

NOTICE OF LEASE AND SHORT FORM OF LEASE

THIS INDENTURE made as of the 22nd day of April, 2008.

BETWEEN:

CROMBIE PROPERTY HOLDINGS II LIMITED, formerly Sobeys Properties Limited

(hereinafter called the "Landlord")

-and-

SOBEYS CAPITAL INCORPORATED

(hereinafter called the "Tenant")

A. DEFINITIONS

1. In this Notice of Lease:

(a) **"Building"** or **"Buildings"** means all structure(s), (including parking structures, if any), improvements, facilities and amenities on the Lands and appurtenances thereto as they exist on the Lands from time to time;

(b) **"Centre"** means the Lands and Buildings as they may be respectively constituted by the Landlord from time to time;

(c) **"Lands"** mean lands described and outlined in blue on Schedule "A", legally described in Schedule "B" and situate at the address set forth in Schedule "C", collectively annexed hereto.

(d) **"Parking Facilities"** means the paved parking areas provided and maintained by the Landlord within the Centre for transient, non contract parkers in accordance with this Lease as shown outlined in heavy dashed line on Schedule "A", sufficient to accommodate at least standard size automobiles, and in any event having an area sufficient (a) to satisfy the requirements of all By-Laws, and (b) the number of parking spaces existing at the commencement of the Term. Subject to the foregoing provisions of this Section 1(d), the Parking Facilities include the entrances, roads and other means of access thereto within and serving the Centre and any parking structures or other Parking Facilities from time to time constructed in or for the Centre.

(e) **"Premises"** means that part of the Centre which the Tenant has agreed to rent from the Landlord and being that portion of the Building outlined in red on the plan annexed hereto as Schedule "A".

**ARTICLE 20.05
SUBORDINATION**

This Lease is subject and subordinate to all mortgages or deeds of trust which may now or at any time hereafter affect the Premises in whole or in part or the Centre in whole or in part and whether or not any such mortgages or deeds of trust shall affect only the Premises or the Centre or shall be blanket mortgages or deeds of trust affecting other Premises as well, and the Tenant covenants and agrees at any time upon notice from the Landlord to attorn to and become a tenant of a mortgagee or trustee under any such terms and conditions as may be reasonably required by such party (including without limitation the obligation to provide such party with any notices by the Tenant to the Landlord alleging that the Landlord is in default of its obligations in this Lease and to permit such party to cure any default by the Landlord all as more particularly provided in any such agreement) provided that such party agrees that the Tenant may remain in possession on the Premises upon complying with its obligations as set forth in this Lease. This Lease shall also be subject and subordinate to all renewals, modifications, consolidations, replacements and extensions of any such mortgages or deeds of trust. In confirmation of such subordination and agreement to attorn, the Tenant shall execute promptly upon request by the Landlord any certificates, instruments, and all postponement agreements which may from time to time be requested to give effect thereto. Notwithstanding the foregoing, any such subordination shall be subject to any such mortgagee or trustee agreeing that the Tenant may remain in possession of the Premises upon compliance with the terms of this Lease.

**ARTICLE 48.01
RESTRICTIVE COVENANT**

(a) Subject to the limitations hereinafter set forth, to the intent that this covenant shall run with the Lands throughout the Term of this Lease or any renewals thereof or extensions thereto, the Landlord covenants and agrees that it will not, use or occupy, nor suffer or permit to be occupied or used, or lease any of the Lands (other than the Premises), in whole or in part, for or in respect to or in connection with carrying on the business of a supermarket, a food store, or other business providing for the sale of any food and/or food products (for human consumption), without first obtaining the written consent of the Tenant, which may not be unreasonably withheld.

(b) Subject to the limitations hereinafter set forth, the Landlord will not during the Term of this Lease or any extensions thereto, lease to any tenant in the Centre for use as:

- (i) a store used principally or in part for the sale of war surplus articles, insurance salvage stock, fire sale stock or for the sale of merchandise damaged by fire or purporting to be damaged by fire except merchandise damaged by a fire taking place in any premises;

- (ii) a store used principally or in part for the sale of second hand goods other than a first class retail operation such as Value Village;
 - (iii) a private or public auction or a fire, bulk, "going out of business" or bankruptcy sale business, provided that this shall not prevent any tenant in the Centre from carrying out a going out of business or bankruptcy sale with respect to its own operations;
 - (iv) a funeral home, pawn shop or warehouse (for greater certainty a warehouse does not include any big box retailer including a retailer such as Costco or other similar businesses);
 - (v) an x-rated adult only book store, x-rated adult only video store, x-rated adult only entertainment establishment and/or the sale of any products or merchandise that may be paraphernalia used in the use or ingestion of illicit drugs;
 - (vi) an off track betting shop;
 - (vii) a casino;
 - (viii) a pool hall or billiard room other than a first class facility such as a "Dooly's Pool Hall"
 - (ix) a gymnasium other than a first class facility such as Nubody's, Goodlife, Kids Jungle Jim;
 - (x) any game parlour, tavern, night club, dance hall or other place of public or private amusement;
 - (xi) any theatre, bowling alley or entertainment facility located within 150 feet of the Premises (for greater certainty the Landlord may lease to a theatre, bowling alley or entertainment facility as long as it is located at least 150 feet from the Premises and the Landlord complies with the parking restrictions herein set forth).
- (c) Subparagraphs (a) and (b) do not apply to (i) fast food outlets or sit down restaurants selling food for immediate consumption on or off their premises, (ii) the rights of any existing tenants and uses in the Centre and any successor thereto or any permitted assignee or subtenant thereof, or (iii) a tenant occupying more than 25,000 square feet Rentable Floor Area other than any such tenant the principal business of which is the retail sale of food for human consumption such as for example and not by way of limitation a Loblaws, A&P, Metro or Atlantic Superstore or similar operations but for greater certainty not including a Wal-Mart or Costco or similar operation, in respect of whom the Landlord may continue to deal without regard to this restriction.
- (d) Notwithstanding subparagraphs (a) and (b), the Landlord may use or occupy, or suffer or permit to be occupied or used, or lease any of the Lands