AMENDED AND RESTATED LEASE AGREEMENT

THIS AMENDED AND RESTATED LEASE is made effective as of the 1st day of March 2025 (the "**Effective Date**").

BETWEEN:

SELARC DEVELOPMENTS LTD., Inc. No. BC0703422
4832 Narvaez Drive Vancouver, BC V6L 2J2

(the "**Landlord**")

AND

EMPOWER ENVIRONMENTAL SOLUTIONS LTD., Inc. No. 0896218
Suite 1200 – 925 West Georgia Street Vancouver, BC V6C 3L2

(the "**Tenant**").

AND

NORTHSTAR CLEAN TECHNOLOGIES INC.
101, 12111 40 Street SE, Calgary, AB T2Z 4E6

(the "**Indemnifier**")

WHEREAS:

(A) The Landlord is the owner of lands and premises situated at 7046 Brown Street, in the Municipality of Delta, in the Province of British Columbia, and more particularly known and legally described as:

PID: 002-812-541
Lot 131, District Lot 128, Group 2
New Westminster District Plan 61530

(the "**Lands**");

(B) The Lands, being approximately 4.234 acres in size, contain a building that the Tenant and the Landlord deem and agree to contain a rentable area of approximately 20,938 square feet of warehouse, office space and covered storage area (the "**Building**") and approximately 136,523 square feet of paved and improved yard area (the "**Excess Yard**") (the Lands, Building and Excess Yard together are the "**Leased Premises**");

(C) By a lease dated the 8th day of July 2015 between the Landlord and the Tenant, as amended by lease amendment agreement dated the 28th day of October 2020 (collectively the "**Original Lease**"), the Landlord leased the Leased Premises to the Tenant;

(D) By a lease dated the 1st day of January 2021 between the Landlord, the Tenant and the Indemnifier, (collectively the "**Replacement Lease**"), as a replacement lease upon the expiry of the Original Lease, the Landlord leased the Leased Premises to the Tenant and the Indemnifier agreed to indemnify the Tenant's obligations under the Replacement Lease;

(E) The initial term under the Replacement Lease, as extended, will expire on December 31, 2025; and

(F) The Landlord and Tenant are entering into this Lease to extend the term and otherwise amend, restate and replace the Replacement Lease in accordance with the terms and conditions set out herein.

NOW THEREFORE THIS LEASE WITNESSES THAT, in consideration of the rents, covenants, and agreements hereinafter reserved and contained on the part of the Tenant to be paid, observed and performed, the parties hereto hereby covenant and agree with each other as follows:

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this Lease:

(a) "**Act**" has the meaning set forth in Section 9.4(h) hereof;

(b) "**Additional Rent**" has the meaning ascribed to it in Section 9.1(c) hereof;

(c) "**Additional Security**" has the meaning ascribed to it in Section 6.2 hereof;

(d) "**Asphalt Compliance Report**" has the meaning ascribed to it in Section 9.4(i) hereof;

(e) "**Asphalt Stockpiles**" has the meaning ascribed to it in Section 9.4(h) hereof;

(f) "**Basic Rent**" has the meaning set forth in Section 6.1 hereof;

(g) "**Building**" has the meaning set out in the recitals, above;

(h) "**Commencement Date**" means January 1, 2021, as defined in Section 3.1 hereof;

(i) "**Direct Costs**" means:

(i) all costs and expenses incurred by or levied on the Landlord in connection with the Landlord performing on behalf of the Tenant, or enforcing, any covenant or agreement of the Tenant hereunder, including without limitation reasonable solicitors' costs and fees calculated on a solicitor-client basis in the event of a continuing default defined in Article 15; and

(ii) all amounts stated by any clause of this Lease to be included in or collectable by the Landlord as Direct Costs;

(j) "**Environmental Laws**" means any statutes, laws, regulations, orders, bylaws, standards, guidelines, permits, and other lawful requirements of any governmental authority having jurisdiction over the Premises now or hereafter in force relating in any way to the environment, health, occupational health and safety, or transportation of dangerous goods, including the principles of common law and equity;

(k) "**Environmental Security**" has the meaning set forth in Section 6.3 hereof;

(l) "**Excess Yard**" has the meaning set out in the recitals, above;

(m) "**Goods and Services Taxes**" means any and all harmonized sales taxes, goods and services taxes, sales taxes, value added taxes, business transfer taxes, or any other taxes imposed on the Landlord under or pursuant to this Lease or the rental of the Leased Premises or the provision of any goods, services or utilities whatsoever by the Landlord to the Tenant under this Lease, whether characterized as a harmonized sales tax, goods and services tax, sales tax, value added tax, business transfer tax, or otherwise;

(n) “**Hazardous Substance**” or “**Hazardous Substances**” means any contaminants, pollutants, contaminants, deleterious substances, underground or above-ground tanks, flammable materials, explosive materials, radioactive materials, dangerous goods, asbestos materials, hazardous, corrosive, or toxic substances, special waste or waste of any kind, or any other substance which is now or hereafter prohibited, controlled or regulated under Environmental Laws;

(o) “**Indemnity**” has the meaning ascribed to it in Schedule B, hereto;

(p) “**Lease**” means this lease agreement, inclusive of all Schedules hereto, and all amendments made hereto from time to time;

(q) “**Original Deposit**” has the meaning set forth in Section 6.2 hereof;

(r) “**Permitted Use**” has the meaning ascribed to it in Article 7 hereof;

(s) “**Rent**” means all or any part of Basic Rent, Additional Rent and Direct Costs owing to the Landlord hereunder;

(t) **Replacement Lease Deposit”** has the meaning set forth in Section 6.2 hereof;

(u) “**Satisfactory Level of Asphalt Stockpiles**” means one or more Asphalt Stockpiles that in aggregate does not exceed 15,000 metric tons, in weight;

(v) “**Security Deposit**” has the meaning set forth in Section 6.2 hereof;

(w) “**Term**” has the meaning ascribed to it in Section 3.1 of this Lease;

(x) “**Taxes**” means all taxes, rates, duties, licences, levies, fees and costs levied by a Taxing Authority (but excluding Goods and Services Taxes) on the Landlord or the Tenant in respect of:

(i) the Leased Premises or any portion thereof;

(ii) any works undertaken by such Taxing Authority as local improvements benefiting or deemed to benefit the Lands;

(iii) the business or profession of the Tenant; or

(iv) improvements, fixtures, machinery, chattels or equipment brought onto or installed in the Leased Premises by the Tenant or at the request of the Tenant,

provided however that no tax, rate, duty, licence, levy, fee or cost levied by a Taxing Authority in respect of a period extending beyond the expiration or earlier termination of this Lease (including Taxes owing as a result of any decision of the Landlord to pay the commuted value thereof during the Term) shall, insofar as such period extends beyond the Term hereof, be included in Taxes, and further provided that “**Taxes**” shall for the purposes of this Lease exclude all business taxes, capital taxes, large corporation taxes or any other personal income taxes imposed upon the Landlord other than as a result of this Lease;

(y) “**Taxing Authority**” means any school, municipal, regional, provincial, federal, parliamentary, or other governmental or statutory body, corporation or authority;

(z) “**Total Security Deposit**” has the meaning set forth in Section 6.2 hereof; and

(aa) “**Utility Charges**” means all charges for electricity, cable, heat, light, power, gas, oil, water, sewer, telephone or other utility or service provided to or made available upon the Leased Premises or any part thereof during the Term.

1.2 Interpretation

(a) All headings employed in this Lease are for convenience only and shall not in any way constitute a part of or affect the meaning of any provision of this Lease.

(b) Time shall be of the essence of this Lease and every part hereof.

(c) This Lease shall be governed by and construed in accordance with the laws of the Province of British Columbia and the laws of Canada applicable therein.

(d) Words in this Lease importing the singular, masculine or neuter shall be construed as meaning the plural, feminine or body corporate or politic and vice versa wherever the context requires.

(e) All Schedules attached hereto shall form part of this Lease.

2. DEMISE; ACCEPTANCE “AS IS”

The Landlord does hereby demise and lease unto the Tenant the Leased Premises to have and to hold for the Term.

The Tenant acknowledges and agrees that it hereby agrees to lease the Leased Premises after having examining them and confirmed that they are, as of the date of this Lease, in good state of repair and suitable for the intended use and business of the Tenant. The Tenant accepts the demise of the Leased Premises under this Lease entirely as they are as of the date of this Lease.

3. TERM

3.1 Term

The Landlord and the Tenant agree that, subject to the terms and conditions hereof, the term of this Lease shall be twenty (20) years (the “**Term**”), commencing on the 1st day of January, 2021 (the “**Commencement Date**”) and ending on the 31st day of December, 2040.

3.2 Option to Extend

Intentionally deleted.

4. RIGHT OF FIRST REFUSAL TO PURCHASE THE PREMISES

Intentionally deleted.

5. EARLY OCCUPANCY

During any period prior to the Commencement Date in which the Tenant is permitted by the Landlord to have occupancy of the Leased Premises, whether exclusively or in common with the Landlord or its contractors, subcontractors or employees, the Tenant shall be bound by all of the provisions of the Lease, except those provisions requiring the Tenant to pay Rent.

