

THIS LEASE made as of 19 day of December 2018.

BETWEEN: 2569407 Ontario Inc

(Hereinafter the "Landlord")

OF THE FIRST PART - and -

The Corporation of the County of Brant

(Hereinafter the "Tenant")

OF THE SECOND PART

ARTICLE 1 – BASIC TERMS AND DEFINITIONS

1.1 Basic Terms

- (a) Landlord: 2569907 Ontario Inc.
Address: 272A Middle Townline Road
Harley, Ontario, N0E 1E0
- (b) Tenant: The Corporation of the County of Brant.
Address: 26 Park Ave
Burford, Ontario. N0E 1A0
- (c) Building: 31 Mechanic St. Paris, Ontario
- (d) Premises: Unit # 207
- (e) Rentable Area of Premises: 3,162 square feet, subject to Section 2.2
- (f) Term: 38 months subject to Section 2.4
Commencement Date: April 1, 2019 subject to Section 2.4
End of Term: May 31, 2022 subject to Sections 2.3 and 2.4
- (g) Basic Rent (Section 3.2):
- | Period: | Per Sq. Ft./Yr. | Per Year | Per Month |
|---------|-----------------|-------------|------------|
| 38 | \$22.00 | \$69,564.00 | \$5,797.00 |
- Months
- (h) Additional Rent (section 3.3):
The estimated Additional Rent for base year 2018 is \$6.50 per rentable square foot.
- (i) Permitted Use: Office
- (j) Rent Deposit: the sum of \$16,972.04 shall be applied to Rent and Rental Taxes as they first come due hereunder in accordance with Section 3.5
- (k) Lease Year: Lease Year ends on the 31st day of March of each year
- (l) Schedules forming part of this Lease:
Schedule "A" Legal Description
Schedule "B" Rules and Regulations
Schedule "C" Landlord's Work

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 Proportionate Share of Operating Costs, payments on account of 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;
- (b) “Basic Rent” means the basic rent payable by the Tenant pursuant to Section 3.2 and set out in Section 1.1(g);
- (c) “Building” means the building located at the address set out in Section 1.1(c);
- (d) “Commencement Date” means the date set out in Section 1.1(f), as such may be varied pursuant to the terms of this Lease;
- (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 which include all corridors, hallways, lobbies and stairwells, all walkways and sidewalks, all landscaped and planted areas, the roof and exterior walls of the Property, exterior and interior structural elements and walls of the Property, common washrooms, all parking and loading areas and all entrances and exits thereto and all structural elements thereof, all access ways, truck courts, driveways, delivery passages, loading docks and related areas, all electrical, telephone, meter, valve, mechanical, mail, storage, service and janitorial rooms, fire prevention, security and communication systems, and generally all areas forming part of the Property which do not constitute rented or rentable premises;
- (f) “Environmental Laws” means any law, by-law, order, ordinance, ruling, regulation, certificate, approval, consent or directive of any applicable federal, provincial or municipal government, governmental department, agency or regulatory authority or any court of competent jurisdiction:
 - (i) relating to pollution or the protection of human health or the environment (including workplace health and safety);
 - (ii) dealing with filings, registrations, emissions, discharges, spills, releases or threatened releases of Hazardous Substances or materials containing Hazardous Substances; and/or
 - (iii) regulating the import, storage, distribution, labelling, sale, use, handling, transport or disposal of a Hazardous Substance.
- (g) “Event of Default” has the meaning set out in Section 11.1;
- (h) “Hazardous Substance” means any substance capable of posing a risk or damage to health, safety, property or the environment including, without limitation, any contaminant, pollutant, dangerous or potentially dangerous substance, noxious substance, toxic substance, hazardous waste, flammable or explosive material, radioactive material, urea formaldehyde foam insulation, asbestos, polychlorinated biphenyls, polychlorinated biphenyl waste, polychlorinated biphenyl related waste, and any other substance or material now or hereafter declared, defined or deemed to be regulated or controlled under any Environmental Law.

- (i) “Lands” means the lands described in Schedule “A” and all rights and easements which are nor may hereafter be appurtenant thereto;
- (j) “Lease” means this lease and all the terms, covenants and conditions set out herein (including all schedules), as amended from time to time in accordance with the terms hereof;
- (k) “Lease Year” means, initially, the period commencing on the Commencement Date and ending on the last day of the month set out in Section 1.1(j); thereafter, each Lease Year shall consist of a period of twelve (12) consecutive months, provided that the last Lease Year of the Term shall in any event end on the expiry date of the Term. The Landlord may change the Lease Year from time to time;
- (l) “Mortgage” means any mortgage or charge of any one or more of, or any part of, the Lands, the Building, and/or the Landlord’s interest in this Lease, from time to time, whether made or assumed by the Landlord;
- (m) “Mortgagee” means the holder of any Mortgage from time to time;
- (n) “Normal Business Hours” has the meaning set out in Section 4.2;
- (o) “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 Property (including the Common Areas) during such period including, without limiting the generality of the foregoing:
 - (i) all charges for utilities and similar services to the Property including, without limiting the generality of the foregoing, water, gas, heat, electrical power or energy, steam or hot water used upon or in respect of the Property and for fittings, machinery, apparatus, meters, or other things leased in respect thereof, and for all work or services performed by any corporation or commission in connection with such public utilities and similar services;
 - (ii) all costs incurred by the Landlord in connection with the maintenance, repair, replacement and operation of the Property (including all services, equipment, Common Areas and other fixtures and appurtenances) and every part thereof, and of complying with all applicable laws, directions, rules and regulations of the governmental authorities having jurisdiction and in connection therewith including, without limiting the generality of the foregoing, the cost of providing garbage removal and maintenance services, the cost of heating and cooling and ventilating the Property and the cost of maintaining, repairing and replacing all HVAC Equipment, the cost of window cleaning, and any and all other costs incurred by the Landlord in connection with the maintenance, repair and operation of the Property;
 - (iii) depreciation or amortization in an amount determined by the Landlord in accordance with general real estate industry practice on any costs incurred by the Landlord, whether before or after the Commencement Date, which the Landlord has determined to be capital in nature and which the Landlord is depreciating or amortizing in accordance with general real estate industry practice, together with interest on the undepreciated or unamortized capital cost thereof;
 - (iv) the cost of providing security, supervision, landscaping, window cleaning, janitorial in Common Areas, waster collection, disposal and recycling, and snow removal services, and the costs of machinery, supplies, tools, equipment and materials used in connection with such services or any rentals thereof, and the amount of salaries, wages and fringe benefits paid to employees engaged in the maintenance or

operation of the Property, and amounts paid to independent contractors for any services in connection with such maintenance or operation;

