

**CITATION:** Parthenos Developments Ltd. v. 2599792 Ontario Inc. et al., 2026 ONSC 3128  
**COURT FILE NO.:** CV-25-100695  
**DATE:** 2026/05/29

**ONTARIO**

**SUPERIOR COURT OF JUSTICE**

**BETWEEN:** )  
 )  
Parthenos Developments Ltd. ) Alexander Bissonnette, for the Plaintiff  
 )  
Applicant )  
– and – )  
 )  
2599792 Ontario Inc. and Atef Ghali )  
Medicine Professional Corporation ) Stéphane MacLean, for 2599792 Ontario Inc.  
 )  
Respondents ) Self-Represented for Atef Ghali Medicine  
 ) Professional Corporation  
 )  
 )  
 )  
 ) **HEARD:** December 9, 2025

**SOMJI J**

**REASONS FOR JUDGEMENT**

**APPLICATION RE LEASE RENEWAL AND RELIEF FROM FORFEITURE**

**Introduction**

[1] The applicant Parthenos Developments Ltd. (“Parthenos”) is the landlord and owner of a commercial premises. The respondent 2599792 Ontario Inc. (“Ontario Inc.”) leases two units known as 101 and 202 on the premises from Parthenos (“Lease”).

[2] Amany Mikhail is a licensed pharmacist. She is the principal owner of Ontario Inc. She and her husband operate an accredited pharmacy at unit 101 of the premises. Ontario Inc. sublets unit 202 to the respondent Atef Ghali Medicine Professional Corporation owned by Dr. Atef Ghali. Dr. Ghali operates a family medical clinic at unit 202.

[3] The Lease was scheduled to expire on June 30, 2025. However, the Lease had a clause entitling Ontario Inc. to renew the Lease for a 10-year term upon written notice to Parthenos. The renewal option provided for the Lease to continue on the existing terms with an annual rent increase of 5% or at the rate of fair market value for similar premises. Parthenos argues the respondents failed to provide clear notice of the renewal option; consequently, the Lease has expired. Parthenos brings an application seeking declarations and orders that the renewal option was not properly exercised, the Lease is terminated, and that the respondents vacate the units.

[4] Ontario Inc., on the other hand, argues that they provided clear notice of their intention to renew. While they acknowledge there were discussions between representatives of the parties about the possibility of an alternative lease arrangement, these discussions did not undermine Ontario Inc.'s formal written notice for renewal.

[5] Alternatively, even if this court finds that Ontario Inc. did not properly exercise its renewal option, the respondents request relief from forfeiture. They argue the breach was technical, the pharmacy and clinic have been longstanding and compliant tenants, they have invested significant sums in leasehold improvements to the premises, and that their continuation as tenants would not result in any prejudice to Parthenos.

[6] I must decide two issues. First, I must determine if Ontario Inc. properly exercised its renewal option. This requires me to consider the terms of the renewal option, whether Ontario Inc. provided notice to renew as per those terms, and whether the discussions between the representatives of the parties undermined the validity of the renewal. Second, even if I find Ontario Inc. did not properly exercise the renewal option, I must determine if the respondents are entitled to relief from forfeiture, an equitable remedy that allows tenants to continue with a lease notwithstanding breach of its terms.

[7] The case turns on the interpretation of the documentation exchanged between the parties and a discussion held between Mr. Bastawros and Ms. Mikhail on October 24, 2024. Findings of fact can be made with respect to this meeting based on the record filed and a trial is not necessary.

**Issue 1: Was the lease validly renewed?**

[8] I find Ontario Inc. provided clear written notice to Parthenos of its intention to renew on August 19, 2024. While there were further exchanges between various representatives of the possibility for alternate lease arrangements and the rent amount, these exchanges occurred after the written notice was provided. I find they did not undermine the validity of the renewal notice.

[9] Below, I address the manner in which the Lease came into effect, the renewal option terms, the notice provided by Ontario Inc., and the discussions and written exchanges between the parties following the notice. I also address Parthenos' claims that the option to renew is unenforceable for vagueness. Finally, I address Parthenos' claim that the Ontario Inc.'s failure to pay May 2025 rent constituted a breach of the lease terms that warranted termination of the lease.

***a. The pharmacy, medical clinic, and the Lease with Parthenos***

[10] Ms. Mikhail came to Canada in 2012 with her husband, Amir Sadek, a trained physician. Together they operate Innes Ideal Pharmacy at unit 101 of the premises which Ontario Inc. leases from Parthenos. The pharmacy serves between 20,000 to 25,000 customers; many attend daily to have their medications administered.

[11] Ms. Mikhail and her husband intended for the purchase and operation of the pharmacy to be a long term project and investment. Through Ontario Inc., Ms. Mikhail invested approximately \$1.5 million into the pharmacy including leasehold improvements, computer systems, equipment, and inventory. At the end of 2024, the pharmacy had year-end liabilities of approximately \$2,200,000. The pharmacy has been, however, a profitable enterprise.

[12] On October 25, 2017, Ontario Inc. took over the Lease for units 101 and 202 located at 4773 Innes Road, Ottawa, from the previous tenant. Parthenos approved the Lease assignment. Unit 101 is located on the ground floor where the pharmacy operates. While the pharmacy has walk-in clients, it also serves patients who attend Dr. Ghali's clinic at unit 202.

[13] Dr. Ghali is a physician licensed to practice family medicine in Ontario. He has been operating a family medical clinic - Alpha Care Clinic and Alpha Care Family Health Clinic - from unit 202 on the second floor since July 2015. Dr. Ghali sees twenty patients a day; many are elderly

and vulnerable. Dr. Ghali reports he has an excellent working relationship with the pharmacy as well as Ms. Mikhail and Mr. Sadek. His patients regularly fill their prescriptions at the pharmacy and benefit from its proximity to its clinic.

