**MULTI-TENANT INDUSTRIAL LEASE**

Lease Summary

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**INDUSTRIAL LEASE—MULTI-TENANCY**

**LEASE SUMMARY**

THIS LEASE SUMMARY is attached to and forms part of this Lease dated *[month, day, year]*.

BETWEEN:

*[name of landlord]*

(the “Landlord”)

AND:

*[name of tenant]*

(the “Tenant”)

AND:

*[name of indemnifier]*

(the “Indemnifier”)

|  |  |  |
| --- | --- | --- |
| **Article or Section** |  |  |
| Schedule A |  | Civic Address of the Premises:  *[address]* |
| 1.1 |  | Area of the Premises:  *[area of premises]* |
| 1.1 and 3 |  | Term:  *[number of months/years]* |
| 1.1 |  | Commencement Date:  *[month, day, year]* |
| 1.1 |  | Expiry Date:  *[month, day, year]* |
| 4.1(a) |  | Annual Basic Rent Commencing: *[month, day, year]* and terminating: *[month, day, year]* payable as follows: |

|  |  |  |
| --- | --- | --- |
| **Period** | **Per Annum** | **Per Month** |
| *[month, day, year]* to *[month, day, year]* | $*[amount]* plus GST | $*[amount]* plus GST |
| *[month, day, year]* to *[month, day, year]* | $*[amount]* plus GST | $*[amount]* plus GST |
| *[month, day, year]* to *[month, day, year]* | $*[amount]* plus GST | $*[amount]* plus GST |

|  |  |  |
| --- | --- | --- |
| 4.1(b) |  | Additional Rent commences *[month, day, year]* |
| 7.1 |  | Use of Premises:  *[use of premises]* |
| 16.4 |  | Landlord’s Address for Rent Payments and Notices:  *[landlord’s address for payments and notices]* |
| 16.4 |  | Tenant’s Address for Notices:  *[tenant’s address for notices]* |
| 16.19 |  | $ *[amount]* plus GST as Security Deposit. |
| Schedule B |  | Renewal option: One option to renew of *[number]* years. |

Schedules:

Schedule A—Plan of Premises and Description of Land

Schedule B—Renewal Option

Schedule C—Indemnifier’s Covenants

The articles, sections, and schedules of this Lease identified above are those articles, sections, and schedules where references to particular Lease information initially appears. Each such reference will incorporate the applicable information from this Lease Summary.

THIS LEASE made *[month, day, year]* is

BETWEEN:

*[name of company and incorporation number]*, a company   
 incorporated under the laws of *[jurisdiction]*

(the “Landlord”)

AND:

*[name of company and incorporation number]*, a company   
 incorporated under the laws of *[jurisdiction]*

(the “Tenant”)

AND:

*[name of company and incorporation number]*, a company   
 incorporated under the laws of *[jurisdiction]*

(the “Indemnifier”)

**1. DEFINITIONS**

1.1 The Landlord and the Tenant hereby agree that in this Lease the following words or phrases will, unless there is something in the context inconsistent with them, have the following meanings:

(a) **“Additional Rent”** means:

(i) to the extent they are not paid directly by the Tenant, the Utility Costs and Tenant’s Taxes;

(ii) the Easement Area Expenses (if applicable);

(iii) the Tenant’s Proportionate Share of the Operating Expenses; and

(iv) all other sums that may be payable to the Landlord or reimbursable to the Landlord, including, without limitation, all interest and penalties payable by the Tenant, whether or not such sums are referred to as Rent or Additional Rent or otherwise,

but Additional Rent does not include the Annual Basic Rent.

(b) **“Annual Basic Rent”** means the amount specified as such in the Lease Summary.

(c) **“Area of the Premises”** means the aggregate of the areas specified in the Lease Summary, measured from the exterior face of exterior walls and the centre line of any internal demising walls, without deduction for any columns or projections.

(d) **“Building”** means all buildings and improvements erected or to be erected on the Land.

(e) **“Commencement Date”** means the date specified as such in the Lease Summary.

(f) **“Common Areas and Facilities”** means all of the Land and the Building including, without limitation, the Roof, exterior and interior walls and structural elements including bearing walls, electrical, plumbing, drainage, mechanical, and other installations or services as well as the structures housing them, fire prevention and communication systems, loading areas, parking areas, driveways, landscaped areas, retaining walls, washrooms (other than washrooms within the Premises or within other premises leased to tenants), any railway spur lines servicing the Building, and all fixtures, general signs, lighting facilities, improvements, equipment, and installations on or in them that the Landlord provides or designates from time to time for the general use by or for the benefit of the Tenant in common with other tenants and other persons permitted by the Landlord; provided however that the Common Areas and Facilities will exclude all of the Rentable Area, whether or not leased to tenants, and it will further exclude all areas of the Land in respect of which the Landlord has granted to the Tenant or any other tenant an exclusive easement or an easement in common only with the Landlord.

(g) **“Easement Area”** means that portion of the Land, if any, outlined in heavy dark line and cross-hatched on the plan attached as Schedule A.

(h) **“Easement Area Expenses”** means the costs and expenses that would otherwise be included in the Operating Expenses but that the Landlord, acting reasonably, allocates specifically to the Easement Area (if any).

(i) **“Environmental Laws**” means any statutes, laws, regulations, orders, bylaws, standards, guidelines, permits, and other lawful requirements of any government authority having jurisdiction over the Premises now or hereafter in force relating in any way to the environment, health, occupational health and safety, or transportation of dangerous goods, including the principles of common law and equity.

(j) **“Expiry Date”** means the date specified as such in the Lease Summary.

(k) **“GST”** means the tax levied under Part IX of the *Excise Tax Act*, R.S.C. 1985, c. E-15, as that tax may be amended or substituted from time to time.

(l) **“Hazardous Substance”** or **“Hazardous Substances”** means any pollutants, contaminants, deleterious substances, underground or above-ground tanks, asbestos materials, hazardous, corrosive, or toxic substances, special waste or waste of any kind, or any other substance that is now or hereafter prohibited, controlled, or regulated under Environmental Laws.

(m) **“Insurance Costs”** means all premiums and other amounts the Landlord may expend in effecting or maintaining insurance coverage under the provisions of this Lease.

(n) **“Land”** means all and singular that certain parcel or tract of land described in Schedule A.

(o) **“Landlord”** means the owner or the mortgagees in possession for the time being of the Premises only during and in respect of their respective periods of interest in the Premises.

(p) **“Landlord’s Mortgagees”** means any and all existing or proposed mortgagees, debenture-holders, and trustees on behalf of mortgagees holding any Mortgages.

(q) **“Lease”** means this indenture together with the Lease Summary and all schedules attached to it.

(r) **“Leasehold Improvements”** means all fixtures (other than the Tenant’s trade fixtures), improvements, additions, partitions, equipment, and alterations from time to time made to or installed in the Premises by any person.

(s) **“Lease Summary”** means pages *[numbers]* attached to and forming part of this Lease and headed “Lease Summary”.

(t) **“Management Fee”** means an amount established by the Landlord on account of management and administration, such Management Fee to be paid in equal monthly instalments on the first day of each month during the Term as part of the Operating Expenses.

(u) **“Mortgages”** means all mortgages, debentures, deeds of trust, and mortgages securing bonds and all instruments and indentures supplemental to them that may now or hereafter charge the Land and Building, and all renewals, modifications, consolidations, replacements, and extensions of them.

(v) **“Operating Expenses”** means all expenses in connection with the operation and maintenance of all or any portion of the Land, the Building, and the Premises and, without restricting the generality of the foregoing, includes:

(i) the Taxes;

(ii) the Insurance Costs;

(iii) all charges for water, gas, electricity, and other utilities and services used on or in respect of any part of the Land and the Building and all fittings, machines, apparatus, meters, and any other thing leased in respect of them, and all work and services performed by any corporation, authority, or commission in connection with such utilities, but excluding Utility Costs;

(iv) salaries and wages (including employee benefits and workers’ compensation assessments), and all independent service contract and supplies incurred in cleaning, maintenance, garbage collection and disposal, operation, security, landscape repair and maintenance, snow removal, and traffic control;

(v) repairs and maintenance of all or any portion of the Land and the Building, including without limitation the Common Areas and Facilities;

(vi) consulting fees, including legal, audit, and accounting fees, incurred from time to time by the Landlord with respect to the Land and the Building;

(vii) capital improvements required pursuant to any government law or regulation that were not required at the time of construction of the Building, capital improvements that in the opinion of the Landlord will reduce projected Operating Expenses, and all other capital improvements deemed necessary by the Landlord for periodic repair or replacements, all amortized over the useful life of the improvements as determined by the Landlord in accordance with generally accepted accounting principles, plus the cost of purchasing any extended warranties, but excluding any costs of repairs to structural elements of the Building or costs of replacement or substantial repair of the Roof;

(viii) an amount equal to the difference between the proceeds of insurance payable to the Landlord in respect of the damage or destruction of the Building and the costs and expenses to repair, rebuild, and make fit the Building to the extent of any deductible contained in any insurance policy effected by the Landlord pursuant to its covenant to insure herein contained;

(ix) the Management Fee; and

(x) GST or other Sales Taxes on goods and services provided by or on behalf of the Landlord,

but Operating Expenses does not include interest on the Landlord’s debt, capital retirement of the Landlord’s debt, costs incurred in leasing or procuring new tenants, the Easement Area Expenses if the Landlord requires the Tenant to pay such amounts separately from the Operating Expenses, or any other expenses in respect of easement areas on the Land that the Landlord requires any other tenant to pay separately from the Operating Expenses.

(w) **“Operating Year”** means a 12-month period that is established by the Landlord from time to time, commencing on the first day of a month in any calendar year and ending on the last day of the 12th following month, provided that the first operating period will commence on the Commencement Date and end on the last day of the Landlord’s designated Operating Year next following and the last operating period will terminate to coincide with the Expiry Date.

(x) **“Premises”** means the portion of the Building shown outlined in heavy dark lines and identified as “Premises” on the plan attached to this Lease as Schedule A, with any exclusions as indicated on Schedule A, together with the Leasehold Improvements.

(y) **“Prime Rate”** means the rate of interest, expressed as an annual rate, at the relevant time or times, established by the *[name of bank]* Bank at its main branch in Vancouver, British Columbia, as a reference rate for commercial loans in Canadian dollars commonly referred to by the *[name of bank]* Bank as its “prime rate”.

(z) **“Relative Portion”** means, with respect to any amount payable under this Lease, that fraction having as its denominator the period of time expressed in days in respect of which an amount payable under this Lease is calculated and having as its numerator the number of days within the same calculation period, but that fall within the Term or any renewal or extension period.

(aa) **“Release”** includes release, spill, leak, pump, pour, emit, discharge, eject, escape, leach, dispose, or dump.

(ab) **“Rent”** means the Annual Basic Rent and the Additional Rent.

(ac) **“Rentable Area”** means the total area expressed in square feet or its metric equivalent of space set aside by the Landlord for leasing to tenants of the Building, as may be amended by the Landlord from time to time.

(ad) **“Roof”** means the roof membrane, roof insulation, and roof deck of the Building.