- (v) the cost of direct supervision and management and indirect expenses, to the extent applicable to the maintenance and operation of the Property, and all expenses of every nature incurred in connection with the management, maintenance and operation of the Common Area;
- (vi) the cost of insuring the Property in accordance with the terms of this Lease;
- (vii) all costs and expenses (including legal and other professional fees, interest and penalties on deferred payment) incurred in good faith by the Landlord in contesting, resisting or appealing any Realty Taxes;
- (viii) any administrative fee not greater than fifteen percent (15%) of the aggregate of all Operating Costs;

provided that Operating Costs shall exclude:

- (A) all such costs determined by separate metering or assessment, or otherwise incurred for the exclusive benefit of the premises leased by the Tenant or any other tenant of the Property and billed to and paid for directly by the Tenant or such other tenant, including charges to tenants for above-normal utilization of utilities;
 - (B) the cost to the Landlord of debt service in connection with any Mortgage;
 - (C) taxes on the income of the Landlord; and
 - (D) the cost of improvements to particular premises intended for leasing and real estate, or other commissions relating to leasing premises within the Property;
 - (E) the cost of any structural roof and asphalt unless required as a result of the Tenant's negligence.
- (p) "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), and all rights and easements appurtenant thereto;
 - (q) "Proportionate Share" means the fraction which has as its numerator the Rentable Area of the Premises and as its denominator the Total Rentable Area of the Property, whether rented or not.
 - (r) "Realty Taxes" means all property taxes, rates, duties and assessments (including local improvement rates), import 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 property taxes levied or assessed against the Landlord on account of its ownership of the Building or its interest therein, but specifically excluding any taxes assessed on the income of the Landlord;
 - (s) "Rent" means all Basic Rent and Additional Rent;
 - (t) "Rentable Area" means the rentable area determined in accordance with the standards of the Building Owners and Managers Association ("BOMA");

- (u) “Rental Area of the Property” means the Premises measured to the outside surface of the outer building wall and to the centre line of any interior walls separating the Premises from adjoining premises intended for leasing or separating the Premises from corridors or other parts of the Common Areas;
- (v) “Rental Taxes” means any and all taxes or duties imposed on the Landlord or the Tenant measured by or based in whole or in part on 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, harmonized sales tax, federal sales tax, excise taxes or duties, or any tax similar to any of the foregoing;
- (w) “Rules and Regulations” means the rules and regulations as described in Section 4.4 and Schedule B and attached Addendum 1.
- (x) “Term” means the period specified in Section 1.1(f);
- (y) “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 on 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;
- (z) “Transferee” means any person or entity to whom a Transfer is or is to be made.

ARTICLE 2 – 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. The Tenant acknowledges having inspected the Premises and accepts the same on an “as is” basis.

2.2 Measurement

The Rentable Area of the Premises shall be deemed to be the area set out in Section 1.1(e).

2.3 Term

The Term shall commence on the Commencement Date, run for the period set out in Section 1.1(f), and end on the date set out in Section 1.1(f), unless terminated earlier pursuant to this Lease.

2.4 Overholding

If, at the expiration of the initial Term or any subsequent renewal or extension, 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 on one (1) month’s notice. Rent shall be payable in advance on the first day of each month in an amount equal to the sum of two hundred percent (200%) of the monthly installment of Basic Rent payable during the last year of

the Term and one-twelfth (1/12th) of all Additional Rent charges herein provided for, determined in the same manner as if the Lease had been renewed. All terms and conditions of this Lease shall, so far as applicable, apply to such monthly tenancy.

ARTICLE 3 – RENT

3.1 Covenant to Pay

The Tenant covenants to pay Rent as provided in this Lease. It is the intention of the parties that the Rent herein 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 of every nature and kind relating to the Premises (except the Landlord's income taxes and except as otherwise specifically provided herein) in the manner hereinafter provided, and the Tenant covenants with the Landlord accordingly. All Rent and other charges to be paid by the Tenant to the Landlord hereunder shall be paid without any deductions, set-off or abatement whatsoever, and the Tenant 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.

3.2 Basic Rent

The Tenant covenants and agrees to pay, from and after the Commencement Date, to the Landlord at the office of the Landlord (or to such other person or at such other location as the Landlord shall direct), in lawful money of Canada, without any prior demand, as annual Basic Rent, the annual sum(s) set out in Section 1.1(g), on the first day of each and every month during the Term. If the Term commences on any day other than the first day of the month, or ends on any day other than the last day of the month, rent for the fractions of a month at the commencement and at the end of the Term shall be calculated on a *pro rata* basis and payable on the first day of the partial month.

3.3 Additional Rent

- (a) 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, the following as Additional Rent:
 - (i) 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;
 - (ii) the Tenant's Proportionate Share of Operating Costs as herein provided;
 - (iii) all Realty Taxes levied, rated, charged or assessed on or in relation to the Premises as herein provided; and
 - (iv) all other sums, amounts, costs, cost escalations and charges specified in this Lease to be payable by the Tenant.
- (b) All of the payments set out in this Lease 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 payable 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.

