

**MULTI TENANT INDUSTRIAL LEASE – (NET)**

**LANDLORD**

**-and-**

**TENANT**

**-and-**

**██████████**

**INDEMNIFIER**

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**LEASE**

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**PROJECT:**

**PREMISES:**



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Schedule "J"	Letter of Credit Agreement, if applicable

THIS LEASE is dated , and is made,

B E T W E E N:

(hereinafter called "Landlord")

OF THE FIRST PART

– and –

(hereinafter called "Tenant")

OF THE SECOND PART

– and –

[REDACTED]

(hereinafter called "Indemnifier")

OF THE THIRD PART

## 1. LEASE SUMMARY

The following is a summary of some of the basic terms of this Lease, which are elaborated upon in the balance of this Lease. This Section 1 is for convenience and if a conflict occurs between the provisions of this Section 1 and any other provisions of this Lease, the other provisions of this Lease shall govern.

- (a) **Premises:** Unit in the building municipally known as ;
- (b) **Term:** years;
- (c) **Commencement Date:** . Tenant acknowledges and agrees hereto that Tenant shall be responsible to ensure that the Premises is in a condition suitable for occupancy by the Commencement Date and in compliance with all applicable Laws and regulations issued by the local government agency or building department;
- (d) **Delivery Date:** [On the day following execution of this Lease by both parties.] Landlord will turn over the Premises to Tenant, provided this Lease executed by Landlord and Tenant, and further provided, Tenant has delivered to Landlord the following: (i) certificate(s) evidencing requisite insurance certificate coverage under the terms of this Lease; (ii) Rent Deposit; and (iii) post-dated cheques or account information, as the case may be, as required under the terms of this Lease. By the Commencement Date, Tenant shall send evidence satisfactory to Landlord that the Utilities (hereinafter defined in Section 9.1) for the Premises have been changed into the name of Tenant;
- (e) **Expiry Date:** [The last day of the month in which occurs the ( ) anniversary of the Commencement Date; the Expiry Date is estimated to be ];
- (f) **Basic Rent:** an amount per square foot of the Rentable Area of the Premises per annum as follows:

RENTAL PERIOD	RATE/ SQ. FT./ ANNUAL	ANNUAL RENT	MONTHLY RENT

- (g) **Rentable Area of Premises:** Approximately square feet, subject to determination in accordance with this Lease;
- (h) **Rent Deposit:** (\$ ) of which will be applied against first/last months' Rent accruing due hereunder, with the remainder to be held by Landlord, without interest, as prepaid rent and as

security for the performance by Tenant of the terms of this Lease, and applied in accordance with the Rent Deposit Agreement attached hereto as Schedule "D";

- (i) **Use of Premises:** Subject to Article 8 below, , to the extent permitted by all Laws and to the extent in keeping with the Building Standard;
- (j) **Address for Service of Notice on Tenant/Indemnifier:** At the Premises and/or :  
**Address for Service of Notice on Landlord:** c/o Artis REIT, 415 Yonge Street, Suite 2000 Toronto, Ontario M5B 2E7, Attention: Vice President, Property Management;
- (k) **Fixturing Period:** As per Schedule "G" attached hereto;
- (l) **Special Provision:** See Schedule "G" attached hereto.

## 2. DEFINITIONS

Where used in this Lease, the following words or phrases shall have the meanings set forth in the balance of this Article.

- 2.1 "Additional Rent" shall have the meaning given to it in subsection 5.2(b).
- 2.2 "Alterations" shall have the meaning given to it in Section 10.2.
- 2.3 "Authority" means any local, municipal, provincial or federal government, or any department, agency, board or office thereof, or any board of fire insurance underwriters or any other agency or source whatsoever.
- 2.4 "Basic Rent" shall have the meaning given to it in subsection 1(f) hereof.
- 2.5 "Bio-Medical Waste" shall mean and include the following:
  - (a) surgical waste including all materials discarded from surgical procedures, including, but not limited to,
    - (i) disposable gowns, soiled dressings, sponges, casts, lavage tubes, drainage sets, underpads and surgical gloves
    - (ii) pathological waste including all human tissues and anatomical parts which emanate from surgery, obstetrical procedures, autopsy and laboratory;
    - (iii) biological waste including blood and blood products, excretions, exudates, secretions, suctionings and other body fluids including solid/liquid waste from renal dialysis;
    - (iv) isolation waste including all waste emanating from the care or treatment of a patient on any type of isolation or precaution except reverse (protective) isolation;
    - (v) cultures and stocks of etiologic agents and associated biologicals including, without limitation, specimen cultures, cultures and stocks of etiologic agents, wastes from production of biologicals and serums, and discarded live and attenuated vaccines;
    - (vi) laboratory waste which has come in contact with pathogenic organisms, including but not limited to, culture dishes, devices used to transfer, inoculate and mix cultures, paper and cloth which has come in contact with specimens or cultures;
    - (vii) animal carcasses exposed to pathogens in research, their bedding and other waste from such animals;
    - (viii) sharp objects, including any discarded article that may cause punctures or cuts, including but not limited to, needles, IV tubing with needles attached, scalpel blades, glassware, and syringes that have been removed from their original sterile containers; and
    - (ix) any other wastes identified as infectious or similar wastes in any other applicable federal, provincial or municipal laws, regulations and guidelines;
  - (b) "chemotherapy waste" (also known as antineoplastic or cytotoxic waste) which means and includes discarded items, including but not limited to, masks, gloves, gowns, empty intravenous tubing bags, vials, syringes and other materials which have been contaminated by chemotherapy drugs or antineoplastic agents; and
  - (c) any waste defined as bio-medical waste under any applicable Laws or regulation.
- 2.6 "Building" means the building in which the Premises are located.

2.7 "Building Standard" means the standard of the Building existing at the date hereof which the parties acknowledge is a first-class standard for a building of such quality and age and in the location of the Building.

2.8 "Business Hours" means such business hours for the Project as determined by Landlord from time to time and which, unless otherwise determined by Landlord, shall be from 8:00 a.m. to 6:00 p.m., Monday through Friday, excluding holidays, subject to applicable Laws.

2.9 "Capital Taxes" means the amount determined by multiplying each of the "Applicable Rates" by the "Project Capital" and totalling the products. "Project Capital" is the amount of capital which Landlord determines, without duplication, is invested from time to time by Landlord in doing all or any of the following: acquiring, developing, expanding, redeveloping and improving the Project. Project Capital will not be increased by any financing or refinancing (except to the extent that the proceeds are invested directly as Project Capital). An "Applicable Rate" is the capital tax rate specified from time to time under any statute of Canada and any statute of the Province which imposes a tax in respect of the capital of corporations. Each Applicable Rate will be considered to be the rate that would apply if Landlord did not employ capital outside of the Province in which the Project is situate.

2.10 "Carbon Taxes" means and refers to the aggregate of all taxes, rates, duties, levies, fees, charges and assessments whatsoever Levied against or in respect of the energy consumption in or about the Project or the emissions of Greenhouse Gas from the Project or any part of it or Levied in lieu thereof against the Project or any part thereof or against the Landlord in respect of same by any local, provincial or federal government or any agency thereof having jurisdiction.

2.11 "Commencement Date" shall have the meaning given to it in subsection 1(c).

2.12 "Common Facilities" means:

- (1) the Project (excluding only Leasable Areas), including, without limitation: all areas, facilities, structures, systems, improvements, furniture, fixtures and equipment forming part of or located on the Project; the lands forming part of the Project; the Parking Facilities and other service areas and facilities, if any; Landlord's management offices and facilities to the extent used for the management of the Project; Storage Areas; and
- (2) all lands, areas, facilities, systems, improvements, structures, furniture, fixtures and equipment serving or benefiting the Project whether or not located within the Project, and including for clarity, public lobbies, halls, lavatories, passageways, elevators, exterior and interior stairways, building systems, driveways, truck ways, entrances, exits, pedestrian sidewalks, including City lands, ramps and landscaped areas, to the extent that the same are designated or intended by Landlord to be part of the Common Facilities from time to time.

Landlord shall have the right to designate, amend and re-designate the Common Facilities from time to time.

2.13 "Delivery Date" shall have the meaning given to it in subsection 1(d).

2.14 "Emergency" means a situation in which Landlord determines, acting reasonably, that persons in the Building are, or may be, exposed to imminent danger, whether from a disease, virus, or other biological or physical agents or other matters that may be detrimental to human health, or from any other situation where there may be a risk to the health or safety of persons in the Building, including without limitation, as a result of any civil disturbance or public safety threat, natural disaster, technological disaster, or Building condition and whether based on advice from a relevant professional or a directive, bulletin, notice or other form of communication from any authority, or otherwise determined by Landlord, in its sole discretion, but acting reasonably.

2.15 "Environmental Authority" means any authority regulating, relating to or imposing liability or standards of conduct concerning the natural or human environment (including air, land, surface water, groundwater and real and personal, moveable and immoveable property), public or occupational health and safety and the manufacture, importation, handling, use, reuse, recycling, transportation, storage, disposal, elimination and treatment of a substance, hazardous or otherwise.

2.16 "Environmental Laws" means all Laws, orders, notices, guidelines, guidance notes, policies and directives, now or at any time hereafter in effect, made or issued by any Environmental Authority.

2.17 "Event of Default" shall have the meaning given to it in subsection 16.1(a).

2.18 "Excess Costs" shall have the meaning given to it in Section 7.2.

2.19 "Expert" means any independent, duly qualified, professional expert appointed by Landlord from time to time and, in the reasonable opinion of Landlord, qualified to perform the function for which such Person is retained.

2.20 "Expiry Date" shall have the meaning given to it in subsection 1(e).

2.21 "Financial Covenant" shall have the meaning given to it in subsection 14.1(c)(i).

2.22 "Greenhouse Gas" shall mean any or all of carbon dioxide, methane, nitrous oxide, CFC-12, HCFC-22, perfluoroethane, sulphur hexafluoride and ozone and any other substances designated as a greenhouse gas by Law or any other substances that are subject to reporting obligations at Law.

2.22A “Indemnity Agreement” shall mean the Indemnity Agreement provided pursuant to this Lease.

2.23 “Hazardous Substance” means any solid, liquid, gas, sound, vibration, ray, heat, radiation, odour, or any other substance or thing or mixture of them which alone, or in combination, or in certain concentrations, is or are flammable, corrosive, reactive or toxic or which might degrade or alter (or form part of the process thereof) the quality of the environment or cause adverse effects or be deemed detrimental to living things or to the environment or which is or are likely to affect the life, health, safety, welfare or comfort of human beings or animals or cause damage to or otherwise impair the quality of soil, vegetation, wildlife or property, including, but not limited to: Bio-Medical Waste; any radioactive materials; explosives; mold, mildew, mycotoxins or microbial growths; urea formaldehyde; asbestos; polychlorinated biphenyl; pesticides or any other substances declared to be hazardous or toxic under any Environmental Laws or any other substance the removal, manufacture, preparation, generation, use, maintenance, storage, transfer, handling or ownership of which is subject to Environmental Laws.

2.24 “Landlord” means the party of the first part named in this Lease and includes the registered and legal holder of fee simple title to the Project, any Person which holds fee simple title to the Project in the capacity of nominee and bare trustee subject to direction by the beneficial owner, and any Person with a beneficial interest in the Project, or any part thereof.

2.25 “Landlord’s Parties” shall mean Landlord’s agents, managers and management companies, servants, agents, employees and those for whom Landlord and Landlord’s managers and management companies, servants, agents, and employees are in law responsible.

2.26 “Landlord’s Work” means the work to be performed by Landlord, as more particularly set out in Schedule “C”.

2.27 “Lands” means the lands described in Schedule “A”.

2.28 “Last Year’s Rent” means the Rent payable for the period of the last twelve (12) months of the Term.

2.29 “Laws” means all statutes, regulations, by laws, zoning, orders, rules, requirements and directions of all federal, provincial, municipal and other governmental authorities and other public authorities having jurisdiction, and includes Environmental Laws.

2.30 “Leasable Areas” means all areas and spaces of the Project to the extent designated or intended from time to time by Landlord to be leased to tenants, whether leased or not, but excluding the following, to the extent the same may exist from time to time, and whether or not the same are leased from time to time or all the time: Storage Areas, the Parking Facilities, and service areas and facilities which may be leased or licensed from time to time, and temporary and moveable units such as booths, pushcarts and the like.

2.31 “Lease” means this Lease, including all schedules attached hereto.

2.32 “Leasehold Improvements”, where used in this Lease, includes without limitation, all fixtures, improvements, installations, alterations, additions, repairs and replacements from time to time made, erected or installed in or about the Premises, including any of the same which pre-exist this Lease, and including all telecommunications and computer and other technology wiring, conduits and the like (located in and/or serving the Premises), and all supplemental heating, ventilating air conditioning and humidity control (“HVAC”) equipment, and includes all cabling, conduits, connections and attachments associated therewith (located in and/or serving the Premises), raised floors, internal stairways, as well as the following, whether or not any of the same are in fact Tenant’s fixtures or trade fixtures and whether or not they are easily disconnected and moveable: doors, partitions and hardware; mechanical, electrical and utility installations; carpeting, drapes, other floor and window coverings and drapery hardware; decorations; heating, ventilating and air-conditioning and humidity control equipment; lighting fixtures; built in furniture and furnishings; counters in any way connected to the Premises or to any utility services located therein. The only exclusions from “Leasehold Improvements” are free standing furniture, trade fixtures, equipment not in any way connected to the Premises or to any utility systems located therein and, notwithstanding the immediately foregoing, furniture systems.

2.33 “Letter of Credit Agreement(s)” shall mean the Letter of Credit Agreement(s), if any, provided pursuant to this Lease.

2.34 “Liabilities” shall have the meaning given to it in Section 13.5 hereof.

2.35 “Management Fee” shall mean an amount equal to **[Select one of the following options]**

**[Multi-tenant Building / Gross Project Amounts]** Tenant’s Proportionate Share of five percent (5%) of the gross amounts received or receivable by Landlord in respect of the Project for all items, including all such items as are included in this Lease as Rent, assuming full occupancy and disregarding any reduction, limitation, deferral or abatement of any amounts in the nature of Rent.

**[Multi-tenant Building / Gross Rent]** five percent (5%) of the Rent payable by Tenant under this Lease.

**[Single Tenant Building – Landlord Managed]** three percent (3%) of the Rent payable by Tenant under this Lease.

**[Single Tenant Building – Tenant Managed]** two and three quarters percent (2.75%) of the Rent payable by Tenant under this Lease.

2.36 "Notice" means any notice, demand, request or other instrument which may, or is required to, be given under this Lease, any or all of which shall be in writing. For greater certainty, Notices shall not include annual rental notices, notices of estimates or re-estimates of amounts payable under this Lease, demands for payment of Excess Costs or other amounts payable under this Lease, Final Statements, or other incidental correspondence between the parties.

2.37

(a) "Operating Costs" means the aggregate of all expenses and costs of every kind determined, for each fiscal period designated by Landlord, on an accrual basis and without duplication, incurred by or on behalf of Landlord with respect to and for the operation, maintenance, repair, replacement and management of the Project and all insurance relating to the Project. Provided that if the Project is less than one hundred percent (100%) completed, leased and/or occupied for any time period, Operating Costs shall be adjusted to mean the amount obtained by adding to the actual Operating Costs during such time additional costs and amounts as would have been incurred or otherwise included in Operating Costs if the Project had been one hundred percent (100%) completed, leased and/or occupied as determined by Landlord, acting reasonably. Landlord shall be entitled to adjust upward only those amounts which may vary depending on occupancy and in no event shall this provision entitle Landlord to recover more than Landlord actually incurs in respect of any adjusted item or require Tenant to pay in respect of such adjusted item more than Tenant would have had to pay had the Project been one hundred percent (100%) completed, leased and occupied.

Without in any way limiting the generality of the foregoing, Operating Costs shall include all costs in respect of the following:

- (i) all remuneration including wages and benefits of employees to the extent employed or engaged in the operation, maintenance, repair, replacement, and management of the Project including contributions and premiums towards unemployment and Workers Compensation insurance, pension plan contributions and similar premiums and contributions;
- (ii) costs of telecommunications and broadband services and facilities (including riser, rooftop, telephone room and wireless management), information technology, public address systems, telephone answering services and systems, telecopier, stationery, office equipment, supplies, signs and directory boards and other services and materials required for the management, maintenance, and operation (whether on, or off-site, and whether incurred by Landlord or its management company) of the Project;
- (iii) HVAC maintenance, repairs and replacements and fire life safety and sprinkler maintenance and monitoring, if any, of the Project;
- (iv) Cleaning, janitorial services, window cleaning; recycling and waste control and pest control;
- (v) the provision of all Utilities supplied to the Project and the cost of consumption of all Utilities consumed on the Project including, without limitation, heat, light, power, fuel, processed air, hot and cold water, gas, electricity, steam, sewer charges and any other Utilities or forms of energy, and the costs incurred for the purpose of allocating Utilities among the occupants of the Project;
- (vi) landscaping and maintenance of all outside areas, including snow and ice removal;
- (vii) amortization of the costs of all items which Landlord, in its sole discretion, chooses not to charge in the year incurred, over such period as determined by Landlord in its sole discretion, on a straight-line basis to zero and interest to be calculated and paid annually on the unamortized cost of such items in respect of which amortization is included herein at two percent (2%) per annum in excess of the Prime Rate;
- (viii) all insurance which Landlord is obliged to obtain and/or which Landlord otherwise obtains and the cost of any deductible amounts payable by Landlord in respect of any insured risk or claim, including, but not limited to, premiums, brokerage fees, self-insured retentions, adjusters' fees and insurance department costs;
- (ix) policing, supervision, security, and traffic and parking control;
- (x) all maintenance, repairs and replacements in respect of the Project and all machinery, furniture, furnishings, equipment, facilities, systems, property and fixtures located therein;
- (xi) engineering, accounting, legal and other consulting and professional services related to the Project, including the cost of preparing and verifying statements respecting Operating Costs and Realty Taxes;
- (xii) signs including, without limitation, the cost of all repairs, maintenance and rental charges in respect thereof;

- (xiii) business taxes, if any, on Common Facilities, Realty Taxes charged against or in respect of or reasonably allocated by Landlord to Common Facilities and the amount, if any, of Realty Taxes charged against the Project in excess of the amount of Realty Taxes in the aggregate, charged against or allocated by Landlord to Leasable Areas;
- (xiv) contribution, as determined by Landlord, acting reasonably and bona fide, on account of all costs in the nature of those included in Operating Costs and/or Realty Taxes in respect of all shared facilities and services including, without limitation, amenities (whether on or outside the Project) made available for occupants of the Project, roads, loading areas and docks, parking ramps, driveways and exterior areas, which will be shared by users of the Project and the users of any other properties and all costs in the nature of Operating Costs incurred by Landlord in consequence of its interest in the Project such as landscaping of municipal areas, maintaining, cleaning, and clearing of ice and snow from municipal sidewalks, adjacent properties and the like and all charges and amounts payable under a reciprocal cost sharing agreements with the owners of any other buildings or structures;
- (xv) Carbon Taxes or Capital Taxes, if applicable, to the extent payable by, or assessed against, Landlord;
- (xvi) Sales Taxes payable by Landlord on any amounts included in Operating Costs (excluding any such Sales Taxes which are available to and claimed by Landlord as a credit or refund in determining Landlord's net tax liability on account of Sales Taxes, but only to the extent that such Sales Taxes are included in Operating Costs);
- (xvii) the fair rental value (having regard to rentals prevailing from time to time for similar space) of amenities for the Project and of space occupied by Landlord or others for management, supervisory, administrative or operational purposes relating to the Project and all office expenses incurred therein;
- (xviii) costs and expenses of environmental site reviews and investigations and, to the extent not recovered from third parties or from insurance proceeds, if any, actually received by Landlord, the costs of removal, remediation and/or clean-up of Hazardous Substances, provided such remediation and/or clean-up is not required as a result of the act or omission of Landlord or Landlord Parties (in which case Landlord shall be responsible for one hundred percent (100%) of such costs) or as a result of the act or omission of Tenant or Tenant's Parties (in which case Tenant shall be responsible for one hundred percent (100%) of the such costs);
- (xix) all costs incurred by Landlord for the purpose or intent of:
  - (1) appealing, investigating and/or reducing any Operating Costs, Realty Taxes or other taxes, utility consumption or greenhouse gas emissions, whether or not any of such Operating Costs, Realty Taxes or other taxes, utility consumption or greenhouse gas emissions are in fact reduced;
  - (2) improving the operation of the Project and the machinery, furniture, furnishings, equipment, facilities, systems, property and fixtures located therein; and
  - (3) completing upgrades and/or installations required to ensure the Project is in compliance with applicable Laws in effect from time to time.
- (xx) costs incurred for the purpose of allocating Realty Taxes and/or Utilities among Tenant and other occupants of the Project;
- (xxi) interest on deposits paid by Landlord to the supplier of a utility at a rate which shall be two percent (2%) per annum in excess of the Prime Rate;
- (xxii) the amount of any deposits paid to a utility supplier lost by Landlord as a result of any bankruptcy of any utility supplier amortized over a period of three (3) years from the date of such bankruptcy and interest thereon at a rate of two percent (2%) in excess of the Prime Rate;
- (xxiii) the costs of preparing, updating and maintaining a pandemic risk assessment and/or plan for responding to any real or perceived Emergency, as well as actual costs of dealing with an Emergency including, without limitation, the costs of purchasing and maintaining equipment, reasonable inventories of emergency supplies and any increased or additional costs for personnel and supplies relating to the implementation of security, screening and/or sanitization procedures; and
- (xxiv) all maintenance, repairs and replacements in respect of the Premises including, without limitation: the structure and exterior walls of the Building; the roof and roof membrane; the transportation, electrical, mechanical and drainage equipment and other base Building systems; the Parking Facilities; and the HVAC equipment located in and/or serving the Premises.

- (b) Operating Costs, however, shall be reduced by the following to the extent actually received by Landlord:
- (i) proceeds of insurance and damages paid by third parties in respect of and to the extent of costs included in Operating Costs as set forth above;
  - (ii) contributions from parties, other than tenants of the Project, if any, in respect of their sharing the use of Common Facilities, such as shared driveways, but not including in such contributions rent or fees charged directly for the use of any Common Facilities such as parking fees, if any, and rent for Storage Areas; and
  - (iii) amounts, if any, received by Landlord on account of Excess Costs.
- (c) Operating Costs, however, shall exclude the following:
- (i) Realty Taxes except to the extent included as set forth above (the intent being not to duplicate Tenant's obligations in respect thereof pursuant to other provisions of this Lease);
  - (ii) expenses incurred by Landlord in respect of other tenants' leasehold improvements;
  - (iii) costs of repairs or replacements to the extent that such costs are recovered by Landlord pursuant to construction warranties;
  - (iv) costs of Utilities consumed in respect of Leasable Areas, if separately charged to tenants of the Building, to be determined by separate meters where practicable or by Landlord acting reasonably (the intent being not to duplicate the amounts included in Operating Costs with amounts charged pursuant to Article 9 of this Lease and comparable provisions in other leases of premises in the Project);
  - (v) commitment, stand-by, finance, mortgage and interest charges on the debt of Landlord;
  - (vi) amounts expended by Landlord for advertising and promotion (including the costs of commissions, advertising and legal expenses) and the costs of inducements (including Landlord's work) all incurred in connection with the leasing of premises in the Building, or any part of the Project; and
  - (vii) bad debts and any collection and legal costs associated with the same.
- (d) Landlord, acting reasonably, shall have the right to allocate Operating Costs or any portion or portions thereof to such portion or portions of the Building or the Project as Landlord shall determine.
- (e) For greater certainty, if Operating Costs do not include the cost of providing in-suit janitorial services, interior window cleaning, recycling and waste removal and pest control services for the Premises, same shall be provided by Tenant, at Tenant's sole cost and expense, to Building Standard, using reputable contractors which have received Landlord's prior written approval.

2.38 "Parking Facilities" means any parking areas and facilities and any other similar service areas and facilities located on the Lands and serving the Project.

2.39 "Permitted Transfer" has the meaning given to it in subsection 14.1(c) and "Permitted Transferee" has a corresponding meaning.

2.40 "Person" means any Person, firm, partnership or corporation, or any group or combination of Persons, firms, partnerships or corporations.

2.41 "Premises" shall have the meaning given to it in subsection 1(a), approximately as shown outlined on the site plan attached hereto as Schedule "B". The purpose of Schedule "B" is to show the approximate location of the Premises and the contents thereof are not intended as a representation of any kind as to the precise size or dimensions of the Premises or any other aspects of the Project. The Rentable Area of the Premises is as set forth in subsection 1(g). The Premises shall include, without limitation, all Leasehold Improvements and the interior faces of permanent walls (including entrance and exit doors) and windows and all services, equipment and systems located in the Premises, including all services which exclusively serve the Premises and which are located within the Premises but excluding base Building services which serve Leasable Areas in the Building other than the Premises, but which run through the Premises ("Base Building Services"). The Premises shall extend from the structural sub-floor to the structural ceiling, subject to the exclusion for Base Building Services, and excluding, for clarification, the exterior faces of the perimeter walls and windows.

2.42 "Prime Rate" means the rate of interest known as the prime rate of interest charged by Landlord's bank in Toronto which serves as the basis on which other interest rates are calculated for Canadian dollar loans in Ontario from time to time.

2.43 "Project" means the Lands, the Building and all other buildings, structures, improvements, equipment and facilities of any kind erected or located thereon from time to time.

2.44 “Proportionate Share” means a fraction which has as its numerator the Rentable Area of the Premises and which has as its denominator the aggregate Rentable Area of Leasable Areas within the Project or Building or such portion or portions thereof to which Landlord, acting reasonably and equitably, shall allocate such items of which Tenant is required to pay the Proportionate Share, all as determined by Landlord, acting reasonably and equitably, subject to adjustment pursuant to subsection 7.2(b). For the purpose of determining the denominator as aforesaid, the Rentable Area of all Leasable Areas within the Project or Building shall be determined in the same manner as the Rentable Area of the Premises as set forth in the definition of “Rentable Area” below.

2.45 “Realty Taxes” means all taxes, rates, duties, levies, fees, charges, local improvement rates, imposts, charges and assessments whatever, including school taxes, water and sewer taxes, extraordinary and special assessments and all rates, charges, excises or levies, whether or not of the foregoing nature (collectively “Taxes”), and whether municipal, provincial, federal, regional, school, parking or otherwise, which may be levied, confirmed, imposed, assessed, charged or rated against the Project or any part thereof or any furniture, fixtures, equipment or improvements therein, or against Landlord in respect of any of the same or in respect of any rental or other compensation receivable by Landlord in respect of the same, including all of such Taxes which may be incurred by or imposed upon Landlord or the Project in lieu of or in addition to the foregoing including, without limitation, any Taxes on real property rents or receipts as such (as opposed to a tax on such rents as part of the income of Landlord), any Taxes based, in whole or in part, upon the value of the Project, any commercial concentration or similar levy in respect of the Project. For clarification, Realty Taxes shall not include any taxes personal to Landlord such as income tax, inheritance tax, gift tax or estate tax nor shall Realty Taxes include any penalties or fines incurred as a result of Landlord’s late payment of same, provided Tenant has in fact remitted such Realty Taxes as and when required hereby and provided same are not being bona fide contested and/or withheld by Landlord.

2.46 “Remediation” shall mean the removal, management or containment of Hazardous Substances in accordance with, and to the extent permitted or required by, applicable Laws, all to the satisfaction of Landlord, in its sole discretion. “Remediate”, “Remediated” and “Remediating” shall have corresponding meanings.

2.47 “Rent” shall have the meaning given to it in Section 5.1.

2.48 “Rentable Area” of the Premises shall be determined in accordance with Industrial Buildings standard methods of measurement (ANSI/BOMA Z65.2-2012 – Method A) or such other method of measurement as may be adopted by Landlord from time to time. All Rentable Area shall be as determined by Landlord from time to time and each such determination shall be binding upon the parties hereto and the cost of such determination shall be included in Operating Costs.