[14] The Lease was scheduled to expire on June 30, 2025, but contained a clause with the option for the tenant to renew for one further 10-year term, provided the tenant had complied with rental payments and terms. The renewal option provided for Ontario Inc. to remain on the property for an extended period allowing Ms. Mikhail and her husband to recoup their investment into the pharmacy including the leasehold improvements made. As Ms. Mikhail attests, it was always her and her husband's intent and desire to renew the Lease so they could continue operating the pharmacy from the same premises.

[15] In addition, renewal of the Lease would allow Dr. Ghali, as a subtenant, to continue operating his clinic from unit 202. As Dr. Ghali attested, were he to lose his subtenancy, he would have to relocate his clinic. As discussed below, it would take him months to find a place to relocate and obtain regulatory approvals to establish a new clinic which would have detrimental impact on his patients access to health care.

[16] The parties agree that except for one missed payment in May 2025, Ontario Inc. had been compliant with its rent payments and obligations under the Lease.

[17] An option to renew a commercial lease is treated as a contractual right, usually requiring strict compliance with the renewal terms of the lease: *8750297 Canada Inc. v. Ambassador Realty Inc.*, 2025 ONSC 5479, 179 O.R. (3d) 468, at para 31. For a party to exercise an option under a lease, the tenant must provide an explicit, express, and unequivocal notice that complies precisely with the terms of the renewal option: *Anderson Learning Inc., operating as Bond International College v. Birchmount Howden Property Holdings Inc.*, 2021 ONSC 5824, at paras. 50-51 ("*Anderson Learning*"), aff'd 2022 ONCA 469 at paras 5 to 7 ("*Anderson Learning ONCA*"), both decisions citing *120 Adelaide Leaseholds Inc. v. Oxford Properties of Canada Ltd.*, 1991 CarswellOnt 220 (Gen. Div.), aff'd [1993] O.J. No. 2801 (Ont. C.A.); see also *Rinaldo v bcIMC*, 2012 ONSC 2831, at para. 26 and *24702 Ontario v. 1305 Dundas*, 2019 ONSC 1885, at para. 41

[18] The tenant must demonstrate that they have complied with the preconditions for renewal which may include rent payment or other terms of the lease: *Mapleview-Veterans Drive Investments Inc. v. Papa Kerollus VI*, 2016 ONCA 93, 344 O.A.C. 363, at paras. 36, 46, 48 – 51.

[19] An email, provided it complies with the terms of the renewal clause in a lease, can constitute satisfactory notice of renewal: *Anderson Learning*, at para. 56.

[20] Where a landlord grants an option to renew to a tenant in an existing lease, an expression of intention to accept the offer is not sufficient; the tenant must actually exercise the option and the landlord must bind itself unequivocally as a contracting party: *Anderson Learning*, at para. 52, citing Perell J. in *Premium Properties Limited v. Subway Franchise Restaurants of Canada, Ltd.*, 2014 ONSC 3150, at paras. 11-13.

[21] Here, for Ontario Inc. to comply with the terms of the renewal option, it had to i) provide the landlord with written notice of its intention to renew, and ii) do so within the notice period specified, which the parties agree was between July 5, 2024, and January 1, 2025. Failure to meet these conditions would result in termination of the Lease at the end of the term. These conditions are set out in Option to Renew, Supplementary Terms and Conditions of the Lease, Exhibit D:

- (a) Tenant shall give to Landlord written notice of Tenant's intention to renew the Lease not more than three hundred and sixty 360 days not less than one hundred and eighty days prior to the date of completion of the original Term or renewal term of the Lease.
- (b) The exercise of Tenant's intention to renew the lease is the sole responsibility of the Tenant and Tenant hereby acknowledges and agrees that nothing in the Lease obligates or requires Landlord to advise or otherwise notify Tenant with respect to renewal of the Lease.
- (c) If Tenant fails to provide Landlord with proper notice of its intention to renew the Lease as required hereinbefore, the Lease then shall terminate at the completion of the original Term or renewal term as provided otherwise in the Lease and Tenant shall have no further right of renewal whatsoever.

***b. Ontario Inc.'s notice of renewal***

[22] I find Ontario Inc. provided written notice which was exercising its option to renew within the notice period in an email to Parthenos dated August 19, 2024. Below I address the exchanges leading to this email.

[23] Prior to and entering into the renewal period, Ontario Inc. had expressed an interest in modifying the existing Lease to have two separate leases held by two separate numbered companies. Ms. Mikhail is the sole Director of Ontario Inc. She and Mr. Sadek operate a second numbered company 2651768 Ontario Inc. ("Ontario 265") that leases unit 207 from Parthenos where another medical clinic operates. Ms. Mikhail and Mr. Sadek have other clinics and pharmacies as well. Mr. Sadek occupies the clinic side of their businesses.

[24] Ms. Mikhail had previously raised the possibility of having units 101 and 202 leased by two separate corporations—Ontario Inc. and Ontario 265—with the Directors of Parthenos in 2022 and 2023. Ms. Mikhail made this request because of its concern that the pharmacy may be in a conflict of interest in its capacity as Dr. Ghali's landlord and its provision of pharmacy related services to the clinic and its patients.

[25] In March 2024, Ontario Inc. engaged a realtor Karina Beditkis for the purpose of renewing the Lease. Ms. Beditkis contacted the Parthenos realtor, Rami Bastawros, to address the renewal. Mr. Bastawros replied that it was too early to renew the lease.

