[PROFORMA FOR RFP # SR-2004-001]

SKYTRAIN RETAIL SPACE

OPERATING LICENCE

between

GREATER VANCOUVER TRANSPORTATION AUTHORITY

and

[♦]

Operating Licence No.:	SR-OL-[♦]
Date of Operating Licence:	Dated for reference [♦]
Description of Permitted Use:	Operation of a [♦], subject to the provisions of this Operating Licence
Location:	[♦] [identify the station]
Commencement Date:	[♦], subject to Section 2.3
Length of Term:	From the Commencement Date to and including [♦], subject to Section 8(c) of Schedule G and Section 12 of Schedule G
Renewal:	Two five year renewal periods at the option of the Licensee as set out in Section 2.5
Co-Covenantor(s):	[♦] NONE [or identify, as applicable]

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This Operating Licence dated for reference [♦]_____ made and entered into by the Licensor and Licensee records that in consideration of the covenants herein contained the Licensor and the Licensee have agreed as follows:

ARTICLE 1 - BASIC TERMS, SCHEDULES, DEFINITIONS

1.1 Basic Terms

(a)	(i)	Licensor:	Greater Vancouver Transportation Authority 1600 – 4720 Kingsway Burnaby, B.C., V5H 4N2
	(ii)	Address for payment:	Greater Vancouver Transportation Authority c/o British Columbia Rapid Transit Company Ltd. 6800 14th Avenue, Burnaby B.C., V3N 4S7
(b)	(i)	Licensee:	[♦]
	(ii)	Address of Licensee:	[♦]
	(iii)	Operating Name:	[♦]
(c)	Description of the Licensed Space		Licensed Space # [♦, at [♦] [Station, as shown on the drawing(s) attached as Schedule A
(d)	Floor Area:		Approximately [♦] square metres [♦ in aggregate]
(e)	(i)	Term:	From the Commencement Date to and including [♦], 20[♦]
	(ii)	Commencement Date:	[♦], subject to Section 2.3

(f) Minimum Fees:

LICENCE YEAR	(i) PER ANNUM	(ii) PER MONTH
[♦]	$[♦]	0.0
[♦]	$[♦]	0.0
[♦]	$[♦]	0.0
[♦]	$[♦]	0.0
[♦]	$[♦]	0.0

[*Don't copy and paste rows because the copied row will still refer to the original Cell. ♦]

(g) Percentage Fees Rate:

LICENCE YEAR	RATE
[♦]	[♦]
[♦]	[♦]
[♦]	[♦]
[♦]	[♦]
[♦]	[♦]

(h)	Permitted Use of the Licensed Space:	Operation, subject to the provisions of this Operating Licence including any limitations or conditions set out in Schedule F-1 hereof, of a [♦] for the sale, at retail, of the merchandise items listed in Schedule F-1 hereof and such other merchandise items as may be approved from time to time in writing by the Licensor and for the supply, at retail, of the specified services listed in Schedule F-1 hereof and such other services as may be approved from time to time in writing by the Licensor
(i)	Fixturing Period:	From [♦] to the Commencement Date

The foregoing Basic Terms are hereby approved by the parties and each reference in this Operating Licence to any of the Basic Terms shall be construed to include the provisions set forth above and the additional terms and conditions of this Operating Licence where the subject matter of such Basic Terms are more addressed.

1.2 Agent / Manager

The Licensor may from time to time appoint an agent or manager. The agent and manager currently appointed by the Licensor, in connection with this Operating Licence, is:

British Columbia Rapid Transit Company Ltd.
6800 14th Avenue, Burnaby B.C., V3N 4S7

British Columbia Rapid Transit Company Ltd. is a subsidiary of the Licensor. The Licensor may from time to time direct that the Licensee deal with its agent or manager, in connection with this Operating Licence. See also Section 17.14.

1.3 Definitions

Words and phrases used in this Operating Licence have the respective meanings assigned and set forth in Schedule B.

1.4 Schedules and attachments

All schedules and attachments are incorporated into and form an integral part of this Operating Licence.

ARTICLE 2 - OPERATING LICENCE

2.1 Grant of Operating Licence

The Licensor hereby grants to the Licensee, upon and subject to the terms and conditions of this Operating Licence, a licence to operate from the Licensed Space.

If the Licensee duly and punctually pays all Fees when due and at all times complies with and performs the Licensee's obligations under this Operating Licence, then the Licensee may enjoy the licence granted by the Licensor under this Section 2.1 for the Term without interruption or disturbance by the Licensor, subject to the terms of this Operating Licence including the rights of entry and inspection of the Licensor and the limitations and reservations set out in this Operating Licence.

2.2 Term

The Term of this Operating Licence shall be for the period set out in Section 1.1(e)(i), beginning on the Commencement Date. The Licensee's obligations to open for business and to pay Fees shall commence on the Commencement Date. The Licensee shall also be bound by all of the provisions of this Operating Licence during the Fixturing Period.

2.3 Commencement Date

The Term shall commence on the Commencement Date determined as the earlier of:

(a) the date stated in Section 1.1(e)(ii), disregarding the reference to this Section 2.3;

(b) the day upon which the Licensee opens the Licensed Space or any part thereof for business to the public; and

(c) the day next following the expiration of the Fixturing Period.

2.4 Failure to Open for Business

In addition to any other remedies of the Licensor, should the Licensee fail to open for business on the Commencement Date or on any other day during the Term of this Operating Licence without the Licensor's approval (unless such failure is caused by unavoidable delay as provided in Section 17.2 or results from the exercise by the Licensor of any of the reservations or limitations in this Operating Licence), the Licensee shall pay, as liquidated damages, and not as a penalty, and in addition to any other amounts payable under this Operating Licence an amount equal to four times the daily Minimum Fees for each calendar day the Licensee is not open for business, and the parties agree that this represents a genuine pre-estimate of damages which would be suffered by the Licensor in the event of a late opening or a failure to remain open by the Licensee.

2.5 Renewal

If the Licensee has performed all the Licensee's covenants and is not in default under any of the terms of this Operating Licence, then the Licensee, on giving written notice to the Licensor not later than six (6) months prior to the last day of the Term of this Operating Licence ([♦] or the then current renewal term, as the case may be), shall have the right to renew this Operating Licence, subject to the conditions set out below, for a renewal term or successive renewal terms, unless sooner terminated in accordance with the provisions of this Operating Licence, as follows:

first renewal term: 5 (five) years - from [♦], 20[♦] to [♦], 20[♦]
second renewal term: 5 (five) years - from [♦], 20[♦] to [♦], 20[♦]

upon the same terms and conditions as contained in this Operating Licence, except that:

(a) there shall be no further right of renewal; and

(b) the Minimum Fees during the renewal term shall be as follows, payable in accordance with Sections 3.2 and 3.8:

LICENCE YEAR	(i) PER ANNUM	(ii) PER MONTH
first renewal term		
1st Licence Year of the first renewal term	$[♦] *[* shall be 104.5% of the annual Minimum Fees payable for the last Licence Year of the initial Term]*	$[♦]
2nd Licence Year of the first renewal term	$[♦] *[* shall be 104.5% of the annual Minimum Fees payable for the 1st Licence Year of the first renewal term]*	$[♦]
3rd Licence Year of the first renewal term	$[♦] *[* shall be 104.5% of the annual Minimum Fees payable for the 2nd Licence Year of the first renewal term]*	$[♦]
4th Licence Year of the first renewal term	$[♦] *[* shall be 104.5% of the annual Minimum Fees payable for the 3rd Licence Year of the first renewal term]*	$[♦]
5th Licence Year of the first renewal term	$[♦] *[* shall be 104.5% of the annual Minimum Fees payable for the 4th Licence Year of the first renewal term]*	$[♦]
second renewal term		
1st Licence Year of the second renewal term	$[♦] *[* shall be 104.5% of the annual Minimum Fees payable for the last Licence Year of the first renewal term]*	$[♦]
2nd Licence Year of the second renewal term	$[♦] *[* shall be 104.5% of the annual Minimum Fees payable for the 1st Licence Year of the second renewal term]*	$[♦]
3rd Licence Year of the second renewal term	$[♦] *[* shall be 104.5% of the annual Minimum Fees payable for the 2nd Licence Year of the second renewal term]*	$[♦]
4th Licence Year of the second renewal term	$[♦] *[* shall be 104.5% of the annual Minimum Fees payable for the 3rd Licence Year of the second renewal term]*	$[♦]
5th Licence Year of the second renewal term	$[♦] *[* shall be 104.5% of the annual Minimum Fees payable for the 4th Licence Year of the second renewal term]*	$[♦]
* as reasonably calculated and determined by the Licensor		

For greater certainty, Percentage Fees (at the same rate or rates as set out in Section 1.1(g), unless otherwise expressly stipulated herein) and all Additional Fees will continue to be paid by the Licensee during each renewal term.

Where the Licensee has exercised any right of renewal then the Licensee will, if requested by the Licensor, execute a renewal agreement in a form and on terms and conditions reasonably prescribed by the Licensor, and if the Licensee fails to do so within 21 days after it is presented to the Licensee by the Licensor, then the Licensor may elect to terminate this Operating Licence including the renewal term.

Where the Licensee has exercised any right of renewal herein provided, the Licensor may require that the Licensee refurbish the Licensed Space prior to the commencement of the renewal term (or so soon thereafter as the Licensor may allow). Such refurbishment shall be carried out in accordance with the terms of this Operating Licence and with plans and specifications to be prepared by the Licensee and approved by the Licensor, and the Licensee shall expend an amount that is not less than fifteen percent (15%) of the Licensee's Initial Capital Cost (excluding the portion thereof that relates to initial servicing for and hook-up of utilities) in connection with such refurbishment. The actual amount to be spent by the Licensee for such refurbishment shall be determined by the Licensor, in accordance with the foregoing. The Licensee shall carry out any work specified by the Licensor as part of such refurbishment. The Licensee shall deliver such evidence as the Licensor may require in respect of such expenditures. If the Licensee fails to carry out such refurbishment, then the Licensor may elect to treat the right of renewal as having lapsed, and such failure shall constitute a default by the Licensee for which the Licensor shall have all the remedies provided for in this Operating Licence.

ARTICLE 3 – FEES AND PAYMENTS GENERALLY

3.1 Minimum Fees

Subject to Section 3.7, the Licensee shall pay to the Licensor in and for each Licence Year, Minimum Fees in the amount per annum set out in Section 1.1(f) for the respective Licence Year by equal consecutive monthly instalments in the amount set out in Section 1.1(f) for such Licence Year.

3.2 Payment of Minimum Fees

Except as otherwise stipulated in Section 3.7, the first monthly instalment of Minimum Fees shall be paid on or before the Commencement Date and subsequent instalments of Minimum Fees shall be paid strictly in advance on the first day of each and every succeeding month throughout the Term.

3.3 Percentage Fees

The Licensee shall pay to the Licensor in and for each Licence Year, Percentage Fees (by monthly payments on account pursuant to Section 3.4 with an annual adjustment pursuant to Section 3.5) equal to the amount by which Gross Revenue for such Licence Year multiplied by the rate set out in Section 1.1(g) for such Licence Year exceeds the Minimum Fees payable for such Licence Year.

3.4 Payment of Percentage Fees

Within fifteen (15) days after the end of each month of the Term, the Licensee shall furnish the Licensor with a written statement substantially in the form annexed as Schedule D-1 hereof or such other form as the Licensor may from time to time designate to the Licensee, signed and certified as correct by the Licensee or the Licensee's duly authorized agent, setting out in all reasonable detail the amount of the Gross Revenue for the immediately preceding month together with payment of the amount, if any, by which Gross Revenue for the Licence Year up to such month multiplied by the rate set out in Section 1.1(g) for the applicable Licence Year exceeds the Minimum Fees payable for such month and the aggregate of all Minimum Fees and Percentage Fees paid during such Licence Year prior to such month.

3.5 Annual Adjustment of Percentage Fees

Within ninety (90) days after the end of each Licence Year the Licensee shall furnish the Licensor with a written statement substantially in the form annexed as Schedule D-2 hereof or such other form as the Licensor may from time to time designate to the Licensee, signed by the Licensee and certified as correct by the auditor of the Licensee (who shall be an independent chartered accountant or other licensed public accountant acceptable to the Licensor) or, if the Licensee does not have an auditor, then the written statement shall be audited by an independent chartered accountant or other licensed public accountant whose attestation is acceptable to the Licensor, setting out in all reasonable detail and in any event by months, the amount of Gross Revenue for the whole of the preceding Licence Year. If the aggregate amount of the Gross Revenue for such Licence Year as reported monthly to the Licensor pursuant to Section 3.4 is less than the annual amount set out in such certified or audited statement and if the result is a deficiency in Percentage Fees due for such Licence Year, then such certified or audited statement shall be accompanied by a payment to the Licensor equal to the amount of such deficiency. If the aggregate amount of the monthly payment on account of Percentage Fees paid by the Licensee during a Licence Year pursuant to Section 3.4 exceeds the Percentage Fees due for such Licence Year, the Licensor shall refund to the Licensee the amount of such excess without interest within thirty (30) days after delivery of the certified or audited statement of Gross Revenue or completion of any audit which has been commenced by the Licensor pursuant to Section 10.3 within thirty (30) days after delivery of such audited statement and which confirms such excess, provided that the Licensor may first deduct from such excess any Fees which is then in arrears.

3.6 Profit and Loss Statement

Upon the written request of the Licensor, the Licensee shall submit to the Licensor within six (6) months after the Licensee's fiscal year end, a statement of profit and loss, audited by a licensed public accountant, for the Licensee's operations under this Operating Licence.

3.7 Fees for Irregular periods

All Fees shall be deemed to accrue from day to day, and for irregular periods an appropriate pro rata adjustment shall be made, as herein provided.

If the first Licence Year exceeds 365 days (or 366 days, where the first Licence Year includes February 29), then:

(a) for and on account of Minimum Fees for the first Licence Year, the Licensee shall pay in addition to the annual Minimum Fees set out in Section 1.1(f) an amount calculated by dividing the annual Minimum Fees set out in Section 1.1(f) for the first Licence Year by 365 (or 366, as the case may be) and multiplying by the number of days that the first Licence Year exceeds 365 (or 366, as the case may be). The said amount shall be paid by the Licensee on the Commencement Date. The calculation by the Licensor, acting reasonably, of such amount, will govern; and

(b) for and on account of Percentage Fees, in applying Sections 3.3 and 3.5, the Gross Revenue for the first Licence Year will include, for greater certainty, Gross Revenue for and during the period of such excess number of days, and "the Minimum Fees payable for (or during) such Licence Year" will include the amount payable as provided for in Section 3.7(a).

Where the first Licence Year is less than 365 days (or 366 days, where the first Licence Year includes February 29), or any other Licence Year or period is irregular or shorter or longer than any standard provision of this Operating Licence contemplates, then an adjustment will be made consistent with Sections 3.7(a) and 3.7(b) or, if the Licensor so elects, will be made in such other manner as the Licensor acting reasonably may determine, calculate or stipulate.

If the percentage rate applicable for the calculation of Percentage Fees varies for periods within any Licence Year, then the manner of calculation of the Percentage Fees will be as selected by the Licensor for such Licence Year, and it is agreed that if more than one outcome might result depending on how the calculation is made the Licensor may apply the manner that results in the higher of highest Percentage Fees.

3.8 Payments Generally

All payments by the Licensee to the Licensor of whatsoever nature required or contemplated by this Operating Licence shall be:

(a) paid in lawful currency of Canada, together with all taxes, rates, duties, levies, fees, charges and assessments applicable including GST, to:

British Columbia Rapid Transit Company Ltd., as agent and manager of the Licensor as described in Section 1.2 above, at the place stated in Section 1.1(a)(ii) above

or as otherwise directed from time to time in writing by the Licensor to the Licensee;

(b) made when due under this Operating Licence, without prior demand therefor and without any set-off, abatement (except as expressly stipulated in this Operating Licence) or deduction whatsoever, at the place stated in Section 1.1(a)(ii) or such other place as the Licensor may designate from time to time in writing to the Licensee;

(c) applied towards amounts then outstanding under this Operating Licence, in such manner as the Licensor may see fit;

(d) deemed to be Fees, in partial consideration for which this Operating Licence has been entered into, and shall be payable and recoverable as Fees, such that the Licensor shall have all rights and remedies against the Licensee for default in making any such payment which may not be expressly said to be Fees as the Licensor has for default in payment of Minimum Fees; and

(e) subject to an overdue charge if any such payment is not made when due, which overdue charge shall be paid by the Licensee as Additional Fees, calculated at the Prime Rate plus twelve percent (12%) per annum, or such lesser rate as the Licensor may from time to time elect to apply, of the overdue amount, payable with the next monthly instalment of Minimum Fees, all without prejudice to any other right or remedy of the Licensor.

3.9 Additional Fees

The Licensee shall pay to the Licensor all sums payable as Additional Fees in the amounts and at the times provided for in this Operating Licence.

ARTICLE 4 - TAXES

4.1 Licensee's Taxes

The Licensee shall pay promptly when due all business, sales, machinery, equipment and all other taxes, assessments, charges and rates, as well as any permit or licence Fees, attributable to the Licensed Space or the property, business, sales, or income of the Licensee in respect of the business carried on by the Licensee from the Licensed Space.

4.2 Property Taxes

The Licensee shall pay during the Term before any fine, penalty, interest or costs accrue for the non-payment thereof all Property Taxes. If the Licensee fails to pay any Property Taxes as set out in this Section 4.2, the Licensee shall pay any fine, penalty, interest and expense arising therefrom.

4.3 Capital Tax (if any)

The Licensee shall pay to the Licensor, on demand, throughout the Term, as Additional Fees, an amount equal to any Capital Tax payable by the Licensor and attributable to the Licensed Space, as determined from time to time by the Licensor, acting reasonably.

4.4 If No Separate Assessment

If a separate assessment for the Licensed Space is, for any reason, not made or levied by the appropriate taxing authority, the Licensee will pay to the Licensor, on demand, throughout the Term, as Additional Fees, an amount determined by the Licensor, acting reasonably, to be equal to the amount of Property Taxes or grants in lieu of Property Taxes payable by the Licensor in respect of the Licensed Space.

4.5 Evidence of Payment

The Licensee shall furnish to the Licensor upon request, official receipts or other proof satisfactory to the Licensor evidencing payment of Property Taxes due by the Licensee under this Article 4.

4.6 Municipal Charges

The Licensee shall pay any development cost charges, building or development permit fees, inspection fees, licence fees and other charges of municipal or local government levied or assessed against the Licensee or attributable to the Licensee's use of the Licensed Space.

4.7 Goods and Services Tax

The Licensee shall pay, at such time or times as the applicable legislation may from time to time require, an amount equal to any and all taxes, rates, duties, levies, fees, charges and assessments whatsoever, whether or not in existence at the commencement of the Term, assessed, charged, imposed, levied or rated by any taxing authority, whether federal, provincial, municipal or otherwise, on or against the Licensor or the Licensee, with respect to any amounts payable by the Licensee to the Licensor under this Operating Licence or the provision or supply of any goods, services or utilities whatsoever by the Licensor to the Licensee under this Operating Licence, whether any such tax, rate, duty, levy, fee, charge or assessment is called or characterised as a sales, use, consumption, value-added, business transfer or goods and services tax or otherwise.

ARTICLE 5 - COMMON AREAS

5.1 Licensor's Responsibility

The control, general cleanliness, operation and maintenance of the Common Areas shall be the exclusive domain and purview of the Licensor. The manner in which the Common Areas shall be operated, used and maintained and the expenditures therefor shall be at the sole discretion of the Licensor.

5.2 Utilities and Services to Common Areas

The Licensor is not required to provide heat, ventilation, air-conditioning or electricity or any other utilities or services to the Common Areas.

