AGREEMENT TO LEASE WITH STANDARD FORM LEASE

AGREEMENT ATTACHED

BETWEEN:

**TENANT**

(hereinafter referred to as the “Tenant”)

THE PARTY OF THE FIRST PART

AND:

**TELSEC PROPERTY CORPORATION**

(hereinafter referred to as the “Landlord”)

THE PARTY OF THE SECOND PART

The Landlord is the registered owner of the Lands (defined herein at Article 1.1.3) and the Tenant desires to enter into an agreement with the Landlord to lease certain Premises (defined herein at Article 1.1.4) and do so on terms and conditions all as more particularly set out below. **The parties hereto agree that the “Lease” (as defined herein at Article 3.29) shall remain conditional, until such time as both parties have either satisfied or waived, as the case may be, all of their respective conditions contained herein, and the Lease has been duly executed**, at which time the Lease shall become unconditional, and shall then be in full force and effect.

* 1. **BASIC TERMS**

|  |  |  |  |
| --- | --- | --- | --- |
|  | 1.1.1 | **Name of Centre**: | Name of Centre; |
|  | 1.1.2 | **Building(s)**: | Address Calgary, Alberta Postal Code, a further defined in Article 2.1.1 herein; |
|  | 1.1.3 | **Legal** **Description of Lands**: | Lot #, Block #, Plan #######; |
|  | 1.1.4 | **Premises**: | means the premises leased to the Tenant defined in Schedule “A” attached hereto having a municipal address of: address Calgary, Alberta Postal Code; |
|  | 1.1.5 | **Name of Landlord**: | Telsec Property Corporation; |
|  | 1.1.6 | **Name of Tenant**: | Click here to enter text; |
|  | 1.1.7 | **Tenant operating as**: | Click here to enter text; |
|  | 1.1.8 | **Landlord’s address for notice**: | 3150 – 114th Avenue S.E. Calgary, Alberta T2Z 3V6,  FAX number: 403-252-9022,  Email address: reception@telsec.ca; |
|  | 1.1.9 | **Tenant’s address for notice**: | address, attention: Name;  Phone number: (403)-000-0000,  Email address: email; |
|  | 1.1.10 | **Term duration**: | x years; |
|  | 1.1.11 | **Term**: | the period commencing on the date (the “Commencement Date”) and ending on the date (the “Expiry Date”) unless otherwise terminated pursuant to the provisions of this Lease and any further renewal period; |
|  | 1.1.12 | **Early occupancy period**: | the period from date to date , subject to compliance with the terms and conditions contained in Article 2.1.3 herein; |
| OR | 1.1.12 | **Intentionally Deleted:** | N/A; |
|  | 1.1.13 | **Term renewal option**: | One (1) renewal term of five (5) years, subject to the terms and conditions contained in Article 2.1.4 herein; |
| OR | 1.1.13 | **Intentionally Deleted:** | N/A; |
|  | 1.1.14 | **Rentable Area of Premises**: | x,xxx sq. ft., more or less, as shown outlined in heavy black in the attached Schedule “A”; |
|  | 1.1.15 | **Basic Rent (annually)**: | $0.00 calculated in accordance with the Rentable Area of the Premises, as amended, and Article 1.1.17; |
| OR | 1.1.15 | **Basic Rent (annually)**: | $0.00 for the first five (5) years of the term;  $ 0.00 for the last five (5) years of the term, calculated in accordance with the Rentable Area of the Premises, as amended, and Article 1.1.17; |
|  | 1.1.16 | **Basic Rent (monthly)**: | $0.00 payable in accordance with Article 2.1.5 herein; |
| OR | 1.1.16 | **Basic Rent (monthly)**: | $0.00 for the first five (5) years of the term;  $ 0.00 for the last five (5) years of the term, payable in accordance with Article 2.1.5 herein; |
|  | 1.1.17 | **Rent calculation factor**: | $0.00 per square foot of Gross Rentable Area per annum during the Term; |
|  | 1.1.18 | **Additional Rent**: | Operating Costs are estimated for 2015 to be $0.00 per square foot of Gross Rentable Area per annum;  Property Taxes are estimated for 2015 to be $0.00 per square foot of Gross Rentable Area per annum; |
|  | 1.1.19 | **Advance Rent** paid by Tenant: | $0,000.00 (G.S.T. included), to be held and applied by the Landlord in accordance with Article 2.1.6 herein; |
|  | 1.1.20 | **Security Deposit** paid by Tenant: | $0.00, to be held and applied by the Landlord in accordance with Article 2.1.7 herein; |
|  | 1.1.21 | **Tenant Inducement Allowance:** | $0.00 per square foot of Gross Rentable Area of the Premises), payable by the Landlord in accordance with the terms of Article 2.1.8 herein; |
| OR | 1.1.21 | **Intentionally Deleted:** | N/A; |
|  | 1.1.22 | **Permitted Use of Premises**: | The Tenant hereby states and agrees that the use of the Premises is: Click here to enter text; |
|  | 1.1.23 | **City of Calgary Land Use Bylaw –** Zoning District: | Click here to enter text; |
|  | 1.1.24 | **Tenant’s Insurance required**: | Commercial General Liability insurance coverage of not less than Five Million ($5,000,000.00) Dollars, and  Tenant Legal Liability insurance coverage of not less than $000,000.00, and  Leasehold Insurance coverage of not less than $ 00,000.00; |
|  | 1.1.25 | **Leasehold Improvements**: | to be completed by the Tenant, at their sole expense in accordance with the terms of the Lease; |
|  | 1.1.26 | **Landlord’s Work**: | to be completed by the Landlord in accordance with the terms and conditions in Schedule “B”, attached hereto; |
|  | 1.1.27 | **Pylon sign rental rate:** | $ 4.00 per sq. ft. per side of the sign per month to be effective upon the earlier of installation date or one (1) month following the Commencement Date; |

**2.1 BASIC TERMS (PART 2)**

2.1.1 **Building**

“Building” means the Building or Buildings and all other fixed improvements situate at any time on the Lands, all of which bear the same municipal address, as per **Article 1.1.2** herein.

2.1.2 **Notices and Consents**

Any notice or consent (including any invoice, statement, request or other communication) herein required or permitted to be given by either party to the other shall be in writing and shall be delivered by hand, facsimile, electronic mail or sent by Canada Post registered mail (postage prepaid) to the applicable communication address or addresses set forth in **Articles 1.1.8 and 1.1.9** herein.

Any notice delivered, or legibly received by hand, via email or transmitted by facsimile machine, shall be deemed to have been validly and effectively given on the day of such delivery. A printed “read receipt” shall be proof that an email notice has been effectively sent on the date and time shown on such receipt. Any notice delivered or legibly received by courier or by Canada Post registered mail shall be deemed to have been validly and effectively given on the second Business Day following the date it was sent.

2.1.3 **Early Occupation of Premises**

The Landlord shall grant the Tenant early occupancy of the Premises prior to the Commencement Date (the “Early Occupancy Period”) for the purpose of the Tenant completing their Leasehold Improvements, provided that the Lease has been duly executed and the Tenant has provided the Landlord with proof of Tenant’s insurance in the form of a Certificate of Insurance as required in the Lease, and the Tenant retains this insurance coverage during the Early Occupancy Period. During the Early Occupancy Period, the Tenant shall not pay any Basic Rent, however will be responsible for Additional Rent and all utilities serving the Premises. Whenever the Tenant is in occupation of the Premises prior to the Commencement Date of the Term of the Lease, the Tenant shall be deemed to be in possession of the Premises and shall be bound by all of the provisions of the Lease.

**OR**  2.1.3 **Intentionally Deleted**

2.1.4 **Tenant’s Right to Renew**

Provided the Tenant is in occupation of the Premises, and at the time of giving notice is not in default of any of the provisions of the Lease, or if prior thereto the Tenant has not been in default of any of the provisions of the Lease (of which it has received notice), the Tenant shall have the right to renew the Lease for the term outlined in Article **1.1.13** herein, subject to and in accordance with the following terms and conditions:

(a) the Tenant's right to renew shall be personal to the original Tenant and shall not extend to any assignee or subtenant such that the right to renew terminates upon any assignment of this Lease or upon any subletting of all or any part of the Premises;

(b) the right of renewal shall be open for exercise by delivery by the Tenant to the Landlord of a letter confirming the Tenant’s desire to exercise its right to renew, but only by notice at least 12 months and not more than 15 months prior to the expiration of the Term and if not exercised within such period of time, such right shall terminate and be null and void;

(c) once the right to renew has been exercised, the lease for the period outlined in **Article 1.1.13** (the “Renewal Term”) shall be on the Landlord’s then current standard lease document on similar terms and conditions as the present Lease, excepting any provisions applicable only to the initial Term of the Lease (including but not limited to any Tenant Inducement Allowances, Rent Free periods, early occupancy provisions or other tenant inducements) and except that there shall be no further right to renew and the Lease shall be revised to represent the Basic Rent during the Renewal Term as stipulated in subsection (d);

(d) the annual Basic Rent during the Renewal Term shall be the greater of the annual Basic Rent payable during the last year of the Term and the fair market rent for the Premises as of the Commencement Date of the Renewal Term and on the basis of all relevant circumstances applicable to lease renewals, except that the Landlord shall not be responsible for paying any tenant inducements whatsoever to the Tenant and the Basic Rent shall not be adjusted to reflect this fact. The fair market rent for the Premises shall be negotiated in good faith by the Landlord and the Tenant, and, failing agreement within six (6) months after delivery of the Tenant's notice of renewal, shall be determined by arbitration accordance with **Article 18** of the Lease; and

(e) if the Basic Rent during the Renewal Term has not been settled by the commencement of the Renewal Term, the Tenant shall pay, as Basic Rent, the amount suggested by the Landlord and when a final determination has been determined in accordance with **Article 18** of the Lease, the parties shall promptly adjust the Basic Rent as determined in accordance therewith, with amounts being adjusted between the parties from the commencement of the Renewal Term to the date that the Basic Rent has been so determined .

**OR**  2.1.3 **Intentionally Deleted**

2.1.5 **Basic Rent**

The Tenant shall pay to the Landlord, without any prior demand therefore, yearly and every year during the Term, without any set-off, compensation or deduction whatsoever, Basic Rent in Canadian dollars, in the amounts agreed to in **Articles 1.1.15 and 1.1.16** herein, payable in advance in equal consecutive monthly installments on the first day of each and every month during each and every year of the Term. Payment for partial months will be prorated. Rent may be adjusted during the Term (which is calculated based on the square footage described in **Schedule “A”** attached hereto) to conform to any changes in the actual Gross Rentable Area of the Premises.

2.1.6 **Advance Rent**

The Landlord acknowledges the receipt of advance Rent from the Tenant in the amount specified in **Article 1.1.19** herein, as advance Rent to be held by the Landlord without interest and to be applied against Rent first due under the Lease (the “Advance Rent”).

2.1.7 **Security Deposit**

The Landlord acknowledges receipt from the Tenant of the sum of money specified in **Article 1.1.20** herein, to be held by the Landlord as a security deposit (the "Security Deposit") (G.S.T. not applicable) for the performance by the Tenant of the terms, covenants, provisions and obligations on the part of the Tenant to be performed under the Lease. The Tenant acknowledges and agrees that there shall be no interest payable on the Security Deposit. The Tenant shall not have the right to direct that the Landlord apply the Security Deposit to Basic Rent or Additional Rent as defined hereunder. Any portion of the Security Deposit may be applied toward payment of overdue or unpaid Basic Rent or Additional Rent at the option of the Landlord, or as compensation to the Landlord for any loss, damage or expense incurred by the Landlord and attributable to the Tenant’s default hereunder. Such application of the Security Deposit shall not limit or prejudice any other rights or remedies of the Landlord hereunder at either law or in equity and the liability of the Tenant shall not be limited to the amount of the Security Deposit. If, during the Term of the Lease any portion of the Security Deposit is so applied, the Tenant shall forthwith upon written demand made by the Landlord to the Tenant, deliver to the Landlord a sufficient amount of money in cash or by certified cheque to restore the Security Deposit to its original amount. Provided the Tenant has vacated the Premises in the manner provided for in the Lease and has otherwise observed and performed its obligations thereunder, the Landlord shall refund to the Tenant any remaining portion of the Security Deposit and do so within thirty (30) days following the expiration of the Term. If the Tenant has caused a caveat, encumbrance, lien or interest to be registered on the title of the Lands the Tenant shall, at their sole expense, have it withdrawn and discharged before the Landlord will return the Security Deposit to the Tenant.

2.1.8 **Tenant Inducement Allowance**

The Landlord shall provide to the Tenant a onetime only Tenant inducement allowance in the specific amount identified in **Article 1.1.21** herein. Such allowance shall be paid by the Landlord to the Tenant:

1. only with respect to the Leasehold Improvements supplied and constructed in accordance with detailed plans and specifications previously approved by the Landlord; and
2. upon presentation to the Landlord of paid invoices for the work and materials required to complete the Leasehold Improvements, together with evidence that the work invoiced corresponds to the actual work performed, to the sole satisfaction of the Landlord; and
3. upon being provided with a duly executed Statutory Declaration, in form and content acceptable to the Landlord, confirming that the invoices presented to the Landlord for payment pertain to work and materials supplied only to the Premises and that the Tenant’s contractors, suppliers and sub-contractors have been paid in full and that all applicable statutory holdbacks and all municipal and provincial laws, rules and regulations have been complied with; and
4. upon receipt by the Landlord of the Occupancy Permit for the Premises from the City of Calgary, to be obtained by the Tenant at its sole cost and expense.

**OR** 2.1.3 **Intentionally Deleted**

2.1.9 **Use of Premises**

The Tenant shall, in good faith, continuously, actively and diligently use the Premises solely for the purpose specified in **Article 1.1.22** herein**.** The Tenant shall not use or suffer the use of the Premises or any part thereof for any other business or purpose. It is the Tenant’s sole responsibility to apply for, obtain and pay for an Occupancy Permit and/or Business License (whatever is required by the City of Calgary) so that it is in effect at all times during the Term that the Tenant is using the Premises for the purposes allowed for herein. Any risk of not receiving the required permit(s) for the Tenant’s requested use of the Premises from the City of Calgary shall be accepted solely by the Tenant and under no circumstance shall the Tenant be relieved of its obligations under the Lease. Any change of use for the Premises during the Term shall require the prior written approval of the Landlord. If any change of use requested by the Tenant and approved by the Landlord requires a Change of Use application by the City of Calgary, or the re-issue of an Occupancy Permit by the City of Calgary, same shall be acquired by and be at the sole cost and expense of the Tenant. A copy of all final documentation from the City of Calgary regarding the use or occupancy of the Premises shall be forwarded forthwith to the Landlord. A breach by the Tenant of any of the provisions of this paragraph shall constitute an event of Default allowing the Landlord to immediately terminate the Lease and pursue any remedies it may have against the Tenant in law or in equity.

Without limiting the generality of the foregoing, the Tenant shall not use or permit the Premises to be used such that the number of persons entering the Premises is likely to exceed that of ordinary business offices and the Tenant shall conduct its business in the Premises in a manner consistent with the best interests of the Centre**. The Tenant shall not, under any circumstances, store anything outside of the Premises, temporarily or otherwise.**

2.1.10 **Signage**

The Landlord will provide the Tenant with an advertising location option on a pylon sign situated on Signage location at the fixed monthly rate specified in **Article 1.1.27** herein. This fixed monthly rate shall be at then market rates during the Renewal Term, if applicable.

2.1.11 **Execution of Lease Agreement**

Within two (2) business days of written notice of the waiver of satisfaction of all conditions as contained herein, the Tenant shall execute the Lease and return the two executed copies to the Landlord. In any event, the Lease must be executed prior to commencement of the Landlord's Work or the Tenant’s Work for the construction of the Leasehold Improvements or occupancy of the Premises being granted to the Tenant.

**TENANT’S CONDITIONS**

1. The Tenant’s obligation to lease the Premises is contingent upon the conditions set forth in this paragraph being waived or satisfied in writing on or before 5:00pm (MST) on the date that is ten (10) business days from the date that this Agreement is executed by the Landlord: (the “Condition Date”):

a) the Tenant shall be satisfied in its sole and unfettered discretion with **Articles 3 through 19** of the Lease. If the Tenant does not approve the Lease the Tenant shall deliver written notice to that effect together with any requested changes on or before the fifth (5th) business day from the Condition Date. In the event that the Landlord and the Tenant cannot agree on the changes requested by the Tenant within the time period herein this Lease shall be at an end, null and void and any Advance Rent and other deposits received by the Landlord from the Tenant shall be returned to the Tenant forthwith, and the parties hereto shall have no further legal obligations one to the other concerning this Lease.

b) the Tenant being satisfied that their intended use of the Premises is an allowable use for the Building under current applicable City of Calgary zoning bylaws.

The Tenant acknowledges that any delay by the Tenant in complying with the above-described time schedule will delay their occupancy of the Premises by at least the same number of days. Notwithstanding, the Tenant further acknowledges, understands and agrees that the Commencement Date of the Term of the Lease and the date for commencement of the payment of Basic Rent and Additional Rent shall remain unchanged.

The conditions provided for herein shall be deemed not to be satisfied unless the Tenant, by the Condition Date, notifies the Landlord that such condition(s) have been satisfied or waived. In the event that any condition is deemed not satisfied or waived, this Lease shall automatically terminate and be null and void and any Advance Rent and other deposits received by the Landlord from the Tenant shall be returned to the Tenant forthwith, and the parties hereto shall have no further legal obligations one to the other concerning this Lease. Upon the termination of this Lease, neither the Tenant nor the Landlord shall have any further rights or obligations hereunder, except those which are expressly stated to survive the termination of this Lease. The Tenant shall be entitled to waive compliance with any condition in whole or in part, if it sees fit to do so, without prejudice to any of its rights of termination or damages in the event of non-performance of any other condition in whole or in part.

If the Tenant satisfies or waives all of the above conditions in writing prior to the Condition Date, or as extended if mutually agreeable, and thereafter the Tenant fails to comply with **Article 2.1.11** hereto, the Landlord may, at its option and without prejudice to any other remedies available to the Landlord, terminate the obligations of the Landlord by giving written notice of termination to the Tenant, in which case any deposits made by the Tenant shall be absolutely forfeited to the Landlord as part of the Landlord’s liquidated damages, and not as a penalty, and the Landlord shall be at liberty to pursue any and all additional remedies it may have against the Tenant in either law or in equity.

**LANDLORD’S CONDITIONS**

1. The Landlord’s obligation to lease the Premises to the Tenant is contingent upon the conditions set forth in this paragraph being waived or satisfied on or before 5:00pm (MST) on the Condition Date:

1. The Landlord being satisfied in its sole and unfettered discretion that the Tenant has the financial strength to comply with its monetary obligations under the Lease. The Tenant shall provide the Landlord the requested credit information attached hereto, and do so within three (3) business days from the date that this Agreement is executed by the Tenant so that the Landlord has sufficient time to complete a credit check of the Tenant The Landlord may require an indemnification agreement or guarantee from the principal(s) of the Tenant or such other parties in the form set forth in Schedule “C” to the Standard Form Lease Agreement. In such event the Landlord shall notify the Tenant and upon receiving such notice, the Tenant will have a period of three (3) business days thereafter to notify the Landlord if the principal(s) of the Tenant or such other parties as may be agreed to between the Tenant and the Landlord will execute the indemnification agreement or guarantee. The indemnity agreement or guarantee(s) shall be properly executed on or before the date that the Lease is executed by the Tenant, and shall form part of the Lease.

1. The Landlord being satisfied in its sole and unfettered discretion with the floor plan and specifications detailing the extent of the proposed Leasehold Improvements and/or the Landlord’s Work for the Premises. The Tenant shall provide plans to the Landlord within six (6) business days from the date that this Agreement is executed by the Tenant so that the Landlord has sufficient time to complete a review of the floor plan and specifications of the Tenant.
2. The Landlord receiving approval from its Board of Directors of the conditions that are being agreed to herein

The conditions provided for herein shall be deemed not to be satisfied unless the Landlord, by the Landlord’s Time of Approval, notifies the Tenant that such condition(s) have been satisfied or waived. In the event that any condition is deemed not satisfied or waived, this Lease shall automatically terminate and be null and void and any Advance Rent and other deposits received by the Landlord from the Tenant shall be returned to the Tenant forthwith, and the parties hereto shall have no further legal obligations one to the other concerning this Lease. Upon the termination of this Lease, neither the Tenant nor the Landlord shall have any further rights or obligations hereunder, except those which are expressly stated to survive the termination of this Lease. The Landlord shall be entitled to waive compliance with any condition in whole or in part, if it sees fit to do so, without prejudice to any of its rights of termination or damages in the event of non-performance of any other condition in whole or in part.

