



**Special Council
Monday, June 22, 2015**

Place: Anderson Room
Richmond City Hall

Present: Mayor Malcolm D. Brodie
Councillor Chak Au
Councillor Derek Dang
Councillor Carol Day
Councillor Alexa Loo
Councillor Bill McNulty
Councillor Linda McPhail
Councillor Harold Steves

Corporate Officer – David Weber

Absent: Councillor Ken Johnston

Call to Order: Mayor Brodie called the meeting to order at 4:00 p.m.

RES NO. ITEM

RICHMOND OLYMPIC OVAL CORPORATION

1. **UNANIMOUS CONSENT RESOLUTIONS OF THE SHAREHOLDER OF RICHMOND OLYMPIC OVAL CORPORATION**
(File Ref. No.: 01-0060-20-ROVA1, Xr: 03-1200-09) (REDMS No. 4604056)

SP15/3-1 It was moved and seconded

RESOLVED THAT:

- (1) *the Shareholder acknowledges and confirms the previous receipt of financial statement of the Company for the period from January 1, 2014 to December 31, 2014, together with the auditor's report on such financial statements, which financial statements were approved by the company's board of directors on April 28, 2015 and presented to the Shareholder at the Finance Committee meeting of Richmond City Council on May 4, 2015;*



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- (2) *the Shareholder acknowledges that the following directors are currently serving a 2 year term and will continue to serve as directors for the coming year:*

Name

Linda Sanderson

Umendra Mital

Victor John Farmer

- (3) *in accordance with Article 14.1 of the Company's Articles, the following persons, each of whom has consented in writing to act as director, are hereby elected as directors of the Company, to hold office for the term ending immediately prior to the election or appointment of directors at the annual general meeting of the Company held in the year set out opposite their name below:*

Name

Term

Edward Michael O'Brien

2017

Dennis Skulsky

2017

George Duncan

2017

Moray Keith

2017

- (4) *KPMG LLP be appointed as auditors of the company until the next annual reference date of the Company or until a successor is appointed, at a remuneration to be fixed by the directors;*
- (5) *the 2014 Annual Report of the Company is hereby received; and*
- (6) *June 22, 2015 be and is hereby selected as the annual reference date for the Company for its current annual reference period.*

CARRIED



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RES NO. ITEM

LULU ISLAND ENERGY COMPANY LTD.

2. **UNANIMOUS CONSENT RESOLUTIONS OF THE SHAREHOLDER OF LULU ISLAND ENERGY COMPANY LTD.**

(File Ref. No.: 01-0060-20-LIEC1, Xr: 03-1200-08) (REDMS No. 4572574, 4572609, 4572666, 4573391, 4572696)

SP15/3-2

It was moved and seconded

RESOLVED THAT:

- (1) *the financial statements of the Company for the period ended December 31, 2014, and the report of the auditors thereon, are hereby approved;*
- (2) *all lawful acts, contracts, proceedings, appointments and payments of money by the directors of the Company since the last annual reference date of the Company, and which have previously been disclosed to the shareholder, are hereby adopted, ratified and confirmed;*
- (3) *the number of directors of the Company is hereby fixed at 5;*
- (4) *the following persons, each of whom has consented in writing to act as a director, are hereby elected as directors of the Company, to hold office until the next annual general meeting of the Company or unanimous resolutions consented to in lieu of holding an annual general meeting, or until their successors are appointed:*

Cecilia Maria Achiam

Jerry Ming Chong

George Duncan

Robert Gonzalez

John David Irving

- (5) *KPMG LLP be appointed as auditors of the Company until the next annual reference date of the Company or until a successor is appointed, at a remuneration to be fixed by the directors;*
- (6) *April 30, 2015 is hereby selected as the annual reference date for the Company for its current annual reference period; and*



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(7) *as special resolutions, subject to the Company's receipt of the written consent of the Inspector of Municipalities as required under Article 9.5 of the Articles of the Company:*

(a) *the Articles of the Company be amended by deleting Article 11.3 and substituting therefor the following as a new Article 11.3:*

"11.3 Preparation and disclosure of financial statements

The Company's fiscal year end will be December 31 and the Company will appoint an auditor and have audited financial statements prepared as at each fiscal year end. The Company will present, annually at an open meeting of the City of Richmond council, the financial statements of the Company, including the report of the Company's auditor on those financial statements, as presented to the annual general meeting of the Company, within 150 days of the Company's fiscal year end. The Company will also hold an annual information meeting open to the public, at which the Company will present, or make available for inspection, the audited financial statements for the previous fiscal year."