2.49 “Rent Deposit Agreement” shall mean the Rent Deposit Agreement provided pursuant to this Lease.

2.50 “Sales Taxes” means all goods and services, business transfer, multi-stage sales, sales, use, consumption, harmonized, value-added or other similar taxes imposed by any federal, provincial or municipal government upon Landlord or Tenant in respect of this Lease, or the amounts payable by Tenant hereunder or the goods and services provided by Landlord hereunder including, without limitation, the rental of the Premises and the provision of administrative services to Tenant hereunder.

2.51 “Storage Areas” means all areas, if any, as designated by Landlord from time to time to be used for storage purposes.

2.52 “Substantially Complete”, when applied to any Landlord’s Work, means sufficiently completed (i) to the point where Tenant may commence Tenant’s Work, if any, and (ii) if no such Tenant’s Work is required to be performed, to the point where Tenant may commence the use of the Premises, in either case without undue interference by Landlord. “Substantially Completed” and “Substantial Completion” shall have corresponding meanings.

2.53 “Tenant’s Parties” shall mean any Transferee and any of Tenant’s or Transferee’s servants, agents, employees, invitees, licensees, sub tenants, concessionaires, contractors or Persons for whom Tenant or the Transferee or any of them are in law responsible.

2.54 “Tenant’s Work” means all Leasehold Improvements (*save and except for any Landlord’s Work*) completed prior to the Commencement Date by or on behalf of Tenant which are required to complete the Premises for Tenant’s business operations thereon, all of which shall be completed at Tenant’s sole cost and expense, to no less than the base Building Standard then in effect for the Project, in accordance with the applicable provisions of this Lease, and in accordance with the “*Tenant Design Criteria Manual*”, if any, applicable to the Project. Tenant shall not be permitted to commence any Tenant’s Work until this Lease has been fully-executed and delivered. For greater certainty, except where expressly indicated herein to the contrary, Alterations include Tenant’s Work.

2.55 “Term” shall have the meaning given to it in subsection 1(b) hereof.

2.56 “Uncured Event of Default” means an outstanding Event of Default as described in subsection 16.1(a)(i), (ii), and (x) not cured within the period described in subsection 16.1(b)(i), (ii) and (iii) respectively (or thereafter), or any other uncured Event of Default.

### **3. NET LEASE**

#### **3.1 Net Lease**

It is the intent of the parties hereto that, except as expressly herein set out, this Lease be a lease that is absolutely net to Landlord, and that Landlord shall not be responsible for any expenses or obligations of any kind whatsoever in respect of or attributable to the Premises or the Project.

### **4. LEASE OF PREMISES**

#### **4.1 Premises**

Landlord hereby leases to Tenant and Tenant hereby leases from Landlord the Premises.

#### **4.2 Term**

The Term of this Lease shall commence on the Commencement Date and expire on the Expiry Date.

#### **4.3 Acceptance of Premises**

**NEW TENANT - NO LANDLORD'S WORK:** Tenant accepts the Premises in the state and condition in which they are received from Landlord "as is", and occupancy of the Premises by Tenant shall be conclusive evidence against Tenant that, at the time Tenant assumed occupancy, the Premises were in good order and satisfactory condition and that Tenant has accepted the Premises "as is".

**NEW TENANT - LANDLORD'S WORK:** Tenant accepts the Premises in the state and condition in which they are received from Landlord, "as is", except only to the extent of any deficiency in Landlord's Work, if any, which is expressly and particularly set out in a written deficiency list developed by the parties during their initial move-in inspection of the Premises.

**RENEWING TENANT - NO LANDLORD'S WORK:** Landlord shall have no obligation to construct any Leasehold Improvements in the Premises in connection with Tenant's continued occupancy thereof and Tenant's continued occupancy of the Premises shall be conclusive evidence against Tenant that the Premises are in good order and satisfactory condition.

**RENEWING TENANT - LANDLORD'S WORK:** Tenant's continued occupancy of the Premises shall be conclusive evidence against Tenant that the Premises are in good order and satisfactory condition except only to the extent of any deficiency in Landlord's Work, if any, which is expressly and particularly set out in a written deficiency list developed by the parties during their inspection of the Premises upon Substantial Completion of the Landlord's Work.

#### **4.4 Licence to Use Common Facilities**

Subject to all other relevant provisions of this Lease, Landlord grants to Tenant the non-exclusive licence during the Term to use for their intended purposes, in common with others entitled thereto, such portions of the Common Facilities as are reasonably required for the use and occupancy of the Premises for their intended purpose during such Business Hours and such other hours, if any, as the Common Facilities are open for use, as determined by Landlord from time to time.

#### **4.5 Quiet Enjoyment**

Subject to all of the terms of this Lease and subject to Tenant's paying all Rent and performing all obligations whatsoever as and when the same are due to be paid and performed by Tenant, Tenant may peaceably possess and enjoy the Premises for the Term without interruption by Landlord or any Person claiming by, from or under Landlord.

#### **4.6 Fixturing of Premises**

By the Commencement Date, Tenant shall fixture the Premises and commence business thereon. [delete for existing tenants except when the existing tenant continues to occupy existing premises and is leasing additional premises, in which even you will need to leave this section in as it pertains to those additional/alternative premises]

### **5. RENT**

#### **5.1 Tenant to Pay**

Tenant shall pay in lawful money of Canada at par at such address as shall be designated from time to time by Landlord Basic Rent and Additional Rent (all of which is herein sometimes referred to collectively as "Rent") as herein provided without any deduction, set-off or abatement whatsoever, Tenant hereby agreeing to waive any rights it may have pursuant to the provisions of Section 35 of the *Commercial Tenancies Act* (Ontario) or any other statutory provision to the same or similar effect and any other rights it may have at law to set-off. On the Commencement Date and the first day of each year thereafter and at any time when required by Landlord, Tenant shall deliver to Landlord as requested by Landlord either post-dated cheques or a requisition for a pre-authorized debit from Tenant's bank account in such form as reasonably required by Landlord, for all payments of Basic Rent and estimates by Landlord of Additional Rent or any portions thereof payable during the balance of such fiscal period.

## 5.2 Rent and Management Fee

- (a) Tenant shall pay to Landlord Basic Rent in equal monthly instalments in advance on the first day of each month during the Term.
- (b) In addition to Basic Rent, Tenant shall pay to Landlord as Additional Rent: (i) all other amounts as and when the same shall be due and payable pursuant to the provisions of this Lease (all of which shall be deemed to accrue on a per diem basis); (ii) all other amounts payable pursuant to any other agreement or obligation between Landlord and Tenant (whether or not related to the Premises) as and when the same shall be due and payable; and (iii) the Management Fee. Tenant shall promptly deliver to Landlord upon request evidence of due payment of all payments of Additional Rent required to be paid by Tenant hereunder, to the extent same are payable to other than Landlord.
- (c) Landlord has estimated that Tenant's obligations hereunder in respect of Operating Costs, the Management Fee and Realty Taxes for the year 20\_\_\_\_\_, would be approximately \_\_\_\_\_ (\$\_\_\_\_\_) per square foot of the Rentable Area of the Premises, subject to adjustment at year-end in accordance with this Lease; it is understood that this estimate by Landlord is a bona fide estimate made as of January 1, 20\_\_\_\_\_, but that it is not intended by Landlord to be relied upon by Tenant and is not binding and does not impose liabilities on Landlord or affect Tenant's obligations hereunder.
- (d) If the Landlord so requires, Rent will be paid to the Landlord at the Tenant's expense by an automated debiting system under which payments are deducted from the Tenant's bank account and credited to the Landlord's bank account without prejudice to any other right or remedy of the Landlord. The Pre-Authorized Debit (PAD) Authorization to be completed by the Tenant is attached hereto as **Schedule "I"**.

## 5.3 Deemed Rent and Allocation

- (a) If there is an Event of Default in payment of any Rent (whether to Landlord or otherwise) or any Sales Taxes as and when the same are due and payable hereunder, Landlord shall have the same rights and remedies against Tenant (including rights of distress and the right to accelerate Rent in accordance with Section 16.1) upon the occurrence of such Event of Default as if such sum or sums were Rent in arrears under this Lease. All Rent and Sales Taxes shall, as between the parties hereto, be deemed to be Rent due or Sales Taxes due on the dates upon which such sum or sums were originally payable pursuant to Section 5.1 of this Lease.
- (b) No payment by Tenant or acceptance of payment by Landlord of any amount less than the full amount payable to Landlord, and no endorsement, direction or note on any cheque or other written instruction or statement respecting any payment by Tenant shall be deemed to constitute payment in full or an accord and satisfaction of any obligation of Tenant and Landlord may receive any such lesser amount and any such endorsement, direction, note, instruction or statement without prejudice to any of Landlord's other rights under this Lease or at law, whether or not Landlord notifies Tenant of any disagreement with or non-acceptance of any amount paid or any endorsement, direction, note, instruction or statement received.
- (c) Tenant agrees that Landlord may, at its option, apply all sums received by Landlord or due to Tenant against any money due and payable by Tenant under this Lease as Landlord shall determine.

## 5.4 Monthly Payments of Operating Costs, Management Fee and Realty Taxes

- (a) Landlord may from time to time estimate any amount(s) payable by Tenant pursuant to any provisions of this Lease for the then current or the next following fiscal period, provided that Landlord may, in respect of any particular item, shorten such fiscal period to correspond to a shorter period within any fiscal period, where such item, for example Realty Taxes, is payable in full by Landlord over such shorter period, and may notify Tenant in writing of the estimated amounts thus payable by Tenant, which notification need not include particulars. The amounts so estimated shall be payable by Tenant in advance in equal monthly instalments over the fiscal period, such monthly instalments being payable on the same day as the monthly payments of Basic Rent. Landlord may, from time to time, designate or alter the fiscal period selected in each case. Notwithstanding the foregoing, no change in the fiscal period shall result in Tenant paying a greater amount than that amount which would have been payable but for such change. As soon as practicable, not to exceed one hundred and eighty (180) days (it being hereby acknowledged that neither party shall be relieved of its obligations hereunder as a result of Landlord's failure to deliver such statement within such one hundred and eighty (180) day period) after the expiration of each fiscal period, Landlord shall make a final determination of the amounts payable by Tenant pursuant hereto for such fiscal period and shall furnish to Tenant, showing in reasonable detail the method by which the same has been calculated, a statement of the actual Operating Costs, the Management Fee and Realty Taxes for such fiscal period ("Final Statement"). If the amount determined to be payable by Tenant as aforesaid shall be greater or less than the payments on account thereof made by Tenant prior to the date of such determination, then the appropriate adjustments will be made and Tenant will pay any deficiency to Landlord within thirty (30) days after delivery of the Final Statement and the amount of any overpayment shall, at Landlord's option, be paid to or credited to the account of Tenant within thirty (30) days after the delivery of the Final Statement. For greater certainty, the parties shall

reconcile Additional Rent as aforesaid in this Section 5.4(a) even if verification is proceeding in accordance with the verification protocol set forth in the balance of this Section 5.4.

- (b) So long as Tenant is [REDACTED] and this Lease has not been assigned, Tenant will have the non-assignable right, acting reasonably and bona fide and so long as there is no Uncured Event of Default, at Tenant's sole cost and expense, to be exercised by Notice to Landlord to be delivered by Tenant within ninety (90) days after Tenant's receipt of a Final Statement for any fiscal period, to ask for further information or clarification regarding the contents of the Final Statement, including copies of reasonable supporting material which is in Landlord's possession or control, in order to verify the contents thereof (collectively, the "Additional Information"). Landlord shall deliver such Additional Information to Tenant within sixty (60) days of receipt of Tenant's written request therefor. Any request for Additional Information made must be made by the named Tenant herein or its authorized agent ("Agent") which Agent shall be a reputable firm which is not retained by Tenant on a contingency fee or guarantee-of-savings basis and, prior to receipt of any Additional Information, Tenant and its Agent shall be required to execute and deliver to Landlord the Landlord's standard non-disclosure agreement then in effect. Tenant agrees that it shall not be entitled to make any inquiries or seek any information or clarification or supporting materials regarding the contents of any Final Statement after such period of ninety (90) days following receipt of such Final Statement.
- (c) If, upon completion of Tenant's review of the Additional Information, the amounts payable by Tenant pursuant hereto for such fiscal period are determined to be greater or less than the payments on account thereof made by Tenant prior to the date of such determination, then the appropriate adjustments will be made and Tenant will pay any deficiency to Landlord within thirty (30) days after completion by Tenant of its review of the Additional Information and the amount of any overpayment shall, at Landlord's option, be paid to or credited to the account of Tenant within thirty (30) days after the completion by Tenant of its review of the Additional Information.
- (d) Tenant agrees that it shall not be entitled to make any claim, including the commencing of an action against Landlord, with respect to any Additional Rent charges payable hereunder for any fiscal period unless such claim is made within three (3) months after the date on which Landlord has delivered to Tenant a Final Statement or Additional Information, as the case may be, for such fiscal period; subject to any claim being made within the time as aforesaid, each Final Statement shall be final and binding on Tenant.
- (e) Notwithstanding Landlord's obligation to provide the Additional Information as provided in subsection 5.4(b) above, Landlord shall be under no obligation to disclose to Tenant any Additional Information containing details of rent payable by any other occupant of the Project.

## 5.5 **Adjustments**

- (a) All amounts of Rent payable for less than a full month or year or payable for any period not falling entirely within the Term shall be adjusted between Landlord and Tenant on a per diem basis.
- (b) All amounts of Rent determined or estimated as an amount per square foot shall be adjusted between Landlord and Tenant based on the determination or re-determination from time to time, of Rentable Area of the Premises or other areas within the Project. The effective date of adjustment shall be: (i) in the case of the initial leasing of the Premises, the Commencement Date; (ii) in the case of a reconfiguration of areas within the Project, the effective date of such reconfiguration; and (iii) in the case of error, the date upon which such error became known to the parties.

## 6. **TAXES**

### 6.1 **Payment of Taxes**

Landlord shall have the right to require Tenant to pay Realty Taxes and any other taxes which are Tenant's responsibility as set out herein to the relevant taxing authority or Landlord shall have the right to pay any such Realty Taxes or other taxes directly to such taxing authority without thereby affecting Tenant's obligation to pay or contribute to such Realty Taxes or other taxes. To the extent Realty Taxes are actually received by Landlord from Tenant, and subject to Landlord's rights herein to be able to contest or withhold same, Landlord shall pay same to the relevant taxing authority.

### 6.2 **Taxes Payable by Tenant**

Tenant shall pay to Landlord or the relevant taxing authority, as required by Landlord, all Realty Taxes levied, confirmed, imposed, assessed or charged (herein collectively or individually referred to as "charged") against or in respect of the Premises and all furnishings, fixtures, equipment, improvements and alterations in or forming part of the Premises, and including, without limiting the generality of the foregoing, any such Realty Taxes charged against the Premises in respect of Common Facilities.

### 6.3 **Determination of Tenant's Taxes**

Whether or not there is a separate bill for Realty Taxes charged against the Premises or a separate assessment, the Realty Taxes charged against the Premises shall be determined by Landlord and the cost of making such

determination shall be included in Operating Costs. In making such determination Landlord shall have the right, but not the obligation, to allocate Realty Taxes to the Premises and all other portions of the Project by using such criteria as Landlord, in its sole discretion, shall determine to be relevant including, without limitation:

- (a) the then current established principles of assessment used by the relevant assessing authorities;
- (b) assessments of the Premises and any other portions of the Project in previous periods of time;
- (c) the Proportionate Share;
- (d) any act, religion or election of Tenant or any other occupant of the Project which results in an increase or decrease in the amount of Realty Taxes which would otherwise have been charged against the Project or any portion thereof;
- (e) the quality of construction, use, location within the Project or income generated by the Premises and/or the assessor's valuation of the Premises or Project; and
- (f) tax classifications of tenants in the Project, as determined by Landlord.

Notwithstanding any other contrary provisions of this Lease, if, at any time during a fiscal period, any part of the Project is not one hundred percent (100%) occupied, the Realty Taxes shall be allocated by Landlord to the Building(s), the Common Facilities and the other components of the Project without regard to any credits which may be received or receivable by Landlord in respect of any vacant premises within the Project and without regard to any reduced tax rate for such vacant premises. For clarification, Landlord shall be entitled to receive or retain, for its own account, all Realty Tax credits for vacancies and nil or lower tax rates chargeable in respect of Leasable Areas occupied by other tenants of the Project. Landlord may use an Expert to assist it in making such determination and allocation and all cost incurred in so doing shall be included in Operating Costs, or at Landlord's sole option in lieu thereof, shall be included in Realty Taxes.

#### 6.4 Business Taxes and Sales Taxes

- (a) Tenant shall pay as and when the same are due and payable all taxes, if any, reasonably allocated by Landlord which are attributable to the personal property, trade fixtures, income, occupancy, sales or business of Tenant or any other occupant of the Premises and to the use of the Premises by Tenant or any other occupant, whether or not charged against Landlord or the Premises.
- (b) Tenant shall pay to Landlord when due all Sales Taxes imposed on Landlord or Tenant, in respect of this Lease, and on all amounts payable by Tenant hereunder.

#### 6.5 Tax Bills and Assessment Notices

Tenant shall promptly deliver to Landlord forthwith upon Tenant's receiving the same:

- (a) copies of all assessment notices, tax bills and any other documents received by Tenant related to Realty Taxes chargeable against or in respect of the Premises or the Project; and
- (b) receipts for payment of Realty Taxes and business taxes, if any, payable by Tenant directly to the taxing authority pursuant hereto.

On or before the expiry of each fiscal period, Tenant shall provide to Landlord evidence satisfactory to Landlord that all Realty Taxes and business taxes, if any, payable by Tenant directly to the taxing authority pursuant to the terms hereof up to the expiry of such fiscal period, including all penalties and interest resulting from late payment of Realty Taxes and business taxes, have been duly paid.

#### 6.6 Contest of Realty Taxes

- (a) Realty Taxes, or the assessments in respect of Realty Taxes, which are the subject of any contest by Landlord shall nonetheless be payable by Tenant in accordance with the foregoing provisions hereof provided, however, in the event Tenant shall have paid any amount in respect of Realty Taxes in excess of, or less than, the amount ultimately found payable as a result of the disposition of any such contest, then the appropriate adjustments will be made and either:
  - (i) Tenant will pay any deficiency to Landlord within thirty (30) days after delivery of Notice from Landlord in respect thereof; or
  - (ii) to the extent Landlord receives a refund as a result of such adjustment, the appropriate amount of such refund (net of all costs incurred by Landlord in obtaining such refund) shall be credited to the account of Tenant or, where the Term has expired without renewal, paid to Tenant, net of any amounts then owing by Tenant to Landlord.
- (b) Landlord may contest any Realty Taxes with respect to the Premises or all or any part of the Project and appeal any assessments related thereto and may withdraw any such contest or appeal or may agree with the relevant authorities on any settlement, compromise or conclusion in respect thereof and Tenant consents to Landlord's so doing. Tenant will co-operate with Landlord in respect of any

such contest and appeal and shall make available to Landlord such information in respect thereof as Landlord requests. Tenant will execute forthwith on request all consents, authorizations or other documents as Landlord requests to give full effect to the foregoing.

- (c) Tenant will not contest any Realty Taxes or appeal any assessments related to the Premises or the Project.
- (d) At Landlord's sole option, in lieu of including the same in Operating Costs, Tenant shall pay, as Additional Rent, its share of the costs of investigating and contesting Realty Taxes and/or assessments on the following basis: (i) Proportionate Share; (ii) as allocated based on Realty Taxes payable by Tenant pursuant hereto; or (iii) based on any tax savings realized as a result of such investigation and contesting of Realty Taxes and/or assessments in respect thereof.

## 7. OPERATING COSTS

### 7.1 Tenant's Payment of Operating Costs

Tenant shall pay to Landlord the Proportionate Share of Operating Costs.

### 7.2 Excess Costs

- (a) If, by reason of:
  - (i) The conduct of business on the Premises outside of Business Hours;
  - (ii) the particular use or occupancy of the Premises or any of the Common Facilities; or
  - (iii) the requirement for any services beyond Building Standard services, such as, without limitation, additional security, janitorial or special procedures for waste disposal (whether relating to quantity or the nature of the waste) hoisting, supervision and receiving, delivery or storing of items;

additional costs in the nature of Operating Costs, such as, without limitation, costs of: insurance (including insurance increases incurred by tenants of the Project); Utilities; security; janitorial; HVAC and/or waste disposal, are incurred in excess of the costs which would otherwise have been incurred for such items, then Landlord shall have the right, but not the obligation, to determine such excess costs on a reasonable basis and require Tenant to pay such costs, plus fifteen percent (15%) of the amount thereof (collectively, the "Excess Costs").

- (b) If Tenant or any other tenant of the Project, pursuant to its lease or otherwise by arrangement with Landlord, provides at its cost any goods or services the cost of which would otherwise be included in Operating Costs, or if any goods or services the cost of which is included in Operating Costs benefit any portion of the Project to a materially greater or lesser extent than any other portion of the Project, then either the denominator for determining a Proportionate Share, or alternatively the amount of Operating Costs, may be adjusted as determined by Landlord, at its option, to provide for the equitable allocation of the cost of such goods and services among the tenants of the Project.

## 8. USE OF PREMISES

### 8.1 Permitted Use

- (a) Tenant covenants that it shall not use and shall not cause, suffer or permit the Premises to be used for any purpose other than as described in subsection 1(i) hereof. Tenant acknowledges that Landlord is making no representation or warranty as to Tenant's ability to use the Premises for its intended use and Tenant shall, prior to executing this Lease, perform such searches and satisfy itself that its use is permitted under all applicable Laws and that Tenant will be able to obtain an occupancy permit, at Tenant's cost and expense.
- (b) Tenant acknowledges that Landlord has granted exclusive covenants and may grant other exclusive covenants to tenants of the Project and accordingly, Tenant covenants that it shall carry on only the business permitted to be carried on in the Premises as and to the extent set out in subsection 1(i) of this Lease and in no other manner whatsoever.

### 8.2 Conduct of Business

At all times throughout the Term, Tenant will continuously, actively and diligently conduct its business in the whole of the Premises in an up to date first class and reputable manner, in keeping with the Building Standard.

### 8.3 Tenant's Fixtures

Tenant shall install and maintain in the Premises at all times during the Term trade fixtures, furnishings and equipment at least equal to Building Standard. Tenant shall not remove any trade fixtures or other contents from the Premises during the Term except that Tenant may, provided there is no Uncured Event of Default, remove trade

fixtures or contents in the ordinary course of business or for the purpose of replacing them with others at least equal in value and function to those being removed.

#### 8.4 Signs

**FOR WALL-MOUNTED SIGNS:** Tenant shall not erect, install or display any sign or display on or visible from the exterior of the Premises except for one Building standard sign identifying Tenant's business in the Premises to be located on the exterior wall façade of the Building above or adjacent (as dictated by the sign policy applicable to the Project) to the main entry door to the Premises, to be installed by Tenant in accordance with the standard sign policy in effect for the Project and to be maintained by Tenant during the Term in accordance with Building Standard. Tenant shall be solely responsible for all costs associated with the supply, installation, operation, maintenance, repair and replacement of such sign, including any costs of utility consumption, insurance and taxes related thereto and, upon the expiry or earlier termination of this Lease, Tenant shall remove such sign from the Building and shall restore the Building to the condition in which it existed prior to the installation and removal of such sign, and shall repair any damage caused thereby.

**FOR PODIUM SIGNS:** Tenant shall not erect, install or display any sign or display on or visible from the exterior of the Premises except for its corporate name identifying Tenant's business in the Premises to be added in base Building standard lettering by Landlord to the existing podium sign ("Podium") provided for the Project. Tenant shall be responsible for all costs incurred by Landlord in adding Tenant's name to the Podium. Landlord shall undertake the maintenance, operation, repair and replacement of the Podium, and shall provide any insurance required therefor, and Tenant shall be responsible for its pro-rata share of all of Landlord's costs in so doing. Upon the expiry or earlier termination of this Lease, Landlord shall remove Tenant's identification from the Podium and all costs in connection therewith shall be reimbursed by Tenant to Landlord forthwith upon demand therefor.

**FOR RENEWING TENANTS:** Tenant shall not erect, install or display any sign or display on or visible from the exterior of the Premises except for the existing sign on the exterior wall façade of the Building identifying Tenant's business on the Premises. Such sign shall remain the property of Tenant and Tenant shall maintain such sign in Building Standard condition at all times during the Term. Tenant shall be solely responsible for all costs associated with the operation, maintenance, repair and replacement of such sign, including any costs of damage caused thereby and any costs of insurance, Utilities and taxes related thereto and, upon the expiry or earlier termination of this Lease, Tenant shall remove such sign from the Building and shall restore the Building to the condition in which it existed prior to the installation and removal of such sign, and shall repair any damage caused thereby.

#### 8.5 Prohibited Uses

Tenant shall not cause, suffer or permit the Premises or any part thereof to be used at any time during the Term for any of the following sales, businesses or activities:

- (a) any retail or wholesale sales activities, including the sale or storage of any counterfeit goods or merchandise;
- (b) any auction;
- (c) any sale of tickets for theatre or other entertainment events or lottery tickets;
- (d) any illegal activities, including any activity that is pending legalization;
- (e) a marihuana dispensary;
- (f) any use which would result in people waiting in Common Facilities to enter the Premises or any other type of business or business practice which would, in the sole opinion of Landlord, tend to lower the character or image of the Project or any portion thereof;
- (g) a call centre;
- (h) a school or training centre of any kind; or
- (i) any use which might:
  - (i) result in an actual or threatened cancellation of or adverse change in any policy of insurance of Landlord or others on or related to the Project or any part or contents thereof; or
  - (ii) be prohibited by any policy of insurance of Landlord or any others in force from time to time in respect of the Project or any part or contents thereof.

The inclusion of the foregoing provisions of this Section 8.5 shall not be deemed to be a covenant, representation or warranty of Landlord that any of the foregoing activities will not be authorized by Landlord to be conducted on any part of the Project.

#### 8.6 **Waste Removal**

Tenant shall not allow any refuse, garbage or any loose, objectionable material to accumulate in or about the Premises or the Project. Tenant at its expense shall at all times comply with Landlord's rules and regulations regarding the separation, removal, storage and disposal of waste for the Premises. Landlord shall have the option to take over the function of separating, removing and/or disposing of the waste and the cost to Landlord of same shall be included in Operating Costs. Tenant shall be responsible for all costs of removal of waste from the Premises other than costs of routine waste removal included in Operating Costs.

#### 8.7 **Waste, Nuisance and Hazardous Substances**

- (a) Tenant will not:
- (i) cause, suffer or permit any waste or damage to the Premises or Leasehold Improvements, fixtures or equipment therein;
  - (ii) permit any overloading of the floors of the Premises;
  - (iii) use or permit to be used any part of the Premises for any dangerous, noxious or offensive activity or any activity which involves dangerous, noxious or offensive goods;
  - (iv) do or bring anything or permit anything to be done or brought on or about the Premises or the Project which results in undue noise, odour or vibration or which Landlord may reasonably deem to be hazardous or a nuisance or annoyance (including, for greater certainty, labour disturbances) to any other tenants or any other Persons permitted to be on the Project,
- (collectively, a "Nuisance").

If Landlord determines that any Nuisance for which Tenant is responsible pursuant hereto exists on or if Landlord determines that any Nuisance for which Tenant is responsible pursuant hereto emanates from the Premises, Tenant will, forthwith on notice, remedy the same. Tenant will take every reasonable precaution to protect the Premises and the Project from risk of damage by fire, water or the elements or any other cause.

- (b) Tenant will not, and shall not permit anyone else to, place anything on the roof of the Building or go on to the roof of the Building for any purpose whatsoever, without Landlord's prior written approval, which may be arbitrarily withheld in Landlord's sole discretion.
- (c) Tenant will not use any advertising, transmitting or other media or devices which can be heard, seen, or received outside the Premises, except for usual business communications such as facsimile transmission, e-mail and internet use provided the same do not interfere with any communications or other systems outside the Premises.