5.3 Increases in Costs

The Licensee shall not do or omit, or permit to be done or omitted, upon or about the Licensed Space, anything which shall cause the Licensor's costs relating to the Common Area to be increased. If, despite the foregoing, the Licensee does so, then the Licensee shall pay to the Licensor on demand as Additional Fees the amount of such increase.

5.4 Licensee's Use of Common Areas

The licence granted to the Licensee, its agents, customers, employees, invitees, licensees, and servants pursuant to Section 5.7 may be exercised only during the business hours which pertain under this Operating Licence and subject to the Rules and Regulations and to the other provisions of this Operating Licence.

5.5 No Obstruction

The Licensee shall not, save to the extent permitted by the Licensor during any general promotional event or as may be otherwise specifically allowed by the Licensor in writing, keep or display any merchandise or other goods or chattels outside of the Licensed Space or on or about the Common Areas or otherwise obstruct the Common Areas.

5.6 Allocation of Common Areas

From time to time, the Licensor may place or permit kiosks or may permit portions of the Common Areas to be used for promotions or by specified users or licensees.

5.7 Licence to Use Common Areas

The Licensor grants to the Licensee, for the Term as an appurtenant part of this Operating Licence, for use by the Licensee and its agents, customers, employees, invitees, licensees and servants, in common with the Licensor and other Licensees and licensees of the Licensor and their respective agents, customers, employees, invitees, licensees and servants, the non-exclusive licence to such parts of the Common Areas as are designated by the Licensor from time to time for public access, for the purposes of access to and from the Licensed Space, subject to the terms of this Operating Licence including the limitations and reservations set out in this Operating Licence, subject to the Rules and Regulations, and subject to any limitations or requirements from time to time prescribed by the Licensor in respect of such use.

ARTICLE 6 - UTILITIES AND H.V.A.C. AND SERVICES

6.1 Utilities and Services

The Licensor may arrange the supply of unmetered utilities and services, including gas, water and electricity to the Licensed Space. The Licensee shall pay to the Licensor, upon invoice by the Licensor, as Additional Fees a charge for supplying such utilities and services to the Licensed Space as reasonably determined by the Licensor on the basis of the Licensee's estimated consumption.

6.2 H.V.A.C.

The Licensee acknowledges that the Licensor will not provide heat, ventilation and air-conditioning to the Licensed Space or the Common Areas above that which is already provided, if any.

If the Licensee wishes to supply any heat, ventilation and air-conditioning to the Licensed Space then:

(a) the equipment and devices that the Licensee intends to use must be of a make, model and specification approved by the Licensor; and

(b) all associated costs will be paid by the Licensee.

6.3 Not Guaranteed Supply

Nothing herein shall be deemed to be an undertaking or guarantee by the Licensor that it shall continue to supply electricity, heating, ventilating, air-conditioning or other utilities and services to the Licensed Space throughout the Term. In the event that the Licensor does not supply or ceases to supply any or all such utilities and services to the Licensed Space and any or all such utilities and services are furnished directly to the Licensee from the supplier utility, the Additional Fees referred to in Section 6.1 shall abate absolutely, with respect to the charges for such utilities as are no longer being supplied by the Licensor.

6.4 Licensee's Utilities

The Licensee shall pay all rates, charges, costs and expenses as may be assessed or levied and at the rates so assessed or levied by all suppliers of utilities directly to the Licensed Space.

6.5 Installation of Meters

The Licensor reserves the right to install meters to check the Licensee's consumption of utilities and services. The Licensor may charge to the Licensee the reasonable costs of installing such meters, or may require that the Licensee install such meters at the Licensee's expense.

6.6 Retail Operations Charge

It is recognized by the Licensee that retail operations at the Station result in additional or incremental costs being incurred by the Licensor, for matters such as cleaning, refuse handling, specified signage, specified lighting, security, training and administration. The Licensee shall pay to the Licensor, as Additional Fees, for each fiscal year therefor as administered by the Licensor, a charge from time to time assessed by the Licensor to cover such additional or incremental costs. The charge will be based on the Floor Area of the Licensed Space, in proportion to the Floor Areas of the licensed space of the Retail Operators (or such of them as the Licensor may from time to time include, for this purpose).

For the first fiscal year, the Retail Operations Charge will be $3.00 per square foot per annum. For subsequent fiscal years the Retail Operations Charge shall be calculated at the rate expressed in dollars per square foot per annum prescribed or declared from time to time by the Licensor.

All sums payable from time to time pursuant to this Section 6.6 shall be payable to the Licensor in equal monthly instalments, in advance, on the first day of each month.

ARTICLE 7 - SECURITY FOR PAYMENT

7.1 Provide Security

As security for the payment of Fees hereunder and the performance of all of the obligations of the Licensee, the Licensee shall provide the security specified in Sections 7.2 or 7.3.

7.2 Form, Content and Amount

The Licensee shall, within five (5) days after the Licensee has begun operating in the Licensed Space and in any case not later than the Commencement Date, deliver to the Licensor a letter of credit in the amount equal to 3 months' Minimum Fees (as reasonably calculated and determined by the Licensor) plus GST. The letter of credit shall comply with the requirements for letters of credit from time to time prescribed by the Licensor. The Licensor may from time to time by notice given to the Licensee revise and add to these requirements. As of the date of this Operating Licence, the requirements of the Licensor include the following: (i) the letter of credit shall state that it is subject to the Uniform Customs and Practice for Documentary Credits of the International Chamber of Commerce (latest revision); (ii) the beneficiary shall be the Licensor; (iii) the issuer shall be a financial institution that is a member of the Canadian Payments Association, a credit union or caisse populaire that is a member of a central co-operative credit society having membership in the Canadian Payments Association, or any other financial institution approved by the Licensor; (iv) the letter of credit must be irrevocable until the date of expiry therein or, if extended, any extended date, whichever is the later; (v) the date of expiry shall be a minimum of one year after the date of issuance; (vi) the letter of credit must provide that the stated expiry date and every subsequent expiry date will be automatically extended on an annual basis without any formal amendment, unless at least sixty days prior to expiry (including any future expiry date as automatically extended) the issuer notifies the Licensor in writing that the issuer elects not to extend the letter of credit for any further period; (vii) partial drawings shall be permitted; (viii) the letter of credit shall be in Canadian dollars, or equivalent in U.S. dollars; (ix) the letter of credit shall state that it is unconditional and is available for drawing upon presentation by the Licensor of sight drafts in demand for payment, and state that the issuer shall forthwith pay such demand to the Licensor without: (A) inquiring about the validity or sufficiency of the demand or the right of the Licensor to make the demand; (B) recognizing a claim by any person; (C) any reference to the state of accounts as between the applicant and issuer.

7.3 Alternative Security

The Licensor may elect to accept a cash security deposit as alternative security to a letter of credit.

7.4 Drawings

In the event the Licensee is in default of payment to the Licensor of any Fees or any other sum payable by the Licensee to the Licensor, and such default continues for five (5) days following notice by the Licensor requiring the Licensee to pay the same, the Licensor may, in addition to any other right or remedy, draw on the letter of credit to pay the arrears or deduct the arrears from the security deposit, as the case may be.

7.5 Renewal or Replacement

(a) The Licensee shall provide the Licensor with a renewal or replacement letter of credit at least sixty (60) days before the date on which any letter of credit expires and shall immediately after any drawing by the Licensor on a letter of credit, deposit an additional letter of credit with the Licensor in the amount paid by the issuer of the letter of credit to the Licensor failing which, in either case, the Licensor may draw the full amount of the letter of credit and hold the funds as a security deposit pursuant to this Article 7;

(b) The Licensee shall, immediately after the Licensor deducts arrears from the security deposit, deposit an additional security deposit in the amount of such arrears with the Licensor.

7.6 Increase or Decrease Amount

The Licensor shall have the right on at least thirty (30) days prior notice to the Licensee to increase or decrease the amount of the security that the Licensee is required to maintain hereunder to match the then-current amount that is equivalent to 3 months' Minimum Fees plus GST.

7.7 Return of Security

At the end of the Term and upon payment by the Licensee to the Licensor of all Minimum Fees, Percentage Fees and Additional Fees, including all costs and expenses incurred by the Licensor in correcting or satisfying any default or fulfilling any obligation of the Licensee under this Operating Licence, the Licensor shall release the letter of credit or return the security deposit to the Licensee, without interest.

7.8 Charge on Fixtures and Improvements

As additional security, the Licensee grants to the Licensor a security interest in all fixtures and improvements on the Licensed Space as security for all obligations of the Licensee to the Licensor from time to time under this Operating Licence. The security interest secures a running account and shall not be discharged if the Licensee is not indebted to the Licensor at any particular time. If any default by the Licensee under this Operating Licence gives the Licensor the right to re-enter the Licensed Space, the Licensor may do so and sever and take possession of any of the fixtures and improvements. The Licensor shall have all the rights of a secured party under the Personal Property Security Act of British Columbia to take possession of, sell or otherwise deal with the property taken. The Licensee waives its right to receive copies of any financing or verification statements filed or issued in respect of the security and shall execute any documents that the Licensor requires to perfect the same. The security interest shall survive the expiry or early termination of this Operating Licence.

7.9 Co-Covenantor(s)

(a) The Co-Covenantor will be jointly and severally liable with the Licensee for due payment of all Fees and other monies payable at the times and in the manner provided in this Operating Licence.

(b) If there is more than one Co-Covenantor, then each of them will be liable as provided for in this Section 7.9, jointly and severally between or among them (as the case may be), and jointly and severally liable with the Licensee also.

(c) The Co-Covenantor covenants with the Licensor to cause the Licensee to duly keep, observe and perform each and every of the agreements, conditions, covenants, obligations, stipulations, and provisions of this Operating Licence to be observed, performed and kept by the Licensee, at the times and in the manner provided in this Operating Licence.

(d) The Co-Covenantor will indemnify and save harmless the Licensor from and against all costs, damages, expense and losses which the Licensor may sustain, incur or become liable for by reason of:

(i) the failure of the Licensee to pay all Fees or any other monies payable at the times and in the manner provided in this Operating Licence;

(ii) the failure of the Licensee to observe, perform and keep each and every of the other agreements, conditions, covenants, obligations, stipulations, and other provisions of this Operating Licence to be kept, observed and performed by the Licensee; and

(iii) any act, action or proceeding of or by the Licensor for or in connection with the enforcement of this Operating Licence including enforcement against the Co-Covenantor.

(e) The Co-Covenantor agrees that the liability of the Co-Covenantor will survive any act, omission or circumstance which might otherwise release or diminish the liability of any covenantor, guarantor or surety.

(f) The Co-Covenantor hereby renounces and waives the benefit of discussion and any right to require the Licensor to first proceed against the Licensee or to pursue any other remedy whatsoever which may be available to the Licensor before proceeding against the Co-Covenantor.

(g) The Co-Covenantor acknowledges that any act or failure to act of or by the Licensor from time to time and, without limiting the generality of the foregoing, any neglect or forbearance or delay by the Licensor from time to time, any extension of time which may be given by the Licensor from time to time, and any waiver or release by the Licensor from time to time, will not release or diminish the liability of the Co-Covenantor hereunder.

(h) The Co-Covenantor agrees that any assignment of this Operating Licence by the Licensor or the Licensee or by any trustee, receiver or liquidator of the Licensee, will not release or diminish the liability of the Co-Covenantor hereunder.

(i) The Co-Covenantor will execute and deliver such further assurances as the Licensor may from time to time reasonably require.

(j) In the event of termination of this Operating Licence, except by surrender accepted by the Licensor, or in the event of disclaimer of this Operating Licence pursuant to any statute, then at the option of the Licensor the Co-Covenantor (jointly and severally, if more than one) will enter into and execute and deliver a new operating licence of the Licensed Space with the Licensor for a term equal in duration to the residue of the term of this Operating Licence remaining unexpired at the date of such termination or disclaimer, at the same Fees and on the same terms and conditions as are contained in this Operating Licence, adapted by the Licensor acting reasonably. The said new operating licence will be prepared by the Licensor, and the Co-Covenantor will execute it within 10 days after it has been presented to the Co-Covenantor. If the Co-Covenantor fails to do so then the Licensor will be entitled to enforce the said new operating licence against the Co-Covenantor as if it had been executed by the Co-Covenantor and was in full force and effect.

(k) The obligations of the Co-Covenantor will survive any termination of this Operating Licence, except by surrender accepted by the Licensor, and will survive any disclaimer of this Operating Licence pursuant to any statute.

(l) The liability of the Co-Covenantor will continue notwithstanding any release or discharge of the Licensee in any receivership, bankruptcy, winding-up or other creditor proceeding or the rejection, disaffirmation or disclaimer of this Operating Licence or the retaking of the Licensed Space by the Licensor.

(m) If this Operating Licence is renewed or is modified or amended in any way (whether material or not, and regardless of how material) or if the Term is extended, or if a new operating licence is entered into between the Licensor and the Licensee for the Licensed Space or any part of parts thereof, then, in all such cases, the Co-Covenantor will be liable under this Operating Licence as so renewed, modified, amended and extended, and will be liable under any such new operating licence, and the Co-Covenantor's obligations as set out in this Section 7.9 will apply, as fully as if the Co-Covenantor had originally undertaken the Co-Covenantor's obligations under this Section 7.9 in respect thereof; and no further acknowledgement, approval or concurrence by the Co-Covenantor will be required to give effect thereto. Any matter approved or agreed upon from time to time by the Licensee will be considered to have been approved and agreed upon by the Co-Covenantor, and for this purpose the Licensor may treat the Licensee as the representative of the Co-Covenantor. The Licensor will be free to deal with the Licensee without seeking the approval or consent of or notifying or advising the Co-Covenantor and, in connection with this Operating Licence and all related matters, including any such new operating licence, any notice or communication made or given by the Licensor to the Licensee will be deemed to be effectively made or given to the Co-Covenantor. As between the Licensor and the Co-Covenantor, the Co-Covenantor accepts the entire responsibility for ensuring that it will be kept apprised (by the Licensee) of all matters concerning this Operating Licence and any such new operating licence, and for ensuring that the Licensee seeks and obtains approval or concurrence of the Co-Covenantor (to the extent that the Co-Covenantor may be affected, or would like to be

consulted) for matters concerning this Operating Licence including any such renewal, modification, amendment, or extension and any such new operating licence.

ARTICLE 8 - INSURANCE

8.1 Licensee's Insurance

(a) The Licensee shall, during the whole of the Term and during such other time as the Licensee operates in or from the Licensed Space, including, without limitation, the Fixturing Period, take out and maintain the following insurance, in such form and with such companies as the Licensor may reasonably approve:

(i) comprehensive general liability insurance against claims for bodily injury, including death and property damage or loss arising out of the use of or operation from the Licensed Space, or the Licensee's business on or about the Licensed Space, and such insurance shall include the Licensor as an additional insured and shall contain a "cross liability" or "severability of interests" clause so that the Licensor and the Licensee may be insured in the same manner and to the same extent as if individual policies had been issued to each, and shall be for the amount of not less than:

[between Two Million Dollars ($2,000,000.00) and Five Million Dollars ($5,000,000.00) - as prescribed by the Licensor for each Operating Licence]

(ii) combined single limit or such other amount as may be reasonably required by the Licensor from time to time, and such comprehensive general liability insurance shall, for the Licensee's benefit only, include contractual liability insurance in a form and of a nature broad enough to insure the obligations imposed upon the Licensee under the terms of this Operating Licence;

(iii) Licensee's legal liability insurance in an amount equal to the full replacement value of the Licensee's Work in the Licensed Space as determined, in the event of any dispute, by the Licensor's independent insurance advisor;

(iv) all risks property insurance upon its merchandise, stock-in-trade, furniture, fixtures and improvements and upon all other property in the Licensed Space owned by the Licensee or for which the Licensee is legally liable, all in an amount equal to the full replacement value thereof;

(v) boiler and machinery insurance on such boilers and pressure vessels as may be installed by, or under the exclusive control of, the Licensee in the Licensed Space; and

(vi) automobile liability insurance with respect to all motor vehicles operated by the Licensee in connection with the Licensee's business at the Licensed Space.

(b) The policies of insurance referred to above shall contain the following:

(i) provisions that the Licensor is protected notwithstanding any act, neglect or misrepresentation of the Licensee which might otherwise result in the avoidance of a claim under such policies and that such policies shall not be affected or invalidated by any act, omission or negligence of any third party which is not within the knowledge or control of the Licensor;

(ii) provisions that such policies and the coverage evidenced thereby shall be primary and non-contributing with respect to any policies carried by the Licensor and that any coverage carried by the Licensor shall be excess coverage;

(iii) all property and boiler insurance referred to above shall include the Licensor and the Licensee as named insureds as their respective interests may appear, and shall provide for waivers of the insurer's rights of subrogation as against the Licensor and those for whom the Licensor is, in law, responsible;

(iv) provisions that such policies shall not be cancelled without the insurer providing the Licensor thirty (30) days' prior written notice stating when such cancellation shall be effective.

(c) The Licensee shall further during the whole of the Term maintain such other insurance in such amounts and upon such terms as the Licensor may reasonably determine from time to time.

(d) Evidence satisfactory to the Licensor of all such policies of insurance shall be provided to the Licensor upon request.

8.2 Increases in Rates

The Licensee shall not do or omit or permit to be done or omitted upon the Licensed Space anything which causes or could cause the Licensor's rates of insurance to be increased or cause such insurance to be cancelled. If any such rate of insurance shall be increased as aforesaid, the Licensee shall pay to the Licensor, on demand, the amount of the increase as Additional Fees. If any insurance policy or any part thereof is cancelled or threatened to be cancelled by reason of the use or activity of the Licensee or any act or omission as aforesaid, the Licensee shall forthwith remedy or rectify such use, activity, act or omission as aforesaid upon being requested to do so in writing by the Licensor, and if the Licensee shall fail to so remedy or rectify, the Licensor may, at its option terminate this Operating Licence forthwith.

ARTICLE 9 - USE AND OPERATION

9.1 Permitted Use

Subject to the provisions of this Operating Licence, the Licensed Space shall be used for the purposes set forth in Section 1.1(h) and Schedule F-1, and the Licensee shall not use the Licensed Space for any other purpose unless first approved in writing by the Licensor, provided however, the Licensees shall be entitled to use for office, clerical or other non-merchandising purposes only such space in the Licensed Space as is from time to time reasonably required for the Licensee's business therein and in any event not more than fifteen percent (15%) thereof.

The Licensee shall merchandise, offer and supply from the Licensed Space at retail the merchandise items or specified services listed in Schedule F-1 and shall not otherwise merchandise, offer or supply any merchandise items or services unless first approved in writing by the Licensor. The Licensee shall warehouse, stock or store in the Licensed Space only such goods, wares and merchandise as the Licensee intends to offer for sale at retail at, in, from or upon the Licensed Space.

If from time to time the Licensee sells or supplies products or services or carries on a use or activity beyond that which is expressly permitted as set out in this Operating Licence, based on any claim (whether validated by a Court order or other final and binding award, or not) of proprietary estoppel or other like entitlement or claim, then the Licensee will nevertheless cease doing so upon reasonable notice (and in any case, 30 days notice will be deemed to be sufficient) given by the Licensor to the Licensee.

9.2 Operating Name

The Licensee shall carry on business under the operating name set forth in Section 1.1(b)(iii) and under no other name or style whatsoever unless such other name or style is first approved by the Licensor.

9.3 Covenant to Operate

The Licensee shall throughout the whole of the Term continuously operate and utilize the entire Licensed Space and conduct its business therein complying strictly with the provisions of this Article 9. The Licensee acknowledges that the Licensor is executing this Operating Licence in reliance upon the Licensee's covenant herein contained and that such covenant is a material element inducing the Licensor to execute this Operating Licence.