(ae) **“Sales Taxes”** means any and all taxes, fees, levies, charges, assessments, rates, duties, and excises (whether characterized as sales taxes, purchase taxes, goods and services taxes, or any other form) that are imposed on the Landlord, that the Landlord is liable to pay or that the Landlord is liable to collect and remit, and that are levied, rated, or assessed on the act of entering into this Lease or otherwise on account of this Lease, on the use or the occupancy of the Premises or any portion of them, on the Rent payable under this Lease or any portion of it, or in connection with the business of renting the Premises or any portion of them, including, without limitation, gst, provided however that Sales Taxes exclude all of the following:

(i) income tax under Part I of the *Income Tax Act*, R.S.C. 1985, c. 1 (5th Supp.) as it existed on the Commencement Date;

(ii) the Tenant’s Taxes;

(iii) the Taxes; and

(iv) corporation capital tax.

(af) **“Security Deposit”** means the amount specified as such in the Lease Summary.

(ag) **“Sign”** means any sign, picture, notice, lettering, direction, or other advertising or informational device of whatever nature.

(ah) **“Taxes”** means all taxes, fees, levies, charges, assessments, rates, duties, and excises that are now or may hereafter be levied, imposed, rated, or assessed upon or with respect to the Land or the Building or any part of them or any personal property of the Landlord used for them, whether levied, imposed, rated, or assessed by the government of Canada, the government of British Columbia, or any political subdivision, political corporation, district, municipality, city, or other political or public entity, and whether or not now customary or in the contemplation of the parties on the date of this Lease. Without restricting the generality of the foregoing, Taxes includes all:

(i) real property taxes, general and special assessments, and capital taxes;

(ii) taxes, fees, levies, charges, assessments, rates, duties, and excises for transit, housing, schools, police, fire, or other government services, or for purported benefits to the Land or the Building;

(iii) local improvement taxes, service payments in lieu of taxes, and taxes, fees, levies, charges, assessments, rates, duties, and excises, however described, that may be levied, rated, or assessed as a substitute for, or as an addition to, in whole or in part, any property taxes or local improvement taxes; and

(iv) costs and expenses, including legal and other professional fees and interest and penalties on deferred payments, incurred by the Landlord in *[successfully]* contesting or appealing any taxes, assessments, rates, levies, duties, excises, charges, or other amounts as specified,

but Taxes excludes all of the following:

(v) income tax under Part I of the *Income Tax Act*, R.S.C. 1985, c. 1 (5th Supp.) as it existed on the Commencement Date;

(vi) the Tenant’s Taxes;

(vii) the Sales Taxes; and

(viii) corporation capital tax.

(ai) **“Tenant’s Proportionate Share”** means the percentage calculated to the second decimal place, which percentage is equivalent to a fraction having as its numerator the Area of the Premises expressed in square feet or the metric equivalent and having as its denominator the Rentable Area expressed in the same form of measurement as the numerator, provided that the percentage will be changed in the event of a change to the Rentable Area or the Area of the Premises.

(aj) **“Tenant’s Taxes”** means all taxes, fees, levies, charges, assessments, rates, duties, and excises that are now or may hereafter be levied, imposed, rated, or assessed by any lawful authority relating to or in respect of the business of the Tenant or relating to or in respect of personal property and all business and trade fixtures, machinery and equipment, cabinet work, furniture, and movable partitions owned or installed by the Tenant at the expense of the Tenant or being the property of the Tenant, or relating to or in respect of the Leasehold Improvements or other improvements to the Premises built, made, or installed by the Tenant, on behalf of the Tenant or at the Tenant’s request, whether any such amounts are included by the taxing authority in the Taxes.

(ak) **“Term”** means the term specified in the Lease Summary.

(al) **“Transfer”** means any transfer, assignment, charge, mortgage, sublease, licence, sharing of possession, parting with possession, or any other disposition of this Lease or any estate or interest in it or the Premises or any part of them, including without limitation a transfer by operation of law.

(am) **“Transferee”** means any person to whom a Transfer is made or intended to be made.

(an) **“Utility Costs”** means all charges for water, gas, telephone, electric light and power, cable and other telecommunications, and all other utilities and services used on or in respect of the Premises or any part of them, whether separately metered to the Premises or as allocated by the Landlord, acting reasonably, to the Premises together with all costs and charges for all fittings, machines, apparatus, meters, and any other thing leased or supplied in respect of them and all costs and charges for all work and services performed by any corporation, authority, or commission in connection with such utilities and services in respect of the Premises, whether separately charged to the Premises or allocated by the Landlord, acting reasonably, to the Premises.

**2. THE DEMISE**

In consideration of the rents, covenants, conditions, and agreements in this Lease, the Landlord hereby leases to the Tenant the Premises, subject to the easements and rights-of-way now registered against the title to the Land and any future easements and rights-of-way, as contemplated in Section 7.2, that may be registered against title to the Land.

**3. TERM**

The Tenant will have and hold the Premises, subject to the rents, covenants, conditions, and agreements in this Lease, for the Term from and including the Commencement Date until and including the Expiry Date.

**4. RENT**

**4.1 Annual Basic Rent and Additional Rent**

The Tenant will pay to the Landlord during the Term the following Rent payable at the Landlord’s address specified in the Lease Summary or at such other place as the Landlord may from time to time designate in writing, in the following instalments:

(a) the Annual Basic Rent (plus applicable gst) payable in advance in consecutive monthly instalments on the first day of each and every month in each and every year of the Term, commencing on the Commencement Date and continuing until and including the first day of the month in which the Expiry Date falls; and

(b) the Additional Rent payable in advance in consecutive monthly instalments on the first day of each and every month in each and every year of the Term, commencing on the Commencement Date and continuing until and including the first day of the month in which the Expiry Date falls, unless indicated otherwise in this Lease.

**4.2 To Pay**

The Tenant will pay the Annual Basic Rent and Additional Rent when due in accordance with the provisions of this Lease.

**4.3 No Abatement**

The Tenant covenants and agrees with the Landlord that all of the Rent payable under this Lease will be paid by the Tenant without demand, deduction, set-off, or abatement whatsoever, except as specifically provided in Section 10.1(a). The Tenant covenants and agrees that the Landlord may at its option apply all sums received from or due to the Tenant against any amounts due and payable under the Lease in such manner as the Landlord may see fit, regardless of any designation or instructions by the Tenant to the contrary.

**4.4 Post-dated Cheques or Electronic Debit**

The Landlord may require the Tenant from time to time to furnish the Landlord with a series of post-dated cheques covering the next 12 instalments of Rent and the Tenant will, forthwith upon request, deliver such cheques to the Landlord. At the Landlord’s request the Tenant will participate in a pre-authorized payment plan whereby the Landlord will be authorized to debit the Tenant’s bank account each month and from time to time during the Lease Year in an amount equal to the Basic Rent and Additional Rent payable on a monthly basis, and, if applicable, generally any amount payable provisionally pursuant to the provisions of this Lease on an estimated basis.

**4.5 Adjustment**

If the Term commences or ceases on a day other than the commencement of or the end of any period of time in respect to which any amount payable under this Lease is calculated, then the Tenant will pay to the Landlord its Relative Portion of such amount for such period of time. Without limiting the generality of the foregoing, if the Term does not subsist during the whole of any calendar year, the Tenant will pay the Relative Portion of the Tenant’s Proportionate Share of the estimated and actual Operating Expenses for such Operating Year.

**4.6 Accrual of Annual Basic Rent**

The Annual Basic Rent will accrue from day to day. Where the calculation of any Additional Rent is not made until the termination or expiry of this Lease, the obligation of the Tenant to pay such Additional Rent will survive the termination or expiry of this Lease and such amounts will be payable by the Tenant upon demand by the Landlord.

**4.7 Net Lease**

It is the intention of the parties that this Lease will be a net lease and that the Rent provided to be paid to the Landlord under this Lease will be net to the Landlord and will yield to the Landlord the entire such rental during the Term and any renewal or extension of it without abatement for any cause whatsoever except as specified in Section 10.1(a). Except as specifically provided in this Lease, all costs, expenses, and obligations of every kind and nature whatsoever relating to the Premises, whether or not referred to in this Lease and whether or not of a kind now existing or within the contemplation of the parties, will be paid by the Tenant.

**4.8 Sales Taxes**

The Landlord will, acting reasonably, estimate the amount of Sales Taxes to be paid in advance with monthly payments of Rent for the period to which the estimate applies; and any necessary adjustment will be made in the same manner as set out in Section 5.2. Amounts payable by the Tenant as Sales Taxes will not be deemed to be Rent or Additional Rent, but the Landlord will have the same rights and remedies for non-payment of Sales Taxes as it has for non-payment of Rent.

**5. ADDITIONAL RENT**

**5.1 Estimated Expenses**

The Landlord will have the right at any time during the Term to make reasonable estimates of the amount of the Additional Rent for each Operating Year during the Term.

**5.2 Payment**

The Tenant will pay to the Landlord, in equal monthly instalments on the first day of each month during each Operating Year, the Additional Rent or any portion of it as estimated by the Landlord for the Operating Year that falls in whole or in part within the respective Operating Year. As soon as reasonably possible after the end of the Operating Year, the Landlord will make a final determination of Additional Rent for such Operating Year and notify the Tenant of the actual amount of Additional Rent payable. If the Tenant has made any overpayment to the Landlord on account of any Additional Rent payable under this Article 5 during any Operating Year, the Tenant will be entitled to a credit or a refund, at the Landlord’s option, to the Tenant’s account in respect of the payment of such item of Additional Rent for the next succeeding Operating Year. If the Tenant has paid less than the amount finally determined by the Landlord, the Tenant will pay the deficiency forthwith.

**5.3 Landlord’s Certificate**

A certificate of an officer of the Landlord as to the actual Additional Rent or any portion of it for any Operating Year will be final and binding upon the Tenant and the Landlord.

**6. TENANT’S TAXES AND UTILITY COSTS**

**6.1 Payment**

The Tenant will promptly pay to the applicable authorities the Tenant’s Taxes and the Utility Costs as they become due.

**6.2 Evidence of Payment**

The Tenant will provide to the Landlord, when and if requested by the Landlord, receipts for payments made by the Tenant in respect of the Tenant’s Taxes and the Utility Costs.

**7. USE OF PREMISES**

**7.1 Use of Premises**

The Tenant will not use the Premises or the Easement Area or allow the Premises or the Easement Area to be used for any purpose other than that specified in the Lease Summary, or in any manner inconsistent with such use and occupation, and the Tenant will not, at any time during the Term or any renewal or extension of it, commit or permit to be committed any waste upon the Premises or the Easement Area, nor will the Tenant use, exercise, carry on, or permit to be used, exercised, or carried on, in, or on the Premises or the Land, or any part of them, any noxious, noisome, or offensive art, trade, business, or occupation, or keep, sell, use, handle, or dispose of any merchandise, goods, or things that are objectionable, or by which the Premises or the Land or any part of them may be damaged or injuriously affected, and no act, matter, or thing whatsoever will, at any time during the Term or any renewal or extension of it, be done in or on the Premises or the Land or any part of them that may result in annoyance, nuisance, grievance, damage, or disturbance to other tenants or occupiers of the Building or to the occupiers or owners of any other lands or premises or to the holders of any registered easement, right-of-way, or other encumbrance charging the whole or part of the Land or the Building. The Tenant will use its best efforts to prevent anything being done on the Premises or the Land that may result in any premises other than the Premises being picketed or otherwise subjected to industrial action or demonstrations. The Tenant will promptly take all action and proceedings reasonably necessary to cause such picketing, industrial action, and demonstrations to cease without delay. The Tenant will not place in the Premises any heavy machinery or equipment without first obtaining the consent, in writing, of the Landlord. The Tenant will immediately advise the Landlord of the presence of, and will do all things necessary to remove, any dangerous condition from time to time existing on the Premises, the Building, or the Land, and arising as a result of the act or omission of the Tenant or any person for whom the Tenant is, at law, responsible.