[26] On July 16, 2024, approximately 10 days after the notice period opened, the pharmacy Chief Operating Officer, Nadia Butt, contacted Mr. Bastawros to address the renewal. In her correspondence, Ms. Butt proposed to structure the renewal to allow for the lease of unit 101 and unit 202 under two separate leases by two of Ms. Mikhail's corporations.

[27] Mr. Bastawros responded a month later on August 15, 2024, indicating that Parthenos was agreeable to the proposal for two lease agreements for units 101 and 202, but the leases would be treated as two new leases rather than renewals.

[28] Parthenos' proposal had terms and conditions that differed from the original Lease that Ms. Mikhail and Mr. Sadek did not agree with. The updated terms included a very elevated rent, an

annual rent escalation, a new provision for a personal guarantee and indemnity, and the addition of a public washroom. Consequently, on August 19, 2024, Ms. Butt responded that Ontario Inc. was not agreeable to the proposal and that instead, it was providing notice of its intent to renew the Lease. In this regard, the response states:

Hope this email finds you well. I discussed your email with Amir and Amany and they do not want to move ahead with this proposal for the new leases. They will continue with the renewal terms for the current lease as per the original under 2599792 Ontario Inc.

Also, the washroom is not to be included in the sq footage for the pharmacy and remains as a public washroom. They will remove anything that has been stored there by the pharmacy.

[29] I find this email from August 19, 2024, referred hereinafter as the “Notice”, constitutes an unequivocal statement by Ontario Inc. to exercise its option to renew for the following reasons.

[30] First, the wording of the Notice is clear that Ontario Inc. intends to exercise its option to renew.

[31] Second, Ontario Inc. sent the Notice within the relevant six-month notice period.

[32] Third, Ontario Inc. indicates it wishes for the bathroom to be excluded as is the case in the existing Lease indicating the parties are dealing with the existing terms and conditions of the Lease.

[33] Fourth, Mr. Bastawros attested he understood from the August 19 email that the pharmacy was intending to renew under the terms of the existing Lease.

[34] Fifth, Mr. Bastawros told Ms. Beditkis on September 4, 2024, that he would not pay her a broker fee because the pharmacy was simply – as he states - renewing the Lease.

[35] Sixth, Mr. Bastawros emailed Ms. Butt on September 7, 2024, confirming the renewal of the Lease and that the rent would be in accordance with the rate of the market value for retail and office space proposed in previous emails. In his response, Mr. Bastawros states:

Sorry for my late response, no problem the lease will be renewed as per your below request only under 2599792 Ontario Inc.

The renewal will reflect the rates indicated in our previous email based on the market value for retail and office space....the lawyer will take in consideration to correct the sqft in retail when drafting the renewal as you indicated you do not want the washroom.

[36] Finally, Iriene Sedarous, Director of Parthenos, attested that Mr. Bastawros' email of September 7, 2024, accurately reflected Parthenos' position which was that if Ontario Inc. wished to exercise the renewal option under the same terms and conditions for both units 101 and 202, Parthenos was agreeable to proceeding in that manner.

[37] For all these reasons, I find that Ontario Inc. did provide unequivocal notice to renew and such notice was subsequently accepted by Parthenos.

*c. The effect of continued discussions for alternative lease arrangements*

[38] Parthenos alleges that while Ontario Inc. initially provided written notice to renew, further discussions and correspondence held between October 2024 and March 2025 by representatives of the parties constituted a withdrawal of the Notice.

[39] In contrast, Ontario Inc. argues it was entitled as part of commercial practice to discuss lease conditions, rates, and other structural arrangements, and that these exchanges did not have the effect of undermining the validity of the Notice.

[40] On October 4, 2024, Ms. Mikhail and Mr. Bastawros had a meeting. Ms. Mikhail requested the meeting to see if she could get a better rate because she felt the rates proposed by Parthenos exceeded fair market rent and included an annual escalation not in the Lease. Ms. Mikhail does not deny that she also wanted to discuss her ongoing concern about the risk of a conflict of interest from the pharmacy subletting to Dr. Ghali.

[41] At the meeting, Mr. Bastawros suggested to Ms. Mikhail that if she wanted two leases for units 101 and 202 with two different corporations, then she should send him a proposal and include the proposed rent for each. Mr. Bastawros attests that during the meeting he asked Ms. Mikhail if she was "changing her mind" with respect to the renewal option and she confirmed she was. He understood from this discussion that Ontario Inc. was withdrawing its Notice.

[42] Ms. Mikhail denies that she ever told Mr. Bastawros that she had “changed her mind” with respect to the Notice or that she had made a “final decision” to proceed with leasing units 101 and 202 separately. Ms. Mikhail subsequently made a complaint to the Real Estate Council of Ontario against Mr. Bastawros for acting as a “mutual advisor” to both her and the landlord, misleading her about the renewal process and its impact on rental rates, and failing to inform her that if she engaged in any negotiation for two leases with separate corporations it would negate the renewal option of the Lease.

[43] About three months later, on December 11, 2024, Ms. Mikhail forwarded a proposal to Mr. Bastawros for two separate leases and proposed rates. She asked that he review the proposal with the landlord and let her know their thoughts about it. In her email, Ms. Mikhail used the words “as we discussed and agreed, We would like to get 2 separate leases to separate the clinic from the pharmacy lease.” She explains that the term “agreed” simply refers to their agreement that she would send him a proposal and not to any agreement that Ontario Inc. had retracted the Notice.

