## THE CORPORATION OF THE TOWN OF AMHERSTBURG

# **BY-LAW NO. 2013-101**

# By-law authorizing a Lease Agreement between the Corporation of the Town of Amherstburg and Lican Developments Limited

WHEREAS the Municipal Act, S.O. 2001, c. 25, authorizes Council to enter into agreements;

AND WHEREAS the Town of Amherstburg has entered into a Lease Agreement with Lican Developments Limited for 99 Thomas Road;

**AND WHEREAS** the Town of Amherstburg deems it expedient to enter into a three year Lease Agreement commencing October 18<sup>th</sup> 2013 and ending September 30, 2016;

**NOW THEREFORE** the Council of the Corporation of the Town of Amherstburg enacts as follows:

- 1. THAT the Mayor and Clerk be authorized to enter into an Agreement
- 2. THAT Schedule A attached hereto, being the Agreement, as to form and content, forms part of this By-law.
- THAT all actions taken and/or required to be taken by the Mayor and Clerk on behalf of the Town to fulfill the terms of the Agreement, including the execution of all documentation, are hereby authorized.
- THAT this By-law shall come into force and take effect immediately upon the final passing thereof.

Read a first, second and third time and finally passed this 7th day of October, 2013.

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# **Single-Tenant Industrial Lease**

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# THIS LEASE made the 15th day of October, 2013,

BETWEEN:

The Corporation of the Town of Amherstburg (the "Landlord")

AND

Dynament Corp. (the "Tenant")

### WITNESSETH AS FOLLOWS:

# Article 1 — Basic Terms, Definitions

### 1.1 Basic Terms

(a) Landlord: The Corporation of the Town of Amherstburg Address: 271 Sandwich Street South

(b) Tenant: Dynament Corp. Address: Premises

- (c) INTENTIONALLY DELETED
- (d) Premises: the lands and premises outlined in blue in Schedule "A" and municipally known as 99 Thomas Road, Amherstburg, Ontario.
- (e) Rentable Area of Premises: 8400 square feet, subject to Section 2.2
- (f) Term: 3 years subject to Sections 2.3 and 2.4 Commencement Date: October 18, 2013, subject to Section 2.4 End of Term: October 17, 2016, subject to Sections 2.3 and 2.4
- (g) Basic Rent (Section 4.1):

Period Per Sq. Ft./Year Per Year Per Month 10/18/13 to 10/17/16 \$1.50 \$12,600 \$1,050

- (h) Permitted Use (Section 7.1): Tenant shall use the Premises for design, development, manufacturing, sales and marketing of medical devices.
- (i) Deposit: \$2,100, in accordance with Section 3.4 Rent Deposit: \$0.00 shall be applied to Rent and Rental Taxes as they first come due hereunder in accordance with Section 3.4 Security Deposit: \$2,100 shall be held as a security deposit in accordance with Section 3.4

- (i) INTENTIONALLY DELETED
- (k) Extension Rights, if any: set out in Schedule "C", if applicable
- (1) Schedules forming part of this Lease:

Schedule "A" Plan and Additional Lands

Schedule "B" Intentionally Deleted

Schedule "C" Extension Rights

Schedule "D" Tenant Special Covenants

Schedule "E" Tenant's Work

Scheduel "F" Rules and Regulations

#### 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 Lands" means lands outlined in yellow and cross hatched on Schedule "A" hereto;
- (b) "Additional Rent" means 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;
- (c) "Basic Rent" means the basic rent payable by the Tenant pursuant to Section 4.1;
- (d) "Capital Taxes" means any tax or taxes levied against the Landlord and any owner of the Premises by any governmental authority having jurisdiction (including, without limitation, the Large Corporations Tax imposed under the *Income Tax Act* (Canada) and the tax imposed under any applicable provincial corporate tax legislation) based on or computed by reference to the paid-up capital or place of business of the Landlord or any owner of the Premises or the taxable capital employed in Canada by the Landlord or any owner of the Premises as determined for the purposes of such tax or taxes;
- (e) "Commencement Date" means the date set out in Section 1.1(f), as such may be varied pursuant to the terms of this Lease;
- (f) "Event of Default" has the meaning set out in Section 13.1;
- (g) "Fixturing Period" means the period, if any, set out in Section 1.1(j) granted to the Tenant for possession prior to the Commencement Date for the purpose of fixturing and improving the Premises;
- (h) "HVAC Equipment" means heating, ventilating and air-conditioning equipment, facilities and installations;
- (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 Premises 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) "Premises" means the lands and premises identified in Section 1.1(d) and having the Rentable Area as set out in Section 1.1(e), and all rights and easements appurtenant thereto;
- (m) "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 Premises or its interest therein, but specifically excluding any taxes assessed upon the income of the Landlord;
- (n) "Rent" means all Basic Rent and Additional Rent;
- (o) "Rentable Area of the Premises" means the area of the building forming part of the Premises measured to the outside surface of the outer building wall;
- (p) "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 of this Lease or hereinafter imposed by any governmental authority, including, without limitation, goods and services tax, harmonized sales 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;
- (q) "Tenant Special Covenants" means the covenants of the tenant contained in Schedule "D";
- (r) "Term" means the period specified in Section 1.1(f) and, where the context requires, any renewal, extension or overholding thereof;
- (s) "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
- (t) "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 accepts the Premises on an "as is" basis.

