



Exhibition Place

July 23, 2014

Appendix C -

Zlatko Starkovski, President
Hypnotic Clubs Ltd. ("Muzik")
Muzik Clubs Inc.

Dear Mr. Starkovski

Re: Lease between the Board of Governors of Exhibition Place (the "Board") and Muzik Clubs Inc. (now Hypnotic Clubs Ltd.) ("Muzik") dated February 16, 2004 (the "Lease")

WHEREAS the Master Agreement between the Board of Governors of Exhibition Place (the "Board") and the Canadian National Exhibition Association (the "CNEA") provides:

- (a) The CNEA shall construct its westerly fence for the CNE to ensure that westerly landscaped area and entrance to the Muzik that are part of the Muzik Leased Property is outside the CNE westerly perimeter and for clarity, the CNEA's westerly fence line is outside the limits of the Muzik Leased Property unless otherwise agreed to by Muzik.
- (b) The CNE shall work co-operatively with Muzik if Muzik decides to develop special programs that will be offered during the CNE,
- (c) During the CNE, the CNEA shall provide to Muzik 21, 18-Day Admission passes (CNE6); 5, 18-day Essential Services passes; and 21 18-Day West Grounds Parking passes.
- (d) Muzik, its staff and invitees, shall have continuous and full access to the Muzik Leased Property during the CNE provided that all persons follow the CNEA rules applicable throughout the grounds during the CNE.
- (e) Any persons attending Muzik during the CNE and arriving after 10 pm shall be charged normal Exhibition Place Parking rates.

NOW THEREFORE The Board and Muzik Clubs (now Hypnotic Clubs Ltd.) ("Muzik"), collectively the Parties to the Lease Agreement (February 16, 2004) (the "Lease"), agree to the following operating terms for the 2014 CNE Period:

1. Muzik will be open to patrons from 10:00 a.m. to 2:45 a.m. on the following days:

- Friday, August 15, 2014
- Saturday, August 16, 2014
- Sunday, August 17, 2014
- Friday, August 22, 2014
- Saturday, August 23, 2014



THE BOARD OF GOVERNORS OF EXHIBITION PLACE

Exhibition Place, Toronto, Ontario M6K 3C3 Tel: (416)263-3600 www.explace.on.ca

- Sunday, August 24, 2014
- Friday, August 29, 2014
- Saturday, August 30, 2014
- Sunday, August 21, 2014
- Monday, September 1, 2014

Muzik may apply to the AGCO for an extended liquor licence for up to 6 days (Fridays and Saturdays) during the CNE period, subject to the Board and Muzik agreeing on a security protocol to apply during those extended hour events and subject to approval by the AGCO of the extended hours and compliance with Applicable Laws. If required by the AGCO, the Board will provide a letter endorsing this arrangement. In addition, Muzik may, on the provision of 48-hour notice to the Board, open on other dates for private functions provided that Muzik continues to provide security as set out in the security protocol and Muzik may decide not to operate on any dates or times noted above provided 48-hour notice is provided to the Board. Any costs reasonably incurred by the Board due to a change (including on days when no operation occurs) will be reimbursed by Muzik upon the receipt of an invoice.

2. Muzik patrons shall enter and exit from the west entrance only via Dufferin Street and the other building exits shall, except in case of emergency, be closed off and prohibited from use by Muzik staff, suppliers or patrons. To expedite this access and egress by Muzik patrons, if a road closure is put in place a taxi stand for 10 cabs/ limos shall be allowed to stack on Dufferin Street (adjacent to Medieval Times) starting at 12 midnight each event night. The taxi stand cannot operate during those periods when Dufferin Street is open for regular traffic, however, the Board will in that case request that the City allow a taxi stand to be located on Dufferin Street north of the Gardiner Bridge.
3. Muzik acknowledges that its open air patios are adjacent to two CNE program areas – Bandshell Stage to the south and Kids World in Centennial Square to the north. Muzik will not generate noise that may, in the opinion of the Board, acting reasonably, interfere with CNE concerts at the Bandshell or CNE activities in Centennial Square and the Board may refer any noise complaints received from surrounding residents due to the activities of Muzik to Exhibition Place Security. (Exhibition Place Security will in turn contact Muzik through normal channels). Note ‘Attachment A’ refers to the current published schedule of CNE Bandshell activities subject to change.
4. Muzik will at its costs, take reasonable steps (including deploying sufficient paid duty police in the area outside the Muzik west entrance for the period 10 p.m. to 4 a.m.) to ensure that all of its patrons enter and promptly leave the Muzik Leased Property and the grounds by the Dufferin Bridge or the British Columbia Drive exit.
5. Muzik will inform the Board of its security plan and work cooperatively with the Board to address its security concerns reasonably. Muzik will take reasonable steps to maintain safe