**7.2 Common Areas and Facilities**

(a) The use and occupation of the Premises by the Tenant will include the non-exclusive licence to use, in common with others so entitled, the Common Areas and Facilities, subject to this Lease and to the exclusive control, management, and direction of the Landlord. The Landlord hereby grants to the Tenant:

(i) *[if there is an Easement Area cross-hatched on the plan attached as Schedule A:]* an easement, appurtenant to and for the benefit of the Premises, during the subsisting Term and any renewal or extension of it, in common with the Landlord, to enter on the Easement Area with or without vehicles and equipment, to pass and repass over the Easement Area with or without vehicles and equipment, and to use the Easement Area for the purpose of storage and distribution of materials and products used in connection with the business carried on by the Tenant in the Premises, provided however that the use of the Easement Area by the Landlord will not interfere with the use of the Easement Area by the Tenant; and

(ii) a non-exclusive licence, during the subsisting Term and any renewal or extension of it, in common with all others so entitled, to pass, with or without vehicles, over those areas of the Land as the Landlord may from time to time designate in writing, and to use, for the parking of motor vehicles, those parking spaces on the Land as the Landlord may from time to time designate in writing for the use of the Tenant,

provided however that the easement and licence granted in this Section will be subject to Article 2 of this Lease. Notwithstanding the foregoing grant of easement and licence by the Landlord to the Tenant, the Landlord will have the right to alter the location and size of the Easement Area and the areas that are the subject of the specified licence, provided that reasonable access to the Premises is provided to the Tenant and the size and convenience of the Easement Area are not materially adversely affected.

(b) The Common Areas and Facilities will at all times be subject to the exclusive control and management of the Landlord and will be provided or designated by the Landlord from time to time for the general use by or for the benefit of the Tenant and its employees, invitees, and licensees in common with the other tenants of the Landlord and such others as may be designated by the Landlord. The Landlord has the right from time to time to establish, modify, and enforce rules and regulations with respect to the Common Areas and Facilities, including those related to their use, maintenance, and operation, and the rules and regulations in all respects will be observed and performed by the Tenant and the employees, invitees, and licensees of the Tenant. The Landlord has the right to change the area, level, location, and arrangement of the Common Areas and Facilities and to enter into, modify, and terminate easements and agreements pertaining to the use and maintenance of them, and to police the Common Areas and Facilities and to close all or any portion of them to such an extent as may in the reasonable opinion of the Landlord be legally sufficient to prevent the accrual or creation of rights to any person or the public in them, and to do and perform such other acts and things in and to the Common Areas and Facilities as the Landlord, acting reasonably, considers advisable.

(c) The Tenant covenants that it will and will cause its employees, licensees, and invitees to observe all regulations made by the Landlord from time to time with respect to parking on those portions of the Land provided for that purpose, and that the Tenant will supply automobile licence numbers of its employees to the Landlord upon request. In particular, the Landlord reserves the right to remove any automobile infringing regulations made by the Landlord with respect to parking from time to time, such removal to be at the risk and expense of the Tenant.

(d) It is understood and agreed that notwithstanding anything in this Lease to the contrary, the Landlord will have the right at all times and from time to time throughout the Term and any renewal or extension to:

(i) change the area, size, or arrangement of the Building and the Land and any part of them including the Common Areas and Facilities;

(ii) construct other buildings, structures, or improvements on the Land and make alterations or re-arrangements of them, additions to them, demolish parts of them, build additional stories on the Building (and for such purposes to construct and erect columns and support facilities in the Building), and construct additional buildings or facilities adjoining or proximate to the Building;

(iii) relocate or rearrange or make changes or additions to the Common Areas and Facilities from those existing at the Commencement Date in order to facilitate expansion or alteration of the Building;

(iv) add additional lands to the Land;

(v) grant new easements and rights-of-way in favour of other tenants or others; and

(vi) temporarily obstruct or close off the Common Areas and Facilities or any parts of them for the purposes of maintenance, repair, or construction,

provided however that the Landlord will use commercially reasonable efforts not to unreasonably interfere with the use and enjoyment of the Premises beyond the extent necessarily incidental to such changes, additions, and installations, and will make good any physical damage to the Premises arising in the course of such changes, additions, and installations. The Landlord agrees to use its commercially reasonable efforts to complete all construction, alterations, maintenance, and repairs as expeditiously as possible under the circumstances.

(e) The Tenant will not have any right to object to or any right to any claim of damages, compensation, or other sums whatsoever, or any right of set-off or reduction of the Rent as a result of or on account of any exercise of the Landlord’s rights under Sections 7.2(b) and 7.2(d). It is further understood and agreed that the exercise by the Landlord of its rights under Sections 7.2(b) and 7.2(d) will not be deemed to be constructive or actual eviction of the Tenant, or a breach of any covenant of quiet enjoyment or other covenant contained in this Lease.

**7.3 Compliance with Laws**

The Tenant will do, observe, and perform all of its obligations and all matters and things necessary or expedient to be done, observed, or performed by the Tenant by virtue of any law, statute, bylaw, ordinance, regulation, or lawful requirements of any government authority or any public utility lawfully acting under statutory authority, and all demands and notices in pursuance of them whether given to the Tenant or the Landlord and in any manner or degree affecting the exercise or fulfilment of any right or obligation arising under or as a result of this Lease and affecting the Premises and the use of them by the Tenant. If any such demand or notice is given, lawfully requiring the execution of works by reason of anything done, omitted, or permitted by the Tenant, then:

(a) if such notice is given to the Tenant, the Tenant will promptly deliver it or a true copy of it to the Landlord and the Tenant will promptly execute, at its own expense, to the satisfaction of the Landlord and the person giving such notice, all such works as the Landlord may approve in writing in order to comply with the requirements of that notice; and

(b) if such notice is given to the Landlord, the Landlord will notify the Tenant and thereupon the Tenant will promptly execute, at its own expense, to the satisfaction of the Landlord and the person giving such notice, all such works as the Landlord and the person giving such notice may require in order to comply with the requirements of the notice.

Notwithstanding the foregoing, the Landlord will have the right to execute any such works and the Tenant will give to the Landlord all necessary access to the Premises and other facilities for such purpose and the Tenant will, on demand by the Landlord, pay to the Landlord all costs and expenses incurred by the Landlord in executing and performing any and all such works.

**8. INDEMNITY AND INSURANCE**

**8.1 Tenant’s Insurance**

(a) The Tenant will, at its sole cost and expense during the Term and during such other period of time that the Tenant occupies the Premises, take out and maintain in full force and effect, the following:

(i) “all risks” insurance upon all merchandise, stock-in-trade, furniture, fixtures, equipment, Leasehold Improvements, and other property of every kind and description located at the Premises, owned by, or made or installed by or on behalf of the Tenant and any sub-tenant or licensee or for which the Tenant is responsible or legally liable, in an amount at least equal to the full insurable value of them, calculated on a stated amount co-insurance and replacement cost basis;

(ii) automobile liability insurance to a limit of liability of not less than $*[2,000,000]* in any one accident, covering all licensed motor vehicles owned by the Tenant and used in connection with its and its licensee’s or sub-tenant’s business carried on from the Premises;

(iii) commercial general liability insurance applying to the operations of the Tenant and its licensee or sub-tenant carried on from the Premises and that will include, without limitation, personal injury liability, product liability, contractual liability, non-owned automobile liability, and protective liability coverage with respect to the occupancy of the Premises by the Tenant; and such insurance will be written for an amount of not less than $*[5,000,000]* per occurrence, or such higher amount as the Landlord may from time to time reasonably require;

(iv) tenant’s all-risks legal liability insurance in an amount not less than the replacement cost of the Premises;

(v) broad form comprehensive boiler and machinery insurance on all boilers and pressure vessels in the Premises;

(vi) business interruption insurance in such amounts as will reimburse the Tenant for direct or indirect loss of earnings attributable to all perils required to be insured against by the Tenant under this Lease; and

(vii) any other form or forms of insurance as the Landlord may reasonably require from time to time in amounts and for perils against which a prudent tenant acting reasonably would protect itself in similar circumstances.

(b) All policies of insurance referred to in this Section 8.1 will include the following provisions:

(i) the policies will not be affected or invalidated by any act, omission, or negligence of any person that is not within the knowledge or control of the insured under this Lease;

(ii) subject to Section 10.1(b), all property damage policies written on behalf of the Tenant will contain a waiver of any subrogation rights that the Tenant’s insurers may have against the Landlord and against those for whom the Landlord is, in law, responsible, whether any insured loss or damage is caused by the act, omission, or negligence of the Landlord, or by those for whose acts the Landlord is, in law, responsible, or otherwise;

(iii) all policies of liability insurance will include the Landlord and any persons, firms, or corporations affiliated with the Landlord and designated by the Landlord as additional insureds and will provide that each person, firm, or corporation insured under such policies will be insured in the same manner and to the same extent as if separate policies had been issued to each;

(iv) all property and boiler and machinery insurance policies will name the Landlord as loss payee, as its interest may appear; and

(v) all policies will contain an undertaking by the insurers to give the Landlord not less than 30 days’ prior written notice of any cancellation or other termination of it, or any change that restricts or reduces the coverage afforded by it.

(c) The Tenant agrees that certificates of insurance or, if required by the Landlord or any of the Landlord’s Mortgagees, certified copies of each policy will be delivered to the Landlord for the Landlord’s review and approval as soon as is practicable after the placing of them. The Tenant will, when required by the Landlord, promptly provide to the Landlord evidence that all premiums for all insurance policies have been paid.

(d) For good and valuable consideration, and subject to Section 8.5, the Tenant hereby releases and relieves the Landlord and those persons for whom the Landlord is, in law, responsible, from liability and responsibility for, and waives its entire claim for recovery of any loss or damage whatsoever arising out of or incident to, the occurrence of any of the perils covered by, or that would be covered by, the insurance policies that the Tenant is obligated to obtain and maintain in force under the terms of this Lease.

(e) The Tenant will not do or permit anything to be done upon the Premises whereby any policy of insurance against loss or damage to the Premises or against legal liability for damage to persons or property caused by the ownership, maintenance, use, or occupancy of the Premises, the Land, or the Building, or by reasons of the conduct of any business carried on them, may be invalidated; and for such purpose, upon receipt of notice in writing from any insurer of the Premises, the Land, or the Building requiring the execution of works or a discontinuance of any operations in order to correct such situation, the Tenant will comply with it.