3.3.1 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, or any part thereof, in accordance with the following:

- (a) payment shall be due in equal monthly instalments over each calendar year or such shorter period as required such that the Landlord will have in its hands an amount sufficient to pay each instalment of Realty Taxes when due to the taxing authorities. Prior to the commencement of each 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 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 and fix monthly instalments for the remaining balance of such year;
- (b) the Realty Taxes payable by the Tenant shall be determined by the Landlord by applying the Tenant's Proportionate Share to the Realty Taxes payable in respect of the Property. If, in any year, the Premises are assessed separately with respect to any Realty Taxes or there is a separate apportionment of assessment by the relevant authorities, then, at the election of the Landlord, the Realty Taxes payable by the Tenant shall be computed on the basis of such separate assessments and shall include the Tenant's Proportionate Share of any Realty Taxes attributable to the Common Areas;
- (c) for the purposes of determining the share of Realty Taxes payable by the Tenant pursuant to this Lease, Realty Taxes shall include such additional amounts as would have formed part of Realty Taxes had the Property been fully assessed during the whole of the relevant fiscal period as fully completed and fully occupied by tenants, with no special exemptions or reductions, and without taking into account any actual or potential reduction of Realty Taxes or change of assessment category or class of premises within the Property which are vacant or underutilized; and
- (d) 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.

3.3.2 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 on 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.

3.3.3 Payment of Additional Rent

Prior to the commencement of each Lease Year, the Landlord shall estimate the amount of Operating Costs, Realty Taxes and other recurring Additional Rent for such Lease Year and notify the Tenant in writing of such estimate, providing reasonable details as to the breakdown and calculation thereof. The amount so estimated shall be payable in equal monthly instalments in advance on the first of each and every month over the Lease Year or, in the case of Realty Taxes, such shorter period such that the Landlord will have in its hands an amount sufficient to pay each instalment. From time to time during the Lease Year, the Landlord may re-estimate the amounts payable for such Lease Year, in which event the Tenant shall pay in accordance with such re-estimates.

3.3.4 Annual Readjustment of Additional Rent

As soon as practicable after the expiration of each Lease Year, the Landlord shall make a final determination of Operating Costs, Realty Taxes and other estimated Additional Rent based on the actual costs incurred, and shall so notify the Tenant, providing reasonable details as to the breakdown and calculation. If there has been a shortfall, the Tenant shall pay to the Landlord the amount of such shortfall within twenty (20) days after delivery of the Landlord's notice. Any overpayment may be paid by the Landlord to the Tenant without interest, or credited to the Tenant's account and held by the Landlord without interest and applied to payments falling due under the Lease. In the event of any dispute, the report of the Landlord's auditor or accountant shall be conclusive as to the amount thereof for any period to which such report relates.

3.4 Payment Method

The Landlord may, at any time and from time to time, require the Tenant to provide to the Landlord either: (a) a series of monthly post-dated cheques, each cheque in the amount of the monthly instalment of Rent; or (b) authorization and documentation required to automatically debit the Tenant's bank account for such amounts. In the event of any change in the estimates of Additional Rent, the Landlord may require a new series of monthly post-dated cheques or new authorization and documentation (as applicable).

3.5 Deposit

The amount of any such rent deposit described in Section 1.1(i) shall be held by the Landlord without interest and applied to Rent and Rental Taxes as they fall due under this Lease. The amount of any security deposit described in Section 1.1(i) shall be held by the Landlord without interest 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.

3.6 Rental Taxes

The Tenant shall pay to the Landlord the Rental Taxes assessed on:

- (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 Rental Taxes may be amended from time to time during the Term. The Rental Taxes shall not be

deemed to be Additional Rent under this Lease, but may be recovered by the Landlord as if they were Additional Rent.

3.7 Rent Past Due

If the Tenant fails 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 and compounded monthly at the rate of one and one-half percent (1.5%) from the time such Rent becomes due until paid by the Tenant.

ARTICLE 4 – TENANT’S AGREEMENTS

4.0 The tenant agrees with the Landlord as follows:

4.1 Building Operation and Repair

The Landlord shall operate, maintain and repair the Building, its heating equipment, and other service facilities to the extent required to keep the Building, 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, at its own expense, promptly make all repairs to the Building necessitated by structural defect or weakness in the design or construction thereof, including, without limitation, the roof, interior concrete slab floors and exterior walls, provided that any such repairs necessitated as a result of any wilful or negligent act or omission of the Tenant, its agents, servants, contractors, invitees, employees or others for whom the Tenant is in law responsible shall be at the cost of the Tenant.

4.2 HVAC Systems

The Landlord shall, subject to the provisions of this Lease, provide sufficient heating and air-conditioning to maintain a reasonable temperature in the Premises at all times, except during the failure of supply of any utility or other similar facility required to operate the heating and air-conditioning systems, and except during the making of repairs, which repairs the Landlord covenants to make with reasonable diligence. The Landlord shall not be responsible for a lack of cooling in areas where the Tenant has placed computers, lighting or equipment which may produce an excessive heat gain.

4.3 Tenant Upkeep

The Tenant, at its own expense, shall provide such janitorial service to the Premises at such intervals as are reasonable and appropriate for the Building. The Landlord shall not be responsible for any act or omission on the part of the person or persons employed to perform such work.

4.4 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 Addendum 1 and any further and other reasonable Rules and Regulations made hereafter by the Landlord of

which notice shall be given to the Tenant. All Rules and Regulations shall be deemed incorporated into and form part of this Lease.

ARTICLE 5 – USE OF PREMISES

5.1 Use of Premises

The Tenant acknowledges that the Premises will be used solely for the purpose set out in Section 1.1(h) and for no other purpose. During the entire Term, the Tenant shall continuously, actively and diligently carry on such permitted use in the whole of the Premises.

5.2 Observance of Law

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

5.3 Waste and Nuisance

The Tenant shall not do or suffer any waste, damage, disfiguration or injury to the Premises or permit or suffer any overloading of the floors, 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 6 – MAINTENANCE, REPAIRS AND ALTERATIONS OF PREMISES

6.1 Maintenance and Repair of Premises

The Tenant shall, at its own expense and cost, operate, maintain and keep in good condition and substantial repair, order and condition the Premises and all parts thereof, save and except for repairs required to be made by the Landlord pursuant to Section 4.1. 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, as well as the insurance underwriters.

6.2 Inspection and Entry

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

6.3 Repair Where Tenant at Fault

If the Building, including the Premises, the elevators, boilers, engines, controls, pipes and other apparatus (or any of them) used for the purpose of heating, ventilation or air-conditioning or operating the elevators, or if the pipes, electric lighting or other equipment of the Building are put in a state of disrepair or become 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 Building, the expense of the necessary repairs, replacements or alterations shall be borne by the Tenant, who shall pay the same to the Landlord forthwith on demand.