9.4 Character of Business

(a) The Licensee shall operate and conduct its business upon the Licensed Space in an up-to-date first class and reputable manner and shall act diligently and use all proper and reasonable efforts consistent with good business practice to achieve the highest degree of customer satisfaction for service and product choice, quality, and price, and, subject to the foregoing, to maximize the Gross Revenue of the Licensee and hence the Percentage Fees payable to the Licensor.

(b) The Licensee acknowledges that the Licensee and other licensees at Stations are to be or have been selected and approved by the Licensor on the basis of the nature, character and quality of goods and services to be sold or offered from each retail space, and the mix and overall retail offering of such goods and services, and that no material change in the nature or character of the business carried on by the Licensee in or from the Licensed Space or in the quality of goods and services sold or offered by the Licensee in or from the Licensed Space shall be permitted without the prior consent of the Licensor.

(c) The Licensee shall engage sufficient suitable and appropriately licensed personnel, equipment and vehicles to provide a standard of service that is safe, prompt, reliable, efficient, friendly and polite, and personnel shall be trained to achieve those ends and shall be properly groomed and attired all to the reasonable satisfaction of the Licensor.

(d) The Licensee hereby authorizes the Licensor and its representatives to enter the Licensed Space from time to time to monitor, survey and assess the character and quality of products and services offered, courtesy of staff, whether the Licensee's marketing plan (as represented by the Licensee to the Licensor, in connection with any request for proposal process or response, or otherwise) is being adhered to, and for general quality control and customer-service purposes.

(e) The Licensee acknowledges that its proposal dated _____ submitted in response to the Licensor's request for proposals # SR-2004-001 and addenda if any thereto (collectively, the "RFP") was material in inducing the Licensor to execute this Operating Licence, and the Licensee agrees that it shall adhere to and perform each and every one of the undertakings and representations contained in its proposal. All of the requirements and stipulations on the part of the proponent or Licensee to be performed as set out in the RFP will be observed, performed and complied with by the Licensee, as part of this Operating Licence. In the event of a conflict between:

(i) any of the provisions of the Licensee's proposal; and

(ii) any of the provisions of this Operating Licence or the RFP;

then the latter will govern. The Licensor will not be obligated by anything contained in the Licensee's proposal or the RFP unless expressly carried forward and incorporated into this Operating Licence.

9.5 Hours of Business

(a) The Licensed Space shall be open for business to the public during the hours specified by the Licensor from time to time for the Licensed Space. If the Licensee fails to open for business during the hours specified by the Licensor, the Licensee shall pay, as liquidated damages, and not as a penalty, and in addition to any other amounts payable under this Operating Licence, an amount equal to 1/6 of the daily Minimum Fees for each hour the Licensee is not open for business, and the parties agree that this represents a genuine pre-estimate of damages which would be suffered by the Licensor in the event of a failure to remain open by the Licensee.

(b) Where the only access to the Licensed Space is through the Common Areas, the Licensed Space shall be accessible by the public during the operating hours of the Rapid Transit System. Outside of such operating hours, all or part of the Common Areas may be locked and the public excluded therefrom.

(c) The Licensee will post its hours of business at a location on the storefront or on the Licensee's fixtures or equipment approved by the Licensor, using signage approved by the Licensor.

9.6 Safety and Security

(a) Safety, security and increased ridership are predominant objectives of the Licensor's retail program and for the presence of the Retail Operators. The Licensor may from time to time implement measures to enhance and reinforce safety and security, and may prescribe and stipulate requirements from time to time, as part of the Rule and Regulations or as directives issued from time to time by the Licensor, that are to be observed and carried out by the Retail Operators for these purposes. The Licensor agrees to cooperate with the Licensor in such measures, and to observe and comply with such requirements.

(b) The Licensee shall comply with the Licensor's Rules and Regulations relating to personnel identification systems and security clearance procedures, and shall pay to the Licensor on demand all reasonable charges levied by the Licensor for these personnel identification systems and security clearance procedures.

(c) The Licensor shall have the right to temporarily suspend or cancel this Operating Licence if the Licensee's operation or personnel poses a safety or security risk. The Licensor contemplates that the Licensor will work with the Licensee to address and manage any such risk, before suspension or termination. In the case of an imminent or unacceptable risk it may be impracticable to do so.

9.7 Safety and Operations Programs

(a) The Licensee will ensure that each of its managers directly responsible for operations at the Licensed Space attends and participates in a short safety and operations training session organized by the Licensor, at the earliest scheduled course date available, and obtains a "Certificate of Completion" or other confirmation as may from time to time be provided by the Licensor for this course. The course will be provided by the Licensor at no additional cost to the Licensee.

(b) The Licensee will further ensure that each employee of the Licensee employed at the Licensed Space is made aware of and provided training on safety and operational issues described at the aforementioned safety and operations sessions within three months of employment at the Licensed Space.

9.8 Security of the Licensed Space

The Licensee is solely responsible for security of the Licensed Space and its contents, both during and outside of the hours of operation of the Rapid Transit System. If required by the Licensor from time to time, items identified by the Licensor as high risk (including cigarettes and lottery tickets) shall be stored by the Licensee off–site.

9.9 An Operating Transportation System

The Rapid Transit System is an operating rail transportation system and is part of an integrated, multi-modal transit system (i.e. Transit, as defined in this Operating Licence). The Licensee recognises that the operation of Transit is paramount, that the Licensor at all times retains the right and power to conduct operations thereof as the Licensor determines, that disruptions to the Licensee's operation will from time to time occur, and that operating requirements, special events and activities, and safety and security precautions or concerns will from time to time adversely impact the Licensee's operation. The foregoing may include emergency response closures, training and rehearsals for emergency response, evacuations, and preventive safety and security measures and programs. The Licensee acknowledges that the Licensor will have no liability to the Licensee in connection with any of the foregoing (including for negligence by the Licensor towards the Licensee in connection with any of the foregoing), and despite the foregoing the Licensee will remain liable to pay the Fees and otherwise fully comply with this Operating Licence.

The Licensee acknowledges that: (i) passenger flow must not at any time be obstructed or impeded by or in connection with Licensee's operations; (ii) any inconvenience to passengers, by or in connection with Licensee's operations, must at all times be minimal and minimized; and (iii) the Licensee will at all times take and implement such steps and measures as the Licensor may from time to time prescribe, to give effect to the foregoing, and such steps and measures might entail temporary closure of the Licensee's operations for peak passenger flow periods (for example, concerts and sporting events).

Transit operations and related decisions, practices and policies are and remain within the exclusive purview, control and domain of the Licensor.

The foregoing applies during any period of construction or refurbishment of the Licensed Space. Specific written approval must be obtained in writing from the Licensor, for any exceptions.

9.10 Public Health

The Licensee agrees that if any part of its business from the Licensed Space includes the sale of food or beverages, it has public health obligations and the Licensee:

(a) shall conform with and abide by the standards set out in any public health code designated by the Licensor including:

(i) the Health Act (British Columbia) and all regulations enacted thereunder;

(ii) the Sanitation Code of the Canadian Food Service Industry as published, from time to time, by the Canadian Restaurant Association;

(iii) all Province of British Columbia Acts and Regulations governing food service operations;

(iv) all applicable municipal regulations governing food service operations; and

(v) all applicable Federal Government Acts and Regulations governing food service operations;

(b) shall pay all inspection and permitting Fees charged by the public health agency, failing which the Licensor may pay the same, and the Licensee shall pay to the Licensor, on demand, as Additional Fees, the cost thereof together with an administration Fees of twenty percent (20%) of such cost;

(c) shall provide an irrevocable direction and authorization to the public health agency to provide copies of all permits and inspection reports relating to the Licensed Space to the Licensor; and

(d) hereby specifically acknowledges and agrees that if the public health agency inspections result in rating reports of 85 or less out of a total score of 100 (or if not so scored, if the result of the inspections otherwise fails to satisfy the high standard expected by the Licensor to be met by the Licensee) on two (2) or more occasions in any twelve (12) month period,, the Licensor may, at any time thereafter, terminate this Operating Licence, unless the Licensor, acting reasonably, determines that such scores are not an accurate indication that the Licensee is not complying with its public health obligations.

9.11 Food and Beverage

(a) If the Licensee is selling food and beverages in the Licensed Space, the Licensee shall only sell such food and such beverages as are identified in a menu which has been approved by the Licensor, and will only change such menu with the prior consent of the Licensor.

(b) The Licensor and the Licensee agree that the cleaning of any cooking exhaust system, including hoods, ductwork, fans and all associated devices and equipment, both in the Licensed Space and throughout the Designated Buildings, shall be carried out by the Licensee at the Licensee's expense.

(c) All kitchen grease shall be disposed of by the Licensee, at the Licensee's expense by placing such grease in containers and removing such containers from the Licensed Space on a regular basis. The Licensee shall immediately clean any spills occasioned by the transfer of the containers from the Licensed Space.

(d) In the event the Licensee fails to perform the obligations on its part set out in this Sections 9.11(b) and 9.11(c) upon notice so to do from the Licensor or the Licensee's performance of such obligations is not to the complete satisfaction of the Licensor, the Licensor may perform the same and the Licensee shall pay to the Licensor, on demand, as Additional Fees, the cost thereof together with an administration Fees of twenty (20%) of such cost.

(e) The Licensee will be responsible to obtain any required licensing or approvals from the Liquor Control and Licensing Branch, and, where applicable, covenants to maintain the same in good standing at all times. On expiry or other termination of this Operating Licence, the Licensee will if requested by the Licensor assign the liquor licence to a successor or nominee designated by the Licensor.

(f) The Licensee will comply with requirements from time to time prescribed by the Licensor for food and beverage Licensees and operators, with regard to pest control.

(g) This Section 9.11 will not be construed to imply that the Licensee is permitted to sell food and beverages in the Licensed Space, if not otherwise specifically permitted under this Operating Licence.

9.12 Environmental Matters

(a) The Licensee shall comply with all Environmental Laws and Regulations and shall conduct its business and affairs and operate the Licensed Space in a prudent and responsible manner and with all due care and due diligence with respect to Environmental Matters.

(b) The Licensee shall take all measures required to remediate and clean-up any parts of the Licensed Space and other affected areas where there has occurred an Environmental Adverse Effect caused or contributed to by the Licensee or its agents, concessionaires, contractors, suppliers, employees, licensees and sublicensees, or by activities on the Licensed Space, with all due care and due diligence.

(c) The Licensee shall implement effective measures to ensure that the design of the Licensed Space and the manner of operating on the Licensed Space address and deal with, in a prudent manner, any Environmental Matters which can be reasonably foreseen and avoid any Environmental Adverse Effect.

(d) The Licensee shall provide all information to the Licensor concerning any failure of the Licensee to comply with any Environmental Laws and Regulations or relative to any pending or threatened investigation or proceeding concerning any Environmental Matter.

9.13 Acknowledgement

The Licensee acknowledges that no exclusive right, pre-emptive right, right of first opportunity, or other similar right, express or implied, is given to or conferred upon the Licensee under or by virtue of or related to this Operating Licence with regard to any use, merchandise or service, or otherwise whatsoever, unless expressly set out in Schedule F-1 of this Operating Licence.

9.14 Licensor May Cause Association

(a) The Licensor may cause an association of merchants to be formed, in which case the objects of the association shall be to encourage its members in fair and courteous dealings with the public, to foster ethical business practices, to develop, promote, advertise and improve the business to be carried out by Retail Operators and in general to aid the common interests of its members.

(b) The Licensee shall automatically become a member of the association and shall abide by the rules, regulations and by-laws generally applicable to the members thereof.

(c) Any such rules, regulations or by-laws in conflict with this Operating Licence shall not be binding upon the Licensee and no such rules, regulations or by-laws shall be adopted or become binding upon the members thereof if opposed by the Licensor.

9.15 Licensor Identification

The Licensee will promote the names “SkyTrain” and “TransLink” and all insignias and other identifying names and marks which the Licensor instructs the Licensee to use in connection with such names in the advertising of its business in the Licensed Space. However, the Licensee does not have nor will it acquire any rights in such names, marks or insignias and at the option of the Licensor, the Licensee will promptly abandon or assign to the Licensor any such rights which the Licensee may acquire by operation of law, and will promptly execute such documents as in the Licensor's opinion are or may be necessary to give effect to this Section 9.15.

9.16 Display Transit Schedules, Brochures

The Licensee will, upon request of the Licensor, display transit schedules, brochures and associated materials, and if requested by the Licensor the Licensee will allow reasonable space on the storefront or counter therefor. The Licensor will be permitted, acting reasonably, to place directional and other operational signage on the Licensed Space.

9.17 Third Party Advertising Program

If from time to time the Licensor has contracted with or entered into an arrangement with a third party relative to advertising or an advertising program on the Rapid Transit System or components or aspects of such advertising, then the Licensee ‘s signage and advertising will comply with reasonable requirements and limitations prescribed from time to time by the Licensor or such third party, or arising in connection with such will contract or arrangement with such third party or advertising program.

9.18 Corporate Sponsors

The Licensee acknowledges that the Licensor plans to enter into contractual arrangements to grant various parties the status of official sponsors, suppliers and advertisers for the Rapid Transit System and the Licensee agrees that it will take all reasonable steps to co-operate with the Licensor in such a corporate sponsorship program including such steps as may be required by the Licensor regarding limitations on advertising in or about the Licensed Space and giving preference to suppliers designated by the Licensor, provided that in giving such preference to suppliers, the Licensee will not be obligated to breach or infringe its own contractual obligations with its suppliers.

9.19 Signs

The Licensee shall erect, install and maintain signs of a kind and size and in a location, all as first approved by the Licensor, publicizing the Licensee's operating name, as set forth in Section 1.1(b)(iii). All signs as well as the advertising practices of the Licensee shall comply with the applicable Rules and Regulations including the Licensor’s advertising policy in effect from time to time. The Licensee shall not erect, install or maintain any sign other than in accordance with this Section 9.19.

9.20 General Prohibitions

(a) Certain businesses, activities, products and services are not considered suitable or desirable by the Licensor, either as a result of the negative impact on its operations or otherwise. The Licensee shall not engage in any business or activity, sell, stock or distribute any product or offer any service from time to time proscribed by the Licensor.

The businesses and activities currently proscribed by the Licensor are as follows: adult telephone services; body rub salon/massage parlour; escort service; pornographic film studio/video rental; unlicensed karaoke box business; tattoo shop/piercings; arcades; a store operated principally or in part for the sale of second-hand goods, war surplus articles, insurance salvage stock or fire or bankruptcy sale stock or the sale of merchandise damaged by fire; an auction or a pawnshop; any business in which the operator makes a practice of fraudulent or deceptive advertising or selling procedures.

The product(s) currently proscribed by the Licensor are as follows: chewing gum.

(b) The Licensee shall not divert to another location business that would normally be transacted from the Licensed Space.

(c) Anything to the contrary notwithstanding:

(i) The Licensee shall not permit any business to be operated in or from the Licensed Space or any part thereof by any franchisee, licensee, concessionaire or others (any such person being herein referred to as a "Franchisee") before obtaining the consent of the Licensor for each concession, franchise or licence (herein referred to as a "Franchise"). If the Licensee permits any Franchisee to operate in or from the Licensed Space or any part thereof, that shall be treated as a sublicencing by the Licensee and the terms and conditions of Section 14.1 of this Operating Licence shall apply accordingly. For greater certainty:

A. the Franchise and Franchisee shall be subject to the terms, covenants and conditions contained in this Operating Licence;

B. in the event of a conflict between the terms of the Franchise and the terms of this Operating Licence, the terms of this Operating Licence shall govern;

C. the Licensee shall promptly execute and procure execution by the Franchisee of any documents which the Licensor reasonably stipulates or prescribes, which may include a sublicence of the Licensed Space or any part thereof in a form approved by the Licensor and any documents that the Licensor reasonably stipulates or prescribes pursuant to Section 14.1 of this Operating Licence; and

D. for any change of the Franchisee, the consent of the Licensor will again be required and the provisions of this Section 9.20(c)(i) will again apply;

(ii) If the Licensor has given or hereafter gives any exclusive right, pre-emptive right, right of first opportunity, or other right similar to any of the foregoing to any one or more persons, then:

A. except where Section 9.20(c)(ii)B applies, the Licensee shall not use or permit any part of the Licensed Space to be used for or in connection with any use that would conflict with or infringe upon any such right; and

B. if the Licensee is, in compliance with this Operating Licence, using the Licensed Space for a use that conflicts with or infringes upon any such right given by the Licensor after this Operating Licence has been entered into, then to the extent that the Licensee is doing so the Licensee will be permitted to continue to do so provided that if at any time such use is diminished or discontinued thereafter the Licensee shall not recommence the use that was diminished or discontinued;

(iii) The Licensee shall not use or permit any part of the Licensed Space to be used for or in connection with:

A. a bank or the supply or sale of any financial services or insurance; or

B. the operation of any coin-operated machines without the prior consent of the Licensor;

C. advertising (other than advertising of merchandise and services that the Licensee is expressly permitted to sell or supply pursuant to the provisions of this Operating Licence);

(iv) The Licensee shall not sell, distribute or stock alcoholic products (including beer, wine and liquor), unless specifically set out in Schedule F-1; and

(v) Where the Licensor at any time regulates, restricts or licenses any business or activity for the Rapid Transit System (a ”Prescribed Business or Activity”), then the Licensee shall not, in connection with any business or activity carried out by the Licensee concerning the Licensed Space or the Rapid Transit System, engage or deal with or use directly or indirectly any contractor or supplier or service that is not licensed or authorized by the

Licensor with respect to that Prescribed Business or Activity, and the Licensor may from time to time prescribe that among those licensed or authorized by the Licensor from time to time with respect to any Prescribed Business or Activity the Licensee will only engage or deal with or use contractors or suppliers or services specified by the Licensor from time to time or that the Licensee adhere to reasonable requirements and conditions prescribed by the Licensor from time to time.

9.21 Compliance with Laws

The Licensee shall carry on and conduct its business and all activities (including Alterations) on or from the Licensed Space in such manner as to comply with any and all applicable laws, statutes, by-laws, rules, regulations, declarations, ordinances, directives, orders, requirements and directions of Regulatory Authorities.

9.22 Nuisance

The Licensee shall not do or omit or permit to be done or omitted anything which could damage the Rapid Transit System or injure or impede the business of the Licensee or of other Retail Operators or which shall or might result in any nuisance in or about the Licensed Space, whether to the Licensor, any other Retail Operator or any other party, the whole as determined by the Licensor, acting reasonably. In any of the foregoing events, the Licensee shall forthwith remedy the same and if such thing or condition shall not be so remedied, the Licensor may, after such notice, if any, as the Licensor may deem appropriate in the circumstances, correct such situation at the expense of the Licensee and the Licensee shall pay such expense, together with an administration fee of twenty percent (20%) of such expense, to the Licensor, on demand, as Additional Fees.

9.23 Competition Act

Each of the Licensor and Licensee acknowledge that the retail operations on the Rapid Transit System are part of an integral marketing setting and that this Operating Licence and the other licences entered into or to be entered into with other Retail Operators are intended to establish a variety of merchandising and service outlets as part of the Rapid Transit System to enable the Retail Operators to compete effectively within the trading area served by the Rapid Transit System. No provision of this Operating Licence is intended to apply or to be enforceable to the extent that it would give rise to any offence under the Competition Act of Canada.

9.24 Emergency Access

During any emergency, the Licensor shall at all times and for all purposes have full and free access to the Licensed Space. The Licensee acknowledges that the Licensor may be required at times to break the locks of the door to the Licensed Space or open the door with force in order to gain immediate access to the Licensed Space during an emergency.