[44] On February 18, 2025, almost two months later, Mr. Bastawros responded to indicate that Parthenos did not accept the pharmacy’s proposal. Instead, he offered a counterproposal where the units would be renewed under separate leases, but with a rent escalation as well as a requirement for indemnity and personal guarantee.

[45] Six days later, on February 24, 2025, Ms. Mikhail responded that Ontario Inc. would accept the rent escalation and indemnity but not the personal guarantee. Mr. Bastawros responded on March 7, 2025, that the personal guarantee was essential. On March 11, 2025, Ms. Mikhail agreed to provide the guarantee.

[46] On March 24, 2025, Mr. Bastawros sent Ms. Mikhail two new separate lease offers for units 101 and 202 and indicated she had until March 28, 2025, to accept the new leases. However, the two new lease offers contained conditions that had not been discussed between the parties, such as the inclusion of an additional deposit, an increase in rent at \$12.50/sq foot, and a requirement that both Ms. Mikhail and her husband sign a guarantee.

[47] Ms. Mikhail replied the same day indicating that the proposals had to be reviewed by their counsel before they could sign on. Parthenos was agreeable to this request. Ms. Mikhail also informed Parthenos at this time that Dr. Ghali had reached out to her and shared that he would like to take over the lease for unit 202. She suggested Mr. Bastawros contact him.

[48] At this point in time, counsel for the parties became involved. The following day, March 25, counsel for Parthenos, Ms. Abrosimov, wrote to counsel for Ontario Inc. reiterating that Mr. Bastawros had sent two new lease proposals. She suggested that either Ontario Inc. accept the two new lease offers as structured with the two different corporation numbers or that “Ontario Inc. renew the Lease as tenant for both units 101 and 202.” As discussed below, I find it is clear from the wording of this email that Parthenos was operating with the understanding that Ontario Inc. had validly exercised the renewal option but were nonetheless willing to consider an alternative lease arrangement, albeit on the terms and conditions they proposed.

[49] The correspondence indicates there were further telephone conversations between counsel for the parties between March 25 and April 3, 2025.

[50] On April 3, 2025, counsel for Ontario Inc., Stéphane MacLean, notified Ms. Abrosimov in a detailed letter that his client was exercising its renewal option under the Lease, that it had already done so on August 19, 2024, and that it had never withdrawn its notice or intent to continue leasing the premises. Ontario Inc. followed up on April 6, 2024, asking Parthenos if they intended to propose a rate of annual rent for the renewal term and whether they would be sending over a standard lease form.

[51] On April 25, 2025, Parthenos counsel Mr. Alexander Bissonnette informed Ontario Inc. counsel that it disputed that Ontario Inc. had exercised the renewal option, that the Lease would end June 30, 2025, and that the pharmacy and clinic were expected to vacate the premises by that date. Parthenos put forward the same arguments proffered here, namely that the exercise of the renewal option was not “clear, explicit, unambiguous, and unequivocal” so as to be valid.

[52] As noted in *Anderson Learning*, further discussions after a notice of renewal between a landlord and tenant on specific terms of a lease, including amendments or rates, does not render

the renewal unclear, equivocal, or ambiguous: at paras. 61-65. In *Anderson Learning*, Stewart J. found that discussions before and after the tenant provided clear notice to renew on issues such as installation of HVAC units, repair to fire door frames, addition of lockers, maintenance of the gym and cafeteria, the length of the lease, and annual rental rates did not undermine the validity of the tenant's notice of renewal: at paras. 16, 22-26, 28, and 61-65. The Court of Appeal upheld the trial decision finding that the tenant's email stating an intention to renew satisfied the renewal requirement and further negotiations on lease conditions did not undermine the renewal notice: *Anderson Learning ONCA*, at paras. 7-10.

[53] I find the discussions and correspondence between October 2024 and March 2025, did not constitute an explicit withdrawal of the Notice or an abandonment by Ontario Inc. of its intention to exercise the renewal option.

[54] First, all the discussions and exchanges that followed the Notice, except for the discussion on October 4 and the proposal sent by Ms. Mikhail on December 11, 2024, occurred outside the renewal window.

[55] Second, there was nothing within the subsequent written exchanges between the parties indicating that should the proposals exchanged not be accepted by either side, the written option to renew exercised on August 19, 2024, would be cancelled and the existing Lease terminated.

[56] On the contrary, Ms. Abrosimov stated in her correspondence to Ontario Inc.'s counsel on March 25, 2025, that either Ontario Inc. would accept two new lease offers under two different corporation numbers or Ontario Inc. would renew the Lease as the existing tenant for both units suggesting that Parthenos was operating as if the Notice was valid. Her email stated:

Please advise if your clients intend to renew the Lease as previously agreed to between the parties, that is as reflected in the two Agreements to Lease that were provided, or if the existing tenant, 2599792 Ontario Inc., plans to renew the Lease as tenant for both Suites 101 and 202. If your clients do not agree to renew in one of these two manners, the Lease will not be renewed.

[57] Similarly, Mr. Bastawros' response of March 24, 2024, also contained language indicating the parties were operating under a lease renewal. On the one hand, Mr. Bastawros stated that any request to modify the current lease terms would not be treated as a renewal but a new lease

agreement. In the same email, however, he wrote that Parthenos could not accommodate a direct lease with Dr. Ghali and that the “lease renewal” will have to remain under the current tenant’s name and structure as discussed.