6. RENT

6.1 Basic Rent

The Landlord acknowledges receipt of sufficient rents for the period commencing on the Commencement Date and ending on December 31, 2024. Subject to the provisions of this Lease, the Tenant shall pay to the Landlord as rent on the 1st day of January, 2025 and on the first day of each and every month of the Term thereafter, the following:

(a) From January 1st, 2025 until and including December 31st, 2025: $[redacted] per month (aggregating $[redacted] per annum);

(b) From January 1st, 2026 until and including December 31st, 2026: $[redacted] per month (aggregating $[redacted] per annum for rentable area of the Building and $[redacted] for the rentable area of the Excess Yard per annum);

(c) From January 1st, 2027 until and including December 31st, 2027: $[redacted] per month (aggregating $[redacted] per annum for rentable area of the Building and $[redacted] for the rentable area of the Excess Yard per annum);

(d) From January 1st, 2028 until and including December 31st, 2028: $[redacted] per month (aggregating $[redacted] per annum for rentable area of the Building and $[redacted] for the rentable area of the Excess Yard per annum);

(e) From January 1st, 2029 until and including December 31st, 2029: $[redacted] per month (aggregating $[redacted] per annum for rentable area of the Building and $[redacted] for the rentable area of the Excess Yard per annum);

(f) From January 1st, 2030 until and including December 31st, 2030: $[redacted] per month (aggregating $[redacted] per annum for rentable area of the Building and $[redacted] for the rentable area of the Excess Yard per annum);

(g) From January 1st, 2031 until and including December 31st, 2031: $[redacted] per month (aggregating $[redacted] per annum for rentable area of the Building and $[redacted] for the rentable area of the Excess Yard per annum);

(h) From January 1st, 2032 until and including December 31st, 2032: $[redacted] per month (aggregating [redacted] per annum for rentable area of the Building and $[redacted] for the rentable area of the Excess Yard per annum);

(i) From January 1st, 2033 until and including December 31st, 2033: $[redacted] per month (aggregating $[redacted] per annum for rentable area of the Building and $[redacted] for the rentable area of the Excess Yard per annum);

(j) From January 1st, 2034 until and including December 31st, 2034: $[redacted] per month (aggregating $[redacted] per annum for rentable area of the Building and $[redacted] for the rentable area of the Excess Yard per annum);

(k) From January 1st, 2035 until and including December 31st, 2035: $[redacted] per month (aggregating $[redacted] per annum for rentable area of the Building and $[redacted] for the rentable area of the Excess Yard per annum);

(l) From January 1st, 2036 until and including December 31st, 2036: $[redacted] per month (aggregating $[redacted] per annum for rentable area of the Building and $[redacted] for the rentable area of the Excess Yard per annum);

(m) From January 1st, 2037 until and including December 31st, 2037: $[redacted] per month (aggregating $[redacted] per annum for rentable area of the Building and $[redacted] for the rentable area of the Excess Yard per annum);

(n) From January 1st, 2038 until and including December 31st, 2038: $[redacted] per month (aggregating $[redacted] per annum for rentable area of the Building and $[redacted] for the rentable area of the Excess Yard per annum);

(o) From January 1st, 2039 until and including December 31st, 2039: $[redacted] per month (aggregating $[redacted] per annum for rentable area of the Building and $[redacted] for the rentable area of the Excess Yard per annum); and

(p) From January 1st, 2040 until and including December 31st, 2040: $[redacted] per month (aggregating $[redacted] per annum for rentable area of the Building and $[redacted] for the rentable area of the Excess Yard per annum),

in lawful money of Canada (the "**Basic Rent**"), plus applicable Goods and Services Taxes. The Tenant shall pay to the Landlord all other amounts owing under this Lease (including without limitation Additional Rent) during such period.

All Rent payable under this Lease shall be paid at the office of the Landlord, or at such other place as the Landlord may direct from time to time in writing.

6.2 Security Deposit

The Landlord acknowledges that the Landlord continues to hold $[redacted] as a deposit in accordance with the Original Lease (the "**Original Deposit**") and $[redacted] in accordance with the Replacement Lease (the **"Replacement Lease Deposit")** for a total of $[redacted]. In addition to the Original Deposit and the Replacement Lease Deposit, the Tenant will pay the Landlord $[redacted]. All deposits constitute a total of $[redacted] (the "**Total Security Deposit**").

The Landlord and the Tenant each agree that the Landlord will allocate $[redacted] of the Total Security Deposit to be held by the Landlord as a security deposit for this Lease (the "**Security Deposit**").

Without duplication of the Tenant obligations under Section 6.3, the Security Deposit will be held by the Landlord during the Term as security for the faithful performance by the Tenant of all the terms, covenants, and conditions of this Lease in accordance with this Section. If the Rent is at any time overdue and unpaid beyond any applicable cure period, or if the Tenant fails to keep and perform any term, covenant or condition of this Lease beyond any applicable cure period, then the Landlord at its option may appropriate and apply the entire Security Deposit, or as much of it as is necessary to compensate the Landlord for loss or damage sustained or suffered by the Landlord due to the Tenant's default. If the entire Security Deposit, or any portion of it, is appropriated and applied by the Landlord for the payment of overdue Rent, then the Tenant will, upon demand, immediately remit to the Landlord a sufficient amount in cash to replenish and restore the Security Deposit to the original sum deposited at the outset of the Lease. If the Tenant complies with all the terms, covenants and conditions of this Lease and promptly pays all of the Rent provided for herein as it falls due and if, upon the expiration or termination of this Lease, the Landlord is satisfied that there is no loss or damage to the Leased Premises, the Landlord shall refund the balance of the Security Deposit to the Tenant within sixty (60) days of the expiration or termination of this Lease. If, upon the expiration or termination of this Lease, the Landlord determines, acting reasonably, that there is loss or damage to the Leased Premises resulting from the Tenant's tenancy of the Leased Premises or the Tenant has failed to vacate the Leased Premises in the condition required under this Lease, the Security Deposit, or as much of it as is necessary to compensate the Landlord shall be retained by the Landlord and set off against any costs incurred by the Landlord to remedy such loss or damage or costs to repair the condition of the Leased Premises and any balance remaining of the Security Deposit after such set off shall be refunded to the Tenant. In the event that the cost of remedying such loss or damage to the Leased Premises exceeds the balance of the Security Deposit, the Landlord shall have all rights and remedies available to it pursuant to this Lease and at law to pursue the Tenant for the costs of remedying such loss or damage.

6.3 Environmental Security

The Landlord and Tenant each agree that the Landlord will allocate $[redacted] of the Total Security Deposit to be held by the Landlord as security for the Tenant's environmental obligations hereunder (the **"Environmental Security"**). Provided the Tenant is not in default of any of the Tenant's Covenants described in Article 9 beyond any applicable cure period, then the Landlord agrees to release $[redacted] of the Environmental Security to the Tenant within fourteen days from the date on which the Tenant has provided the Landlord with all of the following documentation in form acceptable to the Landlord, acting reasonably:

(a) documentation confirming that the Tenant has completed all renovations to the Leased Premises and acquired all permits and approvals required to increase production capacity in order to reduce the Asphalt Stockpiles to the Satisfactory Levels of Asphalt Stockpiles;

(b) documentation confirming that the Tenant has commenced full operations at the increased production capacity permitted under its permits and approvals; and

(c) the Landlord has received the Asphalt Compliance Report in accordance with Section 9.4(i).

If at any time the Tenant defaults in its obligations under Section 9.3, Section 9.4 or Article 16, then the Landlord at its option may appropriate and apply the entire Environmental Security, or as much of it as is necessary to compensate the Landlord for loss or damage sustained or suffered by the Landlord due to the Tenant's default. If the Tenant complies with all the terms, covenants and conditions of this Lease in respect of Hazardous Substances or Asphalt Stockpiles, and if, upon the expiration or termination of this Lease, the Landlord is satisfied that there is no loss or damage to the Leased Premises in respect of Hazardous Substances or Asphalt Stockpiles, the Landlord shall refund the balance of the Environmental Security to the Tenant within sixty (60) days of the expiration or termination of this Lease. If, upon the expiration or termination of this Lease, the Landlord determines, acting reasonably, that there are outstanding costs or liabilities to the Landlord or the Leased Premises in respect of Hazardous Substances or Asphalt Stockpiles resulting from the Tenant's tenancy of the Leased Premises or the Tenant has failed to vacate the Leased Premises in the condition required under this Lease, the Environmental Security or as much of it as is necessary to compensate the Landlord for resulting loss or damage shall be retained by the Landlord and set off against any costs incurred by the Landlord to remedy such loss or damage or costs to repair the condition of the Leased Premises and any balance remaining of the Environmental Security after such set off shall be refunded to the Tenant. In the event that the cost of remedying such loss or damage to the Leased Premises exceeds the balance of the Environmental Security, the Landlord shall have all rights and remedies available to it pursuant to this Lease and at law to pursue the Tenant for the costs of remedying such loss or damage. If, upon the expiration or termination of this Lease, the Landlord determines, acting reasonably, that there are no further outstanding costs or liabilities to the Landlord or the Leased Premises in respect of Hazardous Substances or Asphalt Stockpiles but there is unpaid Rent or other liabilities of the Tenant under this Lease, the remaining balance of the Environmental Security shall be added to and deemed to be part of the Security Deposit and may be applied by the Landlord in accordance with Section 6.2 in the same manner as the Security Deposit.

6.4 Deposit on Assignment

The Landlord may deliver the Total Security Deposit to any purchaser of the Landlord's interest in the Premises and if the purchaser agrees to assume the Landlord's obligations under Section 22.6, the Landlord is thereafter relieved of all further liability with respect to the Total Security Deposit.

6.5 Additional Rent; Net Lease

In addition to Basic Rent, the Tenant will pay Additional Rent as set forth in Section 9.1 below. The Landlord and the Tenant hereby acknowledge and agree that, without duplication or profit, all expenses, costs, payments and outgoings incurred in respect of the Leased Premises or any improvements of the Leased Premises or for any other matter or thing affecting the Leased Premises or any part thereof during the Term, shall be borne solely by the Tenant and, unless expressly stipulated to the contrary herein, that Basic Rent shall be absolutely net to the Landlord and free of any abatement, set-off or deduction of real property taxes, charges, rates, assessments, expenses, costs, payments or outgoings of any nature arising from or related to the Leased Premises or any improvements thereon and, unless expressly stated to the contrary, the Tenant shall pay or cause to be paid all such taxes, charges, rates, assessments, expenses, costs, payments and outgoings. The Landlord and the Tenant hereby further acknowledge and agree that the Landlord shall be fully reimbursed by the Tenant with respect to any and all Goods and Services Taxes at the full rate applicable from time to time in respect thereof. The amount of the Goods and Services Taxes so payable by the Tenant shall be calculated by the Landlord in accordance with the applicable legislation and shall be paid by the Tenant to the Landlord at the same time as amounts to which such Goods and Services Taxes apply are payable to the Landlord under the terms of this Lease.