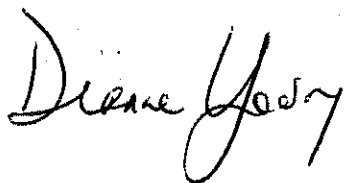
conditions within, and in the area immediately surrounding, its Leased Property for its patrons, employees and members of the public using Exhibition Place or attending the CNE. In the event that any circumstances or incidents occur which are not adequately addressed by the security plan, Muzik agrees that it shall work cooperatively with the Board to modify its security plan as reasonably required to address these issues.

6. Muzik agrees to provide evidence of insurance in accordance with the provisions of the Lease.
7. Muzik will ensure that all deliveries to the Muzik building occur between the hours of 2 a.m. and 10 a.m. In the event that CNEA changes its delivery rules, Muzik will work cooperatively with CNEA to similarly adjust its own delivery schedule.
8. Muzik will reimburse the CNEA for any additional operating costs which are, in the opinion of the Board, due to Muzik's operation or the activities of its invitees on the grounds (ie additional security, fencing etc)
9. The Board agrees to facilitate better cooperation between Muzik and the CNEA including assisting in mediating disputes between Muzik and the CNEA and the development of special programs as outlined in the Master Agreement reflected in 1(b) above.

NOTHING in this Operating Agreement shall be construed to affect any or all terms of the Lease.

MUZIK'S RIGHT TO OPERATE during the CNE under this Operating Agreement shall be subject to any order of a court or an arbitrator pursuant to Arbitration Act which may suspend or remove the Board's legal ability to grant such rights.

Sincerely



Dianne Young, CEO, Exhibition Place

IN WITNESS WHEREOF:

SIGNED this day _____ at Toronto, Ontario, Canada,

A handwritten signature in blue ink, consisting of stylized, overlapping loops and a long horizontal stroke extending to the right.

Zlatko Starkovski, President
Hypnotic Clubs Ltd. ("Muzik")

Attachment A

Bandshell Park Events - based on information on the CNE website as at July 21, 2014

Note: this is subject to change.

Down With Webster:	Date: Aug 15	Time: 7:30 pm - 9:30 pm
The Mavericks:	Date: Aug 16	Time: 7:30 pm - 9:30 pm
Kailash Kher:	Date: Aug 17	Time: 7:30 pm - 9:30 pm
Ash & Bloom:	Date: Aug 19	Time: 7:30 pm - 8:00 pm
Christopher Cross:	Date: Aug 19	Time: 7:30 pm - 9:30 pm
Jay Douglas:	Date: Aug 20	Time: 7:30 pm - 8:00 pm
The Mighty Diamonds:	Date: Aug 20	Time: 7:30 pm - 9:30 pm
Pavlo:	Date: Aug 21	Time: 7:30 pm - 8:00 pm
José Feliciano:	Date: Aug 21	Time: 7:30 pm - 9:30 pm
DWAYNE GRETZKY:	Date: Aug 22	Time: 7:30 pm - 8:00 pm
Platinum Blonde:	Date: Aug 22	Time: 7:30 pm - 9:30 pm
Tebey:	Date: Aug 23	Time: 7:30 pm - 8:00 pm
Gord Bamford:	Date: Aug 23	Time: 7:30 pm - 9:30 pm
Francesco Yates:	Date: Aug 24	Time: 7:30 pm - 8:00 pm
The Orchestra:	Date: Aug 24	Time: 7:30 pm - 9:30 pm
These Kids Wear Crown:	Date: Aug 26	Time: 7:30 pm - 9:30 pm
Bleeker Ridge:	Date: Aug 27	Time: 7:30 pm - 8:00 pm
April Wine:	Date: Aug 27	Time: 7:30 pm - 9:30 pm
Hanson:	Date: Aug 28	Time: 7:30 pm - 9:30 pm
Autumns Cannon:	Date: Aug 30	Time: 7:30 pm - 8:00 pm
Tom Cochrane:	Date: Aug 30	Time: 7:30 pm - 9:30 pm