

LOCATION MAP

INNOVATION PARK PHASE I



Subject To Final Survey

Schedule "A"  
Lease Agreement

**2162538 Ontario Inc.**

**("Landlord")**

- and -

**The Corporation of the City of London**

**("Tenant")**

**August 30, 2019**

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**LEASE AGREEMENT RE:**

**All of the Ground Floor of 179 Dundas Street, London  
and  
A Part of the Ground Floor of 177 Dundas Street, London**

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THIS LEASE AGREEMENT is made August 30, 2019.

**BETWEEN:**

**2162538 Ontario Inc.,**  
a corporation existing under the laws of Ontario,  
("Landlord"),

- and -

**The Corporation of the City of London,**  
a municipality existing under the laws of Ontario,  
("Tenant").

**Recitals:**

- A. The Landlord is the registered owner of the Property as such term is defined below.
- B. As more fully set forth in its request for proposal 19-05, the Tenant has determined to establish a field house location on Dundas Street for use in connection with its Dundas Place streetscape initiative.
- C. In response to the request for proposal, the Landlord submitted a proposal to the Tenant dated February 25, 2019, which proposal was accepted by the Tenant.

**NOW THEREFORE**, in consideration of the premises and mutual agreements herein contained and for other good and valuable consideration (the receipt and sufficiency of which are acknowledged by each Party hereto), the Parties agree with one another as follows:

**ARTICLE I  
BASIC TERMS, DEFINITIONS**

1.1 Summary of Basic Terms

(a) Landlord Information:

**Landlord:** 2162538 Ontario Inc.  
**Address:** 36 Duke Street  
London, ON  
N6J 2X4  
**Attention:** Jens Stickling  
**Email:** [westanyholdingsoffice@gmail.com](mailto:westanyholdingsoffice@gmail.com)  
[luciani\\_d@yahoo.ca](mailto:luciani_d@yahoo.ca)  
[dina.sra@tutanota.com](mailto:dina.sra@tutanota.com)

(b) Tenant Information:

**Tenant:** The Corporation of the City of London  
**Address:** 300 Dufferin Avenue  
9<sup>th</sup> Floor  
PO Box 5035  
London, ON  
N6A 4L9  
**Attention:** Realty Services  
**Facsimile:** 519-661-5087  
**Email:** [realtyservices@london.ca](mailto:realtyservices@london.ca)

(c) Indemnity Provisions: intentionally deleted

(d) Property: the development situate on the Lands municipally known as 175-179 Dundas Street, London, Ontario

(e) Premises: that portion of the Property illustrated in Schedule A and described as the ground floor area of 179 Dundas Street and a portion of the rear ground floor area of 177 Dundas Street

(f) Rentable Area of Premises: approximately 3,648 square feet subject to measurement in accordance with Section 2.2;

(g) Term: Five years, subject to Sections 2.3 and 2.4

(h) Commencement Date: the first day of the month that is the first month following completion of the Landlord's Work as further defined in Schedule D, subject to Sections 2.3 and 2.4 – Tenant to be allowed occupation from completion of Landlord's Work with Rent paid on a Partial Periods basis in accordance with Section 3.6; Landlord will use its reasonable efforts to complete all Landlord's Work by January 31, 2020 with an estimated Commencement Date of February 1, 2020

(i) Fixturing Period: means the first calendar month following the Commencement Date which in accordance with the estimated Commencement Date of February 1, 2020 means a one month Fixturing Period being February, 2020

(j) End of Term: the last day of the 60<sup>th</sup> month following Commencement Date, subject to Sections 2.3 and 2.4 which in accordance with the estimated Commencement Date of February 1, 2020 would mean an end of initial term of January 31, 2025

(k) Basic Rent (Section 4.1, plus applicable tax):

Period	Per Sq. Ft/Year	Per Year	Per Month
<i>First 24 months inclusive following Commencement Date, excluding the One Month Fixturing Period</i>	\$16.00	\$58,368	\$4,864
<i>Months 25 – 48 inclusive following Commencement Date</i>	\$18.00	\$65,664	\$5,472
<i>Months 49 – 60 inclusive following Commencement Date</i>	\$19.00	\$69,312	\$5,776

- (l) Additional Rent: in accordance with Section 5.4 hereof, the Landlord initially estimates Additional Rent payable by the Tenant to be approximately \$3.15 per square foot per year a breakdown of which estimation is attached as Schedule F. Based upon an Rentable Area of the Premises of 3,648 square feet, initial estimated Additional Rent equals \$11,491.20 annually, \$957.60 monthly – all plus applicable tax. This estimated Additional Rent is itemized in Schedule F but the following is a summary breakdown of estimated costs:

Operating Costs, other than HVAC Maintenance & Repairs, Fire Protection & Safety (sprinklers) Taxes and Insurance: \$1.39 per sq. ft. per annum of Rentable Area (“Capped Costs”)

HVAC Maintenance  
& Repairs: \$0.25 per sq. ft. per annum of Rentable Area

Taxes: \$1.00 per sq. ft. per annum of Rentable Area

Insurance: \$0.51 per sq. ft. per annum of Rental Area

The Landlord agrees that the Capped Costs charged to the Tenant in the first calendar year of the Lease shall not exceed the estimate of \$1.39 psf per annum. Thereafter during the initial Term the Capped Costs will not be greater than \$2.75 psf per annum which costs shall be supported by receipts and reconciled as per provision 5.5.

The Landlord and Tenant acknowledge that:

- (i) there is no estimate for utilities which are to be separately metered and the responsibility of the Tenant in accordance with Section 6.1; and
  - (ii) *nothing in the foregoing limits the requirement of the Landlord to provide evidence of actual Additional Rent expenses and true up as required in Section 5.5.*
- (m) Permitted Use (Section 8.1): municipal purposes to support public events to be staged on the new Dundas Place streetscape being developed by the Tenant

including public access washrooms, storage and cleaning backstage areas and office area for tourist support and security personnel, or other municipal purposes.

- (n) Deposit: \$Nil
- (o) Rent Deposit: \$Nil
- (p) Security Deposit: \$Nil
- (q) Landlord's Work: The Landlord agrees to complete the improvements and renovations to the Premises in accordance with Schedule D and to the specifications set forth in Schedule E of this Lease. The Commencement Date will be the first day of the month following completion of the Landlord's Work and the Tenant shall pay the Landlord for part of its costs in completing the Landlord Work in accordance with the obligations set out in Schedule D.
- (r) Parking: the Landlord agrees to designate one parking space in the rear of the Property for the exclusive use of the Tenant at no additional cost to the Tenant and, if requested by the Tenant, to designate up to two (2) additional parking spaces at the Property, if available, for the exclusive use of the Tenant at a cost of \$150.00 per calendar year for each such space
- (s) Extension Rights, if any: set out in Schedule C, if applicable
- (t) Schedules forming part of this Lease:
  - Schedule A — Plan
  - Schedule B — Rules and Regulations
  - Schedule C — Extension Rights
  - Schedule D — Landlord's Work
  - Schedule E — Tenant Specifications for Landlord's Work
  - Schedule F — Additional Rent Breakdown

## 1.2 Definitions

In this Lease, unless there is something in the subject matter or context inconsistent therewith, the following terms have the following respective meanings:

- (a) "**Additional Rent**" means the Tenant's proportionate share of Operating Costs, Realty Taxes, payments for utilities, and all other amounts, excluding Basic Rent and Rental Taxes, payable by the Tenant in accordance with the terms of this Lease, whether to the Landlord or otherwise;
- (b) "**Basic Rent**" means the basic rent payable by the Tenant pursuant to Section 4.1;
- (c) "**Building Systems**" means:
  - (i) all heating, ventilating and air-conditioning equipment and facilities and all other systems, services, installations and facilities from time to time

installed in or servicing the Property (or any portion thereof) including, but not limited to, the elevators and escalators and the following systems, services, installations and facilities: mechanical (including plumbing, sprinkler, drainage and sewage), electrical and other utilities, lighting, sprinkler, life safety (including fire prevention, communications, security and surveillance), computer (including environmental, security and lighting control), ice and snow melting, refuse removal, window washing, and music; and

- (ii) all machinery, appliances, equipment, apparatus, components, computer software and appurtenances forming part of or used for or in connection with any of such systems, services, installations and facilities including, but not limited to, boilers, motors, generators, fans, pumps, pipes, conduits, ducts, valves, wiring, meters and controls, and the structures and shafts housing and enclosing any of them;
- (d) “**Commencement Date**” is defined in Section 1.1(h);
- (e) “**Common Areas**” means those areas, facilities, utilities, improvements, equipment and installations within, adjacent to or outside the Property which serve or are for the benefit of the Property, which do not comprise part of the Premises and which, from time to time, are not designated or intended by the Landlord to be for the Landlord's exclusive use, and are not designated or intended by the Landlord to be leased to the Tenant or any other tenants of the Property and generally all areas forming part of the Property which do not constitute rented or rentable premises;
- (f) “**Event of Default**” is defined in Section 14.1;
- (g) “**Fixturing Period**” means the period, if any, set out in Section 1.1(i) granted to the Tenant for possession following the Commencement Date for the purpose of fixturing and improving the Premises;
- (h) “**Lands**” means the lands described in Section 1.1(d) and all rights and easements which are or may hereafter be appurtenant thereto;
- (i) “**Leasehold Improvements**” means all fixtures, improvements, installations, alterations and additions from time to time made, erected or installed by or on behalf of the Tenant or any former occupant of the Premises, including doors, hardware, partitions (including moveable partitions) and wall-to-wall carpeting, but excluding trade fixtures and furniture and equipment not in the nature of fixtures;
- (j) “**Mortgage**” means any mortgage or other security against the Property and/or the Landlord's interest in this Lease, from time to time;
- (k) “**Mortgagee**” means the holder of any Mortgage from time to time;
- (l) “**Normal Business Hours**” means the hours between 9:00 AM and 5:00 PM Monday to Friday, exclusive of statutory holidays;

- (m) “**Operating Costs**” means for any period, the total of all costs and expenses attributable to the maintenance, repair, replacement, administration, management, and operation of the commercial areas of the Property (including Common Areas) during such period.
- (n) “**Premises**” means that portion of the Property identified in Section 1.1(e) and having the Rentable Area as set out in Section 1.1(f)
- (o) “**Property**” means the development which is comprised of the Lands together with the improvements, buildings, fixtures and equipment (whether chattels or fixtures) on such Lands (but not including tenants' fixtures, improvements or chattels) from time to time;
- (p) “**Proportionate Share**” means the fraction which has as its numerator the Rentable Area of the Premises and has as its denominator the total commercial Rentable Area of the Property, whether rented or not and is initially estimated to be 37.14%;
- (q) “**Realty Taxes**” means all real property taxes, rates, duties and assessments (including local improvement rates), impost charges or levies, whether general or special, that are levied, charged or assessed from time to time by any lawful authority, whether federal, provincial, municipal, school or otherwise, and any taxes payable by the Landlord which are imposed in lieu of, or in addition to, any such real property taxes, whether of the foregoing character or not, and whether or not in existence at the commencement of the Term, and any such real property taxes levied or assessed against the Landlord on account of its ownership of the Property or its interest therein, but specifically excluding any taxes assessed upon the income of the Landlord;
- (r) “**Rent**” means all Basic Rent and Additional Rent;
- (s) “**Rentable Area of the Property**” means the aggregate of the total commercial rentable area in the Property calculated and measured in the same manner as the Rentable Area of the Premises is calculated and measured pursuant to Section 2.2;
- (t) “**Rental Taxes**” means any and all taxes or duties imposed upon the Landlord or the Tenant measured by or based in whole or in part upon the Rent payable under the Lease, whether existing at the date hereof or hereinafter imposed by any governmental authority, including, without limitation, goods and services tax, value added tax, business transfer tax, retail sales tax, federal sales tax, excise taxes or duties, or any tax similar to any of the foregoing;
- (u) “**Rules and Regulations**” means the rules and regulations promulgated by the Landlord from time to time pursuant to the terms of this Lease;
- (v) “**Term**” means the period specified in Section 1.1(g) and, where the context requires, any renewal, extension or overholding thereof;

- (w) “**Transfer**” means an assignment of this Lease in whole or in part, a sublease of all or any part of the Premises, any transaction whereby the rights of the Tenant under this Lease or to the Premises are transferred to another person, any transaction by which any right of use or occupancy of all or any part of the Premises is shared with or conferred upon any person, any mortgage, charge or encumbrance of this Lease or the Premises or any part thereof, or any transaction or occurrence whatsoever which has changed or will change the identity of the person having lawful use or occupancy of any part of the Premises; and
- (x) “**Transferee**” means any person or entity to whom a Transfer is or is to be made.

## **ARTICLE II DEMISE AND TERM**

### 2.1 Demise

In consideration of the rents, covenants and agreements hereinafter reserved and contained on the part of the Tenant to be paid, observed and performed, the Landlord demises and leases to the Tenant and the Tenant rents from the Landlord the Premises.

### 2.2 Measurement

The Landlord shall arrange for the Rentable Area of the Premises and the commercial Rentable Area of the Property to be measured and certified by its architect, surveyor or other space measurer in accordance with standards established by the Building Owners and Managers Association and the Basic Rent and Proportionate Share of the Additional Rent will be adjusted in accordance with the measured area. The Landlord will advise the Tenant in writing of the area measurement. The Landlord may recalculate the area of the Premises in the same manner whenever required as a result of a rearrangement of partitions or other changed conditions. The Landlord will advise the Tenant in writing of the revised certified area measurement, and the parties agree to be bound thereby.

### 2.3 Term

The Term shall commence on the date (the “**Commencement Date**”) that is the earlier to occur of: (a) the date set out in Section 1.1(h); and (b) the date that the Tenant opens for business in the Premises, and shall run for the period set out in Section 1.1(g) and end on the date set out in Section 1.1(j), unless terminated earlier pursuant to the provisions of this Lease. If the Tenant is permitted possession of the Premises prior to the Commencement Date, such possession and occupation shall be in accordance with the terms of this Lease and Rent will be payable in accordance with Section 3.6.

### 2.4 Delay in Possession

Should the Tenant be delayed by any fault of the Landlord in taking possession of the Premises on the Commencement Date, then and only then shall the start of the Commencement Date and the Term, as the case may be, be postponed for the same number of days that the Tenant is delayed in taking possession of the Premises. The Tenant hereby acknowledges and agrees that such postponement shall be full settlement for any claims it might have against the Landlord for such delay.

2.5 Overholding

If, at the expiration of the initial Term or any subsequent renewal or extension thereof, the Tenant shall continue to occupy the Premises without further written agreement, there shall be no tacit renewal of this Lease, and the tenancy of the Tenant thereafter shall be from month to month only, and may be terminated by either party with six (6) months written notice. Rent shall be payable in advance on the first day of each month equal to the sum of one hundred and fifty percent (150%) of the monthly instalment of Basic Rent payable during the last year of the Term and otherwise on the same terms and conditions of this Lease which shall, so far as applicable (but specifically excluding any right to renew or extend), apply to such monthly tenancy.

2.6 Fixturing Period

During any Fixturing Period provided for herein all terms and conditions of this Lease shall apply, except the Tenant shall not be responsible for the payment of Basic Rent.

**ARTICLE III  
RENT**

3.1 Covenant to Pay, Net Lease

The Tenant covenants to pay Rent as provided in this Lease. It is the intention of the parties that the Rent provided to be paid shall be net to the Landlord and clear of all taxes, costs and charges arising from or relating to the Premises and that the Tenant shall pay as Additional Rent all charges, impositions and expenses relating to the Premises (except the Landlord's income taxes, and except as otherwise specifically provided) in the manner hereinafter provided, and the Tenant hereby covenants with the Landlord accordingly.

3.2 Rental Taxes

The Tenant will pay to the Landlord the Rental Taxes assessed upon: (a) the Rent; (b) the Landlord; and/or (c) the Tenant pursuant to the laws, rules and regulations governing the administration of the Rental Taxes by the authority having jurisdiction, and as such may be amended from time to time during the Term of this Lease or any extension thereof. The Rental Taxes shall not be deemed to be Additional Rent under this Lease, but may be recovered by the Landlord as though they were Additional Rent.

3.3 Payment Method

Intentionally deleted.

3.4 Deposit

The Landlord acknowledges that the Corporation of the City of London does not need to provide any deposit. In the event that an assignment of this Lease is made with consent of the Landlord and a deposit is required from such assignee this provision will govern such deposit. Any deposit in the Landlord's hands shall be held by the Landlord without interest. The amount of any such rent deposit described in Section 1.1(o) shall be applied to Rent and Rental Taxes as they fall due under this Lease. The amount of any security deposit described in Section 1.1(p) shall be held by the Landlord as security for the due performance by the Tenant of its obligations under this Lease and may be applied, in the Landlord's discretion, to remedy any default by the Tenant hereunder and, in the absence of such default, the deposit shall be applied to the Rent and Rental

Taxes for the last month of the Term. If the Landlord draws moneys from the deposit for the purpose of remedying any default of the Tenant, the Tenant shall, at the request of the Landlord, pay forthwith to the Landlord the amount of money required to replace the moneys so drawn by the Landlord.

3.5 Rent Past Due

If the Tenant shall fail to pay any Rent when the same is due and payable, such unpaid amount shall bear interest at the rate of eighteen percent (18%) per annum (calculated monthly at the rate of one and one-half percent (1.5%)), such interest to be calculated from the time such Rent becomes due until paid by the Tenant.

3.6 Partial Periods

If the occupation commences on any day other than the first day of the month, Rent for the fraction of the month between occupation and the Commencement Date shall be calculated on a *pro rata* basis and shall be payable on the first day of occupation.

**ARTICLE IV  
BASIC RENT**

4.1 Basic Rent

The Tenant covenants and agrees to pay, from the completion of the Fixturing Period, to the Landlord at the office of the Landlord, or to such other person or at such other location as the Landlord shall direct by notice in writing, in lawful money of Canada, without any prior demand therefor and without any deduction, abatement or set-off whatsoever as annual Basic Rent, the sum(s) set out in Section 1.1(k) of this Lease (plus any applicable tax) in equal monthly instalments in advance on the first day of each and every month during the Term.

**ARTICLE V  
ADDITIONAL RENT**

5.1 Additional Rent

In addition to the Basic Rent reserved in favour of the Landlord, the Tenant shall, throughout the Term, pay to the Landlord in lawful money of Canada, without any deduction, abatement or set-off whatsoever, as Additional Rent, the following costs:

- (a) any and all costs relating to the Premises that would otherwise be included in Operating Costs but are determined by separate metering or assessment of the Premises or otherwise incurred for the exclusive benefit of the Premises;
- (b) the Tenant's Proportionate Share of Operating Costs;
- (c) all Realty Taxes levied, rated, charged or assessed on or in relation to the Premises or its Proportionate or other share of Realty Taxes levied, rated, charged or assessed on or in relation to the Property in the absence of a separate assessment; and

- (d) all other sums, amounts, costs, cost escalations and charges specified in this Lease to be payable by the Tenant.

All of the payments set out in this Lease (other than Rental Taxes) shall constitute Basic Rent or Additional Rent, and shall be deemed to be and shall be paid as Rent, whether or not any payment is payable to the Landlord or otherwise, and whether or not as compensation to the Landlord for expenses to which it has been put. The Landlord has all the rights against the Tenant for default in payment of Additional Rent that it has against the Tenant for default in payment of Basic Rent.

#### 5.2 Realty Taxes

The Tenant shall pay to the Landlord, as Additional Rent, all Realty Taxes levied, rated, charged or assessed throughout the Term, on or in relation to the Premises. Prior to the commencement of each calendar year, the Landlord shall estimate the amount of such equal monthly instalments and notify the Tenant in writing of such estimate. From time to time during the calendar year, the Landlord may re-estimate the amounts payable for such calendar year, in which event the Landlord shall notify the Tenant in writing of such re-estimate and fix monthly instalments for the remaining balance of such calendar year. If the Landlord so directs, the Tenant shall pay Realty Taxes directly to the taxing authorities. In that event, the Tenant shall make payment on or before the due date of each instalment and shall provide to the Landlord on demand evidence of payment in the form of receipted bills.

#### 5.3 Business and Other Taxes

In each and every year during the Term, the Tenant shall pay as Additional Rent, discharge within fifteen (15) days after they become due, and indemnify the Landlord from and against payment of, and any interest or penalty in respect of, the following:

- (a) every tax, licence fee, rate, duty and assessment of every kind with respect to any business carried on by the Tenant in the Premises or by any subtenant, licensee, concessionaire or franchisee or anyone else, or in respect of the use or occupancy of the Premises by the Tenant, its subtenants, licensees, concessionaires or franchisees, or anyone else (other than such taxes as income, profits or similar taxes assessed upon the income of the Landlord); and
- (b) all Realty Taxes in respect of tenant's fixtures, Leasehold Improvements, equipment or facilities on or about the Premises, and any Realty Taxes occurring as a result of any reason peculiar to the Tenant.

#### 5.4 Operating Costs

Prior to the commencement of each year, the Landlord shall estimate the amount of Operating Costs and other recurring Additional Rent payable by the Tenant for such year and notify the Tenant in writing of such estimate, providing reasonable detail as to the breakdown and calculation thereof. The amount so estimated shall be payable in equal monthly instalments, in advance, on the first day of each and every month over the year in question. From time to time during the year, the Landlord may re-estimate the amounts payable for such year, in which event the Landlord shall notify the Tenant in writing of such re-estimate, providing reasonable details as to the breakdown and calculation thereof, and fix monthly instalments for the remaining balance

of such year such that, after giving credit for instalments paid by the Tenant on the basis of the previous estimate or estimates, all Operating Costs, based upon the most recent estimate by the Landlord, will have been paid upon the expiration of such year.

5.5 Annual Reconciliation of Additional Rent

The amount of Additional Rent shall be calculated yearly in accordance with the financial year of the Landlord, which is currently April 30. On or before July 31 annually Landlord will provide Tenant with detailed breakdown of Additional Rent costs actually incurred by the Landlord in the prior fiscal year together with, on demand from Tenant, copies of source invoices to substantiate costs incurred by Landlord, and a reconciliation of the Additional Rent paid by the Tenant for such fiscal year as against actual final costs. If the Tenant shall have paid in excess of the actual amounts, the excess shall, at the option of the Landlord, either be refunded by the Landlord concurrently with the delivery of said statement or applied against any amounts then due and payable by the Tenant to the Landlord. If the amount the Tenant has paid is less than such actual amounts, the Tenant agrees to pay the deficiency to the Landlord upon demand. Nothing herein permits the Landlord to require payment by the Tenant on account of the Capped Costs in excess of the amounts permitted to be charged by the Landlord in Section 1.1(l) and supported by receipts.

**ARTICLE VI  
UTILITIES AND BUILDING SYSTEMS**

6.1 Payment for Utilities

The Tenant shall pay promptly when due all charges, costs, accounts and any other sums payable by reason of the supply of the utilities and services to the Premises. The Tenant acknowledges that the utilities for the Premises are separately metered and the Tenant shall effective on the Commencement Date contract with and pay the supplier directly. In the event that any of the utilities and services are not separately metered for the Premises, the costs thereof shall be included in Operating Costs or otherwise paid as Additional Rent based on a reasonable allocation by the Landlord. The Tenant shall immediately advise the Landlord of any installations, appliances or machines used by the Tenant which consume or are likely to consume large amounts of electricity or other utilities and, upon request shall promptly provide the Landlord with a list of all installations, appliances and machines used in the Premises.