6.4 Permitted Alterations

The Tenant shall 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 to each instance, which the Landlord shall not unreasonably withhold. The Tenant must further obtain the Landlord's prior written consent to any change or changes in such drawings and specifications. The Tenant shall pay to the Landlord the cost of having the Landlord's architects approve of such drawings and specifications and any changes. Such work shall be performed by qualified contractors engaged by the Tenant (and approved by the Landlord) and shall be subject to all reasonable conditions which the Landlord may impose, provided nevertheless that the Landlord may, at its option, require that the Landlord's contractors be retained for any structural, mechanical or electrical work. Without limiting the generality of the foregoing, any work performed by or for the Tenant shall be performed by competent workers whose labour union affiliations are not incompatible with those of any workers who may be employed in the Building the Landlord, its contractors or subcontractors. The Tenant shall submit to the Landlord's reasonable supervision over construction and promptly pay to the Landlord's or the Tenant's contractors, as the case may be, when due, the cost of all such work, materials, labour and services involved therein, and of all changes in the Building, its equipment or services necessitated thereby.

6.5 Signs

The Tenant shall not paint, display or install any sign, picture, advertisement or other notice on any part of the outside of the Building or any other location which is visible from the outside of the Building. The Tenant shall not paint, display or install any sign, picture, advertisement, notice, lettering or direction on the outside of the Premises without the written consent of the Landlord. Subject to the foregoing, the Tenant may locate such signs on the directory board provided by the Landlord and upon the written consent of the Landlord.

6.6 Construction Liens

The Tenant shall indemnify and save the Landlord harmless from any liability, claim, damages or expenses due to or arising from any claim for a construction, builders or other lien made against the Premises or the Building in relation to any work done by, for, or on behalf of the Tenant. The Tenant shall cause all registrations of any such claims or Certificates of Action related thereto to be discharged or vacated within ten (10) days following receipt of notice from the Landlord, failing which the Landlord, in addition to any other rights or remedies it may have hereunder, may, but shall not be obligated to, cause such claims or Certificates to be discharged or vacated by payment into court or otherwise, and the Tenant shall pay the Landlord's costs and expenses thereof.

6.7 Removal of Improvements and Fixtures

- (a) All leasehold improvements shall immediately, on 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 at the expiry or earlier termination of the Term except that:
- (i) 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;
 - (ii) the Tenant shall, at its sole cost, remove such leasehold improvements as the Landlord shall require it to remove, such removal to be completed on or before the end of the Term.
- (b) The Tenant shall, at its own expense, repair any damage caused to the Building by the leasehold improvements or trade fixtures or their removal. If the Tenant does not 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 of the following:
- (i) heating, ventilating or air-conditioning systems, facilities and equipment serving the Premises;
 - (ii) floor coverings;
 - (iii) light fixtures;
 - (iv) suspended ceiling and ceiling tiles;
 - (v) wall and window coverings; and
 - (vi) partitions within the Premises.

Notwithstanding anything in this Lease, the Landlord shall be under no obligation to repair or maintain the Tenant's installations.

6.8 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 6.7.

6.9 The Tenant shall give immediate written notice to the Landlord of any substantial damage occurring to the Demised Premises.

6.10 The Tenant shall not, by its act or omission, permit anything to occur in the Demised Premises which shall be or shall result in a nuisance.

6.11 The Tenant shall promptly comply with the requirements of all laws at any time in force during the Term which affect the condition or use of the Demised Premises, and with every reasonable recommendation or requirement of the Insurers Advisory Organization (as determined from time to time by the Landlord), or by any recognized body having similar functions, or any insurance

company by which either the Landlord or the Tenant may be insured during the Term. If the Tenant defaults under the provisions of this Section, the Landlord may itself comply with the requirement of this Section for and on behalf of the Tenant and the Tenant hereto appoints the Landlord as its agent in that regard, and the Tenant shall pay all expenses (including insurance premiums) incurred by the Landlord in so doing together with interest thereon.

ARTICLE 7 – INSURANCE AND INDEMNITY

7.1 Indemnity by Tenant

The Tenant shall indemnify the Landlord and save it harmless from and against any and all loss, claims, actions, damages, liability and expense in connection with loss of life, personal injury and/or damage to property arising from or out of any occurrence in, on or at the Premises, or in any way arising from or out of the occupancy or use by the Tenant of the Premises or any part thereof, or due to or arising out of any breach by the Tenant of this Lease.

7.2 Release of Landlord

The Landlord shall not be liable for:

- (a) any injury or damage to any persons or property resulting from fire, explosion, falling plaster, steam, gas, electricity, water, rain or snow, or leaks from any part of the Building or from the pipes, appliances, plumbing works, roof, street or subsurface, or from any other place or by dampness, or caused by or arising from any interruption or failure in the supply of any utility or service to the Premises;
- (b) any death, injury or damage to or loss of property occurring in or about the Premises;
- (c) any death, injury or damage with respect to occurrence insured against or required to be insured against by the Tenant;
- (d) any interruption of or non-supply of heating, ventilation, air-conditioning or other utilities and services; or
- (e) any indirect or consequential damages that may be suffered by the Tenant.

7.3 Tenant's Insurance

- (a) 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:
 - (i) "All Risks" insurance on 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 Lands or Building, 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;
 - (ii) 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 two million dollars (\$2,000,000.00) or such higher limits as the Landlord may reasonably require from time to time.

- (iii) business interruption insurance in an amount sufficient to cover the Tenant's Rent for a period of not less than twelve (12) months; and
 - (iv) such other forms of insurance as may be reasonably required by the Landlord and any Mortgagee from time to time.
- (b) All such insurance shall be with insurers and on such terms and conditions as the Landlord reasonably approves, and each such policy shall name the Landlord as an additional insured as its interest may appear, and, in the case of public liability insurance, shall contain a provision for cross-liability or severability of interest as between the Landlord and the Tenant. 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, on written request, certificates or certified copies of all such policies. If the Tenant fails to take out or to keep in force such insurance or 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 to 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 payable on demand.