(b) *the above-described alterations made to the Company's Articles shall take effect upon deposit of this resolution at the Company's records office.*

CARRIED

FINANCE AND CORPORATE SERVICES DIVISION

3. BUSINESS LICENCE REFUSAL RECONSIDERATION

(File Ref. No. 12-8275-20-2015000237) (REDMS No., 4550090, 4540623, 3991455, 4029661, 4029713)

Glenn McLaughlin, Chief Licence Inspector and Risk Manager, advised that section 60 of the *Community Charter* permits staff to refuse a business licence, while allowing the applicant to appeal such decision before Council.

4.



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Mr. McLaughlin referenced Business Licence Bylaw No. 7360 and stated that staff's decision to refuse a business licence to 0806352 B.C. Ltd. to relocate its business licence to Unit 110 – 4020 Bayview Street was on the basis that a restaurant is not a permitted use under the current zoning of the proposed property. He stated that the current zoning of the proposed property is Steveston Maritime Mixed Use (ZMU12) and a restaurant is not a permitted use in this zone. Therefore, Mr. McLaughlin requested that Council uphold staff's decision to refuse the application from 0806352 B.C. Ltd. to relocate its Food Service Establishment business licence to Unit 110 – 4020 Bayview Street.

In reply to queries from Council, Joe Erceg, General Manager, Planning and Development, advised that staff anticipate bringing forward the application by Onni Development (Imperial Landing) Corp. to rezone the property in approximately three months as discussions are ongoing with regard to amenity contributions. Also, Mr. McLaughlin advised that individual applications would be reviewed for compliance with the ZMU12 zone; however, a restaurant does not comply with said zone.

Shane Dagan, Owner, 0806352 B.C. Ltd., distributed materials and read from his submission (attached to and forming part of these minutes as Schedule 1). He highlighted that the ZMU12 zone permits "maritime" use, which is defined as "uses which are part of the maritime economy, with an emphasis on uses which support primarily the commercial fishing fleet." Mr. Dagan stated that although the Steveston Seafood House is a restaurant and does not exclusively deal in seafood, it does primarily purchase and resell seafood. He remarked that in 2013/2014, approximately 70% of the restaurant's direct food sales were seafood.

Mr. Dagan was of the opinion that the Steveston Seafood House's operations fall under the "Other services related to Maritime Uses" as defined under "Maritime Mixed Use" in Official Community Plan Bylaw No. 9000, as the Steveston Seafood House primarily supports the commercial fishing fleet.

Also, Mr. Dagan believed that the absence of restaurant as a permitted use in the ZMU12 zone did not necessarily mean that it is not a permitted use; instead, he argued that in order to prohibit restaurant use in this zone, the City would have to expressly do so.



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Mr. Dagan then remarked that he does not believe that restaurants in general should be permitted in the ZMU12 zone, or any business with marginal affiliation with the maritime industry; instead, he requested that the application by the Steveston Seafood House be considered as a standalone application.

In reply to queries from Council, Mr. Dagan advised that he was open to examining other areas of business in an effort to better comply with permitted uses of the ZMU12 zone. With regard to the potential to change the Steveston Seafood House’s menu, Mr. Dagan stated that his business licence would comply with the City’s regulations as it relates to permitted uses. Also, he stated that he is interested in relocating this business as the lease at its current location is up for renewal in the upcoming months.

In reply to queries from Council, Mr. Erceg advised that should the Steveston Seafood House’s appeal to relocate its business to the proposed site be successful, the forthcoming amenity contribution from Onni Development (Imperial Landing) Corp. could be negatively affected as the area occupied by the restaurant would no longer require rezoning. Also, Mr. McLaughlin advised that the City’s bylaws do not specifically define “seafood restaurant.”

SP15/3-3

It was moved and seconded

That the decision to refuse the application from 0806352 B.C. Ltd. to relocate its Food Service Establishment business licence to Unit 110-4020 Bayview Street be upheld.

CARRIED

ADJOURNMENT

SP15/3-4

It was moved and seconded

That the meeting adjourn (4:21 p.m.).

CARRIED



City of
Richmond

Minutes

Special Council
Monday, June 22, 2015

RES NO. ITEM

Certified a true and correct copy of the Minutes of the Special meeting of the Council of the City of Richmond held on Monday, June 22, 2015.