6.2 Above-Normal Utilization

If there are special circumstances within the Premises causing utilization of any utilities or services in excess of that reasonably expected for the use of the Premises (including, without limitation, requirements outside of Normal Business Hours), the Landlord may, in its sole discretion, designate a professional engineer or other consultant to review such above-normal utilization and determine the extent thereof and, upon such determination and delivery of a copy of the engineer's or consultant's report to the Tenant, the Landlord may, if such report so indicates, increase the Tenant's payments of Additional Rent by an amount equal to such above-normal utilization as long as such utilization shall continue. The Tenant shall pay to the Landlord, as long as such utilization shall continue, the amount determined by the Landlord, in its sole opinion and in accordance with the engineer's or consultant's report, to be attributable to such above-normal

utilization. The Tenant shall also pay to the Landlord, as Additional Rent, any extra insurance costs resulting from such above-normal utilization.

6.3 Additional Utilities

The Tenant shall make arrangements, at its own cost and expense, directly with the utility or service supplier in respect of any utilities and services not supplied by the Landlord. The Tenant, at its own cost and expense, shall procure each and every permit, licence or other authorization required, and shall comply with the provisions of this Lease pertaining to any work or alterations required in respect of such additional utilities and services.

6.4 No Overloading

The Tenant will not install any equipment which would exceed or overload the capacity of the utility facilities in the Premises or the other facilities in the Property, and agrees that if any equipment installed by the Tenant shall require additional facilities, such facilities shall be installed, if available, and subject to the Landlord's prior written approval thereof (which approval may not be unreasonably withheld), at the Tenant's sole cost and expense in accordance with plans and specifications to be approved in advance by the Landlord, in writing.

6.5 No Liability

In no event shall the Landlord be liable for any injury to the Tenant, its employees, agents or invitees, or to the Premises, or to any property of the Tenant or anyone else, for any loss of profits or business interruption, indirect or consequential damages, or for any other costs, losses or damages of whatsoever kind arising from any interruption or failure in the supply of any utility or service to the Premises.

6.6 Building Systems and Front Sidewalks

The Tenant shall, throughout the Term, operate, maintain and regulate the Building Systems within and exclusively serving the Premises in such a manner as to maintain reasonable conditions of temperature and humidity within the Premises and so as to maintain the Building Systems in a good and working order. The costs of maintenance and repair of such Building Systems will form part of the Operating Costs.

**ARTICLE VII  
CONTROL AND OPERATION BY LANDLORD**

7.1 Property Operation and Repair

The Landlord shall operate, maintain and repair the Property, and maintain, repair and replace any Building Systems serving the Premises and any other service facilities not within or exclusively serving the Premises, to the extent required to keep the Property, equipment and facilities in a state of good repair and maintenance in accordance with normal property management standards for a similar building in the vicinity. For greater certainty:

- (a) the Landlord's obligations shall not extend to any matters that are the responsibility of the Tenant herein; and

- (b) the Landlord shall maintain and promptly make all repairs to the structural components of the Property including, without limitation, the roof (including the roof membrane), interior concrete slab floors and exterior walls.

7.2 Use of Common Areas

The Tenant shall have the right of non-exclusive use, in common with others entitled thereto, for their proper and intended purposes of those portions of the Common Areas intended for common use by tenants of the Property, provided that such use by the Tenant shall always be subject to such reasonable Rules and Regulations as the Landlord may from time to time determine.

7.3 Control of Common Areas and Property

The Common Areas shall at all times be subject to the exclusive management and control of the Landlord. Without limitation, the Landlord may, in its operation of the Property, do any or all of the following: regulate, acting reasonably, all aspects of loading and unloading and delivery and shipping, and all aspects of garbage collection and disposal; designate employee parking areas or prohibit the Tenant and its employees from parking in or on the Property; and do and perform such other acts in and to the Property as, using good business judgment, the Landlord determines to be advisable for the proper operation of the Property; provided that nothing in the foregoing will remove the obligation of the Landlord to provide one parking space and the temporary loading/unloading area in the rear of 177 Dundas for the exclusive use of the Tenant in accordance with Section 1.1(r).

The Landlord reserves the right to lease parts of the Common Areas from time to time, to alter the layout or configuration of and/or reduce or enlarge the size of the Common Areas, to cease to treat as part of the Property any buildings or lands now forming part of the Property and/or to add additional lands or buildings to the Property, and to make other changes to the Property as the Landlord shall from time to time reasonably determine. Despite anything else contained in this Lease, the Landlord has no liability for any diminution or alteration of the Common Areas that occurs as a result of the Landlord's exercise of its rights under this Section 7.3 or elsewhere in this Lease. The Tenant shall not be entitled to compensation or a reduction or abatement of Rent for such diminution or alteration. Further, no such diminution or alteration of the Common Areas shall be deemed to be a constructive or actual eviction of the Tenant or a default by the Landlord of any obligation for quiet enjoyment contained in this Lease or provided at law.

7.4 Rules and Regulations

The Tenant and its employees and all persons visiting or doing business with it on the Premises shall be bound by and shall observe the Rules and Regulations attached to this Lease as Schedule B and any further and other reasonable Rules and Regulations made hereafter by the Landlord of which notice in writing shall be given to the Tenant. All such Rules and Regulations shall be deemed to be incorporated into and form part of this Lease.

**ARTICLE VIII  
USE OF PREMISES**

8.1 Use of the Premises

The Tenant acknowledges that the Premises will be used solely for the use set out in Section 1.1(m), and for no other purpose.

8.2 Observance of Law

The Tenant shall, at its own expense, comply with all laws, by-laws, ordinances, regulations and directives of public authority having jurisdiction affecting the Premises or the use or occupation thereof including, without limitation, police, fire and health regulations and requirements of the fire insurance underwriters.

8.3 Waste, Nuisance, Overloading

The Tenant shall not do or suffer any waste, damage, disfiguration or injury to the Premises, nor permit or suffer any overloading of the floors, roof deck, walls or any other part of the Property, and shall not use or permit to be used any part of the Premises for any illegal or unlawful purpose or any dangerous, noxious or offensive trade or business, and shall not cause or permit any nuisance in, at or on the Premises.

**ARTICLE IX  
MAINTENANCE, REPAIRS AND ALTERATIONS OF PREMISES**

9.1 Maintenance, Repair and Cleaning of Premises

Except as set out in this Article, the Tenant shall, operate, maintain and keep in good and substantial repair, order and condition the Premises and all parts thereof (including, without limitation, all plumbing, drains, electrical and other utility services within or exclusively serving the Premises), save and except repairs required to be made by the Landlord pursuant to Section 7.1 – it being acknowledged that repair, replacement and maintenance of the heating, ventilation and air conditioning systems serving the Premises are the responsibility of the Landlord under Section 7.1. All repairs shall be in all respects equal in quality and workmanship to the original work and materials in the Premises and shall meet the requirements of all authorities having jurisdiction, and the insurance underwriters.

9.2 Inspection and Repair on Notice

The Landlord, its servants, agents and contractors shall be entitled to enter upon the Premises at any time without notice for the purpose of making emergency repairs, and during Normal Business Hours on reasonable prior written notice, for the purpose of inspecting and making repairs, alterations or improvements to the Premises or to the Property, or for the purpose of having access to the underfloor ducts, or to access panels to mechanical shafts (which the Tenant agrees not to obstruct). The Tenant shall not be entitled to compensation for any inconvenience, nuisance or discomfort occasioned thereby. The Landlord, its servants, agents and contractors may at any time, and from time to time, on reasonable prior written notice, enter upon the Premises to remove any article or remedy any condition which, in the opinion of the Landlord, would likely lead to the cancellation of any policy of insurance. The Landlord will take reasonable precautions and attempt to schedule such work so as not to unreasonably interfere with the operation of the

Tenant's business and to minimize interference with the Tenant's use and enjoyment of the Premises.

9.3 Repair Where Tenant at Fault

Notwithstanding any other provision of this Lease, if the Property, including the Premises, the boilers, engines, controls, pipes and other apparatus used for the purpose of heating or air-conditioning the Property, the water and drainage pipes, internal and external doors, the washrooms and their contents including without limitation sinks, faucets, toilets internal stall walls, drying equipment, mirrors plumbing fixtures generally, the electric lighting, any other equipment or the roof or outside walls of the Property are put in a state of disrepair or are damaged or destroyed through the negligence, carelessness or misuse of the Tenant, its servants, agents, employees or anyone permitted by it to be in the Property, the expense of the necessary repairs, replacements or alterations shall be borne by the Tenant and paid to the Landlord forthwith on demand as Additional Rent, plus a sum equal to fifteen percent (15%) thereof for overhead.

9.4 Alterations

The Tenant will not make or erect in or to the Premises any installations, alterations, additions or partitions without first submitting drawings and specifications to the Landlord and obtaining the Landlord's prior written consent, which the Landlord shall not unreasonably withhold; provided that any such work shall be completed in a good and workmanlike fashion on such terms and conditions as the Landlord shall reasonably require.

9.5 Signs

The Tenant shall install exterior signage on the outside of the Premises as may be approved by the Landlord, such approval not to be unreasonably withheld. The Landlord may, at any time, prescribe a uniform pattern of identification signs for tenants which shall be placed on the outside of the Premises and other premises. All Tenant signage shall remain the property of the Tenant, and the Tenant shall remove such signage (or sign face in the case of a pylon or pole sign) at the end of the Term and make good all damage caused by such installation and removal.

9.6 Construction Liens

If any construction or other lien or order for the payment of money shall be filed against the Property by reason of or arising out of any labour or material furnished to the Tenant or to anyone claiming through the Tenant, the Tenant, within five (5) days after receipt of notice of the filing thereof, shall cause the same to be discharged by bonding, deposit, payment, court order or otherwise. The Tenant shall defend all suits to enforce such lien, or orders, against the Tenant, at the Tenant's sole expense. The Tenant hereby indemnifies the Landlord against any expense or damage incurred as a result of such liens or orders. If the Tenant shall fail to discharge any lien, then in addition to any other right or remedy of the Landlord, the Landlord may, but it shall not be so obligated, discharge the lien by paying the amount claimed to be due into Court and the amount paid by the Landlord together with all costs and expenses including solicitor's fees incurred for the discharge of the lien shall be due and payable by the Tenant to the Landlord as Additional Rent on demand.

9.7 Removal of Improvements and Fixtures

All Leasehold Improvements shall immediately upon their placement become the Landlord's property, without compensation to the Tenant. Except as otherwise agreed by the

Landlord in writing, no Leasehold Improvements or trade fixtures shall be removed from the Premises by the Tenant, either during or upon the expiry or earlier termination of the Term except that:

- (a) the Tenant may, during the Term, in the usual course of its business, remove its trade fixtures, provided that the Tenant is not in default under this Lease, and at the end of the Term, the Tenant shall remove its trade fixtures; and
- (b) the Tenant shall, at its sole cost, remove such of the Leasehold Improvements as the Landlord shall require to be removed, such removal to be completed on or before the end of the Term.

The Tenant shall, at its own expense, repair any damage caused to the Property by the Leasehold Improvements or trade fixtures or the removal thereof. In the event that the Tenant fails to remove its trade fixtures prior to the expiry or earlier termination of the Term, such trade fixtures shall, at the option of the Landlord, become the property of the Landlord and may be removed from the Premises and sold or disposed of by the Landlord in such manner as it deems advisable. For greater certainty, the Tenant's trade fixtures shall not include any Building Systems serving the Premises or light fixtures. Notwithstanding anything in this Lease, the Landlord shall be under no obligation to repair or maintain the Tenant's installations.

#### 9.8 Surrender of Premises

At the expiration or earlier termination of this Lease, the Tenant shall peaceably surrender and give up unto the Landlord vacant possession of the Premises in the same condition and state of repair as the Tenant is required to maintain the Premises throughout the Term and in accordance with its obligations in Section 9.7.

### ARTICLE X INSURANCE AND INDEMNITY

#### 10.1 Tenant's Insurance

The Tenant shall, at its sole cost and expense, take out and maintain in full force and effect at all times throughout the Term the following insurance:

- (a) "All Risks" insurance upon property of every description and kind owned by the Tenant, or for which the Tenant is legally liable, or which is installed by or on behalf of the Tenant, within the Premises or on the Property, including, without limitation, stock-in-trade, furniture, equipment, partitions, trade fixtures and Leasehold Improvements, in an amount not less than the full replacement cost thereof from time to time without deduction for depreciation, subject to an agreed amount clause and with a contingent liability from enforcement of building by-laws endorsement and an inflation protection endorsement;
- (b) general liability and property damage insurance, including personal liability, contractual liability, tenants' legal liability, non-owned automobile liability, and owners' and contractors' protective insurance coverage with respect to the Premises and the Common Areas, which coverage shall include the business operations

conducted by the Tenant and any other person on the Premises. Such policies shall be written on a comprehensive basis with coverage for any one occurrence or claim of not less than five million dollars (\$5,000,000.00) or such higher limits as the Landlord may reasonably require from time to time;

- (c) when applicable, broad form comprehensive boiler and machinery insurance on a blanket repair and replacement basis, with limits for each accident in an amount not less than the full replacement costs of the property, with respect to all boilers and machinery owned or operated by the Tenant or by others (other than the Landlord) on behalf of the Tenant in the Premises or relating to or serving the Premises;
- (d) business interruption insurance in an amount sufficient to cover the Tenant's Rent for a period of not less than twelve (12) months;
- (e) standard owners' form automobile insurance providing third party liability insurance with Five Million Dollars (\$5,000,000) inclusive limits, and accident benefits insurance, covering all licensed vehicles owned, leased or operated by or on behalf of the Tenant;
- (f) plate glass insurance with respect to all glass windows and glass doors in or on the Premises for the full replacement value thereof; and
- (g) such other forms of insurance as may be reasonably required by the Landlord and any Mortgagee from time to time.

All such insurance shall be with insurers and shall be upon such terms and conditions as the Landlord reasonably approves. The insurance described in Sections 10.1(a) and 10.1(c) shall name as loss payee the Landlord and anyone else with an interest in the Premises from time to time designated in writing by the Landlord, and shall provide that any proceeds recoverable in the event of damage to Leasehold Improvements shall be payable to the Landlord. The insurance described in Sections 10.1(b) and 10.1(d) shall name as an additional insured the Landlord and anyone else with an interest in the Property from time to time designated in writing by the Landlord. The Landlord agrees to make available such proceeds toward repair or replacement of the insured property if this Lease is not terminated pursuant to the terms of this Lease. All public liability insurance shall contain a provision for cross liability or severability of interest as between the Landlord and the Tenant.

All of the foregoing property policies shall contain a waiver of any right of subrogation or recourse by the Tenant's insurers against the Landlord or the Landlord's mortgagees, their contractors, agents and employees, whether or not any loss is caused by the act, omission or negligence of the Landlord, its mortgagees, their contractors, agents or employees. The Tenant shall obtain from the insurers under such policies undertakings to notify the Landlord in writing at least thirty (30) days prior to any cancellation thereof. The Tenant shall furnish to the Landlord upon written request, certificates of all such policies. The Tenant agrees that if it fails to take out or to keep in force such insurance or if it fails to provide a certificate of every policy and evidence of continuation of coverage as herein provided, the Landlord shall have the right to take out such insurance and pay the premium therefor and, in such event, the Tenant shall pay to the Landlord

the amount paid as premium plus fifteen percent (15%), which payment shall be deemed to be Additional Rent payable on the first day of the next month following the said payment by the Landlord.

10.2 Landlord's Insurance

The Landlord shall provide and maintain insurance on the whole of the Property against loss, damage or destruction caused by fire and extended perils under a standard extended form of fire insurance policy in such amounts and on such terms and conditions as would be carried by a prudent owner of a similar building, having regard to the size, age and location of the Property. The amount of insurance to be obtained shall be determined at the sole discretion of the Landlord. The Landlord may maintain such other insurance in respect of the Property and its operation and management as the Landlord determines, acting reasonably. The Tenant shall not be an insured under the policies with respect to the Landlord's insurance, nor shall it be deemed to have any insurable interest in the property covered by such policies, or any other right or interest in such policies or their proceeds.

10.3 Increase of Landlord Premiums

If the occupancy of the Premises, the conduct of business in the Premises, or any acts or omissions of the Tenant in the Property or any part thereof causes or results in any increase in premiums for the insurance carried from time to time by the Landlord with respect to the Property, the Tenant shall pay any such increase in premiums as Additional Rent forthwith after invoices for such additional premiums are rendered by the Landlord. In determining whether increased premiums are caused by or result from the use and occupancy of the Premises, a schedule issued by the organization computing the insurance rate on the Property showing the various components of such rate shall be conclusive evidence of the several items and charges which make up such rate. The Tenant shall comply promptly with all requirements and recommendations of the Insurer's Advisory Organization of Canada (or any successor thereof), or of any insurer now or hereafter in effect, pertaining to or affecting the Premises.

10.4 Tenant Indemnity

The Tenant will indemnify the Landlord and save it harmless from any and all losses or claims, actions, demands, liabilities and expenses in connection with loss of life, personal injury and/or damage to or loss of property: (a) arising out of any occurrence in or about the Premises; (b) occasioned or caused wholly or in part by any act or omission of the Tenant or anyone for whom it is in law responsible; or (c) arising from any breach by the Tenant of any provision of this Lease.

**ARTICLE XI  
ASSIGNMENT AND SUBLETTING**

11.1 Assignment, Subletting

The Tenant shall not effect any Transfer without the prior written consent of the Landlord, which shall not be unreasonably withheld. Except for an assignment of this Lease on consent of the Landlord, no other Transfer shall relieve the Tenant from its obligation to pay Rent and to perform all of the covenants, terms and conditions herein contained. In the event of a Transfer, the Landlord may collect Rent or sums on account of Rent from the Transferee, and apply the net

amount collected to the Rent payable hereunder but no such Transfer or collection or acceptance of the Transferee as tenant, shall be deemed to be a waiver of this covenant.

#### 11.2 Landlord's Consent

If the Tenant desires to effect a Transfer, then and so often as such event shall occur, the Tenant shall make its request to the Landlord in writing and shall be accompanied by the information required in Section 1.3 and such additional information pertaining to the Transferee and its business as the Landlord may reasonably require. Within fourteen (14) days after receipt of such request and all required information and documentation, the Landlord shall notify the Tenant in writing either that the Landlord:

- (a) consents to the Transfer;
- (b) does not consent to the Transfer; or
- (c) consents to the Transfer, provided that, if the proposed Transferee is not a subsidiary or controlled by the Tenant, the proposed Transferee provides a reasonable Deposit in accordance with Sections 1.1(n), 1.1(o), and 1.1(p).

#### 11.3 Requests for Consent

Requests by the Tenant for the Landlord's consent to a Transfer shall be in writing and shall be accompanied by the name, address, phone numbers, business experience, credit and financial information and banking references of the Transferee, and shall include a true copy of the document evidencing the proposed Transfer, and any agreement relating thereto. The Tenant shall also provide such additional information pertaining to the Transferee as the Landlord may reasonably require. The Landlord's consent shall be conditional upon the following:

- (a) the Tenant having regularly and duly paid Rent and performed all the covenants contained in this Lease;
- (b) the Tenant paying to the Landlord, prior to receiving such consent, a reasonable administrative fee to the Landlord and all reasonable legal fees and disbursements incurred by the Landlord in connection with the Transfer;
- (c) if the Transfer is a sublease, the Tenant paying to the Landlord, as Additional Rent, all excess rent and other profit earned by the Tenant in respect of the Transfer (it being acknowledged that this provision does not apply to a Transfer that is an assignment); and
- (d) the Landlord receiving sufficient information from the Tenant or the Transferee to enable it to make a determination concerning the proposed Transfer.

#### 11.4 Change of Control

Any transfer or issue by sale, assignment, bequest, inheritance, operation of law, or other disposition, or by subscription, of any part or all of the corporate shares of the Tenant or any other corporation, which would result in any change in the effective direct or indirect control of the Tenant, shall be deemed to be a Transfer, and the provisions of this Article shall apply *mutatis mutandis*. The Tenant shall make available to the Landlord or to its lawful representatives such

books and records for inspection at all reasonable times in order to ascertain whether there has, in effect, been a change in control.

#### 11.5 Terms of Transfer

In the event of a Transfer, Landlord shall have the following rights, in default of any of which no such Transfer shall occur or be effective:

- (a) to require the Transferee to enter into an agreement with the Landlord to be bound by all of the Tenant's obligations under this Lease, and 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 the Landlord will comprise a separate class for voting purposes;
- (b) to require the Transferee to waive any rights, pursuant to subsection 39(2) of the *Commercial Tenancies Act* (Ontario) and any amendments thereto and any other statutory provisions of the same or similar effect, to pay any Rent less than any amount payable hereunder; and
- (c) to require, if the Transfer is a sublease or other transaction other than an assignment, that upon notice from the Landlord to the Transferee all amounts payable by the Transferee each month shall be paid directly to the Landlord who shall apply the same on account of the Tenant's obligations under this Lease.

#### 11.6 Assignment by Landlord

In the event of the sale or lease by the Landlord of its interest in the Property or any part or parts thereof, and in conjunction therewith the assignment by the Landlord of this Lease or any interest of the Landlord herein, the Landlord shall be relieved of any liability under this Lease in respect of matters arising from and after such assignment.

#### 11.7 Status Certificate

The Tenant shall, on ten (10) days' notice from the Landlord, execute and deliver to the Landlord a statement as prepared by the Landlord in writing certifying the following: (a) that this Lease is unmodified and in full force and effect, or, if modified, stating the modifications and that the same is in full force and effect as modified; (b) the amount of the annual rent then being paid; (c) the dates to which annual rent, by instalments or otherwise, and other Additional Rent or charges have been paid; and (d) whether or not there is any existing default on the part of the Landlord of which the Tenant has notice.

#### 11.8 Subordination and Non-Disturbance

This Lease and all of the rights of the Tenant hereunder are and shall at all times be subject and subordinate to any and all Mortgages and any renewals or extensions thereof, now or hereinafter in force against the Premises. Upon the request of the Landlord, the Tenant shall promptly subordinate this Lease and all its rights hereunder in such form or forms as the Landlord may require to any such Mortgage or Mortgages, and to all advances made or hereinafter to be

made upon the security thereof and will, if required, attorn to the holder thereof. No subordination by the Tenant shall have the effect of permitting a Mortgagee to disturb the occupation and possession by the Tenant of the Premises or of affecting the rights of the Tenant pursuant to the terms of this Lease, provided that the Tenant performs all of its covenants, agreements and conditions contained in this Lease and contemporaneously executes a document of attornment as required by the Mortgagee.

## **ARTICLE XII QUIET ENJOYMENT**

### 12.1 Quiet Enjoyment

The Tenant, upon paying the Rent hereby reserved, and performing and observing the covenants and provisions herein required to be performed and observed on its part, shall peaceably enjoy the Premises for the Term and any extensions thereof.