9.25 Rules and Regulations

(a) The Rules and Regulations attached as Schedule E hereof may be amended and added to from time to time by the Licensor acting reasonably upon prior notice to the Licensee and shall be of general application to Retail Operators.

(b) All Rules and Regulations now or hereafter in force shall in all respects be observed and performed by the Licensee and its agents, concessionaires, contractors, suppliers, employees, licensees and sublicensees, and the Licensee shall cause such observance and performance.

(c) For the enforcement of all Rules and Regulations, the Licensor shall have available to it all remedies in this Operating Licence provided for a breach of any provision hereof and all legal rights and remedies available at law and in equity.

(d) Any Retail Operators Manual approved from time to time by the Licensor and delivered to the Licensee shall be deemed to be part of the Rules and Regulations.

(e) The Licensor shall not be responsible to the Licensee for the non-observance or violation by any other Licensee or person of the Rules and Regulations.

ARTICLE 10- LICENSEE'S RECORDS

10.1 Records

(a) The Licensee shall record all sales, charges, services, refunds, exchanges or other transactions, whether for cash or credit, in the presence of the customer, at the time they are made, in cash registers or other devices, approved by the Licensor which include, in each case:

(i) an automatic tape or other storage medium which shall permanently record each sales transaction, complete with any voids and refunds; and

(ii) such other reasonable control features as are required and approved by the Licensor, from time to time, including, without limitation, a requirement that all registers and other devices be connected to any central computer network or point of sale system designated by the Licensor.

(b) For the purposes of this Operating Licence, the Licensee shall prepare and keep, on the Licensed Space or in the metropolitan area of the City of Vancouver, for a period of not less than seven (7) years following the end of each Licence Year, original sales records which shall show inventories and receipts of merchandise at the Licensed Space and all pertinent daily receipts from all sales and other transactions on the Licensed Space by the Licensee and any other persons conducting any business upon the Licensed Space, and including but not limited to:

(i) cash register tapes including tapes from temporary registers;

(ii) serially numbered sales slips;

(iii) settlement report sheets of transactions with sublicensees, assignees, concessionaires and licensees;

(iv) original records showing that merchandise returned by customers was purchased at the Licensed Space or other Licensed Space operated by the Licensee by such customer;

(v) memoranda, receipts or other records of merchandise taken out on approval;

(vi) such other sales records, if any, as would normally be examined by an independent chartered accountant pursuant to generally accepted accounting principles in performing an audit of the Licensee's Gross Revenue;

(vii) true copies of returns showing payment to the relevant taxing authorities of sales taxes or other taxes, if any, collected from customers on account of sales on or from the Licensed Space; and

(viii) the records specified in Sections 10.1(b)(i) to 10.1(b)(vii) above of all sublicensees, assignees, concessionaires or licensees of the Licensed Space to be kept pursuant to Section 10.2.

10.2 Sublicensee's Records

The Licensee shall require and ensure that all its sublicensees, assignees, concessionaires or licensees maintain similar records and furnish similar statements to the Licensor, in like manner to that required of the Licensee pursuant to this Operating Licence, and that they make them available to the Licensor for all purposes set out in this Article 10. The Licensee shall be deemed to warrant the accuracy of records and statements provided by them.

10.3 Rights of Inspection, Audit and Related

(a) The Licensor and any accountants or auditors appointed by the Licensor shall have the right during business hours and after written notice to the Licensee to inspect and, should the Licensor so elect, audit all records and supporting information required to be prepared and kept pursuant to Sections 10.1 and 10.2 as well as such other information as may be reasonably necessary to accurately determine or verify the Gross Revenue.

(b) If the Licensee fails to deliver any statement required by Section 3.4 or Section 3.5 within the time limited therefor, the Licensor shall have the right thereafter to employ an independent accountant to examine such books and records as may be necessary to certify the amount of the Licensee's Gross Revenue for the preceding month or Licence Year, as the case may be, and the Licensee shall pay the amount of the Licensor's expenses in connection therewith, together with an administration Fees of twenty percent (20%) of such expense, to the Licensor as Additional Fees, on demand.

(c) If the Licensee fails to allow the Licensor to exercise such rights, either by denying access to such books or records or because such books and records are non-existent or inadequate in accordance with the terms of this Operating Licence, the Licensee shall be deemed to be in default of this Operating Licence.

(d) If any audit by or on behalf of the Licensor should disclose an understatement of Gross Revenue in any statement delivered pursuant to Section 3.4 or Section 3.5, the Licensee shall immediately pay to the Licensor the amount of the deficiency in Percentage Fees and if the understatement is more than three percent (3%), as reasonably determined by the Licensor, of the amount disclosed in the said statement, the Licensee shall pay to the Licensor the amount of the Licensor's expenses for such audit together with an administration Fees of twenty percent (20%) of such expenses, and the Licensor at its option may terminate this Operating Licence.

(e) The Licensor may at any time require that any annual statement provided or to be provided pursuant Section 3.5 be accompanied by a report of the auditor that complies with the recommendations prescribed under sections 5800/5805 of the Canadian Institute of Chartered Accountants Handbook; provided that, unless material discrepancies are identified, the Licensor will not apply this provision back (from the time the request is made) further than the last three completed Licence Years.

10.4 No Prejudice

The acceptance by the Licensor of payments of Percentage Fees shall be without prejudice to the Licensor's rights under this Article 10 to determine or verify the Licensee's Gross Revenue and without prejudice to the right to collect any additional Percentage Fees found to be due thereby.

10.5 Disclosure of Gross Revenue Information

Within ten (10) days (or such other period as the Licensor may approve in writing) after the end of each month during the Term, the Licensee shall deliver to the Licensor a written unaudited statement in the form attached as Schedule F-2 hereof or such other form as the Licensor may from time to time prescribe, signed or certified by the Licensee in such manner as the Licensor may from time to time prescribe, of the Licensee's Gross Revenue for the immediately preceding month broken down by product category, product types and individual retail outlet as set out in Schedule F-1 or broken down as otherwise prescribed from time to time by the Licensor. The Licensor may require that the Licensee deliver such statement both electronically, in such manner as the Licensor may from time to time direct, and with a hard copy accompanying the payment of Fees. The Licensor may use and distribute the information in such reports for the Licensor's purposes.

ARTICLE 11 - CLEANING, REPAIR

11.1 Cleaning

(a) The Licensee shall keep the Licensed Space, and without limitation, the inside and outside of all glass, windows and doors of the Licensed Space and all exterior surfaces of the Licensed Space in a neat, clean and sanitary condition and shall not allow any refuse, garbage, grease or other loose or objectionable or waste material to accumulate in or about the Licensed Space.

(b) In the event the Licensee fails to clean the Licensed Space in accordance with this Section 11.1 upon notice so to do from the Licensor, the Licensor may clean the same and the Licensee shall pay to the Licensor, on demand, as Additional Fees the cost thereof together with an administration Fees of twenty percent (20%) of such cost.

11.2 Licensee's Repairs

(a) The Licensee shall repair the Licensed Space excepting only reasonable wear and tear and Structural Repairs but including any damage to or breakage of glass, mouldings, signs, doors, hardware, lighting, improvements, partitions, walls, fixtures, thresholds and all trade fixtures and furnishings of the Licensee or otherwise in or for the Licensed Space and shall redecorate as required and maintain in good condition, subject to reasonable wear and tear, the interior of the Licensed Space, any appurtenances thereto, any improvements now or hereafter erected or installed therein and any apparatus or equipment of the Licensee therein.

(b) The Licensee shall keep well-painted and finished at all times the interior of the Licensed Space in accordance with the reasonable requests of the Licensor, using colours and finishes approved by the Licensor, shall keep all plumbing facilities within the Licensed Space and all drains therefrom in good repair and working order. The Licensee shall not enter nor shall it cause, suffer or permit entry on to any portions of the Common Areas not generally open to the public without being accompanied by an authorized representative of the Licensor, and shall not make any opening in any ceiling or roof without the prior written consent of the Licensor.

(c) The Licensee, its employees or agents shall not mark, drill or in any way deface any walls, ceilings, partitions, floors, wood, stone or ironwork without the approval of the Licensor.

11.3 View Repairs

The Licensor may enter the Licensed Space at any reasonable time during business hours and at any time during any emergency to view the state of repair and the Licensee shall repair according to notice in writing from the Licensor so to do, subject to the exceptions contained in this Article 11 and subject to the terms and conditions of this Operating Licence.

11.4 Licensor May Repair

If the Licensee fails to repair or is not proceeding diligently to repair according to the terms and conditions of this Operating Licence and upon notice from the Licensor within fourteen (14) days of receipt thereof, or forthwith in the event of an emergency, the Licensor may make such repairs without liability to the Licensee for any loss or damage that may occur to the Licensee's merchandise, fixtures or other property, or to the Licensee's business by reason thereof unless such loss or damage is caused by the negligence of the Licensor, its agents, employees, contractors or those or whom it is in law responsible, and upon completion thereof, the Licensee shall pay, on demand, as Additional Fees the Licensor's costs of making such repairs together with an administration Fees of twenty percent (20%) of such costs.

ARTICLE 12– CONSTRUCTION, ALTERATIONS, FIXTURES

12.1 Licensee's Alterations

(a) The Licensee shall not carry out or make or cause to be made any Alterations including installation of any trade fixtures, exterior signs, floor covering, interior or exterior lighting, plumbing fixtures, shades, awnings, exterior decorations or make any changes in respect of the Licensed Space without: (i) first obtaining the Licensor's consent and (subject to Section 6 of Schedule G) a Facility Permit; and (ii) first obtaining all permits and approvals as may be required of or from

Regulatory Authorities and providing evidence thereof to the satisfaction to the Licensor; and (iii) complying with Section 9.21 and providing evidence thereof to the satisfaction to the Licensor.

(b) The Licensee shall not install in or for the Licensed Space any special locks, safes, or apparatus for air conditioning, cooling, heating, illuminating, refrigerating or ventilating the Licensed Space without first obtaining the Licensor's approval.

(c) When seeking the Licensor's consent as required by this Section 12.1, the Licensee shall present to the Licensor plans and specifications of the proposed work with the applicable fees reasonably prescribed by the Licensor from time to time, and may not commence work until the Licensee has received the Licensor's consent.

All work to be performed by or on behalf of the Licensee in the Licensed Space shall be performed in accordance with the requirements, terms and conditions specified in any consent given by the Licensor, by competent contractors and subcontractors of whom the Licensor shall have first approved. The Licensee shall require its contractors and subcontractors to perform their respective work in a manner which avoids labour disputes between themselves and their respective employees and between any other employees and their employers.

(d) The Licensee shall, in all respects, fully comply with the Approving Authority's Land Development and Construction By-Law or Policies (subject to Section 6 of Schedule G).

(e) The Licensee shall promptly pay all contractors, material suppliers and workers and shall ensure that no claim of builders lien is filed for any work done or materials or services supplied or provided to the Licensee or the Licensed Space. If any builders lien is filed, the Licensee shall immediately cause the lien to be released and discharged, and for this purpose, will, if required, post monies into court. The Licensor may, after three days' notice given to the Licensee, cause the lien to be discharged and removed, whereupon the Licensee shall pay to the Licensor on demand as Additional Fees all related costs including the Licensor's legal costs.

(f) The Licensee shall obtain and deliver to the Licensor an irrevocable licence of the copyright of the drawings, plans and specifications relating to any work performed by or on behalf of the Licensee, in favour of the Licensor, from the person creating such drawings, plans or specifications. The irrevocable licence shall expressly state that the Licensor shall not be liable for any costs or expenses incurred or to be incurred in connection with the preparation of such drawings, plans or specifications or their subsequent use by the Licensor, and that each of the Licensor are entitled to use such drawings, plans and specifications for any purpose or purposes relating to the Licensed Space whatsoever at any time, and may make alterations, without any further consent and without any payment.

(g) The Licensee shall supply the Licensor with one complete and accurate copy in such form as prescribed from time to time by the Licensor (which may include computer diskette) of the as-built drawings of any work performed by or on behalf of the Licensee no later than thirty (30) days following the completion of such work.

12.2 Licensor's Alterations

The Licensor reserves the right to:

(a) make any changes or additions to the apparatus, appliances, conduits, ducts, equipment, pipes or structures of any kind in the Licensed Space where necessary to serve adjoining Licensed Space or other parts of the Station or meet operational needs;

(b) change pedestrian traffic patterns and alter the location and nature of the Common Areas, close off parts thereof, erect additions thereto or extend any part thereof;

(c) make alterations or additions to the Station and other parts of the Rapid Transit System and build or construct other buildings or improvements; and

(d) build adjoining the Licensed Space, in which case the Licensee shall permit entry upon the Licensed Space for the purpose of such work being conducted as the Licensor may deem necessary to preserve the building of which the Licensed Space forms a part from injury or damage occasioned by such construction.

ARTICLE 13 - DAMAGE AND DESTRUCTION

13.1 Abatement

If during the Term, the Licensed Space shall be damaged or destroyed such that the Licensed Space or any substantial part thereof is rendered unfit for operation by the Licensee for any period in excess of ten (10) days, then unless the damage was caused by the fault or negligence of the Licensee or its employees, invitees or others under its control, from and after the date of occurrence of the damage and until the Licensed Space is again reasonably capable of operation Minimum Fees payable under this Operating Licence shall abate from time to time in proportion to the part or parts of the Licensed Space not reasonably capable of operation.

13.2 Termination

In the event of Substantial Damage or Destruction of the Licensed Space or of any other portion of the Station which is incapable of being rebuilt or repaired or restored with reasonable diligence within one hundred and eighty (180) days of the happening of such destruction and damage whether or not the Licensed Space be affected thereby, the Licensor may within sixty (60) days after such Substantial Damage or Destruction and on giving thirty (30) days notice to the Licensee declare this Operating Licence terminated forthwith and in such event the Term shall be deemed to have expired and the Licensee shall yield up the Licensed Space accordingly, Fees shall be apportioned and shall be payable up to the date of termination stated in such notice and the Licensee shall be entitled to be repaid by the Licensor any Fees paid in advance and unearned or an appropriate portion thereof.

ARTICLE 14 – ASSIGNMENT AND SUBLICENSING

14.1 Assignment and Sublicencing

(a) The Licensee shall not transfer or encumber any interest in this Operating Licence or assign this Operating Licence or sublicence the whole or any part of the Licensed Space or allow another person to use the Licensed Space or any part thereof unless:

(i) the Licensee has received or procured a bona fide written offer to take an assignment or sublicence which is not inconsistent with, and the acceptance of which would not breach any provision of this Operating Licence if this Section 14.1 is complied with and which the Licensee has determined to accept subject to this Section 14.1 being complied with; and

(ii) the Licensee has first requested and obtained the consent of the Licensor thereto.

Any request for such consent shall be in writing and accompanied by a true copy of such offer, and the Licensee shall furnish to the Licensor all information available to the Licensee and requested by the Licensor as to the responsibility, reputation, financial standing and business of the proposed assignee or sublicensee.

(b) Notwithstanding any assignment or sublicence or use by another person of the Licensed Space or any part thereof, the Licensee shall remain fully liable on this Operating Licence and shall not be released from performing any of the terms, covenants and conditions of this Operating Licence during the Term and any renewal. The Licensee shall ensure compliance by any assignee, sublessee and other such user with all of the terms, covenants and conditions of this Operating Licence (including all provisions respecting financial and other reporting, keeping of records, audit, and inspection) as if such assignee, sublessee and other such user was the Licensee under this Operating Licence, and the provisions of this Operating Licence will be interpreted to apply to and in respect of such assignee,

sublessee and other such user. Any failure by any such assignee, sublessee and other such user to so comply will constitute default on the part of the Licensee under this Operating Licence, and in the event of such failure the Licensor will have the same remedies as against the Licensee and such assignee, sublessee and other such user as if the Licensor's consent had not been obtained.

(c) If this Operating Licence is assigned or if the Licensed Space or any part thereof are sublicenced or used by anybody other than the Licensee, the Licensor may collect Fees directly from the assignee, sublicensee or other such user and apply the net amount collected or the necessary portion thereof, to the Fees herein reserved.

(d) The Licensee shall deliver to the Licensor a certified statement of the Licensee's Gross Revenue to the date of any assignment or sublicence or use by another person.

(e) No assignment or sublicence or use by another person shall be made or proposed other than to responsible persons, firms, partnerships or bodies corporate who are experienced in and agree to carry on a business similar to the Licensee's permitted use under this Operating Licence conducted in the Licensed Space by the Licensee as set forth in Section 1.1(h), or any other retail business approved by the Licensor, and who undertake to perform and observe the obligations of the Licensee hereunder by entering into (before begin to operate, and before the purported effective date) an assumption agreement, in a form and on terms and conditions reasonably prescribed by the Licensor, directly with the Licensor (failing which the Licensor may elect to terminate this Operating Licence).

(f) The prohibition against assigning or sublicencing or allowing another person to use the Licensed Space or any part thereof, as set forth above, shall be construed to include a prohibition against any assignment or sublicence by operation of law.

(g) The consent by the Licensor in any instance shall not constitute a waiver of the necessity for consent to any subsequent assignment or sublicence or use by another person. For any further assignment or sublicence or use by another person (including any change of a sublicensee, assignee or other user previously consented to by the Licensor) the consent of the Licensor will again be required and the provisions of this Section 14.1 will again apply.

(h) Any document evidencing the Licensor's consent to any assignment, sublicence, mortgage charge, encumbrance, or use by another person shall be prepared by the Licensor or its solicitors and the reasonable cost of all legal and other professional services and expenses incurred by the Licensor relating thereto (including the cost of examination, preparation, processing, negotiation, completion and administration thereof) together with a reasonable administration charge determined by the Licensor, shall be paid in full to the Licensor as Additional Fees and in any event prior to the Licensor executing the document.

Notwithstanding any of the provisions of this Operating Licence, the Licensor, on thirty (30) days notice to the Licensee given within fifteen (15) days of the Licensee's request for consent, may terminate this Operating Licence. Provided that such termination by the Licensor will not take effect if, upon receiving such notice to terminate from the Licensor, the Licensee immediately withdraws its request for consent.

14.2 Assignment to Parent or Subsidiary

Notwithstanding Section 14.1(a), the Licensee may assign this Operating Licence in whole, without the prior written consent of the Licensor, to a corporation which is an Affiliate of the Licensee provided that:

(a) prior notice is given to the Licensor;

(b) the provisions of Sections 14.1(b), 14.1(c), 14.1(d), 14.1(e), 14.1(g) and 14.1(h) shall apply to such assignment; and

(c) such assignment shall be and remain effective only so long as such assignee remains an Affiliate of the Licensee.

If such assignee ceases to be an Affiliate of the Licensee without the prior written consent of the Licensor having been obtained, then the Licensee and such assignee shall be in default under this Operating Licence and the Licensor may, upon thirty (30) days notice to the Licensee, terminate this Operating Licence. The Licensee and such assignee shall have a right to cure any default under this Section 14.2 prior to the date of termination by providing evidence satisfactory to the Licensor that this Operating Licence has been re-assigned by such assignee to the Licensee or that the transaction which caused the assignee to cease to be a permitted assignee under this Section 14.2 has been reversed. If such evidence is provided to the Licensor prior to the date of termination, then the termination notice shall be of no effect and this Operating Licence shall continue in full force.

14.3 Control of Corporation

If the Licensee is a corporation, other than a corporation the shares of which are listed on any recognized stock exchange, effective shareholder control of the corporation or of its ultimate parent company (or of any parent company, if more than one, or of any intermediate company between the ultimate parent company and the Licensee) shall not be changed directly or indirectly by a sale, encumbrance or other disposition of shares or otherwise howsoever without first obtaining the written consent of the Licensor. In such event, the Licensor may (without limiting the application of Section 17.1) require a co-covenantor or co-covenantors, upon the provisions set out in Section 7.9 or similar provisions reasonably prescribed by the Licensor, as a condition of giving its consent.