**Dated at Calgary in the Province of Alberta this \_\_\_ day of \_\_\_\_\_\_\_\_\_\_\_\_\_, 2016**

### Tenant

Witness \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Per:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Print Name: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Print Name: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

I have authority to bind the corporation

### TELSEC PROPERTY CORPORATION

Witness \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Per:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Print Name: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Print Name: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

I have authority to bind the corporation

**LEASE**

**of**

**RETAIL PREMISES**

**TABLE OF CONTENTS**

ARTICLE 1 - BASIC TERMS

1.1.1 Name of Centre

1.1.2 Building(s)

1.1.3 Description of Lands

1.1.4 Premises

1.1.5 Name of Landlord

1.1.6 Name of Tenant

1.1.7 Tenant operating as

1.1.8 Landlord's address for notice

1.1.9 Tenant's address for notice

1.1.10 Term duration

1.1.11 Early occupancy of Premises

1.1.13 Term renewal option

1.1.14 Rentable Area of Premises

1.1.15 Basic Rent (annually)

1.1.16 Basic Rent (monthly)

1.1.17 Rent calculation factor

1.1.18 Additional Rent

1.1.19 Advance Rent paid by Tenant

1.1.20 Security Deposit paid by Tenant

1.1.21 Tenant Inducement Allowance

1.1.22 Permitted Use of Premises

1.1.23 City of Calgary Land Use Bylaw

1.1.24 Tenant's Insurance required

1.1.25 Leasehold Improvements

1.1.26 Landlord's Work

1.1.27 Pylon sign rental rate

ARTICLE 2 - BASIC TERMS (PART 2)

2.1.1 Building

2.1.2 Notices and Consents

2.1.3 Early Occupation of Premises

2.1.4 Tenant's Right to Renew

2.1.5 Basic Rent

2.1.6 Advance Rent

2.1.7 Security Deposit

2.1.8 Tenant Inducement Allowance

2.1.9 Use of Premises

2.1.10 Signage

ARTICLE 3 - DEFINITIONS

3.1 Definitions

ARTICLE 4 - GENERAL COVENANTS

4.1 Tenant's Covenants

4.2 Landlord's Covenants

4.3 Deemed Covenants

ARTICLE 5 - DEMISE, OCCUPANCY AND LEASEHOLD IMPROVEMENTS

5.1 Demise of Premises

5.2 License Over Certain Common Facilities

5.3 Early Occupancy of Premises

5.4 Overholding

5.5 Leasehold Improvements

ARTICLE 6 - RENT

6.1 Basic Rent

6.2 Additional Rent

6.3 Payment of Additional Rent

6.4 Adjustment of Additional Rent

6.5 Apportionment of Rent

6.6 No Right of Set-off

6.7 Additional Rent Deemed Rent

6.8 N.S.F. Cheques and N.S.F. Tenant Bank Account Debit

6.9 Arrears

6.10 Net Lease to Landlord

ARTICLE 7 - TAXES

7.1 Tenant's Taxes and Other Taxes

7.2 Tenant's Contribution to Taxes

7.3 Payments

ARTICLE 8 - SERVICES, COMMON FACILITIES

8.1 Tenant's Contribution to Operating Costs

8.2 Definition of Operating Costs

8.3 Operation of Regular HVAC System

8.4 Additional HVAC Service Costs for Operation Outside of Normal Business Hours

8.5 Additional Service Fee

8.6 Electricity and Other Utilities

8.7 Operating of Common Facilities

8.8 Janitorial Services

8.9 Security Services

8.10 Interruption in Services

8.11 Energy Conservation

8.12 Pest Control by Tenant

8.13 Right for Parking and Parking Rules

ARTICLE 9 - USE AND OCCUPANCY OF PREMISES

9.1 Waste and Nuisance

9.2 No Overloading of Floors, Services or Common Use Equipment

9.3 Insurance Cancellation or Cost Increase

9.4 Observance of Law by Landlord and Tenant

9.5 Rules and Regulations

9.6 Hazardous Substances

9.7 Signs

9.8 Name and Promotion of Centre

9.9 Keys to Premises

9.10 Satellite Signal and Wireless Internet and Data Communication Hardware

9.11 Landlord/Tenant Agreements

9.12 Tenant's Security System in Premises

ARTICLE 10 - ALTERATIONS

10.1 Alterations by Tenant

10.2 Air Balancing

10.3 Fire Alarm and Sprinkler Systems

10.4 No Lien on the Premises and Centre

10.5 Liens

10.6 Alterations by Landlord

10.7 Prohibition Re Certain Materials

ARTICLE 11 - REPAIRS

11.1 Landlord's Repairs

11.2 Tenant's Repairs

11.3 Entry by Landlord to View State of Repair

11.4 Notice of Defects

11.5 Termination or Abatement after Damage

11.6 No claim by Tenant

11.7 Tenant to Leave Premises in Good Repair

ARTICLE 12 - INSURANCE AND LIABILITY

12.1 Landlord's Insurance

12.2 Tenant's Insurance

12.3 Form of Tenant's Insurance

12.4 Release of Tenant by Landlord

12.5 Indemnity of Landlord by Tenant

ARTICLE 13 - ASSIGNMENTS AND SUBLEASES BY TENANT AND TRANSFERS BY LANDLORD

13.1 Assignment, Subleases, Transfers

13.2 Landlord's Consent

13.3 Continuing Obligations of Tenant

13.4 No Advertising of the Premises

13.5 Dealings by Landlord

ARTICLE 14 - ESTOPPEL CERTIFICATES, CAVEATS, EMCUMBRANCES, LIENS & INTERESTS REGISTERED ON TITLE

14.1 Estoppel Certificates

14.2 Caveats, Encumbrances, Liens & Interests Registered on Title

14.3 Subordination and Attornment

ARTICLE 15 - UNAVOIDABLE DELAYS

15.1 Unavoidable Delays

ARTICLE 16 - LANDLORD'S ACCESS TO PREMISES

16.1 Right of Entry

16.2 Right to Exhibit Premises

ARTICLE 17 - DEFAULT

17.1 Events of Default

17.2 Remedies by Landlord

17.3 Additional Self-help Remedy by Landlord

17.4 Legal Costs

17.5 Remedies Cumulative

17.6 Non-Waiver

ARTICLE 18 - ARBITRATION

18.1 Arbitration

ARTICLE 19 - GENERAL PROVISIONS

19.1 Entire Agreement; Measurement Survey

19.2 Schedules

19.3 Planning Act

19.4 Survival of Obligations

19.5 Severability of Illegal Provision

19.6 Governing Law

19.7 No Partnership

19.8 Number, Gender, Joint and Several Liability

19.9 Captions

19.10 Time of Essence

19.11 Landlord's Agent

19.12 Successors and Assigns

19.13 Accounting Principles

19.14 Other Leases in Building

19.15 Indemnification Agreement

19.16 Relocation of Leased Premises

19.17 Further Assurances

19.18 Confidentiality

19.19 Sole Agreement

19.20 No Offer

19.21 Counterpart and Electronic ExecutionTHIS LEASE is made and entered into by the Landlord and Tenant named herein who, in consideration of the grant and demise and the mutual covenants herein contained, and for other good and valuable considerat*i*on given and received, agree as follows:

**ARTICLE 1 – BASIC TERMS**

**1.1 Basic Terms**

The Tenant and Landlord hereby agree to the “Basic Terms” set forth in Article 1.1 on pages 1 through 3 of the Agreement to Lease, which are hereby incorporated by reference hereto.

**ARTICLE 2 – BASIC TERMS (PART 2)**

**2.1 Basic Terms (Part 2)**

The Tenant and Landlord hereby agree to the “Basic Terms (Part 2)” set forth in Article 2.1 on pages 3 through 5 of the Agreement to Lease, which are hereby incorporated by reference hereto.

**ARTICLE 3 – DEFINITIONS**

**3.1 Definitions**

**The terms defined herein shall have, for all purposes of this Lease and all instruments supplemental hereto, the following meanings, unless the context expressly or by necessary implication otherwise requires:**

**3.2 “Additional Rent”** means all sums of money, other than Basic Rent, which are required to be paid by the Tenant pursuant to any provision of this Lease, and which is deemed to be accruing on a day-to-day basis.

**3.3 “Additional Service”** means any service identified as such in this Lease or which is requested by the Tenant in addition to those supplied by the Landlord as part of the normal Centre service and which the Landlord is prepared to supply at an additional cost to the Tenant.

**3.4 “Additional Service Cost”** means the additional amount identified as such in this Lease or payable by the Tenant to the Landlord for any Additional Service.

**3.5 “Administration”** means those activities of the Landlord directly related to overseeing the ongoing requirements of the Centre.

**3.6 “Agent”** means a person who is duly authorized by a third party (principal) to conduct the principal’s business affairs or carries on business on behalf of the principal.

**3.7 “Alterations”** means all alterations, adjustments, changes, repairs, renewals, restorations, renovations, rearrangements, remodelling, rehabilitating, retrofitting, relocations, subtractions, reductions, substitutions, deletions, additions, expansions, reconstructions, removals, replacements, modifications, improvements, betterments, installations and decorations or any one or more of them.

**3.8 “Amortize”** means to write off expenditures by prorating over a fixed period.

**3.9 “Amortization”** means being amortized.

**3.10 “Architect”** means the independent architect, engineer, surveyor, or other qualified professional from time to time named by the Landlord. The decision of the Architect whenever required and any related certificate shall be final and binding on the parties.

**3.11 “Basic Rent”** means the rent payable by the Tenant pursuant to **Articles 1.1.15, 1.1.16 and 1.1.17** herein and **Schedule “A”**, attached hereto.

**3.12 “Basic Terms”** means those basic terms of the Lease which are set out in **Articles 1 and 2** herein.

**3.13 “Building”** means the building or buildings and all other fixed improvements situate at any time on the Lands, all of which bear the municipal address of the Centre, described in **Schedule “A”** to the Lease.

**3.14 “Building Standard”** means the building standard established by the Landlord acting reasonably including matters of design, construction and/or installation to be observed by the tenants in the Building, including the Tenant, in connection with Leasehold Improvements, tenant fixtures and chattels, as amended from time to time by the Landlord, acting reasonably.

**3.15 “Business Hours”** means the period from 8:00 a.m. to 4:30 p.m. or such other reasonable hours as the Landlord may from time to time specify by regulation on any Business Day and "Business Day" means any day which is not a Saturday or a Sunday or a statutory holiday in the Province of Alberta.

**3.16 “Capital Tax”** means any tax or taxes payable under any existing or proposed federal legislation based upon or computed by reference to the paid-up capital or place of business of the Landlord and/or the owners of the Centre as determined for the purposes of such tax or based upon or computed by reference to the taxable capital employed in Canada, or any similar tax levied, imposed or assessed in the future in lieu thereof or in addition thereto by any municipal, legislative or parliamentary authority.

**3.17 “Charge” and “Charges”** **and** “**Cost” and “Costs”** means either (depending on its context) the amount of money asked for a product or service or the amount of money that one is required to pay for a product or service.

**3.18 “Common Facilities”** means the Parking Areas and also including, without limitation, those lands, buildings, areas, garbage enclosure, facilities, utilities, improvements, systems, signs, equipment and installations, forming part of the Centre, including utility, equipment and service rooms, including, without limitation, electrical, telephone, mechanical, storage, transformer, fire detection, alarm security and janitor rooms, services and facilities; waste, garbage, refuse and trash collection, disposal and recycling facilities; general signs, including, without limitation, pylon, entrance, exit, warning, directional and traffic control signs; lighting systems and equipment; columns; pipes; electrical, plumbing, drainage, sprinkler, mechanical and all other installations, systems equipment, services and facilities housing them (including, without limitation, the HVAC System of the Building) and which are designated from time to time by the Landlord for the common use and enjoyment of the tenants in the Centre, including the Tenant, and their Agents, invitees, servants, employees and licensees, or for use by the public, but excluding designated rentable Premises, if any, in the Centre and other portions of the Centre which are from time to time designated by the Landlord for private use by one or a limited group of tenants.

**3.19 “Common Use Equipment”** means all mechanical, plumbing, electrical and HVAC equipment, pipes, ducts, wiring, machinery and equipment and other integral services, utility connections and the like providing services to the Building.

**3.20 “Default”** means failure to meet an obligation in the Lease, including, but not limited to a financial obligation.

**3.21 “Centre”** means without duplication the Lands, the Building(s) and the Common Facilities.

**3.22 “Expenses”** means the Charges or Costs incurred in the process of doing one’s work while managing and Operating a property.

**3.23 “Gross Income”** means, with respect to any Rental Year, the aggregate of all revenues, including Rent, as defined herein, earned by or for the account of the Landlord from the Operation of the Building.

**3.24 “HVAC Hours”** means Business Hours.

**3.25 “Insured Damage”** means that part of any damage occurring to the Centre, including the Premises, of which the entire Cost of Repair (except as to any deductible amount provided for in the applicable policy or policies of insurance) is actually recovered by the Landlord under a policy or policies of insurance from time to time effected by the Landlord pursuant hereto or for which the Landlord is self-insured.

**3.26 “Landlord”** means the party identified as such in the Basic Terms attached hereto, and includes the Landlord and its duly authorized representatives, successors and assigns.

**3.27 “Lands”** means the lands legally described in **Schedule “A”** of the duly executed Lease, as the boundaries thereof may be varied from time to time by additions functionally integrated therewith or by deletions for road widening or other public purposes.

**3.28 “Landlord’s Taxes”** means the aggregate of: Taxes and Other Taxes.

**3.29 “Lease”** means this duly executed Lease together with its **schedules** attached thereto and any other appendices, riders and other documents if any, attached thereto, or otherwise intended to form part of the Lease.

**3.30 “Leasehold Improvements”** are not part of the base building, means Work or improvements in, on, to, for or which serve the Premises, determined according to common law, and includes, without limitation, all fixtures (excluding Tenant’s Trade Fixtures), equipment and Alterations from time to time made, constructed, erected, or installed by, for or on behalf of the Tenant, or any previous occupant of the Premises, whether or not easily disconnected or movable, including, without limitation, all: (a) partitions (excluding portable partitions), railings, doors and safes and vaults permanently affixed to the Premises and hardware; (b) mechanical, plumbing, electrical, sprinkler, fire detection, safety, utility, computer, communication, telecommunication, satellite, heating, humidity, ventilating and air conditioning systems, facilities, installations, fixtures, devices, controls, pipes, wires, conduits, tanks, machinery, fittings and equipment; (c) carpeting, drapes and other floor, wall, ceiling and window coverings and drapery hardware; (d) light fixtures; (e) storefronts; (f) grill and other security or locking devices securing all or any part of the Premises; (g) counters, cabinets, shelves and built-in furniture and furnishings; (h) internal stairways, escalators, elevators and any other transportation equipment or systems; (i) ceilings and ceiling panels; (j) ceiling heaters (suspended or otherwise), and air-conditioning units, and all controls, fittings and equipment; (k) coolers, freezers, lockers, refrigerators, stoves, washing machines (including dishwashers), drying machines, kitchen and other types of equipment, appliances and ovens (including microwave ovens); (l) signs, exterior sign boxes, bands and the like; (m) any items that would not normally be considered to be Tenant’s Trade Fixtures; (n) satellite receivers, transmitters, antennas and base mounts; and (o) all items which cannot be removed without damage to the Premises, but which are not Tenant’s Trade Fixtures.

**3.31 “Maintenance”** means the process of keeping a Building or Buildings and associated grounds in good condition by regularly checking them and Repairing them when and as necessary.

**3.32 “Management”** means the organizing and controlling of the affairs of the Centre or a particular sector of the Centre.

**3.33 “Operating”** means managing, controlling, directing or running the affairs of a business.

**3.34 “Operating Costs”** means Operating Costs as defined in **Article 8.2** herein.

**3.35 “Operation”** means an act, method or process of working or Operating.

**3.36 “Other Taxes”** means all taxes, rates, duties, levies, fees, Charges and assessments whatsoever, including without limitation, local improvements, water, sewer rates, impost Charges or levies whether extraordinary, general or special, ordinary or extraordinary, foreseen or unforeseen, imposed, assessed, levied or Charged now or in the future by any municipal, regional, provincial, federal, parliamentary or other government body, corporate authority, agency or commission against the Centre and/or the Landlord and/or the owners of the Centre in connection therewith (including without limitation, business or similar taxes or licence fees in respect of the business of the Landlord which pertains to the Management, Operation and Maintenance of the Centre) but excluding (unless specifically referred to above):

* such of the foregoing amounts as have been included in Taxes;
* income or profit taxes upon the income of the Landlord to the extent such taxes are not levied in substitution or in lieu of any of the foregoing;
* business or similar taxes or licence fees in respect of any business carried on by tenants and occupants (including the Tenant) of the Centre; and
* Capital Tax.

**3.37 “Parking Areas”** means those portions of the Centre which are designated from time to time by the Landlord for parking purposes including, without limitation, parking spaces (inside and/or outside of the Building) and the vehicular ramps and other entrances and exits thereto and all services, facilities and systems contained exclusively within and serving such parking facilities, as the same may from time to time be altered, expanded or reconstructed.

**3.38 “Parking Rules”** means those rules described in **Article 8.13** of the Lease (attached hereto), which are a condition of the Right for Parking.

**3.39 “Premises”** means the premises leased to the Tenant defined in **Schedule “A”** (attached hereto).

**3.40 “Present Value”** means the value determined by using an annual discount rate equal to the annual rate of interest, in effect as of the relevant date of Default, announced by the Royal Bank of Canada as its prime rate, being the reference rate used by it to determine interest for loans in Canadian dollars to Canadian customers.

**3.41 “Proportionate Share”** means a fraction having as its numerator the Gross Rentable Area of the Premises and as its denominator the Total Rentable Area of the Building.

**3.42 “Rate of Interest”** means an interest rate of two percent (2%) per month compounded monthly, twenty six and eight-tenths percent (26.8%) per annum.

**3.43 “Rent”** means Basic Rent and Additional Rent.

**3.44 “Rentable Area”**, “**Gross Rentable Area”** and **“Net Rentable Area”** of the Premises means the number of square feet of floor area determined by the Architect, surveyor or other Building measuring professional. A certificate as to area from the Landlord's measuring professional shall be conclusive and binding on the parties.

**3.45 “Rental Year”** means a period of time, the first Rental Year commencing on the first day of the Term hereof, and ending on the last day of the month of December immediately following. Each Rental Year thereafter shall consist of consecutive periods of twelve (12) calendar months, but the last Rental Year of the Term, whether or not it is twelve (12) calendar months, shall terminate on the expiration or earlier termination of this Lease. If however, the Landlord considers it necessary or convenient for the Landlord's purposes, the Landlord may at any time and from time to time by written notice to the Tenant, specify a date from which each subsequent Rental Year is to commence, and in such event the then current Rental Year shall terminate on the day immediately preceding the commencement of such new Rental Year, and the appropriate adjustments shall be made between the parties.

**3.46 “Repair” and “Repairs” and “Repairing”** mean something that you do to mend a piece of equipment, a Building and/or roads or grounds that have been damaged or are not working properly.

**3.47 “Right for Parking”** means an agreement with the Landlord as detailed in **Article 8.13** of the Lease, to use one or more parking stalls in the Centre.

**3.48 “Sales Taxes”** means all business transfers, multi-stage sales, sales, use, consumption, value-added or other similar taxes imposed by the Government of Canada or any provincial or local government upon the Landlord, or the Tenant or in respect of this Lease, or the payments made by the Tenant hereunder or the goods and services provided by the Landlord hereunder including, without limitation, the rental of the Premises and the provision of administrative services to the Tenant hereunder.

**3.49 “Straight-line”** means finance designating or a method of allocating Costs to given time periods at a fixed rate (Straight-line depreciation).

**3.50 “Supervise”** means to watch over a particular activity or task being carried out by other people and ensure that it is being carried out correctly.

**3.51 “Supervision”** means the supervising of people, activities or places; superintend.

**3.52 “Taxes”** means all taxes, rates, duties, levies, fees, Charges, sewer levies, local improvement rates, and assessments whatsoever, imposed, assessed, levied or charged now or in the future by any school, municipal regional, provincial, federal, parliamentary or other governmental body, corporate authority, agency or commission (including, without limitation, school boards and utility commissions), against the Centre and/or the Landlord in connection therewith, but excluding (unless specifically referred to above):

* income or profit taxes upon the income of the Landlord to the extent such taxes are not levied in substitution or in lieu of any of the foregoing;
* business or similar taxes or licence fees in respect of the business of the Landlord which pertains to the Management, Operation and Maintenance of the Centre;
* business or similar taxes or licence fees in respect of any business carried on by tenants and occupants (including the Tenant) of the Centre; and
* Capital Tax.

**3.53 “Tenant”** means the party identified as such in **Article 1.1.6** of the Basic Terms herein.

**3.54 “Tenant's Taxes”** means the aggregate of:

* all taxes imposed upon the Tenant which are attributable to the personal property, furnishings, fixtures and Leasehold Improvements installed in the Premises; and
* all taxes imposed upon the Tenant which are attributable to the business, income or occupancy of the Tenant or any other occupant of the Premises and to the use of any of the Common Facilities by the Tenant or other occupant of the Premises.

**3.55 “Term”** means the term of the Lease as defined in **Article 1.1.11** of the Basic Terms herein.

**3.56 “Total Rentable Area of the Building”** means the area in square feet of all premises (including the Premises) of the Building that from time to time are, or are intended to be, occupied by tenants or other occupants.

**3.57 “Trade Fixtures”** means trade fixtures as determined at common law and includes the personal chattels installed during the fixturing period (if any), at the commencement of the Term, or during the Term by or on behalf of Tenant, in, on, or which serve, the Premises, for the sole purpose of Tenant carrying on its trade in the Premises pursuant to **Articles 1.1.23 and 2.1.9** herein and which Trade Fixtures Tenant is permitted to remove only to the extent permitted by the terms of this Lease, but Trade Fixtures do not include Leasehold Improvements or any inventory of Tenant.

**3.58 “Work”** means making, erecting, altering or installing any Leasehold Improvements, Alterations or installations in, on or to the Premises.

**ARTICLE 4 - GENERAL**

**4.1 Tenant's Covenants**

The Tenant covenants with the Landlord:

(a) to pay Rent; and

(b) to observe and perform all the covenants and obligations of the Tenant herein.

**4.2 Landlord’s Covenants**

The Landlord covenants with the Tenant:

(a) for quiet enjoyment; and

(b) provided the Tenant pays the Rent, and observes and performs all of its covenants and obligations herein, to observe and perform all the covenants and obligations of the Landlord herein.

**4.3 Deemed Covenants**

Each obligation or agreement of the Landlord or the Tenant expressed in this Lease, even though not expressed as a covenant, is considered to be a covenant for all purposes.

**ARTICLE 5 - DEMISE, OCCUPANCY AND LEASEHOLD IMPROVEMENTS**

**5.1 Demise of Premises**

The Landlord hereby demises and leases unto the Tenant and the Tenant hereby leases from the Landlord, the Premises for the Term and subject to the provisions of this Lease.