## **ARTICLE XIII DAMAGE AND DESTRUCTION**

### 13.1 Damage or Destruction to Premises

If the Premises or any portion thereof are damaged or destroyed by fire or by other casualty, rent shall abate in proportion to the area of that portion of the Premises which, in the opinion of the Landlord's architect or professional engineer, is thereby rendered unfit for the purposes of the Tenant until the Premises are repaired and rebuilt, and the Landlord shall repair and rebuild the Premises. The Landlord's obligation to repair and rebuild shall not include the obligation to repair and rebuild any chattel, fixture, leasehold improvement, installation, addition or partition in respect of which the Tenant is required to maintain insurance hereunder, or any other property of the Tenant. Rent shall recommence to be payable one (1) day after the Landlord notifies the Tenant that the Tenant may reoccupy the Premises for the purpose of undertaking its work to the satisfaction of the Tenant, acting reasonably.

### 13.2 Rights to Termination

Notwithstanding Section 13.1:

- (a) if the Premises or any portion thereof are damaged or destroyed by any cause whatsoever and cannot, in the opinion of the Landlord's architect or professional engineer, be rebuilt within one hundred and twenty (120) days of the damage or destruction, the Landlord may, instead of rebuilding the Premises, terminate this Lease by giving to the Tenant within thirty (30) days after such damage or destruction notice of termination and thereupon rent and other payments hereunder shall be apportioned and paid to the date of such damage or destruction and the Tenant shall immediately deliver up vacant possession of the Premises to the Landlord; and
- (b) if the Property shall, at any time, be wholly or partially destroyed or damaged (whether or not the Premises have been affected) to the extent that twenty-five percent (25%) or more of the gross floor area of the Property has become unfit for

use, the Landlord may elect, within thirty (30) days from the date of such damage, to terminate this Lease on thirty (30) days' notice to the Tenant, in which event rent shall remain payable until the date of termination (unless it has abated under Section 13.1).

13.3 Certificate Conclusive

Any decisions regarding the extent to which the Premises or any portion of the Property has become unfit for use shall be made by an architect or professional engineer appointed by the Landlord, whose decision shall be final and binding upon the parties.

13.4 Insurance Proceeds

Notwithstanding Sections 13.1 and 13.2, in the event of damage or destruction occurring by reason of any cause in respect of which proceeds of insurance are substantially insufficient to pay for the costs of rebuilding the Property or the Premises, or are not payable to or received by the Landlord, or in the event that any mortgagee or other person entitled thereto shall not consent to the payment to the Landlord of the proceeds of any insurance policy for such purpose, or in the event that the Landlord is not able to obtain all necessary governmental approvals and permits to rebuild the Property or the Premises, the Landlord may elect, on written notice to the Tenant, within thirty (30) days of such damage or destruction, to terminate this Lease, and the Tenant shall immediately deliver up vacant possession of the Premises to the Landlord.

13.5 Landlord's Work

In performing any reconstruction or repair, the Landlord may effect changes to the Property and its equipment and systems and minor changes in the location or area of the Premises. The Landlord shall have no obligation to grant to the Tenant any Tenant's allowances to which it may have been entitled at the beginning of the Term, and shall have no obligation to repair any damage to Leasehold Improvements or the Tenant's fixtures.

13.6 Expropriation

If during the Term all or any part of the Premises are taken or expropriated by any lawful expropriating authority, or purchased under threat of such taking, or if part of the Property is taken so that substantial alteration or reconstruction of the Property, whether or not the Premises are or may be affected, is necessary or desirable as a result thereof this Lease shall automatically terminate on the date on which the expropriating authority takes possession of the Premises or Property, as applicable. Upon any such taking or purchase, the Landlord shall be entitled to receive and retain the entire award or consideration for the affected lands and improvements, and the Tenant shall not have nor advance any claim against the Landlord for the value of its property or its leasehold estate or the unexpired Term of the Lease, or for costs of removal or relocation, or business interruption expense or any other damages arising out of such taking or purchase. Nothing herein shall give the Landlord any interest in or preclude the Tenant from seeking and recovering on its own account from the expropriating authority any award or compensation attributable to the taking or purchase of the Tenant's improvements, chattels or trade fixtures, or the removal or relocation of its business and effect, or the interruption of its business. If any such award made or compensation paid to either party specifically includes an award or amount for the other, the party first receiving the same shall promptly account therefore to the other.

**ARTICLE XIV  
DEFAULT**

14.1 Default and Right to Re-Enter

For the Purposes of this Lease, the occurrence of any one or more of the following events shall constitute an "Event of Default":

- (a) The Tenant fails to pay any Rent when due, and such failure continues for a period of seven (7) days after written notice by the Landlord to the Tenant thereof;
- (b) The Tenant fails to observe or perform any of its covenants, obligations or agreements under this Lease (other than its covenant to pay Rent) such failure shall continue for a period of thirty (30) days (or such longer period as the Landlord may determine is reasonable in the circumstances to cure such default) after notice by the Landlord to the Tenant thereof;
- (c) The leased Premises shall have been abandoned by the Tenant;
- (d) The Tenant shall be an insolvent person within the meaning of the *Bankruptcy and Insolvency Act* (Canada) or commit or threaten to commit any act of bankruptcy;
- (e) The commencement of any proceeding or the taking of any step by or against the Tenant for the dissolution, liquidation or winding-up of the Tenant or for any relief under the laws of any jurisdiction relating to bankruptcy, insolvency, reorganization, arrangement, compromise or winding-up, or for the appointment of one or more of a trustee, receiver, receiver and manager, custodian, liquidator or any other person with similar powers with respect to the Tenant; or
- (f) Any property of the Tenant or any part thereof is seized or otherwise attached by anyone pursuant to any legal process or other means, including distress, execution or any other step or proceeding with similar effect, and the same is not released, bonded, satisfied, discharged or vacated within the shorter of a period of fifteen (15) days and ten (10) days less than such period as would permit such property or any part thereof to be sold pursuant thereto.

14.2 Right of Re-entry

Upon the occurrence of an Event of Default, the Landlord may, at its option, terminate this Lease, whereupon the Term shall become forfeited and void and the then current month's Rent, together with the Rent for the three (3) months next ensuing shall immediately become due and payable, and the Landlord may without notice or any form of legal process whatever forthwith re-enter the Premises or any part thereof in the name of the whole and repossess and enjoy the same as of its former estate.

14.3 Right to Relet

Upon the occurrence of an Event of Default, the Landlord, in addition to any other remedies which it may have, shall have the right to enter the Premises as agent of the Tenant, either by force or otherwise, without being liable for any prosecution therefore, and without being deemed to have terminated this Lease, and to relet the Premises as the agent of the Tenant and to receive the rent

therefore to be applied on account of the Rent, or the Landlord may, at its option, re-enter and take possession of the Premises and in addition the Tenant shall also be liable to the Landlord for any and all damages occasioned by reason of such abandonment, vacating or improper use of the Premises

14.4 Landlord's Right to Perform

In addition to all other remedies the Landlord may have under his Lease or at law, if the Tenant shall fail to observe or perform any of its obligation hereunder, the Landlord may, at its option, perform any such obligation after thirty (30) days (or such longer period as the Landlord may determine is reasonable in the circumstances to rectify such failure) notice to the Tenant thereof if the Tenant does not remedy its default within such period or such longer period as may be reasonable in the circumstances for such default, and in such event the costs of performing such obligation shall be payable by the Tenant to the Landlord without set-off on the next ensuing Rent payment date as Additional Rent and on default of such payment, the Landlord shall have the same remedies as on default of payment of Rent.

14.5 Distress

The Tenant hereby waives and renounces the benefit of any present or future statute taking away or limiting the Landlord's right of distress, and covenants and agrees that notwithstanding any such statute none of the goods and chattels of the Tenant on the Premises at any time during the Term shall be exempt from levy by distress for the Rent in arrears.

14.6 Costs

The Tenant shall indemnify the Landlord against all reasonable costs (including reasonable legal fees) lawfully and reasonably incurred in enforcing any of its rights hereunder in obtaining possession of the Premises after default of the Tenant or upon expiration or earlier termination of the Term of this Lease or in enforcing any covenant, proviso or agreement of the Tenant herein contained.

14.7 Allocation of Payments

Except as otherwise provided herein, the Landlord may at its option apply sums received from the Tenant against any amounts due and payable by the Tenant under this Lease in such manner as the Landlord sees fit.

14.8 Survival of Obligations

If the Tenant has failed to fulfill its obligations under this Lease with respect to any matter, including the removal of the Tenant property from the Premises during or at the end of the Term, such obligations and the full Landlord's rights in respect thereof shall remain in full force and effect notwithstanding the expiration or sooner termination of the Term.

14.9 Alternative Remedies

Either party may from time to time resort to any or all of the rights and remedies available to it in the event of a default hereunder by the other party, either by any provision of this Lease or by any law, all of which rights and remedies are intended to be cumulative and alternative, and the express provision hereunder as to certain rights and remedies are not to be interpreted as excluding any other or additional rights and remedies available to either party by statute or the general law.

**ARTICLE XV  
GENERAL**

15.1 Entry

Provided that the Tenant has not exercised any option to extend this Lease as provided herein, the Landlord shall be entitled, without notice to or consent by the Tenant:

- (a) at any time during the last six (6) months of the Term, to place upon the exterior of the Premises, the Landlord's usual notice(s) that the Premises are for rent; and
- (b) at any time during the last six (6) months of the Term, on reasonable prior notice, to enter upon the Premises during Normal Business Hours for the purpose of exhibiting same to prospective tenants.

The Landlord may enter the Premises at any time during the Term upon reasonable notice for the purpose of exhibiting the Premises to prospective Mortgagees and/or purchasers or for the purpose of inspecting the Premises.

15.2 Force Majeure

Notwithstanding any other provision contained herein, in the event that either the Landlord or the Tenant should be delayed, hindered or prevented from the performance of any act required hereunder by reason of any unavoidable delay, including but not limited to strikes, lockouts, unavailability of materials, inclement weather, acts of God or any other cause beyond its reasonable care and control, but not including insolvency or lack of funds, then performance of such act shall be postponed for a period of time equivalent to the time lost by reason of such delay. The provisions of this Section 15.2 shall not under any circumstances operate to excuse the Tenant from prompt payment of Rent and/or any other charges payable under this Lease.

15.3 Effect of Waiver or Forbearance

No waiver by any party hereto of any breach by any other party of any of its covenants, agreements or obligations contained in this Lease shall be or be deemed to be a waiver of any subsequent breach thereof or the breach of any other covenants, agreements or obligations nor shall any forbearance by any party hereto to seek a remedy for any breach by any other party be a waiver by the party so forbearing of its rights and remedies with respect to such breach or any subsequent breach. The subsequent acceptance of Rent by the Landlord shall not be deemed a waiver of any preceding breach by the Tenant of any term, covenant or condition regardless of the Landlord's knowledge of such preceding breach at the time of the acceptance of such Rent. All Rent and other charges payable by the Tenant to the Landlord hereunder shall be paid without any deduction, set off or abatement whatsoever, and the Tenant hereby waives the benefit of any statutory or other right in respect of abatement or set off in its favour at the time hereof or at any future time.

15.4 Notices

Any notice, delivery, payment or tender of money or document(s) to the parties hereunder may be delivered personally or sent by prepaid registered or certified mail or prepaid courier to the address for such party as set out in Section 1.1, and any such notice, delivery or payment so delivered or sent shall be deemed to have been given or made and received upon delivery of the

same or on the third (3<sup>rd</sup>) business day following the mailing of same, as the case may be. Each party may, by notice in writing to the others from time to time, designate an alternative address in Canada to which notices given more than ten (10) days thereafter shall be addressed.

Notwithstanding the foregoing, any notice, delivery, payment or tender of money or document(s) to be given or made to any party hereunder during any disruption in the service of the Canada Post Office shall be deemed to have been received only if delivered personally or sent by prepaid courier.

15.5 Registration

Neither the Tenant nor anyone on the Tenant's behalf or claiming under the Tenant (including any Transferee) shall register this Lease or any Transfer against the Property without the prior written consent of the Landlord, such consent not to be unreasonably withheld, but on terms acceptable to the Landlord acting reasonably.

15.6 Number, Gender, Effect of Headings

Words importing the singular number only shall include the plural and *vice versa*, words importing the masculine gender shall include the feminine and neuter genders, and words importing persons shall include firms and corporations and *vice versa*. The division of this Lease into Articles and Sections and the insertion of headings are for convenience of reference only, and shall not affect the construction or interpretation of this Lease.

15.7 Severability, Subdivision Control

If any Article or Section or part or parts of an Article or Section in this Lease be illegal or unenforceable, it or they shall be considered separate and severable from the Lease and the remaining provisions of this Lease shall remain in full force and effect and shall be binding upon the Landlord and the Tenant as though such Article or Section or parts or parts thereof had never been included in this Lease. It is an express condition of this Lease that the subdivision control provisions of the applicable provincial legislation be complied with, if necessary. If such compliance is necessary, the Tenant covenants and agrees to diligently proceed, at its own expense, to obtain the required consent and the Landlord agrees to co-operate with the Tenant in bringing such application.

15.8 Entire Agreement

There are no covenants, representations, warranties, agreements or other conditions expressed or implied, collateral or otherwise, forming part of or in any way affecting or relating to this Lease, save as expressly set out or incorporated by reference herein and this Lease constitutes the entire agreement duly executed by the parties hereto, and no amendment, variation or change to this Lease shall be binding unless the same shall be in writing and signed by the parties hereto.

15.9 Successors and Assigns

The rights and liabilities of the parties shall enure to the benefit of their respective heirs, executors, administrators, successors and assigns, subject to any requirement for consent by the Landlord hereunder.

IN WITNESS WHEREOF this Lease Agreement has been executed under seal by the parties.

**2162538 Ontario Inc.**

By: Jens Stickling c/s  
Name: Jens Stickling  
Title: President  
(Duly Authorized Officer)

**The Corporation of the City of London**

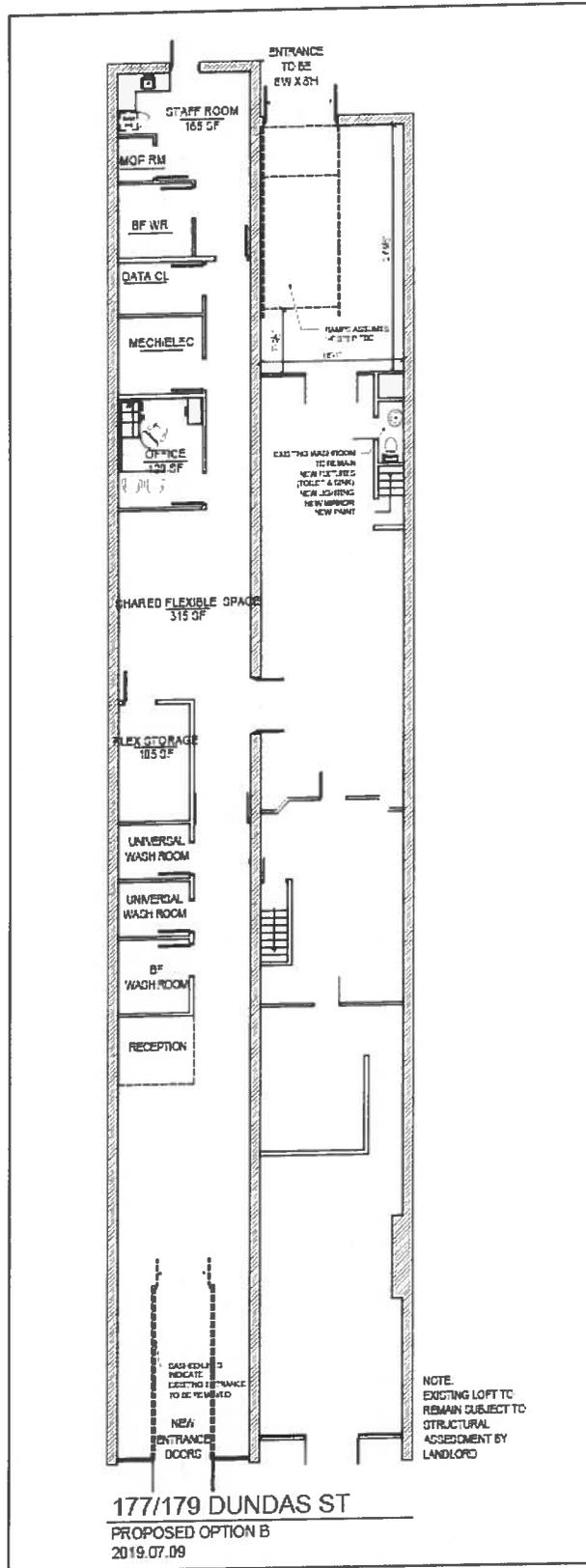
By: \_\_\_\_\_ c/s  
Name:  
Title:  
(Duly Authorized Officer)

By: \_\_\_\_\_  
Name:  
Title:  
(Duly Authorized Officer)

Execution Page – Lease 177 & 179 Dundas Street, London

Execution Page

Schedule A  
Plans



**Schedule B**  
Rules and Regulations

1. The Tenant shall keep the inside of all glass in the doors and windows of the Premises clean.
2. The Tenant shall: (i) maintain the Premises at its expense, in a clean, orderly and sanitary condition and free of insects, rodents, vermin and other pests; (ii) keep any garbage, trash, rubbish or refuse in rat proof containers within the interior of the Premises until removed; and (iii) remove garbage, trash, rubbish and refuse at its expense on a regular basis as prescribed by the Landlord and if the Tenant uses perishable articles or generates wet garbage, the Tenant shall provide refrigerated storage facilities where required by law.
3. The Tenant acknowledges that the designated loading and unloading area serving the Premises also functions as a driveway for abutting properties and therefore agrees that it shall not: (i) permit the parking of delivery vehicles so as to unreasonably interfere with the use of any driveway, walkway, parking facilities, or other area of the Property or abutting properties; or (ii) receive, ship, load or unload articles of any kind including merchandise supplies, materials, debris, garbage, trash, refuse and other chattels except through service access facilities designated from time to time by the Landlord.
4. The Tenant shall not place or cause to be placed any additional locks upon any doors of the Premises without the approval of the Landlord. In addition, the placing of any additional locks upon any doors of the Premises shall be subject to any conditions imposed by the Landlord.
5. The washroom facilities shall not be used for any purpose other than those for which they were constructed, and no sweeping, rubbish, rags, ashes or other substances shall be thrown therein.
6. No one shall use the Premises for sleeping apartments or residential purposes, or for the storage of personal effects or articles other than those required for business purposes.
7. The Tenant shall not solicit business and display merchandise except in the Premises, nor do or permit anything to be done in or on the Property that hinders or interrupts the flow of traffic to, in and from the Property or obstructs the free movement of persons in, to or from the Property.
8. No animals or birds shall be brought into the Property, other than service animals.
9. The Tenant shall not misuse or damage the Premises or any of the improvements or facilities therein, or unreasonably deface or mark any walls or other parts of the Premises.
10. The Tenant shall not: (i) install in the Premises or elsewhere in the Property any transmitting radio communications equipment without the Landlord's prior written consent; or (ii) operate an electrical device from which may emanate electrical waves that

may interfere with or impair radio or television broadcasting or reception from or in the Property. The Tenant shall not in any case erect or cause to be erected any aerial anywhere in the Property.

11. The Tenant shall not cause or permit any machines selling merchandise, rendering services or providing, however operated, entertainment to be present on the Premises unless consented to in advance in writing by the Landlord.
12. The Tenant shall not use or permit use of the Premises in such manner as to create any noises, odours or vibrations objectionable or offensive to the Landlord or any other tenant of the Property or other nuisance or hazard or to breach the provisions of applicable laws or any requirement of the insurers of the Property.

**Schedule C**  
Extension Rights

First Extended Term

Provided that the Tenant is: (i) in occupation of the whole of the Leased Premises; and (ii) not in default under this Lease, the Tenant shall have the option exercisable upon no less than six (6) and no more than twelve (12) months' written notice to the Landlord prior to the expiry of the Term to extend the Lease with respect to the Premises for one (1) additional term of five (5) years (the "**First Extended Term**") on the same terms and conditions as the Term save and except:

- (a) the Basic Rent rate for the First Extended Term shall be the then fair market Basic Rent rate for comparable premises in the area, provided that in no event shall such rate be less than the Basic Rent payable during the last twelve (12) month period immediately preceding the commencement of the First Extended Term; and
- (b) there shall be no leasehold improvement allowance, Landlord's Work, rent free period or other inducements.

Second Extended Term

Provided that the Tenant is: (i) the Corporation of the City of London; (ii) in occupation of the whole of the Leased Premises; and (iii) not in default under this Lease, the Tenant shall have the option exercisable upon no less than six (6) and no more than twelve (12) months' written notice to the Landlord prior to the expiry of the First Extended Term to extend the Lease with respect to the Premises for one (1) additional term of five (5) years (the "**Second Extended Term**") on the same terms and conditions as the First Extended Term save and except:

- (a) there will be no further right to extend the Term;
- (b) the Basic Rent rate for the Second Extended Term shall be the then fair market Basic Rent rate for comparable premises in the area, provided that in no event shall such rate be less than the Basic Rent payable during the last twelve (12) month period immediately preceding the commencement of the Second Extended Term; and
- (c) there shall be no leasehold improvement allowance, Landlord's Work, rent free period or other inducements.

If the parties are unable to agree on the Basic Rent for either such extended term on or before the date that is sixty (60) days prior to the commencement of such extended term, then such Basic Rent shall be determined by arbitration before a sole arbitrator in accordance with the applicable legislation in force in the province in which the Premises is located. The parties shall execute a Lease Extension Agreement prepared by the Landlord to reflect the terms of such extended term.

**Schedule D**  
Landlord's Work

Landlord's Work – TURNKEY FITOUT PROVISIONS

1. Landlord's Work to be completed in its entirety at the sole cost, responsibility, and expense of the Landlord and as shown in Schedule "E".
2. Landlord's Work and fitout space for the Rentable Area of the Premises is generally shown on the floor plan attached in Schedule "A".
3. Tenant to appoint an authorized representative to instruct Landlord regarding final finish options and any requested change orders.
4. Any additional change orders, as requested by the Tenant shall be in writing and at additional cost to the Tenant.
5. Notwithstanding the City of London Specifications provided in Request for Proposal No. 19-05, the Landlord's Work and turnkey fitout will include but not be limited to:
  - a. New double wide entrance for 177 Dundas Street being 8' wide and 8' tall door with flat access
  - b. Concrete ramp from new back entrance which final and size to be confirmed between the Landlord and Tenant
  - c. Existing washroom in 177 Dundas to remain and be updated with new fixtures, toilet, sink, and interior paint and floor
  - d. Mezzanine (loft) area in 177 Dundas to remain but be free and clear of any equipment, machinery, debris and subject to the structural assessment by the Landlord
  - e. New entrance door between 177 and 179 Dundas Street as referenced in provision 8 below
  - f. Two (2) fully constructed Barrier Free (BF) Washrooms being one (1) BF Washroom by the staff area and one (1) (BF) washroom by the public shared space
  - g. Two (2) roughed-in universal wash rooms with walls and doors in the public space area
  - h. new double wide entrance doors to be provided for new relocated front entrance and store front façade for 179 Dundas
  - i. fully completed offices and rooms as generally shown in the Floor Plan (i) Flooring for 177 Dundas to be solid concrete floors in the clean and storage area with final alterations to the floors to be mutually agreed to between the Landlord and Tenant
  - j. Flooring in 179 Dundas to be stable, firm, slip-resistant, and glare free ground floor surface which final material(s) and type to be mutually agreed to between the Tenant and Landlord (together referred to as "Specified Work").