14.4 Bulk Sale

No bulk sale of the goods and assets of the Licensee may take place except for a bulk sale made to a permitted sublessee or assignee under this Operating Licence without first obtaining the written consent of the Licensor.

ARTICLE 15– INDEMNITY AND LIABILITY

15.1 Licensee's Indemnity

The Licensee shall at all times, including the Fixturing Period, indemnify and save harmless the Licensor (including its directors, officers, agents and employees) of and from all loss and damage and all actions, claims, costs, demands, expenses, fines, liabilities and suits of any nature whatsoever in connection with any breach, violation or non-performance by the Licensee of any covenant, term or provision of this Operating Licence, in connection with any builders' or other liens for any work done or materials provided or services rendered for alterations, improvements or repairs made by or on behalf of the Licensee, and in connection with any loss of life, personal injury, or damage to property relating to any occurrence on the Licensed Space or use of the Licensed Space or occasioned by an act or omission including any negligence of the Licensee or of its officers, employees, agents, customers, contractors, or other invitees. The Licensee's obligations under this Section 15.1 shall survive the termination of this Operating Licence, whether by effluxion of time or otherwise.

15.2 Licensor not Liable

The Licensor (including its directors, officers, agents and employees) shall not, under any circumstances, be liable or responsible in any way for:

(a) any personal injury or consequential damage of any nature whatsoever, however caused, that may be suffered or sustained by the Licensee or by any other person who may be upon the Licensed Space;

(b) any loss or damage of any nature whatsoever, however caused to the Licensed Space, any property belonging to the Licensee or to any other person while such property is in or about the Licensed Space;

(c) any personal injury or consequential damage of any nature whatsoever that may be suffered or sustained by the Licensee, or any property belonging to the Licensee or any other person while such property is in or about the Licensed Space or the Rapid Transit System:

(i) caused by failure, by reason of breakdown or other cause, to supply adequate drainage, snow or ice removal, or by interruptions of any utility or elevator or escalator or other services, or by steam, water, rain, snow, or other substances leaking into, issuing or flowing into any part of the Licensed Space or from the water, steam, sprinkler or drainage pipes or plumbing of the Rapid Transit System or from any other place or quarter;

(ii) caused by anything done or omitted to be done by any other licensee or user of the Rapid Transit System;

(iii) caused by any act (including theft), omission, malfeasance or negligence on the part of the agent, contractor or person from time to time contracted by the Licensor to perform janitorial services in or about the Licensed Space or the Rapid Transit System;

(iv) however caused, while such property is entrusted to the care and control of the Licensor;

(v) however caused, if the Licensor, its agents, contractors or employees enter upon the Licensed Space in the case of an emergency; or

(vi) resulting in any way from any act or omission by any officer, agent or employee of the Approving Authority related to the Approving Authority's Land Development and Construction By-Law or Policies.

(d) any loss or damage of any nature whatsoever, however caused, to books, records, files, money, securities, negotiable instruments, papers or other valuables of the Licensee;

(e) any business, economic or indirect loss or damage of the Licensee of any nature whatsoever, however caused; or

(f) any loss against which the Licensee is obliged to insure against hereunder or has insured against.

If the Rapid Transit System or any part thereof is out of operation for any reason or any service, facility or utility is interrupted or unavailable, or the Licensee is impeded in any way in connection with the Rapid Transit System operations, the Licensee shall have no claim against the Licensor as a result thereof, and the Licensor shall have no liability therefor, and the Licensee will, regardless, pay the Minimum Fees, Percentage Fees and all Additional Fees as set out in this Operating Licence.

ARTICLE 16 - DEFAULT, REMEDIES, TERMINATION

16.1 Default

If and whenever:

(a) the Licensee is in default in the payment of any money, whether hereby expressly reserved or deemed as Fees, or any part thereof, and such default continues for five (5) days following notice by the Licensor requiring the Licensee to pay the same; or

(b) the Licensee's interest under this Operating Licence, or any goods, chattels or equipment of the Licensee located in the Licensed Space, is taken or seized in execution or attachment, or if any writ of execution is issued against the Licensee, or the Licensee or its parent company (or any parent company, if more than one, or any intermediate company between the parent and the Licensee) becomes insolvent or commits an act of bankruptcy or become bankrupt or takes the benefit of any statute or legislation that may be in force for bankrupt or insolvent debtors or becomes involved in voluntary or involuntary winding up, dissolution or liquidation proceedings, or if a receiver is appointed for its affairs, business, property or revenues; or

(c) the Licensee fails to commence, diligently pursue and complete the Licensee's Work in the Licensed Space or any other work to be performed by the Licensee pursuant to any agreement between the parties, or the Licensee vacates or abandons the Licensed Space, or fails or ceases to operate pursuant to Section 9.3 or otherwise ceases to conduct business from the Licensed Space, or if the Licensee fails to pass the public health agency inspections pursuant to Section 9.10, or if an audit pursuant to Section 10.3 should disclose an understatement of Gross Revenue by more than three percent (3%) as reasonably determined by the Licensor, or if there is a failure to keep records under Article 10 or a failure to allow the Licensor to exercise its rights under Article 10, or the Licensee fails to strictly adhere to the limitations and conditions set out in Section 9.1 and Schedule F-1, or if the Licensee assigns or sublets or allows another person to use the Licensed Space or any part thereof other than as permitted by Sections 14.1 and 14.2, or fails to cure a default under Section 14.2, or makes a bulk sale of its goods and assets which has not been consented to by the Licensor in accordance with Section 14.4, or moves or commences, attempts, or threatens to move its goods, chattels and equipment out of the Licensed Space other than in the routine course of its business, or if control of the Licensee changes other than as permitted by Section 14.3; or

(d) the Licensee fails to observe, perform and keep each and every of the covenants, agreements, stipulations, obligations, conditions and other provisions of this Operating Licence to be observed, performed and kept by the Licensee and (except where Section 16.1(e) applies) such failure is not cured, in the case of monetary payments, within the five (5) day period stipulated in Section 16.1(a) or, in the case of any other default, within fourteen (14) days following notice from the Licensor requiring that the Licensee remedy, correct or comply or, in the case of any such default which would reasonably require more than fourteen (14) days to rectify, unless the Licensee commences rectification within the said fourteen (14) day notice period and thereafter promptly and diligently and continuously proceeds with the rectification of any such default; or

(e) the Licensee breaches or fails to comply with any obligation or requirement of this Operating Licence and the Licensee has, in the immediately preceding three year period, breached or failed to comply with the same or a similar or related obligation or requirement on at least two other occasions (notwithstanding that any of such breaches or failures may have been subsequently cured);

then, and in each of such cases, and at the option of the Licensor, this Operating Licence may be terminated and the Term shall then immediately become forfeited and void, and the Licensor may without notice or any form of legal process whatever forthwith and at any time re-enter and re-take the Licensed Space, anything contained herein or in any statute or law to the contrary notwithstanding.

16.2 Licensor May Perform

If the Licensee shall fail to observe, perform or keep any of the provisions of this Operating Licence to be observed, performed and kept by the Licensee, subject to rectification within the period set out in Section 16.1(d), the Licensor may, but shall not be obliged to, at its discretion and without prejudice, rectify the default of the Licensee, whether or not performance by the Licensor on behalf of the Licensee is otherwise expressly referred to in the applicable section of this Operating Licence. For such purpose the Licensor may make any payment and do or cause to be done such things as may be required including, without limiting the generality of the foregoing, entry upon the Licensed Space. Any such performance by or at the behest of the Licensor shall be at the expense of the Licensee and the Licensee shall pay to the Licensor, on demand, as Additional Fees the cost thereof together with an administration Fees of twenty percent (20%) of such cost.

16.3 Sell goods, chattels and equipment

If and whenever the Licensee shall be in default in the payment of any money, whether hereby expressly reserved or deemed as Fees, or any part thereof, the Licensor may, without notice or any form of legal process whatever, enter upon the Licensed Space and seize, remove and sell the Licensee's goods, chattels and equipment therefrom and seize, remove and sell any goods, chattels and equipment at any place to which the Licensee or any other person may have removed them, all notwithstanding any rule of law or equity to the contrary, and the Licensee hereby waives and renounces the benefit of any present or future statute or law limiting or eliminating the Licensor's right to do so.

16.4 Cost and Interest

All costs, expenses and expenditures including the legal costs incurred by the Licensor as a result of any default by the Licensee shall forthwith on demand be paid by the Licensee as Additional Fees together with interest, at the rate specified in Section 3.8(e), from the date any such costs, expenses and expenditures are incurred by the Licensor until the same are fully paid and satisfied.

16.5 Vacate Upon Termination

At the termination of this Operating Licence, whether by effluxion of time or otherwise, the Licensee shall yield up the Licensed Space in the same condition as the Licensed Space was in on the Commencement Date, subject to the exceptions from the Licensee's obligation to repair in accordance with Section 11.2 and subject to the Licensee's rights and obligations in respect of removal of trade fixtures in accordance with Sections 16.6, and the Licensee:

(a) shall surrender all keys to the Licensed Space to the Licensor at the place then fixed for payment of Fees and shall inform the Licensor of all combinations on locks, safes and vaults, if any, in the Licensed Space and provide keys therefor as applicable; and

(b) shall, immediately before the expiration of the Term, wash the floors, windows, doors, walls and woodwork of the Licensed Space and shall not, upon such expiration, leave upon the Licensed Space any refuse, garbage or waste material.

16.6 Removal of Fixtures

(a) So long as the Licensee is not in default hereunder, the Licensee shall, at the expiration of the Term, have the right to remove its trade fixtures from the Licensed Space but shall make good any damage caused to the Licensed Space resulting from the installation or removal thereof; provided that all alterations, additions and improvements constructed and permanently installed in the Licensed Space and attached to the floors, walls or ceiling, including any floor covering and light fixtures, are hereby deemed not to be trade fixtures and shall remain upon and be surrendered with the Licensed Space, except to the extent the Licensor requires removal thereof pursuant to Section 16.6(d).

(b) If the Licensee fails to remove its trade fixtures and restore the Licensed Space as aforesaid, all such trade fixtures shall become the property of the Licensor except to the extent that the Licensor continues to require removal thereof pursuant to Section 16.6(d).

(c) Should the Licensee abandon the Licensed Space or should this Operating Licence be terminated or the Licensor become entitled to re-enter before the proper expiration of the Term due to a failure or default on the part of the Licensee, then in such event, as of the moment of default by the Licensee, all trade fixtures and furnishing of the Licensee (whether or not attached in any manner to the Licensed Space) shall, except to the extent the Licensor requires the removal thereof pursuant to Section 16.6(d), become and be deemed to be the property of the Licensor, without indemnity to the Licensee and on account of damages in respect of such failure or default and without prejudice to any other right or remedy of the Licensor.

(d) Notwithstanding that any trade fixtures, furnishings, alterations, additions, improvements or fixtures are or may become the property of the Licensor, the Licensee shall forthwith remove all or part of the same and shall make good any damage caused to the Licensed Space resulting from the installation or removal thereof, all at the Licensee's expense, should the Licensor require by notice to the Licensee.

(e) If the Licensee, after receipt of a notice from the Licensor pursuant to Section 16.6(d), fails to promptly remove any trade fixtures, furnishings, alterations, additions, improvements and fixtures in accordance with such notice, then the Licensor may enter into the Licensed Space and remove therefrom all or part of such trade fixtures, furnishings, alterations, additions, improvements and fixtures without any liability and at the expense of the Licensee which expense shall forthwith be paid by the Licensee to the Licensor, together with an administration Fees of twenty percent (20%) of such expense.

16.7 Additional Rights on Re-Entry

If the Licensor shall re-enter the Licensed Space or terminate this Operating Licence, then:

(a) the Licensor may use such force as it may deem necessary for the purpose of gaining admittance to and retaking the Licensed Space and the Licensee hereby releases the Licensor from all actions, proceedings, claims and demands whatsoever for or in respect of any such forcible entry or any loss or damage in connection therewith or consequential thereupon;

(b) the Licensor may, in re-licencing, re-let the entire Licensed Space or any part or parts thereof for a term or terms which may be less or greater than the balance of the Term and may grant reasonable concessions in connection therewith; and

(c) the Licensee shall pay to the Licensor on demand:

(i) such reasonable expenses as the Licensor may incur or has incurred in connection with the re-entering, terminating, re-licencing, collecting sums due or payable by the Licensee, realizing upon assets seized, including without limitation brokerage, legal Fees and disbursements, and the expenses of keeping the Licensed Space in good order, repairing the same and preparing them for re-licencing; and

(ii) as damages for the loss of Fees and other income of the Licensor expected to derive from this Operating Licence during the period which would have constituted the unexpired portion of the Term had it not been terminated, at the option of the Licensor, either:

(1) an amount determined by reducing to present worth at an assumed interest rate of five percent (5%) per annum all Minimum Fees and estimated Percentage Fees and Additional Fees to become payable during the period which would have constituted the unexpired portion of the Term, such determination to be made by the Licensor, who may make reasonable estimates of when any such other amounts would have become payable and may make such other assumptions of fact as may be reasonable in the circumstances; or

(2) an amount equal to the then current month's Minimum Fees, Percentage Fees and Additional Fees and, as accelerated Fees, Minimum Fees and estimated Percentage Fees and Additional Fees for the next ensuing three (3) months.

16.8 Re-licencing for Licensee's Account

Whenever the Licensor becomes entitled to re-enter upon the Licensed Space under any provision of this Operating Licence, the Licensor, in addition to all other rights it may have, shall have the right as agent of the Licensee to enter the Licensed Space and re-licence them and to receive the Fees therefor and as agent of the Licensee to take possession of any furniture, equipment, inventories, supplies and other property therein and to sell the same or any part or parts thereof at public or private sale without notice and to apply the proceeds thereof (so far as such proceeds are attributable to the Licensee’s property, and subject to Section 16.6) and any Fees derived from re-licencing the Licensed Space upon account of all sums due and to become due to the Licensor under this Operating Licence and the Licensee shall be liable to the Licensor for the deficiency, if any.

16.9 No Waiver

No provision of this Operating Licence shall be deemed to have been waived by the Licensor unless a written waiver from the Licensor has first been obtained and without limiting the generality of the foregoing, no acceptance of Fees subsequent to any default and no condoning, excusing or overlooking by the Licensor on previous occasions of any default nor any earlier written waiver shall be taken to operate as a waiver by the Licensor or in any way to defeat or affect the rights and remedies of the Licensor.

16.10 Remedies Cumulative

No reference to or exercise of any specific right or remedy by the Licensor shall prejudice or preclude the Licensor from any other remedy, whether allowed at law or in equity or expressly provided for herein. No such remedy shall be exclusive or dependent upon any other such remedy, but the Licensor may from time to time exercise any one or more of such remedies independently or in combination. Without limiting the generality of the foregoing, the Licensor shall be entitled to commence and maintain an action against the Licensee to collect any Fees not paid when due, without exercising the option to terminate this Operating Licence pursuant to Section 16.1.

16.11 Holding Over

If, after the expiration or other termination of the Term, the Licensee fails to discontinue use or operation of the Licensed Space, then the Licensee shall be a monthly licensee at the aggregate of:

(a) a minimum monthly fee agreed to between the parties or, failing such agreement, a minimum monthly fee equal to twice the monthly Minimum Fees payable during the last Licence Year of the Term;

(b) Percentage Fees (calculated pursuant to Sections 3.3, 3.4 and 3.5 without regard to the increase in the minimum monthly Fees as aforesaid); and

(c) Additional Fees as herein provided,

and subject always to all of the other provisions in this Operating Licence insofar as the same are applicable to a month to month licence, and a licence from year to year shall not be created by implication of law; provided that if the Licensee continues to operate in the Licensed Space without the written consent of the Licensor at the expiration or other termination of the Term, then the Licensee shall be a licensee at sufferance and shall pay to the Licensor an amount equal to the aggregate of: (i) twice the monthly Minimum Fees payable during the last Licence Year of the Term; and (ii) the amounts set forth in (b) and (c) above during the period of such holding over, accruing from day to day and adjusted pro rata accordingly and subject always to all of the other provisions of this Operating Licence insofar as they are applicable to a month to month licence, and provided that nothing herein contained shall preclude the Licensor from taking action for full possession and control of the Licensed Space.

16.12 Survival

Notwithstanding any termination of this Operating Licence, re-entry by the Licensor, re-licencing, or the Term becoming expired or forfeited or void, or any other enforcement or exercise of any remedies by the Licensor, the provisions of this Operating Licence relating to the consequences of any such termination or other such event shall survive.

16.13 Cross Default

Any breach or default on the part of the Licensee under any other agreement to which the Licensee is a party with the Licensor shall constitute default on the part of the Licensee under this Operating Licence, and if as a result of such breach or default the Licensor is entitled to terminate such other agreement then the Licensor shall be entitled to terminate this Operating Licence. Any breach or default on the part of the Licensee under this Operating Licence shall constitute a default by the Licensee under every other such agreement. On default of payment of Fees or other monies under this Operating Licence, the Licensor shall be entitled to recover such Fees or other monies as Fees due and owing to the Licensor under every other such licence and the Licensor shall have available to it all of the remedies as are available thereunder. On default of payment of Fees or any other monies under any other such agreement, the Licensor shall be entitled to recover such Fees or other monies as Fees due and owing to the Licensor under this Operating Licence and shall have available all of the remedies as are available under this Operating Licence.

16.14 Default charges

(a) If from time to time the Licensee fails to comply with any of the provisions or requirements of this Operating Licence, then the Licensor may, subject to Section 16.14(b), give notice to the Licensee that the Licensor is dissatisfied with the Licensee' performance. Such notice shall refer to this Section 16.14 of this Operating Licence. If, after such notice has been given, such failure continues and the Licensor continues to be dissatisfied, then the Licensor may, by notice or invoice given by the Licensor to the Licensee, levy a charge of up to $500.00 per day per violation which the Licensee will pay with the next monthly payment of Fees due under this Operating Licence.

(b) Before any notice is given under Section 16.14(a), the Licensor must have, at least twice within the period of 90 days preceding such notice, communicated to the Licensee in writing its dissatisfaction with the matter.

(c) This provision is intended to provide a remedy to the Licensor that is less drastic than termination of this Operating Licence. The Licensee acknowledges that failure by the Licensee to comply and perform in accordance with the provisions of this Operating Licence will result in costs (including costs of staff for management and enforcement) to the Licensor and impacts on the revenue that the Licensor is able to generate under this Operating Licence and from other Retail Operators and that the charges stipulated in Section 16.14(a) represents a reasonable approximation of such costs and lost revenue.

16.15 Receiver for Licensee's Account

Whenever the Licensor becomes entitled to re-enter upon the Licensed Space under any provision of this Operating Licence, the Licensor, in addition to all other rights it may have, shall have the right to appoint by instrument any person as receiver, receiver and manager or receiver-manager (the person so appointed is herein called the "Receiver") of any business operated on or from the Licensed Space, with or without bond as the Licensor may determine, and from time to time to remove such Receiver and appoint another in its stead, and the Receiver shall have the right as agent of the Licensee to operate any such business and to enter the Licensed Space (with power to exclude the Licensee, its agents and its servants therefrom), to take possession of any furniture, equipment, inventories, supplies and other property therein, and (whether in conjunction with re-licencing for the Licensee's account as provided for in Section 16.8, or not) to sell the same or any part or parts thereof at public or private sale without notice and to apply the proceeds thereof (so far as such proceeds are attributable to the Licensee's property, and subject to Section 16.6) and any revenue derived from operations firstly towards all expenses incurred (including the reasonable Fees and expenses of the Receiver) and to apply any excess upon account of all sums due and to become due to the Licensor under this Operating Licence and the Licensee shall be liable to the Licensor for the deficiency, if any.