(f) The Tenant agrees that if the Tenant fails to take out or keep in force any insurance coverage referred to in this Section 8.1, or if any such insurance is not approved by the Landlord and the Landlord’s Mortgagees, and the Tenant does not rectify the situation within 72 hours after written notice by the Landlord to the Tenant specifying the Landlord’s objections, then the Landlord will have the right, without assuming any obligation in connection with it, to effect such insurance coverage and will have the right to recover all costs and premiums incurred in effecting such insurance coverage from the Tenant pursuant to Section 8.1.

**8.2 Indemnify Landlord**

The Tenant will indemnify and save harmless the Landlord from and against any and all manner of actions or causes of action, damages, costs, loss, or expenses of whatever kind (including without limitation legal fees on a full indemnity basis) that the Landlord may sustain, incur, or be put to by reason of or arising out of any act or omission of the Tenant or any persons for whom the Tenant is, at law, responsible, or from the use or occupation of the Premises, the Land, or the Building, in whole or in part and, without limiting the generality of the foregoing, from the non-observance or non-performance by the Tenant or any persons for whom the Tenant is, at law, responsible of any of the obligations imposed under the provisions of any laws, ordinances, regulations, or requirements of any federal, provincial, municipal, or other authority, or any of the covenants, agreements, terms, conditions, and provisos contained in this Lease to be observed and performed by the Tenant; and such liability to indemnify and save harmless will survive any termination of this Lease and the expiry of the Term or any renewal or extension of it, anything in this Lease to the contrary notwithstanding.

**8.3 Landlord’s Insurance**

(a) The Landlord will, during the Term and any renewal or extension of it, take out and maintain in full force and effect insurance against all risks of physical loss or damage to the Building, and such fixtures and improvements as the Landlord will determine, including the perils of flood and earthquake and including gross rental value insurance, in amounts equal to the full insurable value of it calculated on a replacement cost basis, and subject to such deductibles as the Landlord may reasonably determine. Provided however that the full insurable value will not include, and the insurance will not cover, any property of the Tenant, whether owned by the Tenant or held by it in any capacity, or Leasehold Improvements or any other property of whatsoever kind and description located at the Premises whether made or installed by or on behalf of the Tenant. The Landlord will, upon 30 days’ written notice from the Tenant, advise the Tenant of the amount of the deductible referred to in this Section.

(b) The Landlord will, upon written request by the Tenant, provide the Tenant with evidence from time to time that such insurance has been effected.

(c) The Landlord may, but will not be obligated to, take out and carry any other form or forms of insurance as the Landlord or the Landlord’s Mortgagees may consider advisable or beneficial, including, without limiting the foregoing, commercial general liability insurance and boiler and machinery insurance.

(d) Notwithstanding any contribution by the Tenant to any Insurance Costs as provided for in this Lease, no insurable interest will be conferred upon the Tenant under policies carried by the Landlord.

**8.4 Increase in Insurance Costs**

The Tenant will not keep or use in the Premises any article that may be prohibited by any fire or other insurance policy in force from time to time covering the Premises, the Easement Area, or the Building. If:

(a) the conduct of business in, or use or manner of use of, the Premises or the Easement Area; or

(b) any acts or omissions of the Tenant (or of those for whom it is responsible in law),

causes or results in any increases in the Insurance Costs, the Tenant will pay any such increase.

**8.5 Limitation of Liability of Landlord**

(a) The Landlord will not be liable for any personal injury, death, or property loss or damage sustained by the Tenant or its employees, agents, sublessees, licensees, or those doing business with it on the Premises, in the Building, or on the Land, no matter how caused, except to the extent caused by the negligence of the Landlord or those persons for whom the Landlord is, in law, responsible, and the Tenant:

(i) will indemnify the Landlord against all actions or liabilities arising out of such personal injury, death, or property damage or loss, except to the extent caused by the negligence of the Landlord or those persons for whom the Landlord is, in law, responsible; and

(ii) hereby releases the Landlord and its officers, agents, and employees from all claims for damages or other expenses arising out of such personal injury, death, or property loss or damage, except to the extent caused by the negligence of the Landlord or those persons for whom the Landlord is, in law, responsible.

(b) Notwithstanding the foregoing and regardless of the negligence of the Landlord or those persons for whom the Landlord is, in law, responsible, the Landlord will not be liable for any personal injury, death, or property loss or damage sustained by the Tenant or its employees, agents, sublessees, licensees, or invitees on the Premises, in the Building, or on the Land caused by theft or breakage or by steam, water, rain, snow, radioactive materials, microwaves, deleterious substances, gases, pollutants, or any other materials or substances that may leak into, or issue or flow from any neighbouring lands or adjacent premises, or from the water, steam, or drainage pipes or plumbing works of the same or from any place, or any loss or damage caused by or attributable to the condition or arrangements of any electric or other wiring, or any damage caused or anything done or omitted to be done by any other tenant or occupant of the Land; and the Tenant:

(i) will indemnify the Landlord against all actions or liabilities arising out of such personal injury, death, or property damage or loss; and

(ii) hereby releases the Landlord and its officers, agents, and employees from all claims for damages or other expenses arising out of such personal injury, death, or property loss or damage.

**9. MAINTENANCE, REPAIRS, AND ALTERATIONS**

**9.1 Repair by Tenant**

The Tenant will, at all times during the Term and any renewal or extension of it and at its own expense, promptly repair, decorate, clean, renew, and maintain the Premises and the Easement Area in a reasonable operating condition, excluding repairs required by reasonable wear and tear, but including, without limiting the foregoing, the interior walls, and the floor of the Premises, and all other fixtures, machinery, facilities, equipment, and appurtenances installed by the Tenant or installed by the Landlord as part of the Building and directly servicing the Premises or any part of them and not comprising part of the Common Areas and Facilities. The Tenant will give notice to the Landlord of any accidents, damage, nuisance, obstructions, or required repairs in and to the Premises, the Building, or the Easement Area within 24 hours of the Tenant’s knowledge of them. The Tenant will also heat the Premises in a reasonable manner so as to prevent any damage to them by reason of frost or moisture. At the end or sooner termination of the Term or any renewal or extension of it the Tenant will yield up to the Landlord, without notice from the Landlord, the Premises and Easement Area including all fixtures, repaired, decorated, paved, cleaned, renewed, and maintained in the condition required under this Lease. Without limiting the generality of the foregoing, the Tenant will repaint the interior of the Premises that the Landlord may from time to time require to be repainted, such repainting to be done by the Tenant during every *[fifth]* year of the Term and any renewal or extension of it and also during the earlier of:

(a) the last year of the Term or any renewal or extension of it; or

(b) the *[30]*-day period immediately following the termination or surrender of this Lease.

All repainting will be in accordance with reasonable specifications approved by the Landlord and will be completed to the reasonable satisfaction of the Landlord.

**9.2 Repair on Notice**

(a) The Tenant will permit the Landlord and its duly authorized agents or nominees, with or without workers and others, at all reasonable times to enter upon the Premises for the purpose of examining the state of repair, condition, and use of them, and will permit such entry after the Landlord has given 24 hours’ notice in writing to the Tenant of such intended entry and examination, or without notice in the event of an emergency or a perceived emergency, and in every case the Tenant will give the Landlord all aid and facilities in such entry and examination, and upon notice in writing of defect or want of repair being given by the Landlord to the Tenant, to cause them to be repaired, as required by Section 9.1, within *[30]* days from the date of the giving of such notice by the Landlord. If the Tenant at any time defaults in the performance or observance of any of the covenants in this Lease for or relating to the repair, maintenance, cleaning, renewal, or decoration of the Premises or any part of them and such default continues for *[30]* days after notice in writing from the Landlord of default in respect of repair, maintenance, cleaning, renewal, or decoration of the Premises, then the Tenant will permit the Landlord and its duly authorized agents and nominees, with or without workers and others, and without prejudice to the Landlord’s right of re-entry, to enter into and upon the Premises and repair, decorate, clean, renew, and maintain them at the expense of the Tenant; and the Tenant will give the Landlord all aid and facilities in doing or causing them to be done and will repay to the Landlord on demand all costs and expenses in respect of such repairs, maintenance, cleaning, renewal, and decoration as provided.

(b) The Tenant will pay to the Landlord administration charges of the Landlord in the sum of *[15]%* of the total cost of any work specifically completed by the Landlord on behalf of the Tenant, such work being deemed to be the responsibility of the Tenant.

**9.3 Business and Trade Fixtures**

The Tenant may install its usual business and trade fixtures in the usual manner in the Premises, provided such installation does not affect the structural elements or operating systems and facilities of the Premises or the Building and provided further that the Tenant has submitted to the Landlord plans and specifications for such business and trade fixtures and obtained the prior written consent of the Landlord to them, which consent will not be unreasonably withheld. The Tenant will not mortgage, charge, encumber, or grant a security interest in its business and trade fixtures installed in or on the Premises without the prior written consent of the Landlord, which consent *[may/may not]* be unreasonably withheld. All business and trade fixtures owned or installed by the Tenant in or on the Premises will remain the property of the Tenant and will be removed by the Tenant at the expiration of the Term or any renewal or extension of it or at the sooner termination of it, provided that the Tenant at its expense will repair any damage to the Premises, the Land, or the Building caused by such removal. Such removal by the Tenant will be permitted provided that the Tenant is not in default under any covenant or agreement in this Lease at the time of such removal; and if in default, the Landlord will have a lien on the Tenant’s business and trade fixtures as security against loss or damage resulting from any such default by the Tenant, and the Tenant’s business and trade fixtures will not be removed by the Tenant until such default is cured, unless otherwise directed by the Landlord. The Landlord may elect to require the Tenant to remove all or any part of the business and trade fixtures owned or installed by or on behalf of the Tenant at the expiration or termination of the Term or any renewal or extension of it, in which event such removal will be done at the Tenant’s expense and the Tenant will, at its expense, repair any damage to the Premises, the Building, and the Land caused by such removal. If the Tenant does not remove its business and trade fixtures promptly after written demand by the Landlord, such property will, if the Landlord elects, be deemed to become the Landlord’s property or the Landlord may remove it at the expense of the Tenant and the cost of such removal will be paid by the Tenant promptly to the Landlord on written demand, and the Landlord will not be responsible for any loss or damage to such property as a result of such removal.

**9.4 Alterations and Additions**

The Tenant will not remove, alter, or change the position or style of, or add to, the Premises or any part of them, or make any excavations on the Land, without in any and every such case having first submitted plans and specifications of the proposal to the Landlord and having obtained the prior written consent of the Landlord to it, and, unless otherwise provided by such consent, all such alterations, additions, erections, or excavations will be done either by or under the direction of the Landlord, as the Landlord may determine, but at the cost of the Tenant. All work will be done in a good and workerly manner by contractors or tradespeople approved in writing by the Landlord. The Tenant will pay to and reimburse the Landlord promptly on demand for all costs and expenses incurred by the Landlord in the review and approval of any plans and specifications by the Landlord’s architects and engineers. The Tenant will obtain and pay for all required building and occupancy permits in respect of its work as aforesaid. The Tenant will, at its own cost and expense, take out or cause to be taken out any additional insurance coverage reasonably required by the Landlord to protect the respective interests of the Landlord and the Tenant during all periods when any such work is being performed.