The Landlord may, in respect of any or all of the Additional Rent, compute bona fide estimates of the amounts which are anticipated to accrue in the next following calendar year and the Landlord shall provide the Tenant with written notice of the amount of any such estimate, as well as of the Tenant's estimated aggregate share thereof, not less than thirty (30) days before the first day of such calendar year. With respect to any Additional Rent which the Landlord elects to estimate in accordance herewith, following receipt of the written notice of the estimated aggregate amount of the Tenant's share thereof, the Tenant shall pay to the Landlord the amount of such estimated aggregate share, in equal consecutive monthly instalments payable with monthly instalments of Basic Rent when due. With respect to any Additional Rent which the Landlord has not elected to estimate in accordance herewith, the Tenant shall pay to the Landlord the amount of the Tenant's share of such Additional Rent within thirty (30) days of receipt of an invoice therefor.

Within ninety (90) days of the conclusion of each calendar year, as the case may be, for which the Landlord has estimated any Additional Rent, the Landlord shall compute the actual amount of such Additional Rent, as well as the Tenant's actual aggregate share thereof pursuant to the applicable provisions of this Lease, and make available to the Tenant for examination a statement setting out in reasonable detail such actual Additional Rent and such actual aggregate share for such year or portion thereof. If the Tenant's aggregate share of the actual amount of such Additional Rent, as set out in any such statement, exceeds the aggregate amount of the instalments paid in respect of such earlier estimated Additional Rent, the Tenant shall pay to the Landlord the amount of the excess within thirty (30) days of the receipt of any such statement. If the contrary is the case, any such statement shall be accompanied by a refund to the Tenant of any such overpayment.

In the event this lease expires or is determined before the end of the period for which any item or category of Additional Rent would otherwise be payable, the amount thereof payable by the Tenant shall be apportioned and adjusted, on a daily basis, in order to compute the Additional Rent for such irregular period.

6.6 Interest

When the Rent shall be in arrears, such amounts shall bear interest at a rate of 5% per annum in excess of the prime rate established by The Royal Bank of Canada from time to time as applicable to commercial loans in the Municipality of Delta, calculated monthly not in advance from the date due until paid, irrespective of whether the Landlord has demanded payment. The Landlord shall have all the remedies for collection of such interest, if unpaid after demand, as in the case of Rent in arrears, but this stipulation for interest shall not prejudice or affect any other remedy of the Landlord under this Lease.

Notwithstanding the foregoing, if the Tenant fails to:

(a) pay when due any Utility Charges, Goods and Services Taxes or other Taxes that the Tenant is required to pay directly to the relevant utility provider or Taxing Authority, as applicable, the Tenant shall be responsible for and shall pay to such utility provider or Taxing Authority interest on the amount outstanding at the percentage rate or rates established by such utility provider or Taxing Authority; or

(b) pay promptly any Utility Charges, Goods and Services Taxes or other Taxes that the Landlord is required to pay directly to a utility provider or Taxing Authority, as applicable, if the Landlord has in respect of such Utility Charges, Goods and Services Taxes or Taxes delivered to the Tenant in a timely manner an invoice in respect thereof, the Tenant shall be responsible for and shall pay to the Landlord, on demand, interest on the amount outstanding at the percentage rate or rates established by the relevant utility provider or Taxing Authority.

7. USE AND CONDITION OF LEASED PREMISES

The Tenant covenants to use the Leased Premises solely for the recycling of asphalt roofing products and related office and administration uses ("**Permitted Use**"). The Tenant will not use the Leased Premises for any business or purpose not specifically authorized by the Landlord in this Lease or otherwise in writing in advance and will not permit any other person (except the employees, contractors and agents of the Tenant in accordance with this Section) to use the Leased Premises for any business or purpose.

The Tenant shall not use the Leased Premises for the storage of any shipping container, except shipping containers used by the Tenant in the conduct of its business, which containers when stored on the Leased Premises shall at no time exceed five in number and which shall be stored on the Leased Premises on a temporary basis, pending transportation to the next project site.

8. WARRANTIES AND REPRESENTATIONS

8.1 Tenants Representations

The Tenant hereby represents and warrants to the Landlord that:

(a) it is a valid and subsisting company in good standing under the British Columbia *Business Corporations Act*;

(b) it has sufficient corporate power, and has taken all necessary corporate steps, to enter into and perform its obligations under this Lease;

(c) no consent or approval of, or registration, declaration or filing with, any governmental body or other person is required for the execution and delivery of this Lease by the Tenant or the validity and enforceability of this Lease against the Tenant, or the performance by the Tenant of any of its obligations hereunder; and

(d) it is of sufficient financial strength and its business has adequate financial capacity and means to be able to meet the obligations of the Tenant under this Lease for the duration of the Term.

8.2 Landlord's Representations

The Landlord hereby represents and warrants to the Tenant that:

(a) it has sufficient corporate power, and has taken all necessary corporate steps, to enter into and perform its obligations under this Lease;

(b) no consent or approval of, or registration, declaration or filing with, any governmental body or other person is required for the execution and delivery of this Lease by the Landlord or the validity and enforceability of this Lease against the Landlord, or the performance by the Landlord of any of its obligations hereunder;

(c) to the best of its knowledge, the roof and structure of the Building are in good repair; the HVAC, electrical and mechanical systems thereof are fully operational and free from patent defect, normal wear and tear excepted; and

(d) to the best of its knowledge, the Leased Premises are in material compliance with applicable Environmental Laws and have no underground storage tanks located thereon.

8.3 No Representation

Each of the Tenant and the Landlord acknowledges and agrees that no representation, warranty or condition has been made by the other or by any other person regarding this Lease or the Leased Premises or anything relating thereto, other than as expressed in this Lease, and that no agreement collateral hereto shall be binding upon the Tenant or the Landlord unless in writing and signed by an authorized signatory thereof.

9. TENANT'S COVENANTS

9.1 Covenants to Pay

The Tenant covenants to pay:

(a) to the Landlord all Rent owing hereunder as set forth in this Lease;

(b) to the relevant Taxing Authority or utility provider or the Landlord, as applicable, all Taxes, Good and Services Taxes and Utility Charges immediately as they become due; and

(c) to the relevant good or service provider or to the Landlord, as applicable, all costs relating to insurance as required hereby, and maintenance, and all charges, impositions, costs and expenses of every nature and kind relating to any or all of the Leased Premises and/or any improvement thereon (collectively, together with paragraph (b) above, "**Additional Rent**") and, if at any time for any reason during the Term the Landlord pays on behalf of the Tenant any charges, impositions, costs or expenses comprising Additional Rent, a sum equal to the amount so paid shall be included in Direct Costs and paid by the Tenant to the Landlord immediately upon demand.

The certificate of an independent, third party chartered accountant appointed by the Landlord shall, in the event of dispute, be conclusive and binding on the Landlord and the Tenant as to any amount payable under this Section and the cost of obtaining such certificate shall be included in Direct Costs and shall be borne by the Tenant if such dispute is resolved in favour of the Landlord and shall be borne by the Landlord if such dispute is resolved in favour of the Tenant. The Tenant shall be ·entitled to review the calculations of the accountant and the records of the Landlord that relate to such determination of the amounts owing by the Tenant under this Section.

9.2 Covenants to Repair and Maintain

The Tenant shall be responsible for all repairs and maintenance of the Lands and Building and this Lease shall be completely carefree to the Landlord. Without limiting the foregoing, the Tenant covenants and agrees with the Landlord:

(a) to repair, and at the sole cost of the Tenant during the whole of the Term, to keep and maintain the Leased Premises and all fixtures, fittings and improvements thereto in good working order and first class condition, including periodic painting and decoration as determined by the Landlord, and to make all needed maintenance, repairs and replacements thereto with due diligence and dispatch, reasonable wear and tear only excepted, and otherwise as reasonably required by the Landlord from time to time;

(b) that if any part of the Leased Premises or any fixtures, fittings or improvements thereon or thereto get out of repair or become stopped up, unusable, damaged or destroyed through the negligence, carelessness or misuse of the Tenant or any of its servants, agents, employees, invitees or any one permitted by the Tenant to be in or on the Leased Premises, the expense of all necessary repairs, replacements or alterations shall be borne by the Tenant and the Tenant shall perform or cause to be performed all such repairs, replacements and alterations;

(c) not to cause the Leased Premises or any part thereof to become untidy, unsightly, or hazardous and not to do or suffer any waste or damage, disfiguration or injury to the Leased Premises or the fixtures, fittings and improvements thereto and not to permit or suffer any overloading of the floors of the Building, and to at all times keep the Leased Premises in a neat and tidy condition;

(d) not make to, or erect in the Leased Premises, any major alteration, addition, decoration or improvement (including, for example, any alteration or improvement affecting the structure or base-building systems of the Leased Premises) without in each instance submitting drawings and specifications to the Landlord and obtaining the Landlord's prior written consent (not to be unreasonably withheld) and the approval of the Landlord's mechanical, electrical, structural consultants and architects, as may be required by the Landlord from time to time, all at the sole expense of the Tenant, and the Tenant agrees that any work performed in or on the Leased Premises by contractors engaged by the Tenant shall be subject to all reasonable conditions that the Landlord may impose, and the Tenant further covenants to prosecute such work to completion with reasonable diligence, provided nevertheless that the Landlord may at its option require that the Landlord's contractors be engaged for any alterations to the Building;

(e) not to suffer or permit during the Term any builder's lien or other lien for work, labour, services or material ordered by the Tenant, or for the cost of which the Tenant may be in any way obligated, or any conditional sales agreement or chattel mortgage, to attach to the Leased Premises or any of it and that whenever and so often as any such lien or claim therefor or conditional sales agreement or chattel mortgage shall be registered, the Tenant shall immediately discharge the same;

(f) to restore promptly, and with glass of the same colour and quality any glass within, forming part of or bounding the Leased Premises that is damaged or broken during the Term; and

(g) to complete any necessary repairs or replacements of a structural or capital nature (including without limitation all requisite repairs to and replacements of the roof and roof membrane of, and to correct inherent structural defects in, the Building) and all requisite major repairs to, and any necessary replacement of, the HVAC system of the Building, provided that the Tenant shall not be required to make any such repairs or replacements that are:

(i) caused through the gross negligence or wilful misconduct of the Landlord during the Term; or

(ii) the obligation of the Landlord under Article 14.