#### 8.8 **Compliance with Laws**

- (a) Tenant shall use the Premises, and shall perform all maintenance, repairs and replacements thereto, in such manner as shall be required by or in compliance with all applicable Laws.
- (b) Tenant shall provide Landlord with evidence satisfactory to Landlord acting reasonably that Tenant has obtained and is complying with the terms of all applicable licences, approvals and permits from time to time.

#### 8.9 **Telecom and Wireless Services**

Tenant shall not utilize any telephone, data or other network and telecommunications services (collectively, "Telecom Services") which require the installation of any wiring or other connections or transmission services between the Premises and any other part of the Project, without Landlord's prior written consent, which consent shall not be unreasonably withheld, it being hereby understood and agreed that it shall be reasonable for Landlord to withhold consent if there is insufficient room within the conduits and/or risers provided in the Building to accommodate such Telecom Services. At Landlord's option, any third-party telecommunications service provider which is not already providing services to other tenants of the Project shall, as a condition to being permitted to provide such service to the Premises, enter into a licence agreement with Landlord on Landlord's standard form, entitling such party to connect to or transmit to or from the Premises. Landlord, at its option, may require such third-party telecommunications service provider to pay a licence fee to Landlord in an amount determined by Landlord in its sole discretion. Any costs incurred by Landlord in documenting such agreement shall be paid for by Tenant, as Additional Rent on demand. If any Telecom Services installed or used by any Person in the Premises, or installed or used by Tenant or any Tenant's Parties in the Project are determined by Landlord to be interfering with any other Telecom Services in the Project, Tenant shall forthwith on notice take such steps as may be necessary to cease such interference, including, if necessary, discontinuing such Telecom Services of Tenant.

## 8.10 **Deliveries**

All deliveries to and from the Premises, and loading and unloading of goods, merchandise, refuse, materials and any other items, shall be made only by way of such driveways, access routes, doorways, corridors and loading docks as Landlord may from time to time designate and shall be subject to all applicable rules and regulations made by Landlord from time to time pursuant to this Lease.

## 8.11 **Environmental**

### (a) Tenant covenants with Landlord that Tenant:

- (i) shall be responsible for Hazardous Substances (including the Remediation (as hereinafter defined) thereof) introduced on the Lands by Tenant and/or Tenant's Parties during the Term of this Lease and during any period of time prior to the Commencement Date during which Tenant or any Tenant's Parties occupied or had use of all or any portion of the Project for any purpose and during any period of time following the Expiry Date that Tenant and/or Tenant's Parties use or occupy the Project, or any portion thereof, for any purpose;
- (ii) shall not use or permit or suffer the use of the Premises or any part of the Project to generate, manufacture, refine, treat, transport, store, handle, dispose of, transfer, produce or process any Hazardous Substance or permit the release of any Hazardous Substances from the Premises except in strict compliance with all Environmental Laws including, without limitation, the Environmental Protection Act, R.S.O. 1990, c. E-19 and all other Environmental Laws in respect of environmental, land use, occupation, or health and safety matters. In the event Tenant fails to comply with any such Environmental Laws, Landlord may, but shall not be obligated to, do such things as necessary to effect such compliance, and all costs and expenses incurred by Landlord in so doing, together with an administration charge equal to fifteen percent (15%) of such costs and expenses, shall be payable forthwith by Tenant to Landlord as Additional Rent;
- (iii) shall not permit any Tenant's Parties to engage in any activity on or about the Project, or permit any Person to engage in any activity on or about the Premises, which may reasonably be anticipated to lead to a violation of any Environmental Laws;
- (iv) shall deliver prompt Notice to Landlord, and any Authority, of the actual, alleged or suspected release of any Hazardous Substances from the Premises;
- (v) shall forthwith deliver to Landlord any environmental site assessment, audit or report relating to the Premises conducted by or on behalf of Tenant, at Tenant's request, from time to time;
- (vi) shall forthwith deliver to Landlord Notice of receipt by Tenant of any claim, order, directive, notice, charge or other communication whatsoever received from any Authority relating to any Environmental Laws or relating to any actual or alleged breach by Tenant or of Tenant's Parties of any Environmental Laws ("collectively, "Order"), which Notice shall be accompanied by a duplicate copy of such Order. Tenant shall, at its sole cost and expense, prepare and submit for approval all necessary studies, plans and proposals required to comply with the Order and shall provide all bonds and other security required by the Authority having issued the Order. Tenant shall keep Landlord advised in writing on a weekly basis of Tenant's progress in complying with the Order. Notwithstanding anything contained in the foregoing to the contrary, if Landlord determines, in its sole discretion, that Landlord or the Project or any Person thereon, or the reputation of Landlord or of the Project or of such other Persons, is or are placed in jeopardy as a result of the Order, Landlord may, at its option, undertake itself to comply with the Order, and all costs and expenses incurred by Landlord in so doing, together with an administration charge equal to fifteen percent (15%) of such costs and expenses, shall be payable forthwith upon demand by Tenant to Landlord as Additional Rent;
- (vii) shall authorize and permit Landlord to make enquiries from time to time of any Authority with respect to Tenant's compliance with any Laws and Tenant covenants and agrees that Tenant shall, upon receipt of Landlord's request therefor, provide to Landlord such written authorization as Landlord may reasonably require in order to facilitate the procurement of such information; and
- (viii) shall maintain all environmental site assessments, audits, reports, Orders and all information relating to or produced in regard to the Remediation strictly confidential and shall not divulge the contents thereof to any Person (including without limitation any governmental Authority), save and except that Tenant may divulge the contents thereof: (A) as required by Law; (B) to Tenant's professional advisers and lenders on a need-to-know basis; or (C) with the prior written consent of Landlord, which consent may be unreasonably withheld.

The said obligations shall survive the expiration or earlier termination of this Lease.

- (b) Landlord shall be entitled at any time or times to enter the Premises to inspect same and to conduct such other investigations as in its sole discretion it deems necessary for the purpose of satisfying itself as to compliance by Tenant with all Environmental Laws and with all provisions of this Section 8.11. Without limiting the generality of the foregoing, Landlord shall have the right to remove samples from the Premises, interview Tenant's employees and conduct such physical inspections of the Premises and examination of such documentation relating to the Premises (which documentation Tenant agrees to make available at the Premises) and Tenant's compliance with the provisions of this Section 8.11 as Landlord may deem necessary. All such information shall be used by Landlord solely for the purpose of ensuring compliance by Tenant with the provisions of this Section 8.11 and, otherwise, such information shall (except to the extent disseminated to or amongst Landlord's subsidiaries, assigns, affiliates, agents, property managers and base Building engineers and consultants) be kept strictly confidential.
- (c) At any time during the Term: at Landlord's written request therefor (accompanied by particulars substantiating such request); at the request of any Authority; if required by Laws; if required as a result of any deposit, spill, discharge or other release of Hazardous Substances or other breach of the provisions of this Section 8.11, and at least three (3) months prior to the expiry or sooner surrender (to which surrender the parties have granted their mutual written consent) of the Term, Tenant shall, at its sole cost and expense, obtain an intrusive environmental site assessment of the Premises and/or an intrusive environmental audit of the operations of the Premises (collectively, "Assessment") from an independent and qualified environmental consultant approved by Landlord in writing in advance ("Approved Consultant") and shall deliver to Landlord a duplicate copy of any reports produced by the Approved Consultant in connection with the Assessment, including a reliance letter in favour of Landlord providing reliance for Landlord on the work completed by the Approved Consultant as if Landlord itself had retained the Approved Consultant ("Reliance Letter"). If this Lease is terminated prior to the expiry of the Term in accordance with the provisions of Article 16 of this Lease, Landlord, at its option (acting in its sole and absolute discretion), as soon as reasonably possible following any such termination, may itself obtain the Assessment from its environmental consultant ("Landlord Consultant") and all costs and expenses incurred by Landlord in so doing, together with an administration charge equal to fifteen percent (15%) of such costs and expenses, shall be payable forthwith by Tenant to Landlord as Additional Rent. If any Assessment reveals the existence of any Hazardous Substances for which Tenant is responsible hereunder at the Premises or on or about the Project or the Lands or which emanates therefrom onto any adjacent property, then Tenant shall, at its sole cost and expense, be required to remove same to the satisfaction of the Approved Consultant or Landlord's Consultant, as the case may be, and to the satisfaction of Landlord, in their sole and absolute discretion (the "Remediation"). In completing the Remediation, Tenant shall act diligently and expeditiously and in a good and workmanlike manner, in accordance with the applicable provisions of this Lease and all applicable Laws, and in such manner so as to minimize interference with the use and operation of the Project by Landlord and the other tenants and occupants thereof. If such Remediation cannot reasonably be completed prior to the expiry or sooner surrender of the Term, or if such Remediation is being completed following the earlier termination of the Term (whether or not such Remediation is being completed by Tenant or Landlord), the provisions of subsection 11.4(b) of this Lease shall apply. Tenant shall compensate Landlord, its successors and assigns, for any demolition or destruction of, on, under or to the Project which results from the Remediation and Tenant shall, at its sole cost and expense, repair or replace the Premises or any buildings or other leasehold improvements in or on the Premises or the Project and any demolished or destroyed property on, under or attached to the Premises or any portion of the Project following such Remediation, including the removal, treatment, disposal, restoration and replacement of the soil or any other part of the Project as may be required by Landlord, or any Authority pursuant to any Environmental Laws and shall restore the Project to the condition in which it existed prior to the commencement of such Remediation (and, otherwise, to the condition in which the Project existed prior to the contamination for which such Remediation is required) using building materials of like kind and quality but which, in any event, must be acceptable to Landlord, acting reasonably. Prior to commencing any Remediation, Tenant shall provide Landlord with a written scope of work (prepared by Tenant at its expense) for Landlord's written approval, not to be unreasonably withheld, and Tenant shall deliver to Landlord any related bonds or other financial assurances as may be required by Landlord in connection therewith. Landlord shall be entitled to have Landlord Consultant attend during the Remediation (and any testing, inspections, surveys and studies in connection therewith) and Landlord shall be entitled to itself take duplicate samples of any material being sampled, all at Tenant's sole cost and expense. Tenant shall provide duplicate copies to Landlord of any inspection, investigation or assessment reports conducted or prepared in connection with the Remediation and same shall be accompanied by a Reliance Letter. In the event of any dispute hereunder between Landlord Consultant and the Approved Consultant, the opinion of Landlord Consultant shall be final and binding upon the parties.
- (d) Tenant shall not be permitted to carry out any type of risk assessment of the Premises or the Project as purported compliance with the requirements of this Section 8.11 and this subsection 8.11(d) supersedes any other provision of this Lease to the contrary.
- (e) Any Hazardous Substances on or about the Premises for which Tenant is liable pursuant to this Section 8.11 shall remain the sole and exclusive property of Tenant and shall not become the property of Landlord, notwithstanding the degree of affixation to the Premises. This affirmation of Tenant's interest in the Hazardous Substances or the goods containing the Hazardous Substances

shall not, however, prohibit Landlord from dealing with such material as otherwise provided for in this Lease.

- (f) Tenant will be solely responsible for, and shall indemnify and save harmless Landlord and Landlord's Parties, from and against all Liabilities caused by or resulting from any Hazardous Substance at any time on or affecting the Premises or the Project resulting from (i) any act or omission of Tenant or any Tenant's Parties on the Project, or (ii) any act or omission of Tenant or any other Person on the Premises (save and except Landlord and Landlord's Parties), or (iii) any activity or substance on or generated from the Premises during the Term (save and except to the extent caused by Landlord and Landlord's Parties), and any period prior to the Term during which the Premises were used or occupied by or under the control of Tenant and any period of time following the Expiry Date that Tenant and/or Tenant's Parties use or occupy the Premises for any purpose, and Tenant will be responsible for the clean-up and removal of any of the same and any Liabilities caused by the occurrence, clean-up or removal of any of the same, and Tenant will indemnify Landlord in respect thereof.
- (g) Wherever in this Section 8.11, reference is made to, or an obligation or restriction is imposed on, Tenant, same shall be deemed to include Tenant and/or any Tenant's Parties.
- (h) **YET TO BE SIGNED:** Tenant agrees to complete the environmental questionnaire attached hereto as Schedule "E" and to forthwith advise Landlord, in writing, of any amendments thereto.
- ALREADY SIGNED:** Tenant has completed the environmental questionnaire attached hereto as Schedule "E" and agrees to forthwith advise Landlord, in writing, of any amendments thereto.

## 9. SERVICES AND UTILITIES

### 9.1 Utilities, Heating and Air Conditioning

- (a) Subject to interruption beyond its control, Landlord will provide all utility services for the normal use of the Premises during Business Hours. Tenant shall promptly pay to Landlord for, as and when they fall due, all costs of supplying water, electricity, gas, steam and other utilities (collectively, "Utilities") to the Premises, and all costs for all fittings, connections and meters and all work performed in connection with any services or Utilities provided to the Premises, on the basis of either: (i) separate or check meters, if available, (ii) Tenant's Proportionate Share; (iii) as otherwise reasonably allocated by Landlord. If Landlord, acting reasonably, desires that any or all Utilities or HVAC supplied to the Premises be measured by separate meters, either because Tenant's use appears to be unusually high or because Landlord desires to separately meter various portions of the Building, Landlord may install such meters, the reasonable cost of which shall be paid by Tenant. At Landlord's option, all or any portion of the cost of Utilities provided to the Premises shall be payable as part of the Operating Costs. At Landlord's option, Tenant shall pay for all or any Utilities provided to the Premises directly to Landlord's utility supplier(s). Landlord may require Tenant to pay the cost of Utilities on the basis of Landlord's reasonable estimates, subject to adjustment within a reasonable time following the period for which the estimates are made.
- (b) Tenant's use of any Utilities shall not exceed the available capacity of the existing systems from time to time. If Tenant desires at any time to obtain any such Utilities or HVAC in excess of such available capacity, Tenant may supply and install at its expense any special wires, conduits or other equipment necessary to provide such additional capacity subject to the prior written consent of Landlord. If consumption of Utilities on the Premises should, at any time, overload the available capacity of the existing systems, Tenant shall be responsible for all costs incurred by Landlord in respect of same and Tenant agrees to indemnify and save harmless Landlord from and against any and all costs, losses, claims, expenses, damages and liability whatsoever incurred by Landlord as a result of the overloading of such systems.

### 9.2 Heating and Air Conditioning

- (a) Landlord shall heat the Premises during the appropriate heating season and shall cool the Premises during the appropriate air conditioning season by means of such HVAC equipment as shall be maintained from time to time, for the normal use of the Premises during Business Hours.
- (b) If the HVAC equipment shall require maintenance, repair or replacement, Landlord shall attend to the same with reasonable promptness, having regard to the then existing climatic conditions, but Landlord shall not be liable for any Liabilities arising from the resulting lack of HVAC or for any Liabilities for personal discomfort arising from any lack of HVAC.
- (c) Without in any way implying any liability of Landlord in respect of the same and for clarification, Landlord shall not be responsible for the inadequacy of any HVAC of the Premises: (i) by reason of: (A) the use or occupancy of the Premises beyond normal office use; or (B) the electrical or other power consumed on the Premises beyond normal office use; or (C) the configuration of partitions or other items on the Premises; or (ii) if the failure of Tenant to shade windows interferes with or impairs the functioning of or places a higher demand on equipment or HVAC of the Premises.

- (d) If Tenant desires Utilities or the use of HVAC equipment to provide HVAC to the Premises outside Business Hours, the same may be arranged on reasonable advance Notice to Landlord and Tenant will, if required by Landlord, pay for same as an Excess Cost.

### 9.3 **Exclusive Supplier**

Landlord shall have the right, to be exercised by Notice to Tenant, to require that Landlord, or Landlord's designated contractor(s), be the exclusive supplier, at Tenant's expense, of such materials or services for Tenant in respect of the Premises and the Project not otherwise expressly provided for in this Lease as Landlord may designate from time to time ("Services") including, without limitation, any work to be completed on the roof, replacement of tubes, bulbs and ballasts; cleaning of carpeting, drapes and curtains; janitorial services; waste removal; any services requiring drilling or otherwise penetrating floors, walls and ceilings; and locksmithing and security arrangements. The costs of any Services provided pursuant hereto shall be reasonably competitive in the marketplace for comparable services, comparably provided. If Landlord does not require that it be the supplier of Services, only Persons approved by Landlord, acting reasonably, may supply Services to Tenant and the provision of such Services by such Persons shall be subject to reasonable rules and regulations established by Landlord from time to time.

## 10. MAINTENANCE, REPAIRS AND ALTERATIONS

### 10.1 **Maintenance and Repairs of Premises**

At all times throughout the Term, Tenant, at its sole expense, shall perform or cause to be performed as required hereby such maintenance (including, without limitation, the removal of all snow, ice and debris from all entrance-ways, steps and platforms leading to the Premises and from the Lands, all as may be required to ensure safe access to the Premises for Tenant and its employees and invitees from time to time), repairs and replacements and upgrading to keep the Premises and all the contents thereof to Building Standard, and in accordance with all Laws, but excluding only the obligations of Landlord expressly provided in Section 10.6 hereof and reasonable wear and tear as would be permitted by a prudent owner which in any event does not detract from the overall Building Standard of the Premises or the function of any systems, facilities or improvements therein. For the purposes of this Section 10.1 only, the Premises shall not include utility rooms and base Building mechanical and electrical systems, whether or not located within the Premises.

### 10.2 **Approval of Repairs and Alterations**

- (a) Tenant shall not make any repairs, replacements, changes, additions, improvements or alterations (collectively "Alterations") to the Premises, prior to the Commencement Date, if applicable, or at any time during the Term of this Lease, as extended or renewed thereof, the Building or elsewhere on the Project without Landlord's prior written consent, which consent shall not be unreasonably withheld unless such proposed Alterations might: (i) in any way affect the roof or structure of the Building or the demising walls or entrances of the Premises or the base Building Standard mechanical, electrical, utility, sprinkler, communications or other similar systems within the Premises or the Project; (ii) in the opinion of Landlord, detrimentally affect the appearance or quality of the Premises or the portion of the Project in which the Premises are located, or impair the value or usefulness of the Premises or the Project; or (iii) in any way affect the coverage of the Project for zoning purposes, or parking requirements for the Project, in any of which cases such consent may be withheld unreasonably and in Landlord's sole discretion.
- (b) Should Tenant perform Tenant's Work prior to the Commencement Date, on the Delivery Date, Tenant or its contractors can proceed with Tenant's Work. Tenant may inspect the Premises and shall be deemed to have accepted the Premises unless Landlord is notified otherwise in writing within forty-eight (48) hours of the Delivery Date, subject to Landlord's Work, if any.
- (c) Tenant shall not be entitled to exclusive occupation of the Premises, until the completion of all Landlord's Work, if any.
- (d) With its request for Landlord's consent, Tenant shall submit to Landlord details of the proposed Alterations including permit-ready plans and specifications prepared by qualified architects or engineers. Such Alterations shall be completed in accordance with the permit-ready plans and specifications approved in writing by Landlord (and, where applicable, by Landlord's insurers) and in accordance with the *Tenant Design Criteria Manual*, if any, for the Project. For greater certainty, Tenant shall deliver to Landlord (Attention: Property Management Department) (i) one (1) hard copy, and (ii) one (1) digital copy that meets Landlord's required format, of each of its plans (to a scale approved by Landlord, such approval not to be unreasonably withheld) and specifications and such other information as may be reasonably necessary for Tenant's Work to be approved under the terms of this Lease, including Tenant's contact name, mailing address, phone and fax numbers.

Tenant shall provide said plans a minimum of two (2) weeks for Landlord to review prior to Landlord's or Tenant's construction. Tenant's plans and specifications shall be prepared by qualified professional design, architectural, and/or engineering consultants, at Tenant's expense, shall be approved in writing by Landlord and shall provide sufficient detail on at least the following portions of Tenant's Work, where applicable:

- (i) floor plans with layout and complete interior finishing schedules, partition notes and details;

- (ii) reflected ceiling plan;
- (iii) heating, ventilation and cooling schedule of design loads (including indication of any loads in excess of design or installed capacity), layout of equipment and details including all piping and ductwork;
- (iv) electrical layout plan to show all wiring circuits including lighting and convenience outlets, Tenant's emergency lighting system, all modifications and/or additions to fire alarm devices within the Premises, telephone locations and the location of equipment requiring electrical power, including underfloor services, accompanied by an electrical fixture schedule specifying the type, manufacturer, wattage, quantity, etc., of all electrical fixtures and equipment. A schedule or list of power loads with circuit numbers adjacent, calculated connected and demand loads and watts per square foot for the Premises shall be provided;
- (v) plumbing;
- (vi) sprinklers and other fire prevention devices;
- (vii) underfloor electrical or mechanical (if any);
- (viii) signage; and
- (ix) any other special facilities or installations or any additional structural loading required in excess of the design capacity.

Landlord shall notify Tenant in writing either of its approval thereof, or all the specific changes required by it and Tenant shall then promptly prepare and submit to Landlord within ten (10) days, one (1) complete set of drawings and specifications so amended.

Tenant shall maintain a copy of approved final plans, specifications, addenda and change notices at the work site throughout construction of Tenant's Work, and shall provide to Landlord one (1) copy of approved as built record drawings and one (1) copy to be digital to Landlord's required format, and maintenance manuals (including balancing reports, occupancy certificate, final authority and consultant inspection reports) upon completion of Tenant's Work and Landlord shall not be deemed to have made, a representation or warranty as to the compliance of Tenant's Work with any laws as to the suitability of the Premises, or Tenant's Work for Tenant's needs. Accordingly, notwithstanding the fact that any plans are reviewed and/or approved by Landlord or its architect, engineers and consultants, and notwithstanding any advice or assistance which may be rendered to Tenant by Landlord or Landlord's architect, engineers and consultants, Landlord shall have no liability whatsoever in connection therewith and for any omissions or errors contained in such plans.

- (e) All Alterations shall be planned and completed in compliance with all Laws and, prior to commencing any Alterations Tenant shall: (i) at its expense, obtain, and deliver to Landlord copies of, all necessary permits and licences, including, without limitation, plumbing, mechanical and electrical permits, to the extent required; (ii) letters in good standing from the Workers Compensation Board, if required; (iii) list indicating Tenants, General Contractor, Sub-Contractors complete with name of contact; (iv) phone numbers for after hours emergency use; (v) Landlord's approval of the plans and specifications in accordance with this Lease; and (vi) deliver to Landlord certificates of insurance from all contractors and sub-contractors engaged to perform such Alterations evidencing insurance coverage satisfactory to Landlord, acting reasonably, which coverage shall include commercial general liability insurance for bodily injury and property damage on an occurrence basis with coverage for any one occurrence or claim of not less than Five Million Dollars (\$5,000,000.00) per occurrence, naming Tenant, Landlord, and any others designated by Landlord, as additional insureds. Tenant hereby agrees that neither Landlord, nor any Landlord's Parties, shall be liable for any Liabilities whatsoever, howsoever incurred by Tenant as a result of any delays in commencing and/or completing Alterations as a result of delays incurred in receiving required permits therefor.
- (f) Tenant shall, prior to the commencement of any such Alterations, furnish to Landlord at Tenant's expense such evidence as reasonably required by Landlord of the projected cost of Alterations and Tenant's ability to pay for same as and when due, together with such indemnification against costs, liens and damages as Landlord shall reasonably require including, if required by Landlord, a performance bond in such terms and issued by such company as shall be acceptable to Landlord in its sole discretion in an amount at least equal to the estimated cost of such Alterations, guaranteeing completion of such Alterations within a reasonable time, free and clear of any liens or encumbrances.
- (g) All Alterations shall be performed at Tenant's cost, promptly and in a good and workmanlike manner and in compliance with Landlord's rules and regulations by competent contractors or workmen who shall be approved by Landlord, acting reasonably, and who shall, if necessary to

avoid labour disruption, be compatible with the labour affiliation, if any, of Landlord's contractors and workers working in the Building. In addition to the foregoing, Tenant's Work shall otherwise be carried out in accordance with the following provisions:

- (i) It shall be done at Tenant's sole cost and expense and in compliance with such reasonable rules and regulations as Landlord or its agents may make, such as:
    - (1) material and equipment handling, including hoisting facilities;
    - (2) material and equipment storage
    - (3) electricity, heat and water availability;
    - (4) clean up and toilet facilities;
    - (5) garbage and refuse storage and removal;
    - (6) hoarding; and
    - (7) security.
  - (ii) It shall be done in such manner as will not interfere unreasonably with the work being done by Landlord, if any, in accordance with this Lease in respect of any portion of the Premises.
  - (iii) It shall be subject to the reasonable supervision of Landlord or its agents or contractors.
  - (iv) It shall be done at the risk of Tenant.
  - (v) No load greater than the design live load of 100 pounds per square foot, uniformly distributed, shall be imposed on any floor.
  - (vi) No loads may be suspended from the underside of the roof structure other than the combined load of the suspended ceiling light fixtures and mechanical terminals for which it has been designed.
  - (vii) No holes shall be drilled through the floor without the written approval of Landlord.
  - (viii) Tenant and its contractors shall conform with the requirements of Workers Hazardous Material Information Sheets (WHIMIS) and other applicable safety codes and regulations.
  - (ix) Sprinkler system impairments, whether planned or accidental, on site or off site, must be promptly reported to the satisfaction of Landlord's property insurance provider who will advise on the monitoring procedure until the system is fully restored.
  - (x) Tenant is responsible for all monitoring, security and/or supervision costs during sprinkler system impairments.
  - (xi) Hot work procedures, such as welding and torching, must be conducted by authorized personnel only and hot work permits requested from Landlord prior to commencement of the work.
  - (xii) Unless otherwise advised by Landlord, Tenant is to provide evidence to Landlord upon completion of Tenant's Work indicating Tenant has entered into a service and maintenance contract for all installed mechanical systems.
  - (xiii) Any fire sprinkler / alarm upgrades required to the Landlord's property due to Tenant's work and type of occupancy will be Tenant's responsibility.
- Landlord reserves the right, in its sole discretion, to enter upon the Premises to inspect Tenant's Work, from time to time, and any Tenant's Work that is not in accordance with plans, specifications, information and revisions delivered to and approved by Landlord or that is not otherwise in accordance with the requirements of the authorities having jurisdiction and that has not been removed or corrected forthwith after demand, may be removed or corrected by Landlord, at the expense of Tenant.
- (h) Unless expressly authorized by Landlord in writing to the contrary, all Alterations which, under applicable Laws, may not be undertaken without a building permit, or which might affect the roof or structure or any base Building Standard mechanical, electrical, utility, sprinkler, communications or other similar systems within the Premises or the Project (any of which is hereby termed a "Major Alteration") shall, at Landlord's option, be performed at Tenant's expense by Landlord or by contractors designated by Landlord and under Landlord's supervision and under the supervision of

a qualified architect or engineer approved by Landlord, in advance. For each Major Alteration, Tenant shall pay to Landlord forthwith upon request the aggregate of:

- (i) the sum of all out-of-pocket amounts paid or payable by Landlord in connection with such Major Alterations including, without limitation, the cost of such Major Alterations and all costs incurred by any contractors, architects and/or engineers engaged by Landlord to perform and/or supervise such Major Alterations, prepare and/or review plans, drawings and specifications for such Major Alterations, all of whose costs shall be reasonably competitive in the marketplace for comparable services, comparably performed;
  - (ii) to the extent to which Landlord employs its own personnel in lieu of an independent general contractor in connection with the Major Alterations, all reasonable charges of Landlord for its own personnel; and
  - (iii) fifteen percent (15%) of all costs incurred by Landlord pursuant to the provisions of subsection 10.2(f)(i) and, to the extent applicable, (ii), above.
- (i) All Alterations (including Major Alterations), the making of which might disrupt other tenants or occupants of the Project or the public, shall be performed outside of the hours from 7:00 a.m. to 6:00 p.m. Monday through Friday.
- (j) If Tenant performs any Alterations (including Major Alterations) without compliance with all of the foregoing provisions of this Article 10, Landlord, without prejudice to and without limiting Landlord's other rights pursuant to this Lease and at law, shall have the right to require Tenant to remove such Alterations forthwith and either restore the Premises (or Building or Project or portion thereof, as the case may be) to the condition in which they existed prior to such Alterations or to require Tenant to perform such Alterations in compliance with the foregoing provisions of this Article 10.
- (k) The opinion in writing of Landlord's Expert shall be binding on both Landlord and Tenant respecting all matters of dispute regarding any Alterations, including the state of completion and whether or not work is completed in a good and workmanlike manner and in accordance with plans and specifications for same as approved by Landlord (and/or Landlord's insurers, as applicable).
- (l) Tenant shall deliver to Landlord, complete Auto-Cad drawings of Tenant's Work (if any), and any subsequent Alterations (including Major Alterations) thereto, upon completion thereof.
- (m) Tenant shall ensure that all cabling installed in connection with any Alterations is appropriately labelled. For greater certainty, installation of flammable cabling shall be strictly prohibited.
- (n) Upon completion of Alterations, Tenant shall deliver to Landlord evidence, satisfactory to Landlord, acting reasonably, that all building permits related to the Alterations have been properly satisfied and closed.
- (o) Tenant shall (whether or not such consent is granted and without duplication of any costs set forth in subsection 10.2(f) above), pay to Landlord forthwith upon request all of Landlord's reasonable out-of-pocket costs incurred in:
  - (i) dealing with Tenant's request for Landlord's consent to any Alterations; and
  - (ii) inspecting and supervising any such Alterations including, without limitation, fees of architects, engineers and designers,plus, fifteen percent (15%) of such costs as Landlord's overhead, save and except in connection with Tenant's Work, if any, in which case such overhead fee shall not apply.