**5.2 License Over Certain Common Facilities**

The Landlord hereby grants to the Tenant, its Agents, employees, invitees and other persons transacting business with it in common with all others entitled thereto, a license to have the use of certain of the Common Facilities as designated from time to time by the Landlord, including without limitation, the entrances to the Building, the elevators, stairways, corridors, foyers, lobbies and lavatories; provided, however, that such use shall be subject to all other provisions contained in this Lease and to the Landlord’s rules and regulations referred to in **Article 9.5** herein.

**5.3 Early Occupancy of Premises**

If the Landlord allows the Tenant occupation of the Premises prior to the Commenecment of the Term, whether exclusively or in conjunction with the Landlord and the Landlord’s contractors and employees or any other party or parties acting under the authority of the Landlord, the Tenant shall be deemed to be in possession of the Premises from the date the Premises are occupied by the Tenant and from that time forward, the Tenant shall be bound by all of the provisions of the Lease, including responsibility for utility services to the Premises during this time.

**5.4 Overholding**

The Tenant shall surrender possession of the Premises immediately upon the expiration or earlier termination of the Lease. If the Tenant remains in possession of all or any part of the Premises after the expiry of the Term with the consent of the Landlord and without any further written agreement, or without the consent of the Landlord, there shall be no tacit renewal or extension of this Lease and, despite any statutory provision or legal presumption to the contrary, the Tenant shall be deemed conclusively to be occupying the Premises as a monthly tenant at will if the Landlord did consent to the Tenant remaining in possession, or as a tenant at will if the Landlord did not consent to the Tenant remaining in possession, in either case on the same terms as set forth in the Lease as far as such terms would be applicable to a monthly tenancy, and except for any right of renewal, at a monthly basic rent payable in advance and equal to two times (twice) the monthly Basic Rent payable immediately prior to the overholding plus additional rent equivalent to Additional Rent hereunder. The Tenant shall promptly indemnify and hold harmless the Landlord from and against any and all claims incurred by the Landlord as a result of the Tenant remaining in possession of all or any part of the Premises after the expiry of the Term without the Landlord’s consent. The Tenant shall not make any counterclaim in any summary or other proceeding based on such overholding by the Tenant. If, for whatever reason, a monthly tenancy at will is in effect, the Tenant shall provide a minimum of two full months written notice to the Landlord expressing its intent to terminate this Lease and vacate the Premises.

**5.5 Leasehold Improvements**

(a) Subject to **paragraphs (b) and (c) below**, upon the expiration or other termination of this Lease, all Leasehold Improvements in the Premises, including all fixed partitions (including floor to ceiling partitions) which, although demountable, involve attachment to any floor, ceiling or permanent wall such that they cannot be removed without damage to the Premises but excluding the Tenants movable partitions such as free standing partitions or partial height partitions which can be removed without damage to the Premises and which shall be deemed to be removable Trade Fixtures, shall remain upon and be surrendered with the Premises as a part thereof without disturbance, molestation or injury and the same and any Trade Fixtures not removed by the Tenant are the property of the Landlord absolutely, free of any liens or encumbrances and without payment therefor to the Tenant.

(b) The Landlord may, by notice to the Tenant prior to or promptly after the expiration or other termination of this Lease, require the removal forthwith, at the expense of the Tenant of any or all of the Tenant’s Trade Fixtures and Leasehold Improvements and the Repair forthwith of any damage to the Premises or the Centre caused by such removal, such work to be done forthwith by or at the direction of the Landlord and at the expense of the Tenant. If such notice is given prior to the expiration or other termination of this Lease, such removal and Repair shall be completed by such expiration or termination.

(c) Notwithstanding anything herein contained, provided the Tenant has paid the Rent hereby reserved and performed and observed all the covenants and conditions herein contained, the Tenant shall have, at the expiration or other termination of this Lease, the right to remove its Trade Fixtures, provided that the Tenant Repairs by the expiration or other termination of this Lease, at its own expense, any damage to the Premises or the Centre caused by such removal, such work to be done by or at the direction of the Landlord acting reasonably and at the expense of the Tenant. For greater certainty, the Tenant’s trade fixtures shall not include any heating, ventilating or air-conditioning systems, facilities and equipment in or serving the Premises, floor coverings affixed to the floor of the Premises, or light fixtures.

**5.5.1 Leasehold Improvements by the Tenant**

The Tenant hereby acknowledges and agrees that they are leasing the Premises in an “as is” condition (other than the Landlord’s Work agreed to in **Schedule “B”** herein). The Tenant is responsible, at their sole cost and expense, for the Work (the “Leasehold Improvements”). If Leasehold Improvements are to be completed before the Term (or contemplated by the Tenant at any time during the Term):

1. The Tenant shall, at their expense, prepare such detailed plans and specifications as are necessary to construct the Leasehold Improvements in the Premises and have the same approved by the Landlord prior to the commencement of construction. Any changes to these originally agreed to plans and specifications must be approved by the Landlord in writing, prior to the changes being made;
2. The Tenant shall submit an application to the City of Calgary for a Building Permit for the Leasehold Improvements (interior alterations), use its best efforts to ensure that the City of Calgary approves the application and when the Building Permit has been received by the Tenant, immediately forward a copy to the Landlord;
3. The Tenant shall, at their sole expense, apply for an Occupancy Permit from the City of Calgary and receive such Occupancy Permit prior to their initial occupancy of the Premises, and/or following the completion of Leasehold Improvements during the Term, signed off by the City of Calgary, forward a copy of the resulting Occupancy Permit to the Landlord forthwith;
4. The Tenant SHALL NOT, under any circumstances, commence or initiate Leasehold Improvements until a Building Permit has been received from the City of Calgary AND the Tenant shall not occupy the Premises until they have received an Occupancy Permit from the City of Calgary and forwarded a copy of this permit to the Landlord; and
5. The Tenant agrees that it will not file or permit or suffer any builder’s lien to be filed against the Premises or the Building or the Centre and will forthwith procure, at their sole expense, the discharge of any lien that may be filed.
6. If completion of the Leasehold Improvements by the Tenant is delayed for any reason whatsoever including, but not limited to:
   1. failure by the Tenant to execute the Lease in a timely manner, or
   2. any delay or failure of the Tenant to prepare detailed plans and specifications for the Leasehold Improvements; or
   3. failure by the Tenant to apply for and receive building permits or other government forms or approvals for the Leasehold Improvements; or
   4. any delay by the Tenant in choosing or approving construction or finishing materials or requested changes thereto, as may be required;

there shall be no extension or delay of the Commencement Date of the Term of the Lease or the Tenant’s obligation to commence payment of, or to pay Basic Rent and Additional Rent to the Landlord.

**The Landlord and the Tenant further understand and agree that:**

1. Any Tenant modifications to the Building’s roof or roof flashings require the prior written approval of the Landlord and, if approved shall be provided by the Landlord’s roofing contractor at the Tenant’s sole cost and expense.
2. Landlord’s prior approval is required for all window coverings and blinds.
3. All voice and/or data wiring is the responsibility of the Tenant. One empty conduit is provided by the Landlord to a point in the Premises chosen solely by the Landlord. Any reinforcing backing required for telephone or computer wires, cable or equipment is the Tenant’s responsibility.

**ARTICLE 6 - RENT**

**6.1 Basic Rent**

The Tenant shall pay to the Landlord Basic Rent, as detailed in **Articles 1.1.15, 1.1.16, 2.1.5 and Article 6** herein.

**6.2 Additional Rent**

The Tenant shall pay to the Landlord, during the Term, when due, as Additional Rent:

(a) all Tenant's Taxes;

(b) that portion of Taxes payable by the Tenant pursuant to **Article 7.2**;

(c) the Tenant's Proportionate Share of Operating Costs pursuant to **Article 8.1**;

(d) all Additional Service Costs or fees payable by the Tenant; and

(e) all other amounts payable by the Tenant pursuant to this Lease.

**6.3 Payment of Additional Rent**

The Additional Rent specified in **paragraphs 6.2(b) and 6.2(c)** above shall be paid and adjusted with reference to a fiscal period of twelve (12) calendar months, which shall be the twelve (12) month period ending on December 31st in each year during the Term unless the Landlord, by notice to the Tenant, shall from time to time have selected a fiscal period which ends on a different date (but which shall be a twelve (12) month period except where a shorter broken fiscal period occurs at the commencement or end of the Term or is necessary to accommodate a change in the fiscal period made during the Term). From time to time throughout the Term, the Landlord shall give notice to the Tenant of the Landlord’s estimate of such Additional Rent to be paid by the Tenant during the next ensuing fiscal period. This estimate will be based in part on the Operating Costs, Taxes and Additional Service Cost expenses for the preceding year modified by any known decrease or increase. Such Additional Rent payable by the Tenant shall be paid in equal monthly instalments in advance at the same time as payment of Basic Rent is due hereunder and shall be based on the Landlord's estimate as aforesaid. From time to time the Landlord may re-estimate, on a reasonable basis, the amount of such Additional Rent for any fiscal period in which case the Landlord shall give notice to the Tenant of such re-estimate and fix new equal monthly instalments for the remaining balance of such fiscal period so that, after giving credit for the instalments paid by the Tenant on the basis of the previous estimate or estimates, all the Additional Rent as estimated or re-estimated will have been paid during such fiscal period. The Tenant shall pay all Additional Service Costs or Expenses within ten business (10) days after receipt by it from time to time of invoices from the Landlord specifying the amounts thereof.

The Landlord may require at its option, that the Tenant provide the necessary authorization and account information to permit the Landlord to debit the amount of Basic Rent and Additional Rent from an account of the Tenant so specified by the Tenant on a monthly basis, or that the Landlord provide the Tenant with the necessary account information to permit the Tenant to deposit the amount of Basic Rent and Additional Rent to an account of the Landlord on a monthly basis as required by the Lease.

**6.4 Adjustment of Additional Rent**

After the end of each fiscal period referred to in **Article 6.3**, the Landlord shall deliver to the Tenant a statement of the Landlord as to the actual Additional Rent payable to the Landlord pursuant to paragraphs **6.2(b) and 6.2(c)** herein in respect of such fiscal period just terminated and a calculation of the amount by which such Additional Rent payable by the Tenant varies from the aggregate instalments paid by the Tenant on account of such Additional Rent for such fiscal period. Within thirty (30) days after the receipt of such statement, either the Tenant shall pay to the Landlord any amount by which the amount found payable by the Tenant with respect to such fiscal period exceeds the aggregate of the monthly payments made by it on account thereof or the Landlord shall pay to the Tenant any amount by which the amount found payable as aforesaid is less than the aggregate of such monthly payments.

The Tenant shall have the right, exercisable by notice to the Landlord given within thirty (30) days after receipt of any statement of such Additional Rent submitted by the Landlord as aforesaid, to verify or audit (at the Tenant’s sole expense) the accuracy of any amount shown on any statement, upon five (5) days prior notice to the Landlord, by inspecting the records and accounts of the Landlord pertaining to such Additional Rent statement, such inspection to be made at the head office of the Landlord, or at such other place as the Landlord may direct. In no event shall any such planned inspection permit the Tenant to delay payment of such Additional Rent as required by this **Article 6.4**.

In the event of any dispute by the Tenant as to the amount of such Additional Rent payable, a letter of the Landlord’s accountants shall be conclusive.

**6.5 Apportionment of Rent**

Rent shall be considered as accruing from day to day hereunder. If it is necessary to calculate Rent for a period of less than one year or less than one calendar month, an appropriate apportionment and adjustment on a pro rata daily basis shall be made. Where the calculation of Additional Rent cannot be made until after the expiration or earlier termination of this Lease, the obligation of the Tenant to pay such Additional Rent shall survive the expiration or earlier termination hereof and such amount shall be paid by the Tenant to the Landlord forthwith upon demand. If the Term commences on any day other than the first day of the month, Rent for such fraction of a month shall be adjusted, as aforesaid, and paid by the Tenant on the first day of the Term.

**6.6 No Right of Set-off**

The Tenant expressly waives the benefits of any present or future enactment of the Province of Alberta permitting the Tenant to claim a set-off against Rent for any cause whatsoever.

**6.7 Additional Rent Deemed Rent**

All Additional Rent shall be deemed to be Rent and the Landlord shall have all rights against the Tenant for Default in payment of Additional Rent as for Default in the payment of Basic Rent.

**6.8 N.S.F. Cheques and N.S.F. Tenant Bank Account Debit**

For each and every cheque written payable to the Landlord from the Tenant which cannot be cashed because there are not sufficient funds (N.S.F.) in the Tenant’s account, for whatever reason, and, for each and every Tenant bank account debit which cannot be processed by the bank because there are not sufficient funds (N.S.F.) in the Tenant’s account, for whatever reason, the Tenant will be liable for and will be invoiced for a $45.00 penalty. This penalty will be payable immediately upon receipt of the invoice by the Tenant. All payments from the Tenant to the Landlord subsequent to an N.S.F. payment to the Landlord will be by any method of payment in the sole discretion of the Landlord, at the option of the Landlord. The Tenant will be bound to comply with any method of payment selected by the Landlord.

**6.9 Arrears**

If, at any time during the Term, the Landlord accepts payment(s) from the Tenant that is less than the full amount owing to the Landlord, such acceptance by the Landlord will not be considered to forgive the Tenant of its obligation to pay the remainder of the amount owing.

If the Tenant fails to pay Rent or any other payment due to the Landlord under the terms of the Lease when due, the Tenant shall pay interest on the unpaid amount at the Rate of Interest from the date due until the date paid, both before and after default, demand and judgment, all without prejudice to and in addition to any other right or remedy of the Landlord under this Lease or at law.

**6.10 Net Lease to Landlord**

This Lease and the Rent payable hereunder shall be absolutely net to the Landlord, except as expressly provided herein. Any obligation, which is not stated to be that of the Landlord, shall be deemed to be that of the Tenant.

**ARTICLE 7 - TAXES**

**7.1 Tenant’s Taxes and Other Taxes**

(a) The Tenant shall pay when due to the taxing authority or authorities having jurisdiction, or to the Landlord if the Landlord directs, all Tenant's Taxes.

(b) The Tenant shall pay to the Landlord when due all Sales Taxes.

(c) All financial components of this Lease are subject to goods and services tax (G.S.T.) unless specifically identified to the contrary.

**7.2 Tenant's Contribution to Taxes**

The Tenant shall, in respect of each calendar year included in whole or in part within the Term, pay to the Landlord an amount to cover the Taxes that are fairly attributable to the Premises for such calendar year, such amount to be determined by the Landlord acting reasonably. If there are separate assessments (or, in lieu thereof, calculations made by authorities having jurisdiction from which separate assessments may, in the Landlord’s opinion, be readily determined) for the Premises for tax purposes, the Landlord shall have regard thereto for purposes of determining the amount payable by the Tenant hereunder.

(a) The Tenant shall provide the Landlord with a copy of any separate notices of assessment for the Premises which the Tenant has received.

(b) The Tenant shall, in respect of each calendar year included in whole or in part within the Term, pay to the Landlord an amount to cover the taxes imposed on the Landlord, if any, which are attributable to personal property, furnishings, fixtures or Leasehold Improvements installed within the Premises.

(c) Payment by the Tenant of all amounts on account of Taxes shall be governed by **Articles 6.3 and 6.4** herein.

**7.3 Payments**

(a) The Landlord may postpone any payment payable by it pursuant to **Article 7.1(a)**, and the Tenant may postpone any payment payable by it directly to a taxing authority (but not to the Landlord) pursuant to this article in each case to the extent permitted by law and if prosecuting in good faith any appeal against the imposition thereof, but provided that in the case of a postponement by the Tenant which involves any risk of the Centre or any part thereof or the Landlord becoming liable to assessment, prosecution, fine or other liability, the Tenant shall have given security in a form and of an amount satisfactory to the Landlord in respect of such liability and such undertakings as the Landlord may reasonably require to ensure payment thereof.

(b) Whenever requested by the Landlord, the Tenant shall deliver to the Landlord receipts for payment of all Tenant's Taxes and furnish such other information in connection therewith as the Landlord may reasonably require.

**ARTICLE 8 - SERVICES, COMMON FACILITIES**

**8.1 Tenant's Contribution to Operating Costs**

(a) The Tenant shall throughout the Term, pay to the Landlord the Tenant's Proportionate Share of Operating Costs.

(b) Payment by the Tenant of all amounts on account of the Tenant’s Proportionate Share of Operating Costs shall be governed by **Articles 6.3 and 6.4**.

(c) The Tenant cannot exempt itself from liability for its contributions toward the Common Facilities expenses by waiver of the use or enjoyment of any of the Common Facilities or by vacating or abandoning his Premises.

**8.2 Definition of Operating Costs**

**8.2.1 Inclusions**

"Operating Costs" means the aggregate of all of the Landlord’s Expenses, Costs and Charges incurred in respect of the Operation, Maintenance, Repair, Administration, Management and Supervision of the Centre including the Common Facilities and the Common Use Equipment and also including Parking Area. Such Operating Costs include, without limitation or duplication:

(a) the cost of providing for the Operation, Maintenance, Repair, Administration, Management and Supervision of the Centre, including, without limitation, wages, salaries or other compensation for employees, Agents or contractors of the Landlord performing services rendered in connection therewith and a Building manager and other supervisory personnel, in each case whether on or off site, cleaners and other janitorial staff, security personnel, trades people, engineers and all other Maintenance personnel;

(b) the cost of Repairs, improvements and replacements to and Maintenance of the Centre, and the Costs of supplies and equipment used in connection therewith;

(c) straight-line amortization, based on the manufacturer’s recommended life of the capitalized cost of machinery, equipment, asphalt paving and roofing membrane used in and on the Leased Premises and/or the Centre;

(d) straight-line amortization for the capital cost of any modifications, replacements or additions to the Centre and/or the machinery and equipment therein and thereon:

1. where in the reasonable opinion of the Landlord such modifications, replacements or additions may reduce Operating Costs or result in energy savings or result in increased security and/or;
2. any additional equipment or improvements required by legal requirements not in effect at the date of construction of the Centre and/or;
3. which in the Landlord’s reasonable opinion are for the benefit or safety of users of the Centre;

(e) premiums and other Charges incurred by the Landlord with respect to insurance on the Centre, including, without limitation, fire and "All Risk" perils insurance, public liability and property damage insurance, boiler and machinery insurance, and loss of rental income insurance, elevator liability insurance, Workers’ Compensation Board insurance for the employees specified in **paragraph (a)** above and other casualties which the Landlord may reasonably insure provided that if the Landlord shall self insure, the Landlord shall include a deemed amount equal to the amount that would have been included if the Landlord had placed insurance with a third party;

(f) Costs incurred (including all associated Operating Costs) in connection with waste management, including but not limited to, fair and equitable waste removal for all tenants of the Building, as judged solely by the Landlord, from supplied, common waste disposal bins; inspection and servicing of elevators, Building and grounds mechanical equipment, electrical distribution systems and the Costs of supplies and equipment used in connection therewith;

(g) Costs incurred for sewer and service Charges, water, natural gas, electricity and any other power required to, in the opinion of the Landlord, reasonably manage and operate the Centre, including the Premises (unless the Premises is separately metered as per **Article 8.6(c)** herein);

(h) Employment Insurance premiums, Workers’ Compensation Board insurance premiums, pension plan and any other Costs payable in connection with the employment of any of the employees specified in **paragraph (a)** above;

(i) Engineering, accounting, legal and other consulting and professional fees and Expenses pertaining to services relating to the Centre;

(j) Costs of telephone, stationery, office supplies, and the fair market rental value of space occupied by the Landlord for Management, supervisory and/or administrative purposes relating to the Centre and furnishings and fixtures for this space and other materials required for routine Operation of the Centre;

(k) the Costs associated with policing, security, security monitoring, fire monitoring, Supervision and traffic control;

(l) such other direct Operating Costs, Charges and expenditures of a like nature as may be incurred in respect of the property preservation, protection, Maintenance and Operation of the Centre;

(m) all Costs and Expenses (including legal and other professional fees) incurred in good faith in verifying the reasonableness of, or in contesting, resisting or appealing, assessments and levies for Taxes or taxes charged against the business of the Landlord which pertains to the Management, Operation and Maintenance, Repair, Administration and Supervision of the Centre, including the Common Facilities, Common Use Equipment and Parking Areas;

(n) sales and excise taxes on goods and services provided by the Landlord to Manage, Operate or Maintain the Centre and its equipment;

(o) Sales Taxes payable by the Landlord on the purchase of goods and services included in Operating Costs (excluding any such Sales Taxes as are available to and claimed by the Landlord as a credit in determining the Landlord's net tax liability on account of Sales Taxes but only to the extent that such Sales Taxes are included in Operating Costs);

(p) that part of Taxes which is attributable to space in the Centre which would otherwise be a Rentable Area if it were not utilized and reasonably needed by the Landlord in connection with the Management, Operation and Maintenance of the Centre;

(q) Taxes to the extent attributable to the Lands and/or the Common Facilities that are separately assessed and not included as part of the assessed value of Premises occupied or to be occupied by tenants (including the Tenant) of the Centre (but only if and to the extent that such Taxes have not been taken into account by the Landlord in making any attribution or calculation for the purpose of determining the Tenant's contribution to Taxes);

(r) Other Taxes including; but not limited to property taxes;

(s) Capital Tax fairly attributable to the Centre; and

(t) a Management fee being FIVE percent (5%) of the Gross Income from the Centre for each Rental Year.

**8.2.2 Adjustment to Costs**

Items of Operating Costs which may vary with the use and occupancy of the rentable Premises, shall be adjusted and calculated to what they would have been in the Landlord’s reasonable estimation if the Building were 100% occupied and Operational for the entire year, and such adjusted amount shall be included in the Operating Costs.