9.3 Environmental Covenants

The Tenant covenants and agrees with the Landlord:

(a) promptly provide to the Landlord a copy of any environmental site assessment, audit, report or environmental site assessment as it relates to the Leased Premises conducted by or for the Tenant, at any time, including any additional investigations resulting thereof;

(b) to permit the Landlord to, at its sole cost, investigate the Leased Premises and any goods thereon and the Tenant's records during Tenant's business hours upon reasonable prior notice to Tenant (except in case of emergency, for which no notice is required) from time to time to verify such compliance with Environmental Laws and this Lease;

(c) not use or permit to be used all or any part of the Leased Premises for the sale, storage, manufacture, disposal, use, or any other dealing with any Hazardous Substances, without the prior written consent of the Landlord, which may be unreasonably withheld, provided that it is expressly acknowledged and agreed that the storage or handling of asphalt roofing products within the scope of the Permitted Use during the Term will not be in violation of this Section;

(d) subject to the acknowledgment in Section 9.3(c), to promptly remove all Hazardous Substances from the Leased Premises brought onto the Leased Premises by Tenant or any person for whom it is in law responsible in a manner that conforms to applicable Environmental Laws;

(e) notify the Landlord in writing of all of the following of which Tenant has knowledge:

(i) any enforcement, clean-up, removal, litigation or other governmental, regulatory, judicial or administrative action instituted, contemplated or threatened against the Tenant or the Leased Premises pursuant to any Environmental Laws;

(ii) all claims, actions, orders or investigations instituted, contemplated or threatened by any third party against the Tenant or the Leased Premises relating to damage, contribution, cost recovery, compensation, loss or injuries resulting from any Hazardous Substances or any breach of Environmental Laws; and

(iii) the discovery of any Hazardous Substances or any occurrence or condition on the Leased Premises or any real property adjoining or in the vicinity of the Lands that could subject the Tenant or the Leased Premises to any fines, penalties, orders or proceedings under any Environmental Laws;

(f) strictly comply, and cause any person for whom it is in law responsible to comply, with all Environmental Laws regarding the use and occupancy of the Leased Premises;

(g) promptly notify the Landlord in writing of any release of a Hazardous Substance or Hazardous Substances or any other occurrence or condition at the Leased Premises which would contaminate the Leased Premises or subject the Landlord or the Tenant to any fines, penalties, orders, investigations, or proceedings under Environmental Laws;

(h) on the expiry or earlier termination of this Lease, or at any time if requested by the Landlord or required by any governmental authority pursuant to Environmental Laws, remove from the Leased Premises all Hazardous Substances used at, or released from the Leased Premises or adjacent property by the Tenant or any person for whom it is in law responsible, and remediate any contamination of the Leased Premises or any adjacent property resulting from such Hazardous Substances. The Tenant shall perform these obligations promptly at its own cost and in accordance with Environmental Laws. All such Hazardous Substances shall remain the property of the Tenant, notwithstanding any rule of law or other provision of this Lease to the contrary and notwithstanding the degree of their affixation to the Leased Premises;

(i) indemnify the Landlord and its directors, officers, employees, agents, successors, and assigns from any and all liabilities, actions, damages, claims, losses, costs, fines, penalties, and expenses whatsoever (including all legal costs on a solicitor-client basis, and consultants' fees and expenses and the cost of remediation of the Leased Premises and any adjacent property) arising from or in connection with:

    (i) any breach of or non-compliance with the provisions of this Section 9.3 by the Tenant or any person for whom it is in law responsible; or

    (ii) any release or alleged release of any Hazardous Substance or Hazardous Substances at or from the Leased Premises related to or as a result of the use and occupation of the Leased Premises or any act or omission of the Tenant or any person for whom it is in law responsible;

(j) The obligations of the Tenant under this Section 9.3 shall survive the expiry or earlier termination of this Lease; and

(k) The Tenant shall not excavate, dig, or extract any sand, gravel, earth, or minerals of any description out of the Land.

The Tenant hereby authorizes the Landlord to make enquiries from time to time of any governmental authority with respect to the compliance by the Tenant with Environmental Laws, and the Tenant agrees that the Tenant will from time to time provide to the Landlord such written authorization as the Landlord may reasonably require in order to facilitate the obtaining of such information. The Tenant further hereby consents to the release by the Landlord of any information obtained by it pursuant to this Section or otherwise for the purpose of disclosure under the *Freedom of Information and Protection of Privacy Act* or the *Personal Information Protection and Electronic Documents Act*.

9.4 General Covenants

The Tenant covenants and agrees with the Landlord:

(a) to comply at its own expense with all provisions of law including, without limitation, federal and provincial legislative enactments, building by-laws and all other governmental or municipal regulations pertaining to the operation and use of the Leased Premises, the condition of any leasehold improvements, trade fixtures, furniture and equipment installed therein, and the making of any repairs, replacements, alterations, additions, or improvements of or to the Leased Premises;

(b) not to install or use any equipment that will exceed or overload the capacity of any utility facilities on the Leased Premises;

(c) to notify the Landlord immediately if the Tenant becomes aware of any fire or accident in the Leased Premises or any damage to or malfunctioning of any heating, electrical, plumbing, mechanical or ventilating system in the Buildings or any damage to the foundation, structure, roof, exterior walls or supporting walls of the Buildings;

(d) to, at its own expense, procure and carry at all times during the Term full workers' compensation coverage in respect of all workmen, employees, servants and others engaged in or upon any work, non-payment of which would create a lien on the Leased Premises or any part thereof;

(e) to immediately notify the Landlord of any dispute involving third parties which may arise in connection with obtaining and maintaining the workers' compensation coverage required under this Lease if such dispute results in the requisite coverage not being in place, and the Tenant shall take all reasonable steps to ensure resolution of the dispute forthwith. The Tenant shall ensure that no amount of the said workers' compensation coverage is left unpaid so as to create a lien on the Leased Premises or any part thereof;

(f) if required by the Landlord, to register this Lease forthwith at the Landlord's expense, or otherwise if the Tenant wishes to register this Lease at the Tenant's option and expense, in the Lower Mainland Land Title Office, provided that in either case such registration shall be a short-form of this Lease excluding financial particulars;

(g) not to employ more employees in the Leased Premises than are from time to time authorized or permitted by the relevant governmental acts, statutes, regulations and other authorities having regard to washroom, lunchroom and other facilities presently available in or to the Leased Premises and having regard also to any other relevant working conditions;

(h) to calculate the current weight, in metric tons, of the stockpile of asphalt materials on the Leased Premises (the "**Asphalt Stockpiles**"), which will be verified by a third party consultant with expertise and commercial experience in measuring stockpiles of materials and who will be appointed by both the Landlord and the Tenant acting reasonably (the "**Consultant**"); if the parties fail to agree on the Consultant to be appointed by a date 30 days from the Effective Date, either party may by notice in writing to the other require that the Consultant be appointed by arbitration, such arbitration to be carried out by one arbitrator under the *Arbitration Act* (British Columbia), and amendments thereto (the "**Act**"), or any like statute in effect from time to time, if the parties can agree on one arbitrator, or if the parties cannot so agree within 14 days after they have started to negotiate as to who the single arbitrator shall be, each shall select one arbitrator and the two so selected shall within 21 days of the appointment of both of them select a third arbitrator. The decision of such arbitrator (or arbitrators) shall be final and binding upon the parties. The costs of such arbitration shall be borne equally by the parties (except that each shall bear the cost of any arbitrator selected solely by it); except as otherwise provided for herein, the provisions of the said Act shall apply;

(i) if the current level of Asphalt Stockpiles is determined by the Consultant to be greater than the Satisfactory Level of Asphalt Stockpiles, then the Tenant shall reduce the level of the Asphalt Stockpiles to the Satisfactory Level of Asphalt Stockpiles within six (6) months from the date of such determination by the Consultant or such later date agreed by the parties and the Tenant shall provide notice to the Landlord once the Asphalt Stockpiles are within the limits set for the Satisfactory Level of Asphalt Stockpiles, at which time, and no later than 30 days after the Tenant's delivery of the aforementioned notice to the Landlord, the Consultant shall be retained by the Tenant, at the Tenant's cost, to verify, in a written report (the "**Asphalt Compliance Report**"), the current level of the Asphalt Stockpiles and whether the Asphalt Stockpiles are within the limits of the Satisfactory Level of Asphalt Stockpiles, which report shall be delivered to the Landlord;

(j) subject to Section 9.4(i), the Tenant shall maintain the level of Asphalt Stockpiles during the Term within the limits set for the Satisfactory Level of Asphalt Stockpiles. At Landlord's request from time to time, acting reasonably, Tenant will provide Landlord with documentation confirming the current level of the Asphalt Stockpiles and whether the Asphalt Stockpiles are within the limits of the Satisfactory Level of Asphalt Stockpiles.