ARTICLE 17 - GENERAL

17.1 Approvals

No provision in this Operating Licence requiring the Licensor's consent or approval shall be deemed to have been fulfilled or waived unless the written consent or approval of the Licensor relating to the particular matter or instance has first been obtained and, without limiting the generality of the foregoing, no prior consent or approval and no condoning, excusing or overlooking by the Licensor on previous occasions when such a consent or approval was required shall be taken to operate as a waiver of the necessity of such consent or approval whenever required under this Operating Licence.

Where any provision of this Operating Licence requires the consent or approval of the Licensor, then:

(a) such provision will not be construed, interpreted or applied to mean that the Licensor's consent or approval will not be unreasonably withheld, unless such provision expressly states that the Licensor's consent or approval will not be unreasonably withheld; and

(b) the Licensor may stipulate reasonable requirements and terms, as a condition of giving such consent or approval, and the Licensor may withhold its consent or approval until such requirements and terms have been satisfied and complied with, and the Licensee hereby covenants with the Licensor that, unless the Licensee withdraws its request for the Licensor's consent or approval forthwith after the Licensee is advised of the requirements and terms stipulated by the Licensor, the Licensee will satisfy and comply with any requirements and terms so stipulated by the Licensor.

17.2 Unavoidable Delay

Notwithstanding anything in this Operating Licence to the contrary, neither party shall be deemed to be in default in respect of the performance of any of the terms, covenants and conditions of this Operating Licence other than a term requiring the payment of any sum, if any failure or delay in such performance is due to any strike, lockout, civil commotion, war-like operation, invasion, rebellion, hostilities, military or usurped power, sabotage, governmental regulations or controls, act of God, or other cause beyond the control of such party, other than lack of funds or other financial reasons.

17.3 Relationship of Parties

Nothing contained herein shall be deemed or construed by the parties hereto, nor by any third party, as creating the relationship of principal and agent or of partnership or of joint venture between the parties hereto.

17.4 Sole Agreement

This Operating Licence sets forth all of the warranties, representations, covenants, promises, agreements, conditions and understandings between the parties concerning the Licensed Space and there are no warranties, representations, covenants, promises, agreements, conditions or understandings, either oral or written, express or implied, between them other than as set forth in this Operating Licence as modified pursuant to Section 17.5.

17.5 Modifications

Except as herein otherwise provided, no subsequent alteration, amendment, change or addition to this Operating Licence shall be binding upon the parties unless reduced to writing and signed by the parties. At the request of the Licensor, the Licensee shall execute and deliver a modification agreement reflecting the changes in this Operating Licence resulting from an adjustment in Floor Area or reflecting any other alteration, amendment, change or addition agreed to between the Licensee and the Licensor, provided that notwithstanding the failure of the Licensee to do so, the Licensee shall be bound thereby.

17.6 Certificates of Architect and Auditor

The following certificates shall be conclusive and binding upon the Licensor and the Licensee in respect of any question of fact or opinion arising under this Operating Licence with respect to the matters stipulated:

(a) a certificate procured by the Licensor from the Architect, as to any question of fact covering the completion of any construction or other work either by the Licensor or the Licensee, whether any such work complies with the requirements of this Operating Licence, whether the Licensed Space or any part thereof is being kept in good order and repair as required by the provisions of this Operating Licence, the Floor Area of the Licensed Space or of any other part of the Designated Buildings, the cause of any destruction or damage, the estimated cost of repairing any damage or destruction, the extent to which the destruction or damage has occurred pursuant to Section 13.2, or the time necessary to complete any repairs; and

(b) a certificate procured by the Licensor from an independent chartered accountant (but who may be the Licensor's auditor) as to any question of fact or opinion concerning the computation of Minimum Fees, Percentage Fees or Additional Fees.

17.7 Applicable Law, Venue

(a) This Operating Licence shall be governed and construed by the laws of the Province of British Columbia.

(b) The venue of any proceedings taken in respect of this Operating Licence shall be at Vancouver, British Columbia, so long as such venue is permitted by law, and the Licensee shall consent to any applications by the Licensor to change the venue of any proceedings taken elsewhere to Vancouver, British Columbia.

17.8 Freedom of Information and Protection of Privacy

The Licensor is subject to the Freedom of Information and Protection of Privacy Act. Information concerning this Operating Licence and related matters is subject to disclosure under the Freedom of Information and Protection of Privacy Act, as applicable.

17.9 Conflicts Policy or Directives of the Licensor

If in connection with this Operating Licence any conflicts of interest policy or directives of the Licensor has been breached, then the Licensor may terminate this Operating Licence without liability whatsoever to the Licensee.

17.10 Relocation for operational requirements

The Licensor shall have the right at any time, subject to the PROVISO below, upon giving the Licensee not less than 120 days written notice, to provide the Licensee with other space in the Designated Buildings in substitution for the Licensed Space, either on a temporary basis or for the remainder of the Term. The Licensee agrees to move to such new space. Payment of the costs of moving the Licensee to the new location will be negotiated between the Licensor and the Licensee during the notice period; provided that the Licensor will not be responsible for any business, economic or indirect or consequential loss or damage of the Licensee of any nature whatsoever and that the maximum liability of the Licensor will be limited to the unamortised amount, as reasonably calculated by the Licensor, of the Initial Capital Cost (assuming straight line amortisation over the period of the initial Term, excluding any renewals) and the Licensor may at any time elect to pay such maximum liability to the Licensee in full satisfaction of any claim by the Licensee for such costs of moving.

The following will apply:

(a) Subject to Section 17.10(e) below, effective at 11:59 p.m. on the day (the "Relocation Date") the business of the Licensee in the Licensed Space is required by the Licensor (as specified in the Licensor's written notice) to close to facilitate the move:

(i) the Licensee will surrender the Licensed Space to the Licensor in the condition required under Section 16.6;

(ii) this Operating Licence will be deemed amended:

A. by substituting the new space for the Licensed Space, or making the appropriate adjustment in respect of the Licensed Space;

B. if the Floor Area of the Licensed Space is affected, by making the appropriate adjustment in respect of the area stated in Section 1.1(d); and

C. by calculating revised annual and monthly amounts of Minimum Fees, if applicable, as follows: (1) if the new space is of comparable character and quality (recognising that a number of factors including visibility, convenience, and customer traffic patterns impact on the character and quality of retail space), then no adjustment will be made; (2) if the new space is of superior character and quality, then no adjustment will be made unless mutually agreed by the Licensor and the Licensee; and (3) if the new space is of lesser character and quality, then the Minimum Fees will be reduced as mutually agreed by the Licensor and the Licensee, provided that, if the Licensor has made practicable and good faith efforts to arrive at a mutual agreement with the Licensee for this purpose, then failing such mutual agreement the Minimum Fees will be as reasonably prescribed by the Licensor;

(iii) all references in this Operating Licence to the Licensed Space shall thenceforth be deemed to refer to the Licensed Space so revised;

(iv) this Operating Licence, as so amended, will continue in full force and effect as a license of the Licensed Space so revised; and

(v) the Licensee shall execute any supplemental agreement prepared by the Licensor which formally provides for such amendments to this Operating Licence.

(b) Upon receipt of the Licensor's said notice invoking the right of relocation, the Licensee will by notice given to the Licensor provide to the Licensor within 30 days a reasonable estimate for the costs of moving the Licensee to the new location, and particulars of the claim by the Licensee against the Licensor for such costs (to the extent recoverable from the Licensor pursuant to this Section 17.10). The Licensee will take all reasonable efforts and measures to minimise all such costs.

(c) If the Licensed Space consists of more than one room or area, and the Licensor exercises its right of relocation only as to one or more of such rooms or areas (and not the entire Licensed Space), then the foregoing will be adapted and applied, as reasonably prescribed by the Licensor, in respect of such one or more rooms or areas only.

(d) If the Licensor exercises its right of relocation as to the entire Licensed Space, then the Licensee may (by notice given to the Licensor together the notice required under Section 17.10(b)) elect, subject to Section 17.10(e), to terminate this Operating Licence, rather than relocate.

(e) The Licensor may, at any time within 21 days after receipt of the Licensee's notice under Section 17.10(b) and if applicable the Licensee's notice under Section 17.10(d), elect to withdraw its notice requiring relocation (whereupon the Operating Licence will be reinstated, as before).

PROVISO: Provided that: (1) the Relocation Date will not be earlier than the end of the fourth Licence Year (for greater certainty, for this purpose if there has been a renewal or extension related to this Operating Licence, the number of Licence Years that have passed will be counted from the original Commencement Date and will not re-start upon a renewal or extension); and (2) this right of relocation will only be invoked by the Licensor for purposes related to the Licensor's operational needs and requirements, as determined from time to time by the Licensor.

17.11 Registration

The Licensee shall not attempt to file or register this Operating Licence or any assignment or sublicence of this Operating Licence or any document or notice evidencing any interest of the Licensee in this Operating Licence or the Licensed Space against the subject lands or any part thereof, or the Licensed Space, or in any public registry.

17.12 Limitations and Reservations

The licences granted by the Licensor under Sections 2.1 and 5.7 are limited to the tenure or rights held by the Licensor or to which the Licensor is entitled, and are subject to subsisting encumbrances, rights and claims of others to the subject lands. The Licensor does not warrant that the Licensee is entitled to exclusive or unlimited occupancy of the Licensed Space or of the Common Areas. The licences granted by the Licensor under Sections 2.1 and 5.7 are also subject to any limitations in the authority, power and capacity of the Licensor. By this Operating Licence the Licensor grants to the Licensee no more than that which the Licensor can lawfully confer. There is no implied covenant by the Licensor for quiet enjoyment. The Licensee's remedy in connection with any deficiency in the Licensee's use or enjoyment of the Licensed Space or the Common Areas, or any deficiency in the tenure or rights held by the Licensor or to which the Licensor is entitled or is able to confer to the Licensee, or any limitations in the authority, power or capacity of the Licensor, shall be limited to a claim against the Licensor for damages only, and the Licensor's liability, if any, in connection with any such claim will be limited to the Minimum Fees paid by the Licensee under this Operating Licence for the first Licence Year. In case of any such deficiency or limitation, the Licensor may terminate and cancel this Operating Licence, without liability (except as previously stated, if any) to the Licensee in connection with such termination or cancellation. The Licensor will not be liable for any business, economic or indirect or consequential loss or damage.

17.13 Governing Legislation

This Operating Licence is issued subject to the requirements of all applicable legislation, including the Greater Vancouver Transportation Authority Act of British Columbia and regulations and British Columbia Transit Act of British Columbia and regulations, as they may be applicable to or affect the subject matter of this Operating Licence, and any other applicable legislation.

17.14 Agent / Manager

The Licensee acknowledges and accepts that:

(a) all rights, powers and entitlements of the Licensor in connection with this Operating Licence including the insurance policies and letter(s) of credit provided by the Licensee may be exercised and enforced by its agent or manager from time to time, and the benefits thereof also extend and apply to its agent or manager from time to time;

(b) in interpreting and applying this Operating Licence and the insurance policies and letter(s) of credit provided by the Licensee: (1) any term or provision that provides for a release or indemnification of the Licensor or a limitation of liability will extend to and be interpreted to apply to and for the benefit of its agent or manager from time to time; (2) any covenant made in favour of the Licensor will also be interpreted as a covenant in favour of its agent or manager from time to time; and (3) any term or provision respecting insurance for the benefit or protection of the Licensor will extend to and be interpreted to apply to and for the benefit of its agent or manager from time to time; and

(c) the agent or manager from time to time engaged or appointed by the Licensor will have no independent liability whatsoever to the Licensee, and that the sole recourse of the Licensee will be towards the Licensor and the sole liability shall be that of the Licensor upon and subject to the terms and conditions set out in this Operating Licence. The Licensee shall, upon the request from time to time of the Licensor, execute and deliver, under seal as a deed if so requested by the Licensor, an unconditional and unqualified release of the agent or manager, in form and content prescribed by the Licensor, of and from any and all liability related in any way to this Operating Licence, the Licensed Space, the Rapid Transit System, and any request for proposals process or offer to licence or other dealings or process that preceded this Operating Licence.

17.15 Construed as Covenants

All of the provisions, terms, conditions and stipulations of this Operating Licence are to be construed as covenants. Each of the Licensor and the Licensee hereby covenant in favour of the other to observe and perform in accordance with the provisions, terms, conditions and stipulations set out in this Operating Licence.

17.16 Licensee Accountable

The Licensee shall be responsible and accountable for its agents, contractors, suppliers, invitees, officers, directors and employees and any assignees, sublicensees and licensees and their respective agents, contractors, suppliers, invitees, officers, directors and employees, and:

(a) all of the terms and conditions of this Operating Licence will extend and apply to all such persons, in the interpretation of and for all purposes of this Operating Licence; and

(b) the Licensee will ensure compliance and performance by all of such persons with all of the terms and conditions of this Operating Licence.

Any failure, breach or default on the part of any of such persons to comply with the terms and conditions of this Operating Licence shall be treated as and shall constitute failure, breach or default by the Licensee under this Operating Licence.

17.17 Background Checks

The Licensor may from time to time require that persons associated with the Licensee or the Licensee's operation provide consents for police, credit, financial and reference background checks. Persons reasonably considered by the Licensor to be unsuitable or to pose inordinate risk may be declared by the Licensor as ineligible and disqualified

from working in or in association with the Licensed Space. The Licensee will not employ or engage, at or in association with the Licensed Space, persons so declared by the Licensor as ineligible and disqualified.

17.18 Time of the essence

Time shall be of the essence hereof.

17.19 Notices

(a) Any notice to be given under this Operating Licence shall be in writing and may be either delivered personally or sent by facsimile or by registered or certified mail and, if so mailed, shall be deemed to have been given five (5) days following the date upon which it was mailed. The addresses of the parties for the purpose hereof shall be, in the case of the Licensor, the address of the Licensor set forth in Section 1.1(a)(i) with a copy sent to the place stated in Section 1.1(a)(ii) and to such other party as the Licensor may from time to time require, and in the case of the Licensee, the address set forth in Section 1.1(b)(ii) or, in the event that the latter address is not so set forth, at the address of the Licensed Space, or at such other respective address as may be established pursuant to Section 17.19(c). Notwithstanding the foregoing, during the currency of any interruption in the ordinary postal service, any notice to the Licensee may be left at the Licensed Space and shall be effective upon being so left.

(b) Any notice of service required to be given or effected under any statutory provision or rules of Court from time to time in effect in the Province of British Columbia shall be sufficiently given or served if mailed or delivered at the address as aforesaid or, in the case of a party which is a corporation, if mailed to the registered office or registered head office within British Columbia of that corporation.

(c) Any party hereto may at any time give notice in writing to another of any change of address of the party given such notice and from and after the second day after the giving of such notice, the address therein specified shall be deemed to be the address of such party for the giving of notices hereunder.

17.20 Index, Headings

The index and headings in this Operating Licence are to be inserted for convenience or reference only and shall not affect the construction of this Operating Licence or any provision hereof.

17.21 Number and Gender

Whenever the singular or masculine or neuter is used in this Operating Licence, the same shall be construed to mean the plural or feminine or body corporate where the context of this Operating Licence or the parties hereto may so require. The words "include" or "including" as used herein shall not be construed as words of limitation.

17.22 No Transfer on Bankruptcy

Neither this Operating Licence nor any interest of the Licensee herein nor any estate hereby created shall pass or enure to the benefit of any trustee in bankruptcy or any receiver or any assignee for the benefit of creditors of the Licensee or otherwise by operation of law.

17.23 Successors and Joint and Several

All rights and liabilities herein given to, or imposed upon, the respective parties hereto shall extend to and bind the several respective heirs, executors, administrators, successors and assigns of the said parties and if the Licensee is comprised of more than one person, then each of the persons comprising the Licensee shall be bound jointly and severally by the terms, covenants and agreements herein on the part of the Licensee and all of the provisions herein will apply to and in respect of each. No rights, however, shall enure to the benefit of any assignee of the Licensee unless the assignment to such assignee has been first approved by the Licensor in accordance with Section 14.1.

17.24 Severable

Should any provision of this Operating Licence be or become illegal, invalid or not enforceable, it shall be considered separate and severable from this Operating Licence and the remaining provisions shall remain in force and be binding upon the parties hereto and be enforceable to the fullest extent of the law.

17.25 Licensee's Acceptance

The Licensee hereby accepts this Operating Licence and accepts the Licensed Space in its condition, to be held by the Licensee subject to the conditions, restrictions and covenants set forth herein.

IN WITNESS WHEREOF the parties hereto have executed this Operating Licence as of the day and year first above written.

EXECUTED ON BEHALF OF GREATER VANCOUVER TRANSPORTATION AUTHORITY
by its duly authorized representatives:

Per: _____ Per: _____

Title: _____ Title: _____

EXECUTED ON BEHALF OF THE LICENSEE, [♦]
by its duly authorized representative(s):

Per: _____ Per: _____

Print Name: _____ Print Name: _____

Title: _____ Title: _____

[[♦]OR, if the Licensee is an individual}

SIGNED, SEALED and DELIVERED by the Licensee, [♦] in the presence of:)
)
_____)
Signature of Witness)
_____)
Print Name of Witness) [♦]
_____)
Address of Witness)
_____)
Occupation of Witness

CO-COVENANTOR(S)

THE UNDERSIGNED hereby join(s) in this Operating Licence as Co-Covenantor(s), and hereby covenant(s) and agree(s) in favour of the Licensor as set out in Section 7.9 of this Operating Licence. IN WITNESS WHEREOF THE UNDERSIGNED has/have executed below (under the seal(s) shown below with the intent that such execution will take effect as a deed):

[♦]
by its duly authorized representative(s):

Per: _____ Per: _____

Print Name: _____ Print Name: _____

Title: _____ Title: _____

Seal

SIGNED, SEALED and DELIVERED by [♦] in the presence of:)
)
)
_____)
Signature of Witness)
)
_____)
Print Name of Witness)
)
_____)
Address of Witness) [♦] _____ Seal
_____)
)
)
_____)
Occupation of Witness)
)

SCHEDULE A

DRAWING(S) OF THE LICENSED SPACE

Attached.

SCHEDULE B

DEFINITIONS

In this Operating Licence:

Additional Fees means all sums, amounts and charges payable under this Operating Licence by the Licensee to the Licensor, other than Minimum Fees and Percentage Fees.

Affiliate has the meaning ascribed to that word in the Business Corporations Act of British Columbia.

Alterations means all alterations, changes, restorations, renovations, remodelling, rehabilitating, retrofitting, improvements, installations, decorations and repairs.

Approving Authority means any person or entity (which may include an Affiliate of the Licensor) designated from time to time by the Licensor for the purpose of issuing Facility Permits. See Section 6 of Schedule G.

Approving Authority's Land Development and Construction By-Law or Policies means the standard policies of the Approving Authority for the issuing of Facility Permits and other matters relating to land development and construction created either before or after the date of this Operating Licence as a by-law or as policies of the Approving Authority, all as amended from time to time, and together with all Rules and Regulations referred to therein. See Section 6 of Schedule G.

Architect means the firm of professional architects or engineers engaged by the Licensor from time to time to prepare the construction drawings or to supervise the architectural aspects thereof and includes any surveyors or consultants engaged by the Licensor or such architects or engineers from time to time.

Basic Terms refers to the terms set out in Section 1.1, some of which may be more fully addressed elsewhere in this Operating Licence.