Mayor (Malcolm D. Brodie)

Corporate Officer (David Weber)

STEVESTON SEAFOOD HOUSE

The Steveston Seafood House is requesting that Council overturn the decision to refuse the application from 0806252B.C. LTd d.b.a. Steveston Seafood House to relocate its current business license to unit 110 – 4020 Bayview St.



Shane Dagan

Owner

0806352 B.C. Ltd

d.b.a Steveston Seafood House

3951 Moncton St
Richmond B.C
V7E3A7
Canada

PHONE 604-271-5252
FAX 602-271-5252
EMAIL info@stevestonseafthouse.com
WEB SITE www.stevestonseafthouse.com

Steveston Seafood House Report to Council

Beginning and reiterating city staff's report on pg 2 of the "report to council" the analysis states:

"The current zoning for the proposed property is Steveston Maritime Mixed Use (ZMU12) and restaurant is not a permitted use in this zone. The zone permits the following uses:

Permitted uses

- Education
- Housing, apartment
- Manufacturing, custom indoor
- **Maritime**
- Office
- Parking, non- accessory
- Personal service

SECONDARY USES

- Boarding and lodging
- Community care facility, minor
- Home business

Maritime is defined in the city's zoning bylaw as follows:

"Maritime means uses which are part of the maritime economy, with an emphasis on uses which **support primarily the commercial fishing fleet** and other services related to the maritime industry"

Although the seafood House is of course generally defined as a restaurant and does not exclusively deal in seafood, we would argue that we are **primarily** in the business of purchasing and re selling seafood.

In 2013 – 2014 the Steveston Seafood House had \$264,273 in direct food purchases

Of that \$264,273 approximately \$187,253 was spent directly on seafood items representing over **70% of food** purchases. Thus the Steveston Seafood House is **primarily in the business of supporting the commercial fishing fleet** falling well within the "maritime definition"

(see attachment 1 – actual financial statements from Seigneuret & Company CGA 2013-2014 fiscal year.)

Mr. McLaughlin's report then goes on to read:

"The maritime use under the zoning bylaw was introduced to implement the land use description of a "maritime mixed use" as part of the city's Official Community Plan (OCP). The definition of maritime mixed use in the Steveston area plan matched the definition of maritime under the zoning bylaw and lists the following as examples of such uses:

- Custom workshops;
- Enclosed Storage Facilities;
- Fish Auction and Off- loading;
- Laundry and Drycleaning;
- Light industrial;
- Maritime Educational Facilities;
- Moorage;
- Offices;
- **Other Services Related to Maritime Uses;**
- Parking;
- Service and Repair of Boats and Marine Equipment

Once again I would make the argument that as we directly **and primarily support the commercial fishing fleet**, the Steveston Seafood House would fit under the use of **other services related to maritime uses**

Furthermore the absence of restaurants being an expressly permitted use within the ZMU12 zoning does not mean that its use is not permitted. For the city to prohibit restaurants within the ZMU12 category, they would have to expressly state that a restaurant is not a permitted maritime use, if it otherwise fell within that definition as we feel it does.

Staffs report then goes on to add that:

"Further the proposed property is one of the properties included in an existing development application to amend the OCP and zoning bylaw to permit a number of non-maritime uses on the site (staff report attachment 7). Amongst the proposed non-maritime related amendments are the inclusion of "general retail and service uses..." in the definition of "maritime mixed use" in the official community plan (Steveston Area Plan) and including "restaurant" as a permitted use under the ZMU12 zone in the zoning bylaw. The need for these bylaw amendments supports the interpretation that restaurant and other general services uses are currently not permitted within the "maritime" use in ZMU12."

We are not taking the position that restaurants in general should be permitted within the ZMU12 zoning nor any business with an insignificant or trivial affiliation with the maritime industry be permitted. What we are requesting is that the Steveston Seafood House as an **isolated applicant** be granted a business license under the current zoning as we have been able to clearly demonstrate a use which falls within the existing zoning parameters.