**9.5 Leasehold Improvements**

Any and all Leasehold Improvements, but not the Tenant’s business and trade fixtures in or upon the Premises, whether placed there by the Tenant or the Landlord or a previous occupant of the Premises, will immediately upon such placement become, and will thereafter remain, the property of the Landlord without compensation to the Tenant. Notwithstanding anything in this Lease, the Landlord will be under no obligation to repair, maintain, replace, or insure the Leasehold Improvements. The Landlord may elect that any or all Leasehold Improvements made or installed by or on behalf of the Tenant under this Lease, or under the provisions of any previous lease to the Tenant, be removed at the expiry or earlier termination of the Term or any renewal or extension of it, and it will be the Tenant’s obligation to restore the Premises to the condition in which they were prior to the installation of the Leasehold Improvements. Such removal and restoration will be at the sole expense of the Tenant. The Tenant will not mortgage, charge, encumber, or grant any security interest in any Leasehold Improvements made or installed by or on behalf of the Tenant.

**9.6 Landlord’s Repairs**

Subject to Sections 4.1, 4.2, 5.2, 9.1, and Article 10, the Landlord will repair and maintain the Land and the Building, including without limitation the Common Areas and Facilities.

**9.7 Premises Accepted “As Is”**

The Tenant acknowledges that it has had an opportunity to inspect the Premises, and accepts the Premises in their “as is” condition, and agrees that the Landlord has made no representation, warranty, or agreement with respect to the Premises, except as may be otherwise expressly provided in this Lease.

**10. DAMAGE, DESTRUCTION, OR EXPROPRIATION OF THE PREMISES**

**10.1 Damage and Destruction**

(a) If the Premises are damaged by fire or other casualty that renders all of the Premises or a substantial area of the Premises unusable by the Tenant and materially adversely affects the business carried on by the Tenant on the Premises, then the Annual Basic Rent will from and after the date of the damage abate in the same proportion as such unusable area of the Premises bears to the total Area of the Premises, and such abatement will continue until the Landlord has completed its repairs under Section 10.1(b) or until this Lease is terminated, whichever first occurs.

(b) Except as provided in Section 10.1(c), if the Premises are damaged by fire or other casualty not caused by the negligence of the Tenant or those for whom it is responsible in law, and the damage is covered by insurance held by the Landlord under this Lease, then the damage to the Premises will be repaired by the Landlord at its expense, provided that the Tenant will, to the limits of insurance it ought to have received under the terms of this Lease, be responsible for any costs in excess of insurance proceeds received. The Tenant will, at its expense, repair all Leasehold Improvements and any installations, alterations, additions, partitions, improvements, and fixtures made by or on behalf of the Tenant and all damage caused by its negligence or the negligence of those for whom it is responsible in law. At the option of the Landlord, such repairs will be performed by the Landlord at the expense of the Tenant if the Landlord considers that this would be more efficient and cost-effective. All repairs the Landlord is required to make under this Section will be made with due diligence, provided that the Landlord will not be liable to the Tenant for any loss or damage suffered by the Tenant as a result of any delay that may arise by reason of adjustment of insurance on the part of the Landlord or on account of the circumstances described in Section 16.7.

(c) If, in the Landlord’s opinion, the Building is damaged by fire or other casualty to the extent that it cannot reasonably be repaired or rebuilt within *[180]* days after the occurrence of such damage, and if the Landlord consequently decides not to restore the same, then the Landlord will, within *[15]* business days after the happening of such fire or other casualty, give to the Tenant a notice in writing of such decision and thereupon the Term and any renewal or extension of this Lease will expire effective the *[15th]* business day following the occurrence of the damage, and the Tenant will vacate the Premises and the Easement Area and surrender the Premises and the Easement Area to the Landlord, and all rights of the Tenant under this Lease will cease and determine within *[two]* business days following the effective date of termination. If the Building is damaged as described and the Landlord does not give notice as provided, then the Landlord will diligently proceed to repair or rebuild the Building in accordance with Section 10.1(b). If such repair or rebuilding is not completed and available for occupation by the Tenant within *[240]* days from the time of the fire or other casualty causing the damage, the Tenant may at its option, to be exercised within *[10]* days of the termination of the period of *[240]* days (or the termination of such later period as extended by Section 16.7) by notice in writing, terminate this Lease and all of the rights of the Tenant under it, and the Tenant will then have no further liability for Rent in respect of any period after the date of termination.

**10.2 Expropriation**

If the whole of the Premises is acquired or condemned by an authority having the power for such acquisition or condemnation, then the Term and any renewal or extension of it will cease from the date of entry by such authority. Nothing in this Lease will prevent the Landlord or the Tenant or both from recovering damages from such authority for the value of their respective interests or for such other damages and expenses allowed by law.

**11. ASSIGNMENT AND SUBLETTING**

**11.1 Assignment and Subletting**

(a) The Tenant will not make, grant, execute, enter into, consent to, or permit any Transfer without the prior written consent of the Landlord, such consent not to be unreasonably withheld. In the event that the Tenant desires to make, grant, execute, enter into, consent to, or permit any Transfer then the Tenant will give prior written notice to the Landlord of such desire, specifying in the notice the proposed Transferee and providing to the Landlord such information on the nature of the business of the proposed Transferee, together with its financial responsibility and standing, as the Landlord may reasonably require, together with the terms and conditions of the proposed Transfer. The Tenant will also deliver to the Landlord a copy of the Transfer intended to be executed by the Tenant and the Transferee, together with the Landlord’s required administration fee. The Landlord will, within *[10]* business days thereafter, notify the Tenant in writing that:

(i) it consents to such Transfer; or

(ii) that it does not consent to such Transfer, in which event the Landlord must advise the Tenant of its reason for not consenting; or

(iii) that it has elected to terminate the Lease as provided in Section 11.1(f).

(b) Provided always and notwithstanding Section 11.1(a), the Landlord’s consent to a Transfer does not constitute a waiver of the necessity for the Tenant to obtain the prior written consent of the Landlord to any subsequent Transfer, and no Transfer will in any manner release the Tenant from its obligations for the payment of the Rent and the observance and performance of the covenants, terms, and conditions provided in this Lease during the Term and any renewal or extension of the Term.

(c) Upon the initial request for a Transfer together with receipt from the Tenant of the administration fee and undertaking required in Section 11.1(d), and provided that the Landlord does not withhold its consent to such Transfer, the Landlord will provide to the Tenant its standard-form written agreement pertaining to Transfers. The Tenant will require each Transferee, at the time of any Transfer, to execute and deliver the Landlord’s standard-form written agreement between the Tenant, the Landlord, and the Transferee wherein the Transferee agrees to observe and perform all of the covenants, agreements, provisos, terms, and conditions of this Lease, and wherein the Tenant acknowledges and agrees that it will continue to be liable under this Lease during the Term and any renewal or extension of the Term. If either the Tenant or the Transferee fails to execute and deliver the standard-form written agreement then the Landlord will have the right to refuse to grant its consent to such Transfer, or, where such consent is not required, the Transfer will not be effective until the standard-form written agreement is executed and delivered by the Tenant and the Transferee. Without in any way restricting the generality of the Landlord’s right to refuse consent to any Transfer, the Landlord will have the right to refuse to consent to any Transfer if the Lease is not in good standing.

(d) The Tenant will, together with its initial request to the Landlord for consent to any Transfer, pay to the Landlord an administration fee of a minimum of *[amount]* or such other greater fee as the Landlord may reasonably charge from time to time, and the Tenant will also undertake to reimburse to the Landlord any solicitors’ fees on a full indemnity basis and any other costs, charges, and expenses that may be incurred by the Landlord in connection with the Tenant’s request for consent to any Transfer.

(e) If the Tenant is a corporation or if the Transferee is a corporation, and, at any time during the Term or any renewal or extension of it, any or all of the corporate shares or voting rights of shareholders of the Tenant or the Transferee are transferred by sale, assignment, bequest, inheritance, trust, operation of law, or other disposition, or treasury shares be issued, so as to result in the control of the Tenant or the Transferee having changed from one person or group of persons to another person or group of persons without the prior written consent of the Landlord, which consent will not be unreasonably withheld, then, and so often as such a change of control occurs, the Landlord will have the right to terminate this Lease at any time after such change of control by giving the Tenant *[60]* days’ prior written notice of such termination. The Tenant will, upon request by the Landlord, make available to the Landlord from time to time for inspection and copying all books and records of the Tenant that alone or with other data show the applicability or otherwise of this Section. This Section will not be applicable to any transfer of shares that are listed on a security exchange regulated by government authority.

(f) Provided further that after receiving any request for a Transfer, the Landlord will have the right, at its option and despite any provision of this Lease or any statutory provision or other law to the contrary, to terminate this Lease by giving, within *[10]* days after receiving the required information, notice that the Lease will be terminated effective as of the commencement date of the proposed Transfer, or earlier if mutually agreed to by the Landlord and the Tenant. In the event of such termination the Rent and other payments required to be made by the Tenant under this Lease will be adjusted to the date of termination.

**12. DEFAULT**

**12.1 Payments by Landlord Regarded as Rent**

If the Tenant fails to observe or perform any of the covenants or obligations of the Tenant under or in respect of this Lease, the Landlord may from time to time at its discretion perform or cause to be performed any of such covenants or obligations or any part of them, and for such purpose may do such things as may be required, and may enter upon the Premises to do such things; and all costs and expenses incurred and expenditures made by or on behalf of the Landlord will be paid promptly by the Tenant to the Landlord. If the Tenant fails to pay, the Landlord may add the costs and expenses to the Rent and recover them by all remedies available to the Landlord for the recovery of Rent in arrears. Nothing in this Section 12.1 will require the Landlord to directly or indirectly commence or complete such performance of the Tenant’s covenants or obligations. If the Landlord incurs any damage, loss, cost, or expense whatsoever for which the Tenant is in any way liable under this Lease, by reason of any failure of the Tenant to observe or comply with any of the covenants or agreements of the Tenant in this Lease, then in every such case the amount of any such damage, loss, cost, or expense will be due and payable by the Tenant to the Landlord on demand by the Landlord and the Landlord will have the right at its option to add the cost or amount of any such damage, loss, cost, or expense to the Rent, and any such amount will immediately be due and payable as Rent and recoverable by the Landlord by all remedies available to the Landlord for the recovery of Rent in arrears.

**12.2 Re-entry on Default**

The Tenant further covenants with the Landlord that in the event of the breach, non-observance, or non-performance of any covenant, agreement, stipulation, proviso, condition, rule, or regulation required by the Tenant to be kept, performed, or observed under this Lease, and any such breach, non-observance, or non-performance continues for *[seven]* days after written notice of it to the Tenant by the Landlord, or, notwithstanding the foregoing, if any payments of the Rent or any part of them, whether they are demanded or not, are not paid when they become due, or in case the Term will be taken in execution or attachment for any cause whatsoever, then and in any such case the Landlord, in addition to any other remedy now or hereafter provided, may re-enter and take possession immediately of the Premises or any part of them in the name of the whole, and may use such reasonable force and assistance in making such removal as the Landlord may deem advisable to recover at once full and exclusive possession of the Premises and the Easement Area; and such re-entry will not operate as a waiver or satisfaction in whole or in part of any right, claim, or demand arising out of or connected with any breach, non-observance, or non-performance of any covenant or agreement of the Tenant.