**8.2.3 Exclusions**

Operating Costs shall exclude:

(a) all Costs normally attributed to capital amount under generally accepted accounting principles except where expressly included herein;

(b) Costs which are unreasonably or imprudently incurred (to the extent of the excess of such Costs over the amount thereof if reasonably and prudently incurred);

(c) Costs incurred in leasing Premises in the Building to other tenants;

(d) Costs of remedying construction inadequacies; and

(e) debt service including interest.

**8.2.4 Reductions**

Costs which are recovered from tenants or others, (such as Additional Service Costs or fees, insurance recoveries and recoveries pursuant to damage or indemnity claims), otherwise than by a general contribution by tenants of shares of Operating Costs, shall, to the extent the Expenses pertaining thereto are included in Operating Costs, be applied in reduction of Operating Costs.

**8.3 Operation of Regular HVAC System**

The Landlord shall operate the heating, ventilating and air-conditioning equipment (if applicable) and systems serving the Premises so as to provide conditions of adequate temperature comfort in the Premises during Business Hours except during the making of Repairs, inspections, overhauling or replacement if such equipment or systems are damaged or destroyed, or, in the opinion of the Landlord, require Repair, inspection, overhauling or replacement, the Landlord shall carry out such work with all reasonable diligence. The Landlord shall not be responsible for any loss, damages or Costs arising from the failure of such equipment or systems to perform their function, including, without limitation, loss, damages or Costs arising if the number of persons in the Premises at any one time exceeds a reasonable number or if the electrical load from lights and power in the Premises is excessive or if such failure results from any arrangement of partitioning in the Premises or change or alteration thereto or if the window covering on exterior windows is not kept fully closed while the windows are exposed to direct sunlight or if any use of mechanical or electrical equipment installed in the Premises generates heat in excess of amounts specified in the Building Standard. The Tenant may, at its sole expense and with prior written notice to the Landlord, have HVAC ductwork professionally cleaned. The Landlord shall not be liable for direct, indirect or consequential damage or damages for personal discomfort or illness of the Tenant or its employees, invitees or other persons transacting business with it by reason of the Operation or non-operation of such systems and equipment and in no event shall Rent abate during any non-operation.

**8.4 Additional HVAC Service Costs for Operation Outside of Normal Business Hours**

Where not separately metered, the Tenant may, upon two days written notice to the Landlord, request the Landlord to provide any service mentioned in **Article 6.2** to the Premises or any portion or portions thereof during such non Business Hours as the Tenant specifies. The Landlord may provide such service and Charge the Tenant, as an Additional Service Cost the reasonable hourly rate for each hour or part thereof that such service is provided, such hourly rate to be determined by the Landlord acting reasonably and to comprise all additional Costs incurred in providing such service.

**8.5 Additional Service Fee**

If the Tenant requests, and the Landlord agrees, to perform a job or service above and beyond any required by the Lease, the Tenant shall pay to the Landlord, within ten (10) business days after receipt of the Landlord’s invoice, the Landlord’s out-of-pocket Costs incurred in providing the job or service, including a fee for associated labour and together with a coordination and Supervision fee equal to 15% of the Landlord’s Costs for such job or service (plus applicable taxes).

* + 1. **Electricity and Other Utilities**

1. The Charges for electricity and other utilities used in the Premises shall be determined by the utility service provider where separately metered or by the Landlord or its Agent using a reasonable method of calculation which has been communicated to the Tenant. If requested by the Landlord, the Tenant shall install, at the Tenant's sole expense, separate meters specified by the Landlord for measuring consumption of utilities in the Premises.
2. The Tenant shall replace, as and when required, all electric light bulbs, fluorescent tubes and ballasts in the Premises and provide the necessary Maintenance and Repair of emergency lighting systems, as well as of fluorescent and other standard Building lighting fixtures located in the Premises.
3. The Tenant shall pay all Charges for electricity and other utilities provided to the Premises. If, and whenever one or more than one utility service to the Premises is separately metered, the Tenant shall notify the appropriate utility service providers in advance and initiate direct billing for these same separately metered services to their Premises in their name and business address to commence on the Tenant’s first day of occupancy in the Premises. Notwithstanding the aforementioned, whenever Common Facilities for the Centre are separately metered and the accounts with these service providers are in the Landlord’s name, the Tenant shall also be responsible for its Proportionate Share of these Costs.
   1. **Operating of Common Facilities**\

Except as otherwise provided in this article, the Landlord shall operate, maintain, clean, light, heat, ventilate, air­ condition, manage and Supervise and regulate the Common Facilities as a reasonably prudent owner would do having regard to the size, type, location and age of the Centre.

All Common Facilities shall be subject at all times to the exclusive control and Management of the Landlord. The Landlord shall be entitled to operate and police the same, to change the area and location thereof, to employ all personnel and to make all rules and regulations necessary for the proper Operation and Maintenance thereof, and to do such other acts with respect thereto as the Landlord, acting reasonably, shall determine to be advisable; provided, however, that the Tenant, unless deprived by reasons beyond the Landlord's control, shall always have the use of such of the Common Facilities as are reasonably necessary for the use and enjoyment of the Premises.

**8.8 Janitorial Services**

(a) The Tenant shall provide to the Premises normal office cleaning services of a standard (both as to extent and frequency) as a reasonably prudent Tenant would do having regard to the type and age of the Centre. Such services shall include, but not be limited to, floors of the Premises to be swept, the interior surface of the exterior windows of the Premises to be cleaned, the desks, tables, other furniture and venetian blinds, if any, in the Premises to be dusted and any carpet in the Premises to be vacuumed. Cleaning in addition to the foregoing standard (such as, for example, dirt extraction from carpets and dry-cleaning of drapes) shall be the responsibility of the Tenant.

(b) If the Landlord from time to time elects, acting reasonably, to provide exclusively (either directly or through Agents or contractors designated by it) any janitor or cleaning services for the Premises in addition to those already obligated to be completed under this lease, or to Supervise the moving of furniture or equipment of the Tenant or the making of deliveries to or from the Premises, such additional services referred to in this sub-article shall be treated as Additional Services and all reasonable Additional Service Costs or fees shall be paid by the Tenant to the Landlord forthwith after demand.

(c) The Tenant acknowledges that the Landlord shall not be responsible for any omission or act of commission on the part of the person or persons employed or retained to perform the cleaning services referred to in this article or for any loss thereby sustained by the Tenant, the Tenant's employees, Agents, invitees or others.

(d) The Landlord shall provide cleaning services to the Common Facilities of the Centre of a standard (both as to extent and frequency) as a reasonably prudent owner would do having regard to the type and age of the Centre.

**8.9 Security Services**

(a) The Landlord may provide security services for the Building so as to reasonably ensure that access to the Building during other than Business Hours shall be restricted to those persons allowed entry to the Building, provided they comply with the requirements established by the Landlord.

(b) The Tenant acknowledges that the Landlord shall not be responsible for any omission or act of commission on the part of any person employed or retained to provide security service pursuant to this article or for any loss thereby sustained by the Tenant, the Tenant's employees, Agents, invitees or others.

**8.10 Interruption in Services**

The Landlord has the right to stop the use of any facilities and the supply of any services when necessary by reason of accident or during the making of Repairs, replacements, Alterations or improvements, in the judgment of the Landlord necessary or desirable to be made, until the Repairs, replacements, Alterations or improvements have been completed to the satisfaction of the Landlord, provided that all reasonable steps shall be taken to minimize any interference with the Tenant's use and enjoyment of the Premises, both as to the extent and duration of such interference. The Landlord shall have no responsibility or liability for failure to operate any facilities or supply any services when the use of the facility is stopped as aforesaid or when the Landlord is prevented from using the facility or supplying the service by strike, or by orders or regulations of any governmental authority or agency or by failure of the electric current, gas, steam or water supply necessary to the Operation of any facility or by the failure to obtain such a supply or by any other cause beyond the Landlord’s reasonable control.

**8.11 Energy Conservation**

The Tenant shall comply with any measures the Landlord or any legislative authority may from time to time introduce to conserve or to reduce consumption of energy or to reduce or control other Operating Costs or pay as Additional Rent the Cost, to be estimated by the Landlord acting reasonably, of the additional energy consumed by reason of any non-compliance. The Tenant shall also convert to whatever system or units of measurement of energy consumption the Landlord may from time to time adopt.

**8.12 Pest Control by Tenant**

The Tenant agrees to institute and carry out and maintain, at its own expense, such pest control measures in the Premises and at such intervals, as the Landlord reasonably requires.

**8.13 Right for Parking and Parking Rules**

**RIGHT FOR PARKING:**

The Tenant shall have permission to park ONLY registered and licensed automobiles during the Term on an unreserved basis in the parking stalls located outside of the building in which the Premises is located and as a condition of this right for parking the Tenant further agrees to abide by the following Parking Rules:

**PARKING RULES:**

(a) The Tenant agrees to comply with the parking rules as may be amended from time to time by the Landlord or the operator of the Parking Areas governing the use of the Parking Areas;

(b) The Tenant agrees to indemnify the Landlord and the operator of the Parking Areas against all liability claims, damages and Expenses due to or arising out of any act, omission or neglect by the Tenant or those for whom it is at law responsible in or about the Parking Areas or due to or arising out of any breach by the Tenant of the provisions of the Parking Rules;

(c) Neither the Landlord nor the operator of the Parking Areas shall be liable for any loss, injury or damage caused to persons using the Parking Areas or to automobiles or their contents or any other property thereon however caused, and the Tenant agrees that such vehicles, contents and property shall be in the Parking Areas at the sole risk of the Tenant and agrees to indemnify the Landlord and the operator of the Parking Areas against all claims, damages or Expenses due to or arising out of the foregoing;

(d) The Tenant agrees to maintain the parking stall(s) in a neat and tidy fashion and shall not store any parts, equipment etc. in or around the stall(s);

(e) The Tenant covenants with the Landlord that any vehicle parked in the parking stall(s) shall be kept in proper repair so that it will not leak any amount of oil or grease and in no event shall an automobile leak gasoline. The Tenant will be held responsible for the Costs (plus 15%) for any such cleanup that the Landlord, at his sole discretion is forced to initiate or undertake;

(f) The Landlord is not responsible for any loss due to theft, fire or damage to the automobiles(s) of the Tenant, or the contents or accessories thereof, or any property whatsoever of the Tenant howsoever caused, whether due to negligence of the Landlord or that of its employees, servants, agents or otherwise;

(g) The Tenant shall not assign or sublet any parking stall or parking stalls on the Centre to any other person or persons;

(h) Upon the expiration or termination of the Lease, the Tenant covenants to immediately remove all automobiles from the parking stalls and Parking Areas and yield up possession of the parking stalls in as good a condition as they were in at the commencement of the Lease; and

(i) The Landlord reserves the right to assign designated parking stalls and further reserves the right to revise the designated parking stalls from time to time.

**ARTICLE 9 - USE AND OCCUPANCY OF PREMISES**

**9.1 Waste and Nuisance**

The Tenant shall not initiate (intentionally or otherwise), use, exercise or carry on, or permit or suffer to be used, exercised or carried on, in or upon the Premises, or any part thereof, any noise, or noxious, noisome or offensive art, trade, business, occupation or calling, and no act, thing or matter whatsoever shall, at any time during the continuance of this Lease, be done or not done upon the Premises or any part thereof (including, without limitation, noisome odours emanating or escaping from the Premises) which shall or may be or grow to the annoyance, nuisance, grievance or cause damage to the Landlord or to other tenants of the Building, the Centre or adjoining lands or properties of the Landlord, or do or suffer any waste or damage to the Premises, the Building or the Centre, and upon direction of the Landlord, the Tenant shall forthwith, at the Tenant’s expense, remedy any situation resulting in a breach of this provision.

**9.2 No Overloading of Floors, Services or Common Use Equipment**

The Tenant shall not permit or allow any overloading of the floors of the Premises or the bringing into any part of the Premises of any articles or fixtures that by reason of their weight or size might damage or endanger the structure of the Premises or the Building. The Tenant shall not install or permit the installation of, any equipment which may result in any overloading of any of the Common Use Equipment, will exceed or overload the capacity of any utility, electrical or mechanical facilities in the Premises and the Tenant will not bring into the Premises or install any utility, electrical or mechanical facility or service which Landlord has not first approved in writing.

**9.3 Insurance Cancellation or Cost Increase**

The Tenant shall not do or omit to do or permit to be done or omitted to be done in the Premises anything which would cause any policy of insurance on the Centre to be subject to cancellation or non-renewal or which would cause an increase in the cost of any insurance which the Landlord is obligated by this Lease to maintain. Upon any act or omission by the Tenant or any person occupying or transacting business at the Premises which would result in cancellation or non-renewal or an increased cost which the Tenant does not pay, the Landlord may, at its option, terminate this Lease on ten (10) days' notice to the Tenant, provided the Tenant is provided a reasonable opportunity to cure the act or omission responsible for the cancellation, non-renewal or increased cost of insurance within the aforesaid ten (10) day period. Without limiting the foregoing, the Tenant shall pay to the Landlord, forthwith upon demand, the amount of any such increase in cost.

If any insurance policy is cancelled or threatened by the insurer to be cancelled or the coverage thereunder is altered in any way because of the use or occupation of the Premises by the Tenant or by any person for whom the Tenant is in law responsible, and if the Tenant fails to remedy the condition giving rise to the cancellation, threatened cancellation or alteration in coverage within forty-eight (48) hours after notice thereof is given to the Tenant (or such lesser period as the Landlord acting reasonably may determine, having regard to the urgency of the situation), the Landlord may, (but shall not be obligated to), without further notice or any liability to the Tenant or any other occupant of the Premises, enter the Premises and attempt to remedy such condition or obtain or attempt to obtain insurance coverage in replacement of the coverage cancelled, threatened to be cancelled or altered in coverage; and the Tenant shall pay to the Landlord, forthwith upon demand, the cost thereof.

**9.4 Observance of Law by Landlord and Tenant**

(a) The Landlord shall, at its expense (unless the expense is included in Operating Costs), promptly comply with and conform to the requirements of every applicable statute, law, bylaw, regulation, ordinance and order at any time or from time to time in force during the Term affecting the Centre other than as to those matters which are the obligation of the Tenant as provided in **paragraph (b)** below or the obligation of any other tenant.

(b) The Tenant shall, at its expense, observe and promptly comply with and conform to, including such modifications, Alterations or changes to the Premises as may therefore be necessary, the requirements of every applicable statute, law, bylaw, regulation, ordinance, police, security, energy conservation, fire, health and sanitary directive, requirement and order at any time or from time to time in force during the Term affecting the Tenant's use of the Premises or any part thereof and/or the business carried on therein and/or the Leasehold Improvements, Trade Fixtures, furniture, machinery, equipment and other facilities located in the Premises and/or any other part of the Centre affected by the Tenant's actions in the Premises.

**9.5 Rules and Regulations**

The Tenant agrees to faithfully observe and perform, and shall cause its employees, Agents, invitees and others over whom the Tenant can reasonably be expected to exercise control to observe and perform the rules and regulations listed below**,** and such further reasonable rules and regulations as the Landlord hereafter at any time or from time to time may make or amend and communicate in writing to the Tenant, which in the judgement of the Landlord shall be necessary for the reputation, safety, appearance, care or proper operation of the Centre or the preservation of good order therein, or the operation or maintenance of the Building or the Centre or the equipment thereof, or the comfort of tenants or other occupants of the Building or the Centre.

For the benefit and welfare of all tenants of the Centre, the Landlord shall have the right to promulgate, rescind, alter or waive the rules and regulations and any such rules and regulations shall thereupon be binding upon the tenants. The Tenant acknowledges that the rules and regulations, as from time to time amended or replaced, are not necessarily of uniform application but may be waived in whole or in part in respect of other tenants without affecting their enforceability with respect to the Tenant and the Premises, and may be waived in whole or in part with respect to the Premises without waiving them as to future application to the Premises, and the imposition of such rules and regulations shall not create or imply any obligation of the Landlord to enforce them. The Tenant agrees to comply with the rules and regulations herein and on notice from the Tenant to the Landlord, provided however, that no such rules and regulations shall contradict any of the provisions of this Lease.

For the enforcement of any rules and regulations above mentioned, the Landlord will have available to it all remedies in the Lease provided for a breach hereof, and all legal rights and remedies, including injunction, whether or not provided for in the Lease, either at law or in equity. The Landlord shall not be responsible to the Tenant for the non-observance or violation by any other tenant or person of any such rules or regulations.

**RULES AND REGULATIONS**

1. The sidewalks, Centre entry passage areas, common stairways and Common Facilities shall not be obstructed by any of the tenants or used by them for any other purpose other than for ingress and egress to and from their respective Premises. Tenants shall not place or allow to be placed in the Building or in any Common Facilities any waste paper, newspapers or advertising flyers, dust, garbage, refuse or anything whatsoever that would tend to make them unclean or untidy;

1. **The Tenant shall not store ANYTHING outside of the Premises for any reason, even if the storage is considered to be temporary;**
2. Windows that are designed to reflect or admit light into passageways and Common Facilities of the Centre shall not be covered or obstructed, and no awnings shall be installed without prior written consent of the Landlord;
3. The water closets and other water apparatus shall not be used for any purpose other than those for which they were constructed, and no sweepings, rubbish, rags, ashes or other substances shall be thrown therein. Any damage resulting from misuse shall be borne by the Tenant by whom or by whose Agents, servants or employees the same is caused (save in respect of Insured Damage). The Tenant shall not let the water run unless in actual use, nor shall they deface any part of the Common Facilities or the Centre;
4. The Tenant shall not carry on any business or occupation or do or permit anything to be done in or about the Premises or bring or keep anything therein which will in any way increase the risk of fire, or obstruct or interfere with the rights of other tenants, or violate or act at variance with the laws relating to fires or with the regulations of the local Fire Department or the Board of Health;
5. The Tenant shall not carry on any business or occupation or do or permit anything to be done in or about the Premises that shall be deemed a nuisance, including but not limited to any excessive or improper noise in the Premises or the Building (as judged solely by the Landlord). The Tenant and their invitees shall not lounge about doors or Common Facilities or interfere in any way with other tenants or those having business with them;
6. Nothing shall be thrown by any tenant, its clerks or servants out of windows or doors of the Building;
7. The Tenant shall not bring or keep any animal or animals (including, without limitation, any mammals [excluding human beings], birds, fish, rodents, insects and reptiles, or any one or more of them) in, on, or within all or any part of the Centre (including, without limitation, the Premises and the Common Facilities, or either of them);
8. The Tenant shall not operate, or permit to be operated, any musical or sound producing instrument or device inside or outside of their Premises or create a noise by any other means which may be heard outside their Premises;
9. The Tenant shall not use any part of the Premises for living, lodging or sleeping or for any illegal purpose, or for the storage of personal effects or articles other than those required for the Tenant’s approved use of the Premises, nor shall the Tenant cook or permit any cooking in the Premises using any appliance other than a microwave oven;
10. The Landlord shall have the right:

i) to require all persons entering or leaving the Building during such hours as the Landlord may reasonably determine, to identify themselves to a watch person or security officer by registration or otherwise establish their right to enter or leave; and

ii) to exclude or expel any peddler or beggar at any time from any Premises or the Building or the Centre;

1. Any injury or damage caused to the Building or the Common Facilities or to heating or other appliances, or to any other tenant or to the premises occupied by any other tenant, by interference with or neglect of the heating or other appliances, or any other person or servant subject to it, shall be the responsibility of the tenant in whose Premises the neglect, interference or misconduct arose (save in respect of Insured Damage). It shall be the duty of each tenant to assist and co-operate with the Landlord in preventing injury to such tenant's premises, and premises demised to other tenants;
2. No inflammable oils or other inflammable, dangerous or explosive materials shall be used or kept in the Premises;
3. No furniture, effects or supplies shall be taken into or removed from the Premises through common areas of the Centre during normal Business Hours which may disturb the quiet enjoyment of other tenants in the Building, except at such time and in such manner as may be previously approved by the Landlord;
4. No bicycles or other vehicles shall be brought within the Building except in the Parking Areas, and then only in accordance and agreement with the Parking Rules and under the Landlord's or the Parking Areas operator's direction;
5. Business machines, filing cabinets, safes, heavy merchandise or other articles liable to overload, injure or destroy any part of the Building shall not be taken into it without the prior written consent of the Landlord and the Landlord shall in all cases retain the right to prescribe the weight and proper position of all such articles and the ways, means and times and routes for moving them into or out of the Building; the cost of Repairing any damage done to the Building by such moving or by keeping any such articles in any premises shall be paid by the tenant causing such damage (save in respect of Insured Damage);
6. The Tenant shall not place any additional lock upon any door of the Building without the written consent of the Landlord (except in the case of vaults or other security areas within the Premises which the Tenant may reasonably designate);
7. The Tenant shall give the Landlord prompt notice of any accident to, or any defect that the Tenant is aware in the plumbing, heating, air conditioning, mechanical or electrical apparatus or any other part of the Building;
8. The Tenant shall keep all sidewalks, stairs, door accesses in front of and behind the leased Premises free and clear of snow, ice and other obstructions according to municipal bylaw and shall be responsible for any infraction thereof and for any loss suffered by the Landlord as a result of any breach thereof by the Tenant;
9. In order to maintain the established character and uniqueness of the Centre (and the warranty on exterior, tinted glazed windows), the kind, type and colour of any and all window coverings (including roll shutters) proposed to be placed on or close to either face of any exterior window in the Premises shall be pre-approved by the Landlord;
10. This is a **NON-SMOKING** **Building**. Each tenant shall take steps as reasonably required by the Landlord or required by the City of Calgary from time to time to ensure that no employees of the Tenant or others on the Premises from time to time use either the Building or any interior Common Facilities for the purpose of smoking;
11. Each Tenant shall dispose of waste in the common waste disposal bin(s) provided at the Centre equitably amongst all tenants of the Building, as judged solely by the Landlord;
12. The Landlord, or his chosen contractor, shall have the right to enter the Premises, with a minimum of forty-eight (48) hours advance notice, for the purpose of obtaining finished dimensions of the Leased Premises;
13. The Tenant shall keep the inside and outside of all glass in the doors and windows of the Premises clean and free of graffiti;
14. The Tenant shall not permit the parking of delivery vehicles if they will, or may potentially interfere with the use of any driveway, walkway, parking area or other common area of the Centre;
15. The Tenant shall not use the plumbing facilities for any other purposes than that for which they are constructed, and no foreign substance of any kind shall be thrown therein, and the expense of any breakage, stoppage or damage resulting from a violation of this provision shall be borne solely by the Tenant;
16. The Tenant shall not hang or suspend from any ceiling, sprinkler system, roof or any other part of the Premises, Building or Centre any equipment, displays, fixtures or signs which are not authorized in advance in writing by the Landlord;
17. The Tenant shall not attempt any repairs or alterations or modifications to the heating, air conditioning, plumbing, water or electrical systems of the Building or the Centre. The Tenant shall not mark, paint, drill into or deface the walls, ceilings, partitions, floors or any other appurtenances to the Premises or the Centre.
18. The Tenant is responsible to ensure that the required number of fire extinguishers are located in the appropriate places in the Premises, that they are charged and in good working order and that they are inspected annually, all as required by local fire codes;
19. If any portion of the Centre or the Landlord’s equipment or property is damaged or destroyed as a result of accident, negligence, carelessness or misuse on the part of the Tenant or any person for whom the Tenant is responsible at law, the Tenant shall pay to the Landlord upon demand the Landlord’s costs relating to any resultant replacement or repair plus a sum equal to fifteen percent (15%) thereof representing the Landlord’s overhead costs.
20. All trash, rubbish, waste material and other garbage shall be kept at all times from the view of the general public, including patrons of the Centre, and shall be disposed of by the Tenant on a regular basis, as determined by the Landlord.