The total reimbursement cost as referenced in provision 14 below includes the Specified Work referenced herein.

6. All detailed plans and specifications to be agreed to be Landlord and Tenant by no later than October 1, 2019 in order to maintain scheduling by the Landlord for the turnkey fitout space for the Tenant.
7. ~~Landlord to install a roll up garage door with lock for the back unit of 177 Dundas Street.~~
8. Landlord to create opening between Unit 177 and 179 Dundas Street with double man doors as submitted in the RFP 19-05.
9. Landlord to complete a new entrance storefront façade in compliance with the downtown design standards and heritage features to update the façade at 179 Dundas Street.
10. All Public and staff entrances to be installed with barrier free operation.
11. The Landlord's Work to be in accordance with the City of London Specifications provided in Request for Proposal No.19-05 which is attached as part of Schedule "E".
12. Landlord to fitout space with all new electrical wiring, plumbing, HVAC ducts and systems, fire safety, communications infrastructure, security system and all general space and finish requirements and power and lighting requirements and all other requirements as indicated in the City's bid document RFP 19-05 and bid submission by the Landlord.
13. All work done by the Landlord for the Turnkey Fitout Space is to be done in accordance to all necessary building and electrical codes, FADS, by licensed and bonded contractors, and obtaining all necessary licences and permits which includes but is not limited to demolition, building, electrical, gas, fire, plumbing, heritage alternation permit.
14. Tenant acknowledges that Landlord's proposal anticipated a total build out reimbursement amount of \$369,000 with an additional \$10,000 required for the entrance between 177 Dundas and 179 Dundas as outlined in item 6 above and further shown in the Schedule "A" for a total amount of \$379,000 plus applicable HST. With the exception of any additional change orders that may be requested by the Tenant as per provision 4 above, no further amounts will be reimbursed to the Landlord as part of the fitout space requirements and the total amount herein shall be the final "all-in" amount agreed to by both parties.
15. The Tenant agrees to provide progress payments to the Landlord as per the payment schedule outlined below subject to:
  - a. Tenant receiving an invoice(s) and progress chart of values along with the WSIB form from the contractors
  - b. verification by the Tenant's facilities representative that the work was completed in accordance with detailed plans and specifications referenced in item 4 above and Landlord Schedule Item Completion referenced below and
  - c. confirmation that no construction liens are registered on the Property.

16. Landlord to immediately discharge at its sole expense any construction liens related to the Landlords Work. Tenant shall have the right to withhold progress payments until all liens are discharged.

**Progress Payment Chart:**

<b>Landlord Schedule Item Completion</b>	<b>Anticipated Date</b>	<b>Proportion of Total Cost</b>	<b>Dollar Value of Progress Payment – exclusive of HST</b>
Lease Execution	August 30, 2019	-	-
Demolition Completion	September 21, 2019	1/7 <sup>th</sup>	\$54,142.85
Framing Inspection Passed	October 21, 2019	1/7 <sup>th</sup>	\$54,142.85
Electrical Inspection Passed	November 11, 2019	1/7 <sup>th</sup>	\$54,142.85
HVAC Inspection Passed	November 21, 2019	1/7 <sup>th</sup>	\$54,142.85
Plumbing Inspection Passed	December 1, 2019	1/7 <sup>th</sup>	\$54,142.85
Fire Separation/Drywall installation completed	December 21, 2019	1/7 <sup>th</sup>	\$54,142.85
Final Inspection and Building Permit closeout	January 21, 2020	1/7 <sup>th</sup>	\$54,142.85
<b>Total:</b>			<b>\$379,000.00</b>

**Schedule E**

Tenant Specifications for Landlord's Work

[See attached City of London Specifications and submitted RFP]

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<b>Proponent:</b>	Jens Stickling, Westang Home Services
<b>Location:</b>	179 Dundas Street, London, Ontario N6A 1G4. South side of Dundas between Richmond and Clarence. On the "Marquee Block" of Dundas Place, directly across the street from London Music Hall, and opening onto proposed Marquee Stage location.
<b>The Site and Streetscape:</b>	<p>The full rentable space includes all of 179 Dundas Street and the rear portion of 177 Dundas Street. These two buildings, along with 175 Dundas, form a single parcel and have been developed together with residential use on the second and third floor while maintaining their distinct facades in the heritage-rich streetscape of Dundas Street.</p> <p>Becoming home to the City of London's Dundas Place Field House is an excellent opportunity to make more complete use of these very long mid-block buildings whose rear portions often go unused. The buildings' ground floor will not only be renovated to suit the needs of the tenant, but also updated to meet modern expectations. The narrow storefront of 179 Dundas allows the City to have a Dundas Place presence without taking too large a portion of the block away from targeted active uses.</p> <p>This opportunity will extend the usefulness and life of these buildings, and help to preserve an active heritage streetscape while supporting the creation of engaging new spaces on Dundas Place.</p>
<b>Building Description:</b>	<p>179 Dundas is assigned a Priority 3 designation in the City of London's 2006 Heritage Inventory, and is a 1918 Commercial style building. 177 Dundas is a Priority 2 Georgian building constructed around 1855.</p> <p>A significant renovation will be undertaken to meet the City's needs and specifications, including new wiring, HVAC, plumbing, and communications infrastructure, and all General Space and Finish Requirements and Power and Lighting Requirements as indicated in the bid document RFP 19-05.</p> <p>This renovation will include a new storefront facade in compliance with downtown design standards and heritage features to update the facade at 179 Dundas Street.</p> <p>The building is free of hazardous materials including asbestos.</p>
<b>Rented Space Description:</b>	<p>The proposed space is a fully contiguous, entirely ground floor space with flat access at all entrances. It is approximately 3,664 square feet. The private use spaces as proposed are toward the rear of the building, allowing an active use to occupy the street front.</p> <p>The proposed space includes areas for private use (office, staff room including kitchenette, barrier-free universal washroom, clean area, and storage area) as well as a shared flexible space that can serve as a green room, backstage, or staging area, and a space for public and future use that includes two universal washrooms and one barrier-free universal washroom.</p> <p>Please see the attached floor plan proposal for details of proposed layout, adjustments to which may be negotiated.</p> <p>Ceiling heights meet City requirements, and the Clean Area and Storage Area feature solid concrete floors appropriate for the proposed loads and uses as outlined.</p>

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<b>Active Street-front Use:</b>	<p>In order to maintain an active use at street level, and to facilitate the City's ability to make use of the street-front space as needed for events or other purposes, the existing tenant of 179 Dundas Street, Hacker Studios, has agreed to continue to maintain an active street-front use in the "Public Use / Future Use" and "Shared Flexible Space" areas noted on the attached floor plan when that space is not in use by the City.</p> <p>Hacker Studios has extensive experience managing shared space, and sharing this space with the City of London will fit seamlessly into the existing business model and mission. Hacker Studios will operate as a coworking space available to members and the public during regular weekday business hours and as a community event space during evenings and weekends when the City does not require use of the space, and as opportunities arise.</p> <p>This arrangement will allow the City to have an active presence on Dundas Place during events, and to increase that presence as the activity on Dundas Place increases and evolves.</p> <p>Hacker Studios will provide all furnishings, equipment, etc. for its own operation, and will ensure that it meets the City of London Facility Accessibility Design Standards and all health and safety regulations, and that all operations are properly licensed.</p> <p>The City of London may negotiate an agreement that allows for this active use on Dundas Street or may choose not to exercise this option.</p>
<b>Expansion and Future Use:</b>	<p>In the future, should the City of London wish to make use of the "Shared Flexible Space" and/or "Public Use / Future Use" space on a full-time basis, Hacker Studios will vacate the premises or adjust operations with reasonable 120-day notice.</p>
<b>Occupancy:</b>	<p>Construction is estimated to be completed in time to allow occupancy by November 31, 2019 based on an estimated 7 month construction period, and subject to date of award and timely completion of lease negotiation. Earlier occupancy will be allowed if possible.</p>
<b>Financial Proposal:</b>	<p>The proponent has submitted a standard lease template, Appendix "A" - Third Party Lease Offer Form, Appendix "C" - Financial Proposal, and Appendix "G" - Leasehold Improvements, and accepts all City preferred lease requirements as stipulated in the bid documents.</p>
<b>Lease Term and Renewal:</b>	<p>Initial five (5) year term, and the City will be offered two (2) renewal options for terms of five (5) years each on the premises.</p>
<b>Signage:</b>	<p>The City may erect or install, at its own cost, signage that describes the function and services provided by the City at the Premises at and beyond the demising walls of the Premises including rear-facing walls and the street-front of 179 Dundas. The City may not erect or install signage on the Dundas Street-facing facade of 177 Dundas Street.</p>
<b>Access and Security:</b>	<p>Wiring for access and security systems will be newly installed as per the City's requirements and specifications in the Proponent Information documents provided, and at the direction of the City's Security Division.</p>
<b>Power and Cabling:</b>	<p>Electrical and telecommunications infrastructure will be updated and newly installed, and space provided, as per the City's requirements and specifications in the Proponent Information documents provided.</p>

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<b>Parking:</b>	<p>The City will have access to one (1) free parking space in the open-access surface lot at the rear of the building. Up to two (2) additional spaces can be arranged, if available, at \$150 per space per month. There is over a thousand parking in the surrounding blocks, with well over a thousand spaces available within easy walking distance in municipal lots and Impark lots. Park and ride facilities also offer a convenient option.</p>
<b>Floor Plan:</b>	<p>A proposed Floor/Space plan is attached. This plan will be subject to amendment and revision, but to be agreed upon within the necessary construction timelines to permit project completion as scheduled.</p>
<b>Management:</b>	<p>Westang Home Services, operated by Jen Stickling, has completed many comparable projects in the core, working to restore and renovate heritage buildings for modern use, and to make the most complete use possible of those buildings.</p> <p>Examples include the following buildings currently owned/managed by Westang Home Services: 236 Dundas Street (currently Grooves Records), 246 Dundas Street (currently Petrov Bridal) including second and third floor renovations to restore use, and 252/254 Dundas (currently Globally Local) including extensive second and third floor renovations to restore active use. Westang also owns and manages properties in the Old East Village.</p> <p>Jens Stickling is a social entrepreneur, real estate developer, trustee of the London Waldorf School, member of the London Housing Advisory committee, chair of the Sunnivue and Rose Landcare association, former chair of the London Homeless Coalition, and advocate for new economic and social enterprise paradigms. Access to housing, income and the development of sustainable ventures in education, local food sustainability and housing are key areas of interest and involvement.</p> <p>Stickling is the owner and president of several companies involved in real estate development, locally and internationally, holds an MBA from the Richard Ivey school of Business and an undergraduate degree from Ryerson, as well as the CSC degree. Recognitions include the Mayor's Honour List Award and the Green Brick Award for Environmental Developments.</p> <p>The following individuals will attest to the management's experience and ability to execute the proposed vision:</p> <p>Joel Adams, Hacker Studios 63 Cathcart Street, London, ON N6C 3L9 (519) 871-7424</p> <p>Ken Patel, Medsave Pharmacy / Cashtime 177 Dundas Street, London, ON N6A 1G4 (519) 850-4747</p> <p>Eva Petrov, Petrov Bridal 246 Dundas Street, London, ON N6A 1H1 (519) 488-0349</p>

Open concept staff room to allow light into the space through rear windows.

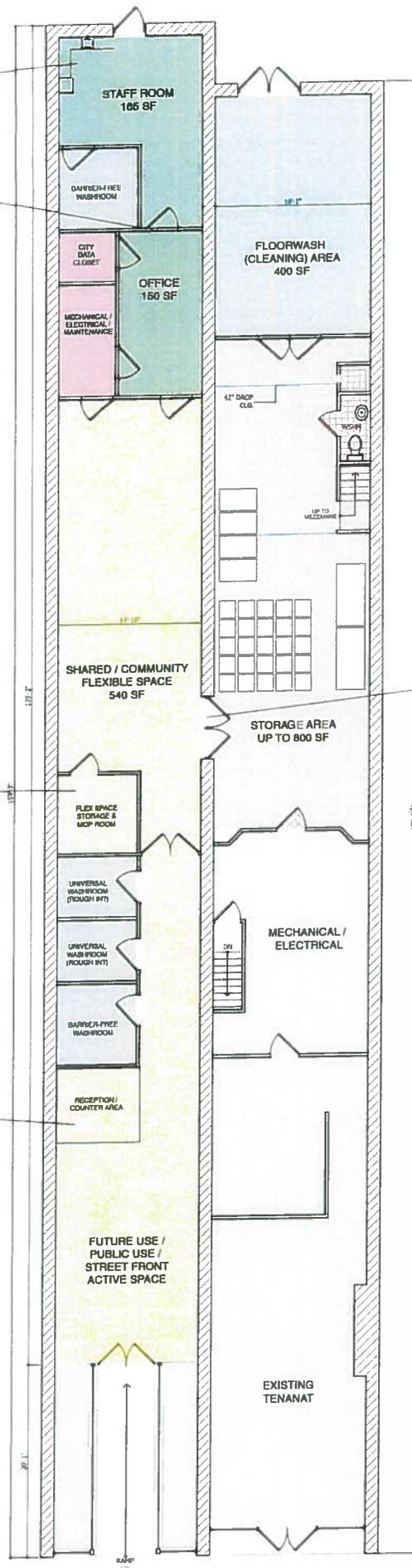
Kitchenette

Suggest glass wall to allow light into office space.

Storage space for tables, chairs, coffee makers, etc.

Ideally, this would include a commercial "kitchenette" that is to code for serving coffee, beer, and snacks / light prepared meals.

Optional. There is currently no connection between spaces to allow access to storage / cleaning area from Dundas. Adding a doorway is a significant cost and may impact future options for the use of the space.



177 / 179 DUNDAS STREET  
FLOOR PLAN PROPOSAL FOR DUNDAS PLACE FIELD HOUSE

**Schedule F**  
Additional Rent Breakdown

Landlord's Estimated Additional Rent Worksheet – see attached.

ADDITIONAL RENT FOR 177-179 DUNDAS STREET, LONDON ONTARIO				2020 Estimate		PSF - rounded		COMMENT	
	Total Est. Cost	Tenant Proportionate Share (Annual)							
<b>OPERATING EXPENSES:</b>									
CLEANING		\$0			\$0				Tenant responsible for cleaning unit.
FIRE PROTECTION AND SAFETY									Note to be provided by Landlord & to be partially capped as per Clause 1.1 (i)
HVAC EXPENSE (Maintenance & Repair)		\$912.00			\$0.25				\$0.25 psf as per RFP Proposal
SNOW REMOVAL EXPENSE (CAPPED)	\$2,800.00	\$1,057.92			\$0.29				Capped as per Clause 1.1 (i)
UTILITIES FOR PREMISES		\$0			\$0				Separately metered. Payable by Tenant
ADMINISTRATION & MANAGEMENT		\$0			\$0				No Cost. Included in Basic Rent as per RFP Proposal
REPAIRS AND SITE SPECIFIC MAINTENANCE (CAPPED)		\$4,000.00			\$				Subject to Capped Cost
INCLUDING WASTE REMOVAL					\$				
	<b>SUB TOTAL</b>	<b>\$5,809.92</b>			<b>\$1.64</b>				
	<b>PLUS:</b>								
		<b>\$5,000</b>			<b>\$1.43</b>				As provided by landlord and to be verified using BCMA standards
	<b>SUB TOTAL</b>	<b>\$3,648.00</b>			<b>\$1.00</b>				As provided by landlord and to be verified using BCMA standards
	<b>PROPERTY TAXES</b>	<b>\$9,872</b>			<b>\$</b>				
	<b>TOTAL ADDITIONAL RENT</b>	<b>\$11,474.98</b>			<b>\$3.15</b>				

Total Commercial Base Tenant Space 9822 sq ft.  
 Total Commercial Base Tenant Space 3648 sq ft.  
 Percentage of Total 37.14%

Note  
 Percentage of Total to be verified as per Provision 2.2  
 Total Commercial Base and Tenant Space to be verified as per Provision 2.2

ALL COSTS FOR ADDITIONAL RENT TO BE VERIFIED BY RECEIPTS AND RECONCILED ANNUALLY AS PER PROVISION 5.5

**APPENDIX "A"**  
**CONFIDENTIAL**

- Released in  
Public

Chair and Members  
Corporate Services Committee

#19110  
July 23, 2019  
(Award Contract)

**RE: Lease Agreement - 177/179 Dundas Street - Field House  
(Subledger FG190010)  
Capital Project PD1217 - Dundas Place Field House  
Westang Home Services - \$10,000.00 (excluding H.S.T.)**

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**FINANCE & CORPORATE SERVICES REPORT ON THE SOURCES OF FINANCING:**

Finance & Corporate Services confirms that the cost of this project cannot be accommodated within the Capital Works Budget, and that subject to the adoption of the recommendation of the Managing Director, Corporate Services and City Treasurer, Chief Financial Officer, the detailed source of financing is:

<b><u>ESTIMATED EXPENDITURES</u></b>	<b><u>Approved Budget</u></b>	<b><u>Additional Funding</u></b>	<b><u>Revised Budget</u></b>	<b><u>Committed To Date</u></b>	<b><u>This Submission</u></b>
Leasehold Improvements	\$375,494	\$10,176	\$385,670	\$375,494	\$10,176
<b>NET ESTIMATED EXPENDITURES</b>	<b><u>\$375,494</u></b>	<b><u>\$10,176</u></b>	<b><u>\$385,670</u></b>	<b><u>\$375,494</u></b>	<b><u>\$10,176</u></b>
<b><u>SOURCE OF FINANCING</u></b>					
Capital Levy	\$170,000		\$170,000	\$170,000	
Debenture Quota	110,000		110,000	110,000	
Capital Receipts	2) 95,494	10,176	105,670	95,494	10,176
<b>TOTAL FINANCING</b>	<b><u>\$375,494</u></b>	<b><u>\$10,176</u></b>	<b><u>\$385,670</u></b>	<b><u>\$375,494</u></b>	<b><u>\$10,176</u></b>

1) Financial Note:

Contract Price	\$10,000
Add: HST @13%	1,300
Less: HST Rebate	(1,124)
Net Contract Cost	<b><u>\$10,176</u></b>

2) The additional funding requirement of \$10,176 (including H.S.T.) is available as a transfer from Capital Receipts (unused capital levy).

lp

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Kyle Murray  
Director of Financial Planning & Business Support

**SCHEDULE "A"**  
**LEASE AGREEMENT**

**CENTENNIAL HOUSE LIMITED**

- and -

**THE CORPORATION OF THE CITY OF LONDON**

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**LEASE**

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**Municipal Address of Property:**

Unit 4,  
520 Wellington Street  
London, Ontario

**Morrison Brown Sosnovitch LLP**  
**Barristers and Solicitors**  
1 Toronto Street  
P.O. Box 28, Suite 910  
Toronto, Ontario M5C 2V6

**Phone: (416) 368-0600**  
**Fax: (416) 368-6068**

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**SCHEDULES**

Schedule "A"	Rules and Regulations
Schedule "B"	n/a
Schedule "C"	Terms of Option to Extend
Schedule "D"	n/a

THIS LEASE, dated the \_\_\_ day of July, 2019, is made and entered into by the Landlord and Tenant named herein who, in consideration of the covenants herein contained, agree as follows:

**ARTICLE 1.0 - BASIC TERMS, SCHEDULES, DEFINITIONS**

1.01 BASIC TERMS

- (a) (i) Landlord: **CENTENNIAL HOUSE LIMITED**
- (ii) Landlord Address: c/o Briarlane Rental Property Management Inc.  
85 Spy Court, Suite 100  
Markham, Ontario L3R 4Z4  
Tel No. (905) 944-9406 Fax No.: (905) 944-9083
- (b) Tenant: **THE CORPORATION OF THE CITY OF LONDON**
- (c) Indemnifier: n/a
- (d) Premises: Unit 4,  
520 Wellington Street, London, Ontario
- (e) Floor Area: One Thousand Two Hundred and Eighty-One (1,281)  
square feet
- (f) (i) Term: Five (5) years and Six (6) months
- (ii) First Day of the Term: January 1, 2020, subject to Section 1.01(f)(v) herein
- (iii) Termination Date: June 30, 2025, subject to Section 1.01(f)(v) herein
- (iv) Extension Options: One (1) term of Five (5) years consecutive to the term of  
this Lease on the terms and conditions as more  
specifically provided for in Schedule "C" hereto.
- (v) Vacant Possession: If the Landlord is unable to deliver vacant possession of  
the Premises to the Tenant for any reason, then all  
relevant dates shall be extended to correspond with the  
period of delay, and the validity of this Lease and the  
parties' related obligations will not be affected, except  
that where the Landlord is unable to deliver vacant  
possession of the Premises for more than Two (2)  
months after the expected First Day of the Term this  
Lease will be voidable.

(g) Basic Rent - Semi-Gross:

Period	Rent per Sq. Foot	Rent per Annum	Rent per month
January 1, 2020 to December 31, 2021	\$7.75	\$9,927.75	\$827.32
January 1, 2022 to December 31, 2023	\$8.00	\$10,248.00	\$854.00
January 1, 2024 to June 30, 2025	\$8.25	\$10,568.25	\$880.68

The Tenant shall pay to the Landlord any goods and services tax, including harmonized sales tax or other value added taxes or similar taxes levied or assessed on rents payable hereunder. A failure to pay such taxes shall be a default of this Lease and shall be treated as if it were a failure to pay Rent hereunder.

- (h) Use of Premises: The Premises shall be used only as offices or for such  
other use only as approved in writing by the Landlord.

- (i) "As is, where is": The Tenant accepts the Premises in an "as is, where is" condition. The Landlord shall ensure that the heating and cooling system is in good working order on the First day of the Term.
- (j) Early Occupancy/Fixturing Period: The Landlord shall grant the Tenant early occupancy of the Premises free of Gross Rent from October 1, 2019 to December 31, 2019 in order for the Tenant to complete its renovations and alterations of the Premises. This occupancy will be conditional upon the Tenant obtaining insurance as set out herein prior to such occupancy. The Tenant will also be responsible for the payment of Additional Rent and will be bound by all other terms and conditions of this Lease during this period including proof of insurance provided to the Landlord as set out in Section 9.01 hereof.

The foregoing Basic Terms are hereby approved by the parties and that reference in this Lease to any of the Basic Terms shall be construed to include the provisions set forth above as well as all of the additional terms and conditions of the applicable Sections of this Lease where such Basic Terms are more fully set forth.