**12.3 Bankruptcy or Insolvency of Tenant**

(a) If, during the Term or any renewal or extension of it, any of the goods and chattels of the Tenant are seized or taken in attachment by any creditor of the Tenant, or if a writ of execution, sequestration, or extent issues against the goods and chattels of the Tenant, or if any petition or other application is presented to any court of competent jurisdiction for the dissolution, liquidation, or winding-up of the Tenant or for the appointment of a receiver or receiver and manager, or if the Tenant becomes bankrupt or insolvent or takes the benefit of any statute now or hereafter in force for bankrupt or insolvent debtors, or if the Premises are used for any purpose other than permitted by Section 7.1 without the prior written consent of the Landlord, or if the Tenant makes an assignment for the benefit of creditors or makes any sale or other disposition of all or substantially all of its goods and chattels (except incidental to its amalgamation with any other company), then and in every case the Tenant will be, and be deemed to be, in default under this Lease; the then-current and the next ensuing three months’ Annual Basic Rent and Additional Rent (to be determined for the current year at rates estimated by the Landlord acting reasonably) and any additional money owing under this Lease will immediately become due and payable; the Landlord may re-enter and take possession of the Premises and the Easement Area or any part of them in the name of the whole, and have again, repossess, and enjoy the Premises and the Easement Area in its former estate, anything in this Lease to the contrary notwithstanding, as though the Tenant were holding over after the expiration of the Term; and the Term and any renewal or extension of it will, at the option of the Landlord, immediately become forfeited and determined and the then-current and the next ensuing three months’ Annual Basic Rent, the Additional Rent (to be determined for the current year at rates estimated by the Landlord acting reasonably), and any additional money owing under this Lease will be recoverable by the Landlord as if it were Rent in arrears, but the Tenant will remain liable under this Lease.

(b) The Tenant acknowledges and agrees that *[unless it receives the prior written consent of the Landlord,]* under no circumstances will it file any notice of termination, repudiation, resiliation, or disclaimer seeking to take advantage of s. 65.2 of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3 as amended from time to time and hereby waives any and all rights to do so *[unless it has the prior written consent of the landlord to do so]*. The Tenant agrees that if, in breach of this Section, it files such a notice, the Landlord may, in addition to all of its other remedies, produce and rely on this Section in challenging the validity of the notice in the court proceedings contemplated by s. 65.2 of the *Bankruptcy and Insolvency Act*; and the Landlord may, in those or any other proceedings, apply for injunctive relief or other relief against the Tenant filing the notice.

**12.4 Sale and Reletting**

The Tenant further covenants and agrees that upon the Landlord becoming entitled to re-enter upon the Premises and the Easement Area under any of the provisions of this Lease, the Landlord, in addition to all other rights and remedies, will have the right to enter the Premises and the Easement Area as the agent of the Tenant either by reasonable force or otherwise without being liable for any prosecution, and to relet the Premises and the Easement Area as the agent of the Tenant, and to receive all rent for them, and as agent of the Tenant to take possession of any business and trade fixtures of the Tenant and any goods and property whatsoever on the Premises and the Easement Area, and to sell the same at public or private sale without notice, and to apply the proceeds of such sale and any rent derived from reletting the Premises in payment of the Rent due under this Lease, after deducting its costs of conducting such sale and its costs of reletting; and the Tenant will be liable to the Landlord for any deficiency.

**12.5 Termination**

The Tenant further covenants and agrees that upon the Landlord becoming entitled to re-enter upon the Premises and the Easement Area under any of the provisions of this Lease, the Landlord, in addition to all other rights and remedies, will have the right to immediately terminate this Lease and the Term or any renewal or extension of it and all of the rights of the Tenant under this Lease by giving notice in writing addressed to the Tenant of its intention so to do, and any other payments for which the Tenant is liable under this Lease will be paid and the Tenant will immediately deliver up possession of the Premises to the Landlord and vacate the Easement Area, and the Landlord may re-enter and take possession of the Premises without limitation to its right to claim damages arising from the Tenant’s breach, including without limitation prospective losses and damages arising from the unexpired portion of the Term, based on a present recovery for unpaid future rent and for any other consequential loss, including without limitation losses arising from the Tenant’s failure to carry on business.

**12.6 Distress**

At any time that the Landlord is entitled to levy distress against the goods and chattels of the Tenant, it may use such reasonable force as it may deem necessary for the purpose of gaining admission to the Premises without being liable for any action or for any loss or damage occasioned thereby, and the Tenant hereby expressly releases the Landlord from all actions, proceedings, claims, or demands whatsoever for or on account of or in respect of any such forcible entry or any loss or damage sustained by the Tenant in connection with it. The Tenant waives and renounces the benefit of any present or future statute taking away or limiting the Landlord’s right of distress, and covenants and agrees that, notwithstanding any such statute, none of the goods and chattels of the Tenant on the Premises or the Easement Area at any time during the Term or any renewal or extension of it will be exempt from levy by distress for Rent in arrears. The Tenant covenants and agrees to indemnify and save harmless the Landlord from and against any and all manner of actions or causes of action, damages, costs, loss, or expenses of whatever kind that the Landlord may sustain, incur, or be put to by reason of or arising out of the distress, seizure, or the levy of distress against any goods or chattels on or in the Premises or the Easement Area, whether owned by the Tenant or any other person, and such liability to indemnify and save harmless will survive any termination of this Lease and the expiry of the Term or any renewal or extension of it, anything in this Lease to the contrary notwithstanding.

**12.7 Landlord’s Expenses Enforcing Lease**

If it is necessary for the Landlord to retain the services of any person for the purpose of assisting the Landlord in enforcing any of its rights under this Lease or otherwise available at law, the Landlord will be entitled to collect from the Tenant the cost of all such services including, but not limited to, all charges by any bailiff effecting a distress and all legal fees and disbursements incurred in enforcing the Landlord’s rights under this Lease and in connection with all necessary court proceedings at trial or on appeal on a full indemnity basis, as if they were Rent reserved and in arrears under this Lease.

**12.8 Remedies Cumulative**

No remedy conferred upon or reserved to the Landlord under this Lease, by statute or otherwise, will be considered exclusive of any other remedy, but the remedy will be cumulative and in addition to every other remedy available to the Landlord and all such remedies and powers of the Landlord may be exercised concurrently and from time to time and as often as the Landlord deems expedient.

**13. SUBORDINATION, ATTORNMENT, AND STATUS CERTIFICATE**

**13.1 Provide Financial Information**

Whenever any of the Landlord’s Mortgagees, in connection with any financing of the Land or the Building or any part of them, requires information relating to the financial position of the Tenant, then the Tenant, within *[30]* days after receipt by it of a notice in writing from the Landlord requesting such information, will furnish directly to such Landlord’s Mortgagee copies of the financial statements of profit and loss and surplus or deficit, in respect of each of the *[three]* years immediately preceding the year in which such notice is given. All such information will be used by such Landlord’s Mortgagees in connection with such financing only, and will be supplied to such Landlord’s Mortgagees on the condition that the information be treated on a confidential basis.

**13.2 Subordination**

This Lease is and will be subject, subordinate, and postponed to all Mortgages to the extent that without execution of any document other than this Lease, the Mortgages will have priority over this Lease notwithstanding the respective dates of execution, delivery, or registration of them. Without limiting the generality of the foregoing, the Tenant agrees to promptly execute any document in confirmation of such subordination and postponement of this Lease to any of the Mortgages, provided however that such subordination or postponement will not be effective with respect to a specific Mortgage unless and until the Landlord’s Mortgagee holding such Mortgage confirms in writing to the Tenant that the Tenant has the right, if not in default under this Lease, to remain in possession of the Premises in accordance with the terms of this Lease in the event that such Landlord’s Mortgagee obtains title to the Premises by way of foreclosure or otherwise.

**13.3 Attornment**

Whenever required by any of the Landlord’s Mortgagees under any of the Mortgages, or in the event of an exercise by any of the Landlord’s Mortgagees of the power of sale in any of the Mortgages, the Tenant will attorn to and become, in each case, a tenant of such Landlord’s Mortgagees or any purchaser from such Landlord’s Mortgagee for the then unexpired residue of the Term upon all of the terms and conditions of this Lease.

**13.4 Estoppel Certificate**

The Tenant will at any time and from time to time upon *[10]* days’ prior notice from the Landlord execute and deliver to the Landlord, or the Landlord’s Mortgagees, or a prospective purchaser of the whole or any portion of the Landlord’s interest in the Land or the Building, a statement in writing confirming the terms of this Lease, certifying that this Lease is unmodified and in full force and effect (or, if modified, stating the modifications and that the Lease is in full force and effect as modified), and certifying the amount of the Rent then being paid under this Lease, the dates to which the Rent and other charges under this Lease have been paid, that the Landlord has complied with all the terms of this Lease, that the Premises are acceptable to the Tenant, that the Tenant will not amend, modify, or surrender this Lease ,or make any prepayment of the Rent other than the Rent for the current month, without the prior written consent of the Landlord’s Mortgagees or prospective purchaser, that there are no outstanding set-offs or equities disclosed or undisclosed as between the Landlord and the Tenant, that no money other than a maximum of one month’s Rent in accordance with the provisions of the Lease has been prepaid by the Tenant to the Landlord, that the Tenant is aware of the assignment by the Landlord to the Landlord’s Mortgagees of all Rents under this Lease, and any other matters pertaining to this Lease in respect of which the Landlord may desire certification.

**14. QUIET ENJOYMENT**

If the Tenant pays the Rent and other sums herein provided, and observes and performs all of the terms, covenants, and conditions to be observed and performed on the Tenant’s part, the Tenant is entitled to peaceably and quietly hold and enjoy the Premises without interruption by the Landlord, subject to the terms, covenants, and conditions of this Lease.

**15. TENANT COVENANTS**

**15.1 Signs**

The Tenant will not, at any time, affix or exhibit or permit to be affixed or exhibited upon any part of the Premises or the Easement Area except within the Premises, any Sign, unless such Sign is first approved in writing by the Landlord and such Sign complies at all times with the requirements of any lawful authority having jurisdiction over it. If any Sign no longer complies with the terms of the consent given by the Landlord or the requirements of any lawful authority having jurisdiction over it, then the Landlord, after giving the Tenant *[30]* days’ notice, will have the right at any time to remove any such Sign at the Tenant’s expense; and the costs, charges, and expenses of such removal will promptly be paid by the Tenant to the Landlord. The repair provisions of Sections 9.1 and 9.2 will also apply to the Signs.

**15.2 Garbage**

The Tenant will keep the Premises and the Easement Area, if any, clean and tidy and in good order.

**15.3 Abate Nuisance**

Upon written notice to the Tenant from the Landlord or from any lawful authority having jurisdiction, the Tenant will immediately, at its sole expense, abate any nuisance caused by vibration, noise, or offensive smell, or by any undue emission of smoke, vapour, or dust caused by the Tenant or arising directly or indirectly out of the operations carried on upon the Premises or the Easement Area.