10. SIGNAGE

The Tenant may erect signs on the Leased Premises as necessary for the proper conduct of its business, including but not limited to exterior free-standing or surface-mounted signs, provided in all cases that the signs comply with the Sign Bylaw of The Corporation of Delta and are approved in advance by the Landlord, acting reasonably.

11. LANDLORD'S COVENANTS

11.1 Landlord's Covenant to Repair

Subject only to Article 14, the Landlord shall have no responsibility to maintain or repair the structural elements of the building, the roof structure, roof membrane, electrical systems, plumbing systems or mechanical systems of the Building and this Lease shall be completely carefree to the Landlord.

11.2 Peaceable Possession and Enjoyment

Subject to the terms and provisions of this Lease, the Landlord covenants with the Tenant that, provided the Tenant pays all Rent hereby reserved, and observes and performs the covenants and agreements herein contained and on the part of the Tenant to be observed and performed, the Tenant shall and may peaceably possess and enjoy the Leased Premises for the Term hereby granted without interruption or disturbance from the Landlord, or any persons lawfully claiming by, through or under the Landlord, provided however that nothing in this Section shall limit the rights of access reserved by the Landlord hereunder and provided further that nothing in this Section shall limit any right, power, duty or function conferred or imposed upon the Landlord as a municipal corporation under any statute, regulation, bylaw or order.

12. LANDLORD ACCESS TO LEASED PREMISES

12.1 Access to Leased Premises

If the Tenant fails to perform or cause to be performed each and every of the covenants, agreements and obligations of the Tenant hereunder, the Landlord and its agents, employees and contractors, with material and equipment, shall have the right (but shall not be obligated) at any and all times (subject to this Section 12.1) to enter on or in the Leased Premises for the purpose of making repairs or alterations to the Leased Premises or any part thereof, preserving any of the same from injury or damage, or otherwise performing any or all such covenants, agreements and obligations of the Tenant, and no such entry or work shall constitute an eviction of the Tenant in whole or in part and the Rent reserved shall not abate while such work is being carried out. All reasonable payments, expenses, costs and levies incurred or paid by the Landlord pursuant to this Section shall be included in Direct Costs payable to the Landlord immediately upon demand.

The Tenant shall permit the Landlord or the Landlord's authorized agent at all reasonable times, and in any event within forty-eight hours of request, to enter the Leased Premises for the purposes of examining the state of repair of the Leased Premises.

12.2 Landlord May Show Leased Premises

The Landlord and its agents shall have the right at all reasonable times to enter the Leased Premises to examine them and to show them to prospective purchasers, Tenants or mortgagees and, during the six months prior to the expiration of the Term, may place on the Leased Premises the usual notices to let or sell, which notices the Tenant shall permit to remain thereon without molestation.

12.3 Landlord May Enter Forcibly

If the Tenant shall not be personally present to open and permit entry to the Leased Premises at any time (upon at least 48 hours prior written notice or without such notice in the event of an emergency) when for any reason an entry therein shall be reasonably necessary, the Landlord, its agents, employees or contractors may enter the Leased Premises by a master key or forcibly without rendering the Landlord or such agents, employees or contractors liable therefor and without in any manner affecting the obligations or covenants of the Tenant herein, and the Tenant shall not be entitled to compensation for any inconvenience, nuisance or discomfort or for any damage or injury to property or persons in the Leased Premises occasioned by any such entry or by any work done in connection with such entry.

13. INSURANCE

13.1 Tenant's Insurance

The Tenant covenants to effect, maintain and keep in force with one or more companies duly authorized to carry on business within the Province of British Columbia and approved by the Landlord, at all times during the Term and at its sole expense, insurance in respect of its use and occupation of the Leased Premises and all contents of the Leased Premises, including without limitation all fixtures of the Tenant, fittings, machinery, chattels, equipment and improvements, for insurable risks against which and in amounts for which a prudent owner would protect itself or as the Landlord may from time to time reasonably require, including, without limitation, the following:

(a) "all risk" insurance, which policy shall include coverage for the following perils: earthquake, flood, sewer back-up, and water damage, upon its merchandise, stock-in-trade, furniture, fixtures and improvements and upon all other property in the Leased Premises owned by the Tenant or for which the Tenant is legally liable, in an amount equal to the full replacement value thereof, which amount shall be determined by the decision of the Landlord, acting reasonably, in the event of a dispute

(b) commercial general liability insurance against all claims for personal injury, death, or property damage or loss arising out of the use and occupation by the Tenant of the Leased Premises, protecting the Tenant and naming the Landlord as an additional insured with minimum limits of liability of Five Million Dollars ($5,000,000) per occurrence, or in such greater amounts as may be required by the Landlord from time to time, acting reasonably; and

(c) the aforementioned commercial general liability insurance shall include coverage for tenant's legal liability, contractual liability, non-owned automobile liability, lease agreement contractual coverage and owners' and contractors' protective insurance coverage with respect to the Leased Premises.

Any and all policies of insurance referred to in Section 13.1 shall:

(a) be written in the name of the Tenant and name the Landlord as an additional insured with loss payable to the Tenant, the Landlord and any mortgagee as their respective interests may appear;

(b) contain a cross liability clause and a waiver of subrogation clause in favour of the Landlord;

(c) contain a clause to the effect that any release from liability entered into by the Tenant prior to any loss shall not affect the right of the Tenant, the Landlord or any mortgagee to recover;

(d) contain a provision or shall bear an endorsement that the insurer will not cancel such policy without first giving the Landlord and any mortgagee at least thirty days' notice in writing of its intention to cancel; and

(e) contain a provision acknowledging the Tenant's policies are non-contributing with and will apply as primary and not excess to any other insurance available to the Landlord.

The Tenant shall furnish the Landlord with certificates of insurance in respect of all such policies and all amendments thereto upon the Tenant's execution of this Lease and from time to time as required to ensure that the Landlord has full, current copies of all insurance applicable to the Leased Premises at all times during the Term. The Tenant shall provide written evidence of the continuation of such policies not less than ten days prior to their expected expiry dates. The cost or premium for each and every such policy shall be paid by the Tenant in a timely manner and evidence of such payment shall be provided to the Landlord upon request. The Tenant agrees that if the Tenant fails to take out or keep in force such insurance the Landlord shall have the right to do so, without however imposing any obligation on the Landlord to do so, and to pay the premiums therefor, and in such event the amount paid as premiums shall be included as Direct Costs and paid to the Landlord immediately on demand. The Tenant will, upon request by and at the expense of the Landlord, obtain and provide to the Landlord certificates of insurance in respect of any policies or policy renewals.

13.2 Indemnity

At all times the Tenant and Landlord shall indemnify and save harmless the other and their elected officials, officers, servants, agents and employees from and against all damages, fees, charges, reasonable expenses, costs, claims, suits, judgments and other demands that the Landlord and Tenant or its elected officials, officers, servants, agents or employees may incur or suffer as a result of or in any way arising out of or relating to any failure by the other to obtain and maintain insurance as required by this Article or any insufficiency of the insurance so obtained.

13.3 Tenant's Covenants in Respect of Insurance

The Tenant covenants not to do or omit or permit to be done or omitted upon the Leased Premises anything whereby any policy of insurance effected by the Tenant or the Landlord pursuant to this Lease may be invalidated, or the coverage thereunder reduced, and will immediately upon notice remedy the condition giving rise to the invalidation or threatened invalidation or reduction in coverage and in default the Landlord may at its option either cancel this Lease or enter the Leased Premises and remedy the condition, and the costs occasioned thereby shall be included in Direct Costs and paid to the Landlord immediately on demand.

If any of the policies of insurance referred to above contain co-insurance clauses, the Tenant shall maintain at all times a sufficient amount of insurance to meet the requirements of such co- insurance clause so as to prevent the Landlord or the Tenant from becoming a co-insurer under the terms of such policy or policies and to permit full recovery from the insurer in the event of loss.

13.4 Landlord's Insurance

The Landlord will take out and maintain throughout the Term:

(a) all risk property and equipment breakdown insurance with coverage that would be carried by a prudent landlord for a property similar to the Leased Premises, in an amount equal at all times to the full replacement value;

(b) commercial general liability insurance with respect to the Leased Premises in an amount and for coverages that would be carried by a prudent landlord of a property similar to the Leased Premises; and

(c) loss of rental income insurance for loss of rental caused by damage and destruction as set out in Article 14.

13.5 Landlord's Covenants in Respect of Insurance

Subject to the termination of the Lease in accordance with Article 14, the proceeds of the "all risk" property and equipment breakdown insurance will be applied to rebuilding or repairing the Leased Premises, as the case may be.

Any and all policies of insurance referred to in Section 13.4 will name the Tenant as an additional insured and, at the request of the Tenant, the Landlord will furnish the Tenant with certificates evidencing insurance in respect of all such policies.

14. DAMAGE OR DESTRUCTION

Subject to this Article 14, if the Leased Premises are materially damaged or destroyed by fire or other casualty, the Landlord may, at its sole option, either:

(a) repair such damage with reasonable diligence, provided that the cost of all repairs and replacements of the Tenant's trade fixtures and of all alterations, additions, decorations and improvements made to the Leased Premises by the Tenant shall be borne by the Tenant; or

(b) subject to the Tenant's indemnification obligations hereunder, terminate this Lease by giving the Tenant thirty days' notice, whereupon the Tenant shall vacate the Leased Premises and surrender them to the Landlord in accordance with the provisions of this Lease.