(ff) The Landlord has the right to introduce and enforce additional reasonable rules and regulations during the Term, not inconsistent with the provisions of this Lease, as in its reasonable judgment may from time to time be necessary for the safety, care, cleanliness and appearance of any premises and the Centre in keeping with the existing standards of and for the Centre, and for the preservation of good order therein, and the same shall be kept and observed by all tenants, their clerks and servants.

(gg) The Tenant shall ensure that all loading, unloading and shipping of merchandise, supplies, fixtures and other material whatsoever are made only through such area, entrances and corridors and during such days and hours, and incompliance with such provisions for the regulation of same, as the Landlord may from time to time prescribe and that delivery and shipping to and from the Premises are in accordance with and subject to such rules and regulations as are in the judgment of the Landlord necessary for the proper operation of the Centre.

(hh) The Tenant shall provide to the Landlord the names, addresses, telephone numbers and email addresses of two authorized employees of the Tenant, who may be contacted by the Landlord in the event of an emergency relative to the Premises, and shall update this information from time to time as necessary to ensure that the contact names are current.

**9.6 Hazardous Substances**

(a) The term "Hazardous Substances" as used in this Lease shall include, without limitation, flammables, explosives, radioactive materials, asbestos, radon, polychlorinated biphenyls (PCBs), chemicals known to cause cancer or reproductive toxicity, pollutants, contaminants, hazardous wastes, toxic substances or related materials, petroleum and petroleum products, and substances declared to be hazardous or toxic under any law or regulation now or hereafter enacted or promulgated by any governmental authority.

(b) The Tenant shall not cause or permit to occur:

1. any violation of any federal, provincial, or local law, ordinance; or regulation now or hereafter enacted, related to environmental conditions, on, under, or about the Premises, or arising from the Tenant's use or occupancy of the Premises, including, but not limited to, soil and ground water conditions; or

(ii) the use, generation, release, manufacture, refining, production, processing, storage, or disposal of any Hazardous Substance on, under, or about the Premises, or the transportation to or from the Premises of any Hazardous Substance.

(c) Environmental Clean-up

1. The Tenant shall, at the Tenant's expense, comply with all laws regulating the use, generation, storage, transportation, or disposal of Hazardous Substances (the "Laws");
2. The Tenant shall, at the Tenant's expense, make all submissions to, provide all information required by, and comply with all requirements of all governmental authorities (the "Authorities") under the Laws;
3. Should any of the Authorities or any third party demand that a clean-up plan be prepared and that a clean-up be undertaken because of any deposit, spill, discharge, or other release of Hazardous Substances that occurs during the term of this Lease, at or from the Premises caused by the Tenant or any person for whom the Tenant is responsible at law, or which arises at any time from the Tenant's use or occupancy of the Premises, then the Tenant shall, at the Tenant's expense, prepare and submit the required plans and all related bonds and other financial assurances; and the Tenant shall carry out all such clean-up plans;

(iv) The Tenant shall promptly provide all information regarding the use, generation, storage, transportation, or disposal of Hazardous Substances that is reasonably requested by the Landlord. If the Tenant fails to fulfil any duty imposed under this sub-**Article 9.6** within a reasonable time, the Landlord may do so; and in such case, the Tenant shall cooperate with the Landlord in order to prepare all documents the Landlord deems necessary or appropriate to determine the applicability of the Laws to the Premises and the Tenant's use thereof, and for compliance therewith, and the Tenant shall execute all documents promptly upon the Landlord's request. No such action by the Landlord and no attempt made by the Landlord to mitigate damages under any Law shall constitute a waiver of any of the Tenant's obligations under this **paragraph 9.6(c)** hereof; and

(v) The Tenant's obligations and liabilities under **sub-article 9.6(c)** hereof shall survive the expiration of this Lease.

(d) Tenant's Indemnity

1. The Tenant shall indemnify, defend, and hold harmless the Landlord, the manager of the property, and their respective officers, directors, beneficiaries, shareholders, partners, Agents, and employees against and from all fines, suits, procedures, claims, and actions of every kind, and all Costs associated therewith (including solicitor’s and consultant’s fees) arising out of or in any way connected with any deposit, spill, discharge, or other release of' Hazardous Substances that occurs during the Term of this Lease, at or from the Premises caused by the Tenant or any person for whom the Tenant is responsible at law, or which arises at any time from the Tenant's use or occupancy of the Premises, or from the Tenant's failure to provide all information, make all submissions, and take all steps required by all Authorities under the Laws and any other environmental laws.
2. The Tenant's obligations and liabilities under this **paragraph 9.6(d)** hereof shall survive the expiration or earlier termination of this Lease.

**9.7 Signs**

The Tenant shall not, without the Landlord’s prior written approval, affix, inscribe, paint nor cause to be affixed, inscribed or painted or displayed on any of the windows of the demised Premises, Common Facilities or on any part of the exterior of the Building or the Centre any sign, advertisement or notice, unless such sign, advertisement or notice shall be of such color, size and style and placed in such places as shall be first designated by the Landlord, and all such signs shall conform to City of Calgary rules, regulations and bylaws. Subsequent to such written approval of the Landlord, the Tenant may use any Landlord approved sign contractor at the Tenant’s sole cost and expense; and provided that the Tenant on ceasing to be the Tenant of the Premises will, before vacating the Premises, cause any sign, advertisement or notice as aforesaid described to be removed at its own expense in a good and workmanlike manner and replaced with a blank sign panel of a color chosen by the Landlord to match the rest of the sign, and shall repair any damage to the Premises or to the Centre caused by any such removal or pay the Cost of such repair to the Landlord. In the event any sign, advertisement or notice shall be affixed or exposed without consent of the Landlord then the Landlord at the expense of the Tenant shall be at liberty to remove or obliterate such sign, advertisement or notice and for such purpose if necessary the Landlord by its servants or agents may enter upon the demised Premises. Failure to expediently remove signs, advertisements or notices and make good damages or alterations as required herein may, at the sole discretion of the Landlord, result in the withholding of Security Deposit funds. The Tenant will indemnify and save harmless the Landlord from any and all claims for damages which may result to any person or property as a result of the existence of the said signs or any of them.

**9.8 Name and Promotion of Centre**

The Tenant shall refer to the Centre only as **“South Trail”**, or of any other name designated from time to time by the Landlord, and this name shall only be used for purposes approved by the Landlord. The Landlord may, upon reasonable notice, change the name of the Centre without liability to the Tenant for any loss, cost or damage (including consequential loss) resulting therefrom. Further, the Tenant shall promote the name and logo or emblem which the Landlord may from time to time designate for the Centre in any advertisements or promotional material published or initiated by it if in the reasonable opinion of the Landlord such promotion would be of benefit to the Centre.

**9.9 Keys to Premises**

The Landlord shall provide the Tenant with two keys for each entrance to the Premises at no Charge. The Tenant may have additional keys made as required by the Tenant, at the Tenant’s sole Cost. If the Tenant chooses to re-key one or more locks on their entrance door(s) they may do so at their Cost as long as they promptly provide the Landlord with a working duplicate of each key. All keys shall be returned to the Landlord upon vacating the Premises, at the expiration or earlier termination of the Lease.

**9.10 Satellite Signal, Wireless Internet and Data Communication Hardware**

(a) The Tenant is not permitted to install, or have installed, any equipment, apparatus or Hardware required to receive or transmit a satellite signal or wireless internet and data communication (hereinafter referred to as “Hardware”) on any part of the exterior of the Building or the Centre without prior written approval from the Landlord and the conditions agreed to in writing. The Landlord’s approval may be withheld.

(b) If the Tenant wishes to request the installation of Hardware they must, in advance, submit a written proposal outlining the details of the Hardware installation. The proposal details must include:

1. a photograph or rendering of the Hardware showing all dimensions;
2. weight of the Hardware (complete with all proposed fastening and/or hold-down components);
3. proposed location of the Hardware, including proposed Building penetration points for all wire or cable (Requirement for engineering approval is at the discretion of the Landlord);
4. detailed method of installation of the Hardware; and
5. proposed installer of the Hardware and all other components included in the proposal.

(c) The Landlord’s approval may be withheld.

(d) If the Landlord has approved a written proposal for installation of Hardware, prior to the commencement of any related work, a “Wireless Internet and Data Communication Hardware Agreement” outlining conditions of the approval shall be signed by both the Tenant and the Landlord.

(e) Immediately upon verbal agreement from the Tenant for the Landlord to prepare the required “Wireless Internet Data Communication Hardware Agreement” an organization/supervision fee of Five Hundred Dollars ($500.00) plus G.S.T. shall become due and payable from the Tenant to the Landlord and no Hardware installation shall commence until said fee has been paid in full.

(f) All labour Costs of the Landlord incurred while preparing a related agreement, arranging, organizing or in any way overseeing the process of installing satellite signal or wireless internet or data communication Hardware for, or on behalf of the Tenant shall be determined solely by the Landlord, acting reasonably, and shall be paid by the Tenant forthwith upon demand.

(g) After installation by the Tenant or Tenant’s contractors, any damages resulting from the installation, positioning or removal of any Hardware or it’s associated wiring or components will be at the sole cost and expense of the Tenant. Upon receipt of the Landlord’s invoice for damages, the Tenant shall have ten (10) days to remit payment to Landlord otherwise the Tenant shall be in Default and the Landlord may exercise any and all remedies granted by this Lease.

(h) After installation, rectification for failure of the Hardware to operate satisfactorily due to snow, wind (or any other adverse weather conditions), vandalism, or for any other reason whatsoever will be at the sole cost and expense of the Tenant.

(i) Upon lease expiry or termination, at the sole discretion of the Landlord, and at the sole expense of the Tenant, all Hardware shall be expediently removed and the Tenant shall make good, to the satisfaction of the Landlord, any and all damage or alterations caused by the installation or removal of the Hardware to the Premises and/or to the Building. Failure to expediently remove Hardware and make good damage or alterations may, at the sole discretion of the Landlord, result in the withholding of Security Deposit funds.

**9.11 Tenant/Landlord Agreements**

If, during normal use and occupancy of the Premises, the Tenant (or any approved sub-tenant) requests a special privilege or a unique change to the Premises or the Centre from the Landlord that falls outside of what is permitted in the terms and conditions of the Lease, for example (but not limited to) a request for exterior window covers or window tinting or a storage module or a temporary tent facility, then the Landlord shall be compensated for all Costs incurred to review and/or research such request and, if approved by the Landlord (at its sole discretion), Costs to create a written Agreement regarding the same, which shall be executed by all affected parties. Prior to the Landlord initiating the approval process, the Landlord shall have received from the requesting party a non-refundable retainer fee of $500.00 plus G.S.T. (or more if requested by the Landlord). If the approval process and administration Costs prove to be greater than the retainer fee previously received, then the outstanding balance shall have been received in full by the Landlord prior to the Agreement being duly executed by the Landlord and any portion of the specific request being initiated by anyone.

**9.12 Tenant’s Security System in Premises**

The Landlord shall be expediently reimbursed by the Tenant (at Cost plus 15%) for any and all invoices addressed to and paid by the Landlord of the Building for any emergency response (false or otherwise) to the Tenant’s Premises (as judged solely by the Landlord) by either Police or Fire department services triggered by a security or other alarm system originating from the Tenant’s Premises that was installed by or for the Tenant in the Premises for their sole use.

**ARTICLE 10 - ALTERATIONS**

**10.1 Alterations by Tenant**

(a) The Tenant shall not, without the prior consent of the Landlord, initiate or undertake any Work in or on the Premises.

(b) If the Tenant wishes to do any Work, the Tenant shall apply for the Landlord’s consent and furnish such plans, specifications and designs as shall be necessary to fully describe the Work. The Landlord’s consent thereto shall not be unreasonably withheld or delayed, provided that, without limitation, any refusal to grant consent based on grounds that such Work is not in compliance with the Building Standard or that the Tenant has not posted security with the Landlord shall be conclusively deemed not to be an unreasonable withholding of consent.

(c) Subject to the Landlord’s consent having been obtained and the Landlord’s reasonable requirements (including the posting of reasonable security, if requested) being met, the Landlord recognizes the right of the Tenant to install such interior partitions and other Leasehold Improvements as are necessary or appropriate to its use and occupancy of the Premises.

(d) Any Work shall, if the Landlord so elects, be performed by employees or contractors who have been designated by the Landlord and who have contracted directly with the Tenant and agreed to carry out such Work in a good and workmanlike manner and at a cost to the Tenant which is not unreasonable when compared with the amounts which would be charged by reputable contractors performing the same work. In the absence of any such election by the Landlord, such Work may be performed by contractors retained by the Tenant pursuant to written contracts which have been approved by the Landlord (such approval not to be unreasonably withheld or delayed) and which are subject to all reasonable conditions which the Landlord reasonably imposes. In either event, the Landlord shall have the right to inspect such Work and require any Work not being properly done to be corrected, and to approve on a reasonable basis (which may include considerations involving trade union affiliations or the lack of them and work jurisdiction, where in the opinion of the Landlord there is a risk of labour disputes which might adversely affect the Landlord) the contractors, tradesmen or the Tenant's own employees (as the case may be) employed by the Tenant in connection therewith.

(e) The Tenant shall pay to the Landlord, within ten (10) days after the receipt of the Landlord's invoice, the Landlord's reasonable out-of-pocket Costs incurred in examining and approving the Tenant's plans, specifications and designs and in inspecting the Work and any additional Expenses actually incurred by the Landlord in connection with such Work together with a coordination and Supervision fee equal to 15% of the said Landlord's Costs for such work.

(f) The Tenant shall provide to the Landlord a complete set of updated, as-built drawings of the Premises including, without limitation, all electrical, mechanical and architectural drawings.

(g) Expediently upon completion of Alterations by the Tenant which change the floor plan, the Tenant shall provide to the Landlord two copies of a revised Floor Plan prepared to professional drafting standards in either Imperial scale ¼” = 1’ or Metric 1:100 scale showing all of the following:

* + 1. location of all walls, partitions, doorways, windows, windows and other openings; and
    2. description of the purpose of all rooms/spaces (e.g. kitchen, bathroom, internal stairways); and
    3. dimensions of all rooms; and
    4. if a warehouse, show the area (with dimensions) of the showroom (if applicable).

**10.2 Air Balancing**

The Tenant agrees that it will, expediently at the commencement of the Term if it has been responsible for Work in or on the Premises that may have affected air balancing within the Premises (in the sole opinion of the Landlord) and periodically throughout the Term including, without limitation, whenever any Alterations are made to the Premises that may have affected air balancing within the Premises (in the sole opinion of the Landlord), balance the air movement in the Premises at the Tenant’s expense and for this purpose use the air balancing contractor so designated by the Landlord.

**10.3 Fire Alarm and Sprinkler Systems**

The Tenant agrees that if they do any work, or have any work done on either new or existing Leasehold Improvements either prior to or during the Term, or use or store any potentially flammable materials that in any way affects or may affect the intended legal operation of integral Building systems including, without limitation, fire alarm systems and/or fire sprinkler systems the following conditions will subsequently apply:

1. The affected system(s) shall be expediently verified correct in every respect and proven legally operational by an appropriate professional engineer, immediately followed with certification by the appropriate city inspector;
2. A copy of the engineer’s certification shall be delivered to the Landlord within ten (10) days of the report completion;
3. All Costs associated with having affected Building systems certified or inspected will be borne solely by the Tenant;
4. All Costs associated with rectifying any deficiencies and all subsequent engineering report or inspection report failures will be borne solely by the Tenant.

**10.4 No Lien on the Premises and Centre**

The Tenant shall not create any lien, mortgage, Charge, conditional sale agreement or other encumbrance in respect of any Leasehold Improvements; nor shall the Tenant take any action as a consequence of which any such prohibited lien, mortgage, Charge, conditional sale agreement or other encumbrance would attach to the Premises or to the Centre.

**10.5 Liens**

(a) In connection with the making, erection, installation or alteration of Leasehold Improvements and Trade Fixtures and all other work or installations or Alterations made by or for the Tenant in the Premises, the Tenant shall comply with every applicable statute, law, bylaw, regulation, ordinance and order affecting the same and affecting the Centre as a result of the actions of the Tenant including, without limitation, the Builders' Lien Act of Alberta, and any other statutes from time to time applicable thereto (including any provision requiring or enabling the retention by way of holdback of portions of any sums payable) and, except as to any such holdback, shall promptly pay all accounts relating thereto.

(b) Whenever any builder’s lien or other lien for work, labour, services or materials supplied to or for the Tenant and for which the Tenant is liable for the Cost or for the Cost of which the Tenant may be in any way liable or claims therefor shall arise or be filed or any prohibited mortgage, Charge, conditional sale agreement or other encumbrance shall attach, the Tenant shall within twenty (20) days after receipt of notice thereof procure and register the discharge thereof, including any certificate of lis pendens registered in respect of any lien, by payment or in such other manner as may be required or permitted by law, and failing which the Landlord may make any payments required to procure and register the discharge of any such liens or encumbrances, including any certificate of lis pendens registered in respect of any lien, and shall be entitled to be reimbursed by the Tenant as provided in **Article 17.4**, and its right to reimbursement shall not be affected or impaired if the Tenant shall then or subsequently establish or claim that any lien or encumbrance so discharged was without merit or excessive or subject to any abatement set-off or defense.

(c) The Landlord and the Tenant agree that any work done in the Premises during the Term by or on behalf of the Tenant shall not be done and shall be deemed not to have been done at the request of the Landlord.

**10.6 Alterations by Landlord**

The Landlord may from time to time, at its expense, make Alterations to the Building or any part thereof including the Premises and Alterations to or relocations of the Common Facilities provided that:

(a) the Premises shall not be altered or interfered with in any material way;

(b) the Common Facilities shall not be altered or relocated to such an extent as to materially reduce their convenience to the Tenant;

(c) access and services to or benefiting the Premises shall not be reduced or interrupted (except to the minimum extent which is temporary, reasonable and unavoidable during the making of Repairs or renovations); and

(d) any alteration shall be such that a reasonably prudent owner of the Centre would make having regard to the type and age of the Centre.

**10.7 Prohibition Re Certain Materials**

Notwithstanding any other provision of this Lease, the Tenant agrees that it will not use or permit the use of any asbestos, polychlorinated biphenyls, radon or any other deleterious or prohibited substances in any construction of the Leasehold Improvements in the Premises or in any use of the Premises.

**ARTICLE 11 - REPAIRS**

**11.1 Landlord's Repairs**

Subject to **Article 11.5** and except as provided in **Article 11.2**, the Landlord shall Repair and maintain and may, if it so chooses, replace:

(a) the Building including all the external and structural parts of the Building but excluding any parts thereof (except as specified in **paragraph (b)** below, which comprise the whole or a part of the Premises or premises leased to others in the Building;

(b) Insured Damage; and

(c) the Common Facilities

all with reasonable dispatch and in a good and workmanlike manner, and so as to keep the same in good condition and Repair.

**11.2 Tenant's Repairs**

Subject to **Article 11.5**, the Tenant shall, at its expense and throughout the Term, keep the Premises and the Leasehold Improvements and Trade Fixtures therein and all electrical and telephone outlets and conduits and all mechanical and electrical equipment and all plumbing and plumbing fixtures within the Premises (including, but not limited to toilets and domestic hot water tanks) in good condition and Repair and any sump in the Premises pumped out as required and kept clean, but the Tenant shall not be responsible for Insured Damage and Repairs which the Landlord is otherwise obliged to Repair. The Tenant shall at its Cost maintain, service, repair and replace as required all electric lighting fixtures in the Premises including the Cost of replacement of electric light bulbs, fluorescent tubes, starters and ballasts. All repairs, replacements, alterations, additions or improvements and all installations and removals of fixtures and Leasehold Improvements shall be done at such a time and in such a manner so as to cause minimal inconvenience and disturbance to the Landlord and to the other tenants in the Centre. The Tenant shall also make good any damage to the Centre caused by the Tenant or those for whom it is in law responsible and which is not Insured Damage. All Repairs by the Tenant shall be subject to **Article 10.1** herein.