7.4 Landlord's Insurance

The Landlord shall provide and maintain insurance in respect of the Building against loss, damage or destruction caused by fire and extended perils, and such liability insurance and rental insurance as the Landlord determines to maintain. The amount of insurance to be obtained shall be determined at the sole discretion of the Landlord. The Tenant shall not do, omit or permit anything that may contravene or be prohibited by any of the Landlord's insurance policies in force from time to time or which would prevent the Landlord from procuring such policies with companies acceptable to the Landlord. If the Tenant's occupancy or use of the Premises or any acts or omissions of the Tenant in the Premises or any other portion of the Building causes or results in any increase in premiums for any of the Landlord's insurance policies, then, without limiting any other rights or remedies of the Landlord, the Tenant shall pay any such increase as Additional Rent.

ARTICLE 8 – Assignment and Subletting

8.1 Assignment, Subletting

The Tenant shall not effect any Transfer without the prior written consent of the Landlord, which consent shall not be unreasonably withheld. Any Transferee may only use the Premises for the use permitted herein and, notwithstanding anything else herein contained, the Landlord may unreasonably withhold its consent if the proposed Transferee contemplates a change in the use of the Premises. No consent or other dealing 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. However, no such Transfer or collection from or acceptance of the Transferee as tenant shall be deemed a waiver of this covenant.

8.2 Change of Control

In the event that the Tenant proposes to transfer or issue by sale, assignment, bequest, inheritance, operation of law, or other disposition, or by subscription, any part or all of the corporate shares of the Tenant so as to result in any change in the present effective voting control of the Tenant by the party or parties holding such voting control at the Commencement Date, such transaction shall be deemed to be an assignment of this Lease, and the provisions of this Article 8 shall apply *mutatis mutandis*. The Tenant shall make available to the Landlord or to its lawful representatives such books and records of the Tenant for inspection at all reasonable times, in order to ascertain whether there has, in effect, been a change of control. This provision shall not apply if the Tenant is a public company listed on a recognized stock exchange or a subsidiary of such a public company.

8.3 No Advertising

The Tenant shall not advertise that the Premises or any part thereof is available for assignment or sublease or occupancy, and shall not permit any broker or other person to do so unless the text and format of such advertisement is approved in writing by the Landlord. No such advertisement shall contain any reference to the rental rate of the Premises.

8.4 Assignment by Landlord

In the event of the sale or lease by the Landlord of its interest in the Lands or Building 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.

8.5 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 Basic Rent then being paid hereunder;
- (c) the dates to which the Basic Rent and Additional Rent and other charges hereunder have been paid by instalments or otherwise; or
- (d) whether or not there is any existing default on the part of the Landlord of which the Tenant has notice.

8.6 Subordination

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, and, on the request of the Landlord, the Tenant will 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 on the security thereof, and will, if required, attorn to the holder thereof. No subordination of the Mortgage to disturb the occupation and possession by the Tenant of the Premises so long as the Tenant shall perform all of its covenants, agreements and conditions contained in this Lease, and so long as the Tenant contemporaneously executes a document of attornment as required by the Mortgagee.

ARTICLE 9 – QUIET ENJOYMENT

9.1 Quiet Enjoyment

The Tenant, on paying the Rent hereby reserved, and performing and observing the covenants and provisos herein contained on its part to be performed and observed, shall peaceably enjoy the Premises for the Term.

ARTICLE 10 – DAMAGE AND DESTRUCTION

10.1 Destruction of or Damage to Building

During the Term, if and when the Building is destroyed or damaged by fire, lightning or other perils, including malicious damage, or by a natural catastrophe or by any other casualty, the following provisions shall apply:

- (a) if the damage or destruction is such that the Building is rendered wholly unfit for occupancy or it is impossible or unsafe to use and occupy it, and if, in either event, the damage, in the sole opinion of the Landlord, notice of which is to be given to the Tenant in writing within thirty (30) days of the happening of such damage or destruction, cannot be repaired with reasonable diligence within one hundred and eighty (180) days after the happening of such damage or destruction, or if thirty percent (30%) or more of the Rental Area of the Building is damaged or destroyed, the Landlord may terminate this Lease by giving notice in writing to the Tenant. Should the Landlord terminate this Lease as hereinbefore provided, the Term demised shall cease and be at an end as of the date of such termination (or at the date of such destruction or damage if the Premises could not be used as a result), and the Rents and all other payments for which the Tenant is liable under the terms of this Lease shall be apportioned and paid in full to such date;
- (b) in the event that the Landlord does not so terminate this Lease under Section 10.1(a), or in the event of lesser damage, the Landlord shall, at its expense, repair the Building to base building standards, and the Rent shall abate from the date of the happening of such damage or destruction until the date which is the earlier of: thirty (30) days after the Landlord has completed such repairs; and the date on which the Tenant reopens the Premises or any part thereof to conduct business. The Tenant covenants to make any repairs required to the leasehold improvements and its fixtures with all reasonable speed and to reopen the Premises for business forthwith on completion thereof. If the damage is such that the Premises is capable of being partially used for the purposes for which it is demised, then Rent (other than any items measured by consumption or separate assessment) shall abate in the proportion that the Rentable Area of the part of the Premises which is rendered unfit for occupancy bears to the Rentable Area of the Premises;
- (c) in performing any reconstruction or repair, the Landlord may effect changes in the Building 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; and
- (d) notwithstanding anything else herein contained, 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 Building or the Premises or are not payable to or received

by the Landlord, or in the event that any Mortgagee or other party 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 the Landlord is unable to obtain all governmental approvals required to so rebuild, the Landlord may terminate this Lease on notice to the Tenant.

10.2 Certificate Conclusive

In the event of a dispute as to the fitness for occupancy or as to the suitability of the Building and the Premises for the Tenant's business, the decision of an independent qualified professional engineer or architect retained by the Landlord shall be final and binding on both parties.