In conclusion:

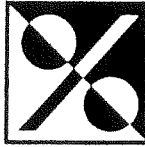
- A permitted use in the ZMU12 zoning is “maritime”
- Maritime is defined as: “uses which are part of the maritime economy, with an emphasis on uses which **support primarily the commercial fishing fleet** and other services related to the maritime industry”
- The Steveston Seafood House’s seafood purchases account for 71% of all food purchases made by the company. This clearly demonstrates a **primary** purpose of supporting the **commercial fishing fleet**
- The absence of restaurants from being an expressly permitted use does not mean that its use is not permitted if it otherwise fell within the maritime definition
- The Steveston Seafood House has a 38 year proven track record of supporting the **local** fishing industry
- Steveston Seafood house has continually operated with exceptionally high corporate citizen principles. Often going far above and beyond generally accepted practices in supporting community nonprofit organizations. The additional revenue expected from the proposed location would continue to be redistributed in greater amounts to those same community projects.
(see attachment 2)

It is worth noting that by approving the application to relocate the business license for the Steveston Seafood House, council would ultimately bring into being a net community benefit. By leading the way for tenancy in the proposed location (while following all of the defined guidelines and regulations set forth in the zoning bylaw) The Steveston Seafood House is demonstrating that tenancy within the current ZMU12 zoning can be achieved with a little creativity.

Shane Dagan
0806352 B.C. LTD
d.b.a Steveston Seafood House

Att:

1. Certified financial statements
2. Community support letters
3. Current offer to Lease from developer of proposed location



SEIGNEURET & COMPANY
CERTIFIED GENERAL ACCOUNTANT

NOTICE TO READER

On the basis of information provided by management, I have compiled the balance sheet of 0806352 BC Ltd dba Steveston Seafood House, as at July 31, 2014, and the statement of earnings and retained earnings for the year then ended.

I have not performed an audit or a review engagement in respect of these financial statements and accordingly, I express no assurance thereon.

Readers are cautioned that these statements may not be appropriate for their purposes.

Seignuret & Company
CERTIFIED GENERAL ACCOUNTANT

October 29, 2014

*denotes professional corporation

*Your
success
is our
business*

#210 - 3911 Moncton Street
Richmond, BC, Canada V7E 3A7
Telephone 604-266-0212
Fax 604-264-8368

Steveston Seafood House Profit & Loss

August 1, 2014 through June 15, 2015

Aug 1, '14 - Jun 15, 15

Ordinary Income/Expense

Income

4000 · Sales - Food	
4010 · Sales - Liquor	
4020 · misc income	
Misc Income - Travelzoo	
Total 4020 · misc income	
Total Income	

Cost of Goods Sold

5000 · Purchases - Food	
Purchases - Meat	11,881.73
PURCHASES - SEAFOOD	187,253.00
5000 · Purchases - Food - Other	44,589.56
Total 5000 · Purchases - Food	264,273.00

5010 · Purchases - Liquor	
Bottle Deposits	
Purchases - Beer	
Purchases Wine	
5010 · Purchases - Liquor - Other	

Total 5010 · Purchases - Liquor	
5050 · Tableware & Smallwares	
5060 · Deliveries	
5070 · Dining Room Supplies	
5075 · Kitchen Supplies	
5082 · Payroll Expenses *	
5090 · WCB Expense	

Total COGS

Gross Profit

Expense

5095 · Reconciliation Discrepancies	
6000 · Advertising	
6000 · Advertising - Other	
Total 6000 · Advertising	
6020 · Auto - Gas & Oil	
6021 · Auto - Insurance	
6023 · Auto - Parking	
6024 · Auto - Repairs & Mainteance	
6030 · Bank Charges & Interest	
6070 · Credit Card Charges	
6090 · Donations	7,973.90
6100 · Dues, Licenses & Permits	
6120 · Insurance	

To The Mayor and City Councillors of Richmond,

Dear Mr, Mayor and Council Members,

I am writing to you in support of Shane Dagan of the Steveston Seafood House.

You are all well aware of the Richmond Women's Resource Centre's need for funds. Mr Dagan as the owner of the Steveston Seafood House has generously offered to support the Centre by holding a fundraising brunch at his restaurant this fall. Although it is in the planning stages he has already met with two board members to discuss how this will unfold. As well, Mr. Dagan has proposed that his establishment could possibly be used for training or employment for women who complete the Work Ready Program run by the Centre, He has indicated that his support for the Centre would be ongoing. The Women's Centre thanks Mr Dagan for his community mindedness! With committed supporters like Mr. Dagan the Women's Centre is sure to thrive.