### 10.3 Notice by Tenant

Upon becoming aware of same, Tenant shall give reasonably prompt Notice to Landlord of any accident, defect, damage or deficiency in any part of the Premises or the Project, notwithstanding that Landlord may have no obligation in respect of the same. The provisions of this Section 10.3 shall not be interpreted so as to imply or impose any obligation whatsoever upon Landlord.

### 10.4 Ownership of Leasehold Improvements

All Leasehold Improvements in the Premises are, and shall forthwith upon the installation thereof become (as the case may be), the absolute property of Landlord without compensation therefor and without Landlord's having or thereby accepting any responsibility in respect of the maintenance, repair or replacement thereof, all of which shall be Tenant's responsibility.

## 10.5 Construction Liens

- (a) Tenant shall furnish to Landlord forthwith upon demand a statutory declaration or other evidence satisfactory to Landlord stating that there are no such encumbrances, and that all accounts for work, services and materials have been paid in full with respect to all Alterations, together with evidence in writing satisfactory to Landlord, acting reasonably, that all assessments under the *Worker's Safety and Insurance Act* have been paid. In addition to the foregoing, Tenant shall also submit to Landlord, forthwith, any other information requested by Landlord, acting reasonably, regarding the supply of work, services and materials in connection with such Alterations including, without limitation, reasonable details of the costs actually expended by Tenant in the performance of such Alterations.
- (b) Notwithstanding anything contained herein, including without limitation the provisions relating to Landlord's approval of the plans and specifications pertaining to the Alterations and to any rights of Landlord to perform any Major Alterations or do any other thing on Tenant's behalf, and notwithstanding any notice which may be received by Landlord from any of Tenant's contractors or sub-contractors, Landlord shall not be liable, and no lien or other encumbrance shall attach to Landlord's interest in the Premises pursuant to the *Construction Lien Act*, in respect of materials supplied or work done by Tenant or on behalf of Tenant or related to the Alterations, and Tenant shall so notify or cause to be notified all its contractors and sub-contractors. Tenant hereby acknowledges and agrees that the provision of any materials, work or services performed by Landlord at Tenant's expense in respect of any Alterations or pursuant to any provision hereof shall be deemed to be provided by Landlord on Tenant's behalf as Tenant's contractor.
- (c) Tenant shall make all such payments and take all such steps as may be necessary to ensure that no lien or other charge or claim therefor or certificate of action in respect thereof (any of which is herein referred to as "Lien") is registered against the Project or any portion thereof or against either Landlord's or Tenant's interest therein as a result of any work done for, or services or material supplied to, Tenant, or in respect of the Premises. Tenant shall cause any such registrations to be discharged or vacated within ten (10) days after Notice from Landlord or after registration, whichever is earlier.
- (d) Tenant shall indemnify and save harmless Landlord from and against any liabilities, claims, liens, damages, costs or expenses, including legal expenses, arising in connection with any work done for or services or materials supplied to Tenant or in respect of the Premises.
- (e) If Tenant permits any such lien registration or fails to cause any such registration to be discharged or vacated as aforesaid then, in addition to any other rights of Landlord, Landlord may, but shall not be obliged to, discharge or vacate the same by paying into court the amount claimed to be due together with any other amounts and all amounts so paid and all costs incurred by Landlord, including legal fees and disbursements, in thus arranging for the discharging or vacating of any such Lien shall be paid by Tenant to Landlord forthwith upon demand together with an administration fee calculated at fifteen percent (15%) of all such costs (excluding such amounts as are paid into court).

## 10.6 Landlord's Obligations

Subject to the provisions of Article 12 herein, and subject to Tenant's obligations hereunder, Landlord shall repair and/or replace, as the case may be, to the extent required to maintain Building Standard: (a) the structure and exterior walls of the Building; (b) roof of the Building (including the roof deck and the roof membrane); (c) the transportation, electrical, mechanical and drainage equipment and any other base Building systems forming part of the Project (including base Building systems located within the Premises and Common Facilities of the Project); (d) Common Facilities; and (e) Building standard window blinds and exterior windows. In cases of emergency, Landlord may take such action as is considered by it to be prudent and reasonable to protect the Project, any Persons, any property and/or Landlord and/or to avoid or mitigate financial or other loss, any and all of which action may be taken without prior Notice to Tenant, and without Landlord or Landlord's Parties thereby assuming any liability for doing so, or any negligence for taking such action or for the manner in which it takes such action, or for failing to take such action. Landlord's costs of compliance with this Section 10.6 shall be included in Operating Costs to the extent provided in the definition thereof.

## 11. END OF TERM

### 11.1 Vacating of Possession

- (a) Forthwith upon the expiry or earlier termination of the Term, Tenant shall peaceably deliver to Landlord vacant possession of the Premises in the condition in which Tenant is required to keep the Premises during the Term pursuant hereto and shall leave the Premises in a neat, clean and broom swept condition and Tenant shall deliver to Landlord all keys for the Premises and all keys or combinations to locks on doors, safes or vaults in the Premises.
- (b) If Tenant does not remain in possession of the Premises beyond the expiry of the Term pursuant to the provisions of Section 11.4 below, Tenant covenants and agrees that if it fails to deliver vacant possession of the Premises to Landlord on or before the date of expiry or earlier surrender of this Lease in the manner prescribed under this Lease, then:

- (i) Landlord shall have the right, at Tenant's full cost and expense, to retake possession of the Premises and remove all persons, property and items therefrom and dispose of all property in such manner and for such or no consideration as Landlord desires, or to remove such property or any part thereof from the Premises to a place of storage, all in accordance with Section 11.2 below; and
- (ii) Tenant shall indemnify and hold harmless Landlord and Landlord's Parties from any and all Liabilities whatsoever incurred as a result thereof (including, without limitation, any loss of rentals), and if legal action is brought for the recovery of possession of the Premises, Tenant shall pay to Landlord, forthwith upon demand, any and all costs and expenses (including, without limitation legal fees on a substantial indemnity basis and expenses) incurred on account thereof, together with all damages for which Tenant may be liable.

#### 11.2 Removal of Trade Fixtures

Provided there is no Uncured Event of Default in the payment of Rent, or if otherwise authorized or requested by Landlord, Tenant shall, at the expiry or earlier termination of the Term, at its sole cost and expense, remove its trade fixtures, equipment and all other personal property from the Premises (including all wiring, cabling, conduit, connections and attachments associated therewith) and shall restore the Premises to the condition in which they existed prior to the installation and removal of such trade fixtures and other personal property (including, for greater certainty ensuring: (i) all roof penetrations are sealed and made watertight; (ii) any bolts remaining from equipment are either removed or saw cut so as to render the floor slab in reasonably smooth, level condition; (iii) all interior walls are repaired so as to render same ready to receive finishes; and (iv) the Premises are otherwise left in a clean, broom-swept condition), and shall repair any damage caused thereby. If, at the expiry or earlier termination of the Term or upon Tenant's vacating or abandonment of the Premises, Tenant does not remove its trade fixtures or any of its other property from the Premises, Landlord shall have no obligation in respect of any of such items and may sell or destroy the same or have them removed or stored at the expense of Tenant or dispose of them in any other manner whatsoever as may be determined by Landlord in its sole discretion; at the option of Landlord, such trade fixtures or property not removed at the expiry or earlier termination of the Term shall become the absolute property of Landlord without payment of any compensation therefor to Tenant and may be dealt with by Landlord in such manner as it determines and Landlord shall be entitled to keep all proceeds from the sale of any of such property. If Landlord elects to store any of Tenant's property on the Premises or elsewhere, Tenant shall pay all fees charged by, or to, Landlord for such storage including, without limitation, the cost of labour, insurance, transportation, and any other expenses incurred in relation to the storage of such property at a daily rate which shall be equal to: (i) the rate being charged to Landlord for such storage, if Landlord elects to use an independent storage facility for same, plus an administration fee equal to fifteen percent (15%) of such rate; or (ii) in the event Tenant's property is being stored on the Premises or elsewhere on property owned by Landlord, the daily rate of all Rent payable under this Lease, and Landlord shall be entitled to a storer's lien and all rights pursuant to the *Repair and Storage Liens Act* (Ontario). Notwithstanding the foregoing, Tenant acknowledges and agrees that Landlord shall have no obligation with respect to the care or maintenance of Tenant's property or with respect to any damage caused thereto.

#### 11.3 Removal of Leasehold Improvements

- (a) Prior to expiry or forthwith on the earlier termination of this Lease, Tenant shall, at its sole cost and expense, remove any or all of such Leasehold Improvements from the Premises as required by Landlord and in so doing shall repair all damage resulting from, and shall restore the Premises or such portion thereof as determined by Landlord, to the condition in which they existed prior to the installation and removal of such Leasehold Improvements or to such other condition as is determined by Landlord at such time, and shall repair any damage caused thereby ("Restoration"). All Restoration completed by Tenant shall be completed in accordance with the *Tenant Design Criteria Manual*, if any, for the Project, or Landlord's reasonable requirements.
- (b) At Landlord's option, Landlord shall have the right, at Tenant's cost to be paid forthwith upon demand as an Excess Cost hereunder, to perform such Restoration.
- (c) Tenant shall co-operate with Landlord in its completion of a move-out inspection prior to the expiry or earlier termination of this Lease and shall perform all Tenant's obligations pursuant hereto, disclosed thereby.

#### 11.4 Overholding by Tenant

- (a)
  - (i) If Tenant remains in possession of all or any part of the Premises after the expiry of the Term with the written consent of Landlord but without any further written agreement, this Lease shall not be deemed thereby to have been renewed or extended and Tenant shall be deemed conclusively to be occupying the Premises as a monthly tenant on the same terms as set forth in this Lease so far as they would be applicable to a monthly tenancy except the monthly Rent shall be one hundred and fifty percent (150%) of an amount determined by taking 1/12 of the Last Year's Rent.
  - (ii) If Tenant remains in possession of all or any part of the Premises after the expiry of the Term without the express written consent of Landlord, Landlord's acceptance of Rent after the expiry of the Term shall not constitute Landlord's consent to such overholding and, in such case and until such time as the parties enter into a written agreement which

provides otherwise, Tenant shall be required to pay a monthly Rent calculated at two hundred percent (200%) of an amount determined by taking 1/12 of the Last Year's Rent.

- (b) If any of the obligations of Tenant pursuant to this Lease have not been completed by the expiry or earlier termination of this Lease ("End of Term"), such obligations shall survive such End of Term and Tenant shall continue to be responsible for the same. Notwithstanding the foregoing, Landlord, at its option, may perform any such obligations which have not been completed on or before the End of Term (other than the payment of Rent), the cost of which, plus fifteen percent (15%) of such cost, shall be paid by Tenant to Landlord forthwith upon request. During any period following the End of Term in which such obligations are being performed either by Tenant or by Landlord on Tenant's behalf, Tenant shall pay all Rent, including Basic Rent as provided in subsection 11.4(a)(ii) above, as though Tenant was overholding beyond the End of Term without the consent of Landlord, for the period from the date upon which the End of Term occurs, to the last day of the month in which all of such obligations have been completed.

## **12. DAMAGE AND DESTRUCTION**

### **12.1 Damage to Premises or Project**

If the Premises or the Project are damaged or destroyed, in whole or in part, by fire or any other occurrence, this Lease shall nonetheless continue in full force and effect and there shall be no abatement of any item included in Rent except as expressly provided in this Article 12, and the following provisions of this Article 12 shall apply.

#### **12.2 Damage to Premises**

- (a) If there is damage and/or destruction to the Premises and/or a release of Hazardous Substances on the Premises ("Damage") such as to render the whole or any part of the Premises unusable or inaccessible for the purpose of Tenant's use and occupancy thereof, Landlord shall deliver to Tenant, within sixty (60) days following the occurrence of such Damage, the Expert's written opinion ("Opinion") as to the actual repair time ("Actual Repair Time"), being the amount of time it will take to repair, reconstruct or Remediate, as the case may be, such Damage, to the extent of Landlord's obligations hereunder, employing normal construction/remediation methods (without overtime or other premium), following Landlord's receipt of all permits required for such repair, reconstruction or Remediation.
- (b) If this Lease is not terminated as herein in this Article 12 provided, Landlord shall diligently proceed to perform such repairs and/or reconstruction and/or Remediation (collectively, "Landlord's Reconstruction Work") to the Premises to the extent of its express obligations pursuant to this Lease and Tenant, commencing as soon as is practicable but without interfering with Landlord's Reconstruction Work, shall diligently proceed to perform such repairs and/or reconstruction and/or Remediation as are Tenant's responsibility pursuant hereto (collectively, "Tenant's Reconstruction Work"). In any event, within thirty (30) days after Landlord has completed the Landlord's Reconstruction Work to the Premises to the point where Tenant could commence Tenant's Reconstruction Work or commence the conduct of business on the Premises, Tenant shall complete Tenant's Reconstruction Work to the Premises and shall fully fixture (if applicable) the Premises and recommence the operation of Tenant's business as permitted and required pursuant hereto.
- (c) If:
- (i) according to the Opinion, the Actual Repair Time exceeds one hundred eighty (180) days; or
- (ii) at the time of occurrence of such Damage Tenant was not in actual physical occupancy of the whole of the Premises for the active and diligent conduct of business therefrom, or
- (iii) such Damage occurs within one (1) year prior to the expiry of the Term and either there are no remaining rights in favour of any party hereto to extend or renew this Lease or any party hereto having the right to renew or extend this Lease fails to do so within fifteen (15) days following the occurrence of such Damage (it being acknowledged that any express notice provisions for same would thereby be waived), or
- (iv) the cost of the Landlord's Reconstruction Work to the Premises exceeds by twenty-five percent (25%) or more the amount of insurance proceeds, if any, made available to Landlord therefor,
- then,
- (8) Landlord may elect, by Notice to Tenant, and,
- (9) in the case of subsection 12.2(c)(iii) above only, Tenant may elect, upon Notice to Landlord,

in both cases within thirty (30) days after delivery by Landlord of the Opinion, to terminate this Lease, whereupon, in the event of any such termination by either Landlord or Tenant, Tenant shall immediately surrender possession of the Premises and Basic Rent and all other payments for which

Tenant is liable pursuant hereto shall be apportioned to the effective date of such termination, subject to the provision for abatement set forth in subsection 12.2 (d) below.

- (d) If the Damage is such as to render the whole or any part of the Premises unusable or inaccessible in whole or in part for the purpose of Tenant's use and occupancy, as permitted hereby, and if immediately prior to the occurrence of such Damage, Tenant was using substantially all of the Premises for the purposes as permitted by and as otherwise required pursuant to the terms of this Lease, then the Rent payable hereunder shall abate from the date of such Damage, to the extent that Tenant's use and occupancy of and/or ability to access the Premises is in fact thereby diminished, which determination shall be made by the Expert, until the earlier of: (i) the thirtieth (30th) day after the Premises are ready for Tenant to commence Tenant's Reconstruction Work, as determined by Landlord; and (ii) the date on which Tenant first commences the conduct of business in any part of the Premises which had been Damaged following the date of the occurrence of such Damage.

### **12.3      Damage to Project**

If twenty five percent (25%) or more of the Rentable Area of the Project is Damaged, whether or not there is any Damage to the Premises, Landlord may, at its option, elect, by Notice given to Tenant within sixty (60) days after such occurrence, to terminate this Lease as of a date specified in such Notice, which date shall be not less than ninety (90) days and not more than one hundred eighty (180) days after the giving of such Notice, in which event Tenant shall vacate and surrender possession of the Premises by not later than the said date of termination, and Basic Rent and all other payments for which Tenant is liable pursuant to this Lease shall be apportioned to the effective date of termination, subject to the provision for abatement set forth in subsection 12.2(d) above. If Landlord does not so elect to terminate this Lease, Landlord shall diligently proceed to complete Landlord's Reconstruction Work to the Project, if any, to the extent of its obligations pursuant hereto.

### **12.4      Restoration of Premises or Project**

If there is Damage to the Premises or the Project and if this Lease is not terminated pursuant hereto, Landlord, in performing any Landlord's Reconstruction Work to the Premises or the Project as required hereby, shall not be obliged to repair or rebuild in accordance with the plans or specifications for the Premises or the Project as they existed prior to such Damage but Landlord may repair or rebuild the same in accordance with any plans and specifications chosen by Landlord in its sole and absolute discretion provided that Tenant's use and occupancy of and access to the Premises and the general overall quality of the Project are not materially detrimentally affected by any difference in plans, specifications or form of the Premises or the Project from such plans, specifications and form as the same existed immediately prior to the occurrence of such Damage.

### **12.5      Determination of Matters**

For the purposes of this Article 12, all matters requiring determination such as, without limitation, the extent to which any area(s) of the Premises or the Project are Damaged or are rendered inaccessible, or the times within which repairs and/or reconstruction and/or Remediation may be made, unless expressly provided to the contrary, shall be determined by the Expert and such determination shall, in the absence of manifest error, be final and binding on the parties.

## **13.      INSURANCE AND INDEMNITY**

### **13.1      Landlord's Insurance**

Landlord shall obtain and maintain in full force and effect during the Term with respect to the Project insurance against such occurrences and in such amounts as would be carried by reasonably prudent owners of properties similar to the Project and which coverage shall include the following, if commercially available:

- (a) "all risks" property insurance on the Building, excluding Leasehold Improvements and excluding the Premises, but including equipment contained therein owned or leased by Landlord, for not less than the full replacement cost thereof;
- (b) boiler and machinery insurance (also known as "equipment breakdown") including repair and/or replacement;
- (c) rental income insurance;
- (d) commercial general liability insurance; and
- (e) such other insurance and insurance in such amounts and on such terms as Landlord, in its discretion, may determine.

The policies of insurance referred to in this Section 13.1, shall contain a waiver of the insurer's right of subrogation as against Tenant and Tenant's Parties. Landlord hereby waives its right of recovery against Tenant and Tenant's Parties with respect to all claims required to be insured against by Landlord hereunder.

Notwithstanding Tenant's contribution to Landlord's costs and premiums respecting such insurance pursuant to the terms of this Lease, Tenant shall not have any insurable or other interest in any of Landlord's insurance and, in

any event, Tenant shall not have any interest in or any right to recover any proceeds under any of Landlord's insurance policies.

### 13.2 Tenant's Effect on Landlord's and Other Insurance

In the event of an actual or threatened cancellation of or adverse change in any policy of insurance of Landlord or any others on or related to the Project or any part or contents thereof by reason of:

- (a) the use or occupancy of the Premises; or
- (b) anything placed or permitted to be placed on the Premises or any part of the Project; or
- (c) any act or omission of;

Tenant or Tenant's Parties or any other Person permitted to be on the Premises or Project by Tenant or Tenant's Parties (save and except Landlord and Landlord's Parties) or any contents or articles for which Tenant and/or Tenant's Parties are responsible on any part of the Project, then if, after delivery by Landlord of Notice to Tenant setting out the nature of the situation, condition, use or occupancy, or other factor giving rise to such actual or threatened cancellation, which Notice shall provide Tenant such period of time as is dictated by Landlord's insurers for the remedy of same, and if Tenant fails to cure such situation, condition, use or occupancy or other factor, Landlord may, at its option, either:

- (i) terminate this Lease forthwith by Notice if the situation, condition, use or occupancy or other factor giving rise to such actual or threatened cancellation is incapable of remedy; or
- (ii) remedy the situation, condition, use, occupancy or other factor giving rise to such actual or threatened cancellation or otherwise address the change, and for such purpose Landlord shall have the right to enter upon the Premises without further notice, all at the cost of Tenant to be paid to Landlord forthwith upon demand.

### 13.3 Tenant's Insurance

- (a) Tenant shall, at its sole cost and expense, obtain and maintain in full force and effect at all times with respect to the Premises insurance throughout the Term and any extension and or renewal thereof (and such other times, if any, as Tenant occupies the Premises) which coverage shall include the following:
  - (i) commercial general liability insurance in an amount of not less than Five Million Dollars (\$5,000,000.00) per occurrence for bodily injury and property damage including the following extensions: tenants' legal liability; owners and contractors protective; limited pollution coverage; products and completed operations; personal injury; blanket written contractual; non-owned automobile liability; severability of interests; cross liability; and employer's liability, and written on an occurrence;
  - (ii) "all risks" property insurance (including Leasehold Interest coverage) covering the Leasehold Improvements, and all other property of every description, nature and kind owned by Tenant or for which Tenant is legally liable, which is installed, located or situate in or about the Premises or elsewhere in the Project, including without limitation, trade fixtures, furnishings, equipment, all inventory or stock in trade and all signs in, on or about the Premises, for not less than the full replacement cost thereof;
  - (iii) if applicable, broad form comprehensive boiler and machinery (also known as "equipment breakdown") insurance on all insurable objects located on the Premises or which are the property or responsibility of Tenant, including repair or replacement endorsement;
  - (iv) business interruption insurance, including extra expense insurance, in such amounts from time to time as necessary to fully compensate Tenant for direct or indirect loss of sales or earnings and extra expenses incurred resulting from or attributable to any of the perils required to be insured against under the policies referred to in subsections 13.3(a)(ii) and 13.3(a)(iii) above and all circumstances usually insured against by prudent tenants including losses resulting from interference with or prevention of access to the Premises or the Project as a result of such perils or for any other reason;
  - (v) plate glass insurance on all internal and external glass within, fronting or forming part of the Premises; however, notwithstanding the foregoing, Tenant may elect to self-insure for the insurance described in this subsection 13.3(a)(v); and
  - (vi) any other insurance against such risks and in such form and amounts as Landlord may from time to time reasonably require upon not less than thirty (30) days' Notice, provided Landlord agrees it shall not require Tenant to maintain additional insurance coverage unless such additional insurance coverage has become generally accepted insurance, generally maintained by comparable tenants or is required as a result of the particular nature of Tenant's business operations.

- (b) The insurance policies referred to in this Section 13.3 shall be subject to such higher limits as Tenant, or Landlord acting reasonably may require from time to time, provided Landlord agrees it shall not require Tenant to maintain higher limits unless such higher limits have become generally accepted limits, generally maintained by comparable tenants or are required as a result of the particular nature of Tenant's business operations. The policies referred to in Section 13.3(a) above shall contain a waiver of the insurer's right of subrogation against Landlord and Landlord's Parties and, notwithstanding any provision contained in this Lease to the contrary, Tenant hereby waives its right of recovery against Landlord and Landlord's Parties with respect to all matters required to be insured against by Tenant hereunder. The policies referred to in subsection 13.3(a) shall name Landlord and any others designated by Landlord as additional insureds and the policies referred to in subsections 13.3(a)(ii), (iii), (v) and, to the extent applicable (vi), shall name Landlord and any others designated by Landlord as loss payee in respect of the Leasehold Improvements. Any and all deductibles in Tenant's insurance policies shall be borne solely by Tenant and shall not be recovered or attempted to be recovered from Landlord. In addition, all such policies shall be non-contributing with, and will apply only as primary and not excess to, any insurance proceeds available to Landlord.
- (c) Tenant shall provide to Landlord by the Delivery Date or at the commencement of the Term, as the case may be, and at least thirty (30) days prior to the renewal of all insurance referred to in this Section 13.3, and promptly at any time upon request, a certificate of insurance evidencing the insurance coverage required to be maintained by Tenant in accordance with this Section 13.3. The delivery to Landlord of a certificate of insurance or any review thereof by or on behalf of Landlord shall not limit the obligation of Tenant to provide and maintain insurance pursuant to this Section 13.3 or derogate from Landlord's rights if Tenant shall fail to fully insure. Where used in this subsection 13.3(c), the term "Landlord" shall include Landlord's manager of insurance, if any.
- (d) All policies of insurance (including certificates thereof) shall:
  - (i) provide that the insurance shall not be cancelled without Tenant's insurer endeavouring to deliver to Landlord at least thirty (30) days prior Notice ("Cancellation Notice"); notwithstanding the foregoing, in any case where Tenant's insurer will not agree to endeavour to deliver a Cancellation Notice directly to Landlord, by its execution and delivery of this Lease, Tenant hereby covenants and agrees to deliver to Landlord a copy of any Cancellation Notice issued to Tenant by its insurer immediately upon receipt thereof, or immediate Notice of any cancellation which is otherwise authorized by Tenant;
  - (ii) be placed with a company licensed to sell commercial insurance in Canada and in the province in which the Premises are located; and
  - (iii) be in amounts, and with limits and deductibles, which are in Canadian currency.
- (e) Without limiting the generality of Section 13.5 below, Tenant acknowledges and agrees that, if it fails to obtain and maintain in force any of the insurance policies set out in this Section 13.3, then Tenant shall indemnify and hold harmless Landlord and Landlord's Parties in respect of any such losses arising therefrom.

#### 13.4 Consequential Damage

Notwithstanding the provisions of this Article 13, neither party shall be liable to the other for indirect or consequential damages.

#### 13.5 Indemnity of Landlord

Tenant shall indemnify Landlord and all of Landlord's Parties and shall hold them and each of them harmless from and against any and all liabilities, claims, damages, losses and expenses, penalties, fines and sanctions of any kind whatsoever, including costs of Remediation and any fines and damages resulting from any of the same and including all legal and other consultants' fees and disbursements (collectively "Liabilities"), due to, arising from or to the extent contributed to by:

- (a) any breach by Tenant or any of Tenant's Parties of any of the provisions of this Lease or any Law;
- (b) any act or omission of any Person on the Premises (save and except Landlord and Landlord's Parties) or any use or occupancy of or any property in the Premises;
- (c) any act or omission of Tenant or any of Tenant's Parties on the Premises or elsewhere on or about the Project;
- (d) any injury, death or damage to persons or property of Tenant or any of Tenant's Parties or any other Persons on the Project by or with the invitation, licence or consent of Tenant caused by any reason whatsoever, save and except if caused by the negligence of Landlord and/or Landlord's Parties.

### 13.6 **Parties**

- (a) It is agreed that every indemnity, exclusion or release of liability and waiver of subrogation herein contained for the benefit of Landlord shall extend to and benefit all of Landlord's Parties; solely for such purpose, and to the extent that Landlord expressly chooses to enforce the benefits of this subsection 13.6(a) and any other section to which it applies, for any Landlord's Parties, it is agreed that Landlord is the agent or trustee for each and all Landlord's Parties.
- (b) It is agreed that every release of liability and waiver of subrogation herein contained for the benefit of Tenant shall extend to and benefit all of Tenant's Parties; solely for such purpose, and to the extent that Tenant expressly chooses to enforce the benefits of this subsection 13.6(b) and any other section to which it applies, for any Tenant's Parties, it is agreed that Tenant is the agent or trustee for each and all Tenant's Parties.