Capital Tax means any tax, levy or assessment levied against or payable by the Licensor pursuant to the Corporation Capital Tax Act of British Columbia as amended or any successor or similar legislation.

Co-Covenantor means [♦] and [♦] collectively (and if more than one, then Section 7.9(b) shall apply).

Commencement Date means the date determined pursuant to Section 2.3 which is anticipated by the parties, at the time of preparation of this Operating Licence, to be the date set out in Section 1.1(e)(ii).

Common Areas means, except as otherwise stipulated herein, all lands, improvements, facilities, utilities, installations and equipment forming part of a Station or which serve or are for the benefit of a Station, whether or not located within, adjacent to, or near the Station, and which are designated from time to time by the Licensor as part of the Common Areas. Common Areas include areas which are provided or designated by the Licensor for the use or benefit of the Retail Operators, other licensees, their employees, customers and other invitees, in common with others entitled to the use or benefit thereof in the manner and for the purposes permitted by this Operating Licence. The Common Areas include exterior walls, floors and roofs, interior hallways; transit facilities; sidewalks and landscaped areas; truck courts, loading areas and freight elevators; pylon signs; electrical systems and equipment; public address, intercom, music and alarm systems; heating, ventilating, air-conditioning, plumbing, drainage and other mechanical systems and equipment; general signs and information facilities; public telephones and public lockers; decor, furnishings and features; public washrooms, first aid stations, administrative offices, maintenance workshops, boiler and fan rooms, trash disposal facilities and garbage compaction equipment, but, despite any of the foregoing, exclude: (1) restricted areas; (2) portions thereof from time to time allocated by the Licensor for licensing for retail use by licensees from time to time selected by the Licensor, or for storage or other use by licensees from time to time selected by the Licensor, and kiosk areas allocated to a licensee (while being used by such licensee); and (3) areas as otherwise prescribed or identified from time to time by the Licensor. The Common Areas may be altered, reconstructed, reconfigured, expanded, and added to from time to time by the Licensor, and areas may be withdrawn therefrom from time to time by the Licensor, as the Licensor from time to time elects.

Designated Buildings refers to those portions of the buildings, stations, structures, and facilities comprising the Rapid Transit System that are from time to time identified or designated by the Licensor as Designated Buildings for the purpose of this Operating Licence and generally will consist of areas considered by the Licensor to be appropriate for public use or public access and areas considered by the Licensor to be appropriate for retail (including service or other commercial) use or outlets. The Designated Buildings may be altered, reconstructed, reconfigured, expanded, and added to from time to time by the Licensor, and areas may be withdrawn therefrom from time to time by the Licensor, as the Licensor may from time to time elect.

Environmental Adverse Effect means one or more of the following in connection with an Environmental Matter:

(a) impairment or adverse alteration of the quality of the natural environment;

(b) contamination or injury or damage to property or to water or air quality or food, plant or animal life;

(c) harm or material discomfort or an adverse effect on the health of any person, or unacceptable (as reasonably determined in any instance by the Licensor) risk thereof;

(d) impairment of the safety of any person or unacceptable (as reasonably determined in any instance by the Licensor) risk thereof;

(e) rendering any property or water or air quality or food, plant or animal life unfit for human use;

(f) non-compliance with Environmental Laws and Regulations or exceeding numerical or other standards prescribed pursuant to Environmental Laws and Regulations;

(g) loss of enjoyment of normal use of property or interference with the normal conduct of business, in connection with any Environmental Matter.

Environmental Laws and Regulations means all environmental, health and safety laws, regulations, treaties, resolutions, ordinances, guidelines, policies, codes of practice, requirements, directions, authorizations, permits and orders of any governmental authority and all common law applicable to the Licensee or any of its assets or properties, including:

(a) all regulations, resolutions, treaties, ordinances, orders, directions, authorizations, permits, decrees and other similar documents and instruments of all courts and Governmental Authorities whether issued by environmental or health and safety regulatory agencies or otherwise; and

(b) all laws, regulations, resolutions, ordinances, orders and decrees relating to Environmental Matters.

Environmental Matter means any past, present or future activity, event or circumstances in respect of the environment, health or safety including the release, escape, leaking, disposal or migration of any toxic, hazardous or special waste or other chemical substance, or dangerous goods, pollutant or contaminant into the natural environment including any substance which is hazardous to persons, animals, plants, or which has a detrimental effect on the soil, air or water, or the generation, treatment, storage, use, manufacture, holding, collection, processing, treatment, presence, transportation or disposal of any toxic, hazardous or special wastes or other chemical substances or dangerous goods, pollutant or contaminant.

Facility Permit means the Approving Authority's written authority which may be granted to the Licensee upon application and payment of the Approving Authority's current Fees to conduct any alteration, new construction or installation of equipment on the Licensed Space, all in accordance with guidelines which may be issued, from time to time, by the Approving Authority, and in accordance with the Approving Authority's Land Development and Construction By-Law or Policies. See Section 6 of Schedule G.

Fees refers to Minimum Fees, Percentage Fees and Additional Fees.

Fixturing Period means the period set out in Section 1.1(i), commencing on the date set by the Licensor.

Floor Area means the area, expressed in square metres or such other unit as the Licensor may determine, of the Licensed Space, or of any other space or area as the context requires, calculated by measuring from the interior surfaces of the exterior wall and of all walls adjoining Common Areas, from the centre line of party or demising walls separating two or more spaces licensed to concession or retail operators, and from the drawing line separating any interior Licensed Space from other areas in the Designated Buildings where no wall exists, all without deduction or exclusion for any space occupied by columns, stairs, elevators, escalators or other interior construction or equipment or doorway areas recessed from the perimeter, and when used in respect of the Licensed Space means the area of the floor in the Licensed Space, calculated as aforesaid as set out in Section 1.1(d).

Gross Revenue means the total sum of the selling prices of all merchandise, food, beverages or services (including finance charges thereon) sold by the Licensee on or from the Licensed Space, or on or from any other place of business where delivery of such merchandise, food, beverages or services is made at the Licensed Space or on the Rapid Transit System, or by personnel operating from the Licensed Space, and whether at wholesale or retail, and whether for cash, partly cash, credit, gift certificates, merchandise certificates, and all other receipts whatsoever of all business conducted at, on, in, about or from the Licensed Space, or by personnel operating from the Licensed Space, including all deposits not refunded to the purchaser, orders taken at, on, in, about or from the Licensed Space or by personnel operating from the Licensed Space (although such orders may be filled elsewhere), sales made by any sublicensee, concessionaire or licensee on, at, in, about or from the Licensed Space, or by personnel operating from the Licensed Space or reporting to or under the supervision of any employee or agent of a sublicensee, concessionaire or licensee on, at, in, about or from the Licensed Space and the gross amount of any insurance proceeds which directly or indirectly represent reimbursement or recovery for sales, revenues, receipts, gross profits or net profits lost, or which otherwise normally would have been realized or earned by the Licensee or any sublicensee, concessionaire or licensee because of the occurrence of business interruption covered by such insurance, regardless of whether those proceeds are identified as such reimbursement or recovery by the insurer or anyone acting on the insurer's behalf, or whether the proceeds are separated or segregated in connection with any insurance claim, payment or settlement and includes any revenues received by the Licensee in respect of advertising, grants or subsidies from suppliers or others, commissions, Fees and rebates. Each sale upon instalment shall be treated as a sale for the full instalment sale price at the time of such sale, irrespective of the time when payment (whether full or partial) shall be received. Each lease of merchandise shall be treated as a sale in the month in which the lease was first contracted, for a price equal to the total amount of Fees payable during the term of such lease. In the determination of Gross Revenue there may be deducted the amount of refunds upon merchandise sold on or from the Licensed Space and returned, and sales taxes collected from customers (to the extent to which such taxes are included in Gross Revenue) and actually paid to the relevant taxing authorities. For greater certainty, Gross Revenue as above-described: (i) shall be included even if the business or activity is not a permitted business or activity (but that shall not operate as an estoppel or a consent or waiver, implied or otherwise, by the Licensor); (ii) relating to the promotion or advertisement of goods and services of a third party shall be included; and (iii) derived through the internet shall be included, if there is any connection to or with the Licensed Space. If any person (including a firm, partnership, joint venture or body corporate) related to or associated in any way with the Licensee or its principals carries on any activity on or at the Rapid Transit System (whether or not on the Licensed Space) of the same kind as is permitted under this Operating Licence or any similar or associated activity, then (unless Fees or licence Fees are paid to the Licensor in respect of such other activity pursuant to a lease or licence or other written agreement with the Licensor and such other activity is expressly authorised and permitted pursuant to such other lease or licence or written agreement) all revenue in connection with such activity will be included in Gross Revenue for all purposes of this Operating Licence and in the calculation of Percentage Fees under this Operating Licence, as fully as if such activity was being carried out by the Licensee on the Licensed Space and the revenues therefrom were being received by the Licensee.

GST refer to taxes, rates, duties, levies, fees, charges and assessments as described in Section 4.7.

Initial Capital Cost means the capital costs incurred by the Licensee in completing the work described as "Licensee's Work" in Schedule C.

Licensed Space means the space or spaces in the Designated Buildings indicated and having the approximate configuration(s) and location(s) shown on the drawing(s) attached as Schedule A hereof and containing the number of square metres of Floor Area set out in Section 1.1(d), more or less.

Licensee means the party or parties described in Section 1.1(b) and the heirs, executors, administrators, successors and permitted assignees thereof.

Licensee's Work means work described as "Licensee's Work" in Schedule C hereof.

Licensor means Greater Vancouver Transportation Authority and its successors and assigns.

Licensor's Work means work if any described as "Licensor's Work" in Schedule C hereof.

Operating Licence means this operating licence as from time to time amended as agreed in writing by the parties hereto and includes all schedules, drawings and attachments.

Licence Year means a 12 month period commencing with the first day of [♦] in one calendar year and ending on the last day of [♦] in the [[♦] next / same] calendar year;[[♦]provided that the first Licence Year shall be the period from the Commencement Date to [♦]].

Minimum Fees means the Fees set out in Section 1.1(f) and payable in accordance with Article 3.

Percentage Fees means the percentage Fees calculated as provided for in Section 1.1(g) and Article 3.

Prime Rate means the rate established from time to time by the Licensor's bank as the rate per annum of interest charged on Canadian Dollar business loans in the City of Vancouver for demand loans made in Canadian funds to Canadian customers and referred to by the said bank as its prime rate.

Property Taxes means all real estate taxes, assessments, rates and charges and other government imposition, general or special, ordinary or extraordinary, foreseen or unforeseen, of every kind (including assessments for local or public improvement and school taxes) which may at any time during the Term be imposed, assessed or levied in respect of the Licensed Space or the Licensee's operation.

Rapid Transit System refers to the rail transportation system operated by or on behalf of the Licensor currently consisting of two rail lines (the Expo Line and the Millennium Line). The Rapid Transit System may be altered, reconstructed, reconfigured, expanded, and added to (including adding lines in addition to the Expo Line and the Millennium Line) from time to time by the Licensor, and areas may be withdrawn therefrom from time to time by the Licensor, as the Licensor may from time to time elect.

Regulatory Authorities refers to all federal, provincial, municipal, local and other governmental and quasi-governmental or other competent body, authority, department, commission and board.

Retail Operations Charge means an annual contribution as described in Section 6.6, equal to the amount, per square metre of the Floor Area of the Licensed Space set forth in Section 6.6 or as otherwise prescribed or declared from time to time by the Licensor as described in Section 6.6.

Retail Operators means licensees, such as the Licensee, operating retail operations on the Rapid Transit System, and identified or designated from time to time by the Licensor as Retail Operators.

Retail Operators Manual means any manual or manuals approved from time to time by the Licensor dealing with the development, construction, use and retail operation of space by the Licensor's licensees and the operation of the business of such licensees, and includes, without limitation, any design criteria manual approved by the Licensor dealing with the design and construction of licensees' improvements for Retail Operators.

Room refers to the room or rooms from time to time comprising the Licensed Space, identified in Section 1.1(c), and includes any replacements or substitutions therefor pursuant to any supplemental agreement relative to this Operating Licence.

Rules and Regulations means the rules and regulations attached to this Operating Licence as Schedule E and all amendments and additions thereto made by the Licensor in accordance with this Operating Licence.

SkyTrain is the operating name currently in use by the Licensor for the Rapid Transit System, and is sometimes used herein synonymously for the Rapid Transit System.

Station in reference to any Licensed Space refers to the specific building or station or structure, comprised within the Designated Buildings, in which the Licensed Space is located, as identified or delineated by the Licensor from time to time. The area or areas making up the Station as identified or delineated by the Licensor from time to time in reference to any Licensed Space may be altered, reconstructed, reconfigured, expanded, and added to from time to time by the Licensor, and areas may be withdrawn therefrom from time to time by the Licensor, as the Licensor may from time to time elect.

Structural Repairs means repairs to or affecting foundations, structural sub-floors, columns and beams, and structural portions of bearing walls and roofs, or part of any of the foregoing.

Substantial Damage or Destruction means such damage to the Station or any part thereof as, in the opinion of the Architect, requires substantial alteration or reconstruction of the Station or such part thereof or such damage to the Station or any part thereof as cannot, with reasonable diligence, be substantially repaired within a period of one hundred and eighty (180) days from the time of such damage.

Term means the period or term set out in Section 1.1(e)(i); and, unless the context otherwise requires or otherwise specified herein, any reference in this Operating Licence to the Term will apply during any renewal term, if this Operating Licence is duly renewed under any right of renewal provided for herein.

Transit refers to the Licensor's integrated, multi-modal transit system, which the Rapid Transit System is a vital component.

SCHEDULE C

LICENSOR'S AND LICENSEE'S WORK

The following sets out Licensor's and Licensee's responsibilities with respect to the design, construction and use of the Station and the Licensed Space and must be read in conjunction with this Operating Licence.

Only those items enumerated below as Licensor's Work shall be provided by Licensor at its expense and in accordance with Licensor's drawings and specifications. All other work required for the Licensed Space including those items enumerated below as Licensee's Work, shall be provided by Licensee at its expense in accordance with Licensee's design, working drawings, specifications and samples approved by Licensor as set out herein. Any modification or addition to Licensor's Work, which may be required by Licensee, must receive Licensor's prior written approval, and be performed by Licensor at Licensee's expense.

The Licensee acknowledges that:

- Schedule D [PROTOCOL FOR SERVICING], as set out in request for proposals # SR-2004-001; and
- Schedule E [ZONING AND REGULATORY REQUIREMENTS], as set out in request for proposals # SR-2004-001;

are hereby incorporated into and form part of this Schedule and the Licensee agrees to comply therewith.

(A) LICENSOR'S WORK

The Licensee will accept the Licensed Space AS IS (that is, in the condition left by the incumbent Licensee or prior user or in its present vacant state, as the case may be). The Licensor is not required to perform or carry out any work or improvements for the Licensed Space or the Station or otherwise.

(B) LICENSEE'S WORK

All work by Licensee within the Licensed Space shall be completed in new materials and in accordance with Licensee's design, working drawings, specifications and samples approved by Licensor. Materials and workmanship shall be of uniformly high quality and used and performed, as the case may be, in accordance with the very best standards of practice and shall not be in contravention of any governing codes or regulations and shall be subject to Licensor's prior written approval. All fixtures installed by the Licensee and materials used shall be new.

GENERAL PROVISIONS

(C) PERFORMANCE OF LICENSOR'S WORK

1. Licensor will use its reasonable efforts to complete Licensor's Work in accordance with the time schedule which has been established for the completion of the project, except for any delay resulting from causes beyond the reasonable control of the Licensor or for any delay caused by a failure or delay on the part of Licensee to provide the information required pursuant to this Schedule C.

2. Licensor shall give Licensee five (5) days written notice that Licensor's Work in the Licensed Space is sufficiently complete and ready for commencement of Licensee's Work. The Licensee's Fixturing Period shall commence on the later of the date that is five (5) days after delivery of the notice, and the date specified in the notice.

3. Licensee accepts Licensed Space in the state and condition provided by Licensor at the beginning of the Fixturing Period.

4. Licensee acknowledges and agrees that Licensor and its employees, contractors, Licensor's Architect and other professional advisers and public utilities authorized by Licensor shall have access to the Licensed Space at all times for the performance of Licensor's Work, the inspection or correction of Licensee's Work and for all other necessary purposes in connection with the construction and completion of the project, both during the performance of Licensee's Work and after the Commencement Date (if necessary). Licensor will take all reasonable steps in the course of exercising such rights of access to minimize any interference with the performance of Licensee's Work and the conduct of Licensee's business in the Licensed Space.

(D) PERFORMANCE OF LICENSEE'S WORK

1. Security for Performance and Payment:

   Licensee shall deposit with Licensor on execution of this Operating Licence, a Letter of Credit, issued in favour of Licensor by a Canadian chartered bank acceptable to Licensor in an amount equal to twenty-five percent (25%) of the total estimated value of Licensee's Work as set out in the Request for Proposal documents submitted by Licensee or as otherwise reasonably estimated by the Licensor. Such Letter of Credit shall permit partial drawings by the Licensor.

   In the event of partial drawings, Licensee will immediately replenish the Letter of Credit so that, until expiration and release by the Licensor, the Letter of Credit will be sustained at the level of twenty-five percent (25%) of the total estimated value of the Licensee's Work.

   The Letter of Credit shall be held by Licensor for a period of three (3) months from the Commencement Date as security for the performance of Licensee's Work, costs incurred by the Licensor, and payment of all charges and Fees with respect to Licensee's Work as set out or provided for in this Schedule C.

   At the expiration of the three (3) month period and provided that:

   (a) Licensee is not in default hereunder;

   (b) Licensee's Work has been completed in accordance with the provisions of this Schedule C;

   (c) Licensee has paid all charges and Fees respecting Licensee's Work;

   Licensor shall release the Letter of Credit to Licensee.

2. Permits and Approvals/Facility Permit:

   Licensee shall apply for and obtain all required permits and approvals and pay any related charges and fees prior to commencement of Licensee's Work.

   All fees and charges associated with obtaining the required permits and approvals, including any charges or expenses incurred by the Licensor to enable the Licensee to obtain such permits and approvals, shall be borne by Licensee. Notwithstanding the foregoing, Licensor shall not be liable for any claims or actions of any nature arising from any failure or delay in obtaining any permits or approvals.

3. Insurance:

   Licensee will not be permitted to enter the Licensed Space for the purpose of performing Licensee's Work, until Licensee shall have deposited with the Licensor a liability insurance certificate in an amount not less than Five Million Dollars ($5,000,000.00) per occurrence, or such amount as the Licensor may require from time to time, with the Licensor added as additional insured, and with a cross liability clause, which liability insurance shall be on a comprehensive form and shall cover all hazards related to any work performed by any such general contractor or independent contractor, as the case may be, in or on the Licensed Space. Licensee releases Licensor, its servants and

agents from every claim arising from injury or damage which Licensee or its property may suffer in or about the Licensed Space or the Rapid Transit System and will indemnify Licensor from every loss, cost and expense related to Licensee's construction, use of or operation from the Licensed Space or its use of or access to the Station.

4. Base Building Modifications:

Under no circumstances shall Licensee, its employees, its contractors or its contractors' employees make any modification or addition to the Station's architectural, mechanical electrical or structural systems or life safety systems or enter onto any roof or make any opening in the floors, walls or roof of the Station without the prior written approval of Licensor.

5. Additional Licensee's Work:

Any additional work (whether as hereinbefore set out, or otherwise deemed necessary by Licensor acting reasonably) performed by Licensor specifically for the Licensee and any excess or additional cost of Licensor's Work occasioned by Licensee's requirements shall be paid for by Licensee on demand, which may be prior to the commencement of such work. The amount so payable by Licensee shall be the total cost of such additional work to Licensor, including architectural and engineering Fees, plus a further twenty percent (20%) of that total cost for Licensor's coordination, supervision and administration.