If the Leased Premises are damaged by fire or other casualty and the complete repair of such damage would cost no more than $150,000 in the aggregate, and provided that the repair costs will be satisfied by insurance proceeds or that there are adequate funds in the relevant municipal budget for same, the Tenant may, at its sole option:

(a) require the Landlord to repair such damage with reasonable diligence, provided that the cost of all repairs and replacements of the Tenant's trade fixtures and of all alterations, additions, decorations and improvements made to the Leased Premises by the Tenant shall be borne by the Tenant; or

(b) subject to the Tenant's indemnification obligations hereunder, terminate this Lease by giving the Tenant thirty days' notice, whereupon the Tenant shall vacate the Leased Premises and surrender them to the Landlord in accordance with the provisions of this Lease.

In either case, if the Leased Premises or any part thereof is not tenantable during the period of repair or notice, as the case may be, the Tenant's liability for Rent shall cease in respect of the whole or any relevant portion of the Leased Premises as of the day following the fire or other casualty.

15. DEFAULT OF TENANT

15.1 Events of Default and Right of Repossession by Landlord

Notwithstanding any other provision of this Lease, if and whenever:

(a) the Rent hereby reserved or any part thereof is not paid by the Tenant; or

(b) the Tenant breaches or fails to keep, observe or perform any of its covenants, agreements, provisions and conditions hereunder,

the Landlord may in every such case re-enter into and upon the Leased Premises or any part thereof in the name of the whole to have again, repossess and enjoy as of its former estate, provided however that the Landlord shall not at any time have the right to re-enter and forfeit this Lease by reason of the Tenant's default under paragraph (a) or (b) above, unless and until the Landlord shall have given to the Tenant at least ten days' written notice of its intention to do so (or, in the case of (b) above, such longer period as may be reasonable in the circumstances, provided the Tenant has commenced to remedy such default and is diligently pursuing completion of the same), which notice shall set forth the default complained of and the Tenant shall have the right during such ten days to cure any such default.

15.2 Bankruptcy/Winding-Up

In case, without the written consent of the Landlord, the Leased Premises or any part thereof shall be used by any person other than the Tenant or for any other purpose than that for which the same were let or in case the Term or any of the goods and chattels of the Tenant shall be at any time seized in execution or attachment by a creditor of the Tenant or if the Tenant shall make any assignment for the benefit of creditors or any bulk sale or become bankrupt or insolvent or take the benefit of any Act now or hereafter in force for bankrupt or insolvent debtors, or, if any order shall be made for the winding-up of the Tenant, or other termination of the corporate existence of the Tenant then in any such case this Lease shall at the option of the Landlord cease and terminate and the Term shall immediately become forfeited and void and the Landlord may re-enter and take possession of the Leased Premises as though the Tenant or other occupant or occupants of the Leased Premises was or were holding over after the expiration of the Term without any right whatever, and in such event Article 17 shall not apply.

15.3 Right of Re-Entry

The Tenant covenants and agrees that on the Landlord's becoming entitled to re-enter upon the Leased Premises under any of the provisions of this Lease, the Landlord, in addition to all other rights, shall have the right to enter the Leased Premises as the agent of the Tenant either by force or otherwise, without being liable to any action in respect thereof, or for any loss or damage occasioned thereby and the Tenant hereby expressly releases the Landlord for all actions, proceedings, claims or demands whatsoever for or on account of or in respect of any forcible entry or any loss or damage sustained by the Tenant in connection therewith. Upon re-entry pursuant to this Section, the Landlord may relet the Leased Premises as the agent of the Tenant and receive rent therefor, and, to the extent that Rent is owing to the Landlord hereunder, may take possession of any furniture or other property on the Leased Premises as the agent of the Tenant and sell the same at public or private sale without notice and may apply the proceeds of such sale and any rent derived from reletting the Leased Premises on account of the Rent owing under this Lease, and the Tenant shall be liable to the Landlord for the deficiency, if any. The Tenant hereby waives and renounces the benefit of any present or future statute taking away or limiting the Landlord's rights pursuant to this Section and agrees that notwithstanding any such statute none of the goods and chattels of the Tenant on the Leased Premises at any time during the Term shall be exempt from levy by distress for Rent in arrears.

15.4 Right to Terminate

If and whenever the Landlord becomes entitled to re-enter upon the Leased Premises under any provision of this Lease except Section 15.2, the Landlord, in addition to all other rights and remedies, shall have the right to terminate this Lease by giving to the Tenant or by leaving upon the Leased Premises notice in writing of such termination. Thereupon, this Lease and the Term shall terminate, and the Tenant shall immediately deliver up possession of the Leased Premises to the Landlord in accordance with the provisions hereof.

15.5 Rent and Costs Payable on Re-Entry or Termination

If the Landlord re-enters the Leased Premises or if this Lease is terminated by reason of any event set out in Section 15.1 or Section 15.2 above, without prejudice to the Landlord's other rights and remedies:

(a) the provisions of this Lease that relate to the consequences of termination, and the provisions of this Lease as they apply with respect to acts, events, and omissions which occurred prior to the termination, shall all survive such termination;

(b) in addition to the payment by the Tenant of Rent and other payments for which the Tenant is liable under this Lease, Rent for the current month and the next ensuing three months shall immediately become due and be paid by the Tenant or the person then controlling the Tenant's affairs; and

(c) the Tenant or person then controlling the affairs of the Tenant shall pay to the Landlord on demand such reasonable expenses as the Landlord has incurred, and a reasonable estimate of the Landlord of expenses the Landlord expects to incur, in connection with the re-entering, terminating, re-letting, collecting sums due or payable by the Tenant, and storing and realizing upon assets seized, including without limitation brokerage fees, legal fees, and disbursements, the expenses of cleaning and making and keeping the Leased Premises in good order, and the expenses of repairing the Leased Premises and preparing them for re-letting.

15.6 Sale of Property

The Tenant will not sell, dispose of, or remove any of the fixtures, goods, or chattels of the Tenant from or out of the Leased Premises during the Term without the prior consent of the Landlord, except in the normal course of its business or unless the Tenant is substituting new fixtures, goods, or chattels of equal value or is bona fide disposing of individual items which have become excess for the Tenant's purposes.

16. SURRENDER OF LEASED PREMISES

At the end or sooner determination of the Term, the Tenant shall:

(a) surrender and yield up to the Landlord the Leased Premises in the condition in which they were required to be kept by the Tenant under this Lease;

(b) remove all Asphalt Stockpiles located within the Leased Premises; and

(c) restore the Leased Premises to substantially the same condition at the onset of the Original Lease as set out in the Phase 1 Environmental Site Assessment approved by the parties and attached as Schedule C to this Lease.

At the same time the Tenant shall surrender to the Landlord at the place then fixed for the payment of Rent all keys and other devices which provide access to the Leased Premises or any part thereof and shall inform the Landlord of all combinations to locks, safes, and vaults, if any, in the Leased Premises.

All alterations, additions, decorations and improvements made by the Tenant to the Leased Premises, other than the Tenant's trade fixtures and the Asphalt Stockpiles, shall immediately become the property of the Landlord without compensation therefor to the Tenant and shall not be removed from the Leased Premises either during or at the end or sooner determination of the Term except that:

(d) the Tenant may, if not in default, remove its trade fixtures prior to the expiration or earlier termination of the Term if the Tenant replaces such trade fixtures with fixtures of equal or greater quality or if such trade fixtures have become excess to the Tenant's operations at the Leased Premises;

(e) the Tenant shall, at the end or sooner determination of the Term, remove such of the trade fixtures, alterations, additions, decorations and improvements as the Landlord may require;

(f) in the case of every such removal, the Tenant shall repair any damage to the Leased Premises caused by the installation or removal of any such Asphalt Stockpiles, trade fixtures, alterations, additions, decorations and improvements, and the cost of all such removals and repairs shall be borne by the Tenant; and

(g) notwithstanding the foregoing, the Tenant shall not remove any of its trade fixtures, furniture and equipment from the Leased Premises, other than those required to be removed by the Landlord under paragraph 16(e) above, until it has completed removal of all Asphalt Stockpiles and repaired any damage to the Leased Premises caused by the installation or removal of such Asphalt Stockpiles in accordance with this Section.

17. OVERHOLDING

If the Tenant shall continue to occupy the Leased Premises after the expiration of this Lease with or without the consent of the Landlord, and without any further written agreement, the Tenant shall be a monthly tenant on the terms and conditions herein set out except as to length of tenancy and except that the Basic Rent shall be fair market rent as agreed by the parties hereto or, failing such agreement, an amount per month equal to 120 percent (120%) of the monthly installments payable on account of basic rent during the Term.

18. INDEMNITY

18.1 Landlord's Indemnity

The Tenant will indemnify and save harmless the Landlord and each of its directors, shareholders, agents, and employees (collectively, the "**Landlord Group**") from and against any and all actions, claims, costs, expenses, damages, demands, payments, suits, recoveries, judgments, losses and fines, including without limitation legal fees, of every nature and description brought or recovered against, or incurred or suffered by, the Landlord Group or any of them (collectively, the "**Losses**"), howsoever caused:

(a) arising out of the use or occupancy of the Leased Premises by the Tenant or any of its agents, employees, licensees, subcontractors or persons invited onto the Leased Premises by the Tenant, its employees, servants, volunteers or agents (collectively, the "**Tenant Group**"), including without limitation all such Losses incurred in connection with or in any way relating to any breach by the Tenant Group or any member(s) thereof of any Environmental Law or the release by the Tenant Group or any member(s) thereof of any Contaminant; or

(b) incurred by the Landlord Group or any of them in relation to the execution of this Lease or the exercise of any rights or remedies provided for herein, provided, however, that the Tenant will not be required to indemnify or save harmless the Landlord Group or any of them if, but only to the extent that, any such Losses are the direct result of the negligence of any member of the Landlord Group.