#### 1.02 SCHEDULES

All schedules to this Lease are hereby deemed incorporated herein and made part of this Lease.

#### 1.03 DEFINITIONS

In this Lease, the following words, phrases and expressions are used with the meanings defined as follows:

1. Additional Rent shall mean all sums of money and charges, other than Basic Rent, which are required to be paid by the Tenant pursuant to any provision of this Lease.
2. Basic Rent means the annual rent plus HST described in Section 1.01(g) hereof.
3. Basic Terms means those terms set out in Section 1.01.
4. Building means the building in which the Premises are located, municipally known as 520 Wellington Street, London, Ontario.
5. Common Areas means all lands, improvements, facilities, utilities, installations and equipment which are provided or designated (and which may be altered, reconstructed, expanded or withdrawn from and added to such designation, all subject to the provisions of this Lease) from time to time by the Landlord for the use by the Tenant and its agents, invitees, servants, employees, licensees and customers in common with others and includes, without limitation, the Parking Areas; sidewalks and landscaped areas; loading areas and freight elevators; pylon signs; electrical systems and equipment; alarm systems; heating, ventilating, air-conditioning, plumbing, drainage and other mechanical systems and equipment; general signs and information facilities; public telephones, public lockers and coat checking facilities; decor, furnishings, fountains and features; public washrooms, maintenance workshops, boiler and fan rooms and trash disposal facilities. Common Areas shall exclude those areas, facilities, utilities, improvements, equipment and installations which are not designated or intended by the Landlord to be leased to, or used by, tenants of the Building.
6. Common Area Costs means all of the Landlord's costs, charges and expenses of repairing, operating, insuring, replacing and maintaining the Complex including the Common Areas from time to time including, without limitation or duplication the following:
  - (a) lighting, heating, air-conditioning and supplying water, electricity, fuel and other utilities except to the extent that such costs are charged directly to the tenants by third parties; cleaning; janitorial services and supplies; the cost of any equipment or supplies purchased, leased or rented by the Landlord for maintaining or operating the Complex; trash collection, storage and removal; operation and maintenance of any loading docks and shipping areas; operation and maintenance of public restrooms; snow and ice removal; maintaining exterior areas including exterior walls, doors, windows, signs,

fences, Parking Areas, sidewalks, walkways and curbs, landscaping, seasonal displays, including repairing and replacing as necessary; the cost of leasing or purchasing or renting any common signage or directories, the electrical systems and equipment, and the public address, music and alarm systems; planting and landscaping; business taxes, place of business taxes and other taxes levied in respect of or fairly attributable to the Common Areas; supervising, policing and security; repairs and replacements to the components of the Complex and equipment which by their nature require periodic replacement or substantial repair; Property Taxes, if not already included in Additional Rent pursuant to ARTICLE 6.0; insurance premiums if not already included in Additional Rent; the expense of operating the on-site administration office including office supplies, office expenses and personnel wages and payroll expenses of employees who are responsible for the maintenance or operation of the Complex; bookkeeping, accounting and audit costs;

- (b) periodic depreciation, calculated in accordance with generally accepted accounting practice, on the capital cost of machinery, equipment and fixtures which by their nature require periodic replacement or substantial replacement (including without limitation heating, ventilating and air-conditioning equipment and systems, public address, music and alarm systems, maintenance, janitorial and cleaning equipment and machinery, material handling equipment and machinery); plus
  - (c) an administration fee to the Landlord equal to fifteen percent (15%) of the aggregate of the aforesaid costs, charges and expenses in each year other than those in respect of Property Taxes, insurance premiums, and depreciation.
7. Complex means the lands comprising the premises known municipally as 520 Wellington Street, London, Ontario and all buildings and improvements from time to time erected thereon and their appurtenances, all as the same may be expanded or altered in accordance with this Lease from time to time, excluding any residential components.
  8. Fixturing Period means the period as set out in paragraph 1.01(j) during which the Tenant shall be entitled to access to and possession of the Premises for the purpose of fixturing and stocking the Premises.
  9. Floor Area, floor area means the area, expressed in square feet or such other unit as the Landlord may determine, of each floor in each interior rentable premise in the Complex, calculated by measuring from the exterior surfaces of the exterior walls and of all walls adjoining Common Areas, from the center line of party or demising walls separating two or more rentable areas and from the lease line separating areas where no wall exists, all without deduction or exclusion for any space occupied by or used for columns, stairs, elevators, escalators or other interior construction or equipment or for any storefront or doorway areas recessed from the lease line, the confirmation of which by the Landlord's architect is to be conclusive, and when used in respect of the Premises means the area of each floor in the Premises, calculated as aforesaid, as set out in Section 1.01(e). The floor area of kiosks shall be determined by measurement of the Landlord acting reasonably. Notwithstanding anything to the contrary in this Lease, in no event shall the floor area be less than the amount set out in Section 1.01(e).
  10. Gross Leaseable Area of the Complex or any specified portion thereof means the aggregate, from time to time, of all leaseable floor areas in all interior rentable premises in the Complex or in such specified portion, as the case may be; provided that the floor areas of any offices, kiosks, any storage spaces, basement areas, mezzanines, temporary display areas and any food supermarkets shall be excluded.
  11. HST means the taxes levied, rated, charged or assessed pursuant to The Excise Tax Act in connection with this Lease; the rent payable hereunder and/or services provided to the Tenant by the Landlord.
  12. Indemnifier means the party or parties described in Section 1.01(c) and its heirs, executors, administrators and successors.
  13. Landlord means Centennial House Limited and its successors and assigns.
  14. n/a
  15. Lease means this lease as from time to time amended in writing by the parties hereto.
  16. Lease Year means, in the case of the first Lease Year, the period beginning on the earlier of the First Day of the Term set out in Section 1.01(f)(ii) and terminating twelve (12) months from the last day of the month in which the First Day of the Term occurs (except that if the First Day of

the Term occurs on the first day of a month, the first Lease Year shall terminate on the day prior to the first anniversary of the First Day of the Term) and, in the case of each subsequent Lease Year, means each twelve (12) month period after the first Lease Year, the last of which shall terminate on the Termination Date.

17. Minimum Rent means the rent set out in Section 1.01(g) and payable in accordance with ARTICLE 4.0.
18. Notice includes without limitation, requests, demands, designations, statements or other writings in this Lease required or permitted to be given by the Landlord to the Tenant or to the Landlord and all originating notices of motion, affidavits and any other ancillary documents in support of all legal proceedings.
19. Parking Areas means the paved portions of the Complex lands which have been and are to be allocated for the parking of motor vehicles, as from time to time altered, reconstructed or expanded, and includes entrances, roads and other means of access thereto and any parking structures or other parking facilities from time to time constructed in the Complex.
20. Premises means that portion of the Complex referred to in Section 1.01(d) hereof.
21. n/a.
22. Property Taxes means all taxes, rates, duties, assessments, local improvement rates, impost charges or levies which may be levied, rated, charged or assessed against property, whether real or personal, moveable or immovable, by any authority having jurisdiction, whether municipal, federal, provincial, school board, utility commission or other, now charged or chargeable or hereafter charged or chargeable upon the Complex or upon the Landlord on account thereof, and includes any taxes or levies which may be imposed on the Landlord, or anyone else on account or in lieu thereof, whether or not forming a charge on the property itself, and any other taxes, rates, duties, assessments or levies which may hereafter be levied in lieu of, or of a nature similar to the foregoing, and whether recurring annually or at other intervals or on a special or single instance basis only. In the event that during the Term the legislation enacting Property Taxes is amended to replace the taxes previously levied with a new tax or taxes whether levied on the same basis or a different basis by the same level of government or not, the definition of Taxes shall be amended accordingly with the intent that the tax obligations as previously borne by the Tenant shall not be shifted from the Tenant to the Landlord.
23. Proportionate Share of Tenant, Tenant's Proportionate Share means, in respect of each item or category of Additional Rent relating to the Premises and any or all other rental premises in the Complex, that proportion of the amount of such item or category of Additional Rent which the Floor Area of the Premises bears to the Gross Leaseable Area of either the Complex or of the portion of the Complex, including the Premises, to which such item or category of Additional Rent relates, as the case may be.
24. Rent means the Semi-Gross Rent, Additional Rent and any other amount payable by the Tenant pursuant to this Lease.
25. Rules and Regulations means those rules and regulations attached to this Lease as Schedule "A" and all amendments and additions thereto made by the Landlord in accordance with this Lease.
26. Semi-Gross Rent means the annual rent plus HST described in Section 1.01(g) hereof. Semi-Gross Rent includes the Tenant's share of Common Area Costs but does not include Property Taxes or other amounts payable by the Tenant hereunder.
27. Tenant means the party or parties described in Section 1.01(b) and its heirs, executors, administrators, successors and permitted assignees thereof.
28. n/a
29. Termination Date means the date set out in Section 1.01(f)(iii).

## ARTICLE 2.0 - GRANT OF LEASE

### 2.01 DEMISE

The Landlord hereby leases to the Tenant and the Tenant leases from the Landlord, for the Term and upon and subject to the covenants and conditions hereinafter expressed, the Premises. The parties having inspected the premises acknowledge that the Tenant agrees to accept the premises in the condition it is in

as of the First Day of the Term subject to the performance by the Landlord of any work required to be done by pursuant to any offer to lease or agreement to lease between the parties for these Premises. The Tenant acknowledges that it has inspected the Premises and agrees to accept same in an "as-is" condition.

#### 2.02 LICENCE TO USE COMMON AREAS

The Landlord grants to the Tenant for the Term as an appurtenant part of this Lease, for use by the Tenant and its agents, invitees, servants, employees, licensees and customers, in common with the Landlord and other tenants of the Complex and their respective agents, invitees, servants, employees, licensees and customers, the non-exclusive right and licence to use the Common Areas for the purposes as provided herein and in accordance with good Complex practice, upon and subject to the covenants and conditions hereinafter expressed, and in particular, without limiting the generality of the foregoing, such right, servitude, right-of-way and licence of use hereby granted to the Tenant shall include:

- (a) the right to use the Parking Areas (including the means of pedestrian and vehicular access and the entrances and exits to and from the Complex included therein, but excluding those portions thereof which constitute any outdoor selling areas and other areas allocated to a tenant or licensee on a seasonal or temporary basis while used and occupied) for the purpose of pedestrian and vehicular access to and from the Complex and the parking of vehicles in parking spaces provided therein;
- (b) the right of pedestrian passage and repassage through each level and every portion of the Building (but excluding those portions thereof which are occupied by kiosks or allocated to a tenant or licensee on a temporary basis) for the purpose of gaining access to or from every portion of the Complex open to the public; and
- (c) the right to use the public washrooms, corridors, entrances and exits to buildings and all other facilities provided for common use and enjoyment as part of the Common Areas.

#### 2.03 RELOCATION OF PREMISES

Tenant agrees that, despite any other provision of this Lease, Landlord has the right at any time during the Term to relocate the Premises to alternative space within the Complex, provided that the new premises (the "New Premises"), as relocated, shall be in all material respects reasonably comparable to the current Premises. The Landlord shall provide eight (8) months written notice of its intention to relocate the Tenant. In the event the Landlord exercises its right to relocate, the Landlord shall pay, without duplication and upon being furnished with invoices or other proof of payment reasonably satisfactory to the Landlord, the direct out-of-pocket costs incurred by the Tenant solely as a result of relocating to the New Premises. In no case will Tenant be reimbursed or compensated for indirect costs including overhead, overtime charges or loss of profits and Tenant agrees to minimize its costs by re-using all fixtures and trade fixtures where it is feasible to do so in the New Premises. The Tenant will surrender possession of the Premises upon the relocation date set forth in the relocation notice (the "Relocation Date") from the Landlord, failing which Tenant shall be deemed to be overholding in the Premises. Landlord's exercise of its rights under this section does not constitute a re-entry or a breach of Landlord's covenant for quiet enjoyment contained in this Lease or implied by law. The terms and conditions of this Lease shall be deemed to be amended as of the Relocation Date and the New Premises shall be referred to as Premises thereafter.

#### 2.04 SEMI-GROSS LEASE

It is intended that this Lease and the tenancy created hereby is a semi-gross lease and tenancy.

### ARTICLE 3.0 - TERM, COMMENCEMENT

#### 3.01 TERM

The Term of this Lease shall be for the period set out in Section 1.01(f)(i), beginning on the First Day of the Term set out in Section 1.01(f)(ii) and terminating on the Termination Date set out in Section 1.01(f)(iii). The Tenant shall occupy the Premises on the First Day of the Term, and subject to the completion of its fixturing of the Premises as soon as reasonably possible thereafter, open for business as soon thereafter as its fixturing is complete.

ARTICLE 4.0 - RENT

4.01 SEMI-GROSS RENT

The Tenant shall pay to the Landlord in and for each Lease Year, Semi-Gross Rent in the amount per annum set out in Section 1.01(g) for the respective Lease Year, by equal consecutive monthly instalments in the amount set out in Section 1.01(g) for such Lease Year, subject to the adjustment provisions of Section 4.02.

4.02 ADJUSTMENT OF SEMI-GROSS RENT

In the event that the Floor Area is revised in accordance with Section 12.05, the Semi-Gross Rent for each Lease Year shall be recalculated automatically by multiplying the revised Floor Area by the amount per square foot set out in Section 1.01(g) for the respective Lease Year and the amount of the equal monthly instalments for such Lease Year shall be deemed to have been amended accordingly. Upon any such revision of Floor Area, the Landlord shall calculate the amount of the difference between the original Semi-Gross Rent and the revised Semi-Gross Rent for the period prior to the date of such revision and, if such amount represents an increase in Semi-Gross Rent, the Tenant shall immediately pay the amount to the Landlord or, if the amount represents a decrease in Semi-Gross Rent, the Landlord shall immediately repay the amount to the Tenant. An adjustment in respect of any earlier payment of the Tenant's Proportionate Share of Additional Rent shall also be made on the same basis.

4.03 PAYMENT OF SEMI-GROSS RENT

The first monthly instalment of Semi-Gross Rent due in accordance with Section 1.01(g), or the appropriate portion thereof calculated in accordance with Section 4.04, shall be paid on or before the First Day of the Term and subsequent instalments of Semi-Gross Rent shall be paid strictly in advance on the first day of each and every succeeding month throughout the Term.

4.04 PRO RATA ADJUSTMENT OF RENT

All rent shall be deemed to accrue from day to day, and if for any reason it shall become necessary to calculate the rental for irregular periods of less than one year or one month, as the case may be, an appropriate pro rata adjustment shall be made in order to compute the rent for such irregular period.

4.05 PAYMENT OF RENT GENERALLY

All payments by the Tenant to the Landlord required or contemplated by this Lease shall be:

- (a) paid to the Landlord by the Tenant in lawful currency of Canada;
- (b) made when due hereunder, without prior demand therefor and without any set-off, compensation or deduction whatsoever, at the office of the Landlord at the Complex or such other place as the Landlord may designate from time to time to the Tenant;
- (c) applied towards amounts then outstanding hereunder, in such manner as the Landlord may see fit;
- (d) deemed to be rent, in partial consideration for which this Lease has been entered into, and shall be payable and recoverable as rent, such that the Landlord shall have all rights and remedies against the Tenant for default in any such payment which may not be expressly said to be rent or Additional Rent;
- (e) subject to an overdue charge if any such payment is not made when due, which charge shall be Additional Rent equal to two percent (2%) per month of the overdue amount (but in any case such charge shall be not less than Fifty Dollars (\$50.00) per month) payable with the next monthly instalment of Semi-Gross Rent, all without prejudice to any other right or remedy of the Landlord; and
- (f) made, if the Landlord so requests by way of a series of cheques, post-dated to the respective due dates of such payments, which the Tenant shall supply to the Landlord at the commencement of each Lease Year or earlier should the Landlord so request, or by way of an automatic debiting system by which payments are deducted from the Tenant's bank account and credited to the Landlord's, all at the Tenant's cost and all without prejudice to any other right or remedy of the Landlord.

4.06 ARBITRATION

In the event of any bona fide dispute arising between the Tenant and the Landlord as to the amount of any rent payable under this Lease which requires calculation, the Tenant shall nevertheless immediately make payment in accordance with any notice from the Landlord but the dispute, at the option of the Landlord or, so long as such payment has been made, the Tenant, shall immediately be referred to an arbitrator agreed upon by the Tenant and the Landlord or, in the event that they cannot agree upon such arbitrator, then the question shall be referred to the arbitration of one arbitrator under the Arbitration Act, of Ontario, and amendments thereto or such other statute or statutes of like effect being in force in Ontario, and such arbitrator, whether agreed upon or appointed under the said statute, shall have access to such records of the parties as may be reasonably necessary and the decision of such arbitrator shall be final and binding upon the parties. Costs of the arbitration shall follow the award, unless otherwise determined by the arbitrator. Any adjustment in rent required to be made by reason of any such decision of the arbitrator shall be made within fifteen (15) days thereof.

**ARTICLE 5.0 - ADDITIONAL RENT**

5.01 ADDITIONAL RENT

The Tenant shall pay to the Landlord as Additional Rent the Tenant's Proportionate Share of all Property Taxes attributable to the Complex, in accordance with ARTICLE 6.0 and all other taxes described in Section 6.01 and such other sums, amounts, costs, charges, or increases therein as are required to be paid by the Tenant to the Landlord pursuant to this Lease in addition to Semi-Gross Rent.

5.02 ESTIMATE OF ADDITIONAL RENT

The Landlord may, in respect of the items of the Additional Rent contemplated by Section 5.01, compute bona fide estimates of the amounts which are anticipated to accrue in the next following Lease Year, calendar year or fiscal year, or portion thereof, as the Landlord may determine is the most appropriate period for each item or category of Additional Rent. The Property Taxes payable by the Tenant for 2019 is estimated to be \$1.50 per square foot per annum. The Tenant acknowledges that the foregoing is an estimate only and the Landlord shall not be bound by such estimate and the Tenant shall pay the full amount of Additional Rent in accordance with the terms of this Lease. If it is determined that the Tenant has overpaid Additional Rents, such overpayment will be credited to the Tenant at the earliest opportunity to do so.

5.03 PAYMENT OF ADDITIONAL RENT

With respect to any Additional Rent which the Landlord elects to estimate from time to time pursuant to Section 5.02, following receipt of the written notice of the estimated aggregate amount of the Tenant's share thereof, the Tenant shall pay to the Landlord the amount of such estimated aggregate share, in equal consecutive monthly instalments payable with monthly instalments of Minimum Renewal when due, pursuant to Section 4.05. With respect to any Additional Rent which the Landlord has not elected to estimate from time to time pursuant to Section 5.02, the Tenant shall pay to the Landlord the amount of the Tenant's share of such Additional Rent, determined pursuant to the applicable provisions of this Lease, within fifteen (15) days of receipt of an invoice therefor.

5.04 PRO RATA ADJUSTMENT OF ADDITIONAL RENT

In the event this Lease commences, expires or is determined before the end of the period for which any item or category of Additional Rent would otherwise be payable, the amount thereof payable by the Tenant shall be apportioned and adjusted in accordance with Section 4.04.

5.05 REVIEW OF ADDITIONAL RENT

No party hereto may claim a re-adjustment in respect of any Additional Rent whether paid or payable in instalments or otherwise, if based on any error of estimation, allocation, calculation or computation thereof, unless claimed in writing prior to the expiration of one year from the date that the statement provided for in Section 5.04 is sent to the Tenant.

**ARTICLE 6.0 - TAXES**

6.01 TAXES

The Tenant shall pay as Additional Rent, a share of the Complex Property Taxes as determined by the Landlord acting reasonably, the cost of making such determination to be included as part of Additional Rent. In making such determination the Landlord shall have the right, without limiting its right to do

otherwise, to establish separate assessments for the Premises and all other portions of the Complex by using such criteria as the Landlord acting reasonably, shall determine to be relevant, including, without limitation:

- (a) the then current established principles of assessment used by the relevant assessing authorities and on the same basis as the assessments actually obtained for the Complex as a whole or the part thereof in which the Premises are located;
- (b) assessments of the Premises and any other portions of the Complex in previous periods of time;
- (c) n/a; and
- (d) the Tenant's Proportionate Share.

Without restricting the generality of the above the Landlord shall have the right to allocate the Property Taxes calculated as if the Complex was fully occupied. The Landlord shall have the right to collect the Tenant's share of Property Taxes during the months of the year when the same are due to the taxing authority.

#### 6.02 CONTEST OF PROPERTY TAXES

The determination by the Landlord of the Tenant's share of Property Taxes shall be final and binding upon the Tenant. The Tenant is not entitled to contest any Property Taxes or appeal any assessment related thereto.

Property Taxes, or the assessments in respect of Property Taxes which are the subject of any contest by the Landlord shall nonetheless be payable in accordance with the foregoing provisions hereof provided, however, that in the event the Tenant shall have paid any amount in respect of Property Taxes in excess of the amount ultimately found payable as a result of the disposition of any such contest, and the Landlord receives a refund in respect thereof, the appropriate amount of such refund shall be refunded to or credited to the account of the Tenant.

The Tenant shall pay to the Landlord forthwith upon demand, its share as allocated by the Landlord of all costs and expenses of any kind incurred by the Landlord bona fide and acting reasonably in determining the allocation of the Property Taxes or the appeal of any assessment including, without limitation, legal, appraisal, administration and overhead costs.

#### 6.03 TENANT'S TAXES

The Tenant shall pay promptly when due all taxes, rates, duties and fees as may be assessed or levied by any competent authority in respect to or as a result of any business or other activity carried on within or in connection with the Premises. The Tenant shall pay to the Landlord any Goods and Services Tax, Sales Tax, Value Added Tax or similar taxes levied or assessed on rents payable hereunder. A failure to pay the Goods and Services Tax shall be a default of the lease and shall be treated as if it were a failure to pay rent but the Goods and Services Tax shall not be deemed to be rent for the purpose of calculating the amount of Goods and Services Tax exigible.

#### 6.04 FAILURE TO PAY TAXES

Should the Tenant fail to comply with any payment required by the Tenant pursuant to Section 6.01, and subject to rectification of such default within the period set out in Section 16.01(d), without limiting the generality of Section 16.02, the Landlord may pay all or part of such required payments pursuant to that Section 16.02.

### ARTICLE 7.0 - COMMON AREAS

#### 7.01 LANDLORD'S RESPONSIBILITY

The control, general cleanliness, operation and maintenance of the Common Areas shall be the exclusive domain of the Landlord such that the manner in which the Common Areas shall be operated and maintained and the expenditures therefor shall be at the sole discretion of the Landlord, acting reasonably.

#### 7.02 TENANT'S USE OF COMMON AREAS

The non-exclusive right and licence granted to the Tenant, its agents, invitees, servants, employed, licensees and customers pursuant to Section 2.02 may be exercised only during the business hours which

pertain under this Lease and subject to the Rules and Regulations of the Complex and to the other provisions of this Lease.