Yours truly,

Mary Scott

President Richmond Women's Resource Centre

424 Sunset Place . Mayne Island . BC . V0N 2J2

georgina@georginap.com . 778-995-5690

June 15, 2015

To Whom It May Concern:

This letter is intended to support Shane Dagan's request for zoning at the Onni site in Steveston for the Steveston Seafood House. The restaurant itself has built an extremely strong reputation in Richmond over many, many years. Since Shane took over, I have worked with him on several community projects and his generosity is well known by most of us in the non-profit and social service sector.

An example of this was his kindness in providing free meals to families in crisis introduced by Touchstone Family Association. His willingness to feed families in addition to providing gift certificates to non-profits to support their various fund raising activities is renowned.

Shane has always been available when I have needed help in working with the community on endeavors that have promoted community engagement. He is always willing to contribute his time and energy. I would expect any increased revenue to Steveston Seafood House from moving to the new location, to translate to a net community benefit, with increased contributions to community projects.

To talk about this further or for more information, please e-mail the address above.

Sincerely,

A handwritten signature in black ink, appearing to read 'G. Patko', with a horizontal line underneath.

Georgina Patko

**IMPERIAL LANDING
RICHMOND, BC**

OFFER TO LEASE - RETAIL

The Tenant named below hereby offers to lease from the Landlord the Premises described below at the rent and on the terms and conditions as follows:

1. BASIC TERMS

- (a) (i) **Landlord:** **ONNI DEVELOPMENT (IMPERIAL LANDING) CORP.**
- (ii) **Address of Landlord:** c/o Onni Group of Companies
Suite 300 – 550 Robson Street
Vancouver, British Columbia V6B 2B7
- (b) (i) **Tenant (legal name):** **SHANE DAGAN**
- (ii) **Address of Tenant:** TBD
- (iii) **Telephone/Facsimile:** TBD / TBD
- (iv) **Individual to Contact:** TBD
- (c) (i) **Indemnifier(s):**
- (ii) **Address of Indemnifier(s):**
- Tel: _____ (Bus.) _____ (Home)
- (d) **Premises:** The ground floor premises located in the portion of the Development shown outlined in black on Schedule A hereto. **Civic address referred to as Unit # TBD, 4020 Bayview Street, Richmond, BC.**
- (e) **Floor Area of Premises:** Approximately 3,780 square feet (subject to measurement in accordance with the definition of "Floor Area" in the Lease).
- (f) **Term:** Five (5) years plus, if the Term commences on any day other than the first day of a month, that number of days from the date of commencement of the Term to and including the last day of the month in which the Term commences.
- (g) **Commencement Date:** See Section 3.
- (h) **Minimum Rent:**

<u>Lease Years</u>	<u>Per Square Foot Per Annum</u>	<u>Per Annum</u>	<u>Per Month</u>
1 – 2	 	 	
3 – 5	 	 	

The Minimum Rent will be adjusted in accordance with the Lease if the Floor Area of the Premises is different than the area set forth in Section 1(e).

- (i) **Percentage Rent Rate:** N/A
- (j) **Permitted Business:** The operation of a full service sit down seafood restaurant.
- (k) **Operating Name of Business:** Steveston Seafood House
- (l) **Security Deposit:** \$20,506.50 including GST

- (m) **Fixturing Period:** One hundred and twenty (120) days commencing on the date specified in the Landlord's Notice, as set out in Section 8.
- (n) **Special Conditions:** This Offer to Lease also incorporates such special terms and conditions as may be set out in Schedule D hereto.

Capitalized terms not otherwise defined herein have the meanings ascribed thereto in the Lease.

2. PREMISES

The Premises are shown outlined in black on Schedule A and are located in Building (the "**Building**") on the Lands located at 4300 Bayview Street, Richmond, British Columbia. The Tenant acknowledges that the Premises and the Building form part of the development (the "**Development**") known as "IMPERIAL LANDING" constructed or to be constructed on the Lands.

3. TERM

The Term of the Lease will be for the period set out in Section 1(f) and will commence on the date (the "**Commencement Date**") which is the earlier of

- (a) the date of expiry of the Fixturing Period set out in Section 1(m); and
- (b) the date the Tenant opens for business in any part of the Premises.