[58] Third, upon review of the materials filed, including the affidavits of Ms. Mikhail and Mr. Bastawros, I do not accept that during the meeting of October 4, 2024, Ms. Mikhail withdrew the Notice provided by Ontario Inc. Should that have been Ontario Inc.’s intention, one can reasonably expect that Ms. Mikhail would have followed up with an explicit notice to Parthenos in writing. Furthermore, her December 11, 2024, proposal indicates no such retraction and is worded as purported to be, simply a “proposal”. The request for two leases under two corporation numbers continued to be something Ontario Inc. “would like.” There was no language in the email that indicating that they were abandoning the Notice previously issued.

[59] Fourth, I find it is improbable that Ms. Mikhail would have put the pharmacy and clinic’s operations into jeopardy by withdrawing the Notice at the October 4th meeting. To do so would have left the pharmacy in highly vulnerable position because there was no guarantee that Parthenos would accept the future proposal for two separate leases that she had yet to draft and send: see *Anderson Learning*, at para. 64.

[60] Ms. Mikhail invested significantly into the pharmacy and the premises where it operated. There is nothing in the evidence to suggest that Ms. Mikhail was looking to relocate the pharmacy. On the contrary, she had hired a realtor early in 2024 to address the renewal so as to secure the long term operation of the pharmacy at the premises. If entering into further negotiations and discussions about aspects of the Lease, such as rates, square footage, personal guarantees, or alternative lease structure would have the effect of withdrawing the Notice, Ms. Mikhail would have placed herself in a position where she would effectively have to accept Parthenos’ responses to a proposal she had yet to draft or else leave the pharmacy without a space to operate because by January 1, 2025, the window to exercise the renewal would have expired. There is nothing in the evidence to support that Ms. Mikhail and Ontario Inc. entered into those further exchanges between October 2024 and March 2025 with such an intention.

[61] Finally, I find it is unlikely Ms. Mikhail would venture into negotiations and make a “final decision” at the October 24 meeting with no security that Ontario Inc. had secured its renewal. To do so would risk not only the operation of the pharmacy, but also the clinic. The clinic and the pharmacy had a mutually beneficial working relationship. As Dr. Ghali attested, he got along very well with both Ms. Mikhail and her husband. I do not accept that Ms. Mikhail would have made a “final decision” to withdraw Notice without talking to Dr. Ghali first. I find that if Ms. Mikhail used words to the effect of “changing her mind” or “final decision” it would have been in reference to an alternate lease arrangement or rates and not withdrawal of the Notice.

[62] The applicant’s counsel relies on several cases, most notably *Rinaldo, 1305 Dundas*, and *Mapleview*. I find they are distinguishable because in those cases, the tenant had failed to meet the preconditions for renewal whether it be payment of rent or timely notice. In contrast, Ontario Inc. did provide Notice within the renewal period, and at the time it issued the Notice, it had complied with the Lease terms and thereby, the preconditions for the exercise of the renewal were met.

[63] For example, in *Rinaldo*, the tenant had conceded and the court found that it failed to provide written notice within the renewal period: at paras 2 and 27. Once the time for giving notice of renewal had passed without being exercised by the tenant, the court found that the subsequent negotiations did not revive the right of renewal that had lapsed: at paras 27-29. Similarly, in *1305 Dundas*, the tenant was relying on an email to demonstrate that it had exercised its renewal which the trial judge found to be outside the renewal notice period and therefore, could not be the written notice contemplated by the lease. In the absence of a timely notice, the landlord was entitled to rely on the understanding that the tenant was not exercising their option to renew: at paras 46 and 59. Finally, in *Mapleview*, the court found that the tenant’s failure to pay additional rent meant that they had failed to meet on the preconditions for the exercise of the renewal option: at paras 35, 38, 39, 48-51.

***d. Whether the option to renew is unenforceable for uncertainty***

[64] Parthenos argues that even if Ontario Inc. validly exercised the option to renew, the renewal clause is unenforceable for uncertainty because it provides two rate options and does not specify which option would prevail. Given the rate of rent is a necessary and essential term of the Lease,

Parthenos argues the lack of specificity as to which option will be selected makes the renewal provision unenforceable for uncertainty. I respectfully disagree.

[65] A renewal option is not unenforceable or void for uncertainty if there is a formula or some objective standard by which one can objectively determine rent based on the interpretation of the lease term: *2501306 Ontario Inc. v Country Garden Academy Inc.*, 2021 ONSC 3670 at paras 36-39, 49; *Mapleview Veterans Drive Investments Inc. v Papa Kerollus VI Inc.* 2016 ONCA 93 at para 29. In *Symbban Stroud Inc. v. 20636999 Ontario Inc. O/A Dollar Bits and Discounts*, 2023 ONSC 6123, the court summarized the key principles regarding the interpretation of commercial lease agreements to determine if an option to renew was void for uncertainty. They are:

- (a) any interpretation that would render one or more of the terms of the Lease ineffective should be avoided, if possible, as parties are presumed to intend what they have contracted: at para. 55;
- (b) the Lease must be interpreted with sound commercial principles and good business sense to avoid commercial absurdity: at para. 54;
- (c) the contract should be construed as a whole, in a manner that gives meaning to all of its terms and avoids an interpretation that would render one or more of its terms ineffective: at para. 54;
- (d) the doctrine of *contra proferentem* may relieve the Tenant of an interpretation of the renewal option that would be unfavourable to it; at para. 112; and
- (e) where essential terms are absent, the court is entitled to inquire whether the essential terms of the contract can be determined with a reasonable degree of certainty arrived at from the perspective of an objective, reasonable bystander considering all the material facts: at para. 93.