7.03 NO OBSTRUCTION

The Tenant shall not, save to the extent permitted by the Landlord during any general promotional event or as may be otherwise specifically allowed by the Landlord in writing, keep or display any merchandise or other thing on or about the Common Areas or otherwise obstruct the Common Areas. Without limiting the generality of the foregoing, the Tenant shall keep any service corridor leading to and from the Premises free and clear of all obstructions and in the event any governmental authority or other regulatory body having jurisdiction makes a charge against the Landlord, the Tenant, the Complex and the Premises, or any of them, by reason of the Tenant failing to meet the requirements of such authority or body, the Tenant shall pay such charge and if the Tenant fails to do so upon request, the Landlord may pay the amount of such charge and recover the same from the Tenant as Additional Rent.

7.04 TEMPORARY ALLOCATION OF COMMON AREAS

From time to time, the Landlord may permit portions of the Common Areas to be used exclusively by specified tenants or licensees on a seasonal or otherwise temporary basis.

**ARTICLE 8.0 - UTILITIES, HVAC COSTS**

8.01 HVAC

The Tenant shall maintain and make all repairs and replacements to the HVAC system servicing the Premises at its sole cost and expense, but the Landlord may at its option assume the obligation and in such event the Tenant shall pay to the Landlord, upon demand and as Additional Rent, the cost of such maintenance, repairs and replacements.

8.02 TENANT'S UTILITIES

The Tenant shall pay all rates, charges, costs and expenses as may be assessed or levied and at the rates so assessed or levied by all suppliers of utilities to the Premises including telephone, hydro, gas and water, directly to the supplier thereof. In the event the Tenant fails to pay for such utilities, the Landlord shall have no liability whatsoever for any damage resulting to the Tenant or the Premises as a result of any action taken by the supplier of such utilities.

**ARTICLE 9.0 - INSURANCE**

9.01 TENANT'S INSURANCE

- (a) The Tenant shall take out and keep in full force and effect throughout the Term and during such other time as the Tenant occupies the Premises or any part thereof:
  - (i) "all risk" insurance upon its merchandise, stock-in-trade, furniture, fixtures and improvements, including any leasehold improvements made previously by any tenant or person in the Premises and upon all other property in the Premises owned by the Tenant or for which the Tenant is legally liable, in an amount equal to the full replacement value thereof, which amount shall be determined by the decision of the Landlord, acting reasonable, in the event of a dispute;
  - (ii) broad boiler and machinery insurance on any such equipment in the Premises;
  - (iii) comprehensive general liability insurance, including without limitation non-owned automobile insurance, against claims for personal injury, death or property damage or loss upon, in or about the Premises or otherwise howsoever arising out of the operations of the Tenant or any person conducting business from the Premises, to the combined limit as may be reasonably required by the Landlord from time to time but, in any case, of not less than Two Million Dollars (\$2,000,000) in respect to injury or death to a single person and in respect of any one accident concerning property damage;
  - (iv) owned automobile insurance with respect to all motor vehicles owned by the Tenant and operated in its business; and
  - (v) such other insurance in such amounts and upon such terms as the Landlord may determine from time to time on consultation with its insurance advisors.

- (b) Each policy of insurance required of the Tenant as aforesaid except the owned automobile insurance shall name the Landlord, Briarlane Rental Property Management Inc. and any persons or corporations designated by the Landlord as additional insureds as their interests may appear and shall include a waiver of rights of subrogation against the Landlord, Briarlane Rental Property Management Inc., and the Tenant and, as appropriate, a cross-liability and/or severability of interest clause protecting the Landlord against claims by the Tenant as if the Landlord were separately insured and protecting the Tenant against claims by the Landlord as if the Tenant were separately insured as well as a clause that the insurer will not cancel or change or refuse to renew the insurance without first giving the Landlord thirty (30) days prior written notice. All such policies will be with insurers acceptable to the Landlord and in a form satisfactory to the Landlord and the Tenant will deliver to the Landlord a copy of all such policies or certificates of such insurance.

#### 9.02 LANDLORD'S INSURANCE

The Landlord shall take out or cause to be taken out and keep or cause to be kept in full force and effect:

- (a) standard fire insurance and extended coverage or additional perils supplemental contracts on the buildings and improvements, except foundations, comprising the Complex in an amount such as would be carried by a prudent owner, subject to such deductions and exceptions as the Landlord may determine, against fire and such other hazards covered by policies normally in use from time to time for buildings and improvements of a similar nature similarly situated, including, should the Landlord so elect, insurance to cover any rental loss which may be sustained; and
- (b) comprehensive public liability insurance in respect of the Complex of a kind and in an amount such as would be carried by a prudent owner,

provided that nothing herein shall prevent the Landlord insuring with broader coverage.

#### 9.03 INCREASES IN RATES

The Tenant shall not do or omit or permit to be done or omitted upon the Premises anything which shall cause the rate of insurance upon the Complex or any part thereof to be increased or cause such insurance to be cancelled. If the said insurance rate shall be increased as aforesaid, the Tenant shall pay to the Landlord the amount of the increase as Additional Rent. If any insurance policy upon the Complex or any part thereof is cancelled or threatened to be cancelled by reason of the use or occupancy by the Tenant or any act or omission as aforesaid, the Tenant shall forthwith remedy or rectify such use, occupation, act or omission upon being requested to do so in writing by the Landlord, and if the Tenant shall fail to so remedy or rectify, the Landlord may at its option terminate this Lease forthwith or at its option rectify such default at the Tenant's expense including 15% administration.

### ARTICLE 10.0 - USE AND OCCUPATION

#### 10.01 QUIET ENJOYMENT

The Landlord covenants with the Tenant for quiet enjoyment, for so long as the Tenant is not in default hereunder, and except as provided herein.

#### 10.02 USE

The Premises shall not be used for any purpose other than as set forth in Section 1.01(h).

#### 10.03 COVENANT TO OPERATE

intentionally deleted.

#### 10.04 CHARACTER OF BUSINESS

The Tenant shall operate and conduct its business upon the whole of the Premises in an up-to-date, first class and reputable manner.

#### 10.05 HOURS OF BUSINESS

intentionally deleted.

10.06 RULES AND REGULATIONS

- (a) The Rules and Regulations attached hereto as Schedule A , as the same may be amended from time to time, are part hereof and shall be read as forming part of the terms and conditions of this Lease as if the same were embodied herein.
- (b) All Rules and Regulations now or hereafter in force shall in all respects be observed and performed by the Tenant and its employees, agents, customers, licensees and invitees and the Tenant shall cause such observance and performance.
- (c) For the enforcement of all Rules and Regulations, the Landlord shall have available to it all remedies in this Lease provided for a breach of any provision hereof and all legal rights and remedies including injunction, whether or not provided for in this Lease, both at law and in equity.
- (d) The Landlord shall not be responsible to the Tenant for the nonobservance or violation by any other tenant or person of the Rules and Regulations.

10.07 SIGNS

The Tenant shall erect, install and maintain a sign of a kind and size and in a location, all in accordance with the Landlord's design criteria and as first approved in writing by the Landlord, publicizing the Tenant's operating name, as set forth in Section 1.01(b), and type of business. Any other signs, as well as the advertising practices of the Tenant and any display windows, shall comply with the applicable Rules and Regulations. The Tenant shall not erect, install or maintain any sign other than in accordance with this section.

10.08 COMPLIANCE WITH LAWS

- (a) The Tenant shall carry on and conduct its business from the Premises in such manner as to comply with any and all statutes, by-laws, rules and regulations of any Federal, Provincial, Municipal or other competent authority for the time being in force, and shall not do anything upon the Premises in contravention thereof.
- (b) For the purposes hereof;

"Environmental Laws" shall mean any laws, by-laws, regulations, ordinances or statutes of any governmental authority having jurisdiction over the Leased Premises relating to protection of the environment or health and safety.

"Noxious Substance" shall mean any substance defined as a contaminant pursuant to Environmental Laws.

The Tenant shall at all times comply with all Environmental Laws and not permit the release of any Noxious Substance and shall indemnify and save the Landlord harmless from any breach thereof. In the event that as a result of an act or omission of the Tenant, its employees, agents, contractors, invitees or other person for whom the Tenant is at law responsible, there is a breach of any Environmental Law or the release of any Noxious Substance, the Landlord shall have the right to enter upon the Premises and rectify such situation and the Tenant shall forthwith upon demand pay the cost of such rectification plus 15% for the Landlord's administration fee in addition to any other remedy of the Landlord. This provision shall survive the termination of this Lease. In the event that the said breach adversely effects the use of other premises within the Building or is of a continuing nature, the Landlord shall in addition to any other rights it may have, have the right to terminate the Lease.

10.09 NUISANCE

The Tenant shall not do or permit to be done or omitted anything which could damage the Complex or injure or impede the business of the Tenant or of other tenants in the Complex or which shall or might result in any nuisance in or about the Premises, whether to the Landlord, any tenant of the Complex or any other party, the whole as determined by the Landlord, acting reasonably. In any of the foregoing events, the Tenant shall forthwith remedy the same and if such thing or condition shall not be so remedied, the Landlord may, after such notice, if any, as the Landlord may deem appropriate in the circumstances, correct such situation at the expense of the Tenant and the Tenant shall pay such expense to the Landlord as Additional Rent.

**ARTICLE 11.0 -CLEANING, REPAIR**

**11.01 CLEANING**

- (a) The Tenant shall keep the Premises and, without limitation, the inside and outside of all glass, windows and doors of the Premises and all exterior surfaces of the Premises, in a neat, clean and sanitary condition and shall not allow any refuse, garbage or other loose or objectionable or waste material to accumulate in or about the Premises but rather shall dispose of the same in accordance with the Rules and Regulations.
- (b) The Tenant shall, immediately before the termination of the Term, wash the floors, windows, doors, walls and woodwork of the Premises and shall not, upon such termination, leave upon the Premises any refuse, garbage or waste material.
- (c) The Tenant shall pay for its own janitor service, cleaning of debris, removal of garbage and such other costs as may be incurred in cleaning in accordance with this Section 11.01.
- (d) In the event the Tenant fails to clean in accordance with this Section 11.01 upon notice so to do from the Landlord, the Landlord may clean the same and the Tenant shall pay to the Landlord as Additional Rent the cost thereof forthwith upon demand.

**11.02 TENANT'S REPAIRS**

- (a) The Tenant shall repair the Premises, always excepting reasonable wear and tear and repairs which are the responsibility of the Landlord pursuant to this ARTICLE 11.0, but including any damage to or breakage of glass, plate glass, shop windows, mouldings, storefronts, signs, doors, hardware, lighting, wiring, plumbing, heating and ventilating and other equipment, improvements partitions, walls, fixtures, thresholds and all trade fixtures and furnishings of the Tenant or otherwise in or for the Premises, and shall redecorate as required and maintain in good condition the interior of the Premises, any appurtenances thereto, any improvements now or hereafter erected or installed therein and any apparatus or equipment of the Tenant therein or therefor, provided, however, that the Tenant's obligation to repair shall not include repairs to the roof or to structural or other outside walls (except plate glass and all doors, grills and/or sliding panels leading from the Premises) of the Premises unless the need to repair is caused by the default or negligence of the Tenant, its agents, employees, invitees or licensees, in which case the Landlord shall repair and the Tenant shall pay to the Landlord as Additional Rent the cost thereof forthwith upon demand.
- (b) The Tenant shall keep well-painted at all times the interior of the Premises in accordance with the reasonable requests of the Landlord, using colours which shall first be approved in writing by the Landlord; shall keep all plumbing facilities within the Premises and all drains therefrom in good repair and working order; will not enter, nor will it cause, suffer or permit entry, on to any roof in the Complex, without being accompanied by an authorized representative of the Landlord, and will not make any opening in the roof without the prior written consent of the Landlord.
- (c) The Tenant, its employees or agents shall not mark, paint, drill or in any way deface any walls, ceilings, partitions, floors, wood, stone or ironwork without the written approval of the Landlord.
- (d) The Tenant shall install and maintain any fire detection or fighting equipment and emergency-lighting in the Premises, whether required by the Landlord, any government authority having jurisdiction, or any insurer, and whether required before or during the Term of this Lease. In the event that the Tenant's positioning off its fixtures or other equipment requires adjustments to the sprinkler system the same will be done by the Landlord at the Tenant's expense.
- (e) The Tenant shall be responsible for the costs of all repairs and replacements to the HVAC system servicing the Premises.

**11.03 VIEW REPAIRS**

The Landlord may enter the Premises at any reasonable time during business hours and at any time during any emergency to view the state of repair and the Tenant shall repair according to notice in writing from the Landlord so to do, subject to the exceptions contained in this ARTICLE 11.0.

11.04 LANDLORD MAY REPAIR

If the Tenant fails to repair according to notice from the Landlord within fourteen (14) days of receipt thereof, the Landlord may make such repairs without liability to the Tenant for any loss or damage that may occur to the Tenant's merchandise, fixtures or other property or to the Tenant's business by reason thereof, and upon completion thereof, the Tenant shall pay as Additional Rent the Landlord's costs for making such repairs plus fifteen percent (15%) thereof for overhead and supervision, such payment to be made on presentation of an invoice therefor.

11.05 LANDLORD'S REPAIRS

- (a) The Landlord shall make all repairs or replacements to the heating and ventilating apparatus of the Complex, other than such apparatus as may be the property of or installed by or located within the premises of a tenant of the Complex, including the Tenant.
- (b) The Landlord shall be responsible for all structural repairs to the Premises, repairs to the roof, foundations and bearing structure of the Complex and repairs of damage to the Complex caused by perils against which the Landlord is obligated to insure hereunder.
- (c) Notwithstanding the other provisions of this Section 11.05, the Landlord shall not be obligated to make repairs or replacements caused by any default or negligence of the Tenant, its agents, employees, invitees or licensees, which repairs and replacements may be made by the Landlord at the Tenant's cost in like manner to the provisions of Section 11.04.
- (d) The Landlord shall not be liable for any loss or damage to any person or property for its failure to repair in accordance with this Section 11.05, unless such loss or damage is caused by the intentional default or gross negligence of the Landlord and is not specifically excepted pursuant to Section 15.02.
- (e) The Landlord shall keep painted those parts of the exterior of the Premises requiring painting other than the Tenant's storefront or such other parts of the exterior as may have been installed by or at the request of the Tenant.
- (f) In fulfilling its obligations pursuant to this Section 11.05, the Landlord shall be entitled to enter the Premises and shall act as expeditiously as is reasonably possible in the circumstances.
- (g) Nothing contained in this Section 11.05 shall derogate from the provisions of ARTICLE 13.0.

**ARTICLE 12.0 - ALTERATIONS, FIXTURES**

12.01 TENANT'S ALTERATIONS

- (a) The Tenant shall have the right to make any alterations and improvements of the Premises except to the structural portions thereof including the installation of trade fixtures, exterior signs, floor covering, interior lighting, plumbing fixtures, shades, awnings, exterior decorations upon receipt of the Landlord's written approval thereto, such consent not to be unreasonably withheld in the case of alterations, additions as improvements to the interior of the Premises.
- (b) All fixtures installed by the Tenant shall be new, provided that the Tenant may install its usual trade fixtures in its usual manner so long as such installation has first been approved by the Landlord and does not damage the structure of the Complex.
- (c) The Tenant shall not install in or for the Premises any special locks, safes, apparatus for illumination, air-conditioning, cooling, heating, refrigerating, or ventilating the Premises without first obtaining the Landlord's written approval thereto.
- (d) When seeking the approval of the Landlord as required by this Section 12.01, the Tenant shall present to the Landlord plans and specifications of the proposed work and shall pay the expense of any consultants retained by the Landlord to review the said plans and specifications. The Tenant will ensure that all work authorized by this Section 12.01 shall be in compliance with all applicable laws, by-laws and codes.

- (e) The Tenant shall promptly pay all contractors, material suppliers and workmen so as to minimize the possibility of a lien attaching to the Premises and/or the Complex and should any claim of lien be made or filed the Tenant shall discharge the same in accordance with Section 15.03.

#### 12.02 EFFECT OF ALTERATIONS

The Tenant acknowledges that the erection of partitions, modification of window and door areas or other major alterations or changes in the Premises may reduce those certain temperature specifications set forth in Section 8.02, in respect of which performance reduction the Tenant shall have no claim against the Landlord.

#### 12.03 REMOVAL OF FIXTURES

- (a) So long as the Tenant is not in default hereunder at the expiration of the Term, the Tenant shall then have the right to remove its trade fixtures but shall make good any damage caused to the Premises resulting from the installation or removal thereof; provided that on such expiration of the Term all alterations, additions, improvements and fixtures constructed and installed in the Premises and attached in any manner to the floors, walls or ceiling including any floor covering and light fixtures, are hereby deemed not to be trade fixtures and shall remain upon and be surrendered with the Premises and become the property of the Landlord absolutely, except to the extent the Landlord requires removal thereof pursuant to Section 12.03(d).
- (b) If the Tenant fails to remove its trade fixtures and restore the Premises as aforesaid, all such trade fixtures shall become the property of the Landlord except to the extent that the Landlord continues to require removal thereof pursuant to Section 12.03(d).
- (c) Should the Tenant abandon the Premises or should this Lease be terminated before the proper expiration of the Term due to a default on the part of the Tenant then, in such event, at the expiration of the applicable notice period, all trade fixtures and furnishings of the Tenant (whether or not attached in any manner to the Premises) shall, except to the extent the Landlord requires the removal thereof pursuant to Section 12.03(d), become and be deemed to be the property of the Landlord, without indemnity to the Tenant and as additional liquidated damages in respect of such default but without prejudice to any other right or remedy of the Landlord.
- (d) Notwithstanding that any trade fixtures, furnishings, alterations, additions, improvements or fixtures are or may become the property of the Landlord pursuant to the other provisions of Section 12.03, the Tenant shall forthwith remove the same and shall make good any damage caused to the Premises resulting from the installation or removal thereof, all at the Tenant's expense, should the Landlord so require by notice to the Tenant and whether or not the Term of this Lease has expired or otherwise been terminated.
- (e) If the Tenant, after receipt of a notice from the Landlord pursuant to Section 12.03(d), fails to promptly remove any trade fixtures, furnishings, alterations, additions, improvements and fixtures in accordance with such notice, then the Landlord may enter into the Premises and remove therefrom all or part of such trade fixtures, furnishings, alterations, additions, improvements and fixtures without any liability and at the expense of the Tenant, which expense shall forthwith be paid by the Tenant to the Landlord.

#### 12.04 LANDLORD'S ALTERATIONS

- (a) The Landlord reserves the rights to:
  - (i) make any changes or additions to the equipment, appliances, pipes, conduits, ducts or structures of any kind in the Premises where necessary to serve adjoining premises or other parts of the Complex;
  - (ii) alter the location and nature of the Common Areas including the Parking Areas and including reducing the number of Parking spaces or changing the layout of the Parking Areas and erect additions thereto or extend any part of the Common Areas;
  - (iii) make alterations or additions to the buildings and facilities of the Complex;

- (iv) build additional stores or construct other buildings or improvements in or adjacent to the Complex from time to time and make alterations thereof or additions thereto; and
  - (v) build additional stories on any buildings in the Complex and to build adjoining the same.
- (b) The aforementioned rights may be exercised by the Landlord in its unfettered discretion and without any claim for damages or indemnification against the Landlord, its employees or agents and without diminution or abatement of rent except during any period of time during which the Tenant is unable to carry on business with the public because of the exercise of such rights by the Landlord. In the event that such exercise results in a change in the Floor Area or Gross Leaseable Area, the Semi-Gross Rent and Tenant's proportionate share of Additional Rent payable thereafter shall be recalculated in the manner set forth in Section 4.02, but without any adjustment with respect to any earlier payment of either Semi-Gross Rent or the Tenant's Proportionate Share of Additional Rent. If an excavation shall be made upon lands or premises adjacent to the Premises, the Tenant shall afford to the person causing or authorized to cause such excavation, licence to enter upon the Premises for the purpose of doing such work as the Landlord may deem necessary to preserve the building of which the Premises form a part from injury or damage and to support same by proper foundations
- (c) In the event that the Landlord requires the Premises as a result of the exercise by the Landlord of the aforementioned rights, the Landlord on at least eight (8) months prior notice, may require the Tenant to move into new Premises on a temporary or permanent basis. The new premises to the extent as is possible shall be in a reasonably comparable location and having approximately the same area. In the event the Landlord exercises its right to relocate the Tenant into new premises, the Landlord shall pay, without duplication and upon being furnished with invoices or other proof of payment reasonably satisfactory to the Landlord, the reasonable direct out-of-pocket costs incurred by the Tenant solely as a result of such relocation. In no case will the Tenant be reimbursed or compensated for indirect costs or damages including overhead, overtime charges or loss of profits.

#### 12.05 ADJUSTMENT OF FLOOR AREA

In the event that the Floor Area set out in Section 1.01(e) is thought by a party to this Lease to be incorrect, such party may cause the Premises to be measured by the Landlord's architect and the Floor Area shall be revised accordingly with a corresponding adjustment in Semi-Gross Rent and the Tenant's Proportionate Share of Additional Rent pursuant to Section 4.02.

### **ARTICLE 13.0- SUBSTANTIAL DAMAGE AND DESTRUCTION, EXPROPRIATION**

#### 13.01 NO ABATEMENT

If during the Term the building in which the Premises or any part thereof is situate shall be destroyed or damaged by any cause whatsoever such that the Premises are rendered unfit for occupancy by the Tenant, the rent hereby reserved shall not abate in whole or part except to the extent that such rental loss is recovered by the Landlord under any policies of insurance against such loss which the Landlord may have taken out.

#### 13.02 SUBSTANTIAL DESTRUCTION

In the event of damage or destruction of the Premises, or of any other portion of the Complex, whether or not the Premises be affected thereby, to the extent that, in the reasonable opinion of the Landlord:

- (a) the cost of repair, restoration or reconstruction exceeds fifty percent (50%) of the replacement cost (excluding foundation and excavation costs) of such damaged or destroyed portions of the Complex; and
- (b) the repair, restoration or reconstruction cannot, with the exercise of reasonable diligence, be accomplished to enable such portions of the Complex to reopen for business within six (6) months of the date of such damage or destruction;

then the Landlord may within sixty (60) days after such damage or destruction and on giving thirty (30) days written notice to the Tenant declare this Lease terminated forthwith and in such event, the Term shall be deemed to have expired and the Tenant shall deliver up possession of the Premises accordingly, rent shall be apportioned and shall be payable up to the date of termination stated in such notice and the

Tenant shall be entitled to be repaid by the Landlord any rent paid in advance and unearned or an appropriate portion thereof.

13.03 ARCHITECT'S CERTIFICATE

The certificate of the Landlord's architect certifying that damage or destruction has occurred to the extent set forth in Section 13.02 shall be binding and conclusive upon the Tenant for the purposes hereof.

13.04 REBUILDING

If this Lease is not terminated pursuant to Section 13.02, and the Landlord recovers insurance for such damage or destruction pursuant to Section 9.02, the Landlord shall cause such damage or destruction to be repaired, restored or reconstructed, save as to items which are the responsibility of the Tenant pursuant to Section 11.02. The Landlord may make changes to the Complex in the event of the reconstruction.

