b>87.85</b>
							<b>DEPARTMENT SUB-TOTAL</b>	<b>2,860.40</b>

DEPARTMENT	SUB TOTAL	DISC AMT	TOTAL	NET
STAFF	2880.40	0.00	338.48	2816.88
<b>TOTAL</b>	<b>2880.40</b>	<b>0.00</b>	<b>338.48</b>	<b>2816.88</b>

# PLATIS

CLEANERS  
SINCE 1981

7 Trophy Dr  
Toronto, On M4A 1L7

Date: 4/1/2020  
Invoice #: 20125  
HST #: 835496415  
Statement #:

4819  
Bill To: 2505243 Ontario Ltd. Peter & Paul  
111 Princes Blvd.  
Toronto Ontario

Department	Monthly Transactions (\$)	Discount	Total (\$)
			\$ -
F&B	\$ 1,439.55		\$ 1,439.55
			\$ -
			\$ -
Fuel	\$ 50.00		\$ 50.00
			\$ -
<b>Total</b>			<b>\$ 1,489.55</b>
<b>HST</b>			<b>\$ 193.64</b>
<b>Balance</b>			<b>\$ 1,683.19</b>

**PLATIS CLEANERS**

**STATEMENT**

19 Waterman Ave • Toronto • ON • M4B 1Y2 • Tel: 416-785-6400

HOTEL NAME	TOTAL AMOUNT DUE
HOTEL X F&B	1826.72

STATEMENT No.	PERIOD
4819	03/01/2020 -03/31/2020

DEPARTMENT: **STAFF**

INVOICE NO.	ORDER No.	DATE IN	B.O.L.	NAME	DESCRIPTION	QTY	PRICE	AMOUNT
48478	6983	03/02/2020		F&B	Apron Blouse Pants Shirt Chef Jacket Vest Jacket	12 4 1 8 10 1 1	1.50 3.25 3.10 1.70 4.50 2.50 4.10	18.00 13.00 3.10 13.60 45.00 2.50 4.10
<b>SUB-TOTAL</b>								<b>99.30</b>
48484	7001	03/02/2020		F&B	Apron Dress Chef Jacket Vest Jacket	14 1 11 1 1	1.50 6.50 4.50 2.50 4.10	21.00 6.50 49.50 2.50 4.10
<b>SUB-TOTAL</b>								<b>83.60</b>
48487	7018	03/03/2020		F&B	Apron Blouse Dress Pants Shirt Chef Jacket Jacket	5 7 1 2 1 5 1	1.50 3.25 6.50 3.10 1.70 4.50 4.10	7.50 22.75 6.50 6.20 1.70 22.50 4.10
<b>SUB-TOTAL</b>								<b>71.26</b>
48488	7028	03/04/2020	8444	John Wasel	Shirt	8	1.70	8.50
<b>SUB-TOTAL</b>								<b>8.50</b>
48496	7037	03/04/2020		F&B	Apron Blouse Dress Shirt Chef Jacket Jacket	8 8 4 3 5 2	1.50 3.25 6.50 1.70 4.50 4.10	13.50 18.25 26.00 5.10 27.00 8.20
<b>SUB-TOTAL</b>								<b>98.05</b>
48498	7040	03/05/2020		F&B	Shirt 2pcs Suit	6 1	1.70 5.50	10.20 5.50
<b>SUB-TOTAL</b>								<b>15.70</b>
48498	7051	03/05/2020	8454	John Wasel	Pants Shirt	2 3	3.10 1.70	6.20 5.10
<b>SUB-TOTAL</b>								<b>11.30</b>
48498	7057	03/05/2020		F&B	Apron Blouse Shirt Chef Jacket Vest	3 6 1 2 2	1.50 3.25 1.70 4.50 2.50	4.50 19.50 1.70 9.00 5.00
<b>SUB-TOTAL</b>								<b>39.70</b>
48503	7058	03/06/2020		Fabian Ramirez	Pants Shirt Drycleaned suit	4 3 1	3.10 1.70 3.95	12.40 5.10 3.95
<b>SUB-TOTAL</b>								<b>21.45</b>
48503	7087	03/06/2020		F&B	Apron Shirt Chef Jacket Jacket	5 2 5 1	1.50 1.70 4.50 4.10	12.00 3.40 22.50 4.10