## 14. **ASSIGNMENT, SUBLetting AND CHANGE OF CONTROL**

### 14.1 **Consent Required**

- (a) Subject to subsection 14.1(c) below, Tenant shall not:
  - (i) assign this Lease in whole or in part;
  - (ii) sublet or part with or share possession of all or any part of the Premises;
  - (iii) grant any concessions, franchises, licences or other rights to others to use any portion of the Premises;
  - (iv) grant any mortgage or charge on this Lease;
  - (v) if Tenant or any occupant of the Premises is at any time a corporation, trust or partnership, transfer the issued shares in the capital stock or transfer, issue or divide any shares of the corporation or of any affiliate of the corporation, or transfer trust units or partnership interests sufficient to transfer control to others than the then present shareholders of the corporation or those in control of the trust or partnership (collectively called "Sale");
  - (vi) if Tenant or any occupant of the Premises is at any time a corporation, trust or partnership, merge, amalgamate or consolidate the corporation with one or more other entities or effect a corporate restructuring or reorganization, voluntarily or by operation of law (collectively called "Reorganization"),

(all of the foregoing being hereinafter individually or collectively referred to as "Transfer"; a party making a Transfer is referred to as a "Transferor" and a party taking a Transfer is referred to as a "Transferee"), without the prior written consent of Landlord in each instance, which consent, subject to the provisions of Section 14.3 below, may not be unreasonably withheld. Notwithstanding anything contained in the foregoing to the contrary, the provisions of subsection 14.1(a)(v) shall not apply to a Sale by Tenant (provided Tenant is in occupancy of the Premises) so long as Tenant is a corporation whose shares are listed and traded on any recognized public stock exchange in Canada or the United States.

- (b) For greater certainty, it is agreed that it shall be reasonable for Landlord to withhold its consent to a Transfer, if:
  - (i) the proposed Transferee does not have a good business reputation and experience in the use to be made of the Premises pursuant to the terms of this Lease;
  - (ii) the proposed Transferee does not have financial strength at least sufficient to satisfy all of the obligations of Tenant hereunder;
  - (iii) the proposed Transferee is an existing occupant of any part of the Project or is in some way affiliated with an existing occupant;
  - (iv) the proposed Transferee is then, or within the preceding six (6) months has been, a prospect involved in bona fide negotiations with Landlord respecting the leasing of any premises in the Project or such proposed Transferee is in some way affiliated with such bona fide prospect;
  - (v) the proposed Transfer or proposed use or occupancy of the Premises by the proposed Transferee would result in a breach of any lease, agreement to lease or other agreement by which Landlord is bound with respect to any part of the Project;
  - (vi) there is an Uncured Event of Default or Tenant is then in default under any other agreement affecting the Premises;

- (vii) without affecting the interpretation of Article 8 or any other provision hereof, the use proposed to be made of the Premises by the Transferee will be incompatible with the uses of other tenants of the Project, in the sole discretion of Landlord, or will be more burdensome on the Project, in terms of parking requirements or any other factor, than the business previously carried on by Tenant on the Premises, or will result in a breach of any of the other provisions of this Lease;
- (viii) Landlord is not satisfied, acting reasonably, in the case of a proposed Sale, that:
  - (I) the financial strength of Tenant will not be adversely affected by such Sale; and/or
  - (II) there will be continuity of management or business practices following such proposed Sale;
- (ix) Landlord is not satisfied, acting reasonably, in the case of a proposed Reorganization, that:
  - (I) the financial strength of the entity resulting from such Reorganization will be equal to or better than that of Tenant as at the date of this Lease; and/or
  - (II) there will be continuity of management or business practices following such proposed Reorganization;
- (x) Tenant fails to provide Landlord with at least fifteen (15) days' prior Notice of the proposed Transfer, which Notice shall be accompanied by all of the information required pursuant to the provisions of Section 14.2 below.

Notwithstanding anything contained in the foregoing to the contrary, the provisions of subsections (b)(iii) or (iv) shall not apply in the event Landlord has not and will not, within the nine (9) months following Landlord's receipt of the Notice of the Transfer, have premises in the Project available for lease that could reasonably satisfy such Transferee's needs.

- (c) Notwithstanding the foregoing, provided the Tenant is the Tenant named in this Lease and there has been no prior Transfer and, further, provided there is no Uncured Event of Default, then Tenant shall be permitted to assign this Lease or sublet the Premises in whole or in part (a "Permitted Transfer") on prior Notice to Landlord accompanied by any information which may be required for Landlord to consider the Financial Covenant (as hereinafter defined), but without the prior written consent of Landlord, to:
  - (i) an affiliate corporation (as that term is defined in the *Business Corporations Act* (Ontario) as amended or replaced from time to time) of Tenant named herein provided that it is shown to the reasonable satisfaction of Landlord that the financial strength ("Financial Covenant") of Tenant will not be adversely affected by such Permitted Transfer (as to which Landlord has given Notice that it is satisfied there shall be no adverse change to Tenant's Financial Covenant); or
  - (ii) the purchaser of, or a corporation created by merger or amalgamation with, Tenant named herein, provided that it is shown to the reasonable satisfaction of Landlord that the Financial Covenant of the purchaser or of the corporation created by such merger or amalgamation, as the case may be, is the same as or greater than that of Tenant named herein as at the date hereof (as to which Landlord has given Notice that it is satisfied with such Financial Covenant);

collectively, a "Permitted Transferee", provided that such Permitted Transferee enters into an agreement with Landlord contemplated by, and provided such Permitted Transfer otherwise complies with, the applicable provisions of this Article 14 and, further, provided that, in the case of any Permitted Transfer to an affiliate, upon such affiliate ceasing to be an affiliate of Tenant named herein, there shall thereupon, at Landlord's option, be deemed to have occurred a Transfer for which Landlord's prior written consent is required under this Lease.

- (d) If Landlord withholds, delays or refuses to give consent to any Transfer, whether or not Landlord is entitled to do so, Landlord shall not be liable for any losses or damages in any way resulting therefrom and Tenant shall not be entitled to terminate this Lease or exercise any other remedy whatever in respect thereof except to seek the order of a court of competent jurisdiction compelling Landlord to grant any such consent which Landlord is obliged to grant pursuant to the terms of this Lease.
- (e) No Transfer may be made where any portion of the Rent is lower than that provided for herein or on terms more favourable to the Transferee than the terms set out herein, if Landlord has or will, within the nine (9) months following Landlord's receipt of the Notice of the Transfer, have premises in the Project available for lease that could reasonably satisfy such Transferee's needs; otherwise no Transfer may be made where any portion of the Rent is lower than the market rent or on terms more favourable than market terms for a sublease of comparable premises in the market place prevailing at the time of the Transfer.

- (f) If Landlord fails to respond to a request for consent within fifteen (15) days after receipt of such request and all other information required to be provided to Landlord, Landlord shall be deemed to have refused to grant such consent.

#### 14.2 **Obtaining Consent**

- (a) All requests to Landlord for consent to any Transfer shall be made to Landlord in writing together with:
- (i) a copy of the agreement pursuant to which the proposed Transfer will be made; and
  - (ii) such information in writing as a landlord might reasonably require respecting a proposed Transferee and which might be required to provide Landlord with all the information necessary to determine whether or not the provisions of subsection 14.1(b) above have been complied with, and which information shall include, without limitation, the name, business and home addresses and telephone numbers, business experience, credit information and rating, financial position and banking and business references and description of business to be conducted by the Transferee on the Premises and parking requirements for such business.
- (b) Tenant shall make the corporate books and records of Tenant, and of any affiliate of Tenant, available to Landlord and its representatives for inspection at any time and from time to time, in order to ascertain whether or not there has been any Sale or Reorganization.
- (c) Tenant shall be responsible for payment to Landlord of all costs incurred by Landlord in considering and processing the request for consent, including documenting any Permitted Transfer, which costs shall include, without limitation, the cost of any credit checks, legal costs, and Landlord's reasonable administrative fee; all of which costs incurred by Landlord in respect of any such request for consent or for documenting any Permitted Transfer shall be the responsibility of and shall be paid by Tenant forthwith upon demand, including, in the case of consent, whether or not Landlord grants its consent. Notwithstanding anything contained in this Lease to the contrary, upon Landlord's receipt of any request for consent to Transfer from Tenant, Landlord shall have the option of requiring Tenant to first submit to Landlord a deposit on account of all of the foregoing costs, which deposit shall be in the amount of One Thousand Dollars (\$1,000.00), prior to Landlord having to consider such request for consent to Transfer.

#### 14.3 **Landlord's Option**

- (a) Notwithstanding the other provisions contained in this Article 14, save and except for the provisions of subsection 14.1(c) above, to which the provisions of this Section 14.3 shall not apply, Landlord shall have the option, exercisable by Notice to Tenant within fifteen (15) days after the satisfaction of the provisions of Section 14.2 above, to:
- (i) terminate this Lease as it relates to the whole or the portion of the Premises, as the case may be, which is the subject of the proposed Transfer ("Transferred Premises") effective as of the date on which the proposed Transfer was proposed to occur; or
  - (ii) take a Transfer from Tenant of the Transferred Premises on the same terms as the proposed Transfer in respect of which Tenant had requested Landlord's consent, as aforesaid.
- (b) If Landlord elects to terminate this Lease pursuant to the provisions of subsection 14.3(a)(i) above, Tenant shall have the right, to be exercised by Notice to Landlord within ten (10) days after receipt of such Notice of termination, to withdraw the request for consent to the proposed Transfer, in which case Tenant shall not proceed with such proposed Transfer, the Notice of termination shall be null and void and this Lease shall continue in full force and effect in accordance with its terms.
- (c) If Landlord terminates this Lease as it relates to the Transferred Premises pursuant to the provisions of subsection 14.3(a)(i) above, or if Landlord elects to take a Transfer as contemplated pursuant to subsection 14.3(a)(ii) above, Tenant hereby grants to Landlord (and any others permitted by Landlord) the right, in common with Tenant and all others entitled thereto, to use for their intended purposes all portions of the Premises in the nature of Common Facilities (such as corridors, washrooms, lobbies and the like) or which are reasonably required for proper access to or use of the Transferred Premises (such as reception area, interior corridors, mechanical or electrical systems and ducts and the like) and Landlord shall have the right to complete any demising required therefor.

#### 14.4 **Terms of Transfer**

In the event of any Transfer, Landlord shall have the following rights:

- (a) to require Tenant, any Indemnifier and Transferee to enter into an agreement in writing to implement any amendments to this Lease to give effect to Landlord's exercise of any of its rights hereunder;

- (b) to require Tenant, any Indemnifier and Transferee to enter into an agreement ("Assumption Agreement") with Landlord in writing whereby the parties agree, jointly and severally, to be bound by all of Tenant's obligations under this Lease and agree, jointly and severally, to be bound by all of the provisions of this Lease and, to the extent permitted by applicable Laws, to waive any right it, or any Person on its behalf, may have to disclaim, repudiate or terminate this Lease pursuant to any bankruptcy, insolvency, winding-up or other creditors proceeding, including, without limitation, the *Bankruptcy and Insolvency Act (Canada)* or the *Companies' Creditors Arrangement Act (Canada)*, and to agree that in the event of any such proceeding Landlord will comprise a separate class for voting purposes. If the Transferee is incorporated, established or resident in a jurisdiction other than the Province of Ontario, the Assumption Agreement shall contain an attornment by the Transferee to the laws and courts of the Province of Ontario and shall be accompanied by the opinion of the Transferee's lawyer that the Assumption Agreement is binding on the Transferee in accordance with its terms, and enforceable against the Transferee in the Province of Ontario and the jurisdiction in which the Transferee is resident or domiciled;
- (c) to receive fifty percent (50%) of all amounts to be paid to Tenant under the agreement in respect of such Transfer in excess of the Rent payable under this Lease (to which Landlord is entitled to receive one hundred percent (100%)), less only Tenant's out of pocket costs incurred in connection with such Transfer (including brokerage fees, advertising costs and inducements, all of which shall be evidenced by receipted invoices copied to Landlord) and any consideration which is bona fide being paid to Tenant for equipment, furnishings and other property to be conveyed by Tenant as part of or together with the transaction of Transfer and which is not reasonably attributable to Tenant's interest in this Lease and less, in the case of a sublease, all amounts receivable by Tenant under the sublease equal to the amounts payable by Tenant hereunder each month during the term of the sublease in respect of the Transferred Premises;
- (d) to collect a deposit or further deposit to be held as a deposit pursuant to the provisions of this Lease such that the deposit held by Landlord shall be equivalent to at least two (2) months' Rent payable in respect of the Transferred Premises;
- (e) to require the Transferee, in case of a Transfer by sublease, to waive any rights pursuant to subsections 17, 21 and 39(2) of the *Commercial Tenancies Act (Ontario)* and any amendments thereto and any other statutory provisions of the same or similar effect, to retain the unexpired Term of this Lease, or any portion thereof or obtain any right to enter into any lease or other agreement directly with Landlord for the Premises or any portion thereof, or otherwise remain in possession of any portion of the Premises; and
- (f) at Landlord's option, to require, if the Transfer is a sublease or other transaction not including an assignment, that, at any time upon receipt of notice from Landlord, all amounts payable by the Transferee each month be paid directly to Landlord who shall apply the same on account of Tenant's obligations under this Lease, but no such collection or acceptance of any Rent by Landlord shall be deemed to be a waiver of Landlord's rights under this Lease or an acceptance of or consent to any such Transfer or a release of any of Tenant's obligations under this Lease; and
- (g) to require any Indemnifier to enter into an agreement, in writing, in favour of Landlord, confirming that Indemnifier's obligations and liability to Landlord pursuant to the provisions of the Indemnify Agreement are not affected by the Transfer and shall continue, unmodified, notwithstanding such Transfer.

#### 14.5 Effect of Transfer

- (a) No consent of Landlord to a Transfer shall be effective unless given in writing and executed by Landlord. No Transfer and no consent by Landlord to any Transfer shall constitute a waiver of the necessity to obtain Landlord's consent to any subsequent or other Transfer.
- (b) In the event of any Transfer or any consent by Landlord to any Transfer, Tenant and any Indemnifier shall not thereby be released from any of its obligations hereunder or under the Indemnity Agreement, as the case may be; Tenant and Indemnifier shall remain bound by all such obligations pursuant to this Lease and the Indemnity Agreement, as the case may be, for the balance of the Term.
- (c) Tenant hereby consents to any further:
  - (i) Transfers of this Lease;
  - (ii) amendments of this Lease which may be made between the Transferee and Landlord ("Amendments");
  - (iii) Alterations which may be made by the Transferee in accordance with the applicable provisions of this Lease;

without the further consent or agreement of Tenant. Tenant shall continue to be bound by all of its obligations pursuant hereto notwithstanding any such further Transfers or any Amendments or Alterations, to the extent of what would have been Tenant's obligations pursuant hereto had such

Transfers, Amendments or Alterations not been made. Tenant's obligations pursuant hereto shall not be increased as a result of any such Transfers, Amendments or Alterations and Landlord agrees to provide to Tenant, upon receipt of written request therefor, a copy of any such Transfers or Amendments and notice of any such Alterations.

- (d) If any Transferee extends or renews this Lease pursuant to any right or option or other opportunity afforded hereunder to Tenant, or if any Transferee leases other premises pursuant to any right or option or other opportunity afforded hereunder to Tenant, Tenant and **Indemnifier** shall be jointly and severally liable with such Transferee for all of the obligations of Tenant resulting from the exercise thereof throughout the Term as renewed or extended.
- (e) Every Transferee shall be obliged to comply with all of the obligations of Tenant under this Lease. Tenant shall enforce all of such obligations against each Transferee. Any Event of Default of any Transferee shall also constitute an Event of Default of Tenant hereunder.
- (f) Tenant agrees that if this Lease is ever disclaimed, repudiated or terminated by or on behalf of a Transferee pursuant to any bankruptcy, insolvency, winding-up or other creditors' proceeding, including any proceeding under the *Bankruptcy and Insolvency Act* (Canada) or the *Companies' Creditors Arrangement Act* (Canada), or if Landlord terminates this Lease as a result of any act or Event of Default of any Transferee, Tenant shall nonetheless remain responsible for fulfilment of all obligations of Tenant hereunder for what would have been the balance of the Term but for such disclaimer, repudiation or termination and shall, upon Landlord's request, enter into a new lease of the Premises for such balance of the Term and otherwise on the same terms and conditions as in this Lease, subject to such written amendments thereto to which Tenant and Landlord had agreed at any time prior to such disclaimer, repudiation or termination, and with the exception that Tenant will accept the Premises in "as is" condition.

#### 14.6 Assignment by Landlord

Landlord shall have the right to sell, lease, convey, mortgage, or otherwise dispose of the Project or any part thereof and to assign this Lease and any interest of Landlord pursuant to this Lease without any restriction. If Landlord shall sell, lease, convey, mortgage or otherwise dispose of the Project or any part thereof or shall assign this Lease and any interest of Landlord pursuant to this Lease, then to the extent that the purchaser or assignee agrees with Landlord to assume the covenants and obligations of Landlord hereunder, Landlord shall thereupon and without further agreement be released of all liability pursuant to the terms of this Lease.

### 15. STATUS AND SUBORDINATION OF LEASE

#### 15.1 Status Statement

- (a) Tenant and any **Indemnifier** shall, within ten (10) days after written request from Landlord, execute and deliver to Landlord, or to any actual or proposed lender, purchaser or assignee of Landlord, a statement or certificate ("Status Statement"), in such form as requested by Landlord, confirming (or, if such is not the case, stating Tenant's objections thereto):
  - (i) that this Lease is unmodified and in full force and effect;
  - (ii) the date of commencement and expiry of the Term and the dates to which Basic Rent and any other Rent, including any prepaid rent have been paid;
  - (iii) whether or not there is any existing Event of Default by Tenant or any default by Landlord under this Lease (any such Event of Default or Landlord default, as the case may be, to be expressly identified);
  - (iv) that there is no reason why the obligations of Tenant under this Lease may not be fully enforced in accordance with their terms and that there are no defences, counter claims or rights of set off in respect of any of the same;
  - (v) the particulars of any outstanding obligations, if any, or Event of Default or Landlord default, if any, under any agreement between the parties, other than this Lease, which would affect the obligations of any of the parties pursuant to this Lease; and/or
  - (vi) any other items reasonably requested to be confirmed or acknowledged by Landlord or an actual or prospective mortgagee or purchaser.
- (b) In addition to the foregoing, the Status Statement may also require Tenant to:
  - (i) provide full details of the financial and credit standing and details of the corporate organization of Tenant and the **Indemnifier**, if any, including audited financial statements for such period of time as Landlord may require; and
  - (ii) agree, confirm and acknowledge that Tenant will not agree to any amendment, surrender or early termination of this Lease and will not prepay any Rent by more than one (1)

month beyond the specific terms hereof, without the prior written consent of any mortgagee or assignee of Landlord to which the Status Statement is given.

- (c) It is hereby understood and agreed that the Status Statement is intended to be relied upon by Landlord or an actual or prospective lender, purchaser and assignee of any interest of Landlord under this Lease or in the Project.

#### 15.2 Subordination

At the option of Landlord to be expressed in writing from time to time, this Lease and the rights of Tenant hereunder are and shall be subject and subordinate to any and all mortgages, trust deeds and charges (any of which are herein called "Mortgage" or "Mortgages") and any and all easements and rights of way (provided that the same do not materially adversely affect Tenant's access to or use of the Premises) ("Easements") on or in any way affecting the Premises or the Project or any part thereof now or in the future, including all renewals, extensions, modifications and replacements of any Mortgages and Easements from time to time. Tenant shall at any time on ten (10) days' Notice from Landlord or holder of a Mortgage attorn to and become a tenant of the holder of any of such Mortgages or any party whose title to the Project is superior to that of Landlord upon the same terms and conditions as set forth herein.

Tenant shall execute promptly on request by Landlord any certificates, agreements, instruments of postponement or attornment, or other such instruments or agreements as requested from time to time to postpone or subordinate this Lease and all of Tenant's rights hereunder to any of such Mortgages or Easements or to otherwise give full effect to any of the provisions of this Article 15.

Provided there is no Uncured Event of Default, and at Tenant's request and sole cost and expense, including payment of Landlord's then standard administration fee which is currently in the amount of One Thousand Five Hundred Dollars (\$1,500.00), plus H.S.T., Landlord shall use commercially reasonable efforts to obtain from the holder of any Mortgage, its agreement to permit Tenant to continue in occupation of the Premises in accordance with and subject to the terms of this Lease ("Non-Disturbance Agreement"). At the option of Landlord or the holder of any such Mortgage, the delivery of such Non-Disturbance Agreement shall be subject to Tenant executing and delivering an instrument of postponement, subordination or attornment as set forth above.

#### 15.3 Registration

Tenant shall not register this Lease or any short form or notice hereof except in such form as has been approved by Landlord in writing, such approval not to be unreasonably withheld or delayed, it being hereby agreed that it shall be reasonable for Landlord to withhold its consent if such short form or notice contains any financial terms of this Lease. The cost of preparation, approval, execution and registration of any notice or short form of this Lease or other document to be registered by Tenant shall be borne by Tenant and, in the case of Landlord's approval, such cost shall be payable hereunder as Additional Rent, forthwith upon demand. If Tenant registers or causes or permits there to be registered against the title to the Project any short form or notice of this Lease or other document, Tenant shall forthwith provide to Landlord details of such registration and a duplicate registered copy of the registered document. Prior to the expiry or earlier termination of this Lease, Tenant shall, at its sole cost and expense, arrange to expunge or discharge from the register of the title of the land on which the Project is located, any interest of Tenant therein.

### 16. DEFAULT AND REMEDIES

#### 16.1 Default and Remedies

- (a) It shall be deemed an event of default hereunder ("Event of Default") if any of the following shall occur:
- (i) Tenant shall fail, for any reason, to make any payment of Rent as and when the same is due to be paid hereunder;
  - (ii) Tenant shall fail, for any reason, to perform any other covenant, condition, agreement or other obligation on the part of Tenant to be observed or performed pursuant to this Lease (other than the payment of any Rent) or any other agreement between the parties, whether or not related to the Premises;
  - (iii) Tenant shall make or purport to make a Transfer affecting the Premises, or the Premises shall be used by any Person or for any purpose, other than in compliance with and as expressly authorized by this Lease;
  - (iv) Tenant or any other occupant of the Premises makes an assignment for the benefit of creditors or becomes bankrupt or takes the benefit of any statute for bankrupt or insolvent debtors or makes any proposal, assignment, arrangement or compromise with its creditors, or makes any sale in bulk of any property on the Premises (other than in conjunction with a Transfer approved in writing by Landlord and made pursuant to all applicable legislation), or steps are taken or action or proceedings commenced by any Person for the dissolution, winding up or other termination of Tenant's existence or for the liquidation of Tenant's assets (provided the foregoing shall not be considered an Event of Default hereunder if such steps or action or proceedings are the subject of a bona fide

- dispute between Tenant and such Person and Tenant delivers to Landlord satisfactory evidence thereof);
- (v) Tenant becomes insolvent;
- (vi) a trustee, receiver, receiver-manager, manager, agent or other like Person shall be appointed in respect of the assets or business of Tenant or **Indemnifier** or any other occupant of the Premises;
- (vii) Tenant attempts to or does abandon the Premises or remove or dispose of any goods and chattels from the Premises;
- (viii) a writ of execution has been filed against Tenant or this Lease or any goods or other property of Tenant shall at any time be seized or taken in execution or attachment and such writ or seizure or taking remains unsatisfied for a period of five (5) days or more (provided that the foregoing shall not be considered an Event of Default hereunder if such writ or seizure or taking is the subject of a bona fide dispute between Tenant and such Person and Tenant delivers to Landlord satisfactory evidence thereof);
- (ix) there is a default under any other agreement relating to the Premises; or
- (x) Tenant fails to maintain all policies of insurance expressly required pursuant to this Lease or any policies of insurance required to be maintained in effect by Tenant pursuant to this Lease are cancelled by Tenant's insurer for any reason; or
- (xi) **Indemnifier shall fail, for any reason, to make any payment as and when due as provided in the Indemnity Agreement or shall fail to perform any covenant, condition, agreement or other obligation on the part of Indemnifier to be observed or performed pursuant to the Indemnity Agreement and such default shall, in each case, continue beyond such reasonable cure period as is expressly provided in a Notice from Landlord to Indemnifier.**
- (b) If there is an Event of Default pursuant to:
- (i) subsection 16.1(a)(i) which has not been remedied within five (5) business days following Notice from Landlord (which Notice may require any arrears of Rent to be paid to Landlord by way of certified cheque); or
- (ii) subsection 16.1(a)(ii) which has not been remedied within fifteen (15) business days after Notice thereof (or such shorter period as expressly provided for herein or, provided such Event of Default can be cured and Tenant is acting diligently, continuously and in good faith, such longer period as may be reasonably required to complete the remedying of such Event of Default), or
- (iii) subsection 16.1(a)(x), and such policies are not put into place by Tenant, or such cancelled policies are not reinstated by Tenant, in each case, as evidenced by delivery of certificate(s) of insurance to Landlord as otherwise expressly required in accordance with the provisions of Article 13 hereof within twenty-four (24) hours following Tenant's receipt of Notice from Landlord;
- or if there is any other Event of Default, then, without prejudice to and in addition to any other rights and remedies to which Landlord is entitled pursuant hereto or at law, the then current and the next three (3) months' Rent shall be forthwith due and payable and Landlord shall have the following rights and remedies, all of which are cumulative and not alternative:
- (I) to terminate this Lease in respect of the whole or any part of the Premises by Notice to Tenant (it being understood that actual possession shall not be required to effect a termination of this Lease and that Notice alone shall be sufficient), it being understood and agreed that, if this Lease is terminated in respect of part of the Premises, this Lease shall thereupon be deemed amended as necessary to give effect thereto without need for further amendment;
- (II) to enter the Premises as agent of Tenant and as such agent to relet them for whatever term (which may be for a term extending beyond the Term) and on whatever terms and conditions as Landlord in its sole discretion may determine and to receive the rent therefor and, as the agent of Tenant, to take possession of any furniture, fixtures, equipment, stock or other property thereon and, upon giving Notice to Tenant, to store the same at the expense and risk of Tenant or to sell or otherwise dispose of the same at public or private sale without further notice, and to make such alterations to the Premises in order to facilitate their re-letting as Landlord shall determine, and to apply the net proceeds of the sale of any furniture, fixtures, equipment, stock or other property or from the re-letting of the Premises, less all expenses incurred by Landlord in making the Premises ready for re-letting and in re-letting the Premises, on account of the Rent due and to become due under this Lease and Tenant shall be liable to Landlord for any

deficiency and for all such expenses incurred by Landlord as aforesaid; no such entry or taking possession of or performing alterations to or re-letting of the Premises by Landlord shall be construed as an election on Landlord's part to terminate this Lease unless a Notice of such intention or termination is given by Landlord to Tenant;

- (III) to remedy or attempt to remedy any Event of Default in the performance of any repairs, work or other covenants of Tenant hereunder and, in so doing, to make any payments due or claimed to be due by Tenant to third parties and to enter upon the Premises, without any liability to Tenant therefor and without any liability for any damages resulting thereby, and without constituting a re-entry of the Premises or termination of this Lease, and without being in breach of any of Landlord's covenants hereunder and without thereby being deemed to infringe upon any of Tenant's rights pursuant hereto, and, in such case, Tenant shall pay to Landlord forthwith upon demand all amounts paid by Landlord to third parties in respect of such Event of Default and all reasonable costs of Landlord in remedying or attempting to remedy any such Event of Default plus fifteen percent (15%) of the amount of such costs for Landlord's inspection, supervision, overhead and profit;
- (IV) to obtain damages from Tenant and **Indemnifier** including, without limitation, if this Lease is terminated by Landlord, all deficiencies between all amounts which would have been payable by Tenant for what would have been the balance of the Term, but for such termination, and all net amounts actually received by Landlord for such period of time, it being agreed that, in the event Landlord terminates this Lease as a result of an Event of Default, Landlord shall use commercially reasonable efforts to mitigate its damages, and all commissions payable by Landlord in connection with this Lease; and
- (V) if this Lease is terminated due to an Event of Default, or if it is disclaimed, repudiated or terminated in any insolvency proceedings related to Tenant (collectively "Disclaimer"), to obtain payment from Tenant of the value of all tenant inducements which were received by Tenant pursuant to the terms of this Lease, the agreement to enter into this Lease or otherwise, including, without limitation, the amount equal to the value of any leasehold improvement allowance, tenant inducement payment, rent free periods, lease takeover, Leasehold Improvements or any other work for Tenant's benefit completed at Landlord's cost and moving allowance, which value shall be multiplied by a fraction, the numerator of which shall be the number of months from the date of Disclaimer to the date which would have been the natural expiry of this Lease but for such Disclaimer, and the denominator of which shall be the total number of months of the Term as originally agreed upon.

