

## ASSIGNMENT OF LEASE

THIS AGREEMENT made the 4<sup>th</sup> day of April, 2016

BETWEEN:

Wine & Art Kelowna Inc.  
2328 Country Club Drive  
Kelowna, BC V1C 2A6

(the "Assignor")

AND

Wine & Art Kelowna (2016) Inc.  
#30 - 3626 Mission Springs Drive  
Kelowna, BC V1W 5L1

(the "Assignee")

AND

THE CITY OF KELOWNA, a municipal corporation with offices  
at 1435 Water Street, Kelowna, British Columbia, V1Y 1J4

(the "City")

PREMISES

315 Lawrence Avenue, Kelowna, BC

WHEREAS

- A. Pursuant to a Lease dated the 6<sup>th</sup> day of October, 2014, made between the City and the Assignor for a term of five (5) years to be ending the 30<sup>th</sup> day of November, 2019, subject to the terms and conditions contained in the Lease, a copy of which is attached as Schedule "A";
- B. The Assignor and the Assignee have entered into a contract of purchase and sale, attached as Schedule "B", of the assets of the Assignor's business ("Offer to Purchase") known as Wine & Art and located at 315 Lawrence Avenue, Kelowna, BC with a closing date of 14<sup>th</sup> day of April 2016 ("Closing Date") and as such the Assignee has requested the Assignor to transfer to the Assignee the residue of the term of the Lease; and
- C. The Assignor has requested the City's consent to the said assignment of the Lease.

NOW THEREFORE THIS AGREEMENT WITNESSES THAT in consideration of the mutual covenants and agreements herein contained, and other good and valuable consideration (the receipt and sufficiency of which is hereby acknowledged), the parties covenant and agree as follows:

1. As and from the Closing Date, the Assignor grants, assigns, transfers and sets over absolutely and unconditionally unto the Assignee all of the Assignor's right, title and interest both at law and in equity in and to the Premises, the Lease, and the unexpired residue of the term thereof and any rights of renewal contained therein and all other benefits and advantages to be derived therefrom, to hold unto the Assignee subject to the payment of rent and the observance and performance by the Assignee of the Assignor's covenants, agreements and obligations contained in the Lease.
2. The Assignor represents and warrants to the Assignee that:
  - (a) subject to receipt of the City's consent, the Assignor has full right and authority to assign its interest in the Lease as contemplated hereby;
  - (b) the Assignor's interest in the Lease is free and clear of all liens, charges, encumbrances and judgments of any nature or kind whatsoever;
  - (c) the Lease is good, valid and subsisting and the Assignor has observed and performed each and every covenant, agreement and obligation of the Assignor therein required to be observed or performed by it to the Closing Date; and
  - (d) the Lease has not previously been terminated, amended or assigned, other than as set out herein.
3. As and from the Closing Date, the Assignee assumes and agrees to observe, perform, be bound by and be liable under, as an obligation of the Assignee, each and every covenant, agreement and obligation of the Assignor under the Lease required to be observed or performed on or after the Closing Date.
4. The Assignor will indemnify, defend and save harmless the Assignee from and against all actions, suits, losses, damages and expenses for or on account of the non-observance or non-performance of any of the covenants, agreements obligations contained in the Lease arising prior to the Closing Date, and the Assignee will indemnify, defend and save harmless the Assignor from and against all actions, suits, losses, damages and expenses for or on account of the non-observance or non-performance of any of the covenants, agreements or obligations contained in the Lease arising on or after the Closing Date.
5. The City consents to the assignment by the Assignor to the Assignee of all of the Assignor's right, title and interest in the Lease and the unexpired residue of the term thereof and any rights of renewal contained therein, and

acknowledges that the Assignor is not now in default under the terms of the Lease.

6. The consent of the City shall not be deemed to authorize any further or other assignment or subletting or the granting of any right of Lease of possession or occupancy without permission of the Landlord subject to the terms and conditions set out in the Lease.
7. The City does not release the Assignor from and against any and all liability, covenants, promises and conditions related to the Lease until the first term of five (5) years has expired. The City will release the Assignor from and against any and all liability, covenants, promises and conditions related to the Lease at the commencement of any renewal terms.
8. Further to the terms of Part 10.6 of the Lease, the Assignor will remit an Assignment fee to the City in the amount of \$300.00.
9. The Assignor agrees with the Assignee that it will from time to time and at all times hereafter at the request and the cost of the Assignee execute and deliver to the Assignee such further assurances in respect of this Agreement as the Assignee may reasonably require.
10. This Agreement shall be binding upon and enure to the benefit of the parties and their respective successors and assigns.
11. The invalidity or unenforceability of any provision of this Agreement or any part thereof shall not affect the validity or enforceability of the remainder of this Agreement or the remainder of such provision.
12. This Agreement shall be governed by and construed in accordance with the laws of British Columbia.

IN WITNESS WHEREOF the parties hereto have hereunto affixed their signatures on the date first above written.

SIGNED, SEALED and DELIVERED  
by the City in the presence of:

\_\_\_\_\_  
Witness

) CITY OF KELOWNA by its  
) authorized signatories:  
)  
)  
)  
)  
)  
)

\_\_\_\_\_  
Authorized Signatory

\_\_\_\_\_  
Authorized Signatory

SIGNED, SEALED and DELIVERED  
by the Assignor in the presence of:

\_\_\_\_\_  
Witness

*Tammy ABRAHAMSON*

) Wine & Art by its  
) authorized signatories:  
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)  
)

*WILBOK TURNER*  
\_\_\_\_\_  
Authorized Signatory

\_\_\_\_\_  
Authorized Signatory

SIGNED, SEALED and DELIVERED  
by the Assignee in the presence of:

\_\_\_\_\_  
Witness

*Tammy ABRAHAMSON*

) Wine & Art Kelowna (2016) Inc.  
) by its authorized signatories:  
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*MARCI MANEGRE*  
\_\_\_\_\_  
Authorized Signatory

\_\_\_\_\_  
Authorized Signatory