ARTICLE 11 – DEFAULT

11.1 Default and Right to Re-enter

Any of the following constitutes an Event of Default under this Lease:

- (a) any Rent is not paid within five (5) days after payment is due hereunder;
- (b) the Tenant has breached any of its obligations in this Lease and, if such breach is capable of being remedied and is not otherwise listed in this Section 11.1, on receipt of notice in writing from the Landlord:
 - (i) the Tenant fails to remedy such breach within ten (10) days (or such shorter period as may be provided in this Lease); or
 - (ii) if such breach cannot reasonably be remedied within ten (10) days (or such shorter period), the Tenant fails to commence to remedy such breach within such ten (10) days (or such shorter period) or thereafter fails to proceed diligently to remedy such breach;
- (c) the Tenant or any indemnifier becomes bankrupt or insolvent or takes the benefit of any statute for bankrupt or insolvent debtors or makes any proposal, an assignment or arrangement with its creditors, or any steps are taken or proceedings commenced by any person for the dissolution, winding-up or other termination of the Tenant's existence or the liquidation of its assets;
- (d) a trustee, receiver, receiver/manager, or a person acting in a similar capacity is appointed with respect to the business or assets of the Tenant or any indemnifier;
- (e) the Tenant or any indemnifier makes a sale in bulk of all or a substantial portion of its assets, other than in conjunction with an assignment or sublease approved by the Landlord;
- (f) this Lease or any of the Tenant's assets are taken under a writ of execution, and such writ is not stayed or vacated within fifteen (15) days after such taking;
- (g) the Tenant makes an assignment or sublease, other than in compliance with the provisions of this Lease;
- (h) the Tenant abandons or attempts to abandon the Premises, or the Premises become vacant or substantially unoccupied for a period of ten (10) consecutive days or more without the consent of the Landlord;

- (i) the Tenant moves or commences, attempts or threatens to move its trade fixtures, chattels and equipment out of the Premises; or
- (j) any insurance policy covering any part of the Building is, or is threatened to be, cancelled or adversely changed (including a substantial premium increase) as a result of any action or omission by the Tenant or any party for whom it is legally responsible.

11.2 Default and Remedies

If and whenever an Event of Default occurs, then, without prejudice to any other rights which it has pursuant to this Lease or at law, the Landlord shall have the following rights and remedies, which are cumulative and not alternative:

- (a) to terminate this Lease by notice to the Tenant or to re-enter the Premises and repossess them and, in either case, the Landlord may remove all persons and property from the Premises and store such property at the expense and risk of the Tenant or sell or dispose of such property in such manner as the Landlord sees fit without notice to the Tenant;
- (b) to enter the Premises as agent of the Tenant and to relet the Premises for whatever length and on such terms as the Landlord, in its discretion, may determine, and to receive the rent therefor and, as agent of the Tenant, to take possession of any property of the Tenant on the Premises, to store such property at the expense and risk of the Tenant or to sell or otherwise dispose of such property in such manner as the Landlord sees fit without notice to the Tenant, and to make alterations to the Premises to facilitate their reletting. The Landlord shall apply the proceeds of any such sale or reletting first, to the payment of any expenses incurred by the Landlord with respect to any such reletting or sale, second, to the payment of any indebtedness of the Tenant to the Landlord other than Rent, and third, to the payment of Rent in arrears, with the residue to be held by the Landlord and applied to payment of future Rent as it becomes due and payable; provided that the Tenant shall remain liable to the Landlord for any deficiency;
- (c) to remedy or attempt to remedy any default of the Tenant under this Lease for the account of the Tenant and to enter on the Premises for such purposes. No notice of the Landlord's intention to remedy or attempt to remedy such default need be given to the Tenant unless expressly required by this Lease. The Landlord shall not be liable to the Tenant for any loss, injury or damages caused by acts of the Landlord in remedying or attempting to remedy such default, and the Tenant shall pay to the Landlord all expenses incurred by the Landlord in connection therewith;
- (d) to recover from the Tenant all damages, costs and expenses incurred by the Landlord as a result of any default by the Tenant including, if the Landlord terminates this Lease, any deficiency between those amounts which would have been payable by the Tenant for the portion of the Term following such termination and the net amounts actually received by the Landlord during such period of time with respect to the Premises; and
- (e) to recover from the Tenant the full amount of the current month's Rent together with the next three (3) months' instalments of Rent, all of which shall accrue on a day-to-day basis and shall immediately become due and payable as accelerated rent.

11.3 Distress

Notwithstanding any provision of this Lease or any provision of applicable legislation, 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 Rent in arrears, and the Tenant waives any such exemption.

11.4 Costs

The Tenant shall pay to the Landlord all damages, costs and expenses (including, without limitation, all legal fees on a solicitor and client basis) incurred by the Landlord in enforcing the terms of this Lease, or with respect to any matter or thing which is the obligation of the Tenant under this Lease, or in respect of which the Tenant has agreed to insure or to indemnify the Landlord.

11.5 Remedies Cumulative

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

ARTICLE 12 – ENVIRONMENTAL

12.1 Compliance With Environmental Laws

Without limiting any other obligation of the Tenant in this Lease, the Tenant covenants and agrees that it shall, at its sole cost and expense, observe and otherwise comply with, and cause its sublessees, invitees and all other occupants of the Premises to observe and comply with all Environmental Laws. Without limiting the generality of the foregoing, the Tenant covenants and agrees that:

- (a) it shall not cause or permit any Hazardous Substance to be brought into, stored, kept or used in or about the Premises or any part thereof, other than any Hazardous Substance that is used in the ordinary course of the permitted use being carried on at the Premises and which is stored, kept and used in strict compliance with all Environmental Laws pertaining thereto;
- (b) it shall not permit any emissions, discharges or releases of Hazardous Substances or materials containing Hazardous Substances from the Premises, other than where such occurs in the ordinary course of the permitted use being carried on at the Premises in strict compliance with all Environmental Laws pertaining thereto;
- (c) it shall not construct or install any underground storage tank in the Premises; and
- (d) on the expiration or earlier termination of this Lease, it shall cause each and every Hazardous Substance which is then located on the Premises to be removed from the Premises in compliance with all Environmental Laws pertaining thereto.