13.05 EXPROPRIATION

- (a) If during the Term, title is taken to the whole or any part of the Complex (whether or not such part includes the Premises) by any competent authority under the power of eminent domain or by expropriation, which taking, in the reasonable opinion of the Landlord, does not leave a sufficient remainder to constitute an economically viable Complex, the Landlord may at its option terminate this Lease on the date possession is taken by or on behalf of such authority. Upon such termination, the Tenant shall immediately deliver up possession of the Premises, rent shall be payable up to the date of such termination and the Tenant shall be entitled to be repaid by the Landlord any rent paid in advance and unearned or an appropriate portion thereof.
- (b) In the event of any such taking, the Tenant shall have no claim upon the Landlord for the value of its property or the unexpired portion of the Term, but the parties shall each be entitled to separately advance their claims for compensation for the loss of their respective interests and to receive and retain such compensation as may be awarded to each respectively. If an award of compensation made to the Landlord specifically includes an award for the Tenant, the Landlord will account therefor to the Tenant.

13.06 TERMINATION ON DEMOLITION

If at any time the Landlord shall have decided to substantially re-develop or re-construct the Complex to the extent that vacant possession of the Premises is necessary or expedient, or to demolish the building of which the Premises are a part, the Landlord may terminate this Lease by giving six (6) months' notice in writing to the Tenant. Provided that if the Landlord is not ready to commence work as of the effective date of the termination the Tenant may stay, at the Landlord's option, on as a monthly tenant on the same lease terms until the earlier of thirty (30) days before the work is ready to be commenced or the end of the lease term as otherwise determined.

**ARTICLE 14.0 - ASSIGNMENT AND SUBLETTING**

14.01 ASSIGNING OR SUBLETTING

- (a) The Tenant shall not assign this Lease in whole or in part nor sublet all or any part of the Premises without the prior written consent of the Landlord in each instance, which consent shall not be unreasonably withheld so long as the proposed assignment or sublease complies with the provisions of this Section 14.01. The Tenant may not, under any circumstances, sublet only a portion of the Premises. If the proposed assignee or subtenant is not, in the Landlord's opinion, of equal or better credit worthiness as the Tenant, it shall not be deemed to be unreasonable for the Landlord to require such further covenants or a security deposit to be given as a condition of the consent.
- (b) Notwithstanding any assignment or sublease, the Tenant shall remain fully liable on this Lease and shall not be released from performing any of the terms, covenants and conditions of this Lease.
- (c) If the Lease is assigned or if the Premises are sublet or occupied by anybody other than the Tenant, the Landlord may collect rent directly from the assignee, subtenant or occupant, and apply the net amount collected, or the necessary portion thereof, to the rent herein reserved.
- (d) No assignment or sublease shall be made or proposed other than to responsible persons, firms, partnerships or bodies corporate who undertake to perform and observe the

obligations of the Tenant hereunder by entering into an assumption agreement directly with the Landlord on a form to be prepared by the Landlord at the Tenant's expense.

- (e) the prohibition against assigning or subletting, without the consent required by this Section 14.01, shall be construed to include a prohibition against any assignment or sublease by operation of law.
- (f) The consent by the Landlord to any assignment or sublease shall not constitute a waiver of the necessity for such consent to any subsequent assignment or sublease.
- (g) Notwithstanding any assignment, sub-letting, transfer or other event referred to in this Article, the Tenant and any Indemnifier shall not be relieved of liability by any subsequent amendment of the terms hereof between the Landlord and the assignee or any other party or any granting of time, renewals, extensions, indulgences, releases, discharges or other arrangements with the assignee or any other party. Any assignment or other document effecting a transaction to which the Landlord's consent is required shall be in a form satisfactory to the Landlord. Any assignment or sublease shall at the Landlord's option be on the Landlord's form and shall in any event contain a covenant by the assignee or the sublessee with the Landlord that it will observe and perform all of the Tenant's obligations contained in this Lease. Any such document shall be reviewed by the Landlord and its solicitors or prepared by them all at the expense of the Tenant. The Landlord shall be entitled to the receipt of any rental in excess of that payable hereunder or consideration received by the Tenant from an assignee or subtenant as a result of such sublease or assignment which consideration is in excess of the fair market value of the Tenant's fixtures or business being sold to such permitted assignee or subtenant. The Tenant shall provide such information as is reasonably requested by the Landlord including a copy of the Agreement of Purchase and Sale, the proposed form of sublease or assignment and information concerning the proposed assignee as is necessary to evaluate the proposed subtenant.
- (h) If the Tenant shall request the Landlord's consent (except for mortgaging or similar purposes) under this Article to a party not continuing the business of the Tenant in the Premises, the Landlord shall have an option to terminate this Lease or in the event of a Sublease of part of the Premises with respect to that part being sublet. Such option shall be exercisable by notice delivered by the Landlord to the Tenant within fifteen (15) days of the request for consent. If the Landlord so exercises its option, the Tenant shall have the right within fifteen (15) days to withdraw its request for consent by notice in writing to the Landlord, and in that event, the exercise of the option by the Landlord and the request for consent shall have no further force and effect according to its terms (including this provision).

#### 14.02 BULK SALE

No bulk sale of the goods and assets of the Tenant may take place without first obtaining the written consent of the Landlord, which consent shall not be unreasonably withheld so long as the Tenant and the purchaser are able to provide the Landlord with assurances, in a form satisfactory to the Landlord, that the Tenant's obligations hereunder will continue to be performed and respected, in the manner satisfactory to the Landlord, after completion of the said bulk sale.

#### 14.03 ADVERTISING FOR SUBLEASE

For purposes of ensuring confidentiality of this Lease, the Tenant shall not print, publish, post, mail, display, broadcast or otherwise advertise or offer the whole or any part of the Premises for the purposes of assignment, sublease, transfer or encumbrance, and shall not permit any broker or other party to do any of the foregoing, unless the complete text and format of any such notice, advertisement or offer shall first have received the Landlord's written consent, which shall not be unreasonably withheld. In no event shall any such text or format contain any reference to the rent payable in respect of the Premises.

#### 14.04 SUBORDINATION AND ATTORNMENT

- (a) This Lease is subordinate to any mortgage or mortgages, or lien resulting from any other method of financing or refinancing, now or hereafter in force against the Complex or any part thereof, as now or hereafter constituted, and to all advances made or hereafter to be made upon the security thereof. Upon the request of the Landlord and by way of such document as may be required by the Landlord, the Tenant shall evidence its subordination.
- (b) The Tenant shall, in the event any proceedings are brought, whether in foreclosure or by way of the exercise of the power of sale or otherwise, under any mortgage or other

method of financing or refinancing made by the Landlord in respect of the Complex, attorn to the encumbrancer upon any such foreclosure or sale and recognize such encumbrancer as the Landlord under this Lease, should such encumbrancer so elect and require by notice in writing to the Tenant. The Tenant acknowledges that upon receipt of notice requiring it to attorn in accordance herewith, it shall be deemed to attorn without the necessity for any written acknowledgement.

- (c) No subordination or attornment as required by this Section 14.04 shall have the effect of disturbing the Tenant's occupation and possession of the Premises, provided that the Tenant is not in default hereunder and complies with all of the covenants, terms and conditions hereof.

#### 14.05 ESTOPPEL CERTIFICATE, ACKNOWLEDGEMENTS

- (a) Whenever requested by the Landlord or an encumbrance holder or other third party having an interest in the Complex, the Tenant shall promptly, and in any event, within ten (10) days of request, execute and deliver an estoppel certificate or other form of certified acknowledgement as to the status and validity or otherwise of this Lease, and the state of the rental account hereunder, and such other information as may reasonably be required, including a copy of the Tenant's most recent audited financial statements.
- (b) On request of the Landlord, the Tenant shall execute an acknowledgement of the commencement date, which acknowledgement shall be in such form as may be reasonably required by the Landlord, and the Tenant shall transmit such acknowledgement to the Landlord forthwith.

#### 14.06 SALE BY THE LANDLORD

The Landlord shall use reasonable efforts to obtain from any proposed purchaser or transferee of the Complex an agreement to the effect that the Tenant's occupancy of the Premises shall not be disturbed by such purchaser or transferee. The Landlord named herein shall be relieved of any obligation hereunder arising from and after the date of completion of such sale or transfer.

### ARTICLE 15.0 - INDEMNITY, LIENS

#### 15.01 TENANT'S INDEMNITY

The Tenant shall indemnify and save harmless the Landlord its managers, agents, mortgagees, and their respective employees, directors, officers and contractors of and from all loss and damage and all fines, expenses, costs, suits, claims, demands, actions and liabilities of any kind or nature for which the Landlord shall or may become liable, incur or suffer by reason of the occupancy and use of the Premises by the Tenant, a breach, violation or non-performance by the Tenant of any covenant, term or provision hereof or by reason of any construction or other liens for any work done or materials provided or services rendered for improvements, alterations, or repairs, made by or on behalf of the Tenant to the Premises, or by reason of any injury occasioned to or suffered by any person or damage to any property, by reason of any wrongful act, neglect or default on the part of the Tenant or any of its employees, agents, contractors, customers, licensees or invitees.

#### 15.02 PERSONAL INJURY AND PROPERTY DAMAGE

- (a) The Landlord shall not be liable or responsible in any way for any personal or consequential injury of any nature whatsoever that may be suffered or sustained by the Tenant or by any other person who may be upon the Premises, or for any loss or damage however caused to any property belonging to the Tenant or to its employees, agents, customers, licensees, invitees or any other person while such property is in or about the Premises save for any grossly negligent or maliciously wrongful act of the Landlord.
- (b) Without limiting the generality of the foregoing, the Landlord shall not be liable for:
  - (i) any injury or damage of any nature whatsoever to any person or property caused by failure, by reason of breakdown or other cause, to supply adequate drainage, snow or ice removal, or by interruptions of any utility or elevator or escalator or other services, or by steam, water, rain, snow, or other substances leaking into, issuing or flowing into any part of the Premises or from the water, steam, sprinkler or drainage pipes or plumbing of the Complex or from any other place or quarter, or for any damage caused by anything done or omitted to be done by any other tenant;

- (ii) n/a;
- (iii) loss or damage, however caused, to books, records, filed, money, securities, negotiable instruments, papers or other valuables of the Tenant; or
- (iv) under any circumstances, any indirect, consequential or business losses of the Tenant.

15.03 LIENS

The Tenant will, immediately upon demand by the Landlord, remove or cause to be removed, and thereafter institute and diligently prosecute any action pertinent thereto, any construction or other lien or claim of lien noted or filed against or otherwise constituting an encumbrance on any title of the Landlord. Without limiting the foregoing obligations of the Tenant, the Landlord may cause the same to be removed or may settle any such lien or claim, in which case the Tenant shall pay to the Landlord as Additional Rent the cost thereof, including the Landlord's legal costs on a solicitor and his own client basis, plus an administration fee of 15% , forthwith upon demand.

**ARTICLE 16.0 - DEFAULT, REMEDIES, TERMINATION**

16.01 DEFAULT

If and whenever:

- (a) the Tenant shall be in default in the payment of any rent, whether hereby expressly reserved or deemed as such, or any part thereof on the due date on which the Tenant is to make such payment or, in the absence of such specific due date, for the ten (10) days following written notice by the Landlord requiring the Tenant to rectify the same; or
- (b) the Tenant's leasehold interest hereunder, or any goods, chattels or equipment of the Tenant located in the Premises, shall be taken or seized in execution or attachment, or if any writ of execution shall issue against the Tenant, or the Tenant shall become insolvent or commit an act of bankruptcy or become bankrupt or take the benefit of any legislation that may be in force for bankrupt or insolvent debtors or become involved in voluntary or involuntary winding up, dissolution or liquidation proceedings, or if a receiver shall be appointed for the business, property, affairs or revenues of the Tenant; or
- (c) the Tenant shall fail to commence, diligently pursue and complete the Tenant's Work to be performed pursuant to any Agreement or Offer to Lease pertaining to the Premises or other agreement signed by the parties or fail to open for business when required, or vacate or abandon the Premises or threaten or commence to do so, or otherwise cease to conduct business from the Premises, or use or permit or suffer the use of the Premises for any purpose other than as set forth in Section 1.01(h), make a bulk sale of its goods and assets which has not been consented to by the Landlord in accordance with Section 14.02 or move, commence, attempt or threaten to move its goods, chattels and equipment out of the Premises other than in its routine course of the business, or part with possession of the Premises except as permitted in ARTICLE 14.0 hereof; or
- (d) the Tenant shall not observe, perform and keep each and every of the covenants, agreement, stipulations, obligations, conditions and other provisions of this Lease to be observed, performed and kept by the Tenant and shall persist in such default, in the case of monetary payments, beyond the period stipulated in paragraph (a) aforesaid or, in the case of any other default, after fourteen (14) days following written notice from the Landlord requiring that the tenant remedy, correct or comply or, in the case of any such default which would reasonably require more than fourteen (14) days to rectify, unless the Tenant shall commence rectification within the said fourteen (14) day notice period and thereafter promptly and diligently and continuously proceed with the rectification of any such default;

then, and in each of such cases, and at the option of the Landlord, this Lease may be terminated and the Term shall then immediately become forfeited and void, and the Landlord may without notice or any form of legal process whatever forthwith re-enter the Premises or any part thereof and in the name of the whole repossess and enjoy the same as of its former estate, anything contained herein or in any Statute or law to the contrary notwithstanding. Notwithstanding any such termination, the provisions of this Lease relating to the consequences of termination shall survive. For the purposes of this Lease any of the events listed in Section 16.01 hereof may be referred to herein as an "Event of Default".

16.02 LANDLORD'S RIGHTS

On the occurrence of an Event of Default in addition to any rights of the Landlord at law or by Statute, the Landlord shall have the right to exercise on or more of the following remedies;

- (a) The Landlord may perform any obligations which the Tenant should have performed or cause the same to be performed and for such purpose may enter upon the Premises and do such things thereon as the Landlord may consider requisite without effecting a termination of this Lease;
- (b) The Landlord may enter the Premises by force or otherwise at any time of the day or night and distrain upon the goods and chattels of the Tenant, or may remove and sell the goods, chattels and equipment of the Tenant without any notice or form of legal process, any rule of law to the contrary notwithstanding, and the Landlord may seize and sell the goods and chattels and the equipment, whether they are within the Premises or at any place to which the Tenant or any other person may have removed them in the same manner as if they had remained and been distrained upon in the Premises and the Landlord may follow the goods and chattels for the maximum period permitted by law, and any sale by the Landlord may, in its sole and absolute discretion be effected by public auction or private contract and either in bulk or by individual items, or partly by one means and partly by the other, and for such purpose the Landlord may at the Tenant's expense, employ such bailiffs or agents as it deems appropriate and the Landlord may distrain on the goods and chattels and remove them from the Premises, or if it sees fit leave them on the Premises, and to secure the goods and chattels it may change the locks or take other security measures on the Premises without effecting a termination of this Lease.
- (c) The Landlord may remove the goods, chattels, equipment and fixtures of the Tenant from the Premises and store them in a public warehouse or elsewhere at the cost of and for the account of the Tenant.
- (d) In order to re-let the Landlord may take possession of the Premises as agent of the Tenant and effect such alterations and repairs as it may deem necessary or advisable for the purpose of such re-letting, and it may re-let the Premises or any part thereof for such term or terms and such rental or rentals and upon such other terms and conditions as the Landlord, in its sole discretion, may deem advisable. Upon such re-letting, all rentals received by the Landlord from such re-letting shall be applied first to the payment of the Landlord's costs and expenses of such re-letting and costs of such alterations and repairs; second to the payment of any indebtedness other than Rent due from the Tenant to the Landlord; third to the payment of arrears of Rent; fourth to the payment of Rent as it falls due; and the residue, if any, shall be held by the Landlord for the account of the Tenant without interest until the end of the Term. No such re-letting nor the receipt of any such rentals from any new Tenant shall exonerate the Tenant from its obligations to pay Rent hereunder as it falls due, nor shall the creation of the relation of the Landlord and Tenant between the Landlord and any party to whom the Premises may have been re-let in any way terminate this Lease.
- (e)
  - (i) The Landlord may terminate this Lease by commencing legal action or by notice to the Tenant. Such termination may be effected either at or after the time of the breach or at any later time and notwithstanding that the Landlord may have exercised any of its other remedies including that set out under subsection (d) hereof. In the event that the Landlord or anyone claiming under it or to whom it has rented the Premises is in possession under the provisions of subsection (d) hereof, the Landlord may at any time terminate this Lease by notice to the Tenant and thereafter any then existing or later Lease of the Premises shall be for the account of the Landlord notwithstanding that such Lease may originally have been entered into as agent for the Tenant. If the Landlord enters the Premises without notice to the Tenant as to whether it is terminating this Lease under subsection (e) or proceeding under subsection (d) or any other provision of this Lease, the Landlord shall be deemed to be proceeding under subsection (d) and the Lease shall not be terminated, nor shall there be any surrender by operation of law, but the Lease shall remain in full force and effect until the Landlord notifies the Tenant that it has elected to terminate this Lease. No entry by the Landlord during the term shall have the effect of terminating this Lease without notice to that effect to the Tenant.
  - (ii) In the event of the occurrence of a default, the Landlord may at its option terminate the Lease which termination shall be deemed to have taken place the day prior to the event of default having occurred.

- (f) The Landlord shall be entitled to damages from the Tenant for breach of this Lease. If it should be necessary to determine the present value of any item of Rent, such present value shall be determined using a discount rate equal to the prime rate of The Toronto-Dominion Bank at the time less one (1%) percentage point.
- (g) At the option of the Landlord, but only in the event of bankruptcy of the Tenant the full amount of the current month's Rent and the next ensuing three (3) months' Rent shall accelerate and shall immediately become due and payable.
- (h) On any termination for default, all fixtures, Tenant's improvements or other installations in the Premises, which in law are fixtures or a part of the realty or are attached, affixed to or incorporated into or with the immovable properties situated in or upon the Building and which are not the property of the Landlord, shall at the Landlord's option forthwith become the property of the Landlord, and whether or not such fixtures are in the nature of Tenant's trade fixtures, and whether or not they would be removable by the Tenant at the expiry of the term if there had been no default.
- (i) At the option of the Landlord, to take any action to which it would be entitled if it were a secured creditor of the Tenant pursuant to the Personal Property Security Act and for the purposes thereof this Lease shall be constituted a Security Agreement for Rent owed and owing pursuant to the said Act. The Tenant hereby grants to the Landlord a continuing security interest over all its property and undertaking as security for the Rents payable hereunder.

#### 16.03 INTEREST AND COSTS

Whenever the Landlord takes any proceedings, sends any notices, does any work, or otherwise incurs any expense or trouble or takes any action with respect to any default by the Tenant, or the Tenant is late in making any payment hereunder and whether or not legal proceedings are begun or considered in consequence of such default, and whether or not this Lease is terminated; the Landlord shall be entitled to be paid by the Tenant forthwith on demand in addition to any other amounts which may be payable or owing hereunder, all of the following which shall be deemed to be Rent payable:

- (a) The cost of effecting any repairs or performing any obligation of the Tenant, together with an allowance of fifteen percent (15%) for the Landlord's overhead and supervision;
- (b) The Landlord's costs and expenses in preparing the Premises for re-letting in such manner as in its sole and absolute discretion it deems necessary or advisable, together with an allowance of fifteen percent (15%) for the Landlord's overhead and supervision;
- (c) The Landlord's Court costs, collection costs, and legal fees as between a solicitor and his own client;
- (d) Interest on Rent and any other amounts overdue under the terms of this Lease and on any monies expended by the Landlord in consequence of any default by the Tenant at the rate per annum which is equal to the prime rate of The Toronto-Dominion Bank at the time of calculation plus two (2%) percentage points calculated and compounded monthly for each day such amount or part thereof remains outstanding; and
- (e) Any other costs, charges or expenses, which the Landlord incurs or to which it is put, and which would not have been necessary at the time at which they were incurred but for the default of the Tenant.

#### 16.04 WAIVER BY TENANT

Intentionally deleted.

#### 16.05 REMEDIES CUMULATIVE

No reference to or exercise of any specific right or remedy by the Landlord shall prejudice or preclude the Landlord from any other remedy, whether allowed at law or in equity or expressly provided for herein. No such remedy shall be exclusive or dependent upon any other such remedy, but the Landlord may from time to time exercise any one or more of such remedies independently or in combination. Without limiting the generality of the foregoing, the Landlord shall be entitled to commence and maintain an action against the Tenant to collect any rent not paid when due, without exercising the option to terminate this Lease pursuant to Section 16.01. The failure by the Landlord to enforce any term or covenant or obligation of the Tenant contained herein shall not be deemed to be a waiver of such term, covenant or obligation, or permission for any subsequent breach of the same, and the Landlord may at any time

enforce such term, covenant or obligation. The waiver by the Landlord of any breach of any term, covenant or obligation hereof shall not be deemed to be a waiver of such term, covenant or obligation with respect to any subsequent breach. The acceptance of Rent by the Landlord subsequent to any such breach shall not be deemed to be a waiver of such breach, whether or not the Landlord had knowledge of the breach at the time of acceptance of the Rent. No payment by the Tenant, or receipt by the Landlord of any Rent or other sum from the Tenant, nor any endorsement or statement on any cheque or letter accompanying payment, nor any other statement shall be deemed to be an "accord and satisfaction" or operate as a waiver or be deemed to waive any of the Landlord's rights with respect to the amount actually owing, and the Landlord may with or without notice to the Tenant accept such cheque or payment without prejudice to its rights to recover the balance actually owing or to pursue any other remedy to which it is entitled. The Landlord shall be under no obligation to the Tenant to enforce any provision of this Lease, or any provision of any other tenant.

16.06 LANDLORD NOT LIABLE

The Landlord shall not be liable for any loss or damage to the Tenant's property or business unless caused by the gross negligence or malicious wrongdoing of the Landlord.

16.07 FOR LEASE SIGNS

The Landlord shall have the right within six (6) months prior to the termination of the Term to place upon the Premises a notice, of reasonable dimensions and reasonably placed so as not to interfere with the business of the Tenant, stating that the Premises are to let and the Tenant shall not remove or obscure such notice or permit the same to be removed or obscured.

16.08 HOLDING OVER

If the Tenant continues to occupy the Premises with the consent of the Landlord after the expiration or other termination of the Term without any further written agreement and subject to immediate termination by the Landlord without notice, the Tenant shall be a monthly tenant at a minimum monthly rent equal to one and one-half times the Semi-Gross Rent as aforesaid) and Additional Rent as herein provided and subject always to all of the other provisions in this Lease insofar as the same are applicable to a month to month tenancy and a tenancy from year to year shall not be created by implication of law; provided that nothing herein contained shall preclude the Landlord from taking action for recovery of possession of the Premises such that the Tenant shall deliver possession of the demised premises pursuant to Section 16.10 of this Lease upon termination of such monthly tenancy.

16.09 WAIVER OF RIGHTS OF REDEMPTION

The Tenant hereby expressly waives any and all rights of redemption or relief from forfeiture granted by or under any present or future laws in the event of the Tenant being evicted or dispossessed from the Premises for any cause, or in the event or the Landlord obtaining possession of the Premises or of the Tenant's goods and chattels on the Premises, by reason of the default of the Tenant or otherwise.