**15.4 Hazardous Substances**

The Tenant will:

(a) not use or permit to be used all or any part of the Premises or the Easement Area for the sale, storage, manufacture, disposal, use, or any other dealing with any Hazardous Substances, without the prior written consent of the Landlord, which may be unreasonably withheld;

(b) strictly comply, and cause any person for whom it is in law responsible to comply, with all Environmental Laws regarding the use and occupancy of the Premises and the Easement Area;

(c) promptly provide to the Landlord a copy of any environmental site assessment, audit, or report relating to the Premises or the Easement Area conducted by or for the Tenant at any time, and, at the Landlord’s request from time to time, obtain from an independent environmental consultant approved by the Landlord an environmental site assessment of the Premises and the Easement Area or an environmental audit of the operations at the Premises and the Easement Area, including any additional investigations as the environmental consultant may recommend;

(d) promptly notify the Landlord in writing of any release of a Hazardous Substance or Hazardous Substances or any other occurrence or condition at the Premises, the Easement Area, or any adjacent property that would contaminate the Premises or the Easement Area or subject the Landlord or the Tenant to any fines, penalties, orders, investigations, or proceedings under Environmental Laws;

(e) on the expiry or earlier termination of this Lease, or at any time if requested by the Landlord or required by any government authority pursuant to Environmental Laws, remove from the Premises and the Easement Area all Hazardous Substances and remediate any contamination of the Premises and the Easement Area or any adjacent property (to the extent permitted by the adjacent property-owner or the requirements of the government authority) resulting from Hazardous Substances, in either case brought onto, used at, or released from the Premises or the Easement Area by the Tenant or any person for whom it is in law responsible. The Tenant will perform these obligations promptly at its own cost and in accordance with Environmental Laws. All such Hazardous Substances will remain the property of the Tenant, notwithstanding any rule of law or other provision of this Lease to the contrary and notwithstanding the degree of their affixation to the Premises or the Easement Area;

(f) indemnify the Landlord and its directors, officers, employees, agents, successors, and assigns from any and all liabilities, actions, damages, claims, losses, costs, fines, penalties, and expenses whatsoever (including all legal and consultants’ fees and expenses, on a full indemnity basis, and the cost of remediation of the Premises, the Easement Area, and any adjacent property) arising from or in connection with:

(i) any breach of or non-compliance with the provisions of this Section 15.4 by the Tenant; or

(ii) any release or alleged release of any Hazardous Substance or Hazardous Substances at or from the Premises or the Easement Area related to or as a result of the use and occupation of the Premises or the Easement Area or any act or omission of the Tenant or any person for whom it is in law responsible.

The obligations of the Tenant under this Section 15.4 will survive the expiry or earlier termination of this Lease.

**15.5 No Excavation**

The Tenant will not excavate, dig, or extract any sand, gravel, earth, or minerals of any description out of the Land.

**15.6 Easements**

The Tenant will not, without the prior written consent of the Landlord, permit any encroachment, right-of-way, easement, or other encumbrance to be made or entered into, against, or upon the Premises or the Land or any part of them.

**15.7 Liens**

The Tenant will use its best efforts to ensure that no claim of lien will be filed in respect of any work that may be carried out by it or on its behalf in the Building or on the Land, and if a claim of lien is filed in respect of any such work the Tenant will take all necessary steps to have the claim of lien cancelled and discharged from the Land and the Building within *[15]* days of the date the Tenant has knowledge of such filing, and the Tenant will indemnify and save harmless the Landlord from any and all loss, cost, expense, damage, and liability in respect of such claim of lien. The Landlord, in addition to any right or remedy, will have the right, but will not be obliged, to discharge any claim of lien from the Land and the Building by paying the amount claimed to be due or by procuring a discharge of such liens by deposit in the appropriate court, and in any such event the Landlord will be entitled, if it so acts, to expedite the prosecution of any action for the enforcement of such claim of lien by the lien claimant and to pay the amount of the judgment, if any, in favour of the lien claimant with interest and costs. In any such event the Tenant will promptly pay to and reimburse the Landlord for all money expended by the Landlord and all costs and expenses incurred by the Landlord.

**15.8 Registered Charges**

The Tenant will pay all money owed by it under any security interest or other charge registered or filed against the Land or the Building, and immediately upon all of the payments having been made, the Tenant will obtain a release or other appropriate document of discharge and will register the same at its own expense in the proper land title office or other appropriate office of public record as the Landlord may require to discharge the same from the title to the Land and the Building.

**15.9 Exhibit Premises**

The Tenant will permit the Landlord to exhibit the Premises and the Easement Area to:

(a) prospective tenants or subtenants during the *[nine]*-month period prior to the Expiry Date or the date of expiration of any renewal or extension of the Term; and

(b) the Landlord’s Mortgagees and prospective mortgagees and any prospective purchaser of the whole or any part of the Landlord’s interest in the Premises,

and for such purposes the Landlord may place upon the Premises a sign or notice stating that the Premises are for rent or for sale, and the Landlord will have the right of entry to the Premises at any reasonable time, and the Tenant at its option may have a servant or agent present at the time of such entry.

**15.10 No Auctions**

The Tenant will not permit any sale by auction or any fire sale, bankruptcy sale, moving sale, going-out-of-business sale, or bulk sale to be held upon the Premises or the Land or any part of them.

**15.11 Entry for Benefit of Adjoining Premises**

The Tenant will permit the Landlord, its agents, workers, and other persons authorized by the Landlord, and the tenants of any adjoining or neighbouring premises and their respective agents and workers, to enter upon the Premises at all reasonable times so far as may be necessary or useful in order to construct, examine, repair, or rebuild any adjoining or neighbouring premises or for any other reasonable purpose, provided that the Landlord will make good all damage occasioned by the exercise of such rights by the Landlord, its agents, workers, and any other persons authorized by the Landlord. Insofar as any tenant of any adjoining or neighbouring premises and its respective agents and workers are concerned, no such rights will be exercisable until such tenant and its agents and workers have covenanted with the Tenant to make good all damage occasioned by the exercise of such rights by that tenant and its respective agents and workers. A representative of the Tenant will be entitled to accompany any person entering upon the Premises pursuant to this Section.

**16. MISCELLANEOUS**

**16.1 Registration of Lease**

The Landlord will have no obligation to execute and deliver this Lease in registrable form.

**16.2 No Warranties**

The Tenant acknowledges and agrees that no representations, warranties, agreements, or conditions have been made other than those expressed in this Lease, and that no agreement collateral to this Lease will be binding upon the Landlord unless it be made in writing and duly executed on behalf of the Landlord.

The Landlord will have no obligation to execute and deliver this Lease in registrable form.

**16.3 No Waiver**

(a) The failure of the Landlord to exercise any right or option in connection with any breach or violation of any term, covenant, or condition to this Lease will not be deemed to be a waiver or relinquishment of such term, covenant, or condition nor of any subsequent breach of it or any other term, covenant, or condition in this Lease. The subsequent acceptance of the Rent or any portion under this Lease by the Landlord will not be deemed to be a waiver of a preceding breach by the Tenant of any term, covenant, or condition of this Lease.

(b) The acceptance of any of the Rent from, or the performance of any obligation under this Lease by, a person other than the Tenant will not be construed as an admission by the Landlord of any rights, title, or interest of such person as a Transferee or otherwise in the place of the Tenant.

(c) The acceptance by the Landlord of a part payment of any money required to be paid under this Lease will not constitute waiver or release of the right of the Landlord to payment in full of such money.

**16.4 Notices**

All notices, demands, and requests that may be or are required to be given pursuant to this Lease will be in writing and will be sufficiently given if delivered personally to the party or an officer of the party for whom it is intended; or sent by fax or other electronic means; or by registered mail, postage prepaid, addressed to the respective addresses specified in the Lease Summary or such other addresses as the parties may from time to time advise by notice in writing. The Tenant will require each Transferee to supply its respective mailing address to the Landlord. The date of receipt of any such notice, demand, or request will be deemed to be the date of delivery of such notice, demand, or request if delivered; or if telecopied as specified it will be deemed to be received on the next day following the date of transmission (excluding Saturdays, Sundays, and statutory holidays in British Columbia), or if mailed as specified it will be deemed to be received on the fourth business day following the date of such mailing, unless there is between the date of mailing and actual receipt a mail strike or other labour dispute that adversely affects mail service in British Columbia, in which case the party giving the notice, demand, or request will deliver such notice, demand, or request by an alternative method.

**16.5 Peaceful Surrender**

The Tenant will, at the expiration or sooner determination of the Term, immediately peacefully surrender and yield up unto the Landlord the Premises and the Easement Area, together with all fixtures or improvements that at any time during the Term are made in or on the Premises or the Easement Area, in the state of repair required to be maintained by the Tenant under this Lease, without notice from the Landlord; and will deliver to the Landlord all keys to the Premises that the Tenant has in its possession.

**16.6 Holding Over**

If the Tenant holds over with the Landlord’s written consent after the expiration of the Term or any renewal or extension of it, and the Landlord accepts the new Rent or any portion of it, the new tenancy thereby created will be deemed to be a monthly tenancy and not a yearly tenancy and will be subject to the covenants and conditions in this Lease insofar as they are applicable to a tenancy from month to month, except that if the Tenant remains in possession without the Landlord’s written consent, the monthly instalments of Annual Basic Rent will be *[two]* times the monthly instalments of Annual Basic Rent payable for the last month of the later of the Term or any renewal or extension of it, pro-rated on a daily basis for each day that the Tenant remains in possession, and in addition the Tenant will be liable for all costs, expenses, losses, and damages resulting or arising from the failure of the Tenant to deliver up possession of the Premises or the Easement Area to the Landlord.

**16.7 Inability to Perform**

Whenever and to the extent that the Landlord is unable to fulfill, or is delayed or restricted in the fulfilment of any obligation under this Lease by reason of being unable to obtain the material, goods, equipment, service, utility, or labour required to enable it to fulfill any such obligation, or by reason of any statute, law, or order-in-council or any regulation or order passed or made pursuant under such statute or law, or by reason of the order or direction of any administrator, controller, or board, or any government department or officer or other authority, or by act of God, or by reason of not being able to obtain any permission or authority required thereby, or by reason of strikes, lockouts, or other industrial disturbances, explosion, breakage or accident to machinery, or by reason of any other cause beyond its control whether of the foregoing character or not, the Landlord will be entitled to extend the time for fulfilment of such obligation by a time equal to the duration of such delay or restriction, and the Tenant will not be entitled to compensation for any inconvenience, nuisance, discomfort, or damage thereby occasioned, and will not be entitled to cancel or terminate this Lease.

**16.8 Interest**

Interest on any money due to the Landlord under this Lease will be paid by the Tenant and will accrue on a daily basis at the Prime Rate plus *[3]*% per annum, such rate of interest to be calculated and compounded monthly, not in advance, from the respective date upon which any such money becomes due to the Landlord.

**16.9 Governing Law**

This Lease will be construed in accordance with, and governed by, the laws of the province of British Columbia.

**16.10 Number and Gender**

Where required the singular number will be deemed to include the plural and the neuter gender will be deemed to include all and any genders.

**16.11 Covenants**

The Landlord and the Tenant agree that all of the provisions of this Lease are to be construed as covenants and agreements as though the words imparting such covenants and agreements were used in each separate provision of it. Should any provision or provisions of this Lease be illegal or not enforceable, it or they will be considered separate and severable from this Lease and its remaining provisions will remain in force and be binding upon the parties as though the illegal or unenforceable provision or provisions had never been included.