12.2 Notice of Orders

The Tenant shall immediately provide the Landlord with written notice of any order, direction, notice of default or notice of legal action received by the Tenant pursuant to any Environmental Laws and relating to the Premises, the use and occupation of the Premises or the business carried on at the Premises.

12.3 Right of Inspection

The Landlord and its mortgagees and their agents, servants, employees and representatives shall have the right (but not the obligation), from time to time, to inspect (including the right to conduct an environmental audit or assessment) the Premises for the purpose of determining whether the Tenant is in compliance with its obligations in this Article. The Tenant shall pay, as Additional Rent, any reasonable costs incurred by the Landlord in making such inspections of the Premises if, by virtue of said inspection, the Tenant is determined to be in default under this Lease. Such costs shall be paid forthwith on demand. The Landlord shall also have the right to examine all of the Tenant's relevant files, books, records, statements, plans and other written information in the Tenant's possession relating to the compliance with Environmental Laws at the Premises. The Tenant authorizes the Landlord to make inquiries from time to time with any governmental authority having jurisdiction in respect of matters relating to the Tenant's compliance with Environmental Laws at the Premises, and the Tenant agrees to provide any further authorization as may be required to facilitate the obtaining of such information.

12.4 Rectification of Breach

In the event that the Landlord determines that the Tenant is in breach of its obligations in this Article, the Landlord may, without limiting any other rights or remedies, provide the Tenant with notice in writing of the breach, and the Tenant shall commence to rectify such breach at the Tenant's sole cost and expense, and shall complete such rectification as soon as reasonably possible. In the event that the Tenant does not commence to rectify such breach, the Landlord may, at its option and in its sole discretion, terminate this Lease without any further notice, or may rectify such breach at the cost of the Tenant, and the Tenant shall forthwith, on demand, reimburse the Landlord for the cost of rectification together with an administration fee of fifteen percent (15%) of the cost of rectification. Such amount shall be payable and collectible as Additional Rent.

12.5 Remediation

If any governmental authority shall require the clean-up of any Hazardous Substance held, released, spilled, abandoned or placed on the Premises or released into the environment by the Tenant, its sublessees or anyone permitted on the Premises by the Tenant, or as a result of the use or occupancy of the Premises by the Tenant or its sublessees, invitees or other occupants, the Tenant shall, at its own expense:

- (a) prepare all necessary studies, plans and proposals required as a result thereof;
- (b) obtain all necessary approvals of such authorities required to complete the remediation and other work required;
- (c) provide all bonds and other security required by such authorities; and
- (d) carry out and complete the remediation and other work required.

The Tenant shall also provide the Landlord with copies of the plans and proposals and keep the Landlord advised from time to time as to the status of its remediation and other work.

12.6 Hazardous Substances Remain Property of Tenant

If the Tenant or its sublessees or anyone else permitted on the Premises by the Tenant creates or brings to the Premises any Hazardous Substance, or if the conduct of business at the Premises shall cause there to be any Hazardous Substance at the Premises, then, notwithstanding any provision in this Lease or rule of law to the contrary, such Hazardous Substance shall be and remain the sole and exclusive property of the Tenant, and shall not become the property of the Landlord notwithstanding the degree of affixation to the Premises of the Hazardous Substance or the goods containing the Hazardous Substance, and notwithstanding the expiration or earlier termination of this Lease.

12.7 Tenant Indemnity

The Tenant agrees to indemnify and save harmless the Landlord, its mortgagees and their agents, servants, employees and others for whom the Landlord is in law responsible, against any and all liabilities, claims, damages, interest, penalties, fines, monetary sanctions, losses, costs and expenses whatsoever (including, without limitation, reasonable costs of professional advisors, consultants and experts in respect of any investigation, and all costs, all remediation and other clean-up costs and expenses) arising in any manner whatsoever out of:

- (a) any breach by the Tenant of any provisions of this Article, or any noncompliance by the Tenant, its sublessees, invitees and other occupants, with any Environmental laws;
- (b) any generating, manufacture, refinement, treatment, transportation, storage, handling, disposal, transfer, production or processing of any Hazardous Substance by the Tenant, its sublessees, invitees and other occupants; and
- (c) any illness, injury or death of persons, or any loss or damage to property, on or about the Premises.

12.8 Survival of Obligations

The covenants and agreements of, and indemnification by, the Tenant contained in this Article shall survive the expiration or earlier termination of this Lease notwithstanding anything herein contained to the contrary.

ARTICLE 13 – RENEWAL

Provided that the Tenant is:

- (a) **The Corporation of the County of Brant**
- (b) in occupation of the whole of the Premises; and
- (c) not in default under this Lease,

the Tenant shall have the option exercisable on 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 Zero (0) years (the "Extended Term") on the same terms and conditions as the Term save and except:

- (i) there will be no further right to extend the Term;
- (ii) the basic rent rate for the 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 Extended Term; and

- (iii) 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 the Extended Term on or before the date that is sixty (60) days prior to the commencement of the 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 are located. The parties shall execute a Lease Extension Agreement prepared by the Landlord to reflect the terms of the Extended Term.

ARTICLE 14 – GENERAL

14.1 Entry

- (a) The Landlord shall be entitled at any time during the last nine (9) months of the Term:
 - (i) to place on the exterior walls of the Premises, at a height not lower than the upper limit of the windows of the Premises, the Landlord's usual notice(s) that the Premises are "For Rent"; and
 - (ii) on reasonable prior notice, to enter on the Premises during Normal Business Hours for the purpose of exhibiting same to prospective tenants.
- (b) The Landlord may enter at any time during the Term on reasonable notice for the purpose of exhibiting the Premises to prospective Mortgagees and/or purchasers, or for the purpose of inspecting the Premises.

14.2 Force Majeure

Notwithstanding any other provision contained in this Lease, 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 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, 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 14.2 shall not, under any circumstances, operate to excuse the Tenant from prompt payment of Rent and other charges payable under this Lease.