[66] Here, the Option to Renew provides for two formulas by which to calculate the rent should the renewal be exercised. The provision reads:

The minimum annual rent for the renewal term shall be at an increased rate of five percent (5%) of the Annual Rate for the last year of the Term Or the fair market rent for similar premises in similar conditions.

[67] Applying the principles relied on in *Symbban Stroud Inc.*, I find that the rate of rent can be determined with reasonable certainty. I agree with Respondent's counsel that a commercially

reasonable interpretation of the provision is that the rate is either a 5% increase from the rate of the last year of the term or at fair market value for similar premises should party object.

[68] Neither party took issue with the application of the clause during the rate discussions. In the correspondence exchanged between the parties, Parthenos forwarded various proposals for market value rates and Ms. Mikhail proposed alternative rates. The rates formed part of the ongoing discussions and were, in fact, part of the reason for the October 24th meeting.

[69] Later when Ontario Inc.'s counsel confirmed their client was proceeding with the renewal on April 3, 2025, they requested Parthenos to send over the proposed rental rates, which they failed to do. It was not Ontario Inc.'s role to be making market price comparisons at this stage. When Parthenos failed to respond, Ontario Inc. forwarded post-dated cheques applying the 5% increase option and also asked Parthenos if they were agreeable to the amount or wished to propose an alternative formula. Parthenos does not appear to have disputed the rate further.

[70] In short, I find that while the provision does not specify which option should prevail, it offers a workable formula for the parties to determine the renewal rent rate and is not so vague as to render the cause unenforceable.

*e. The effect of the omission to pay May 2025 rent*

[71] Parthenos argues that Ontario Inc.'s failure to pay May 2025 rent on time was i), consistent with Ontario Inc.'s intention to terminate the Lease if it could not be separated into two leases; and ii), was sufficient to trigger an event of default for failure to pay rent thereby warranting termination of the Lease by Parthenos. Ontario Inc.

[72] Ontario Inc. argues the omission was simply an administrative oversight.

[73] I find that the missed payment of May 2025 was not, as Parthenos suggests, demonstrative of Ontario Inc.'s intention to collapse the Lease and vacate the premises, but simply an administrative oversight that was the result of Parthenos providing different instructions to Ontario Inc.'s counsel and owner.

[74] It is not disputed that Ontario Inc. failed to pay its rent on time for May 2025, or that section 19.03(a) the Lease contains a term that the failure to pay rent can trigger a default which allows Parthenos as landlord to issue a notice of termination.

[75] As already noted, on April 25, 2025, Parthenos issued its first Notice of Termination on the grounds that the renewal option had not been adequately exercised and that the Lease would terminate June 30, 2025. On May 20, 2025, Parthenos followed up with a second Notice of Termination for the tenant's failure to pay rent for May 2025. Parthenos indicated that the Lease would now be terminated May 26, 2025, at which time Parthenos would take possession of the premises. How Parthenos expected a pharmacy serving thousands of clients and a medical clinic serving 2000 patients to wind down its operations within six days is difficult to understand.

[76] On December 11, 2024, Ms. Sedarous' informed Ms. Mikhail by email that the deposit for last month's rent would be applied to the rent for May 2025. Consequently Ms. Mikhail did not provide a post-dated rent cheque for May 2025 to Parthenos. However, on April 9, 2025, Parthenos' counsel emailed Ontario Inc.'s counsel advising that Parthenos would be expecting rent payment for the month of May 2025. However, this instruction was distinct from that provided earlier to Ms. Mikhail and does not appear to have been redirected to her.

[77] Upon being sent the second Notice of Termination of Lease on May 20, 2025, Ontario Inc. and thereby being alerted to the issue, Ontario Inc. immediately delivered a rent cheque to Parthenos for May 2025 and sent an email explaining the reason for the omission originating from Ms. Sedarous' earlier direction to Ms. Mikhail.

[78] In these circumstances, I am not prepared to find that the failure to provide a rent cheque for May 2025 was an intentional act by Ontario Inc. to collapse the Lease. Rather, Ms. Mikhail committed the act because she had relied on Ms. Sedarous' direction and had obviously not been informed by counsel that the direction had now changed. I find the fact that Ontario Inc.'s omission to pay rent can fairly be characterized as an administrative oversight and not an intention on the part of Ontario Inc. to skip May rent or signal to Parthenos that it was abandoning its Notice and did not want to continue with the Lease. :

[79] Furthermore, even if there was a breach of the Lease that would constitute a default event allowing Parthenos to terminate the lease, given the reasons for the breach, the fact that Ontario Inc. had never previously failed to pay rent, and that Ontario Inc. made the payment on the same day it received notice, I find, as discussed further below, that the respondents are entitled to relief from forfeiture.

**Issue 2: Are the Respondents entitled to relief from forfeiture?**

[80] Even if I had determined that Ontario Inc. failed to validly exercise the renewal option and that the failure to pay the May 2025 rent was sufficient to trigger default on the Lease, I find the respondents are entitled to relief from forfeiture.

[81] Where a tenant breaches a lease term, they can sometimes obtain relief from forfeiture as an equitable remedy under s. 98 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43 (the “CJA”). Alternatively, a party may rely on s. 20(1) of the *Commercial Tenancies Act*, R.S.O. 1990, c. L.7 (the “Act”) if the landlord’s interests under the lease can be met without resort to forfeiture: *Hudson’s Bay v Oxford Properties*, 2022 OCNA 585 at para 34.

[82] Section 98 provides equitable relief from forfeiture and states as follows:

**Relief against penalties**

**98** A court may grant relief against penalties and forfeitures, on such terms as to compensation or otherwise as are considered just. R.S.O. 1990, c. C.43, s. 98; 1993, c. 27, Sched.