**16.12 Time of the Essence**

Time is of the essence of this Lease, except as specified otherwise in this Lease.

**16.13 Headings**

Any captions, headings, and marginal notes throughout this Lease are for convenience and reference only and the words and phrases contained in them will in no way be held or deemed to define, limit, describe, explain, modify, amplify, or add to the interpretation, construction, or meaning of any provision of or the scope or intent of this Lease nor in any way affect this Lease.

**16.14 Enurement**

This Lease will extend to, be binding upon, and enure to the benefit of the Landlord and the Tenant and their respective heirs, executors, administrators, successors, and permitted assigns.

**16.15 Continuation of Obligations**

This Lease and the obligations of the Tenant under it will continue in full force and effect notwithstanding any change in the person or persons comprising the Landlord.

**16.16 Landlord’s Limit of Liability**

The term “Landlord” as used in this Lease so far as covenants or obligations of the Landlord are concerned will be limited to mean the Landlord as described in the Lease Summary, while it retains its interest in the Premises, but upon a sale, transfer, or other disposition of that interest, the Landlord will be automatically and immediately relieved from all liability arising out of the requirement for performance of any obligations of the Landlord in this Lease, it being understood and agreed that the obligations of the Landlord in this Lease will be binding upon the Landlord, its successors, and assigns, only during and in respect of the respective successive periods of its interest in the Premises. The Tenant agrees to attorn to a purchaser, transferee, or person acquiring the interest of the Landlord in the Premises, such attornment to be effective and self-operative without the necessity of the execution of any further instrument on the part of the Landlord, the Tenant, or any other person.

**16.17 Consents**

Wherever and whenever the approval or consent of the Landlord is required to be obtained, such approval or consent may be given by such officers, agents, committee, person, or persons as may from time to time be nominated or appointed in writing by the Landlord for such purpose, and any such power of nomination or appointment may be delegated by the Landlord. Subject to the terms of this Lease, such nominees, appointees, or delegates will have the right to withhold approval of or consent to, and may reject, any matter or thing submitted for approval or consent, and every such approval or consent given will be in writing and may contain such conditions and stipulations as the Landlord may deem fit.

**16.18 Amendments**

This Lease will constitute the entire agreement between the parties with respect to the subject matter of it and will not be modified, amended, or waived except by an instrument in writing duly executed and delivered by the parties or by their successors and permitted assigns.

**16.19 Deposit**

The Security Deposit has been deposited with the Landlord as security for the faithful performance by the Tenant of all the terms, covenants, and conditions of this Lease. If the Tenant fails to pay Rent or otherwise defaults with respect to any provision of this Lease, the Landlord may use, apply, or retain all or any portion of the Security Deposit for the payment of any Rent in default, or for the payment of any other expense the Landlord may incur by reason of the Tenant’s default, or to compensate the Landlord for any loss or damage the Landlord may suffer. If the Landlord so uses or applies all or any portion of the Security Deposit, the Tenant will within *[10]* days of the demand deposit cash with the Landlord in an amount sufficient to restore the Security Deposit to the full amount. The Landlord will not be required to keep the Security Deposit separate from its general accounts. If the Tenant performs all of the Tenant’s obligations, the Security Deposit, or so much of it as has not before been applied by the Landlord, will be returned, without payment of interest or other increment for its use, to the Tenant at the expiration of the Term, and after the Tenant has vacated the Premises. No trust relationship is created herein between the Landlord and the Tenant with respect to the Security Deposit.

**16.20 Schedules**

The Schedules attached to this Lease are hereby incorporated and form part of this Lease.

**16.21 Counterparts and Electronic Delivery**

This Lease may be executed in one or more counterparts, each of which will be an original, and all of which together will constitute a single instrument. Further, the parties agree that this Lease may be signed by electronic signature (e.g., DocuSign or similar electronic signature technology) and/or transmitted by electronic means, and thereafter maintained in electronic form, and that such electronic record will be valid, and effective to bind the party so signing, as a paper copy bearing such party’s hand-written signature. The parties further consent and agree that the electronic signatures appearing on this Lease will be treated, for the purposes of validity, enforceability, and admissibility, the same as hand-written signatures.

IN WITNESS WHEREOF the parties have duly executed and delivered this Lease as of the day and year first above written.

*[insert appropriate execution provisions]*

*[if a party is an individual:]*

SIGNED by *[name]* in the presence of:

)

)

*[signature]* )

)

)

*[name]* )

)

)

*[address]* ) *[name]*

)

)

*[occupation]* )

)

*[if a party is a corporation:]*

*[name of company]*

Per:

Authorized Signatory

Per:

Authorized Signatory

**SCHEDULE A**

**PLAN OF PREMISES AND DESCRIPTION OF LAND**

Civic Address: *[address]*

Legal Description: *[legal description]*

Plan of Premises: *[plan of premises]*

Easement Area: *[easement area]*

**SCHEDULE B**

**RENEWAL OPTION**

The Landlord covenants and agrees with the Tenant that if the Tenant duly and punctually observes and performs the Tenant’s covenants, agreements, and provisos in this Lease, the Landlord will, at the expiration of the Term and upon the Tenant’s written request delivered to the Landlord in accordance with Section 16.4 not later than *[number]* months or earlier than *[number]* months prior to the expiration of the Term, grant to the Tenant a renewal lease of the Premises for a term of *[number]* years upon all the terms, covenants, agreements, and provisos contained in this Lease except:

(a) the Annual Basic Rent will be the then fair market rent for the Premises, being the rent that would be paid as between persons dealing in good faith and at arm’s length, and if the Landlord and the Tenant have not mutually agreed on the amount of such Annual Basic Rent at least *[two]* months prior to the renewal term such Annual Basic Rent will be decided by binding arbitration pursuant to the *Arbitration Act*, S.B.C. 2020, c. 2, as amended or replaced from time to time, but in any event the rate of Annual Basic Rent will not be less than the rate of Annual Basic Rent payable in the last year of the Term; and

(b) this right of renewal.

Until the Annual Basic Rent has been determined as provided herein, the Tenant will pay *[125]*% of the monthly Annual Basic Rent of the last year of the Term as well as Additional Rent. The Landlord and the Tenant acknowledge and agree that, by this Section, the Tenant is only given the option of renewing the Term for one renewal term, and at the expiration of the renewal term there will be no further right of renewal.

**Arbitration**

If under the Renewal Provision the Landlord and the Tenant have failed to agree as to the Annual Basic Rent payable for the Premises with respect to the renewal term by the date specified in the Renewal Provision, the determination of such Annual Basic Rent will be referred to a Board of three arbitrators, one to be appointed by each of the Landlord and the Tenant and a third arbitrator to be appointed in writing by the first two-named arbitrators; if the Landlord or the Tenant refuse or neglect to appoint an arbitrator within *[10]* days after the other has served written notice upon the party so refusing or neglecting to make such appointment, the arbitrator first appointed will, at the request of the party appointing such arbitrator, proceed to determine such rent as if such arbitrator were a single arbitrator appointed by both the Landlord and the Tenant for the purpose. If two arbitrators are so appointed within the time prescribed and they do not agree, within a period of *[10]* days from the date of appointment of the second arbitrator, upon the appointment of the third arbitrator, then the third arbitrator will be appointed by a judge of the Supreme Court of British Columbia. The determination by the arbitrators or the majority of them, or by the single arbitrator, as the case may be, will be final and binding upon the Landlord and the Tenant and their respective successors and assigns. Each party will pay the fees and expenses of the arbitrator appointed by it and one-half of the fees and expenses of the third arbitrator. The provisions of this section will be deemed to be a submission to arbitration within the provisions of the *Arbitration Act*, S.B.C. 2020, c. 2 and any statutory modifications or re-enactment of it, provided that any limitation on the remuneration of the arbitrators imposed by such legislation will not be applicable.

**SCHEDULE C**

**INDEMNIFIER’S COVENANTS**

In consideration of the Landlord entering into this Lease with the Tenant, and in consideration of the sum of $10 and other good and valuable consideration now paid by the Landlord to the Indemnifier, the receipt and sufficiency of which is hereby acknowledged by the Indemnifier, the Indemnifier hereby covenants and agrees with the Landlord as follows:

(1) The Indemnifier will:

(a) make or cause to be made the due and punctual payment of all Rent and all other amounts expressed to be payable by the Tenant under this Lease during the period of the Term and any renewals or extensions of it;

(b) effect prompt and complete performance of all and singular the terms, covenants, conditions, and provisions in this Lease contained and on the part of the Tenant to be kept, observed, and performed during the period of the Term and any renewals or extensions of it; and

(c) indemnify and save harmless the Landlord from any and all loss, costs, damages, or liability whatsoever arising out of any failure by the Tenant to perform any and all of the terms, covenants, conditions, and provisions of this Lease.

(2) In the event of a default by the Tenant under this Lease, the Indemnifier hereby waives any right to require the Landlord:

(a) to proceed against the Tenant or pursue any rights or remedies with respect to this Lease;

(b) to proceed against or exhaust any security of the Tenant held by the Landlord; or

(c) to pursue any other remedy whatsoever in the Landlord’s power or otherwise available to the Landlord.

The Landlord will have the right to enforce this indemnity regardless of the acceptance of additional security from the Tenant and regardless of the release or discharge of the Tenant by the Landlord or by others, or by operation of any law.

(3) The Indemnifier hereby expressly waives notice of the acceptance of this indemnity and all notice of non-performance, non-payment, or non-observance on the part of the Tenant of the terms, covenants, conditions, and provisions of this Lease.

(4) This indemnity is absolute and unconditional and, without limiting the generality of the foregoing, the liability of the Indemnifier under this indemnity will not be deemed to have been waived, released, discharged, impaired, or affected by reason of the release or discharge of the Tenant in any receivership, bankruptcy, winding-up, or other creditors’ proceedings, or the rejection, surrender, disaffirmation, or disclaimer of this Lease by any party or in any action or proceeding, and will continue with respect to the periods prior to and after for and with respect to the Term and any renewals or extensions of it. The liability of the Indemnifier will not be affected by any repossession of the Premises by the Landlord, provided however that the net payments received by the Landlord, after deducting all costs and expenses of repossession and reletting them, will be credited from time to time by the Landlord to the account of the Indemnifier and the Indemnifier will pay any balance owing to the Landlord from time to time immediately upon ascertainment.

(5) The Indemnifier will, without limiting the generality of the foregoing, be bound by this indemnity in the same manner as though the Indemnifier were the Tenant named in this Lease.

(6) At the request of the Landlord, the Indemnifier will enter into a new lease as tenant, on the terms and conditions of this Lease, for the then remaining unexpired term of the Lease.

(7) All of the terms, agreements, and conditions of this indemnity will extend to and be binding upon the Indemnifier, its heirs, executors, administrators, successors, and assigns, and will enure to the benefit of and may be enforced by the Landlord, its successors, and assigns, and the Landlord’s Mortgagees, and where the Indemnifier includes more than one person the covenants and obligations of each of the persons comprising the Indemnifier will be both joint and several.