4. RENT

Commencing on the Commencement Date, the Tenant will pay to the Landlord in the manner specified in the Lease the aggregate of:

- (a) Minimum Rent for each Lease Year in the amount set out in Section 1(h) payable in equal monthly instalments in advance on the first day of each month;
- (b) Percentage Rent for each Lease Year equal to the amount, if any, by which the Tenant's Gross Sales multiplied by the Percentage Rent Rate set out in Section 1(i) exceeds the Minimum Rent for such Lease Year;
- (c) Additional Rent for each Lease Year comprising without duplication:
- (i) the Tenant's Proportionate Share of Operating Costs;
- (ii) the Property Taxes payable by the Landlord in respect of the Premises as separately assessed against the Premises or, if not so separately assessed against the Premises, as allocated to the Premises by the Landlord, acting reasonably;
- (iii) the cost of electricity, gas, other fuel, water and other utilities consumed on the Premises, as allocated by the Landlord and measured by information meters if the Landlord so chooses, plus 15% of such cost as an administration fee to the Landlord; and
- (iv) a management fee in consideration of certain management and administrative services provided by the Landlord equal to 7% of Minimum Rent;
- (v) all assessments, levies or contributions levied by the strata corporation against the Landlord in respect of the strata lot or strata lots in which the Premises are located promptly when due, such share to be the fraction having as its numerator the Floor Area of the Premises and as its denominator, the total Floor Area of the strata lot or strata lots in which the Premises are located; and
- (d) applicable Goods and Services Taxes on any amount payable by the Tenant under the Lease.

5. USE AND NAME

The Tenant will use the Premises only for the Permitted Business set out in Section 1(j), and will operate such business during the hours prescribed by the Landlord continuously throughout the Term under the Operating Name set out in Section 1(k). The Tenant will not be entitled to carry on the Permitted Business to the exclusion of any third party.

6. DEPOSIT

The Tenant will pay to the Landlord, upon presentation of this Offer to Lease to the Landlord, the sum set out in Section 1(l), such sum to be held by the Landlord without interest as a Security Deposit under this Offer to Lease and under the Lease. If the Landlord does not accept this Offer to Lease or if this Offer to Lease is terminated pursuant to Section 10, this amount will be returned to the Tenant forthwith. If the Landlord is entitled to and does

terminate this Offer to Lease pursuant to Section 12, the Landlord may retain the Security Deposit on account of damages without prejudice to any other right or remedy of the Landlord.

7. LANDLORD'S RIGHT TO ALTER

The Landlord reserves the right to alter the components, design or dimensions of the Building, the Premises or the Development and to relocate the Premises within the Building, provided that the Premises as altered or relocated will be reasonably similar to the premises shown outlined on Schedule A attached hereto in respect of size, access and visibility.

8. CONSTRUCTION AND COMPLETION OF PREMISES

The Landlord will be responsible for the work described as "Landlord's Work" in Schedule B attached hereto and the Tenant will be responsible for all other work required by the Tenant or necessary to complete the Premises for occupancy, including the work described as "Tenant's Work" in Schedule B. All such work will be designed, approved, performed and completed in compliance with the provisions of Schedule B and it is agreed that the Fixturing Period is sufficient to permit the Tenant to complete the work to be performed by the Tenant prior to the Commencement Date.

The Landlord will give the Tenant no less than ten (10) days prior notice in writing (the "Landlord's Notice") that the Premises are or will be ready for occupancy by the Tenant for the purpose of carrying out the Tenant's Work. The Fixturing Period will commence on the date specified in the Landlord's Notice.

During the Fixturing Period, the Tenant will be bound by all of the terms, covenants and conditions of this Offer to Lease and the Lease, except those requiring payment of Rent, provided that the Tenant will nonetheless pay for all utilities and services actually consumed in the Premises during the Fixturing Period. Notwithstanding the foregoing, the Tenant will not be entitled to take possession of the Premises for the purpose of performing the Tenant's Work until the Lease has been executed by the parties and until the Tenant has provided the Landlord with certificates of insurance evidencing that the Tenant has taken out insurance covering the Premises as more fully set out in the Lease.

9. PARKING

The Tenant will not, and will not permit its officers, employees, customers or invitees to, park vehicles in the Parking Facility or in any parking areas in the vicinity of the Development except in those areas, if any, designated by the Landlord.

10. DELAY IN CONSTRUCTION

If any delay (other than a delay on the part of the Tenant) occurs in respect of the construction of the Building or the doing of the Landlord's improvement work so that the Premises are not made available for occupancy to the Tenant by the date stipulated herein, then the date on which the Premises are to be made available for occupancy to the tenant and the commencement date and termination of the Term of the Lease will be postponed for a period equal to the duration of the occurrence or delay, and the deferment of the Commencement Date, and the consequent deferment of the obligation of the Tenant to pay rent to the Landlord, will be accepted by the Tenant as full compensation for the delay.