**11.3 Entry by Landlord to View State of Repair**

The Landlord shall be entitled, at any time and from time to time upon reasonable prior notice to the Tenant, to enter and view the state of Repair of the Premises. The Tenant shall Repair, only as specified in **Articles 10.1 and 11.2** herein.

**11.4 Notice of Defects**

The Tenant shall give to the Landlord prompt notice of any defect in the plumbing or utility systems and equipment or any damage to the Premises or any part thereof howsoever caused; provided that nothing herein shall be construed so as to require Repairs to be made by the Landlord, except as expressly provided in this Lease.

**11.5 Termination or Abatement after Damage**

(a) If and whenever the Premises is destroyed or damaged by any cause to the extent that, in the Landlord's reasonable opinion to be given in writing to the Tenant within sixty (60) days after the occurrence of such damage or destruction, they are unable to be Repaired or rebuilt within one hundred and eighty (180) days after such destruction or damage, then either the Landlord or the Tenant may terminate this Lease by notice to the other, to be given within thirty (30) days after the giving of the Landlord's written opinion above referred to, and the Tenant shall immediately thereupon surrender the Premises and this Lease to the Landlord and Rent shall be apportioned to the date of such destruction or damage (subject to the payment of Rent from the date of such destruction or damage to the date of surrender in the same proportion that the part of the Net Rentable Area of the Premises is fit for occupancy by the Tenant until such surrender is of the total Net Rentable Area of the Premises).

(i) **Tenant Terminates**

If Tenant exercises its right to terminate this Lease under this clause, Tenant shall make available (or pay over)to Landlord the proceeds of insurance carried by Tenant pursuant to **Article 12.2(c)** herein with respect to such fire or other casualty (excluding any insurance proceeds received by Tenant for any of Tenant’s personal property).

(b) If and whenever all or any portion of the Building is destroyed or damaged by reason of any cause (whether or not such portion includes all or any part of the Premises) to such extent that:

1. in the Landlord's reasonable opinion to be given to the Tenant in writing within sixty (60) days after the occurrence of such damage or destruction, it is unable to be Repaired or rebuilt within one hundred and eighty (180) days after such destruction or damage; or
2. the estimated cost (as estimated by the Landlord) of Repairing or rebuilding the Centre exceeds the proceeds of insurance available to the Landlord for such purpose (or which would have been available if the Landlord had insured in compliance with **Article 12.1** herein);
3. the Landlord may terminate this Lease upon not less than thirty (30) days prior written notice to the Tenant, given within sixty (60) days after the happening of such destruction or damage, and the Tenant shall immediately thereupon surrender the Premises and this Lease to the Landlord; and
4. if and to the extent that such destruction or damage has rendered the Premises in whole or in part unfit for occupancy by the Tenant Rent shall abate from the date of such destruction or damage to the date of surrender in the same proportion that the part of the Net Rentable Area of the Premises unfit for occupancy is of the total Net Rentable Area of the Premises; and
5. otherwise Rent shall be apportioned to the date of surrender.

(c) If and whenever the Premises is destroyed or damaged by reason of any cause and this Lease shall not have been terminated, the Landlord shall, with all reasonable diligence, make the Repairs specified in **Article 11.1** and the Tenant shall, with all reasonable diligence and in compliance with **Article 10.1**, make all Repairs to the Premises specified in **Article 11.2** and complete the Premises for occupancy for the permitted use described in **Article 1.1.23** herein and in compliance with **Article 9.4(b)** herein. If as a result of any destruction or damage to the Premises which the Landlord is obligated to Repair pursuant to **Article 11.1**, and which is not the fault of the Tenant or those for whom it is in law responsible and which does not consist of merely a temporary interruption of or interference with any utility, service or access, the Premises is rendered in whole or in part unfit for occupancy by the Tenant, then during the period commencing on the occurrence of such destruction or damage and ending upon the earlier of:

(i) the date when both the Repairs to the Premises which the Landlord is obligated to make as aforesaid are completed sufficiently to enable the Tenant to commence its Repairs, and the Tenant has been allowed a reasonable period of time which is sufficient for the completion by it of the Repairs it is obligated to make as aforesaid with due diligence; and

(ii) the date upon which no insurance proceeds are available to the Landlord under its loss of rental income insurance coverage in respect of the Premises (other than by reason of the Landlord not carrying the insurance as set out in **Article 12.1**);

Rent shall from time to time abate in the same proportion that the part of the Net Rentable Area of the Premises from time to time rendered unfit for such occupancy by reason of such destruction or damage is of the total Net Rentable Area of the Premises.

**11.6 No claim by Tenant**

Except in respect of abatement of Rent as provided for in this article, no claim for compensation or damages, direct or indirect shall be made by the Tenant by reason of the loss of use, inconvenience or otherwise arising from the necessity of Repairing any portion of the Centre however the necessity may arise so long as any such Repair to be carried out by the Landlord is carried out with reasonable diligence.

**11.7 Tenant to Leave Premises in Good Repair**

The Tenant shall leave the Premises and, subject to **Article 5.5** herein (Leasehold Improvements), at the expiration or earlier termination of the Lease, in the condition and Repair required of the Tenant under **Article 11.2** and, immediatelyprior to the last day of occupancy in the Premises, shampoo the carpets, wash the other floors, the windows, doors, walls and woodwork of the Premises and remove or have removed from the Premises and the Centre any and all refuse, garbage and waste material.

**ARTICLE 12 - INSURANCE AND LIABILITY**

**12.1 Landlord's Insurance**

The Landlord shall effect and maintain during the Term:

(a) "all risks" insurance which shall insure the Centre for replacement value against loss or damage by perils now or hereafter from time to time embraced by or defined in a standard all risks insurance policy;

(b) boiler and machinery insurance on objects defined in a standard comprehensive boiler and machinery policy against accidents as defined therein;

(c) loss of rental income insurance in an amount sufficient to replace all Rent payable under the provisions of this Lease for an indemnity period of a reasonable period of time;

(d) commercial general liability insurance covering claims for personal injury and property damage arising out of all Operations in connection with the Management and Administration of the Centre; and

(e) such other coverage, or increases in the amount of coverage, as the Landlord may consider necessary.

For greater certainty, the Tenant acknowledges that the Landlord is not obligated to insure the Leasehold Improvements in the Premises except to the extent herein specifically required. The insurance to be maintained by the Landlord shall be that which would be carried by reasonably prudent owners of a similar property.

**12.2 Tenant’s Insurance**

Glass and Burglary Damage: The Tenant covenants and agrees with the Landlord to pay the Cost of replacing any damaged plate or other glass in the windows and doors of the demised Premises, and repair damage to the demised Premises resulting from burglary or attempt thereat notwithstanding any other provision hereof AND FURTHERMORE the Tenant shall keep all plate glass and all doors and windows in the demised Premises insured for the benefit of the Landlord, and in the event of loss or partial loss the proceeds of all policies shall be used for the purpose of repairing the damage sustained. The Tenant shall have any and all such damage expediently repaired and/or replaced with like kind and quality, and in any case to the sole satisfaction of the Landlord.

**The Tenant shall, at its expense, take out and keep in force during the Term:**

(a) **Commercial General Liability Insurance:** inclusive limits commercial general liability insurance which shall include coverage for personal injury, contractual liability, non-owned automobile liability insurance and owned automobile insurance covering bodily injury, death and property damage, all on an occurrence basis with respect to the Tenant's use and occupancy of the Premises and its use of the Common Facilities or of any other part of the Building, with coverage for any one occurrence or claim of **not less than Five Million Dollars ($5,000,000.00)**, with the Landlord added as “additional insured” on the policy, and

(b) **Tenant Legal Liability Insurance:** Tenant’s legal liability on an "all risk" format in a minimum amount that will cover the full replacement cost of the Premises as determined by and communicated in writing by the Landlord to the Tenant immediately prior to the Tenant acquiring this required insurance coverage from their insurance service provider by multiplying leased Premises in square feet times the current Cost to rebuild the Building per square foot. The Landlord may revise this amount from time to time during the Term to reflect current construction Costs. If the Landlord chooses to revise this amount the Tenant will be informed in writing, and the Tenant shall ensure that requested changes are reflected on their next policy anniversary date.

(c) **Leasehold Improvement Insurance:** “all risks” insurance including earthquake, flood and sewer backup perils covering the replacement value of the Leasehold Improvements for which insurance shall be a minimum amount, and this amount shall be communicated in writing from the Landlord to the Tenant immediately prior to the Tenant acquiring this required insurance coverage from their insurance service provider, and this insurance shall cover Trade Fixtures (if any) and burglary insurance with respect to the Premises for not less than the full replacement cost thereof, and which insurance shall include a bylaw endorsement and shall provide that any proceeds recoverable with respect to Leasehold Improvements shall be payable to the Landlord as its interests may appear (but the Landlord agrees to make available such proceeds toward the Repair or replacement of the insured property if this Lease is not terminated pursuant to any other provisions hereof). The Landlord may revise the amount of this coverage required from time to time during the Term to reflect any pertinent changes in the Premises;

(d) **Boiler and Machinery Insurance:** When applicable, broad form boiler and machinery insurance with limits for each accident in an amount of not less than the full replacement Costs of all Leasehold Improvements and of all boilers, pressure vessels, heating, ventilating and air conditioning equipment and miscellaneous electric apparatus owned or operated by the Tenant or by others (other than the Landlord) on behalf of the Tenant in the Premises, or relating to or serving the Premises;

(e) **Miscellaneous Perils Insurance:** Insurance against such other perils and in such amounts as the Landlord or any mortgagee may from time to time reasonably require upon not less than sixty (60) days' notice, such requirement to be made on the basis that the required insurance is customary at the time in the same city or area for buildings similar to the Building.

(f) **Couse of Construction Insurance:** Where a Tenant is responsible for the construction of the Leasehold Improvements or where a Tenant is renovating the Premises, the Tenant will not commence construction without first obtaining Course of Construction insurance clearly indicating the Landlord as Loss Payable. The Course of Construction insurance must be kept in force for the duration of any construction or renovations.

**12.3 Form of Tenant's Insurance**

(a) All policies of insurance required to be maintained by the Tenant hereunder:

(i) shall be on terms to which the Landlord has no reasonable objection;

(ii) shall be primary non-contributing with, and not in excess of, any other insurance available to the Landlord or its mortgagee;

(iii) with respect to the insurance described in **Articles 12.2(b), (c) and (d)** herein, the policy shall name the Landlord as additional insured and loss payee and, during the Term, the Landlord may require, in writing to the Tenant, that an additional party or parties with an interest in the Centre be named as additional insured and loss payee;

(iv) with respect to **Article 12.2(a)** herein, the policyshall name the Landlord as an additional insured and, during the Term the Landlord may require, in writing to the Tenant, that an additional party or parties with an interest in the Centre be named as additional insured and Tenant Liability Insurance shall contain provision for cross-liability and severability of interest clauses;

(v) with respect to **Articles 12.2(c), (d) and (e)** herein, the policy shall contain where applicable a waiver of any rights of subrogation which the insurer may have against the Landlord and those for whom the Landlord is in law responsible whether the damage is caused by the act, omission or negligence of the Landlord or anyone for whom the Landlord is in law responsible.

Each policy shall also contain an undertaking by the insurer that no material change adverse to the Landlord or the Tenant will be made and the policy will not lapse or be cancelled or not be renewed, except after not less than thirty (30) days prior written notice to the Landlord of the intended change, lapse or cancellation.

1. The Tenant shall furnish to the Landlord certificates as to the insurance from time to time effected by the Tenant and its renewal or continuation in force on the Landlord's standard form or other reasonably comparable form acceptable by the Tenant's insurers evidencing that the required insurance is in force, together with evidence as to the method of determination of full replacement cost of the Tenant's Leasehold Improvements and the Tenant's Trade Fixtures, furniture and equipment. If, during the Term, the Landlord reasonably concludes that the full replacement cost has escalated for whatever reason, the Landlord may revise the coverage amount required by the Tenant, following the applicable calculation formula(s) described in **Article 12.2** herein. If the Tenant fails to take out, renew or keep in force such insurance, or if the certificates submitted to the Landlord pursuant to the preceding sentence are unacceptable to the Landlord (or no such certificates are submitted within a reasonable period after request therefor by the Landlord), the Landlord may give to the Tenant notice requiring compliance with this article and specifying the respects in which the Tenant is not then in compliance with this article. If the Tenant does not, within seventy-two (72) hours (or such lesser period as the Landlord may reasonably require having regard to the urgency of the situation), provide appropriate evidence of compliance with this article, the Landlord will charge the Tenant for all actions required to be taken, in the sole judgment of the Landlord, to ensure compliance with this article. These Costs, to be determined and calculated solely by the Landlord, may include, but shall not be limited to:
   1. $25.00 for each telephone call required by the Landlord;
   2. $60.00 for each letter written by the Landlord;
   3. $125.00 for each meeting required by the Landlord.

All Charges will be considered as Additional Rent and shall be due immediately upon receipt of invoice by the Tenant. In addition, the Landlord may, but shall not be obligated to, obtain some or all of the additional coverage or other insurance which the Tenant shall have failed to obtain, without prejudice to any other rights of the Landlord under this Lease or otherwise, and the Tenant shall pay all premiums and other Costs incurred by the Landlord forthwith upon demand.

**12.4 Release of Landlord by Tenant**

The Tenant agrees that, despite any other provision of this Lease, the Landlord and those for whom the Landlord is at law responsible shall not be liable to any extent for any personal injury or death of, or loss or damage to any property belonging to the Tenant or any of its employees, invitees or licensees or any other person in, on or about the Centre, except if caused by the gross negligence or willful misconduct of the Landlord. Notwithstanding the immediately preceding sentence, in no event shall the Landlord be liable for:

(a) any damage (other than Insured Damage) which is caused by steam, water, rain or snow which may leak into, issue or flow from any part of the Centre or from the pipes or plumbing works, including the sprinkler system thereof, or from any other place or quarter, or for any damage caused by or attributable to the condition or arrangement of any electric or other wiring or of sprinkler heads, or for any damage caused by anything done or omitted by any other tenant;

(b) any act or omission (including theft, malfeasance or negligence) on the part of any Agent, contractor or other person from time to time employed by it to perform janitorial services, security services, Supervision or any other work in or about the Premises or the Centre;

(c) loss or damage, however caused, to money, securities, negotiable instruments, papers or other valuables of the Tenant; or

(d) loss or damage for which the Tenant is required to or does carry insurance.

In addition, the Tenant hereby releases the Landlord and those for whom the Landlord is at law responsible from all claims or liabilities in respect of damage required to be insured against by the Tenant, except if caused by the gross negligence or wilful misconduct of the Landlord.

**12.5 Indemnity of Landlord by Tenant**

The Tenant shall indemnify and save harmless the Landlord against and from any and all claims arising or growing out of any Default by the Tenant hereunder, and from all claims and demands of every kind and nature made by any person or persons to or against the Landlord and/or its Agent, for all and every manner of Costs, damages or Expenses incurred by or injury (including death resulting at any time therefrom) or damage to such person or persons or his, her or their property, which claims or demands may arise howsoever out of the use and occupation of the Premises by the Tenant or any subtenant or occupant authorized by the Tenant or by any assignee or sublessee thereof or any of their respective servants, Agents, assistants, employees, invitees or other persons entering into the Centre to go to the Premises or any part thereof, and from all Costs, counsel fees (including solicitor and his own client Costs on a full indemnity basis), Expenses and liabilities incurred in or about any such claim or any action or proceeding brought thereon.

**ARTICLE 13 - ASSIGNMENTS AND SUBLEASES BY TENANT AND TRANSFERS BY LANDLORD**

**13.1 Assignments, Subleases, Transfers**

(a) In this Lease, "Transfer" means:

(i) an assignment, sale, termination, conveyance, sublease, or other disposition of this Lease or the Premises, or any part of them or any interest in this Lease (whether by operation of law or otherwise), or in a partnership that is a Tenant under this Lease;

(ii) a mortgage, Charge or debenture (floating or otherwise) or other encumbrance of this Lease or the Premises or any part of them, or of any interest in this Lease or of a partnership, or partnership interest, where the partnership is a Tenant under this Lease;

(iii) a parting with or sharing of possession of all or part of the Premises;

(iv) a Transfer or issue by sale, assignment, bequest, inheritance, operation of law or other disposition, or by subscription of all or part of the corporate shares of the Tenant or an "affiliate" (which for the purposes of this **Article 13** means "affiliate" as that term is defined on the date of this Lease under the Canada Business Corporations Act) of the Tenant which results in a change in the effective voting control of the Tenant; or

(v) a merger, amalgamation or other corporate reorganization of the Tenant.

"Transferor" and "Transferee" have meanings corresponding to the definition of "Transfer" set out above, (it being understood that for a Transfer described in clause (iv) aforesaid the Transferor is the person that has effective voting control before the Transfer and the Transferee is the person that has effective voting control after the Transfer).

(b) The Tenant shall not assign, sublet or otherwise Transfer this Lease, either directly or indirectly, without the express written consent of the Landlord which consent may be withheld at the sole and exclusive option of the Landlord. In the event the Landlord gives its consent to an assignment or sub-tenancy, the Tenant shall, notwithstanding the Landlord’s consent, remain liable to the Landlord for all of the Tenant’s covenants and obligations contained in this Lease. It is further understood and agreed that in the event the Landlord consents to an assignment or sub-tenancy, the Landlord may, in its sole and absolute discretion, refuse to consent to any further assignment or sub-letting of the Premises during the Term or any extended Term of the Lease.

(c) Without restricting the generality of the previous **paragraph 13.1(b)**, the Tenant shall not effect or permit a Transfer without the consent of the Landlord. Without limitation, it shall constitute reasonable grounds for any withholding of consent by the Landlord that, in the Landlord’s reasonable judgment;

(i) the proposed Transferee does not have a satisfactory financial condition having regard to the obligations which it will assume as Transferee; or

(ii) the proposed Transferee is a sublessee of the Tenant or a tenant of other space in the Centre; or

(iii) the proposed Transferee does not have an established good reputation in the business community; or

(iv) it is intended or likely that it will use any part of the Premises for any purpose which is not permitted by this Lease or which is not acceptable to the Landlord, acting reasonably, or which is not compatible with the other businesses or activities which are being carried on in the Centre; or

(v) where the return to the Tenant on any proposed Transfer is greater than the amounts payable by the Tenant hereunder and the Tenant has not agreed to pay such excess to the Landlord; or

1. covenants, restrictions or commitments given by the Landlord to another tenant or occupant in the Centre or to mortgagees or other parties regardless of when given, prevent or inhibit the Landlord from giving its consent to the Transfer; or
2. if, at the time of requesting a Transfer, the Tenant is in Default hereunder or if prior thereto the Tenant has been in Default hereunder.

(d) Without limitation, the Tenant shall for the purposes of this Lease be considered to have effected or permitted a Transfer in any case where it permits the Premises or any portion thereof to be occupied by a person or persons other than the Tenant, its employees and others engaged in carrying on the business of the Tenant, whether pursuant to assignment, subletting, license or other right, and shall also include any case where any of the foregoing occurs by operation of law.

(e) The Landlord shall have the right of approval of any marketing of space by the Tenant.

(f) If the Landlord's consent is given, the Tenant shall complete the Transfer, but only upon the terms set out in the offer submitted to the Landlord pursuant to **Article 13.2** and not otherwise. Such Transfer shall occur within ninety (90) days after the Tenant's request for consent and only upon any Transferee entering into an agreement directly with the Landlord, and in a form satisfactory to the Landlord, acting reasonably, to perform, observe and keep each and every covenant proviso, condition and agreement in this Lease on the part of the Tenant to be performed, observed and kept, including payment of Rent.

g) The Tenant shall have the right to assign or sublet to a corporation affiliated (as that term is defined in the Alberta Business Corporations Act) with the Tenant without the consent of the Landlord, provided that the Tenant has first given notice to the Landlord and further provided that the Tenant and its affiliate have first entered into an agreement directly with the Landlord, in a form satisfactory to the Landlord, acting reasonably, whereby the affiliate agrees to perform, observe and keep each and every covenant, proviso, condition and agreement in this Lease on the part of the Tenant to be performed, observed and kept, including payment of Rent and whereby the Tenant and the affiliate agree to remain affiliated to one another, a breach of which agreement would constitute a breach of this Lease.

(h) All reasonable Costs of the Landlord incurred with the preparation of the documentation by the Landlord in respect to any Transfer (as defined in **Article 13.1(a)** herein) by the Tenant shall be paid by the Tenant forthwith upon demand, prior to the Landlord initiating any requested Transfer process, commencing with a fee of One Thousand Dollars ($1,000.00) plus G.S.T. (the “Administrative Fee”).

**13.2 Landlord's Consent**

The Tenant shall not effect or permit a Transfer unless:

(a) it shall have received or procured a bona fide written offer therefor to take a Transfer which is not inconsistent with, and the acceptance of which would not breach, any provisions of this Lease if this article is complied with and which the Tenant has determined to accept subject to this article being complied with, and

(b) it shall have requested and obtained the consent in writing of the Landlord thereto.

Any request for such consent shall be in writing and accompanied by a true copy of such offer, and the Tenant shall furnish to the Landlord all information available to the Tenant or any additional information reasonably requested by the Landlord, as to the responsibility, reputation, financial standing and business of the proposed Transferee. Within fifteen (15) days after the receipt by the Landlord of such request for consent and of all information which the Landlord shall have requested hereunder (and if no such information has been requested, within fifteen (15) days after receipt of such request for consent), if the Landlord withholds its consent, the Landlord shall have the right upon notice to the Tenant, if the proposed Transfer affects the whole of the Premises, to terminate this Lease or, if the proposed Transfer affects a part of the Premises only, to delete from the Lease such part of the Premises as is affected by the proposed Transfer, in each case as of the date of the proposed Transfer. In such event, the Tenant shall surrender the whole or part, as the case may be, of the Premises in accordance with such notice and Rent shall be apportioned and paid to the date of surrender and, if a part only of the Premises is surrendered, Rent shall thereafter abate proportionately. If the Landlord shall not exercise the foregoing consent, then the provisions of **Article 13.1** shall apply.