6. Licensor's Architect:

The opinion in writing of Licensor's Architect respecting all matters of dispute regarding Licensor's Work and Licensee's Work, including the state of completion and whether or not such work has been completed in a good and workmanlike manner, shall be binding on both Licensor and Licensee and there shall be no appeal thereof.

7. Statutory Declaration:

On completion of Licensee's Work, and prior to expiration of the lien period, Licensee shall furnish to Licensor statutory declarations, one from an officer of Licensee and one from an officer of its general contractor, each declaration stating that there are no builders' liens outstanding against the Licensed Space on account of Licensee's Work and that all accounts for work, services and materials have been paid in full with respect to Licensee's Work, together with evidence in writing from both Licensee and its general contractor, if any, satisfactory to Licensor that all assessments under the Worker's Compensation Act have been paid.

8. Liens:

Licensee shall promptly pay all charges incurred by or on behalf of Licensee for any work, materials or services which may be fabricated, supplied or performed at any time in respect of the Licensed Space and shall not permit any lien to be or remain registered against the Licensed Space or the Station, all as more particularly set out in this Operating Licence.

9. Protection of Licensed Space and Station:

Any damage to the Licensed Space or any part of the Station caused by Licensee or any of its employees, contractors, or workers shall be repaired forthwith by Licensor at the expense of Licensee or by Licensee at its expense with Licensor's approval. Licensee shall maintain the Licensed Space in a reasonably clean and orderly manner during performance of Licensee's Work. Licensee, its contractors, employees and workers shall only work within the Licensed Space. Licensor reserves the right to prohibit Licensee, its contractors, employees and workers from working on any part or parts of the Licensed Space, and to have such work carried out by a party or parties designated by Licensor, providing that it is understood that Licensor will only exercise such right in order to:

(a) maintain its rights to enforce the warranties, guarantees and similar covenants given to it by parties constructing the Station or installing items therein; and

(b) ensure that such work is compatible with existing systems, structures or work.

10. Access, Parking and Deliveries:

Licensee, its servants, agents, employees, contractors and those for whom it is otherwise responsible in law shall use only routes designated by Licensor for access to the Licensed Space and the Station, and shall park vehicles and store materials only in those locations designated by Licensor from time to time.

11. Safety and Security:

Licensee shall at all times during the performance of Licensee's Work comply with the reasonable requirements of Licensor in respect of Station safety and security, and shall provide supervision of the Licensed Space and ancillary areas (including, if required by Licensor, supervision by security personnel) to ensure the safe and orderly completion of Licensee's Work. It is the responsibility of the Licensee and its contractors to become familiar with Licensor's safety and security procedures, and to comply with same at all times during the performance of Licensee's Work.

12. Construction and Completion of Licensed Space

The Licensee agrees that the Fixturing Period is sufficient to permit the Licensee to complete the work to be performed by the Licensee. During the Fixturing Period the Licensee shall be entitled to access to and use of the Licensed Space for the purpose of carrying out the Licensee's Work and stocking the Licensed Space. By commencing the Licensee's Work in the Licensed Space, the Licensee shall be deemed to have accepted the Licensed Space and all work done in the Licensed Space by the Licensor. The Licensee acknowledges that during the Fixturing Period the Licensor may continue to conduct some of the Licensor's Work, and the parties agree that they shall cooperate to minimize interference with each other in the completion of their respective works.

Within ninety (90) days following the Commencement Date, the Licensee shall deliver to the Licensor a statement in writing, certified as correct by the senior financial officer of the Licensee, setting forth the Licensee's Initial Capital Cost (with a breakdown as to the portion thereof that relates to initial servicing for and hook-up of utilities), together with such evidence as the Licensor may require to support the calculation of the same, all in such form as may be prescribed from time to time by the Licensor.

The Licensee will, before commencement of any business on or from the Licensed Space:

(a) obtain an "approval to commence operations permit" in accordance with the Licensor's requirement therefor;

(b) provide the security required under Article 7; and

(c) pay all Fees and any other monies due on the Commencement Date;

and the Licensor may require that the Licensee has done so before participating in any opening event or promotion.

(E) LICENSEE SUBMISSION REQUIREMENTS

1. If the Licensor administers a Facility Permit process, as contemplated in Section 6 of Schedule G, then the following shall apply:

(a) Development Permit:

Within 30 days of Licensor's notice to Licensee of Licensor's intent to enter into a lease agreement, Licensee shall submit its Development Permit submission to Licensor for review and approval. Licensee's submission shall include a key plan showing the location of the Licensed Space within the Rapid Transit System, merchandising plan(s), a rendering, perspective or elevation of storefront with signage, a sample board of proposed materials, colours and finishes, key floor

layout, mechanical, electrical and telecommunication systems proposed and the required fire resistance ratings and methods of accomplishing the same, all in accordance with requirements from time to time prescribed by the Licensor.

(b) Facility Permit:

Within 30 days of Licensor's response to Licensee 's Development Permit submission, Licensee shall submit its proposed final design and Facility Permit submission to Licensor for review and approval in accordance with requirements from time to time prescribed by the Licensor.. Licensee's Facility Permit submission shall include revisions to and incorporate Licensor's comments into the Development Permit submission as well as any base building modifications required by Licensor to accommodate Licensee's Facility Permit submission.

(c) Certified for Construction Drawings and Specifications:

Within 30 days of Licensee's receipt of Licensor's Development Permit approval, Licensee shall prepare Certified for Construction ("CFC") documents, including specifications for Licensor's review and approval. CFC Drawings submission consists of eight (8) sets of prints and specifications, one (1) set of reproducible plots and one (1) disk of CADD drawings, all in accordance with requirements from time to time prescribed by the Licensor..

Licensor shall notify Licensee of its approval or otherwise of Licensee's submission within 14 days of Licensor's receipt of same.

Licensee's design must be submitted in CADD format in conformance with Licensor's CADD Standards Manual.

(d) Comply with Section 12.1

The Licensee shall comply with Section 12.1.

2. If, as contemplated in Section 6 of Schedule G, the Licensor does not administer a Facility Permit process, then the Licensee will comply with all of the same submittals and requirements as above set out, subject to such adaptations and relaxations as the Licensor may allow or prescribe, and subject to the foregoing, the Licensee will otherwise comply with Section 12.1.

SCHEDULE D-1

STATEMENT OF MONTHLY GROSS REVENUE AND PERCENTAGE FEES

DATE: _____

TO: _____ (Licensor)

FROM: _____ (Licensee)

OPERATING LICENCE DATED: _____ OPERATING LICENCE NO.: _____

The following is a true and accurate statement of Gross Revenue (as defined in our Operating Licence) for the month of: _____

_____

GROSS REVENUE THIS MONTH _____ , 20____	1)	$_____
TOTAL GROSS REVENUE FOR CURRENT YEAR	2)	$_____
FEES AT _____ % OF GROSS REVENUE FOR CURRENT YEAR	3)	$_____
LESS MINIMUM FEES AND PERCENTAGE FEES PAID TO DATE	4)	$_____
AMOUNT REQUIRED TO PAY _____ , 20____ (3 LESS 4)	5)	$_____
GOODS AND SERVICES TAX	6)	$_____
TOTAL	7)	$_____

Certified Correct By: _____

Title: _____

SCHEDULE D-2

STATEMENT OF ANNUAL GROSS REVENUE AND PERCENTAGE FEES

DATE: _____

TO: _____ (Licensor)

FROM: _____ (Licensee)

OPERATING LICENCE DATED: _____ OPERATING LICENCE NO.: _____

The following is a true and accurate statement of Gross Revenue (as defined in our Operating Licence) for the Licence Year from: _____

_____ , 20 to _____ , 20

GROSS REVENUE (TOTAL OF MONTHLY REPORTS)	1)	$_____
GROSS REVENUE (FOR THE LICENCE YEAR) X _____ %	2)	$_____
MINIMUM FEES PAID (FOR THE LICENCE YEAR)	3)	$_____
PERCENTAGE FEES ACTUALLY PAID FOR THE LICENCE YEAR	4)	$_____
PERCENTAGE FEES OWING AND PAID HEREWITH	5)	$_____
(OR REFUND DUE TO LICENSEE the greater of 2 and 3 less the aggregate of 3 and 4)		
GOODS AND SERVICES TAX	6)	$_____
TOTAL	7)	$_____

Certified Correct By: _____

Title: _____

SCHEDULE E

RULES AND REGULATIONS

The Rules and Regulations for the purposes of this Operating Licence refers to rules and regulations from time to time prescribed by the Licensor for Retail Operators pertaining to matters such as operation, reputation, safety, care and cleanliness of the Station and the Rapid Transit System, and may include directive and requirements relating to hours of business, lighting, display of signs and other things visible from the exterior of the Licensed Space and establishing and maintaining a suitable image to customers and the Transit ridership, or pertaining to any matters for which Rules and Regulations are referred to in this Operating Licence, and any other matters for which the Licensor may from time to time choose to prescribe rules and regulations; provided that such rules and regulations are reasonable and are not contrary to the express terms and conditions set out in this Operating Licence. The Licensor shall not be responsible to the Licensee for the non-observance or violation of any of the Rules and Regulations by anyone.

Any Retail Operators Manual approved from time to time by the Licensor and delivered to the Licensee shall be deemed to be part of the Rules and Regulations.

The Licensor shall have the right from time to time to amend and add to the Rules and Regulations in accordance with Section 9.25.

SCHEDULE F-1

MERCHANDISE ITEMS / SPECIFIED SERVICES

1. MERCHANDISE ITEMS

Subject to [♦ Clause 3 of this Schedule and] the restrictions set out in Section 9.20 or elsewhere in this Operating Licence, the following merchandise items will be permitted:

Unless the merchandise items have been agreed upon by the Licensor and the Licensee, the merchandise items applicable for the purposes of this Operating Licence will be: Such merchandise items if any as may be approved in writing from time to time by the Licensor. ♦]

2. SPECIFIED SERVICES

Subject to [♦ Clause 3 of this Schedule and] the restrictions set out in Section 9.20 or elsewhere in this Operating Licence, the following services will be permitted:

Unless the specified services have been agreed upon by the Licensor and the Licensee, the specified services applicable for the purposes of this Operating Licence will be: Such services if any as may be approved in writing from time to time by the Licensor. ♦]

3. [♦ *Optional* PROHIBITED USES *e.g.*

The Licensee covenants that, in addition to the restrictions set out in Section 9.20 or elsewhere in this Operating Licence, the Licensee's uses (and sources of revenue) will not include or overlap with any of the following (which the Licensor may wish to reserve for ♦ operator(s) or other operator(s)):

(i) ♦

(ii) ♦

SCHEDULE F-2

REPORTING

Attached.

SCHEDULE G

SUPPLEMENTARY CONDITIONS

1. DESIGNATED SEATING AREAS/COMMON AREAS

If the Licensee is selling food or beverages in or from the Licensed Space, then:

(a) the Licensor may from time to time acting reasonably designate areas for the purpose of this provision, and may from time to time acting reasonably alter or add to such areas. The areas so designated from time to time are herein referred to as the "Designated Area(s)"; and

(b) as to the Designated Area(s), the Licensee shall throughout the Term, at its expense, ensure that Designated Area(s) are kept in a neat, clean and sanitary condition (including removal of food, dishes and utensils left and wipe-down of tables), to the satisfaction of the Licensor, as required throughout the business hours as specified pursuant to Section 9.5 and the Licensee shall forthwith clean all spills and litter in the Designated Area(s) and shall ensure that, at the end of each day all tables and chairs within the Designated Area(s) are cleared free of debris and are cleaned and wiped down and the floors are cleared free of debris and are cleaned and free of spills.

2. BRANDED OPERATION

The Licensee will operate as a "[♦]" branded operation and subject to the provisions of this Operating Licence will sell all or substantially all of the "[♦]" line of products. If the Licensee fails to do so, then the Licensor may terminate this Operating Licence.

3. SURRENDER AND VACATING BY INCUMBENT LICENSEE

[♦] is the incumbent Licensee of Rooms [♦] and [♦]. The Licensor will not be liable for any delay in surrender or vacating by the said incumbent Licensee.

4. ROOMS YET TO BE FINALIZED

The dimensions, area, siting and layout of Room [♦] (approximately [♦] square metres) and Room [♦] (approximately [♦] square metres) have not been finalized. These will be finalized by the Licensor prior to [♦their respective fixturing dates] as set out in Section [♦] of this Operating Licence. The dimensions, area, siting and layout of the said [♦Room(s]) will be substantially as shown on the drawings included as Schedule A subject to variances as reasonably prescribed by the Licensor.

5. IF DELAY IN DELIVERY OF THE LICENSED SPACE

(a) If the Licensor is delayed in delivering the Licensed Space or any part thereof to the Licensee, then:

(i) the Commencement Date will be deferred by the same number of days as the period of the delay; and

(ii) subject to Section 5(b) below of this Schedule, the end date of the Term will be deferred by the same number of days as the period of the delay.

(b) Section 5(a)(ii) above of this Schedule will not apply if the period of the delay is less than 45 days. Section 5(a)(ii) above of this Schedule will also not apply unless the Licensor and the Licensee have entered into a supplemental agreement recording such deferral of the end date of the Term. The Licensor agrees that, if requested by the Licensee not later than 60 days after the revised Commencement Date, the Licensor will promptly execute and deliver such supplemental agreement.

(c) Provided that if the delay is principally caused by or attributable to the Licensee or it servants, consultants, agents or contractors, then the Licensor may elect that the Licensee will be held to the strict performance of its obligations disregarding Sections 5(a) and 5(b) above, and all Fees shall be paid by the Licensee without reduction, abatement or deferral.

(d) In any case, despite any such delay, this Operating Licence shall not be void or voidable nor shall the Licensor be liable to Licensee for any loss or damage resulting from the delay.

6. NO REQUIREMENT ON THE PART OF THE LICENSOR, REGARDING FACILITY PERMIT OR RELATED

Despite any indication otherwise in this Operating Licence, the Licensor is not required to implement or administer any Facility Permit process or to designate an Approving Authority or to develop or promulgate Approving Authority's Land Development and Construction By-law or Policies. If and to the extent that the Licensor does so, then the Licensee shall comply therewith in accordance with the provisions of this Operating Licence.

7. IF CLOSURE DUE TO LABOUR DISRUPTION

In the event of strikes, lock outs or other labour disruptions concerning the Licensor's employees resulting in closure of the Rapid Transit System or substantially reduced ridership on the Rapid Transit System for more than 3 consecutive days, Minimum Fees will abate for the duration. The Licensor will have no further liability in connection with any such event, and the Licensee will otherwise fully perform in accordance with the terms of this Operating Licence. Such abatement will be calculated and applied as reasonably directed by the Licensor.

8. 2010 OLYMPIC AND PARALYMPIC GAMES

(a) Definitions

In this Section 8 of this Schedule:

"Games" means the 2010 OLYMPIC AND PARALYMPIC GAMES; and

"Specified Games Period" means the period from and including January 5, 2010 to and including March 16, 2010.

(b) Restrictions, possible black-out periods, closures and interruptions

The Licensee acknowledges that in connection with the Games, Transit operations including the Rapid Transit System may be subject to requirements, restrictions, possible black-out periods, closures and interruptions from time to time, which may include prohibitions or restrictions on signage, sponsorship and advertising (including within retail locations), delivery and access restrictions, enhanced security measures, and system-wide or location specific shutdowns, which may impact, prevent or curtail all or some retail operations. These may be in effect before, during and potentially after the Games Period. The Licensee acknowledges that the Licensee will be subject to the foregoing, and that the Licensor will have no liability to the Licensee in connection with any of the foregoing, and despite the foregoing the Licensee will remain liable to pay the Fees and otherwise fully comply with this Licence.

(c) Right to extend the term, so that transition does not occur during the Olympic period

The Licensor will have the right, subject to paragraph (d) below, to extend the Term by a period of up to six (6) months. This right to extend is intended to allow the Licensor to ensure that the expiry of the Term does not occur during the Specified Games Period or during periods leading up to, during or after the Specified Games Period, where operation or planning or resources will be affected or materially impacted by the Games, and so as to avoid the need to engage in or carry out a request for proposals or other solicitation or selection process during the Specified Games Period or such other periods.

This right to extend may be exercised by the Licensor at any time up to the date that is 7 months prior to the date that the Term would otherwise expire or come to an end. To exercise this right, the Licensor is required to give notice in writing to the Licensee specifying the period (which shall not be greater than 6 months) for which the Term is extended.

(d) Lapse if not exercised prior to March 16, 2010

This right to extend may be exercised at any time on or before March 16, 2010, but if not exercised on or before March 16, 2010 will lapse and no longer operate.

9. PERFORMANCE EVALUATION

If from time to time the Licensor reasonably considers that the Licensee is not meeting the reasonable expectations for Gross Revenue, then the Licensee will consult with and work with the Licensor in order to assess such performance and to address measures that might be taken to improve performance. The Licensee will disclose information to the Licensor and provide reports and other relevant information and records as may reasonably be requested by the Licensor, for this purpose. The Licensee will implement measures mutually approved and agreed upon, to improve performance.

10. TRIAL PERIOD

The Licensee agrees that if the annualised revenues from the Licensed Space, as reasonably determined by the Licensor, during the first Licence Year of the Term (the "Trial Period") is less than $[♦] *, the Licensee will work with the Licensor for a six (6) month period (the "Remedial Period") immediately after the Trial Period to improve the Licensee's operations and increase its sales. If at the completion of the Remedial Period, there is no substantial increase, as reasonably determined by the Licensor, in the Licensee's sales, the Licensee shall, within thirty (30) days from the end of the Remedial Period, submit a revised concept or proposal to the Licensor for approval. The Licensee agrees that it shall implement such approved revised concept or proposal within ninety (90) days from the end of the Remedial Period. If the Licensee fails to submit an alternative concept or proposal acceptable to the Licensor or to implement such approved revised concept or proposal within the time stipulated respectively, or the Licensee does not (in the reasonable determination of the Licensor) achieve the foregoing level of sales by the end of the second Licence Year, then the Licensor may terminate this Operating Licence.

*If not otherwise stated:

(ii) the number that will be inserted here will be the sum equal to 70% of the amount projected by the Licensee (as reasonably determined by the Licensor) in its submission(s) to the Licensor leading to this Operating Licence; OR

(iii) if the Licensee has submitted a Proposal in response to a request for Proposal identified in Section 9.4(e) above, then the number that will be inserted here will be the sum equal to 70% of the amount projected by the Licensee (as reasonably determined by the Licensor) in its proposal submitted in response to the RFP referred to in Section 9.4(e) above. ♦]

11. SECOND RENEWAL PERIOD

With regard to the second renewal term, notwithstanding any other provision or agreement, the Licensor may decline to renew this Operating Licence if the Licensor notifies the Licensee that the Licensor is planning construction, renovation or refurbishment in the area of the Station in which the Licensed Space are located or the vicinity.

12. RIGHT TO EXTEND THE TERM, TO ALLOW STAGGERED TERMINATIONS

The Licensor will have the right to extend the Term (upon all the same terms and conditions as are then in effect) by a period of up to twelve (12) months. This right to extend is intended to assist in enabling the Licensor to manage the expiry of licences so that, if desired by the Licensor, their expiry can be spread out over a suitable period. This right to extend may be exercised by the Licensor at any time up to the date that is 5 months prior to the date that the Term would otherwise expire or come to an end. To exercise this right, the Licensor is required to give notice in writing to the Licensee specifying the period (which shall not be greater than twelve (12) months) for which the Term shall be extended.