Without limiting the generality of the foregoing, unless negligent, no member of the Landlord Group will be liable for any direct, indirect or consequential loss, damage, injury or expense caused to any property of any member of the Tenant Group arising from:

(a) fire, explosion, falling plaster, gas, electricity or seeping or leaking water;

(b) the Landlord observing, performing, exercising or enforcing any covenant, agreement, right or remedy of the Landlord hereunder; or

(c) any other cause beyond the reasonable control of the Landlord.

18.2 Tenants Indemnity

The Landlord will indemnify and save harmless the Tenant and each of its officers, directors, servants, agents and employees (collectively, the "**Tenant Indemnitees**") from and against any and all actions, claims, costs, expenses, damages, demands, payments, suits, recoveries, judgments, losses and fines, including without limitation legal fees, of every nature and description brought or recovered against, or incurred or suffered by, the Tenant Indemnitees or any of them (collectively, the "**Claims**"), arising out of any breach by the Landlord of its covenants hereunder, provided however that the Landlord will not be required to indemnify or save harmless the Tenant Indemnitees or any of them if, but only to the extent that, any such Losses are the direct result of the negligence of any Tenant Indemnitee.

Without limiting the generality of the foregoing, unless negligent, none of the Tenant Indemnitees will be liable for any direct, indirect or consequential loss, damage, injury or expense caused to any property of any member of the Landlord Group arising from:

(a) fire, explosion, falling plaster, gas, electricity or seeping or leaking water;

(b) the Tenant observing, performing, exercising or enforcing any covenant, agreement, right or remedy of the Tenant hereunder; or

(c) any other cause beyond the reasonable control of the Tenant.

19. REMEDIES CUMULATIVE

The Landlord may from time to time resort to any or all of the rights and remedies available to it in the event of any default hereunder by the Tenant, either by any provision of this Lease or by statute or the general law, all of which rights and remedies are intended to be cumulative and not alternative, as the express provisions hereunder as to certain rights and remedies are not to be interpreted as excluding any other or additional rights and remedies available to the Landlord by statute or the general law.

20. POWERS OF LANDLORD

Notwithstanding any other provision hereof, this Lease does not in any way affect or limit the discretion, rights, duties or powers of the Landlord under any statute, bylaw or other enactment.

21. NON-WAIVER

No condoning, excusing or overlooking by the Landlord of any default, breach or non- observance by the Tenant at any time or times in respect of any covenant, provision or condition herein contained shall operate as a waiver of the Landlord's rights hereunder in respect of any continuing or subsequent default, breach or non-observance, and no waiver shall be inferred from or implied by anything done (including the acceptance of Rent} or omitted by the Landlord save only express waiver in writing.

22. ASSIGNMENT

22.1 Assignment by Tenant

(a) Subject to paragraph 22.1(b), the Tenant covenants with the Landlord that he will not assign this Lease in whole or in part, nor sublet or license all or any part of the Premises, nor suffer or permit the occupation of, or part with or share possession of all or any part of the Leased Premises by any person (all of the foregoing being collectively referred to in this Article 22 as a "**Transfer**") without the prior written consent of the Landlord in each instance, such consent not to be unreasonably withheld. Subject to 22.1(b), the prohibition against a Transfer without the consent of the Landlord shall include a prohibition against any Transfer by merger or operation of law including a change of control under Section 22.1(c). Any consent by the Landlord to any assignment or subletting shall not constitute a waiver of the requirement for consent by the Landlord to any subsequent assignment or subletting by either the Tenant or any transferee. The consent by the Landlord to any Transfer shall not constitute a waiver of the necessity for any such consent to any subsequent Transfer.

(b) Notwithstanding Section 22.1(a), the Tenant may assign the whole of this Lease without obtaining the Landlord's consent if that assignment is to any one of the following persons:

(i) an affiliate or a subsidiary of the Tenant (within the meaning of the British Columbia *Business Corporations Act*); or

(ii) a corporation resulting from the merger or amalgamation of the Tenant,

if the Tenant provides at least five (5) days' prior written notice of this assignment to the Landlord containing reasonable documentation that permits the Landlord to verify that the proposed assignee falls within the specified classes of persons.

(c) If the Tenant is a corporation other than a corporation whose shares are publicly traded through a recognized security exchange regulated by governmental authority or if the transferee is a corporation other than a corporation whose shares are publicly traded through a recognized security exchange regulated by governmental authority, and at any time during the Term any or all of the corporate shares or voting rights of shareholders of the Tenant are transferred or treasury shares are issued so as to result in the control of the Tenant having changed from one person or group of persons to another person or group of persons without the prior written consent of the Landlord, which consent shall not be unreasonably withheld, then such a change of control shall be deemed to be a Transfer.

(d) Notwithstanding any assignment or sublet, the Tenant shall remain bound to the Landlord for the fulfillment of all the terms, covenants, conditions, and agreements herein contained.

22.2 Withholding Consent

In addition to any other rights the Landlord may have in law to reasonably withhold its consent to a Transfer, the Landlord may withhold its consent and the parties agree that it shall be reasonable for the Landlord to withhold its consent whenever any of the following requirements are or will not be met as determined by the Landlord its unfettered and exclusive discretion:

(a) the financial strength and creditworthiness of the proposed Transferee must be satisfactory to the Landlord;

(b) the business reputation of the proposed Transferee must be in accordance with generally acceptable commercial standards;

(c) the use of the Leased Premises by the proposed Transferee must not violate or create any potential violation of any laws:

(d) the use of the Leased Premises must not violate any other agreements affecting the Leased Premises, the Landlord or other tenants;

(e) the Gross Rent payable by the proposed Transferee or the prospect of such to become payable by the proposed Transferee must be at least equal to that payable by the Tenant;

(f) any increase in Gross Rent to be paid by the proposed Transferee over that payable by the Tenant under this Lease shall be paid to the Landlord; and

(g) the proposed Transferee is a landlord and is in competition with the Landlord with respect to the leasing of premises such as the Leased Premises.

22.3 Particulars of Transfer

No request for consent of a Transfer will be considered by the Landlord unless the Tenant provides the Landlord with full particulars of the proposed Transfer, including its terms, copies of any offers, draft agreements or the documents which record and embody the particulars of its terms, the identity of the persons who will acquire the right to use and occupy the Leased Premises, reasonable information regarding the responsibility, reputation, financial standing and business carried on by the person or persons to use or occupy the Leased Premises, and any further reasonable information relating to the proposed Transfer requested by the Landlord.

22.4 Final Approval

Any consent of the Landlord given under Section 22.3 shall be:

(a) based upon the particulars and documentation provided to the Landlord under Sections 22.2 and 22.3;

(b) subject to receipt by the Landlord of a reasonable approval fee determined by the Landlord and in an amount not less than six hundred dollars ($600.00), plus GST or any other applicable taxes and disbursements;

(c) based upon such due diligence carried out by the Landlord or the Landlord's solicitors;

(d) subject to such further security or indemnity from any principal of any party to the Transfer as may be required by the Landlord;

(e) subject to documentation executed by all parties in a form drafted by the Landlord's solicitors or as may be otherwise approved by the Landlord's solicitors; and

(f) subject to payment by the Tenant of all legal fees and disbursements incurred by the Landlord through the Landlord's solicitors, and the Landlord may refuse such approval if the final instruments are not in accordance with the particulars and documentation provided to the Landlord pursuant to Sections 22.2 and 22.3 hereof. If for any reason the Landlord wrongfully or unreasonably withholds its consent, the Tenant agrees that its remedy shall be expressly limited to its out-of-pocket expenses and that it shall not have any right to terminate this Lease.

22.5 Copy of Instruments

If requested by the Landlord, a copy of any or all instruments and documents evidencing the Transfer, including assignments of lease and sublease, shall be furnished to the Landlord by the Tenant together with the particulars of registration in the Lower Mainland Land Title Office, if applicable.

22.6 Assignment by Landlord

In the event of the sale by the Landlord of the Lands or a portion thereof containing the Leased Premises or the assignment by the Landlord of this Lease or any interest of the Landlord hereunder, and to the extent that such purchaser or assignee has assumed the covenants and obligations of the Landlord hereunder, the Landlord shall, without further written agreement, be freed and relieved of liability upon such covenants and obligations.

23. SUBORDINATION

This Lease and all of the rights of the Tenant hereunder are, and shall at all times be, subject and subordinate to any and all mortgages, trust deeds, debentures and charges, now or hereafter in force or registered against the Lands and all improvements thereto, and all renewals, extensions and modifications thereof and all advances of money made thereunder. The Tenant covenants to execute in registrable form immediately on request from time to time, all assurances that the Landlord may require to confirm this subordination and further, if requested by the Landlord, to attorn to the holder of such mortgages, trust deeds and debentures or any of them, provided that the mortgagee executes a non-disturbance agreement in respect of the Tenant's tenancy under this Lease.

24. ESTOPPEL CERTIFICATE

At any time and from time to time upon not less than ten {10) business days prior notice, the Tenant will execute and deliver to the Landlord or such other person or corporation that the Landlord directs, a written statement certifying that this Lease is in full force and effect and unmodified {or if modified, specifying the modifications), the amount of the annual rental being paid hereunder, whether or not any prepayments have been made hereunder, and if so details thereof, the dates to which other levies or charges hereunder have been paid, and whether or not there is any existing default on the part of the Landlord of which the Tenant has notice.

25. NOTICE AND PAYMENTS

All notices, payments and other documents to be given or delivered pursuant to this Lease shall be addressed to the relevant party at its address as set out below or to such other address within the Province of British Columbia as such party may direct from time to time in writing:

(a) to the Tenant:

EMPOWER ENVIRONMENTAL SOLUTIONS LTD.
7046 Brown Street
Delta, BC V4G 1G8

Attention: Aidan Mills, President and Chief Executive Officer
Email: [redacted] Personal information redacted.