INVOICE NO.	ORDER NO.	DATE IN	B.O.L.	NAME	DESCRIPTION	QTY.	PRICE	AMOUNT
	7067				Vest	1	2.50	2.50
						<b>SUB-TOTAL</b>		<b>44.80</b>
48518	7084	03/07/2020		F&B	Blouse	8	3.25	19.80
					Dress	1	8.50	8.50
					Pants	8	3.10	24.80
					Chef Jacket	8	4.50	36.00
					Vest	2	2.50	5.00
						<b>SUB-TOTAL</b>		<b>94.60</b>
48518	7100	03/09/2020		F&B	Apron	15	1.50	22.50
					Blouse	2	3.25	6.50
					Shirt	5	1.70	8.50
					Chef Jacket	12	4.60	54.00
					Dress	3	6.50	19.50
						<b>SUB-TOTAL</b>		<b>111.00</b>
48522	7110	03/09/2020	8483	Aguaviva Abushet	Pants	2	3.10	6.20
					Jacket	2	4.10	8.20
					Shirt	8	1.70	10.20
						<b>SUB-TOTAL</b>		<b>24.60</b>
48522	7118	03/09/2020		F&B	Apron	4	1.50	6.00
					Blouse	2	3.25	6.50
					Dress	2	6.50	13.00
					Pants	7	3.10	21.70
					Shirt	4	1.70	6.80
					Chef Jacket	7	4.50	31.50
					Vest	3	2.50	7.50
						<b>SUB-TOTAL</b>		<b>83.00</b>
48528	7119	03/10/2020	8488	Febian Ramirez	Jacket	1	4.10	4.10
					Pants	1	3.10	3.10
					Sweater	2	3.95	7.90
					Shirt	5	1.70	8.50
					Vest	1	2.50	2.50
						<b>SUB-TOTAL</b>		<b>26.10</b>
48528	7120	03/10/2020	8485	Williams	Pants	4	3.10	12.40
					Shirt	8	1.70	13.60
						<b>SUB-TOTAL</b>		<b>26.00</b>
48528	7127	03/10/2020		F&B	Apron	12	1.50	18.00
					Dress	2	6.50	13.00
					Pants	2	3.10	6.20
					Shirt	1	1.70	1.70
					Chef Jacket	7	4.50	31.50
					Jacket	1	4.10	4.10
						<b>SUB-TOTAL</b>		<b>74.60</b>
48533	7129	03/11/2020		F&B	Apron	3	1.50	4.50
					Blouse	8	3.25	26.00
					Pants	2	3.10	6.20
					Shirt	2	1.70	3.40
					Chef Jacket	8	4.50	36.00
					Vest	1	2.50	2.50
						<b>SUB-TOTAL</b>		<b>78.60</b>
48538	7136	03/12/2020	8488	Jeffrey Tsang	Jacket	2	4.10	8.20
					Pants	2	3.10	6.20
					Shirt	6	1.70	10.20
						<b>SUB-TOTAL</b>		<b>24.60</b>
48538	7140	03/12/2020	8470	Jacob Park	Pants	2	3.10	6.20
					Shirt	11	1.70	18.70
						<b>SUB-TOTAL</b>		<b>24.90</b>
48538	7141	03/12/2020	8471	Kevin Lee	Jacket	2	4.10	8.20
					Pants	2	3.10	6.20
					Shirt	3	1.70	5.10
						<b>SUB-TOTAL</b>		<b>19.50</b>
48538	7145	03/12/2020		F&B	Apron	12	1.50	18.00

INVOICE NO.	ORDER No.	DATE IN	R.O.L.	NAME	DESCRIPTION	QTY.	PRICE	AMOUNT
	7148				Chef Jacket	8	4.50	36.00
					Vest	2	2.50	5.00
					Jacket	1	4.10	4.10
<b>SUB-TOTAL</b>								<b>45.10</b>
48548	7154	03/13/2020		F&B	Apron	8	1.50	9.00
					Blouse	8	3.25	26.00
					Pants	1	3.10	3.10
					Shirt	4	1.70	6.80
					Chef Jacket	5	4.50	22.50
					Jacket	1	4.10	4.10
<b>SUB-TOTAL</b>								<b>65.00</b>
48549	7167	03/14/2020		F&B	Apron	6	1.50	7.50
					Shirt	1	1.70	1.70
					Chef Jacket	8	4.50	36.00
<b>SUB-TOTAL</b>								<b>45.20</b>
48555	7167	03/16/2020		F&B	Apron	7	1.50	10.50
					Blouse	9	3.25	29.25
					Pants	1	3.10	3.10
					Shirt	8	1.70	10.20
					Chef Jacket	10	4.50	45.00
<b>SUB-TOTAL</b>								<b>98.05</b>
48582	7198	03/17/2020		F&B	Apron	3	1.50	4.50
					Blouse	1	3.25	3.25
					Dress	2	6.50	13.00
					Pants	2	3.10	6.20
					Shirt	3	1.70	5.10
					Chef Jacket	4	4.50	18.00
					Vest	1	2.50	2.50
<b>SUB-TOTAL</b>								<b>52.55</b>
48587	7207	03/18/2020		F&B	Shirt	1	1.70	1.70
<b>SUB-TOTAL</b>								<b>1.70</b>
	7220	03/19/2020	8482	Jacob Park	Jacket	6	4.10	24.60
					Shirt	2	1.70	3.40
<b>SUB-TOTAL</b>								<b>28.00</b>
<b>DEPARTMENT SUB-TOTAL</b>								<b>1,439.55</b>

DEPARTMENT	SUB-TOTAL	DISCOUNT	T.S.T.	TOTAL
STAFF	1439.55	0.00	187.17	1626.72
<b>NET TOTAL</b>	<b>1439.55</b>	<b>0.00</b>	<b>187.17</b>	<b>1626.72</b>