#### 16.2 Interest and Costs

- (a) All amounts of Rent shall bear interest from their respective due dates until the actual dates of payment at a rate which shall be three percent (3%) per annum in excess of the Prime Rate.
- (b) Tenant shall be responsible for and pay to Landlord forthwith upon demand all costs incurred by Landlord, including, without limitation, reasonable compensation for all time expended by Landlord's own personnel, legal costs on a substantial indemnity basis, and all other costs of any kind whatsoever, arising from or incurred as a result of any Event of Default or any enforcement by Landlord of any of Tenant's obligations under this Lease or any other agreement or obligation of Tenant to Landlord, whether or not related to the Premises including, but not limited to, witness costs (such as transportation, accommodation and the like).

#### 16.3 Bankruptcy and Insolvency

To the extent permitted by applicable Laws, Tenant hereby waives any right it, or any Person on its behalf, may have to disclaim, repudiate or terminate this Lease pursuant to any bankruptcy, insolvency, winding-up or other creditors proceeding, including, without limitation, the *Bankruptcy and Insolvency Act* (Canada) or the *Companies' Creditors Arrangement Act* (Canada), and agrees that in the event of any such proceeding Landlord will comprise a separate class for voting purposes. Further, Tenant agrees that the obligations and liabilities of Tenant under this Lease shall not be released or discharged or otherwise affected by the bankruptcy, winding up, liquidation, dissolution or insolvency of the partnership constituting Tenant or any partner thereof or by change in the constitution of such partnership.

#### 16.4 Landlord's Right of Distress

- (a) For the purposes of Landlord's right to distrain, Tenant's trade fixtures shall be treated as chattels notwithstanding their level of affixation to the Premises.

- (b) Tenant agrees with Landlord that, notwithstanding any statute, all goods and chattels from time to time on the Premises shall be subject to distress for Rent and the fulfilment of all of Tenant's obligations under this Lease.
- (c) Landlord may exercise any right of distress on the Premises and for such purpose may lock the Premises, change any locks on the Premises and by any means exclude Tenant from all or any parts of the Premises and Landlord shall not thereby be terminating this Lease in the absence of express Notice terminating this Lease. Tenant consents to being excluded by Landlord from all or any parts of the Premises for purposes of Landlord's exercising any right of distress.
- (d) In exercising any right of distress, Landlord may distrain against all or any goods or chattels and Tenant waives any and all rights and remedies in respect thereof, including all rights under the *Commercial Tenancies Act* (Ontario).
- (e) In addition to others entitled to do so, Landlord and its agents and employees shall have the right to purchase any goods or chattels on the Premises distrained by Landlord so long as the price paid by Landlord or its agents or employees is reasonably comparable to that which might reasonably be obtained by sale under distress to an arm's length third party.

#### 16.5 **Rent Deposit Agreement**

Tenant agrees to execute and be bound by the Rent Deposit Agreement in the form attached hereto as Schedule "D".

#### 16.6 **Remedies to Subsist**

- (a) No waiver of any of Tenant's obligations under this Lease and no waiver of any of Landlord's rights hereunder in respect of any Event of Default shall be deemed to have occurred or be given as a result of any condoning, excusing, overlooking or delay in acting upon by Landlord in respect of any Event of Default or by any other act or omission of Landlord including, without limitation, the acceptance of any Rent less than the full amount thereof, the acceptance of any Rent after the occurrence of any Event of Default, or any verbal or written statements or agreements made by any employee of Landlord other than an agreement in writing duly executed on behalf of Landlord by one of its personnel with ostensible authority to do so. No waiver of any of Tenant's obligations or any of Landlord's rights hereunder shall be effective except and only to the extent of any express waiver in writing duly executed on behalf of Landlord by one of its personnel with ostensible authority to do so. The waiver by Landlord of any Event of Default or of any rights of Landlord in respect of any term, covenant or condition herein shall not be deemed to be a waiver of any subsequent Event of Default or rights of Landlord in respect of such term, covenant or condition.
- (b) All rights and remedies of Landlord under this Lease and at law shall be cumulative and not alternative, and the exercise by Landlord of any of its rights pursuant to this Lease or at law shall at all times be without prejudice to any other rights of Landlord, whether or not they are expressly reserved. Tenant's obligations under this Lease shall survive the expiry or earlier termination of this Lease and shall remain in full force and effect until fully complied with.
- (c) If Landlord assigns this Lease to a mortgagee or holder of other security on the Premises or the Project or any part thereof or to any other Person whatsoever, Landlord shall nonetheless be entitled to exercise all rights and remedies available to it pursuant to this Lease and at law without providing evidence of the approval or consent of such mortgagee, holder of other security or other Person whatsoever.

#### 16.7 **Impossibility of Performance**

If and to the extent that either Landlord or Tenant shall be unable to fulfill or shall be delayed or restricted in the fulfilment of any obligation under this Lease, other than the payment by Tenant of any Rent or any other amounts payable by Tenant under this Lease, by reason of an Emergency, the unavailability of material, equipment, Utilities, services or labour required to enable it to fulfill such obligation or by reason of any Laws, or by reason of any strike, lock out, civil commotion, war-like operation, invasion, rebellion, hostilities, military or usurped power, sabotage, governmental regulations, or by adverse weather conditions (being weather conditions which preclude any work at the Project for a substantial part of a work day which causes the construction schedule to be delayed) or any Acts of God, or its not being able to obtain any permission or authority required pursuant to any applicable Laws or by reason of any other such cause beyond its control and not the fault of the party being delayed and not avoidable by the exercise of reasonable foresight (excluding the inability to pay for the performance of such obligation), then the party being delayed shall 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 other party shall not be entitled to any compensation for any loss, inconvenience, nuisance or discomfort occasioned thereby. The party delayed will, however, use its best efforts to fulfil the obligation in question as soon as is reasonably practicable by arranging an alternate method of providing the work, services or materials being delayed subject, in the case of performance by Tenant, to the approval of Landlord in its sole and absolute discretion. In any event, the provisions of this Section 16.7 shall not apply to permit any delay in any payment by Tenant of any Rent or any other amounts payable by Tenant under this Lease. For greater certainty, the provisions of this Section 16.7 shall also include any delays experienced by Landlord in obtaining any permits or materials or approvals to plans or otherwise required from any party (save and except Tenant) necessary for any work performed

by Landlord in connection with its obligations pursuant hereto, and any delays resulting from items constituting force majeure under any construction agreement entered into by Landlord in connection with any of the foregoing.

#### **16.8 Letter of Credit Agreement**

Tenant agrees to execute and be bound by the Letter of Credit Agreement in the form attached hereto as Schedule “  ”.

### **17. CONTROL OF PROJECT**

#### **17.1 Operation of Project by Landlord**

- (a) The Project is at all times subject to the exclusive control and management of Landlord. The provisions of this Section 17.1 and any other provisions of this Lease shall not be interpreted so as to impose any liability or obligation whatsoever on Landlord and Landlord shall have only such obligations as are expressly set forth in this Lease.

Without limiting the generality of the foregoing, Landlord shall have the right to:

- (i) police and supervise any or all portions of the Project;
- (ii) obstruct, lock up or close off all or any part of the Project for purposes of performing any maintenance, repairs or replacements or for security purposes or to prevent the accrual of any rights to any Person or the public or any dedication thereof;
- (iii) grant, modify and terminate any easements or other agreements respecting any use, occupancy or maintenance of any part of the Project or the supply of any services to any part of the Project; and
- (iv) use or permit to be used any part of the roof of the Building or any other components of the Common Facilities for any purpose, including promotional activities, merchandising, display, solar panels or other energy-generating devices, entertainment or special features.

Tenant agrees that all enclosed Common Facilities including any enclosed areas, malls or walkways in the Project may be open for access to the Premises during Business Hours and during any other hours as Landlord may determine; at any other times, any or all enclosed areas, malls and walkways may be locked by Landlord, and the public and Tenant may be excluded therefrom, except that tenants of office premises shall be entitled to access to their respective leased premises subject to compliance with all applicable rules and regulations of Landlord, including those related to security.

In order to perform any maintenance, repairs, alterations or improvements in or relating to any part of the Project, provided Tenant shall have reasonable access to the Premises, Landlord may cause reasonable and temporary obstructions of Common Facilities without thereby constituting or being deemed to constitute an interference with any of Tenant's rights hereunder or a breach by Landlord of any of its obligations hereunder, it being hereby understood and agreed that, to the extent possible under the circumstances, in exercising its rights pursuant to this subsection 17.1(a), Landlord shall use commercially reasonable efforts to minimize interference with Tenant's business on the Premises.

- (b) Landlord shall operate the Project in a reasonable manner in keeping with the Building Standard, the costs of which shall be included in Operating Costs.
- (c) Subject to the provisions of Section 16.7 above and Landlord's rules and regulations and security requirements in effect from time to time, and further, subject to maintenance requirements and requirement to repair and/or replace Building systems and infrastructure, and subject to the other provisions hereof, Tenant shall be entitled to have access to the Premises twenty-four (24) hours per day, seven (7) days per week, each day during the Term.
- (d) Landlord, in its sole discretion, may from time to time expand, reduce or otherwise alter the Project and the lands, buildings, structures, improvements, equipment and facilities thereon. For the purposes of this Lease, the Project shall exclude all portions, as determined by Landlord from time to time, if any, used for or established as a condominium and operated separately from the Project. Tenant agrees that it has no interest in any lands now or in the future excluded from the Project as aforesaid and Tenant agrees to execute and deliver forthwith upon the request of Landlord all documents reasonably requested by Landlord to confirm Tenant has no interest in any lands now or in the future excluded from the Project.

#### **17.2 Alterations of the Project**

- (a) Notwithstanding anything contained in this Lease, at any time and from time to time and either prior to or after the Commencement Date, Landlord shall have the right to construct on or remove from the Project or adjacent lands such other buildings or extensions of buildings as Landlord may desire. Landlord shall have the right to make any changes in, additions to, deletions from, rearrangements

of or relocations of any part or parts of the Project, including the Premises including relocating the Premises within the Project or within any other building or development owned by Landlord (or its successors, assigns, or affiliates (as that term is defined in the Canada Business Corporations Act)), and including any of the Common Facilities as Landlord shall consider necessary or desirable (which, or any of which, are referred to in this Section 17.2 as "Changes"), provided that as a result of effecting such Changes, the Premises shall be substantially the same in size as the Premises described herein and during the completion of such Changes Landlord shall use commercially reasonable efforts to avoid having to prevent Tenant from being able to access the Premises; in any case where such access is prevented, Landlord shall use commercially reasonable efforts to minimize the duration of same.

- (b) If the Premises or any portion thereof are relocated as a result of such Changes after commencement of the Term, Landlord shall be responsible for the direct cost of moving Tenant to the relocated Premises and constructing replacement Leasehold Improvements therein (but not for any indirect costs or losses such as overhead costs, loss of revenue or profit).
- (c) Tenant shall not have the right to object to or make any claim other than as expressly set forth herein on account of the exercise by Landlord of any of its rights under this Section 17.2 and Tenant shall not be entitled to any abatement or reduction of Rent except a reduction of Rent proportionate to any reduction in area of the Premises as a result of such Changes.
- (d) Landlord shall make any such Changes as expeditiously as is reasonably possible in the circumstances and shall interfere as little as is reasonably possible in the circumstances with Tenant's business operation in the Premises. Tenant shall forthwith, at the request of Landlord, execute such further assurances, releases or documents as may be required by Landlord to give effect to any of Landlord's rights under this Section 17.2.

#### 17.3 **Landlord Not in Breach**

The exercise by Landlord of any of its rights under this Article 17 (and any resultant interruption, noise, disruption, etc.) shall not constitute a breach by Landlord of any of its obligations under this Lease nor an infringement nor breach of any of Tenant's rights under this Lease or at law, nor entitle Tenant to any abatement of Rent or damages or any other remedy whatsoever, whether or not damage to or interference with the use of the Premises or their contents shall result, except as expressly set forth in subsection 17.2(c) above.

#### 17.4 **Use of Common Facilities**

Tenant shall not itself and shall not permit any of Tenant's Parties to obstruct any Common Facilities including driveways, laneways, access routes or other portions of the Project other than as expressly permitted pursuant hereto or as otherwise expressly permitted by Landlord in writing; if there shall be a breach of this Section 17.4 Landlord shall have the right, at the expense of Tenant, to remove such obstruction, the cost thereof to be paid by Tenant forthwith upon demand, and Landlord shall not be responsible for and is hereby released from any liability for any damage caused to the item creating the obstruction. Landlord shall also be entitled to hold such item as security for the payment of the costs of removing the same and any damage caused by the establishment or removal of such obstruction.

#### 17.5 **Rules and Regulations**

- (a) Attached hereto as Schedule "F" are the current rules and regulations for the Project. Landlord may, from time to time, amend such rules and regulations and/or make any further rules and regulations for the management and operation of the Project as Landlord shall determine, and Tenant and Tenant's Parties shall be bound by and shall comply with all of such rules and regulations attached hereto and any amended and further rules and regulations of which notice is given to Tenant from time to time and all of such rules and regulations shall be deemed to be incorporated into and form a part of this Lease.
- (b) To the extent that any future or other rules and regulations conflict with any express provision of this Lease, the express provision of this Lease shall prevail. The imposition of any rules and regulations shall not create or imply any obligation of Landlord to enforce them or create any liability of Landlord for their non-enforcement or otherwise.

#### 17.6 **Access to Premises and Suspension of Utilities**

- (a) Landlord, without limiting any other rights Landlord may have pursuant hereto or at law, shall have the right, but not the obligation, to enter the Premises at any time on reasonable notice, (except in the case of a real or perceived emergency when no notice shall be required) and for any of the following purposes:
  - (i) to examine the Premises to view the state of repairs, condition and use thereof, and to perform any maintenance, repairs and alterations to the same or any part thereof as may be required or permitted by this Lease and to perform any maintenance, repairs and alterations to the Project and to any mechanical, electrical, HVAC equipment and services located therein serving the Premises or any other part of the Project, and for all of such

- purposes, Landlord may take such material and equipment into the Premises as Landlord may require;
- (ii) to protect the Premises or any part of the Project in respect of any construction or other work being performed in premises adjoining or in the vicinity of the Premises or the Project;
  - (iii) for any purposes as determined by Landlord in cases of emergency;
  - (iv) to read any utility or other similar meters located in the Premises;
  - (v) during the last twelve (12) months of the Term to place "For Rent" signs on the Premises and to show the Premises to prospective tenants and to permit prospective tenants to make inspections, measurements and plans;
  - (vi) at any time during the Term, to show the Premises to appraisers, prospective purchasers, mortgagees or lenders; and
  - (vii) to exercise any of the rights available to Landlord pursuant to this Lease.
- (b) Landlord shall have the right to run through or locate in the Premises conduits, wires, pipes, ducts and other elements of any systems for Utilities, HVAC, telephone and other communications systems and any other such systems to serve the Premises or the Project or any parts thereof and Landlord shall have access for itself and those designated by it to the Premises for the purpose of inspecting, maintaining, repairing, replacing, altering such conduits, wires, pipes, ducts and other elements of any such systems and any services in respect of any of the same. Notwithstanding the foregoing, the Rentable Area of the Premises shall be deemed not to be reduced or otherwise affected as a result of any of such systems being located on or running through the Premises. Landlord shall also have access to the Premises for other tenants of the Project and for itself and those designated by it to inspect services and/or to perform such work in respect of the Project as Landlord shall deem necessary.
- (c) In case of emergencies or for such reasonable purposes as may be required to effect alterations to the Project from time to time, Landlord shall have the right to suspend the availability of Utilities; except in emergencies, such suspension of Utilities shall be done on reasonable notice to Tenant and outside of Business Hours.
- (d) Landlord shall exercise its rights pursuant to this Section 17.6 in such manner and at such times as Landlord, acting reasonably but in its sole discretion, shall determine; at any time that entry by Landlord is desired in case of emergency, and if no personnel of Tenant are known by Landlord to be present on the Premises or if such personnel fail for any reason to provide Landlord immediate access at the time such entry is desired, Landlord may forcibly enter the Premises without liability for damage caused thereby.

## 17.7 Emergency

- (a) During an Emergency, Landlord shall have the right to:
  - (i) restrict or limit access, and/or prohibit entry, to the Building by Tenant's employees and/or visitors or invitees for a reasonable period of time during such event;
  - (ii) require Tenant to maintain a log of all Persons accessing the Premises;
  - (iii) close all or any part of the Building or Project, whether or not Landlord is able to continue to operate same or has determined that it is safe to continue to operate same and whether or not such closure has been ordered by an Authority;
  - (iv) restrict access to the Building through designated entrance doors only;
  - (v) require Persons accessing the Building to participate in any health screening measures and/or procedures;
  - (vi) require Tenant to participate in any Emergency drill that Landlord shall choose to implement, acting reasonably, in preparation for an Emergency;
  - (vii) enter the Premises at any time without notice and/or close all or any part of the Premises, whether or not for decontamination purposes, as may be determined necessary by Landlord, whether or not a public order by any Authority has been issued to do so;
  - (viii) restrict, limit or cease the provision of any or all services to the Building or Project as instructed by any Authority or as deemed prudent or necessary by Landlord, acting reasonably;

- (ix) amend, supplement or otherwise enforce any existing, or impose additional, rules and regulations which are intended to mitigate or minimize the effects of an Emergency.

The provisions of this subsection 17.7(a) shall not be interpreted so as to imply or impose:

- (I) any liability whatsoever upon Landlord or Landlord's Parties in respect of such Emergency;
  - (II) any duty on Landlord to itself declare an Emergency;
  - (III) any duty on Landlord or Landlord's Parties to take any steps that they may have the power to decide to take including, without limitation, decontamination of any part of the Premises, Building or Project, in the event of, or in anticipation of, or to mitigate the effects of, an Emergency.
- (b) Landlord shall exercise its rights pursuant to this Section 17.7 in such manner and at such times as Landlord, acting reasonably but in its sole discretion, shall determine and if no personnel of Tenant are known by Landlord to be present on the Premises, or if such personnel fail for any reason to provide Landlord immediate access at the time such entry is desired, Landlord may forcibly enter the Premises without liability for damage caused thereby.
- (c) Upon becoming aware of same, Tenant shall give reasonably prompt Notice to Landlord of any outbreak of an infectious disease amongst its employees where such outbreak may impact the health and/or safety of other tenants in the Project or lead to an Emergency, notwithstanding that neither Landlord nor any Landlord's Parties may have any obligation in respect of the same. The provisions of this subsection 17.7(c) shall not be interpreted so as to imply or impose any obligation whatsoever upon Landlord or any Landlord's Parties.
- (d) In the event of an Emergency, the parties shall, acting reasonably, diligently and in a bona fide manner, co-operate with one another in an effort to minimize the length of time, if any, that the Premises and/or the Building may be rendered untenantable or inaccessible as a result thereof.

## 17.8 Noise and Vibration

Tenant acknowledges that the Project is or may be situated at or near rail lines or other transportation facilities and Tenant agrees that neither Landlord nor any transportation supplier shall be liable or responsible in any way for any disturbance to Tenant's business operations caused or contributed to by noise or vibrations in, on or about the Project resulting from the operation of any transportation system whatsoever.

## 17.9 Sale, Demolition or Substantial Alteration

At any time during the Term, including any renewals or extensions thereof, that Landlord, in its sole, absolute, arbitrary and unfettered discretion, wishes to:

- (a) sell the Building or all or any portion of the Project, including such portion of the Lands upon which the Building is situate; or
- (b) demolish or substantially alter or renovate all or a substantial portion of the Building; or
- (c) substantially alter or renovate all or any portion of the Project, whether or not such alteration or renovation will affect the Building,

Landlord shall have the right, to be exercised by not less than six (6) months' prior Notice to Tenant ("Landlord's Lease Termination Notice"), to terminate this Lease. Tenant agrees that, upon the termination date specified in the Landlord's Lease Termination Notice ("Lease Termination Date"), Tenant shall vacate the Premises and deliver up vacant possession of the Premises in accordance with the terms of this Lease. Notwithstanding the delivery of the Landlord's Lease Termination Notice, Tenant shall be responsible for performance of all of the terms, covenants and conditions contained on its part to be performed under the terms of this Lease, including the payment of all Basic Rent and Additional Rent with respect to the whole of the Premises, up to and including the Lease Termination Date. Tenant acknowledges that it shall have no claim against Landlord as a result of the exercise by Landlord of its rights hereunder and, upon such termination, all Rent shall be apportioned to the Lease Termination Date and, upon compliance by each of the parties with their respective obligations under this Lease up to and including the Lease Termination Date, each of the parties shall thereafter be released from all future obligations arising under this Lease.

## 18. EXPROPRIATION

- (a) If the whole or any part of the Premises shall be expropriated (which term shall for the purposes of this Article 18 include expropriation, condemnation or sale by Landlord to an authority with the power to expropriate, condemn or take) by any competent authority, then: (i) Landlord and Tenant shall co-operate with each other in respect of such expropriation so that Tenant may receive the appropriate award to which it is entitled in law for relocation costs and business interruption and so that Landlord may receive the maximum award to which it may be entitled in law for all other compensation arising from such expropriation, including, without limitation, all compensation for the value of Tenant's leasehold interest in the Premises, all of which shall be the property of

Landlord, and all of such Tenant's rights in respect of such expropriation, excluding only rights in respect of relocation costs and business interruption, shall be and are hereby assigned to Landlord; to give effect to such assignment to Landlord, Tenant shall execute such further documents as are necessary, in Landlord's opinion, to effect such assignment, within ten (10) days after demand; and (ii) this Lease shall continue in full force and effect in accordance with its terms unless and until the date on which this Lease is terminated as a result of such expropriation;

- (b) If the whole or any part of the Project shall be expropriated, then subject to the foregoing provisions respecting expropriation of the Premises: (i) all compensation resulting from such expropriation shall be the absolute property of Landlord and all of Tenant's rights, if any, to any such compensation shall be and are hereby assigned to Landlord; Tenant shall execute such further documents as are necessary, in Landlord's opinion, to effect such assignment within ten (10) days after demand; and (ii) this Lease shall continue in full force and effect in accordance with its terms unless and until terminated as a result of such expropriation.

## **19. MISCELLANEOUS**

### **19.1 Notices**

All Notices shall be delivered personally or by courier or sent by prepaid registered Canadian mail, at the Address for Service of Notice on Tenant, if to the Indemnifier, if any, at the Address for Service of Notice on Indemnifier, and if to Landlord at the Address for Service of Notice on Landlord, all as provided in subsection 1(j) hereof.

All such Notices shall be conclusively deemed to have been given and received upon the day the same is delivered personally or by courier, or if mailed as aforesaid, four (4) business days (excluding Saturdays, Sundays, holidays and days upon which regular postal service is interrupted or unavailable for any reason) after the same is mailed as aforesaid. Any party may at any time by Notice to the other change the Address for Service of Notice on it. If two or more Persons are named as Tenant or Indemnifier, any Notice given hereunder shall be sufficiently given if delivered or mailed in the foregoing manner to any one of such Persons.

### **19.2 Planning Act**

This Lease is entered into subject to the provisions of and compliance with the provisions of all applicable legislation dealing with planning restrictions. If the Term, including any rights of renewal under this Lease, shall be expressed to extend for a period in excess of the maximum period for which a lease may be granted without the consent of the body having jurisdiction pursuant to such legislation ("Maximum Period") then, until any necessary consent to this Lease is obtained pursuant to the provisions of the applicable legislation, on terms and conditions acceptable to Landlord in its sole discretion, the Term together with any rights of renewal pursuant to this Lease shall be conclusively deemed to extend for the Maximum Period less one (1) day from the Commencement Date; Tenant shall cooperate with Landlord in making application for any such consent. The cost of applying for and obtaining such consent shall be shared equally between Landlord and Tenant.

### **19.3 Complete Agreement**

It is understood and agreed that this Lease (including the schedules exhibits and appendices attached to it) constitutes the complete agreement between the parties and that there are no covenants, representations, agreements, warranties or conditions in any way relating to the subject matter of this Lease or the tenancy created hereby, expressed or implied, collateral or otherwise, except as expressly set forth herein. Tenant acknowledges that no representatives of Landlord are authorized to make on Landlord's behalf any covenants, representations, agreements, warranties or conditions of any kind or in any manner whatsoever other than as expressly set forth in writing in this Lease in the form in which it is executed by Landlord.

No amendment to this Lease shall be binding upon Landlord unless the same is in writing and executed by Landlord.

### **19.4 Time of the Essence**

Time is of the essence of this Lease and all parts hereof.

### **19.5 Applicable Law**

This Lease shall be governed by and interpreted in accordance with the laws of the Province of Ontario. The parties agree that the Courts of Ontario shall have jurisdiction to determine any matters arising hereunder, except to the extent, if any, expressly provided to the contrary herein, and the parties hereby attest to the jurisdiction of the Courts of Ontario.

### **19.6 Severability**

If any provision of this Lease or any portion thereof or the application of any of the same is illegal, unenforceable or invalid, it shall be considered separate and severable from this Lease and all of the remaining provisions hereof shall remain in full force and effect as though any such provision of this Lease or any portion thereof had not been included in this Lease but such provision of this Lease or portion hereof shall nonetheless continue to be enforceable to the full extent permitted by law.

## 19.7 Section Numbers and Headings

The table of contents of this Lease and all section numbers and all headings are inserted as a matter of convenience only and shall in no way limit or affect the interpretation of this Lease.

## 19.8 Interpretation

Whenever a word importing singular or plural is used in this Lease such word shall include the plural and singular respectively. Subject to the express provisions contained in this Lease, words such as "hereof", "herein", "hereby", "hereinafter", and "hereunder" and all similar words or expressions shall refer to this Lease as a whole and not to any particular section, or portion hereof being less than the whole.

## 19.9 Successors

This Lease and all portions hereof shall enure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, administrators, successors, assigns and other legal representatives excepting only that this Lease shall not enure to the benefit of any of such parties unless and only to the extent expressly permitted pursuant to the provisions of this Lease.

## 19.10 Acting Reasonably

Wherever a determination or consent is to be made or given by either of the parties hereto, unless expressly provided herein to the contrary, such determination and consent shall be made or given acting reasonably.

## 19.11 Joint and Several

If there is at any time more than one Tenant **or Indemnifier** or more than one Person constituting Tenant **or Indemnifier**, their covenants shall be considered to be joint and several and shall apply to each and every one of them. If Tenant **or Indemnifier** is or becomes a partnership, each Person who is a member, or shall become a member, of such partnership or its successors shall be and continue to be jointly and severally liable for the performance of all covenants of Tenant **and Indemnifier**, as the case may be, pursuant to this Lease, whether or not such Person ceases to be a member of such partnership or its successor.