(b) to the Landlord:

SELARC DEVELOPMENTS LTD.
7480 Wilson Avenue
Delta, BC V4G 1H3

Attention: [redacted]
Email: [redacted]

(c) to the Indemnifier:

NORTHSTAR CLEAN TECHNOLOGIES INC.
#101 – 12111 40 Street S.E.
Calgary, AB T2Z 4E6

Attention: Aidan Mills, President and Chief Executive Officer
Email: [redacted]

with a copy to:

Attention: Kellie Johnston, Chief Legal Officer
Email: [redacted]

Any notice or other document to be given or delivered pursuant to this Lease will be sufficiently given or delivered if delivered to the relevant party at such address. Any notice or other document will be deemed to have been given and received, if delivered if by an overnight delivery company (i.e., FedEx), when delivered, or if mailed, on the third business day following the mailing thereof in any government post office in the Province of British Columbia, provided that if mailed, and after the time of mailing there is any slowdown, strike or labour dispute that might affect the delivery of such notice then such notice shall be effective only if actually delivered.

Notices required by this Lease to any mortgage holder shall only be deemed required in the event Tenant is notified in writing of the existence of such mortgage holder, including its business name, address and phone number.

26. SUCCESSORS

All rights and liabilities herein given to, or imposed upon, the respective parties hereto shall extend to and bind the respective successors and assigns of said parties. No right, however, shall enure to the benefit of any assignee of the Tenant, unless the assignment to that assignee of such right has been approved by the Landlord in writing as provided herein.

27. SEVERABILITY

If any term, covenant or condition of this Lease, or the application thereof to any person or circumstance, is to any extent held or rendered invalid, unenforceable, or illegal, that term, covenant or condition:

(a) shall be deemed to be independent of the remainder of this Lease and severable and divisible herefrom;

(b) such invalidity, unenforceability or illegality will not affect, impair or invalidate the remainder of the Lease or any part hereof; and

(c) will continue to be applicable to and enforceable to the fullest extent permitted by law against any person or circumstance other than those as to which it has been held or rendered invalid, unenforceable or illegal.

28. FURTHER ASSURANCES

Each of the parties shall at all times and from time to time and upon reasonable request do, execute and deliver all further assurances, acts and documents for the purpose of evidencing and giving full force and effect to the covenants, agreements and provisions of this Lease.

29. ENTIRE AGREEMENT; COUNTERPARTS

Subject to Section 32, this Lease constitutes the entire agreement between the Landlord and the Tenant in respect of the subject matter hereof and shall not be modified except by subsequent agreement in writing of equal formality executed by both parties. This Lease may be executed in counterparts, which counterparts will together comprise one and the same instrument.

30. REASONABLENESS

Whenever:

- (a) any consent or approval is required from a party hereunder; or
- (b) the Landlord or the Tenant is required to:
  - (i) exercise its discretion;
  - (ii) do any act;
  - (iii) formulate an opinion;
  - (iv) incur any cost, charge or other expense or make any payment for which the other may be responsible hereunder;
  - (v) be satisfied with respect to any matter; or
  - (vi) make any estimate, determination or judgment,

the same shall be made on a reasonable basis without undue delay and any such cost, charge or expense for any items or services shall be reasonably competitive in the relevant market.

31. CONDITION PRECEDENT

Intentionally deleted.

32. MUTUAL TERMINATION OF REPLACEMENT LEASE

The Landlord and the Tenant each hereby irrevocably agree to, effective as of 11:59.59 p.m. on the Effective Date, terminate the Replacement Lease and the Landlord and the Tenant each hereby release and discharge each other and their successors and assigns from all further liabilities and legal obligations of whatsoever kind and howsoever arising which any of them may now have or at any time hereafter can, shall or may have in any way resulting or arising from any cause, matter or thing existing in connection with the Replacement Lease.

33. COUNTERPARTS

This Lease may be executed in counterparts, each of which, when so executed shall constitute one and the same document.

IN WITNESS WHEREOF authorized signatories of the parties hereto have executed this Lease as of the Effective Date.

BY THE LANDLORD:

SELARC DEVELOPMENTS LTD.

Per: (Signed) "*Authorized Signatory*"

Name: [redacted]

Title: [redacted]

I/We have the authority to bind the corporation

BY THE TENANT:

EMPOWER ENVIRONMENTAL SOLUTIONS LTD.

Per: (Signed) "*Aidan Mills*"

Name: Aidan Mills

Title: Director, President & CEO

I/We have the authority to bind the corporation

BY THE INDEMNIFIER:

NORTHSTAR CLEAN TECHNOLOGIES INC.

Per: (Signed) "*Aidan Mills*"

Name: Aidan Mills

Title: Director, President & CEO

I/We have the authority to bind the corporation

SCHEDULE A
DIAGRAM OF LEASED PREMISES

SCHEDULE B
INDEMNIFIER PROVISIONS

INDEMNITY

The provisions of the indemnity (the "**Indemnity**") contained in this Schedule B shall apply in the event the Lease is executed by the Indemnifier.

In consideration of the Landlord entering into the Lease with the Tenant and in further consideration of the sum of One ($1.00) dollar now paid by the Landlord to the Indemnifier and all other good and valuable consideration (the receipt of all of which is hereby acknowledged by the Indemnifier), the Indemnifier agrees with the Landlord as follows:

1. The Indemnifier covenants with the Landlord that the Tenant will well and truly pay all Rent and other amounts payable under the Lease on the days and at the times and in the manner provided in the Lease, and will observe each and every covenant, proviso, condition, agreement and obligation contained in the Lease on the part of the Tenant to be performed and observed, and that if any default is made by the Tenant, whether in payment of monies or performance of obligations, the Indemnifier shall forthwith on demand pay to the Landlord such monies and perform such obligations and pay any and all damages resulting from any such non-payment or non-performance.

2. The Indemnifier shall be jointly and severally liable with the Tenant for all of the Tenant's obligations under the Lease, as if it were separately named as a tenant under the Lease.

3. This Indemnity is absolute and unconditional and the obligations of the Indemnifier and the rights of the Landlord hereunder shall not be affected or in any way prejudiced or impaired by:

   (a) any neglect or forbearance by the Landlord in obtaining payment of Rent or other amounts or of enforcing the provisions of the Lease or the obligations of the Tenant or any waiver or failure to enforce any provision of this Indemnity by the Landlord;

   (b) any extensions of time or other indulgences given by the Landlord to the Tenant;

   (c) any amendment of the Lease or other dealing between the Landlord and the Tenant with notice to the Indemnifier;

   (d) any assigning or subletting by the Tenant with or without the Landlord's consent, provided the Tenant remains liable thereunder; or

   (e) any other act or failure to act by the Landlord which would release, discharge or affect the obligations of the Indemnifier if it were a mere surety, with the intent that the obligations of the Indemnifier shall continue and shall not be released, discharged or reduced or in any way impaired until such time as all of the obligations of the Tenant under the Lease, now existing or to arise at any time in the true, have been fully performed and satisfied.

4. The Indemnifier expressly waives the benefit of discussion and compensation before proceeding against the Indemnifier. Without limiting the generality of the foregoing, any notice which the Landlord desires to give to the Indemnifier shall be sufficiently given if delivered in accordance with the Lease.

5. The obligations of the Indemnifier under this Agreement shall not be released, discharged or affected by the bankruptcy or insolvency of the Tenant or any proposal made by it to its creditors or any repudiation of the Lease pursuant to the *Bankruptcy and Insolvency Act*, S.C. 1992, or any successor or similar legislation, or any disclaimer by any trustee in bankruptcy of the Tenant or by

the Tenant ceasing to exist whether by winding up, forfeiture, cancellation or surrender of charter, or any other circumstance or by any event terminating the Lease including a re-entry or termination. If the Lease is terminated prior to the end of its term, except by surrender duly accepted by the Landlord, then, at the option of the Landlord, the Indemnifier shall execute a new lease of the Premises between the Landlord as landlord and the Indemnifier as tenant for a term equal in duration to the residue of the term remaining unexpired at the date of termination, and in all other respects upon the same terms and conditions as are set forth in the Lease.

6. The Landlord shall not be obliged to exercise its remedies against the Tenant or any other person or against the Leased Premises or to exhaust any security given by the Tenant before demanding payment of monies or performance of covenants by the Indemnifiers.

7. The Indemnifier's obligations under this Indemnity bind the Indemnifier and its legal representatives, heirs, executor, administrators, successors and assigns (as the case may be) and may be assigned by the Landlord, and will benefit and be enforceable by the successors and assigns of the Landlord, and all parties who for the time being have the status of Landlord under the Lease.

8. The grammatical changes required to make the provisions of this Indemnity apply in the plural sense where the Indemnifier comprise more than one person and to corporations, firms, partnerships, or individual male or female, will be assumed as though in each case fully expressed, and if the Indemnifier consists of more than one person, the obligations of the Indemnifier shall be deemed to be joint and several obligations of each such person. This Indemnity shall be construed in accordance with the laws of the province in which the Leased Premises are located.

9. The Indemnifier acknowledges receipt of a copy of the Lease and covenants, represents and warrants that is has full power, capacity and authority to enter into this Indemnity and to perform its obligations hereunder. No modification of this Indemnity shall be effective unless it is in writing and is executed by both the Indemnifier and the Landlord.

10. Whenever any reference is made in this Indemnity to the Lease or the obligations of the Tenant under the Lease, such reference shall be deemed to include any and all agreements and instruments executed by the Tenant in connection with the Lease, which relates to the Leased Premises. Any capitalized word or phrase used in and not defined in this Indemnity shall have the meaning given to it in the Lease.

SCHEDULE C
PHASE 1 ENVIRONMENTAL SITE ASSESSMENT