IN THE MATTER OF THE BANKRUPTCY OF 2505243 ONTARIO LTD. o/a BYPEETERANDPAULS.COM  
OF THE CITY OF VAUGHAN, IN THE PROVINCE OF ONTARIO

Court File No.:

**ONTARIO**  
**SUPERIOR COURT OF JUSTICE**  
**IN BANKRUPTCY AND INSOLVENCY**

Proceeding commenced at **TORONTO**

**AFFIDAVIT OF VERIFICATION**

**LOOPSTRA NIXON LLP**  
135 Queens Plate Drive, Suite 600  
Toronto, ON M9W 6V7

**Thomas P. Lambert**  
**LSO No.: 70354T**

Tel: 416.746.4710  
FaxL 416.746.8319  
E. [tlambert@loonix.com](mailto:tlambert@loonix.com)

*Lawyers for the Applicants*

Court File No.:

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
IN BANKRUPTCY AND INSOLVENCY**

**IN THE MATTER OF THE BANKRUPTCY OF 2505243 ONTARIO LTD.  
o/a BYPETERANDPAULS.COM  
OF THE CITY OF VAUGHAN, IN THE PROVINCE OF ONTARIO**

**CONSENT**

**THE FULLER LANDAU GROUP INC.** hereby agrees to act as Trustee in the above-noted matter.

**DATED** at **TORONTO**, Ontario this 2nd day of September, 2020.

**THE FULLER LANDAU GROUP  
INC.**

Per: 

**Name: Adam Erlich  
Title: Senior Vice President**

IN THE MATTER OF THE BANKRUPTCY OF 25054243 ONTARIO LTD. o/a BYPEETERANDPAULS.COM  
OF THE CITY OF VAUGHN, IN THE PROVINCE OF ONTARIO

Court File No.:

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
IN BANKRUPTCY AND INSOLVENCY**

Proceeding commenced at **TORONTO**

**CONSENT**

**LOOPSTRA NIXON LLP**  
135 Queens Plate Drive, Suite 600  
Toronto, ON M9W 6V7

**Thomas P. Lambert**  
**LSO No.: 70354T**

Tel: 416.746.4710

Fax: 416.746.8319

E. [tlambert@loonix.com](mailto:tlambert@loonix.com)

*Lawyers for the Applicants*

**TAKE NOTICE** that an Application for a Bankruptcy Order be made in respect of property will be heard before the Registrar in Bankruptcy in Chambers or, if, unopposed, before a Justice, at 393 University Avenue, 19<sup>th</sup> Floor, in the City of Toronto, on the \_\_\_ day of \_\_\_\_\_, 2020, at the hour of 10:00a.m. in the forenoon, or as soon thereafter as the Application can be heard.

**AND FURTHER TAKE NOTICE** that if a notice of cause of against the Bankruptcy Application is not filed in Court and a copy thereof served on the lawyer for the Bankruptcy Applicant at least two (2) days before the hearing, the Court may make a Bankruptcy Order on such proof of the statements in the Application as the Court shall think sufficient.

**DATED** at Toronto, this 9 \_\_\_ day of September, 2020.

Lawyers for the Bankruptcy Applicants are:

**LOOPSTRA NIXON LLP**  
135 Queens Plate Drive, Suite 600  
Toronto, ON M9W 6V7

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
IN BANKRUPTCY AND INSOLVENCY**

Proceeding commenced at **TORONTO**

**BANKRUPTCY APPLICATION**

**LOOPSTRA NIXON LLP**  
135 Queens Plate Drive, Suite 600  
Toronto, ON M9W 6V7

**Thomas P. Lambert**  
**LSO No.: 70354T**  
Tel: 416.746.4710  
FaxL 416.746.8319  
E. [tlambert@loonix.com](mailto:tlambert@loonix.com)

*Lawyers for the Applicants*

IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF  
2505243 ONTARIO LIMITED OF THE CITY OF TORONTO, IN THE PROVINCE OF ONTARIO

---

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
IN BANKRUPTCY AND INSOLVENCY  
(COMMERCIAL LIST)**

Proceeding commenced at TORONTO

---

**REPLY MOTION RECORD OF Princes Gates GP  
Inc., Lowell Security Inc., The Small  
Winemakers Collections Inc., D.N.B. Media  
Group Inc., PR CC Plated Meals Inc. and  
Platinum Valet Hotel Cleaners Inc.**

---

**LOOPSTRA NIXON LLP**  
135 Queens Plate Drive – Suite 600  
Toronto, ON M9W 6V7

**Peter Carey (LSO No.: 29410V)**  
Tel: 416.748.4744  
Email: [pcarey@loonix.com](mailto:pcarey@loonix.com)

**Thomas P. Lambert (LSO No.: 70354T)**  
Tel: 416.748.5145  
Email: [tlambert@loonix.com](mailto:tlambert@loonix.com)

*Lawyers for Princes Gates GP Inc.,  
Lowell Security Inc., The Small  
Winemakers Collection Inc., D.N.B.  
Media Group Inc., and Platinum Valet  
Hotel Cleaners Inc.*