## 19.12 Privacy Policy

Tenant **and Indemnifier** consent(s) to Landlord collecting, using and disclosing the personal information in this Lease or otherwise collected by or on behalf of Landlord or its agents, affiliates, or service providers, for the purposes of:

- (a) determining the suitability of Tenant, both for the Term and any renewal or extension thereof;
- (b) taking action for collection of Rent in the event of an Event of Default; and
- (c) facilitating any pre-authorized payment plan adopted by the parties hereto.

Consent under this Lease includes consent to the disclosure by Landlord of such information to credit agencies, collection agencies and existing or potential lenders, investors and purchasers.

Tenant **and Indemnifier** also consent(s) to and confirm(s) their authority and that they have all necessary consents to enable the collection, use, and disclosure, as provided in this privacy statement, of personal information about employees of Tenant **and Indemnifier** and other individuals whose personal information is provided to or collected by or on behalf of Landlord in connection with this Lease.

## 20. LIMITATION OF LIABILITY

If Landlord or any assignee of the beneficial rights of Landlord is ever a Real Estate Investment Trust or other trust (a "Trust"), then Tenant acknowledges and confirms that the obligations of Landlord hereunder are not and will not be binding on a trustee of the Trust, any registered or beneficial holder of one or more units of a Trust or other beneficiaries ("Unitholder") or any annuitant under a plan of which such a Unitholder acts as trustee or carrier, or any officers, employees or agents of the Trust during the Term or any extension or renewal thereof and that resort shall not be had to, nor shall recourse or satisfaction be sought from, any of the foregoing or the private property of any of the foregoing. Tenant's recourse, if any, in respect of the obligations of the Trust shall be limited to the Trust's interest in the Project.

## 21. INDEPENDENT LEGAL ADVICE/FREELY NEGOTIATED

- (a) The parties hereto acknowledge and covenant that the provisions of this Lease have been freely and fully discussed and negotiated and that the execution and delivery of this Lease constitutes and is deemed to constitute full and final proof of the foregoing statement.
- (b) Tenant **and any Indemnifier** acknowledge the suggestion of Landlord that, before executing this Lease, Tenant **and any Indemnifier** should obtain independent legal advice.

**22. INDEMNITY**

Indemnifier hereby agrees execute the Indemnity Agreement in the form annexed hereto as Schedule "H".

**BALANCE OF PAGE LEFT INTENTIONALLY BLANK**

**SIGNATURES ON NEXT PAGE**

**IN WITNESS WHEREOF** the parties have executed this Lease.

**(LANDLORD)**

Per:

Name: \_\_\_\_\_  
Title: Authorized Signatory

Per:

\_\_\_\_\_  
Name: \_\_\_\_\_ c/s  
Title: Authorized Signatory

I/We have authority to bind the Corporation.

The undersigned officers of Tenant hereby represent and warrant to Landlord that Tenant is a corporation in good standing and duly organized under the Laws of the Province of Ontario, or if chartered in a province other than the Province of Ontario, is a corporation in good standing and duly organized under the Laws of such province and is authorized to do business in the Province of Ontario and that this Lease has been validly executed and delivered by Tenant and is valid and enforceable against Tenant.

**(TENANT)**

Per:

Name: \_\_\_\_\_  
Title: Authorized Signatory

Per:

\_\_\_\_\_  
Name: \_\_\_\_\_ c/s  
Title: Authorized Signatory

I/We have authority to bind the Corporation.

**INDEMNIFIER**

\_\_\_\_\_  
**WITNESS** \_\_\_\_\_

\_\_\_\_\_  
Name (please print)

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

**IF CORPORATION:** The undersigned officers of Indemnifier hereby represent and warrant to Landlord that Indemnifier is a corporation in good standing and duly organized under the Laws of the Province of Ontario, or if chartered in a province other than the Province of Ontario, is a corporation in good standing and duly organized under

the Laws of such province and is authorized to do business in the Province of Ontario and that this Lease has been validly executed and delivered by Indemnifier and is valid and enforceable against Indemnifier.

**INDEMNIFIER**

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

Name:

Title: Authorized Signatory

Per: \_\_\_\_\_ c/s

Name:

Title: Authorized Signatory

I/We have authority to bind the Corporation.

**Schedule "A"**

**LEGAL DESCRIPTION OF PROJECT**

**Schedule “B”**  
**OUTLINE PLAN OF PREMISES**

The floor plan is for identification purposes only and is not to be interpreted as being a representation or warranty on the part of the Landlord, as to the exact location, configuration and layout.

**Schedule "C"**

**LANDLORD'S AND TENANT'S WORK**

**1. LANDLORD'S WORK**

Notwithstanding anything contained to the contrary in this Schedule "C" or elsewhere in this Lease, Tenant acknowledges and confirms that it is accepting the Premises on an "**as is**" "**where is**" basis, and Tenant agrees that there is no promise, representation or undertaking by or binding upon Landlord with respect to any alterations, remodeling, decoration or installation of Leasehold Improvements in the Premises, except as otherwise expressly set forth herein. For clarity, the item enumerated under this heading constitute the entire Landlord's Work and will be provided by and completed at the expense of Landlord in accordance with its plans and specifications and the applicable requirements of all regulatory authorities having jurisdiction with respect thereto. All other work required to prepare the Premises for use by Tenant shall constitute the Tenant's Work, whether enumerated in this Schedule "C" or not.

**Landlord shall, at its sole cost and expense, use commercially reasonable efforts to Substantially Complete the following work in the Premises ("Landlord's Work") prior to the Commencement Date hereof, subject to force majeure and delays caused by Tenant ("Tenant Delay"):**

- **deliver the Premises to Tenant, in a clean, broom-swept condition, free of any debris or furniture; and**
- **ensure all lighting, HVAC, plumbing and electrical systems are in good working order and condition.**

Tenant acknowledges hereto, that Landlord will not commence any Landlord's Work until this Lease is executed by Landlord and Tenant

**2. TENANT'S WORK**

Tenant's Work consists of other work required to complete the Premises for use by Tenant, other than Landlord's Work, if any. Tenant's Work will be provided by and completed at the expense of Tenant and includes all work, materials, equipment and fixtures, which are required to complete the Premises in accordance with the plans and specifications approved by Landlord in accordance with this Lease and the applicable requirements of all regulatory Authorities having jurisdiction with respect thereto. **Tenant's Work is shown on Schedule "C-1" attached hereto for illustration purposes only.**

Schedule "D"

**RENT DEPOSIT AGREEMENT**

THIS RENT DEPOSIT AGREEMENT dated , and is made,

**B E T W E E N:**

(hereinafter called "Tenant")

OF THE FIRST PART

- and -

(hereinafter called "Landlord")

OF THE SECOND PART

- and -

(hereinafter called "Indemnifier")

OF THE THIRD PART

**WHEREAS:**

- A. By a lease dated ("Lease") between Landlord and Tenant, Landlord leased to Tenant premises known as Unit ("Premises") in the building municipally known as ("Building"), as more particularly described in the Lease, for a term of years, commencing on and expiring on ; and
- B. By an indemnity agreement dated ("Indemnity Agreement"), Indemnifier has agreed to indemnify all obligations of Tenant under the Lease; and
- C. To induce Landlord to enter into the Lease, Tenant has agreed to deliver to Landlord, on or before the date Tenant executes the Lease, a rent deposit in the amount of , to be held and applied on the terms and conditions set out in this Agreement.

**NOW, THEREFORE**, for good and valuable consideration, the receipt and sufficiency whereof is hereby acknowledged by the parties hereto, the parties hereto make the following agreement:

1. Tenant shall deposit with Landlord, on or before the date Tenant executes the Lease, a rent deposit in the amount of ("Rent Deposit"). Landlord shall hold the Rent Deposit, without interest, as a prepayment of the Rent payable by Tenant under the Lease during the Term and any renewals or extensions thereof and any tenancy resulting from an overholding, and to secure the amounts referred to in Section 7 below. Landlord agrees that, provided Tenant is not in default hereunder, Landlord shall apply the sum of towards the Basic Rent, Operating Costs and Realty Taxes payable for the **first/last** month of the Term. For clarity, Tenant shall be responsible for the balance of the Rent payable for such month(s).
2. If at any time any Rent payable under the Lease shall be overdue, all or any portion of the Rent Deposit shall, at Landlord's option, be applied to the payment of any Rent then due and owing. Further, if Tenant defaults in the performance of any of the terms, covenants, conditions and provisions of the Lease as and when the same are due to be performed by Tenant, then all or any part of the Rent Deposit shall, at Landlord's option, be applied on account of any losses or damages sustained by Landlord as a result of such default.
3. If all or any part of the Rent Deposit is applied by Landlord on account of the payment of Rent or on account of any default or any losses or damages sustained by Landlord as aforesaid, then Tenant shall, within three (3) days after demand from Landlord, remit to Landlord a sufficient amount in cash or by certified cheque to restore the Rent Deposit to the original sum required to be deposited as set forth herein plus interest on the amount of such default, loss or damages sustained by Landlord at a rate of three (3%) percent per annum in excess of the rate of interest known as the prime rate of interest charged by Landlord's bank in Ontario and which serves as the basis on which other interests rates are calculated for Canadian dollar loans in Ontario from time to time, from the date of default to the date the Rent Deposit is restored as aforesaid.
4. If: (i) Tenant complies with all of the terms, covenants, conditions and provisions under the Lease and promptly pays all Rent therein throughout the Term; (ii) the Lease has not been Disclaimed (as hereinafter defined); (iii) the Lease has not terminated for any reason prior to the natural expiry date; and (iv) Tenant has complied with all of the obligations under the Lease, to the extent the same remains in Landlord's possession and is not applied to any of Tenant's obligations hereunder, Landlord shall return the balance of the Rent Deposit to Tenant within thirty (30) days after the expiry of the Lease.

5. Landlord may deliver the Rent Deposit, or such portion thereof remaining on hand to the credit of Tenant, to any purchaser, mortgagee or assignee of Landlord's interest in the Premises or the Project under the Lease or in the Lease and thereupon Landlord shall be and is hereby discharged from any further liability with respect to the Rent Deposit.

6. In the event of any bankruptcy, insolvency, winding-up or other creditors' proceeding, the Rent Deposit shall be the absolute property of Landlord and shall, at Landlord's option, be automatically appropriated and applied against the Rent and any other amounts referred to in Section 7 below.

7. The Rent Deposit shall secure and may, at Landlord's option, be applied on account of any one or more of the following: (i) the due and punctual payment of all Rent and all other amounts of any kind whatsoever payable under the Lease by Tenant whether to Landlord or otherwise and whether or not relating to or payable in respect of the Premises, including, without limitation, any amount which would have become payable under the Lease to the date of the expiry of the Lease had the Lease not been Disclaimed or terminated; (ii) the prompt and complete performance of all obligations contained in the Lease on the part of Tenant to be kept, observed and performed; (iii) the due and punctual payment of all other amounts payable by Tenant to Landlord; (iv) the due and punctual payment of all amounts payable by Indemnifier under the Indemnity Agreement, if any; (v) the indemnification of Landlord in respect of any losses, costs or damages incurred by Landlord arising out of any failure by Tenant to pay any rent or other amounts payable under the Lease or resulting from any failure by Tenant to observe or perform any of the other obligations contained in the Lease; (vi) liquidated damages in compensation for the money spent by Landlord with respect to the Premises to make them ready for Tenant's use and occupancy; (vii) the reduction in value of the Premises as a result of Tenant's default; (viii) the performance of any obligation which Tenant would have been obligated to perform to the date of the expiry of the Lease had the Lease not been Disclaimed or terminated; or (ix) the losses or damages suffered by Landlord as a result of the Lease being Disclaimed or terminated; (x) the repayment of the unamortized portion as of the date the Lease is Disclaimed or terminated of any allowances, inducements or other incentives paid by Landlord in conjunction with the Lease.

8. The rights of Landlord hereunder in respect of the Rent Deposit shall continue in full force and effect and shall not be waived, released, discharged, impaired or affected by reason of the release or discharge of Tenant or Indemnifier, if any, in any receivership, bankruptcy, insolvency, winding-up or other creditor's proceedings, including, without limitation, any proceedings under the *Bankruptcy and Insolvency Act* (Canada) or the *Companies Creditors Arrangement Act* (Canada), or the surrender, disclaimer, repudiation or termination of the Lease (individually and collectively referred to herein as "Disclaimed") in any such proceedings and shall continue with respect to the periods thereto and thereafter as if the Lease had not been Disclaimed.

9. Capitalized expressions used herein, unless separately defined herein, have the same meaning as defined in the Lease unless separately defined herein.

10. Time in all respects shall be of the essence.

11. Any notice, request or demand provided for or given under this Agreement shall be in writing and shall be served in the manner specified in the Lease. The addresses for service of notice by registered mail shall be:

**if to Landlord:** c/o Artis REIT, 415 Yonge Street, Suite 2000, Toronto, Ontario M5B 2E7, Attention: Vice President, Property Management; and

**if to Tenant:** at the Premises ; and

**if to Indemnifier:** at the Premises and/or .

12. This Agreement shall be binding upon and enure to the benefit of the parties hereto and their respective heirs, administrators, successors and assigns.

**[SIGNATURES REQUIRED ON THE FOLLOWING PAGE]**

**IN WITNESS WHEREOF** the parties hereto have executed this Agreement.

**(TENANT)**

Per: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: Authorized Signatory

Per: \_\_\_\_\_ c/s  
Name: \_\_\_\_\_  
Title: Authorized Signatory

I/We have authority to bind the Corporation.

**INDEMNIFIER**

WITNESS \_\_\_\_\_

Name (please print) \_\_\_\_\_

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

**(LANDLORD)**

Per: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: Authorized Signatory

Per: \_\_\_\_\_ c/s  
Name: \_\_\_\_\_  
Title: Authorized Signatory

I/We have authority to bind the Corporation

**Schedule "E"**  
**ENVIRONMENTAL QUESTIONNAIRE**

<b>Tenant's Company Name:</b>	<b>Phone No.</b>
<b>Address:</b>	<b>Unit No.</b>
<b>Contact Name:</b>	

- a) Describe the business activities carried on in the Premises and specify raw materials used, goods manufactured and any resulting waste materials or by-products that are generated:

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- b) Will the business activities to be carried on in the Premises entail the use, generating or storing of any Hazardous Substances in any quantity? (including but not limited to chemical products, degreasers, corrosives, flammable or combustibles, fuels, solvents, paints, medication, oil, gas, batteries, extinguisher, etc.)

NO  YES  If yes, please describe:

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- c) Indicate the approximate amounts of Hazardous Substances which will be used or generated, monthly or annually, in the Premises:

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- d) How do you intend to store the Hazardous Substances described in c)?

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- e) How will you dispose of the Hazardous Substances generated in the Premises by your business and who will be the carrier?

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- f) Will the business activities to be carried on in the Premises require that you obtain any certificate of authorization, permit, environmental approvals, or provide environmental data (i.e. NPRI or Ontario Reg. 127) to government agencies?

NO  YES  If yes, please give details and attach your certificate

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- g) Will the business activities to be carried on in the Premises entail the discharge of Hazardous Substances into the sewer system, water system or into the air? If so, will pollution control equipment be required in the Premises to comply with Environmental Laws and any other applicable Laws?

NO  YES  If yes, please give details and list standards to be met

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- h) Will the business activities to be carried on in the Premises necessitate the installation of an underground or surface storage tank in the Premises or on the Common Facilities?

NO  YES  If yes, please describe tank to be installed and stored materials

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- i) Do you intend to have a prevention training or emergency plan in place to prevent an environmental incident or to deal with one if it occurs?

NO  YES  If yes, give details and attach a copy of the plan and/or training

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- j) Does your firm have an environmental management program in place?

NO  YES  If yes, please give details and attach a copy of the program

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- k) Do you have appropriate insurance to handle Hazardous Substances?

NO  YES  If yes, give details and attach a copy of the policy or certificate

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**TENANT'S SIGNATURE:** \_\_\_\_\_

**PRINT NAME:**

**DATE:** \_\_\_\_\_

## SCHEDULE "F"

### RULES AND REGULATIONS

1. No cooking or preparation of food which requires venting or produces odours shall be permitted in the Premises.
2. No Person shall use the Premises for sleeping apartments or residential purposes.
3. No musical instruments or sound producing equipment or amplifiers which may be heard outside the Premises shall be played or operated on the Premises.
4. Tenant shall not use the Premises for the storage of personal effects or articles other than those required for business purposes.
5. If any emergency situation arises, Tenant shall cause all occupants of the Premises to vacate the Building if directed to do so by Landlord or any public authority in the manner prescribed by Landlord or such public authority.
6. Tenant shall not cause unnecessary labour by reason of carelessness and indifference to the preservation of good order and cleanliness in the Premises and in the Building.
7. No animals (except seeing eye dogs) shall be brought or kept in or about the Building.
8. Canvassing, soliciting and peddling in the Building is prohibited and Tenant shall co-operate to prevent the same.
9. The sidewalks, entries, passages and staircases shall not be obstructed or used by Tenant or its employees, agents, visitors or licensees for any purpose other than ingress to and egress from the Premises. Nothing shall be thrown by Tenant, its employees, agents, visitors or licensees, out of the windows or doors, or into the entries, passages, escalators, elevators or staircases of the Building. Landlord reserves entire control of the sidewalks, entries, passages, escalators, elevators, staircases, and corridors which are not expressly included within this Lease, and shall have the right, but not the obligation, to make such repairs, replacements, alterations, additions, decorations and improvements thereto and to place such signs and appliances therein, as it may deem advisable, provided that ingress to and egress from the Premises is not unduly impaired thereby.
10. Landlord shall have the right to prohibit any advertising of or by Tenant, which in Landlord's opinion, tends to impair the reputation of the Building or its desirability as a building for offices or for financial, insurance and other institutions and businesses of a like nature. Upon notice from Landlord, Tenant shall refrain from or discontinue such advertising.
11. Tenant shall not allow smoking in the Premises.
12. Tenant will co-operate with Landlord's efforts to stipulate designated smoking areas away from public entrances.
13. Tenant shall not install window shades, curtains or blinds of any kind or colour other than Building standard shades, curtains or blinds, without the prior written approval of Landlord.
14. If any apparatus used or installed by Tenant requires a permit as a condition for installation, Tenant must provide a copy of such permit to Landlord prior to such installation.
15. Notice shall be given by Tenant to Landlord with respect to Tenant's intention to place any heavy material or thing within the Premises and all details and specifications thereof shall be supplied to Landlord's structural engineers for its approval and Tenant shall comply with the directions of Landlord or its structural engineer in respect thereof. Any and all engineer's costs for consultation shall be treated as Excess Costs.
16. Tenant shall provide written notice to Landlord any time Tenant changes the exterior locks to the Premises. All lock changes shall be completed by reputable contractors which have received Landlord's prior written approval, not to be unreasonably withheld. Tenant shall deliver all keys to the Premises to Landlord prior to the expiry or earlier termination of this Lease.
17. In accordance with the Building fire and life safety plan, Tenant shall designate sufficient personnel within the Premises to act as fire warden. The fire warden will be given instructions by Landlord or its authorized representative(s) on procedures to take in the event of a fire or other emergency and they shall participate in the necessary fire drills and procedures as required in accordance with The Ontario Fire Code and the *Fire Protection and Prevention Act, 1997*, and any other life safety or Emergency drills and procedures which may be implemented by Landlord for the Project from time to time.
18. Tenant agrees to observe all reasonable rules and regulations regarding the security and protection of the Building and the tenants thereof including, without limitation, the right of Landlord to search the Person of and/or any article carried by any Person entering or leaving the Building.

19. Tenant agrees to report all water leaks promptly to Landlord.
20. Overnight use of the Parking Facilities is strictly prohibited.
21. Use of portable storage containers outside the Premises is strictly prohibited.
22. **[Option A – Free Parking, subject to availability:** Parking spaces (“Parking Spaces”) shall be made available for use by Tenant in the Parking Facilities on a first-come-first-served basis, in common with other users of the Project, in such areas as are designated by Landlord from time to time. There shall be no license fee payable by Tenant for its use of the Parking Spaces but, for greater certainty, Tenant shall continue to be responsible for its Proportionate Share or share, as the case may be, of Operating Costs, the Management Fee and Realty Taxes attributable to the Parking Facilities.

Without limiting anything set forth in the Lease, Landlord may from time to time make changes to the Parking Facilities in the Project, including without limitation, imposing or permitting to be imposed reasonable charges for the use of Parking Facilities or designating any or all of the Parking Facilities for the exclusive use of specific persons, including those parking spaces which are currently designated for the use of clients and guests of tenants of the Project.

**[Option B – Paid Parking, reserved/unreserved]:** Provided Tenant is not then in default under the Lease, Tenant shall have the right to the use of **five (5) reserved/unreserved** parking spaces in the Parking Facilities (“Parking Spaces”) throughout the Term of the Lease. The parking rates for such Parking Spaces shall be the Landlord’s standard parking rates for the Project at that time. Parking costs shall be payable to Landlord in advance on the first day of each and every month during the Term and shall be payable whether or not Tenant actually uses the Parking Spaces or any of them. Landlord’s currently monthly parking rates for **reserved/unreserved** parking spaces in the Project is **\$ \_\_\_\_\_**, plus Sales Taxes, per parking space per month.

**[Add for both A and B:** Landlord shall have no obligation to supervise or police the use of the Parking Facilities and Tenant hereby understands and agrees that its use of the Parking Facilities, and the use of the Parking Facilities by Tenant’s Parties and any others, shall be at their sole risk and, for greater certainty, Landlord is not responsible for theft of or damage to any vehicle or its equipment or articles left in any vehicle on the Parking Facilities. Upon request, Tenant shall deliver to Landlord up-to-date information as to the owner, licence plate number and description of each automobile authorized to use such parking spaces. Landlord may, from time to time, make and amend such rules and regulations for the management and operation of the Parking Facilities as Landlord shall determine and Tenant, and all Persons under its control, shall be bound by, and shall comply with, all of such rules and regulations of which notice is given to Tenant from time to time, and all of such rules and regulations shall be deemed to be incorporated into and form a part of this Lease. Landlord may from time to time relocate all or any of the Parking Facilities and parking spaces to such other location as the Landlord determines, in its sole discretion. For emphasis only, and without affecting or limiting the meaning of any provision of this Lease, it is agreed that the following sections of this Lease apply to the rights granted to Tenant hereunder in respect of the Parking Spaces, namely Sections 13.4 (“Consequential Damage”) and 13.5 (“Indemnity of Landlord”). No motor vehicle other than a private passenger automobile, station wagon, van or motorcycle shall be parked on or in any part of the Common Facilities of the Project, including without limitation the Parking Facilities, nor shall any storage, washing or repairs (other than emergency repairs immediately necessary for operation of a vehicle) be made to any motor vehicle in or on any of the Common Facilities, including without limitation the Parking Facilities, and no motor vehicle shall be driven on any part of the Common Facilities other than on a driveway or in the Parking Facilities. If Tenant or any person permitted by Tenant to use any of the Parking Spaces fails to comply with the provisions of this Lease in respect of the Parking Spaces, including without limitation the rules and regulations from time to time applicable to the Parking Facilities, then Landlord shall have the right to terminate or suspend the privileges of the offending party to use the Parking Facilities, provided that the exercise of such right by Landlord shall not limit or affect the obligation of Tenant hereunder to pay for all Parking Spaces, if applicable.]

23. Tenant agrees that the rules and regulations hereinabove stipulated, and such other and further rules and regulations as Landlord may make, being in its judgment needful for the reputation, safety, care or cleanliness of the Building and Premises, or the operation, maintenance or protection of the Building and its equipment, or the comfort of tenants, shall be faithfully observed and performed by Tenant, and by its employees, agents, visitors and licensees. Landlord shall have the right to change said rules and regulations and to waive in writing or otherwise, any or all of the said rules and regulations in respect of any one or more tenants, and Landlord shall not be responsible to Tenant for non-observance or violation of any of said rules and regulations by any other tenant or other Person. The provisions of the rules and regulations shall not be deemed to limit any obligation or provision of this Lease to be performed or fulfilled by Tenant.

## Schedule "G"

### **SPECIAL PROVISIONS**

#### **1. REQUIRED CONDITIONS**

"Required Conditions" means:

- (a) Tenant in occupancy of the Premises is and/or a Permitted Transferee, and there has been no Transfer of this Lease, other than a Permitted Transfer;
- (b) Tenant is in actual, physical occupancy, and actively conducting business, in the whole of the Premises in accordance with the use expressly permitted under this Lease;
- (c) Tenant is not and has not been in default under this Lease;
- (d) Tenant has not become insolvent or bankrupt and has not made an assignment for the benefit of creditors, a petition in bankruptcy has not been filed against Tenant, no receiver or other person has taken possession or effective control of all or a substantial portion of Tenant's assets and no receiving order has been made against Tenant, and there are no outstanding writs of execution against Tenant; and
- (e) No lien (construction or otherwise) affects the Lands, the Premises or the Building, and no claim under workplace safety and insurance legislation has been made, in connection with anything done by or on behalf of Tenant.

#### **2. FIXTURING PERIOD**

Provided this Lease has been executed by Tenant in a form acceptable to Landlord, and any Landlord's Work has been substantially completed, and provided Tenant has delivered to Landlord certificates of insurance satisfactory to Landlord, Tenant will be given non-exclusive access to the Premises in joint occupancy with Landlord, for a period commencing on the Delivery Date and expiring on [OR from , 20 , to the earlier of the day immediately preceding the Commencement Date or the day upon which the Tenant commences to operate its business in all or any portion of the Premises] ("Fixturing Period"), in order to construct its interior improvements and complete the Premises by the Commencement Date [variation: and to the extent completed, carrying on its business therefrom]. During the Fixturing Period, Tenant agrees to coordinate its work with Landlord, and not to interfere with the completion of Landlord's Work in the Premises, if any, in order that each party may complete their respective work as expeditiously as is possible in the circumstances.

During the Fixturing Period, Tenant shall not be obligated to pay Basic Rent, Operating Costs or Realty Taxes but Tenant shall be subject to all of the other terms and conditions of this Lease insofar as applicable, including, without limitation, the obligation to pay Utilities, Excess Costs, business taxes (if any), the obligation to maintain insurance and the provisions relating to the liability of Tenant and the indemnification of Landlord.

However, if this Lease is disclaimed pursuant to Section 65.2(1) of the Bankruptcy and Insolvency Act, as amended or replaced from time to time (the "Act"), then for the purposes of Section 65.2(4) of the Act, Tenant's obligation to pay Rent with respect to the Premises for the whole of the Fixturing Period will be deemed to have been reinstated effective as of the day before the effective date of the disclaimer of this Lease, and the Rent payable under this Lease shall be deemed to be the Rent payable under this Lease for the entire Term.

#### **3. BASIC RENT-FREE PERIOD**

Provided the Required Conditions have been met and continue to be met at all times, Tenant shall not be required to pay Basic Rent for the period of commencing and ending ("Basic Rent-Free Period"). For clarity, during the Basic Rent-Free Period, Tenant shall be otherwise bound by all of the terms and conditions of this Lease insofar as applicable, including, without limitation, the obligation to pay Operating Costs, Realty Taxes, and all other items of Additional Rent including Utilities, Excess Costs and business taxes (if any), the obligation to maintain insurance and the provisions relating to the liability of Tenant and the indemnification of Landlord.

However, if this Lease is disclaimed pursuant to Section 65.2(1) of the Bankruptcy and Insolvency Act, as amended or replaced from time to time (the "Bankruptcy Act"), then for the purposes of Section 65.2(4) of the Bankruptcy Act, Tenant's obligation to pay Basic Rent for the whole of the Basic Rent-Free Period will be deemed to have been reinstated effective as of the day before the effective date of the disclaimer of this Lease, and the Rent payable under this Lease shall be deemed to be the Rent payable under this Lease for the entire Term.

#### **4. EARLY OCCUPANCY PERIOD**

Provided this Lease has been executed by Tenant in a form acceptable to Landlord, and any Landlord's Work has been substantially completed, and provided Tenant has delivered to Landlord certificates of insurance satisfactory to Landlord, Tenant will be given access to the Premises for the purposes of carrying on the Tenant's business from        to        ("Early Occupancy Period").