14.3 Parking

The Tenant shall, throughout the Term, have right to parking spaces, for itself and its employees at the outdoor parking spaces on the Premises. Customers and invitees of the Tenant shall have the right to park in outdoor parking spaces in common with others. Such parking rights shall be free of charge, but all costs relating to the parking facilities and their operation and management will be included in operating costs.

14.4 Effect of Waiver or Forbearance

No waiver by any party of any breach by any other party of any of its covenants, agreements or obligations in this Lease shall be or be deemed to be waiver of any subsequent breach thereof or the breach of any other covenants, agreements or obligations, nor shall any forbearance by any party 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.

14.5 Notices

Any notice required or contemplated by any provision of this Lease shall be given in writing and addressed, in the case of the Landlord, to it at the address noted in Section 1.1(a), and in the case of the Tenant, to it at the address noted in Section 1.1(b), and delivered or sent by facsimile or by prepaid courier or by registered mail, postage prepaid, return receipt requested. The time of receipt of such notice, if mailed, shall be conclusively deemed to be the third business day after the day of such mailing unless regular mail service is interrupted by strikes or other irregularities. Such notice, if delivered or sent by facsimile, shall be conclusively deemed to have been received at the time of such delivery or the time of sending by facsimile. If, in this Lease, two (2) or more persons are named as Tenant, such notice shall be delivered personally to any one (1) of such persons. Either party may, by notice to the other from time to time, designate another address in Canada to which notices mailed more than ten (10) days thereafter shall be addressed.

14.6 Registration

Neither the Tenant nor anyone on the Tenant's behalf or claiming under the Tenant shall register on title to the real property this Lease or a Notice of this Lease. The Tenant may register a notice or caveat in respect of this Lease with the consent of the Landlord, not to be unreasonably withheld. Any such notice or caveat shall contain the minimum requirements for registration. The Tenant shall pay the Landlord's reasonable legal costs of reviewing the documentation presented by the Tenant.

14.7 Interpretation

- (a) 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*.
- (b) 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.
- (c) If any Article or Section or part or parts of an Article or Section in this Lease is 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 on the Landlord and the Tenant as though such Article or Section had never been included in this Lease.

14.8 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. This Lease constitutes the entire agreement duly executed by the parties, and no amendment, variation or change to this Lease shall be binding unless the same shall be in writing and signed by the parties.

14.9 Time of the Essence

Time shall be of the essence of this Lease and every part thereof.

14.10 Successors and Assigns

All rights, advantages, privileges, immunities, powers and things hereby secured to the Landlord and to the Tenant shall be secured to and exercisable by their successors and permitted assigns, as the case may be, and all covenants, liabilities and obligations entered into or imposed hereunder upon the Landlord and the Tenant shall be equally binding upon their successors and permitted assigns, as the case may be.

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

LANDLORD

2569907 Ontario Inc.

Per:

Name:

Title:

I have authority to bind the Corporation.

TENANT

The Corporation of the County of Brant

Per:

Name:

Title:

I have authority to bind the Corporation

SCHEDULE "A"
LEGAL DESCRIPTION

SCHEDULE "B"
RULES AND REGULATIONS

1. The Tenant shall not permit any cooking in the Premises other than light refreshments and beverages for staff.
2. The sidewalks, entries, passages and staircases shall not be obstructed or used by the Tenant, its agents, servants, contractors, invitees or employees for any purpose other than ingress to and egress from the Premises. The Landlord reserves entire control of all parts of the Building employed for the common benefit of the tenants including, without restricting the generality of the foregoing, the sidewalks, entries, corridors and passages not within the Premises, washrooms, mechanical, electrical and other equipment rooms, janitor's closets, stairs, flues, stacks, pipe shafts and ducts, and shall have the right to place such signs and appliances therein as it may deem advisable, provided that ingress to and egress from the Premises is not unduly impaired.
3. The Tenant, its agents and others for whom the Tenant is in law responsible, shall not bring in or take out, position, construct, install or move any safe, business machine or other heavy office equipment without first obtaining the consent in writing of the Landlord. In giving such consent, the Landlord shall have the right, in its sole discretion, to prescribe the weight permitted and the position thereof, and the use and design of planks, skids or platforms to distribute the weight thereof. All damage done to the Building by moving or using any such heavy equipment or other office equipment or furniture shall be repaired at the expense of the Tenant. The moving of all heavy equipment or other office equipment or furniture shall occur only between 6:00 p.m. and the following 8:00 a.m. or any other time consented to by the Landlord, and the persons employed to move the same in and out of the Building must be acceptable to the Landlord.
4. The Tenant shall not place or cause to be placed any additional locks on any doors of the Premises without the approval of the Landlord, and any additional locks which the Landlord consents to be placed or caused to be placed on any doors of the Premises shall be subject to any conditions imposed by the Landlord.
5. The washrooms and other water apparatus 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. Any damage resulting by misuse shall be borne by the Tenant by whom or by whose agents, servants or employees the same is caused. Tenants shall not let the water run unless it is in actual use, and shall not deface or mark any part of the Building, or drive nails, spikes, hooks or screws into the walls or woodwork of the Building.
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 permit window cleaners to clean the windows of the Premises during Normal Business Hours or at other times.
8. Canvassing, soliciting and peddling in the Building by the Tenant is prohibited.
9. No animals or birds shall be brought into the Building.
10. The Tenant shall not install or permit the installation or use of any machine dispensing goods for sale in the Premises or the Building or permit the delivery of any food or beverage to the Premises in contravention of any regulations fixed or to be fixed by the Landlord without the approval of the Landlord. Only persons authorized by the Landlord shall be permitted to deliver or to use the elevators in the Building for the purpose of delivering food or beverages to the Premises.
11. No curtains, blinds or other window coverings shall be installed by the Tenant without the prior written consent of the Landlord. Any window coverings that are installed shall comply with any uniform scheme of the Building.
12. The Tenant shall not operate or permit to be operated any musical or sound-producing instrument, equipment or device inside or outside the Premises which may be heard outside the Premises.

SCHEDULE "C"
LANDLORD'S WORK

The Landlord agrees, at his own cost, to do the following:

- Remove Existing Furniture and Signage
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***Phone data and additional specialized equipment hookups to be supplied by Tenant**