If the Landlord elects to terminate or delete, as the case may be, the Tenant may withdraw its request for consent by notice to the Landlord within fifteen (15) days after the Landlord's notice of election, in which event the Landlord’s notice of election shall be null and void and the Tenant shall not proceed with the Transfer for which such consent was requested.

**13.3 Continuing Obligations of Tenant**

(a) No Transfer shall release or relieve the Tenant from any of its obligations hereunder.

(b) No consent by the Landlord to any Transfer shall be construed to mean that the Landlord has consented or will consent to any further Transfer which shall remain subject to the provisions of this **Article 13**.

**13.4 No Advertising of the Premises**

The Tenant shall not print, publish, post, mail, display, broadcast or otherwise advertise or offer the whole or any part of the Premises for the purposes of a Transfer, and shall not permit any broker or other party to do any of the foregoing, unless the complete text and format of any such notice, advertisement or offer shall first have received the Landlord's written consent, which may be unreasonably withheld. In any event such notices or advertisement shall not be located in or on the Building, shall not be on a sign larger than four (4) feet square in size and shall not contain any reference to the Rent payable in respect of the Premises. Such notices or advertisement shall be situated at a location and in a form pre-approved by the Landlord, in its sole discretion.

**13.5 Dealings by Landlord**

The Landlord may sell, transfer, charge, encumber or otherwise deal with the Centre or any portion thereof or any interest of the Landlord therein, in every case without the consent of the Tenant and without restriction. To the extent that any purchaser or transferee from the Landlord has become bound by the covenants and obligations of the Landlord under this Lease, the Landlord shall, without further written agreement, be freed and relieved of liability with respect to such covenant and obligations.

**ARTICLE 14 – ESTOPPEL CERTIFICATES, CAVEATS, ENCUMBRANCES, LIENS & INTERESTS REGISTERED ON TITLE**

**14.1 Estoppel Certificates**

Each of the Landlord and the Tenant agrees that it will at any time and from time to time upon not less than ten (10) days notice, execute and deliver to the other (and, if required, to any prospective purchaser or mortgagee or encumbrancer of the Centre) a certificate in writing as to the status at that time of this Lease, including as to whether this Lease is unmodified and in full force and effect (or, if modified, stating the modification and that the same is in full force and effect as modified), the amount of the Rent then being paid hereunder, the date on which the same, by installments or otherwise, and other Charges hereunder, have been paid, whether or not there is any existing Default on the part of the other of which it has notice, and any other matters pertaining to this Lease as to which the other shall request a statement.

If any such certificate requested by the Landlord is not returned to the Landlord within ten (10) days after its request therefor, the Landlord shall have the right and is hereby appointed by the Tenant as its Agent and attorney to prepare and execute such certificate on behalf of the Tenant.

**14.2 Caveats, Encumbrances, Liens & Interests Registered on Title**

The Tenant shall not register this Lease in full on the title to the Centre. The Tenant shall be entitled to file a caveat giving notice of this Lease, however, **the Tenant shall deliver the caveat or notice to the Landlord for prior approval SUCH APPROVAL NOT TO BE UNREASONABLY WITHHELD OR DELAYED. UNDER no circumstances shall any form be registered that contains financial information.** The Tenant agrees that it will, at its sole expense, discharge and withdraw from title any such registration within thirty (30) days following the expiration or sooner termination of the Lease. If such registration is not discharged and withdrawn during the aforesaid time, the Landlord shall have the right and is hereby appointed by the Tenant as its Agent and attorney to prepare, execute and register on behalf of the Tenant such documentation as is required to discharge and withdraw any such registration, and all Costs shall be borne solely by the Tenant. The Landlord, at its sole discretion, may seek reimbursement directly from the Tenant or deduct the cost of the withdrawal and discharge from the Security Deposit.

**14.3 Subordination and Attornment**

Unless otherwise agreed by the Landlord, this Lease and all of the rights of the Tenant hereunder shall be subordinate to any encumbrances and any and all mortgages by the Landlord’s mortgagees from time to time registered against the title to the Lands. Upon request being made by the Landlord, the Tenant shall postpone its rights under the Lease to any and all such mortgages or encumbrances and shall do so in such form or forms as the Landlord may require. In the event the Tenant fails to comply with the Landlord’s request that the Tenant postpone its leasehold interest to that of any of the Landlord’s mortgagee’s interest in the Lands and the Building(s) within five (5) business days of being requested to do so by the Landlord, the Tenant hereby appoints the Landlord as its attorney for the sole purpose of executing such a postponement on the Tenant’s behalf and this clause may be relied on by the Landlord as good and sufficient authority to execute, on the Tenant’s behalf, such a postponement. The Tenant acknowledges and agrees that it will take no steps to obstruct the Landlord’s rights under this clause.

##### ARTICLE 15 - UNAVOIDABLE DELAYS

**15.1 Unavoidable Delays**

Except as herein otherwise expressly provided, if and whenever and to the extent that either the Landlord or the Tenant shall be prevented, delayed or restricted in the fulfillment of any obligation hereunder in respect of the supply or provision of any service or utility, the making of any Repair, the doing of any work or any other thing (other than the payment of moneys required to be paid by the Tenant to the Landlord hereunder) by reason of:

(a) strikes or work stoppages;

(b) being unable to obtain any material, service, utility or labour required to fulfill such obligation;

(c) any statute, law or regulation of, or inability to obtain any permission from any government authority having lawful jurisdiction preventing, delaying or restricting such fulfillment; or

(d) other unavoidable occurrence,

the time for fulfillment of such obligation shall be extended during the period in which such circumstance operates to prevent, delay or restrict the fulfillment thereof, and the other party to this Lease shall not be entitled to compensation for any inconvenience, nuisance or discomfort thereby occasioned; provided that nevertheless the Landlord will use its best efforts to maintain services essential to the use and enjoyment of the Premises and provided further that if the Landlord shall be prevented, delayed or restricted in the fulfillment of any such obligation hereunder by reason of any of the circumstances set out in **paragraph (c)** of this **Article 15.1** and to fulfill such obligation could not, in the reasonable opinion of the Landlord, be completed without substantial additions to or renovations of the Centre, the Landlord may on sixty (60) days' written notice to the Tenant terminate this Lease and the Tenant shall not be entitled to any compensation whatsoever or abatement of Rent.

**ARTICLE 16 - LANDLORD'S ACCESS TO PREMISES**

**16.1 Right of Entry**

The Landlord and its authorized Agents and employees shall have the right, at any time and from time to time upon prior reasonable notice to the Tenant, to enter the Premises for the purpose of inspection, providing janitor service, Maintenance, making Repairs, Alterations or improvements to the Premises or the Centre or to have access to utilities and services, and the Tenant shall provide free and unhampered access for such purpose and shall not be entitled to compensation for any inconvenience, nuisance or discomfort caused thereby. The Landlord in exercising its rights hereunder shall proceed to the extent reasonably possible so as to minimize interference with the Tenant's use and enjoyment of the Premises. If the Tenant is not personally present to open and permit an entry into the Premises at any time when for any reason an entry therein is necessary or permissible, the Landlord or its agents may forcibly enter the Premises without rendering the Landlord or such agents liable for any damage caused by such entry, and without in any manner affecting the obligations and covenants of this Lease. The Tenant agrees that any entry by the Landlord or its agents upon the Premises in accordance with this Article 16 is not a re-entry or a breach of any covenant for quiet enjoyment contained in this Lease.

**16.2 Right to Exhibit Premises**

The Landlord and its authorized Agents and employees shall have the right to exhibit the Premises to prospective tenants at all reasonable hours during the last twelve (12) months of the Term. The Landlord and its authorized Agents and employees shall also have the right to enter upon the Premises at all reasonable hours during the Term upon prior reasonable notice to the Tenant for the purpose of exhibiting the Centre to any prospective purchaser or mortgagee thereof.

**ARTICLE 17 - DEFAULT**

**17.1 Events of Default**

Each of the following shall be an event of Default of the Tenant if and whenever:

(a) the Tenant is in default in the payment of any money, whether or not hereby expressly reserved or deemed as Rent, or any part thereof, and such default shall continue for five (5) days following any specific due date on which the Tenant is to make such payment or, in the absence of such specific due date, for five (5) days following written notice by the Landlord requiring the Tenant to pay the same; or

(b) any insurance policy upon the Centre or any part thereof is cancelled or threatened to be cancelled by reason of the use or occupancy of the Premises or any act or omission by the Tenant; or

(c) the Tenant purports to assign, sublet, mortgage or encumber this Lease or the Premises or to part with possession of the Premises or to grant any concession or license with respect to the leased Premises, without the prior written consent of the Landlord; or

(d) the Tenant fails to observe, perform and keep each and every of the covenants, agreements, stipulations, obligations, conditions and other provisions of this Lease to be observed, performed and kept by the Tenant (other than the covenant to pay Rent) and persists in such default beyond the five (5) days following written notice from the Landlord requiring that the Tenant remedy, correct or comply or, in the case of any such default which would reasonably require more than five (5) days to rectify, unless the Tenant commences rectification within the said five (5) day notice period and thereafter promptly and diligently and continuously proceeds with the rectification of any such default; or

(e) the Tenant Defaults in the performance of any of its other obligations hereunder and such Default cannot be remedied by the Tenant; or

(f) the Tenant is adjudicated to be insolvent or makes an assignment for the benefit of creditors or in bankruptcy, or is declared bankrupt, or takes the benefit of any legislation that may be in force for bankrupt or insolvent debtors or if any proceedings are taken by or against the Tenant under any winding-up legislation, and such adjudication, assignment declaration or proceedings are not set aside or revoked within sixty (60) days after the making or taking of the same, or if the Tenant makes any bulk sale of its assets, except to a successor in conjunction with a permitted assignment of this Lease; or

(g) a writ of execution is issued against the Tenant, or if the Term hereby granted or any of the goods, chattels or equipment of the Tenant is taken in execution or attachment, or be seized by any creditor of the Tenant, whether secured or otherwise; or

(h) the Premises or a substantial part thereof are abandoned or become vacant or not used or occupied while capable of use and occupancy, and remain so for a period of twenty (20) days (which does not include temporary vacancy or non-use for a longer period when necessary to accommodate the carrying out of renovations in the Premises or a change in use of the Premises), or if the Premises is used by any other person or persons other than the Tenant or for any other purpose than that for which the same were let, in each case without the prior written consent of the Landlord.

**17.2 Remedies by Landlord**

Upon any event of Default of the Tenant, in addition to any remedy that the Landlord may have by this Lease or at law or in equity, the Landlord may, at its option:

(a) provide, by notice to the Tenant, that the current month's Rent and Rent for the next ensuing three months shall thereupon become immediately due and payable; and/or

(b) terminate this Lease and re-enter and take possession of the Premises; and/or

(c) enter the Premises as Agent of the Tenant either by force or otherwise, without being liable for any prosecution therefor, and without being deemed to have terminated this Lease, and relet the Premises or any part thereof as the Agent of the Tenant and receive the rent therefor to be applied on account of the Rent; and/or

(d) exercise its right of distress and the Tenant hereby waives any present or future limitation on the Landlord's right of distress; and/or

(e) terminate this Lease and re-enter and take possession of the Premises and demand, by notice to the Tenant, an immediate payment by the Tenant of Rent due as of the date of the event of Default by the Tenant under this Lease plus Rent from such date to the last day of the Term of this Lease. If any part of such Rent cannot be absolutely determined as of such date, the Landlord shall estimate same on a reasonable basis. After receipt by the Landlord of such payment and after the Landlord relets the Premises, the Landlord shall remit to the Tenant, as and when rent is received therefor, an amount equal to (i) the lesser of (1) the amount received by the Landlord for any period and (2) the amount that would have been payable by the Tenant under this Lease for the same period, less (ii) ten percent (10%) of such sum in (i) as an Administration fee to the Landlord; and/or

(f) without terminating this Lease, demand immediate payment from the Tenant of an amount equal to the Present Value, as of the date of the event of Default by the Tenant, of Rent due under this Lease from such date to the last day of the Term of the Lease. If any part of such Rent cannot be absolutely determined, as of such date, the Landlord shall estimate same on a reasonable basis. Upon payment of such amount by the Tenant to the Landlord, the Tenant shall be entitled to occupancy of the Premises for the remainder of the Term in accordance with this Lease; and/or

(g) suspend the supply to the Premises of any Additional Service furnished by the Landlord until the Default is cured.

**17.3 Additional Self-help Remedy by Landlord**

In addition to all other remedies the Landlord may have by this Lease, at law or in equity, if the Tenant does not perform any of its obligations hereunder, the Landlord may, at its option, perform any such obligations, after five (5) days’ notice to the Tenant, or, in the event of an emergency without notice, and in such event the cost of performing any such obligations plus an administrative Charge of fifteen per cent (15%) of such cost shall be payable by the Tenant to the Landlord forthwith upon demand together with interest at the Rate of Interest from the date of the performance of any of such obligations by the Landlord to the date of payment by the Tenant. In addition to all other remedies the Landlord may have by this Lease, at law or in equity, whenever the Tenant shall cause a Default under any one or more of the Events of Default described in **Article 17.1** of the Lease that result in the action of any one or more remedy by the Landlord as allowed under **Article 17.2 (b), (c), (e), and/or (f)** of the Lease that further result in the Landlord, at the Landlord’s sole discretion, undertaking to relet the Premises THEN the Tenant hereby agrees to pay to the Landlord, within ten (10) days after demand, any and all Costs incurred by the Landlord to relet the Premises, including, but not limited to, lease fees, commission fees, advertising Costs and all Costs for leasehold improvements or renovations that are required to prepare the Premises for occupation by a new, alternate tenant PLUS interest at the Rate of Interest as defined in the Lease from the date each cost was incurred until the final settlement of each cost with the Landlord.

**17.4 Legal Costs**

The Tenant hereby agrees to pay to the Landlord, within ten (10) days after demand, all legal fees and disbursements, on a solicitor and his own client full indemnity basis, incurred by the Landlord for the enforcement of any rights of the Landlord under this Lease or in the enforcement of any of the provisions of this Lease or in the obtaining of possession of the Premises or for the collection of any monies from the Tenant or for any advice with respect to any other matter related to this Lease.

**17.5 Remedies Cumulative**

The Landlord may from time to time resort to any or all of the rights and remedies available to it in the event of any Default hereunder by the Tenant, either by any provision of this Lease, or by statute, or at law or in equity, all of which rights and remedies are intended to be cumulative and not alternative, and the express provisions hereunder as to certain rights and remedies are not to be interpreted as excluding any other or additional rights and remedies available to the Landlord at law or in equity.

**17.6 Non-Waiver**

Any condoning, excusing or overlooking by either the Landlord or the Tenant of any Default by the other at any time or times in respect of any obligation of the other herein shall not operate as a waiver of the non-Defaulting party's rights hereunder in respect of such Default or so as to defeat or affect in any way the rights of the non-Defaulting party in respect of any such continuing or subsequent Default by the Defaulting party. No waiver shall be implied by anything done or omitted by a party. Any waiver of a particular Default shall not operate as a waiver of any subsequent or continuing Default.

**ARTICLE 18 - ARBITRATION**

**18.1 Arbitration**

Other than an event of Default of the Tenant, whenever there is a dispute regarding the Lease between the Landlord and the Tenant, if not settled or agreed between them, either party may submit the matter to be settled by arbitration in accordance with the following provisions:

(a) Either party may commence arbitration proceedings by giving written notice to the other party of its desire to arbitrate (but no party shall give such a notice unless such party has first demonstrated its willingness to negotiate and act reasonably with a view to resolving the dispute by agreement between the parties).

(b) Forthwith after the giving of such notice, the parties or their designated representatives shall meet in good faith for the purpose of agreeing, or attempting to agree, upon an arbitration procedure. If such agreement is arrived at, the matter in dispute shall be arbitrated and settled in accordance with the agreed procedure (and which agreed procedure shall be reduced to writing signed by each of the parties, and shall constitute a submission to arbitration within the meaning of the Arbitration Act (Alberta) R.S.A. 2000, c. A-43, as may be amended from time to time, (the "Arbitration Act")).

(c) The parties recognize that, in many instances of disputes which might arise under this Lease, the dispute may involve, and depend for its resolution upon, technical matters or matters which involve expert knowledge and judgment, where it is in the interests of a prompt and equitable solution of the matter for the parties to agree upon an independent expert having the appropriate specialized knowledge as the sole arbitrator. In any such situation the parties shall negotiate in good faith and act reasonably with a view to reaching agreement upon an appropriate independent expert as a sole arbitrator. If such a sole arbitrator is agreed upon by the parties, the dispute shall be arbitrated and determined in accordance with the following procedure (and which shall constitute a submission to arbitration within the meaning of the Arbitration Act):

(i) such sole arbitrator shall proceed to determine the dispute, having regard to the provisions of this Lease and the terms of the submission to arbitration and any other agreements the parties may have had respecting the arbitration or the matter in dispute;

(ii) the arbitration shall, subject to any express provision herein or in any submission to arbitration or other agreement of the parties affecting the same, be conducted in accordance with the provisions of the laws of Alberta applicable thereto and the provisions of the Arbitration Act shall apply thereto;

(iii) the Costs of the arbitration shall be awarded in the discretion of the sole arbitrator; and

(iv) if such sole arbitrator fails to hear and determine the matter in dispute and render a decision in writing to the parties within 60 days after the parties agree upon such sole arbitrator, either party may, by notice to the other, cancel the appointment of such sole arbitrator, in which case either party may initiate new arbitration proceedings pursuant to this article (subject to the agreement of the other party to the commencement of new arbitration proceedings) or proceed in the courts to have the dispute determined as if no agreement for a submission to arbitration existed between the parties.

(d) If, within ten (10) days after the giving of the notice referred to in **paragraph (a)** of this article an arbitration procedure shall not have been agreed upon between the parties, either party may, at any time thereafter, and prior to such a procedure being agreed upon, give written notice to the other requiring the dispute to be arbitrated and determined in accordance with the following procedure (and which shall constitute a submission to arbitration within the meaning of the Arbitration Act):

(i) the party giving the notice referred to above in this sub-article shall, in such notice, give notice of the appointment and the name of the arbitrator chosen by the party giving such notice;

(ii) the party receiving the notice given under paragraph (i) shall, within 10 days after the receipt thereof, give a written notice to the party giving the first notice of the appointment and the name of the arbitrator chosen by the party giving the notice under this paragraph (ii);

(iii) the two arbitrators so chosen shall jointly appoint a third arbitrator and give written notice of the appointment and the name of such arbitrator to the parties;

(iv) if a party required to appoint an arbitrator fails to do so and give notice thereof as required by paragraph (ii) within the period of ten (10) days provided thereby, or if each party has appointed an arbitrator and the two arbitrators so chosen fail to agree upon a third arbitrator and give notice thereof as required by paragraph (iii) within fifteen (15) days after both have been appointed, then any party not in Default may apply to a judge of the Court of King’s Bench of Alberta pursuant to the provisions of the Arbitration Act for the appointment of an arbitrator on behalf of the party in Default, or the appointment of the third arbitrator, as the case may be;

(v) the three arbitrators appointed pursuant to the preceding provisions shall proceed to determine the dispute, having regard to the provisions of this Lease and the terms of the submission to arbitration and any other agreements the parties may have made respecting the arbitration or the matter in dispute and the decision of any two of them shall bind the parties;

(vi) the arbitration shall, subject to any express provisions herein or in any submission to arbitration or other agreement of the parties affecting the same, be conducted in accordance with the provisions of the laws of Alberta applicable thereto and the provisions of the Arbitration Act shall apply thereto;

(vii) the Costs of the arbitration shall be awarded in the discretion of the arbitrators; and

(viii) if the arbitrators appointed under the preceding provisions shall fail to hear and determine the matter in dispute and render a decision in writing to the parties within 60 days after the appointment of the third arbitrator, either party on notice to the other may cancel the appointments of all the arbitrators previously made, in which case either party may initiate new arbitration proceedings pursuant to this article (subject to the agreement of the other party to the commencement of new arbitration proceedings) or proceed in the courts to have the dispute determined as if no agreement for a submission to arbitration existed between the parties.

(e) The provisions of this Lease and of this article requiring the determination of certain disputes by arbitration shall not operate to prevent recourse to the courts by any party whenever enforcement of an award by the sole arbitrator or arbitrators, as the case may be, reasonably requires access to any remedy (such as mandamus, injunction, specific performance, declaration of right, order for possession, damages or judicial enforcement) which an arbitrator has no power to award or enforce. In all other respects an award by the sole arbitrator or arbitrators, as the case may be, shall be final and binding upon the parties.

(f) Notwithstanding that arbitration proceedings may have been commenced or that a dispute is being negotiated, the Tenant shall continue to pay all Rent, including, without limitation, all amounts which are the subject of dispute, based upon the Landlord's estimate or re-estimate of same (except where otherwise provided in this Lease) until the dispute is finally determined.

**ARTICLE 19 - GENERAL PROVISIONS**

**19.1 Entire Agreement; Measurement Survey**

This Lease contains all of the terms and conditions of the agreement between the Landlord and the Tenant relating to the matters herein provided and supersedes all previous agreements or representations of any kind, written or verbal, made by anyone in reference thereto. There shall be no amendment hereto unless in writing and signed by the party to be bound. Notwithstanding the foregoing, if, following the execution of this Lease, the Landlord obtains a survey by a certified measuring professional which determines the actual Gross Rentable Area of the Premises, it shall be attached hereto as **Schedule “A-1”** and form part of this Lease. If the Gross Rentable Area of the Premises shown in this same survey is different than the Gross Rentable Area described in **Schedule “A”** (attached hereto), then it shall take precedence and thereafter become the Gross Rentable Area used to calculate Basic Rent.