16.10 VACATE UPON TERMINATION

At the termination of this Lease, whether by effluxion of time or otherwise, the Tenant shall vacate and deliver up possession of the Premises in the same condition as the Premises were in upon delivery of possession to the Tenant, subject to the exceptions from the Tenant's obligation to repair in accordance with Section 11.02, and subject to the Tenant's rights and obligations in respect of removal in accordance with Section 12.03, and shall surrender all keys to the Premises to the Landlord at the place then fixed for payment of rent and shall inform the Landlord of all combinations on locks, safes and vaults, if any, in the Premises.

**ARTICLE 17.0 - GENERAL PROVISIONS**

17.01 INDEMNIFIER

intentionally deleted.

17.02 APPROVALS

No provision in this Lease requiring the Landlord's consent or approval shall be deemed to have been fulfilled or waived unless the written consent or approval of the Landlord relating to the particular matter or instance has first been obtained and, without limiting the generality of the foregoing, no prior consent or approval and no condoning, excusing or overlooking by the Landlord on previous occasions when such a consent or approval was required shall be taken to operate as a waiver of the necessity of such consent or approval whenever required under this Lease.

17.03 LANDLORD'S PERFORMANCE

Notwithstanding anything in this Lease to the contrary, the Landlord shall be deemed not to be in default in respect of the performance of any of the terms, covenants and conditions of this Lease if any failure or delay in such performance is due to any strike, lockout, civil commotion, war-like operation, invasion, rebellion, hostilities, military or usurped power, sabotage, governmental regulations or controls, inability to obtain any materials, services or financing, Act of God, or other cause beyond the control of the Landlord.

17.04 RELATIONSHIP OF PARTIES

Nothing contained herein shall be deemed or construed by the parties hereto, nor by any third party, as creating the relationship of principal and agent or of partnership or of joint venture between the parties hereto, it being understood and agreed that neither the method of computation of rent nor any other provision contained herein, nor any acts of the parties herein, shall be deemed to create any relationship between the parties other than the relationship of landlord and tenant.

17.05 SOLE AGREEMENT AND SURVIVAL OF AGREEMENT TO LEASE

This Lease and any Agreement to Lease pertaining to the Premises and executed and delivered by or on behalf of the Tenant and the Landlord, set forth all of the warranties, representations, covenants, promises, agreements, conditions and understandings between the parties concerning the Premises and the Complex and there are no warranties, representations, covenants, promises, agreements, conditions or understandings, either oral or written, express or implied, between them other than as set forth in this lease, as modified pursuant to Section 17.06, or the said Agreement to Lease. The provisions of the said Agreement to Lease shall survive the execution and delivery of this Lease, provided that such provisions shall be deemed to be, and survive only as, covenants and not conditions and provided further that in the event of any conflict or contradiction between this Lease and the said Agreement to Lease, the provisions of this Lease shall prevail.

17.06 MODIFICATIONS

Except as herein otherwise provided, no subsequent alteration, amendment, change or addition to this Lease shall be binding upon the parties unless reduced to writing and signed by the parties. At the request of the Landlord, the Tenant and the Indemnifier shall execute and deliver a modification agreement reflecting the changes in this Lease resulting from an adjustment in Floor Area or an extension of the Termination Date or reflecting any other alteration, amendment, change or addition agreed to between the parties, provided that the failure of the Tenant or the Indemnifier to do so shall not mean that the Tenant or the Indemnifier are not bound by the provisions of this Lease with respect to the effect of any such adjustment in Floor Area or an extension of the Termination Date.

17.07 NO BROKERAGE COMMISSION

As part of the consideration for the granting of this Lease, the Tenant represents and warrants to the Landlord that no broker or agent (other than any broker or agent authorized in writing by the Landlord) negotiated or was instrumental in negotiating or consummating this Lease. Notwithstanding the foregoing, any broker or agent of the Tenant shall be paid by the Tenant to the exoneration of the Landlord.

17.08 APPLICABLE LAW, COURT, LANGUAGE

- (a) This Lease shall be governed and construed by the laws of the Province of Ontario.
- (b) The venue of any proceedings taken in respect of this Lease shall be at Toronto, Ontario, so long as such venue is permitted by law, and the Tenant shall consent to any applications by the Landlord to change the venue of any proceedings taken elsewhere to Toronto, Ontario.
- (c) The parties hereto have required that the present agreement and all deeds, documents or notices relating thereto be drafted in the English language.

17.09 REGISTRATION

- (a) Neither the Tenant nor anyone on the Tenant's behalf or claiming under the Tenant shall register this Lease or any permitted assignment or permitted sub-lease of this Lease or any document evidencing any interest of the Tenant in the Lease or the Premises, against the lands or any part thereof comprising the Complex or the Premises. If either party intends to register a document for the purpose only of giving notice of this Lease or of

any permitted assignments or permitted sub-lease of this Lease, then, upon request of such party, both parties shall join in the execution of a short form of this Lease (the "Short Form") solely for the purpose of supporting an application for registration of notice of this Lease or of any permitted assignment or permitted sub-lease. The form of the Short Form and of the application to register notice of this Lease or of any permitted assignment or permitted sub-lease shall (i) be prepared by the Landlord or its solicitors at the Tenant's expense; (ii) include therein a provision for, and require consent to, such registration by or on behalf of the Landlord; and (iii) only describe the parties, the Premises and the commencement date and expiration date of the Term. The Tenant agrees that registration, if any, of notice of this Lease or of any permitted assignment or permitted sub-lease by way of application pursuant to this section shall not proceed with respect to the entire Complex. The Landlord shall, in extending such consent, direct and identify from among the parcels of land comprising the Complex, the parcel or parcels within which the Premises are situate and any such notice shall be registered only against the title to such parcel or parcels. At the end of the Term the Tenant shall register an Application to Delete Notice of Lease from title at its sole cost and expense.

- (b) The Short Form shall contain a provision whereby the Tenant constitutes and appoints the Landlord and its nominees as the agent and attorney of the Tenant for the purpose of executing any instruments in writing required from the Tenant to give effect to this Section. All cost, expenses and taxes necessary to register or file the application to register notice of this Lease or of any permitted assignment or permitted sub-lease shall be the sole responsibility of the Tenant and the Tenant will complete any necessary affidavits required for registration purposes, including affidavits necessary to register a power of attorney contained in the Short Form. If requested by the Landlord, the Tenant shall execute promptly a power of attorney at any time and from time to time as may be required to give effect to this section.

#### 17.10 CONSTRUED COVENANT, SEVERABILITY

All of the provisions of this Lease are to be construed as covenants and agreements. Should any provision of this Lease be or become illegal, invalid or not enforceable, it shall be considered separate and severable from this Lease and the remaining provisions shall remain in force and be binding upon the parties hereto and be enforceable to the fullest extent of the law.

#### 17.11 TIME

Time shall be of the essence hereof.

#### 17.12 NOTICE

- (a) Any notice to be given hereunder shall be in writing and may be either delivered personally or sent by prepaid, registered or certified mail and, if so mailed, shall be deemed to have been given three (3) days following the date upon which it was mailed. The addresses of the parties for the purpose hereof shall be, in the case of the Landlord, the address of the Landlord set forth in Section 1.01(a)(ii), and to such other party as the Landlord may require, and in the case of the Tenant, the address set forth in Section 1.01(d) or, in the event that the address is not so set forth, at the address of the Premises, with a copy sent to the Co-Covenantor, if any, and in the case of the Indemnifier, if any, at the address set forth in Section 1.01(c), or at such other respective address as may be established pursuant to Section 17.12. Notwithstanding the foregoing, during the currency of any interruption in the regular postal service, any notice to the Tenant may be left at the Premises and shall be effective upon being so left.
- (b) Any notice or service required to be given or effected under any statutory provision or rules of Court from time to time in effect in the Province of Ontario shall be sufficiently given or served if mailed or delivered at the address as aforesaid or, in the case of a party which is a corporation, if mailed to the registered office or registered head office within Ontario of that corporation.
- (c) Any party hereto may at any time give notice in writing to another of any change of address of the party giving such notice and from and after the second day after the giving of such notice, the address therein specified shall be deemed to be the address of such party for the giving of notices hereunder.
- (d) Notwithstanding that the copy of any notice to the Tenant is not given to or received by the Indemnifier in accordance with Section 17.12, such notice to the Tenant shall be effective and valid as against both the Tenant and Indemnifier and the Landlord shall have all the rights and remedies contained in this Lease.

17.13 INDEX HEADINGS

The index, headings and any marginal notes in this Lease are to be inserted for convenience or reference only and shall not affect the construction of this Lease or any provision hereof.

17.14 NUMBER AND GENDER

Whenever the singular or masculine or neuter is used in this Lease, the same shall be construed to mean the plural or feminine or body corporate where the context of this Lease or the parties hereto may so require.

17.15 NO TRANSFER ON BANKRUPTCY

Neither this Lease nor any interest of the Tenant herein nor any estate hereby created will pass or enure to the benefit of any Trustee in bankruptcy or any receiver or any assignee for the benefit of creditors of the Tenant or otherwise by operation of law.

17.16 SUCCESSORS BOUND

All rights and liabilities herein given to, or imposed upon, the respective parties hereto shall extend to and bind the several respective heirs, executors, administrators, successors and assigns of the said parties and if there shall be more than one party described in Section 1.01(b), they shall all be bound jointly and severally by the terms, covenants and agreements herein on the part of the Tenant. No rights, however, shall enure to the benefit of any assignee of the Tenant unless the assignment to such assignee has been first approved by the Landlord in accordance with Section 14.01.

17.17 TENANT'S ACCEPTANCE

The Tenant hereby accepts this Lease of the Premises, subject to the conditions, restrictions and covenants set forth herein.

IN WITNESS WHEREOF the parties hereto have executed this Lease on the day and year first above written.

**CENTENNIAL HOUSE LIMITED**  
by its Authorized Agent and Manager  
Briarlane Rental Property Management Inc.

Per:   
Andrus Kung, A.S.O.  
I have authority to bind the Corporation

**THE CORPORATION OF THE CITY OF  
LONDON**

Per: \_\_\_\_\_  
Name:  
Title:

Per: \_\_\_\_\_  
Name:  
Title:  
We have authority to bind the Corporation

**SCHEDULE "A"**  
**RULES AND REGULATIONS**

1. **REFUSE**

- (a) All trash, rubbish, waste material and other garbage shall be kept within the Premises until the day of removal, such removal to be at the expense of the Tenant on a regular basis as determined by the Landlord.
- (b) The Tenant shall not burn any garbage in or about the Premises or anywhere within the Complex.
- (c) If the Tenant's garbage is of a deteriorating nature, creating offensive odours, the Tenant shall utilize and maintain at its cost and expense refrigerated facilities as required by the Landlord.
- (d) In the event the Landlord considers necessary, or otherwise consents in writing to, the placing of the Tenant's garbage outside the Premises, such garbage shall be placed by the Tenant in containers approved by the Landlord but provided at the Tenant's expense and kept at a location designated by the Landlord.

2. **OVERLOADING, SUSPENSION**

- (a) The Tenant shall not overload any floor of the Premises in excess of one hundred (100) pounds per square foot.
- (b) The Tenant shall not hang or suspend from any wall or ceiling or roof, or any other part of the Complex, any equipment, fixtures, signs or displays which are not first authorized by the Landlord.

3. **ELECTRICAL EQUIPMENT**

- (a) The Tenant shall at its sole cost and expense, install and maintain all necessary lighting fixtures, electrical equipment and wiring therefor.
- (b) If the Tenant requires any electrical equipment which might overload the electrical facilities in the Premises, the Tenant shall submit to the Landlord plans and specifications for works required to install and supply additional electrical facilities or equipment to prevent such overloading, and shall obtain the Landlord's written approval to perform such works, which shall meet all the applicable regulations or requirements of any government or other competent authority, the Association of Insurance Underwriters and the Landlord's insurers, all at the sole cost and expense of the Tenant.

4. **PLUMBING**

- (a) No plumbing facilities shall be used for any purpose other than that for which they were designed, and no foreign substance of any kind shall be thrown therein, and the expense of any breakage, stoppage or damage resulting from a violation of this provision by the Tenant or by any person for whom the Tenant is responsible shall be borne by the Tenant.
- (b) If the Tenant is engaged in a business required by law to have public-washroom accommodation with the Premises, the installation of water-closets and wash-basins and plumbing pertaining thereto and all finishing of such washroom shall be carried out by the Tenant at the Tenant's expense in accordance with the Landlord's specification. Additional water and drainage lines, as may be required for such installation, will be brought by the Landlord to the Premises at the Tenant's expense. Equipment to prevent clogging of the Landlord's drains shall be installed in the Premises by the Tenant at the Tenant's expense. Where the Leased Premises are leased as a restaurant or for any other purpose which the Landlord in its sole discretion is of the opinion that such clogging may result, the Tenant shall install grease traps or other equipment, as required by the Landlord.
- (c) If domestic hot water is required by the Tenant, Tenant shall supply and install, at his expense, a domestic water storage tank, heater and all domestic hot water piping.
- (d) The Landlord may require that the Tenant supply and install, at the Tenant's expense, a water meter where the consumption of water exceeds that of a standard Tenant washroom.

5. **HVAC OPERATION**

- (a) The Tenant shall operate or permit to be operated its own heating, ventilating or air-conditioning equipment in such manner that there will be no direct or indirect appropriation of heating or

cooling from other portions of the Complex (except to the extent that such appropriation may be unavoidable).

- (b) The Tenant shall not leave open any doors or windows to the exterior of the Complex which would adversely affect the performance of any heating, ventilating or air-conditioning equipment in the Complex.

6. SIGNS, ADVERTISING, DISPLAY WINDOW

- (a) The Tenant shall not erect or install any exterior signs or interior window or door signs or advertising media or window or door lettering or placards without the prior written consent of the Landlord. The location, size, design, materials, content, construction and method of installation of such sign or signs shall be subject to the written approval of the Landlord before its or their erection and installation. No signs shall have exposed Neon or similar tubing.
- (b) The Tenant shall not use any advertising media that the Landlord shall deem objectionable to it or to other tenants, such, as without limitation, loudspeakers, phonographs, televisions, public address systems, sound amplifiers, radios, broadcasts or telecasts within the Complex in a manner capable of being heard or seen outside the Premises.
- (c) The Tenant shall not install any exterior lighting, exterior decorations or build any aerial or mast, or make any change to the store front of the Premises, without the prior written consent of the Landlord.
- (d) The Tenant shall indemnify and save harmless the Landlord from all claims, demands, loss or damage to any person or property arising out of any sign, mast, aerial or tower installation, notwithstanding any consent by the Landlord thereto.
- (e) The Tenant shall keep all display windows neatly dressed and, together with any other windows, store fronts and lighted signs in, upon or affixed to the Premises, illuminated until 10:00 o'clock in the evening each day except Sunday, or to such other times as required by the Landlord.
- (f) Any installation requiring the Landlord's consent which has not received such consent shall be subject to immediate removal without notice at the Tenant's cost.

7. NO SOLICITATION

The Tenant, or the Tenant's employees and agents, shall not solicit business in the Parking Areas or other Common Areas and shall not distribute any handbills or other advertising matter therein.

8. PARKING

- (a) The Tenant shall furnish the Landlord with Provincial automobile licence numbers of all motor vehicles of the Tenant and its employees within five (5) days after taking possession of the Premises and shall thereafter notify the Landlord of any changes or additions to such numbers within five days after occurrence.
- (b) The Landlord may designate a portion of the Parking Areas for use by tenants and employees and in the event the Tenant and/or its employees park their vehicles in other portions of the Parking Areas, the landlord may charge the Tenant Ten Dollars (\$10.00) per vehicle for each day or portion thereof that such violation occurs or may have such vehicles towed away at the cost of the Tenant and/or its employees.

9. DELIVERY

- (a) The Tenant shall receive, ship, take delivery of, and allow and require suppliers and others to deliver to take delivery of, merchandise, supplies, fixtures, equipment, furnishings and materials only through the appropriate service and delivery facilities designated by the Landlord, at such times as the Landlord may reasonably specify and in accordance with the reasonable directives and further rules and regulations of the Landlord.
- (b) The Tenant shall inform suppliers of such times and rules and regulations respecting delivery so as to accommodate the ease of delivery to and from the Complex.
- (c) The Tenant shall remove all such merchandise and other delivered items from the loading area or other Common Areas immediately upon such delivery or shall pay such costs as may be determined by the Landlord for any hourly, daily or weekly temporary storage permitted by the Landlord.

10. PESTS

The Landlord may require that the Tenant at the Tenant's cost, contract with such pest extermination contractor as the Landlord may direct and at such intervals as the Landlord may require for implementation of a pest control programme.

11. NOTICE OF ACCIDENT, DEFECTS

The Tenant shall give immediate notice to the Landlord in case of fire or accident in case of fire or accident in the Premises or of defects therein or to any fixtures or equipment thereon.

12. EMERGENCY CONTACTS

The Tenant shall provide the Landlord with the names, addresses and telephone numbers of two (2) authorized employees of the Tenant who may be contacted by the Landlord in the event of an emergency relative to the Premises.

13. ENTRY AFTER HOURS

The Tenant and its employees, servants, agents and contractors may enter the Premises when the Complex is closed to the public but only by way of such entrances as the Landlord may designate from time to time and subject to such means as the Landlord may require to control the presence of persons within the Complex when so closed.

14. PERMITS, LICENCES

The Tenant alone shall be responsible for obtaining, from the appropriate governmental authority or other regulatory body having jurisdiction, whatever permits, licences or approvals as may be necessary for the operation of its business, the whole to the entire exoneration of the Landlord.

15. TENANT'S WORK

Any work to be performed in the Premises by the Tenant or its contractors shall be first approved and then made strictly in accordance with the rules and regulations of the Landlord from time to time in respect of work by tenants within the Complex.

16. ENTRY OUTSIDE OF NORMAL BUSINESS HOURS

At any time other than during normal business hours as established from time to time by the Landlord, the Landlord may require that all or any persons entering and leaving the Building identify themselves and register in books kept for that purpose, and may prevent any person from entering the Premises unless provided with a key thereto and a pass or other authorization from the Tenant in a form satisfactory to the Landlord, and may prevent any person removing any goods therefrom without written authorization, and may restrict access to all or any part of the Common Areas and Facilities. The Tenant shall permit and facilitate the entry of the Landlord, or those designated by it, into the Premises for the purpose of inspection, repair, window cleaning and the performance of janitorial services and other proper purposes and shall not permit access to main header ducts, janitorial and electrical closets and other necessary means of access to mechanical, electrical and other facilities to be obstructed by the placement of furniture, carpeting or otherwise. In the event of such obstruction, the Tenant will be responsible for the cost of providing such access. The Tenant shall not place any additional locks or other security devices upon any doors of the Premises or change any existing locks without the prior written approval of the Landlord and subject to any conditions imposed by the Landlord for the maintenance of necessary access.

17. USE OF PREMISES

The Tenant shall not use or permit the use of the Premises or bring or keep anything therein in such manner as to create any objectionable noise, odour or other nuisance or hazard or increase the risk of fire, or breach any applicable provisions of any municipal by-law or other lawful requirement applicable thereto or any requirement of the Landlord's insurers, shall not permit the Premises to be used for cooking (except with the Landlord's prior written consent) or for sleeping, shall keep the Premises tidy and free from rubbish, shall deposit rubbish in receptacles which are either designated or clearly intended for such use, and shall leave the Premises at the end of each business day in a condition such as to facilitate the performance of the Landlord's janitorial services in the Premises.

18. CARE OF PREMISES

The Tenant shall not abuse, misuse or damage the Premises or any of the improvements or facilities therein and in particular shall not deposit rubbish in any plumbing apparatus or use it for any purpose other than that for which it is intended, and shall not deface or mark any walls or other parts of the

Premises. No broom or carpeting shall be affixed to the Premises by means of a non-soluble adhesive or similar product.

19. RESTRICTION ON FOOD

The Tenant shall not perform, patronize or (to the extent under its control) permit any canvassing, soliciting or peddling on the lands, shall not install in the Premises any machines vending or dispensing refreshments or merchandise and shall not permit food or beverages to be delivered to the Premises by any persons who have been prohibited by the Landlord from bringing food or beverages to the Lands and Building, and the Tenant shall require any food or beverages being delivered to the Premises to be so delivered by such means and at such times as have been authorized by the Landlord.

20. MOVING EQUIPMENT AND FURNITURE

No safe or heavy equipment shall be moved by or for the Tenant or stored in the Premises unless the consent of the Landlord is first obtained, which consent may not be unreasonably withheld and unless all due care is taken. Such equipment shall be moved upon appropriate steel-bearing plates, skids or platforms and subject to the Landlord's direction and at such times, by such means and by such persons as the Landlord shall have approved. No furniture, freight or bulky matter of any description shall be moved in or out of the Premises or carried in the elevators of the Building except during such hours as the Landlord shall have approved. Hand trucks and similar appliances shall be equipped with rubber tires and other safeguards approved by the Landlord, and shall be used only by prior arrangement with the Landlord.

21. CONDOMINIUM

In the event the Building is to be registered as a condominium corporation, the Tenant will sign whatever documents may be reasonably necessary.

22. FURTHER RULES AND REGULATIONS

For the general benefit and welfare of the Complex and the tenants therein, the Landlord may amend these rules and regulations, by alteration or addition, and such amended rules and regulations shall be binding on the Tenant.

**SCHEDULE "B"**

Intentionally deleted.

**SCHEDULE "C"**  
**TERMS OF OPTION TO EXTEND**

- (a) Provided when not in default and having consistently performed its obligations pursuant to the Lease throughout the term of the Lease, the Tenant shall have the right to extend this Lease upon written notice to the Landlord at least six (6) months prior to the Termination Date for one term of Five (5) years on all the same general terms and conditions as contained in the Lease, save as to any further option to extend save as to the Semi-Gross Rent which is to be agreed upon by the Landlord and the Tenant three (3) months prior to the end of the term of this Lease and will be based on the then current rental rate for comparable space. In the event that the lease form then used by the Landlord has changed, the parties shall enter into a lease on the then current form of lease.
- (b) In the event the Semi-Gross Rent for such extension term is not agreed upon by the parties hereto on or before a date three (3) months before the end of the term of the Lease, the Semi-Gross Rent payable, subject to paragraph (c) hereof, shall be determined by arbitration pursuant to the provisions of the Arbitration Act of Ontario on the foregoing basis a single arbitrator to be agreed upon by the parties, or if the parties cannot agree upon an arbitrator, one shall be appointed in accordance with the provisions of the Arbitration Act of Ontario. The decision of the arbitrator (including any decision as to costs) shall be final and binding upon the Landlord and Tenant. Each of the Landlord and the Tenant shall provide the arbitrator with the Semi-Gross Rent it proposes and the arbitrator shall choose which proposal is closest to the fair market rental for similarly improved premises, subject to paragraph (c) hereof. The Tenant shall pay the Semi-Gross Rent calculated in paragraph (c) hereof after the end of the term and pending the arbitrator's decision, and such rent shall be adjusted forthwith after the decision of the arbitrator.
- (c) In no event shall Semi-Gross Rent during the extension term be less than the Semi-Gross Rent paid over the last year of the previous term.

**SCHEDULE "D"**

intentionally deleted