11. RADIUS RESTRICTION

The Tenant agrees that during the Term of the Lease and any renewal or extension thereof, the Tenant will not (or if the Tenant is a limited company, it will not suffer or allow any officer or director or shareholder or parent or subsidiary or affiliate of the Tenant to) directly or indirectly operate, engage in or participate in or hold any security or debt of or furnish financial aid or other assistance to (whether as owner, shareholder, principal, agent, employee or independent contractor) a business identical with, competitive with or similar to the Permitted Business if such business is located within a radius of one and one half (1.5) miles of the Development. This Section 11 will not apply to any business of the Tenant which is in operation as of the date of execution of this Offer to Lease by the Tenant provided that the Tenant will have notified the Landlord of any such business prior to the execution of the Lease.

12. FORM OF LEASE

This Offer to Lease, upon acceptance by the Landlord, will become a binding contract pursuant to which the Landlord will grant to the Tenant a lease (the "Lease") in the Landlord's standard form for the Development incorporating the terms hereof and any reasonable modifications proposed by the Tenant and accepted by the Landlord within ten (10) days after receipt by the Tenant of such standard form. The Tenant agrees to execute the final form of such Lease within ten (10) days of receiving it, failing which the Landlord, at its option, will have the right to consider this accepted Offer to Lease as repudiated and, in such event, the Security Deposit will at the Landlord's option be forfeited to the Landlord on account of liquidated damages without prejudice to any other right or remedy of the Landlord. The Tenant will not conduct any business on the Premises until the Tenant has executed and delivered the Lease to the Landlord, provided that, notwithstanding the foregoing, if the Tenant does take possession of the Premises without executing the Lease, the Tenant will be deemed to have executed the same and will be bound by all of the provisions thereof, provided further that the Tenant will remain obligated to execute and deliver the Lease to the Landlord forthwith upon demand, and such failure to execute and deliver the Lease to the Landlord will be a default under the terms of the Lease. The provisions of this Offer to Lease will survive the execution and delivery of the Lease in respect of any obligations under this Offer to Lease which have not been

fulfilled as of the Commencement Date until such obligation has been fulfilled. In the event of any conflict between the terms of this Offer to Lease and the terms of the executed Lease, the executed Lease will govern.

13. ENTIRE AGREEMENT

There are no covenants, representations, agreements, warranties or conditions in any way relating to the subject matter of this Offer to Lease, expressed or implied, except as specifically set forth in this Offer to Lease and the Schedules attached hereto.

14. TENANT'S CREDIT

The Tenant and the Indemnifier(s) consent to an investigation by the Landlord of their creditworthiness. If the Landlord is not satisfied with the creditworthiness of the Tenant and/or the Indemnifier(s), then it may, in its sole discretion, within thirty (30) days of the acceptance by it of this Offer to Lease, withdraw its acceptance of this Offer to Lease and, in such event, this Offer to Lease and its acceptance and the Lease (if executed by the parties) will be null and void and the Security Deposit will be returned to the Tenant.

15. ASSIGNMENT

The Tenant will not have the right to assign this Offer to Lease or any interest herein, nor to sublet the Premises or any part thereof, without the prior written consent of the Landlord which the Landlord in its sole discretion may withhold. The Landlord may assign this Offer to Lease without the consent of the Tenant to any person who acquires an interest in the Building and, to the extent that such person has assumed the obligations of the Landlord hereunder, the Landlord will, without further written agreement, be freed and relieved of liability upon such obligations.

16. REGISTRATION

The Tenant covenants and agrees that it will not register or attempt to register this Offer to Lease or the Lease or any charge based on this Offer to Lease or the Lease against title to the Lands. In the event of any such registration or attempted registration, this Offer to Lease and its acceptance and the Lease (if executed by the parties) will, at the Landlord's option, be null and void and the Landlord will be entitled to discharge such registration and to retain the Security Deposit.

17. INDEMNITY

In consideration of the Landlord accepting this Offer to Lease from the Tenant, the Indemnifier(s), if any, set out in Section 1(c) agree(s) to indemnify the Landlord from any default by the Tenant in the performance of its obligations under this Offer to Lease and/or the Lease and agree(s) to execute and deliver to the Landlord an indemnity agreement in the form attached hereto as Schedule C.