[83] Section 20(1) of the Act provides statutory relief from forfeiture. The provision reads:

**Relief against re-entry or forfeiture**

**20 (1)** Where a lessor is proceeding by action or otherwise to enforce a right of re-entry or forfeiture, whether for non-payment of rent or for other cause, the lessee may, in the lessor’s action, if any, or if there is no such action pending, then in an action or application in the Superior Court of Justice brought by the lessee, apply to the court for relief, and the court may grant such relief as, having regard to the proceeding and conduct of the parties under section 19 and to all the other circumstances, the court thinks fit, and on such terms as to payment of rent, costs, expenses, damages, compensation, penalty, or otherwise, including the granting of

an injunction to restrain any like breach in the future as the court considers just. R.S.O. 1990, c. L.7, s. 20 (1); 2006, c. 19, Sched. C, s. 1 (1).

***a. Relief from Forfeiture for omission to pay May 2025 rent in a timely manner***

[84] In a situation where the breach is based upon non-payment of rent, the court must consider the following criteria:

- (a) whether the moving party comes to court with clean hands,
- (b) whether there has been an outright refusal by the moving party to pay rent,
- (c) whether the rent has been in arrears for a short or long time, and
- (d) whether the landlord has suffered a serious loss by reason of the moving party's delay in paying rent: *Hosen v Lam*, 2017 ONSC 6992 at para 17.

[85] In this case, Ontario Inc. was never in rent arrears and has never refused to pay rent. Rather, Ontario Inc. failed to submit May 2025 rent in a timely manner because Parthenos provided different directions to Ms. Mikhail and her counsel. Upon being alerted to the issue, Ontario Inc. immediately paid the rent and also forwarded twelve post-dated cheques for the following year's rent. There is also no evidence that Parthenos suffered any loss by reason of the delayed rent.

[86] I find Ms. Mikhail, Ontario Inc., and Dr. Ghali's come before the court with "clean hands." Ms. Mikhail was entitled to engage in discussions about specific lease terms and rates following the Notice as part of ensuring the best terms for her business. Ms. Sedarous alleges in her Reply affidavit that there were other issues between the parties such as Ontario Inc.'s refusal to pay rent by debit transaction, that she had to "chase" Ontario Inc. for cheques because they only provided a few post-dated cheques at a time, and that Ontario Inc. failed to provide a timely reply on maintenance fees related to another lease for unit 207. I find Ms. Mikhail adequately responded to these allegations, and they do not undermine Ontario Inc.'s propriety as a tenant.

[87] Furthermore, if Parthenos had any concerns about Ontario Inc.'s past performance on the Lease, it ought to have raised them during the renewal discussions. In fact, the Option to Renew clause required the tenant to have complied with rental terms and obligations in order for the renewal to take effect. In short, if Ontario Inc. had been a non-compliant tenant, Parthenos could have declined the renewal on that basis during the relevant notice period. They did not do so. On

the contrary, Mr. Bastawros represented to Ontario Inc. in his March 24, 2024, email that “we value our longstanding relationship and appreciate your continued tenancy.”

[88] Ms. Sedarous also suggests that Dr. Ghali “omitted” to state in his affidavit that she talked to him about directly leasing from Parthenos to ensure his clinic could continue to operate. However, when this conversation occurred is unclear. Furthermore, there is no evidence that Ms. Mikhail was aware of such a conversation. Ms. Mikhail later learned from Dr. Ghali that the options put forth by Parthenos for another clinic space were either unworkable or too costly.

[89] For all these reasons, I find Ontario Inc. would be entitled to relief against forfeiture for failing to pay May 2025 rent in a timely manner.

***b. Relief from forfeiture for failure to renew a lease***

[90] I agree with Parthenos counsel that s. 20 of the Act would have limited application in circumstances where relief from forfeiture is being sought for a tenant’s failure to exercise a renewal option because the provision has been interpreted to provide relief to a tenant to retain the balance of the term of the lease, i.e. up to the time the lease expires, but not necessarily to a situation involving a renewal: *Delphi Management Corporation v Dawson Properties*, 2014 ONSC 354 at paras 15-18. However, I find that relief from forfeiture is still available as an equitable remedy pursuant to s. 98 of the *CJA*.

[91] Failure to renew the lease option is not technically a breach of a lease term; rather, it is the failure to act on an option provided within a lease. There has been conflicting authority on whether relief against forfeiture is available for failure to comply with a condition precedent on a lease. However, recent jurisprudence supports that the court does have jurisdiction to grant equitable relief where there has been a failure to comply with a condition precedent for the renewal of a lease, but that the jurisdiction is a narrow and limited one. *660 Sunningdale GP Inc. v. First Source Mortgage Corporation*, 2024 ONCA 252, at footnote 1; *Mapleview-Veterans Drive Investments Inc. v. Papa Kerollus VI Inc. (Mr. Sub)*, [2016 ONCA 93](#) at para 55; see also *Velouté Catering Inc. v. Bernardo*, 2016 ONSC 7281, 135 O.R. (3d) 32 at paras. 32-34.

[92] In exercising its discretion to grant equitable relief for failure to exercise a condition precedent for renewal, the court must consider the nature of the breach, the prejudice to the parties, and whether the tenant made diligent efforts to comply with the terms of the lease: *1305 Dundas* (ONCA), at para. 23; *Ambassador Realty Inc.*, at para. 39

[93] In *Anderson Learning*, Stewart J. held that even if he had found the tenant failed to unequivocally renew the lease, the tenant was entitled to relief from forfeiture because the tenant's non-compliance with the lease was technical. Furthermore, relief from forfeiture would not prejudice the landlord but would be unjust and catastrophic for the tenant: at paras. 73 and 75; see also *Elias Restaurant v. Keele Sheppard Plaza Inc.*, 2020 ONSC 5457, 152 O.R. (3d) 354 at paras 41-42.