During the Early Occupancy Period, Tenant shall not be obligated to pay Basic Rent, Operating Costs or Realty Taxes, but Tenant shall be subject to all of the other terms and conditions of this Lease insofar as applicable, including, without limitation, the obligation to pay Utilities, Excess Costs, business taxes (if any), the obligation to maintain insurance and the provisions relating to the liability of Tenant and the indemnification of Landlord.

However, if this Lease is disclaimed pursuant to Section 65.2(1) of the Bankruptcy and Insolvency Act, as amended or replaced from time to time (the "Act"), then for the purposes of Section 65.2(4) of the Act, Tenant's obligation to pay Rent with respect to the Premises for the whole of the Early Occupancy Period will be deemed to have been reinstated effective as of the day before the effective date of the disclaimer of this Lease, and the Rent payable under this Lease shall be deemed to be the Rent payable under this Lease for the entire Term.

#### **5. LEASEHOLD IMPROVEMENT ALLOWANCE**

- (a) Provided the Required Conditions have been met, Landlord will pay to Tenant a sum of up to a maximum of        dollars (\$      .00) per square foot of the Rentable Area of the Premises, plus applicable taxes ("Leasehold Improvement Allowance") to be applied against the cost of the Tenant's Work. The Leasehold Improvement Allowance shall be payable within sixty (60) days after the last to occur of:
  - (i) execution of this Lease by both Landlord and Tenant;
  - (ii) the Commencement Date;
  - (iii) the completion of Tenant's fixturing, stocking and staffing the Premises and the commencement by Tenant of the conduct of business in the whole of the Premises;
  - (iv) Tenant has provided Landlord with a statutory declaration from a senior officer of Tenant stating that all Tenant's Work has been performed in accordance with all applicable laws, by-laws, rules, regulations and orders of any lawful authority and all of the provisions of the Lease, the date of such completion, that all accounts relating to Tenant's Work have been paid, and that no lien has or may be claimed with respect thereto and that all construction lien periods have expired; and
  - (v) Tenant has provided copies of paid invoices itemizing costs equal to or exceeding the Leasehold Improvement Allowance and a certificate from Tenant's project manager certifying the value of the work and materials supplied to the Premises to date in respect of the Tenant's Work.
- (b) Payment of the Leasehold Improvement Allowance is subject to confirmation that all invoices have been paid and there are no construction liens, workers' compensation or other liens and is subject to compliance by all parties with the construction lien or other relevant legislation in force in the Province in which the Project is located and subject to any holdbacks specified under such legislation.
- (c) **If Tenant does not request payment from Landlord of the Leasehold Improvement Allowance within the first Twelve (12) months of the Term, the Leasehold Improvement Allowance will be extinguished.**
- (d) Landlord shall have the right to deduct from the Leasehold Improvement Allowance all amounts which are owing to Landlord by Tenant for any reason whatever relating to the Premises or the Project and Landlord shall have the right to pay itself or any other contractor of Tenant any amounts payable in respect of any of Tenant's Work, and it is agreed that any such deduction or payment by the Landlord shall constitute a payment on account of Landlord's obligation to pay the Leasehold Improvement Allowance. If Tenant becomes bankrupt or insolvent or has taken the benefit of any statute for bankrupt or insolvent debtors, or has filed a proposal, or has made an assignment for the benefit of creditors or any arrangement or compromise or this Lease is terminated prior to the expiration of the Term by reason of a default by Tenant, then in such event, and without prejudice to any of Landlord's other rights and remedies available to it under this Lease and at law, the unamortized portion of the Leasehold Improvement Allowance calculated from the Commencement Date on the basis of an assumed rate of depreciation on a straight line basis to zero over the initial Term of this Lease shall immediately become due and payable to Landlord as Additional Rent and as security therefor, Tenant hereby grants to Landlord an immediately attaching security interest in all of Tenant's present and after-acquired personal property situated on the Premises, including, without limitation, all trade fixtures, chattels, equipment and Tenant's interest in the Leasehold Improvements.

**6. OPTION TO EXTEND**

- (a) Provided the Required Conditions are met and continue to be met, Tenant shall have the option to extend the Term of this Lease for ( ) further term(s) of ( ) years each (each an "Extension Term") on the same terms and conditions as contained in this Lease, except that: (i) there shall be no further right to extend after the expiry of the second Extension Term; (ii) the annual Basic Rent shall be the greater of: (A) Market Rent as determined pursuant to subsection (b) below; and (B) the Basic Rent payable in respect of the twelve (12) months immediately preceding the/such Extension Term; (iii) there shall be no tenant's allowance, rent-free period or other inducement for the/such Extension Term; and (iv) the Premises shall be accepted by Tenant in "as is" condition at the commencement of the/such Extension Term without Landlord being required to perform any work. Such right to extend shall be exercisable by Notice ("Extension Notice") to Landlord by not later than nine (9) months, and not earlier than twelve (12) months, prior to the expiry of the original Term hereof, or the immediately preceding Extension Term, as the case may be.
- (b) "Market Rent" means the annual rental which could reasonably be obtained by Landlord for the Premises from a willing tenant or willing tenants dealing at arms' length with Landlord in the market prevailing for a term commencing on the commencement date of the/such Extension Term, having regard to all relevant circumstances including the size and location of the Premises, the facilities afforded, the terms of the lease thereof (including its provisions for Additional Rent), the condition of the Premises and the extent and quality of the improvements therein, and with the assumption that the existing improvements are ideal for Tenant's use as is (and disregarding Tenant's trade fixtures and also disregarding any deficiencies in the condition and state of repair of the Premises as a result of Tenant's failure to comply with its obligations hereunder in respect of the maintenance and repair of the Premises) and with the assumption that the use to be made of the Premises is the highest and best use which may legally be made of the Premises irrespective of and without affecting the provisions of this Lease respecting the use to be made of the Premises and having regard to rentals currently being obtained for space in the Building and for comparable space in other buildings comparably located. The Market Rent for each/the Extension Term shall be as agreed upon between Landlord and Tenant or, failing agreement by Landlord and Tenant by not later than three (3) months prior to the expiry of the Term hereof, the Market Rent shall be established in the manner set out in subsection (c) below. In the event that the Basic Rent payable during the Extension Term has not been determined prior to the commencement of the/such Extension Term, then until such determination has been made, Tenant shall pay Basic Rent at a rate equal to one hundred fifty percent (150%) of the Basic Rent payable during the twelve (12) months immediately preceding the/such Extension Term. Upon determination of the Basic Rent for the Extension Term, either Landlord shall pay to Tenant any excess, or Tenant shall pay to Landlord any deficiency, in the payments of Basic Rent previously made by Tenant.
- (c) Either Landlord or Tenant (the "Requesting Party") shall be entitled to deliver Notice to the other party hereto (the "Receiving Party") stipulating the name of an expert for the purpose of determining the Market Rent. Within fifteen (15) days after Notice from the Requesting Party, the Receiving Party shall deliver Notice to the Requesting Party either approving the expert proposed by the Requesting Party or naming another expert for the purpose of determining the Market Rent. Should the Receiving Party fail to give Notice to the Requesting Party within the said fifteen (15) day period, the expert named in the Notice given by the Requesting Party shall perform the expert's functions hereinafter set forth. If Landlord and Tenant are unable to agree upon the selection of the expert within fifteen (15) days after such Notice from the Receiving Party to the Requesting Party, then either party shall be entitled to apply to a court to appoint an expert in the same manner as an arbitrator may be appointed by a court under the *Arbitration Act, 1991* (Ontario), as amended or replaced. The expert appointed, either by Landlord and/or Tenant or by a court, shall be qualified by education, experience and training to value real estate for rental purposes in the Province in which the Premises are located and have been ordinarily engaged in the valuation of real property in the municipality in which the Premises is located for at least the immediately preceding five (5) years. Within thirty (30) days after being appointed the expert shall make a determination of the Market Rent for the/such Extension Term, without receiving evidence from either Landlord or Tenant. The cost of such determination shall be borne equally by the Tenant and the Landlord. The determination of the expert as to the Market Rent shall be conclusive and binding upon Landlord and Tenant and not subject to appeal.
- (d) At Landlord's option, within ten (10) business days following determination of the Basic Rent payable for the/such Extension Term, Tenant shall execute an agreement, prepared by Landlord, amending the provisions of this Lease to incorporate the/such Extension Term into this Lease and to give effect to the foregoing.

Schedule "H"

**INDEMNITY AGREEMENT**

THIS INDEMNITY AGREEMENT is dated       , and is made,

**B E T W E E N:**

(hereinafter called "Indemnifier")

OF THE FIRST PART

- and -

(hereinafter called "Landlord")

OF THE SECOND PART

**WHEREAS:**

- A. ("Tenant"), Indemnifier and Landlord, have entered into a lease of even date ("Lease") respecting certain premises designated as Unit        ("Premises") in the building municipally known as        Ontario ("Building"); and
- B. To induce Landlord to enter into the Lease with Tenant, Indemnifier has agreed to enter into this indemnity agreement with Landlord.

**NOW, THEREFORE**, for good and valuable consideration, the receipt and sufficiency whereof is hereby acknowledged by Indemnifier, Indemnifier makes the following indemnity and agreement ("Indemnity") with Landlord:

1. Indemnifier hereby agrees with Landlord that it will: (i) make the due and punctual payment of all Rent, including all loan repayments, monies, charges and other amounts of any kind whatsoever payable under the Lease by Tenant whether to Landlord or otherwise and whether or not the Lease has been surrendered, disclaimed, repudiated or terminated; (ii) effect prompt and complete performance of all obligations contained in the Lease on the part of Tenant to be kept, observed and performed; and (iii) indemnify and save Landlord harmless from any losses, costs or damages arising out of any failure by Tenant to pay the Rent including all loan repayments, monies, charges or other amounts due under the Lease or resulting from any failure by Tenant to observe or perform any of the obligations contained in the Lease or resulting from any act or omission of Tenant on or about the Premises. Without limiting the generality of the foregoing, this Indemnity shall apply to all obligations and liabilities of Tenant under or arising in connection with or related to the lease or the Premises. The Indemnifier's liability hereunder shall apply to all obligations of Tenant under the Lease during the Term, which for clarity, includes all renewals and extensions thereof.
2. This Indemnity is absolute and unconditional and the obligations of Indemnifier shall not be released, discharged, mitigated, impaired, or affected by: (i) any extension of time, indulgences or modifications which Landlord extends to or makes with Tenant in respect of the performance of any of the obligations of Tenant under the Lease; (ii) any waiver by or failure of Landlord to enforce any of the terms, covenants and conditions contained in the Lease; (iii) any assignment of the Lease by Tenant or by any trustee, receiver or liquidator, or any Transfer of all or any part of the Premises; (iv) any consent which Landlord gives to any such assignment or Transfer; (v) any amendment to the Lease or any waiver by Tenant of any of its rights under the Lease; (vi) any Alterations to or Changes in respect of the Premises; (vii) the expiration of the Term or any Disclaimer (as defined in Section 5 below) of the Lease; (viii) any renewal or extension of the Lease pursuant to any option of Tenant or otherwise, Indemnifier hereby agreeing that its obligations under this Indemnity shall extend throughout the Term, as renewed or extended; (ix) any loss of or in respect of any security received by Landlord from Tenant or any other person, firm or corporation, whether or not occasioned or contributed to by or through the act, omission, default or neglect of Landlord; or (x) any act or omission of Landlord or any other person whereby Indemnifier would or might otherwise be released or have its obligations hereunder discharged, mitigated, impaired or affected in any way whatsoever; nothing but payment and satisfaction in full of all Rent and the due performance and observance of all terms, covenants and conditions on the part of Tenant to be paid and performed pursuant to the Lease shall release Indemnifier of its obligations hereunder.
3. 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 Tenant of the terms, covenants and conditions contained in the Lease.
4. If there is an Event of Default under the Lease, Indemnifier waives any right to require Landlord to: (i) proceed against Tenant or any other indemnifier or pursue any rights or remedies against Tenant or any other indemnifier with respect to the Lease; (ii) proceed against or exhaust any security held by Landlord from Tenant or any other person, or (iii) pursue any other remedy whatsoever in Landlord's power. Landlord has

the right to enforce this Indemnity regardless of the acceptance of additional security from Tenant and regardless of any release or discharge of Tenant by Landlord or by others or by operation of any law.

5. Without limiting the generality of the foregoing, the liability of Indemnifier under this Indemnity shall continue in full force and effect and shall not be or be deemed to have been waived, released, discharged, impaired or affected by reason of the release or discharge of Tenant in any receivership, bankruptcy, insolvency, winding-up or other creditors' proceedings, including, without limitation, any proceedings under the *Bankruptcy and Insolvency Act* (Canada) or the *Companies' Creditors Arrangement Act* (Canada) or otherwise, or the surrender (whether or not accepted by Landlord), disclaimer, repudiation or termination of the Lease in any such proceedings or otherwise (collectively hereinafter called "Disclaimer") and shall continue with respect to the periods prior thereto and thereafter, for and with respect to the Term as if there had been no Disclaimer of the Lease. Further, if there is a Disclaimer of the Lease, Indemnifier shall pay to Landlord: (i) all Rent, including loan repayments under the Lease, and all such amounts that would have been payable under the Lease for the period to what would have been the date of expiry of the Lease but for such Disclaimer; and (ii) the unamortized amount, as of the date of such Disclaimer, of all inducements given by Landlord to Tenant for Tenant to enter into the Lease, including, without limitation, all free rent periods, all inducement allowances and leasehold improvement allowances, and all loans, cost of work done by Landlord on the Premises, moving costs and the like, amortized on a straight line basis over what would have been the Term of the Lease but for said Disclaimer, with interest at ten (10%) percent per annum. The liability of Indemnifier shall not be affected by any repossession of the Premises by Landlord.
6. No action or proceeding brought or instituted under this Indemnity and no recovery in pursuance thereof shall be a bar or defence to any further action or proceeding which may be brought under this Indemnity by reason of any further default hereunder or in the performance and observance of the terms, covenants and conditions contained in the Lease.
7. No modification of this Indemnity shall be effective unless the same is in writing and is executed by both Indemnifier and Landlord.
8. Indemnifier shall, without limiting the generality of the foregoing, be bound by this Indemnity in the same manner as though Indemnifier were Tenant named in the Lease. Notwithstanding the foregoing, or any performance in whole or in part by Indemnifier of its obligations hereunder or of Tenant under the Lease, Indemnifier shall not have any entitlement to occupy the Premises or otherwise enjoy any of the benefits to which Tenant is entitled under the Lease, and Indemnifier shall not be entitled to be subrogated to any rights of Landlord whatsoever.
9. If two or more individuals, corporations, partnerships or other business associations (or any combination of two or more thereof) execute this Indemnity as Indemnifier, the liability of each such individual, corporation, partnership or other business association hereunder is joint and several. If Indemnifier is a partnership ("Partnership"), each person who is presently a member of the Partnership and each person who becomes a member of the Partnership or any successor Partnership hereafter, shall be and shall continue to be subject to the terms, covenants and conditions of this Indemnity and the Lease, whether or not such person ceases to be a member of such Partnership or successor Partnership and shall be jointly and severally liable as Indemnifier, under the Lease.
10. All of the terms, covenants and conditions of this Indemnity extend to and are binding upon Indemnifier, his or its heirs, executors, administrators, successors and assigns, as the case may be, and enure to the benefit of and may be enforced by Landlord and any mortgagee, chargee, trustee under a deed of trust or other encumbrancer of all or any part of the Premises and each of their successor and assigns. The obligations of Indemnifier shall not be affected by the death or incapacity of Indemnifier.
11. This Indemnity constitutes the complete agreement between Indemnifier and Landlord and none of the parties hereto shall be bound by any representations or agreements made by any person which would in any way reduce or impair the obligations of Indemnifier other than any which are expressly set out herein.
12. This Indemnity is a continuing indemnity and is irrevocable by Indemnifier and will continue in full force and effect as long as there exists or may exist any obligations or any unsatisfied consequences thereof, whether prior to, during or after the expiration of the Term of the Lease and each Extension Term, including without limitation, such as may result from Tenant remaining in occupation of the Premises contemplated in the Lease after the expiration of the Term (as same may be extended), without the consent of Landlord.
13. This Indemnity will remain in full force and effect notwithstanding:
  - (i) any change of name, amalgamation, merger or change of status of Landlord, Tenant and Indemnifier;
  - (ii) any juridical acts or facts as a result of which the entity which is the creditor of any of the obligations under the Lease is or becomes someone other than Landlord;
  - (iii) Landlord is replaced by any other entity as a party to the Lease;
  - (iv) any party other than Tenant becomes Tenant of any of the obligations of Tenant under the Lease.

Moreover, if Landlord is replaced by any other entity as a party to the Lease, this Indemnity will remain in full force and effect as regards obligations arising both before and after such replacement.

14. This Indemnity has been freely negotiated and approved by the parties and, notwithstanding any rule or maxim of law or construction to the contrary, any ambiguity or uncertainty will not be construed against either of the parties by reason of the authorship of any of the provisions of this Indemnity.
15. Indemnifier agrees to do, make and execute all such further documents, agreements, assurances, acts, matters and things and take such further action as may be reasonably required by Landlord in order to more effectively carry out the true intent of this Indemnity.
16. The obligations of Indemnifier hereunder shall be assignable by Landlord and an assignment of the Lease shall constitute an assignment of the obligations of Indemnifier unless the said obligations of Indemnifier are specifically excepted from such assignment of the Lease.
17. In the event of the termination of the Lease for any reason whatever or in the event of Disclaimer of the Lease, then, at the option of Landlord and without derogating from Indemnifier's obligations under this Indemnity, Indemnifier shall enter into a written lease of the Premises between Landlord as landlord and Indemnifier as Tenant for a term commencing at the date of such termination or Disclaimer, as the case may be, and expiring on the date on which the Lease would have expired if it had run its full term without there having occurred an Event of Default under the Lease and without such termination or Disclaimer, as the case may be. Such lease shall contain the same terms and conditions as are contained in the Lease which would apply to and be in force for that portion of the Term which by the original terms of the Lease would have remained unexpired at the date of such termination or Disclaimer, as the case may be.
18. If there is an Uncured Event of Default, all debts, obligations and liabilities of Tenant to Indemnifier, present and future, shall thereafter be assigned to Landlord and postponed to all of the obligations of Tenant to Landlord and all money, property and other benefits received by Indemnifier from Tenant shall be received in trust for Landlord and, forthwith upon receipt, Indemnifier shall pay the same to Landlord on account of any outstanding obligations of Tenant to Landlord.
19. Indemnifier shall be bound by any account settled between Landlord and Tenant.
20. In the event that the Lease is terminated, surrendered, disclaimed or repudiated, the provisions of this Indemnity shall remain in full force and effect in accordance with its terms to the same extent as if this Indemnity had been a separate agreement entered into between Landlord and Indemnifier for due consideration and under seal.
21. Notwithstanding any amendments of the Lease or any Alterations to the Premises (as provided by the Lease or otherwise), Indemnifier shall continue to be bound by all of its obligations pursuant hereto to the extent of what would have been its obligations pursuant hereto had such amendments or Alterations not been made.
22. Indemnifier acknowledges receiving a copy of the Lease. Capitalized expressions not otherwise defined herein shall have the same meanings as they have pursuant to the Lease, to the extent to which the context permits.
23. Indemnifier acknowledges the suggestion of Landlord that, before executing this Indemnity, Indemnifier should obtain independent legal advice.
24. Indemnifier shall not permit any steps to be taken, the result of which may adversely affect the net worth of Indemnifier. Without limiting the generality of the foregoing, Indemnifier shall not permit: (i) a transfer or encumbrance of any of its assets; (ii) the granting of any financial assistance to any other party, or (iii) any other occurrence which adversely affects the net worth of Indemnifier (collectively called "Depletion of Assets") without the prior written consent of Landlord, which consent may not be unreasonably withheld; provided, however, that it shall be reasonable for Landlord to withhold consent where there are reasonable grounds for believing that the Depletion of Assets may adversely affect the capabilities of Indemnifier to fulfill its obligations under this Agreement if there is an Event of Default under the Lease.
25. Should Landlord be obligated by any bankruptcy or other law to repay to Tenant, Transferee or Indemnifier or to any trustee, receiver or other representative of any of them, any amounts previously paid by any of them, then this Indemnity shall apply to, and require payment by Indemnifier to Landlord of, the amount of such repayment. Landlord shall not be required to litigate or otherwise dispute its obligation to make such repayments if it in good faith and on the advice of counsel believes that such obligation exists.
26. All remedies afforded to Landlord by reason of this Indemnity are separate and cumulative remedies and it is agreed that no one of such remedies, whether exercised by Landlord or not, shall be deemed to be in exclusion of any other remedy available to Landlord, and shall not limit or prejudice any other legal or equitable remedy which Landlord may have.
27. Indemnifier agrees to pay Landlord, upon demand, all out-of-pocket costs and expenses (including, without limitation, legal fees on a full indemnity basis) incurred by or on behalf of Landlord in connection with enforcing any of its rights against Indemnifier under this Indemnity.
28. If any provision of this Indemnity or the application thereof to any person or circumstance shall to any extent be held void, unenforceable or invalid, then the remainder of this Indemnity or the application of such provision to persons or circumstances other than those as to which it is held void, unenforceable or invalid shall not be affected thereby and each provision of this Indemnity shall be valid and enforced to the fullest extent permitted by law.

29. Indemnifier acknowledges and agrees that the laws of the Province of Ontario, Canada applicable to contracts made and to be performed wholly within the Province of Ontario, Canada shall govern and control the validity, interpretation, performance and enforcement of this Indemnity and all disputes arising, directly or indirectly, out of or relating to this Indemnity shall be dealt with and adjudicated in the courts of the Province of Ontario, Canada or the Federal courts of Canada; and hereby expressly and irrevocably attorns to and submits the person of Indemnifier to the jurisdiction of such courts in any suit, action or proceeding arising, directly or indirectly out of or relating to this Indemnity. So far as is permitted under the applicable law, this consent to personal jurisdiction shall be self-operative and no further instrument or action, other than service of process in one of the manners specified in this Indemnity, or as otherwise permitted by law, shall be necessary in order to confer jurisdiction upon the person of Indemnifier in any such court. Indemnifier irrevocably consents to the service of any and all process in any such suit, action or proceeding by service of process to Indemnifier in accordance with applicable law at the address of Indemnifier as hereinafter provided (or if such address is subsequently changed, at such last known address), whether within or without the jurisdiction of any such courts of Ontario, Canada or the Federal courts of Canada.
30. Indemnifier agrees to execute, deliver and file all such further instruments as may be necessary under the laws of the Province of Ontario, Canada in order to make effective (a) the consent of Indemnifier to jurisdiction of the courts of Ontario, Canada and the Federal courts of Canada and (b) the other provisions of this Indemnity.
31. If Landlord obtains an order or judgment of an Ontario court for the enforcement of this Indemnity with all applicable appeal periods having expired, Indemnifier shall consent to the enforcement of such order against Indemnifier in the United States of America and any other jurisdiction as may be appropriate in the circumstances and Indemnifier hereby waives any right to contest the enforcement of such order of an Ontario court in such jurisdiction.
32. Indemnifier represents and warrants for the benefit of Landlord that: (i) Indemnifier has authority, legal right and capacity to enter into, execute, deliver and perform its obligations under the Lease and this Indemnity; and (ii) the Lease and this Indemnity have been properly executed and delivered by the Indemnifier. Indemnifier hereby consents to the jurisdiction of the Province of Ontario and attorns to the jurisdiction of Ontario courts in all matters regarding the Lease and this Indemnity. Indemnifier waives any right to, at any time, claim that this Indemnity is not enforceable against it.
33. Any Notice, request or demand provided for or given under this Indemnity shall be in writing and shall be served in the manner specified in the Lease. The addresses for service of Notice by registered mail shall be:
- if to Landlord:** c/o Artis REIT, 415 Yonge Street, Suite 2000, Toronto, Ontario M5B 2E7,  
Attention: Vice President, Property Management; and
- if to Indemnifier:** at the Premises and/or .
34. The obligations and liabilities of Indemnifier under this Indemnity shall not be released, discharged or otherwise affected by the bankruptcy, winding up, liquidation, dissolution or insolvency of any partnership constituting Tenant or any partner thereof or by any change in the constitution of such partnership and where Indemnifier hereunder is a partnership, the obligations and liabilities of Indemnifier under this Indemnity shall likewise not be released, discharged or otherwise affected by the bankruptcy, winding up, liquidation, dissolution or insolvency of any partnership constituting Indemnifier or any partner thereof or by any change in the constitution of such partnership.
35. Within ten (10) days after written request, Indemnifier shall deliver to Landlord a certificate in such form as requested stating (if such is the case or stating the manner in which such may not be the case): (a) that the Lease and this Indemnity are unmodified and in full force and effect or, if amended, the nature of such amendment; (b) Commencement Date and Expiry Date of the Term or Extension Term, as the case may be, and the dates to which the Basic Rent has been paid; (c) the amount of Basic Rent payable under the Lease and the amount of the most reasonable estimate of Additional Rent provided by Landlord; (d) any Event of Default under the Lease known to Indemnifier; (e) the amount and status of any Rent Deposit(s) and whether any options have been exercised under the Lease and (f) any other statements reasonably requested by Landlord or its mortgagee from time to time. Further, within ten (10) days after request by Landlord from time to time and in any event within thirty (30) days after the end of Indemnifier's fiscal period, Indemnifier shall deliver to Landlord copies of the audited financial statements of Indemnifier for such fiscal period and within thirty (30) days after the end of the first three (3) quarters of Indemnifier's fiscal year, copies of Indemnifier's unaudited financial statement for such quarter.

**IN WITNESS WHEREOF** the parties have executed this Indemnity.

**INDEMNIFIER**

WITNESS

Name (please print)

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

**(LANDLORD)**

Per: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: Authorized Signatory

Per: \_\_\_\_\_ c/s  
Name: \_\_\_\_\_  
Title: Authorized Signatory

I/We have authority to bind the Corporation.

**Schedule "I"**

**PRE-AUTHORIZED DEBIT (PAD) AUTHORIZATION**

When form is complete, please remit to:

**AX Property Management L.P.**  
Suite 2000 - 415 Yonge Street  
Toronto, ON M5B 2E7

**Property Name:**

Re:

Tenant Name

---

Premises

Phone No.

---

Billing Address (if different from above)

I/We hereby authorize AX Property Management. ("AX") as Agent for the Landlord to withdraw monthly rental payments on the **1<sup>st</sup> day of each month** from my/our bank account as listed below.

Each payment shall be the same as if I/we had issued a cheque authorized by the Bank to pay AX as indicated. AX will obtain my/our authorization for any other one-time or sporadic debit(s).

I/We understand that the Bank is not responsible to verify if these payments are properly debited from my/our account.

Any delivery of this authorization to AX constitutes delivery by me/us to the Bank.

This authorization may be cancelled at any time by written notice to AX a minimum of 30 days prior to the date of the next payment. I/We understand that if I/we cancel this authorization it does not mean that my/our contractual obligations to AX have ended. I/We may obtain a sample form or further information on my/our right to cancel this PAD Agreement at my/our financial institution or by visiting [www.cdnpay.ca](http://www.cdnpay.ca).

I/We have certain recourse rights if any debit does not comply with this agreement. For example, I/we have the right to receive reimbursement for any PAD that is not authorized or is not consistent with this PAD Agreement. To obtain a form for a reimbursement claim, or for more information on my/our recourse rights, I/we may contact my/our financial institution or visit [www.cdnpay.ca](http://www.cdnpay.ca).

Authorized Signing Officer \_\_\_\_\_ Print Name & Title \_\_\_\_\_ Date: \_\_\_\_\_  
(On Behalf of the Tenant)

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**BANKING INFORMATION – IMPORTANT – PLEASE ATTACH VOID CHEQUE**

Name of Bank or Financial Institution		
Branch Name and Address		
Account Name		
Direct Payment		Chequing
Routing Number		Savings
No.		
Inst #	Branch #	Account