18. NO BROKERAGE FEE

The Landlord has an agency relationship with ● as agent in respect of the leasing of the Premises. The Tenant has an agency relationship with ● and represents and warrants that it is not liable, or aware of any obligation, to pay any brokerage fee or commission to any other person in respect of the lease of the Premises by the Tenant and the Tenant covenants to pay all such fees or commissions if any are payable, to the complete exoneration of the Landlord unless such party has entered into an agreement directly with the Landlord for the payment of a brokerage fee.

19. OFFER IRREVOCABLE

The Landlord is not making and will not be deemed to have made an offer to the Tenant by preparing this form of Offer to Lease. No agreement respecting the Premises will arise or exist between the parties hereto except through the making of this Offer to Lease by the Tenant and the acceptance thereof by the Landlord. This Offer to Lease upon execution by the Tenant and delivery to the Landlord will be irrevocable by the Tenant and open for acceptance by the Landlord until 5:00 p.m. on the thirtieth (30th) day after execution and return of this Offer to Lease to the Landlord by the Tenant, and if not accepted by then, it may be withdrawn by the Tenant by notice to the Landlord at any time prior to its later acceptance by the Landlord.

20. TIME OF THE ESSENCE

Time will be of the essence of this Offer to Lease.

21. LANDLORD'S CONDITIONS

This Offer to Lease is subject to the following Conditions being satisfied or waived, by the Landlord:

(a) This Offer to Lease is subject to final approval by the Landlord's Board of Directors on or before ~~February 10~~, 2015.

(b) This Offer to Lease is subject to Landlord's approval of Tenant credit rating on or before ~~February 10~~, 2015.

(c) This Offer to Lease is subject to the Landlord and Tenant agreeing on a final form of Lease on or before ~~February 15, 2015~~, 2015.

If the Landlord fails to notify the Tenant, in writing, that these Conditions have been satisfied or waived within the time specified, or by such time as subsequently agreed, then this agreement shall become null and void and the deposit shall be returned to the Tenant forthwith without deduction.

These Conditions are for the sole benefit of the Landlord. The Landlord has the right to waive these conditions at its sole discretion within the time stipulated and proceed with the transaction herein contemplated.

22. TENANT'S CONDITIONS

This Offer to Lease is subject to the following Conditions being satisfied or waived, by the Tenant on or before February 15, 2015

- (a) This Offer to Lease is subject to the Landlord and Tenant agreeing on a final form of Lease.
- (b) This Offer to Lease is subject to the Tenant being satisfied that it will secure satisfactory financing.
- (c) This Offer to Lease is subject to the Tenant being satisfied that it may obtain a business license to operate the Permitted Business within the Premises.

If the Tenant fails to notify the Landlord, in writing, that these Conditions have been satisfied or waived within the time specified, or by such time as subsequently agreed, then this agreement shall become null and void and the deposit shall be returned to the Tenant forthwith without deduction.

These Conditions are for the sole benefit of the Tenant. The Tenant has the right to waive these conditions within the time stipulated and proceed with the transaction herein contemplated

23. SCHEDULES

The Schedules form an integral part of this Offer to Lease and are as follows:

- Schedule A - Plan of Building and Premises
- Schedule B - Landlord's and Tenant's Work
- Schedule C - Form of Indemnity Agreement
- Schedule D - Special Provisions
- Schedule E - Exclusivity Provisions

DATED at 3951 Munster this 5 day of February, 2015.

BY THE TENANT)
 SIGNED, SEALED AND DELIVERED by the Tenant)
 in the presence of:)
 _____)
 Name)
 _____)
 Address)
 _____)
 Occupation)

SHANE DAGAN



_____)
 (Tenant)

BY THE INDEMNIFIER(S)

SIGNED, SEALED AND DELIVERED by the
Indemnifier(s) in the presence of:

Name

Address


Occupation

(as to both signatures)

BY THE LANDLORD

ACCEPTED by the Landlord this 21st day of
January, 2015.

**ONNI DEVELOPMENT (IMPERIAL LANDING)
CORP.**

Per: 
Authorized Signatory

)	
)	
)	
)	
)	
)	_____ (seal)
)	(Indemnifier)
)	
)	
)	
)	_____ (seal)
)	(Indemnifier)
)	