[94] Courts have also considered the investment, leasehold improvements, and goodwill the tenant would lose if the lease were not renewed when exercising its discretion. For example, in *Ambassador Realty Inc.*, Doyle J. granted relief from forfeiture on the grounds that it was always the tenant's intention to renew the lease and remain at the premises long term, and that the tenant had invested considerable money, time and effort into the business and premises from where it operated: at para. 78. see also *Velouté Catering Inc.* at para. 37-38; *Elias Restaurant* at paras. 9, 28, 30, and 41.

[95] In this case, Ontario Inc. made diligent efforts to exercise the renewal option. They initiated the renewal process early on and provided written notice on August 19, 2024. Had I found the renewal was invalid, the breach would not have been due to a lack of diligence but rather a lack of clarity in the communications that followed the Notice. Ontario Inc. has otherwise complied with its obligations under the Lease and consistently expressed its desire to stay on the premises in order to recoup its investments.

[96] Ontario Inc. would be severely prejudiced by termination of the Lease. The pharmacy would suffer financial losses during the period of closure and would lose on its investment, including the leasehold improvements. Ontario Inc. would also incur additional expenses for relocation. Ms. Mikhail estimates that it could take anywhere from 1.5 to 2 years to find a suitable

location, make leasehold improvements, and obtain the regulatory approvals necessary from the College of Pharmacists for re-establishing the pharmacy.

[97] Ms. Sedarous suggests in her Reply affidavit that Ontario Inc. could relocate to one of its two other pharmacies or a new building under construction. I find Ms. Mikhail adequately explains in her response why this not a realistic solution. The other pharmacy locations are at full capacity, serve clientele from other medical clinics, and are not in sufficient proximity to the premises that the pharmacy's patients could readily locate to.

[98] Dr. Ghali would be similarly prejudiced by termination of the lease. His desire is to remain at unit 202 where he has been operating his clinic for over a decade. As Dr. Ghali points out, there is a shortage of family physicians in Ontario and primary healthcare is difficult to access. Like the pharmacy, Dr. Ghali would have to find a new location and obtain regulatory approvals from the College of Physicians and Surgeons to re-establish his clinic. Dr. Ghali does not operate from any other clinic. Relocation would result in administrative, legal, and moving expenses. Relocation would result in loss of revenue which would adversely impact him as well as his staff. In the meantime, Dr. Ghali's patients would lose access to his ability to advise and treat them, to write prescriptions for them, and to refer them to specialists.

[99] In contrast, Parthenos has not demonstrated any prejudice to them should the tenancy continue. Ms. Sedarous suggests in her Reply affidavit that there was another potential tenant that sought to rent the premises and then purchase the building. However, no details were provided on this prospect and why the new owner would not be agreeable to continuing with the existing leases, particularly given that Ms. Mikhail and her husband have been otherwise compliant tenants for units 101, 202, and 207.

[100] Finally, I find the messages sent by Mr. Sadek to Kamal Sedarous, President of Parthenos, in April 2025, are not determinative of the issues before the court. Following the delivery of the second Notice of Termination, Mr. Sadek sent messages to Mr. Sedarous, who is 87 years of age. Parthenos alleges the messages were threatening, disturbing, violent, and harassing. The messages were in Arabic and have been translated. They included an image depicting the assassination of Julius Ceasar. Parthenos counsel responded with a cease and desist letter.

[101] Ms. Mikhail attests that her husband and Mr. Sedarous were close and often exchanged religious texts. Her husband had not intended to threaten or harass Mr. Sedarous; rather, the messages were sent from a sense of frustration and betrayal given the personal relationship between Mr. Sadek and Mr. Sedarous.

[102] Upon review of the translations, I find Mr. Sadek ought not to have sent the messages, particularly given Mr. Sedarous' age and frail health. However, I recognize the messages were sent at a time of high tension between the parties. Furthermore, I do not find they are sufficiently egregious so as to result in an irreconcilable breakdown of the relationship between the parties or to disentitle Ontario Inc. to relief from forfeiture.

[103] The application is dismissed.

**Costs**

[105] The respondents Ontario Inc. and al. is the successful party and presumptively entitled to costs. The parties are encouraged to resolve the issue of costs and if unable to do so, they may forward brief written submissions not exceeding two pages exclusive of Bills of Costs. The applicant shall file their submissions by June 15, 2026, and the respondents shall file their submissions by June 29, 2026. The applicant may file a brief Reply by July 5<sup>th</sup>. Costs submissions are to be sent to [scj.assistants@ontario.ca](mailto:scj.assistants@ontario.ca) and to my attention.

*N Somji*

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Judge Somji

**Released:** May 29, 2026

**CITATION:** Parthenos Developments Ltd. v. 2599792 Ontario Inc. et al., 2026 ONSC 3128  
**COURT FILE NO.:** CV-25-100695  
**DATE:** 2026/05/29

**ONTARIO**

**SUPERIOR COURT OF JUSTICE**

**BETWEEN:**

Parthenos Developments Ltd.

Applicant

– and –

2599792 Ontario Inc. and Atef Ghali Medicine  
Professional Corporation

Respondents

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**REASONS FOR JUDGEMENT**

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Judge Somji

**Released:** May 29, 2026