**19.2 Schedules**

The following schedules attached hereto are incorporated into and form an integral part of this Lease:

Schedule “A” - Premises

Schedule “B” - Landlord’s Work

Schedule “C” - Form of Indemnity Agreement

Schedule “D” - Leasehold Improvements

**19.3 Planning Act**

This Lease is subject to compliance, if necessary, with the Municipal Government Act of Alberta.

**19.4 Survival of Obligations**

Any obligation of a party which is unfulfilled on the termination of this Lease shall survive until fulfilled.

**19.5 Severability of Illegal Provision**

If any provision of this Lease is or becomes illegal or unenforceable, it shall during such period that it is illegal or unenforceable be considered separate and severable from the remaining provisions of this Lease which shall remain in force and be binding as though the said provision had never been included.

**19.6 Governing Law**

This Lease shall be governed and construed in accordance with the laws applicable in the Province of Alberta.

**19.7 No Partnership**

Nothing contained herein shall be deemed to create any relationship between the parties hereto other than the relationship of landlord and tenant.

**19.8 Number, Gender, Joint and Several Liability**

The word "Tenant", the word "assignee" and the word "sublessee" and personal pronouns relating thereto and used in conjunction therewith shall be read and construed as "Tenant" or "Tenants", "assignee" or "assignees" and "sublessee" or "sublessees" respectively and "his", "her", "it", "its" and "their" as the number and gender of the party or parties referred to in each case require and the number of the verb agreeing therewith shall be considered as agreeing with the said word or pronoun so substituted. If at any time there is more than one Tenant together or in succession, they shall be jointly and severally liable for all of the obligations of the Tenant hereunder.

**19.9 Captions**

The captions for articles or articles of this Lease are for convenience only and are not to be considered a part of this Lease and do not in any way limit or amplify the terms and provisions of this Lease.

**19.10 Time of Essence**

Time shall, in all respects, be of the essence of this Lease.

**19.11 Landlord’s Agent**

The Landlord may perform any of its obligations or exercise any of its rights hereunder through such agency as it may from time to time determine and the Tenant shall, as from time to time directed by the Landlord, pay to any such Agent any moneys payable hereunder to the Landlord.

**19.12 Successors and Assigns**

The word "Landlord" wherever it occurs herein, shall mean and extend to and include the Landlord, its successors and assigns and the word "Tenant" shall mean and extend to and include the Tenant, its successors and assigns. All rights and liabilities herein given to, or imposed upon, the respective parties hereto shall extend to and bind the respective heirs, executors, administrators, successors and permitted assigns of the said parties and if there is more than one party constituting the Tenant, they shall all be bound jointly and severally by the terms, covenants and agreements herein on the part of the Tenant. If the Tenant is a partnership (the "Tenant Partnership") each person who is presently a member of the Tenant Partnership, and each person who becomes a member of any successor Tenant Partnership hereafter, shall be and shall continue to be subject to the terms, covenants and conditions of this Lease, whether or not such person ceases to be a member of such Tenant Partnership or successor Tenant Partnership. No rights shall enure to the benefit of any assignee of the Tenant unless the assignment to such assignee has been first approved by the Landlord in accordance with the provisions of this Lease.

**19.13 Accounting Principles**

All calculations referred to herein shall be made in accordance with generally accepted accounting principles and practices applicable to the real estate Centre industry and applied on a consistent basis.

**19.14 Other Leases in Building**

If the Tenant leases any other space in the Building pursuant to any other lease or leases, the following provisions shall apply:

(a) any Default under this Lease shall constitute a Default under each of such other lease or leases and any Default under each of such other lease or leases shall constitute a Default under this Lease enabling the Landlord to exercise any of its remedies hereunder or thereunder; and

(b) any right of renewal under more than one lease may only be exercised in conjunction with any similar right of renewal in any other lease.

**19.15 Indemnification Agreement**

If it is a condition of this Lease that it be accompanied by a duly executed Indemnification Agreement, such Agreement shall be attached as a schedule to the Lease. If the Indemnifier is an individual (not a corporation) an accompanying duly executed Barrister and Solicitor Certificate and attached to the same schedule and this schedule shall form part of the Lease.

**19.16 Relocation of leased Premises**

The Landlord shall have the right at any time upon sixty (60) days written notice (the "Notice of Relocation") to relocate the Tenant to other Premises in the Building (the "Relocated Premises") and the following terms and conditions shall be applicable:

(a) the Relocated Premises (which term shall mean the Premises after relocation) shall contain approximately the same as, or greater rentable area than, the Premises;

(b) the Landlord shall provide at its expense leasehold improvements in the Relocated Premises equal to the standards of the "Leasehold Improvements" (as herein defined) in the Premises which have been completed or which the Landlord is obliged herein to provide in the Premises;

(c) the Landlord shall pay for the reasonable moving Costs (if any) of the Tenant's Trade Fixtures and furnishings from the Premises to the Relocated Premises;

(d) as compensation for all other Costs, Expenses and damages which the Tenant may suffer or incur in connection with the relocation including disruption and loss of business, Basic Rent and Additional Rent for the Relocated Premises for the period of the first one (1) month of occupancy shall abate;

(e) Basic Rent and Tenant's "Proportionate Share" (as herein defined) of Additional Rent for the Relocated Premises shall be no greater than the Basic Rent and Tenant's Proportionate Share of Additional Rent for the Premises, notwithstanding the Relocated Premises may contain a greater rentable area;

(f) all other terms and conditions of the Lease shall apply to the Relocated Premises except as are inconsistent with the terms and conditions of this sub-paragraph.

**19.17 Further Assurances**

Each party agrees to make such further assurances as may be reasonably required from time to time by the other to more fully implement the true intent of this Lease.

**19.18 Confidentiality**

The Tenant agrees to use its best efforts to keep confidential, and to use its best efforts to ensure that those for whom at law it is responsible and its advisors keep confidential the provisions of this Lease.

**19.19 Sole Agreement**

The Tenant acknowledges that the Lease sets forth all of the warranties, representations, covenants, promises, agreements, conditions and understandings between the parties concerning the leased Premises and the Building and the Centre and there are no warranties, representations, covenants, promises, agreements, conditions or understandings, either oral or written, expressed or implied, between them or other than as set forth in this Lease. The duly executed Lease supersedes and replaces any prior agreement respecting the leased Premises. Notwithstanding the foregoing, any broker or agent of the Tenant shall be paid by the Tenant to the exoneration of the Landlord.

**19.20 No Offer**

The submission of this Lease by the Landlord to the Tenant for examination does not constitute an offer, reservation of or option for the leased Premises notwithstanding any deposit or monies paid to the Landlord by the Tenant, and this Lease becomes effective as a lease only upon execution and delivery thereof by the Landlord to the Tenant.

**19.21 Counterpart and Electronic Execution**

The Lease may be executed in counterparts each of which shall constitute an original, and such counterparts together shall constitute and be read as one in the same instrument. This Lease may be executed and delivered by facsimile or electronic transmission and the execution and delivery of this Lease by facsimile or electronic transmission shall be deemed to be, and may be relied upon by the party receiving same as an originally signed document and shall be binding on the party delivering same. Any party that delivers a counterpart copy of this Lease by facsimile or electronic transmission shall deliver an originally executed copy of this Lease promptly thereafter; provided that the failure to do so shall not affect the validity or enforceability of this Lease.

**THE REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK**

IN WITNESS WHEREOF the parties hereto have duly executed this Lease as of the \_\_\_ day of \_\_\_\_\_\_\_\_\_\_\_\_\_\_, 2015

WITNESS: **TELSEC PROPERTY CORPORATION**

(Landlord)

Signature: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ PER: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Name: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Name: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Address: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Title: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Occupation: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (I have authority to bind the Corporation)

WITNESS: **TENANT**

(Tenant)

Signature: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ PER: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Name: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Name: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

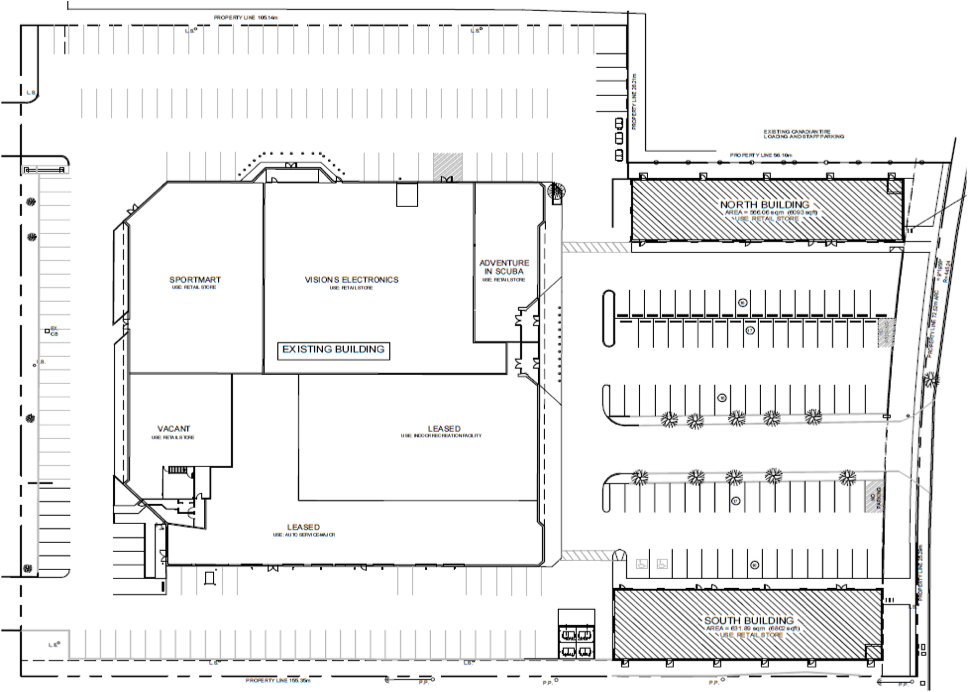
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Occupation: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (I have authority to bind the Corporation)

**SCHEDULE “A”**

**PREMISES**

The Premises bears the municipal address of Address Calgary, Alberta T2J 3K9. The Premises is located in the north building in the Centre and is approximately X,XXX square feet, the Gross Rentable Area of which shall be determined and certified by a measuring professional. The approximate location of the Premises is identified and shown below outlined in **heavy black**. The purpose of the sketch below is to show the Premises and is not intended as a representation of any kind as to the precise size or dimensions of the Premises or any other aspects of the Building.

****

**Initials: Landlord\_\_\_\_\_ Tenant\_\_\_\_\_**

**SCHEDULE “B”**

### “LANDLORD’S WORK”

Upon the Tenant’s proper execution of the Lease and the parties having complied with all of the Tenant’s and Landlord’s conditions herein, the Landlord agrees, at its expense, to construct the Building, and to do the following Work in the Premises using the Landlord’s choice of materials (the “Landlord’s Work) on or before the Commencement Date:

1. **UTILITIES:** Utilities stubbed into the Premises as specified in the Landlord’s base building mechanical and electrical drawings, ready for distribution by the Tenant.
2. **ROOF:**
3. An EPDM roof membrane system with an insulation value of R22.5.
4. Any Tenant modifications to the building’s roof or roof flashings will require the prior written approval of the Landlord and will be provided by the Landlord’s roofing contractor at the Tenant’s sole cost and expense.
5. **EXTERIOR WALLS:** A combination of stucco and stone veneer.
6. **DEMISING, REAR WALLS, AND SERVICE ENTRY DOORS:**
7. A one hour fire-rated demising wall between the Premises and the adjoining premises. Any additional fire rating required due to the Tenant’s specific use of the Premises is the responsibility of the Tenant.
8. All interior demising walls taped, ready for paint by the Tenant.
9. A rear exit door with required hardware to meet all applicable codes.
10. **FLOOR:** Concrete, unpainted
11. **HVAC:** A 3-ton rooftop HVAC unit (heating and cooling) for the Premises as per the Landlord’s base building mechanical drawings. The supply and return ductwork to be stubbed into the Premises (with distribution ductwork to be completed by the Tenant). A thermostat will be provided. All exhaust and makeup air equipment (if required due to the Tenant’s specific use of the Premises) shall be provided by the Tenant at the Tenant’s sole cost.
12. **PLUMBING:** Rough-in plumbing, all as specifically outlined in the Landlord’s base building mechanical drawings.
13. **ELECTRICAL:** Electrical service to the Premises consisting of one, 100 amp panel (120/208V, 3 phase service).
14. **TELEPHONE CONDUIT:** One telephone conduit stubbed into the Premises.

**The Landlord and the Tenant further understand and agree that:**

1. Any delay or failure of the Landlord to complete the Landlord’s Work, provided those delays were not caused by the Tenant, or to provide approvals or reasons for failure to so approve, as may be required hereunder and such delay was caused by the Landlord, the Commencement Date and the Expiry Date shall be extended by a period of time equivalent to the period of such delay.
2. Any delay caused solely by the Landlord in completing the Landlord’s Work resulting from The City of Calgary’s delay in issuing applicable or required permits, the Commencement Date and the Expiry Date shall be extended by a period of time equivalent to the period of such delay.
3. Window coverings, including blinds are not included in the Landlord’s Work. Landlord’s prior approval for all window coverings and blinds is required.
4. All voice and/or data wiring is the responsibility of the Tenant and shall only take place during the leasehold improvement construction process with prior arrangement and approval from the Telsec construction superintendent. The Tenant’s contractor will be required to meet stringent site specific safety requirements and the Tenant hereby agrees to be solely responsible to pay for and expediently repair to the satisfaction of, and in the timeframe dictated by the Telsec site superintendent any and all damage caused to ceiling tiles, walls, paint, etcetera by their cabling contractor as judged solely by the Telsec construction superintendent. An empty conduit is provided by the Landlord to a point in the Premises chosen solely by the Landlord. Any reinforcing backing required for telephone or computer wires, cable or equipment is the Tenant’s responsibility.
5. Any delay or failure of the Landlord to complete the Leasehold Improvements or the Landlord’s Work (if required by way of this Lease to complete), provided those delays were not caused by the Tenant, or to provide approvals or reasons for failure to approve, as may be required hereunder and such delay was caused by the Landlord, the Commencement Date and the Expiry Date shall be extended by a period of time equivalent to the period of such delay.
6. If the Tenant has fully complied with its obligations hereunder in a timely fashion, any delay caused solely by the Landlord in completing the Landlord’s Work resulting from The City of Calgary’s delay in issuing applicable or required permits, the Commencement Date and the Expiry Date shall be extended by a period of time equivalent to the period of such delay.

**Initials: Landlord\_\_\_\_\_ Tenant\_\_\_\_\_**

**SCHEDULE “C”**

**“form of indemnity agreement”**

(the "Indemnification")

This Agreement dated \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, 2015

BETWEEN:

**\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_** ("Indemnifier")

of the First Part

- and -

**TELSEC PROPERTY CORPORATION** ("Landlord")

of the Second Part

**INDEMNIFICATION**

WHEREAS the Landlord and \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (the “Tenant”) entered into an agreement to lease (the “Lease”) on \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_2015 and;

WHEREAS the Landlord, Tenant and Indemnifier are desirous of setting out more explicitly the conditions upon which the personal indemnification described in section 19.15 of the Lease is granted:

THEREFORE, as required by the Lease and for good and valuable consideration, the receipt and sufficiency whereof are hereby acknowledged by the Indemnifier and the Landlord, the Indemnifier hereby represents and warrants to and covenants and agrees with the Landlord that:

1. the Indemnifier has full power and authority to enter into this Indemnification and to perform its obligations contained herein;
2. this Lease is valid and binding upon the Indemnifier and enforceable against it in accordance with its terms;
3. the Indemnifier acknowledges receipt of a copy of the Lease and all Schedules, including this Indemnification, attached thereto;
4. in entering into this Indemnification, the Indemnifier is not contravening the Business Corporations Act (Alberta) or the Canada Business Corporations Act, (as the case may be);
5. the Indemnifier shall be bound, as principal obligor, to perform all of the obligations contained in the Lease (other than those required of the Landlord) to the same extent and with the same effect as if the Indemnifier were named in the Lease as the sole Tenant and irrespective of:
6. the unenforceability of the Lease as against the Tenant;
7. the termination of any obligations of the Tenant under the Lease by operation of law or otherwise; or
8. the bankruptcy, insolvency, dissolution or other liquidation of the Tenant including, without limitation, any surrender, repudiation, or disclaimer of the Lease by the Tenant or a trustee in bankruptcy of the Tenant;
9. the obligations of the Indemnifier under the Lease are absolute and unconditional and shall be in no way released, discharged or reduced, and the rights of the Landlord under the Lease shall be in no way prejudiced or impaired, by any neglect, delay or forbearance of the Landlord in demanding, requiring or enforcing performance by the Tenant or any other obligated person of any of its obligations under the Lease, or by the Indemnifier of any of its obligations under the Lease, or by granting any extensions of time for performance, or by waiving any performance (except as to the particular performance which has been waived), or by permitting or consenting to any assignment or by the bankruptcy, receivership, insolvency or any other creditor's proceedings of or against the Tenant, or by the winding up or dissolution of the Tenant, or any other event or occurrence which would have the effect at law of terminating the existence of obligations of the Tenant prior to the termination of the Lease or by any agreements or other dealings between the Landlord and the Tenant having the effect of amending or altering the Lease or the obligations of the Tenant hereunder or by any want of notice by the Landlord to the Indemnifier of any Default of the Tenant or by any other matter, thing, act or omission of the Landlord whatsoever;

**Initials: Landlord\_\_\_\_\_ Tenant\_\_\_\_\_**

1. the Indemnifier also hereby acknowledges and agrees that the Landlord may apply any security deposit or other credit in favour of the Tenant as the Landlord determines in its sole discretion. The Indemnifier further acknowledges that the Landlord shall not be obligated to apply any such deposit or credit to cure any Default or offset any damages incurred by the Landlord under this Lease before bringing any actions or pursuing any remedy available to the Landlord through the Indemnifier. The Indemnifier's obligations and liability shall not be affected in any manner whatsoever by the Landlord's application or non-application, as the case may be, of any such deposit or credit under this Lease;
2. the obligations of the Indemnifier under this Lease extend not only to the Term and to any overholding by the Tenant thereafter but also to any renewal or extension of the Term which results from the exercise by the Tenant of any right contained in the Lease;
3. this Indemnification shall apply to and bind the successors and assigns of the Indemnifier, and the benefit of the Indemnifier's obligations under the Lease may be assigned by the Landlord and will benefit and be enforceable by the successors and assigns of the Landlord and if there is more than one Indemnifier, their covenants and obligations hereunder are joint and several; and
4. in the event of either the termination of the Lease (except by a surrender accepted by the Landlord) or repudiation or a disclaimer of this Lease pursuant to any statute, then in either case at the sole option of the Landlord exercisable at any time within six (6) months of such termination, repudiation or disclaimer, as the case may be, the Indemnifier agrees to execute and deliver a new lease of the Premises between the Landlord as lessor and the Indemnifier as lessee for a term equal to the residue of the Term remaining unexpired at the time of such termination, repudiation or disclaimer. Such new lease shall contain the same covenants, obligations, agreements, terms and conditions in repudiation and in all other respects (including the proviso for re-entry) as are contained in the Lease, save for the term which shall be as aforesaid.

IN WITNESS WHEREOF the Indemnifier has duly executed this Indemnification Agreement.

**\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

PER: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Title: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Witness \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Name: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Address: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Occupation: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**Initials: Landlord\_\_\_\_\_ Tenant\_\_\_\_\_**

**Guarantees Acknowledgment Act**

(Section 3)

**CERTIFICATE**

I HEREBY CERTIFY THAT:

1. \_\_\_\_\_\_\_\_\_\_\_\_\_\_ of the City of \_\_\_\_\_\_\_\_\_\_\_ in the Province of Alberta, the guarantor in the guarantee dated \_\_\_\_\_\_\_\_\_\_\_\_\_, 2016 made between Telsec Property Corporation and \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, which this certificate is attached to or noted on, appeared in person before me and acknowledged that he/she had executed the guarantee.
2. I satisfied myself by examination of the guarantor that he/she is aware of the contents of the guarantee and understands it.

CERTIFIED by \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, Barrister and Solicitor at the \_\_\_\_\_\_\_\_ of \_\_\_\_\_\_\_\_\_\_\_\_\_\_, in the Province of Alberta, this \_\_\_\_\_ day of \_\_\_\_\_\_\_\_\_\_, 20\_\_\_\_.

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Signature

**STATEMENT OF GUARANTOR**

I am the person named in this certificate.

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Signature of Guarantor

**Initials: Landlord\_\_\_\_\_ Tenant\_\_\_\_\_**

**SCHEDULE “D”**

**LEASEHOLD IMPROVEMENTS**

The Tenant hereby acknowledges and agrees that they are leasing the Premises in an “as is” condition (other than any Landlord’s Work agreed to in **Schedule “B”** herein). If, during the Term, the Tenant wishes to perform any Work in the Premises (the “Leasehold Improvements”), the Tenant shall provide the Landlord with detailed plans and specifications for the proposed Leasehold Improvements for the Landlord’s prior review and approval, such approval not to be unreasonably withheld. Any Leasehold Improvements performed by or for the Tenant shall be at the Tenant’s sole cost and expense. Where a Tenant is responsible for the construction of the Leasehold Improvements or where a Tenant is renovating the Premises, the Tenant will not commence construction without first obtaining Course of Construction insurance clearly indicating the Landlord as Loss Payable.

**Initials: Landlord\_\_\_\_\_ Tenant\_\_\_\_\_**