#### 2.2 Measurement

The Landlord may arrange for the Rentable Area of the Premises to be measured by its architect, surveyor or other space measurer and, if the area measured is different than that set out in Section 1.1(e), the Rent will be adjusted in accordance with the measured area. The Landlord will advise the Tenant in writing of the area measurement. If the Landlord does not arrange for such 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 the provisions of this Lease.

### 2.4 Delay in Possession

Should the Tenant be delayed by any fault of the Landlord or any other reason (other than the fault of the Tenant) in taking possession of the Premises at the start of the Fixturing Period or on the Commencement Date (if there is no Fixturing Period), then and only then shall the start of the Fixturing Period (if any), the Commencement Date and the Term be postponed for the same number of days that the Tenant is delayed in taking possession of the Premises. The Tenant 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 on one (1) month's 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 one-twelfth (1/12) of all Additional Rent charges provided for herein, determined in the same manner as if this Lease had been renewed, and 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, 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 of every nature and kind relating to the Premises (except the Landlord's income taxes, and except as otherwise specifically provided) in the manner hereinafter provided, and the Tenant 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

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 postdated 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 postdated cheques or new documentation (as applicable).

# 3.4 Deposit

Any deposit in the Landlord's hands at the beginning of the Term shall be held by the Landlord without interest. The amount of any such rent deposit described in Section 1.1(i) 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(i) 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 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 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 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 shall be payable on the first day of the partial month.

#### Article 4 — Basic Rent

#### 4.1 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 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(g). Such Basic Rent during the initial Term to be payable in full upon the earlier of the following: (i) the early termination of the Lease for any reason; (ii) the exercise by the

Tenant of the Right of First Refusal or Option to Purchase; and (iii) the expiry of the Term. Basic Rent durin the Extension Term shall be payable in equal monthly installments in advance on the first day of each month during the Extension Term.

### Article 5 — Additional Rent

#### 5.1 Additional Rent

- (1) In addition to the Basic Rent reserved in favour of the Landlord, the Tenant shall, throughout the Term, pay to the Landlord or as otherwise provided in this Lease, in lawful money of Canada, without any deduction, abatement or set-off whatsoever, as Additional Rent, the following costs incurred and attributable to the entire Premises:
  - (a) all operating expenses in respect of the Premises;
  - (b) all Realty Taxes levied, rated, charged or assessed on or in relation to the Premises;
  - (c) all charges, costs, accounts and any other sums payable by reason of the supply of utilities and services to the Premises; and
  - (d) all other sums, amounts, costs, cost escalations and charges specified in this Lease to be payable by the Tenant.
- (2) All of the payments set out in this Lease (other than Basic Rent and Rental Taxes) shall constitute 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 paid 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, or any part thereof, 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. 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.

#### 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 Capital Taxes**

The Tenant shall pay to the Landlord, as Additional Rent, the portion of the Capital Taxes that, in the Landlord's reasonable discretion, is attributable to the Premises, as if the Premises was the only property of the Landlord and/or any owner of the Premises. Payment shall be due in equal monthly instalments over each calendar year. 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.

#### 5.5 Landlord's Insurance Costs

The Landlord shall pay, at its sole cost and expense, all costs of the Landlord in maintaining its insurance as contemplated herein.

### 5.6 Annual Readjustment of Additional Rent

As soon as practicable after the expiration of each year, the Landlord shall make a final determination of Realty Taxes, Capital Taxes and other estimated Additional Rent, based on the actual costs incurred therefor by the Landlord, and shall notify the Tenant of such determination, providing reasonable details as to the breakdown and calculation thereof. If there has been a shortfall in the amounts payable by the Tenant for such period, the Tenant shall pay 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, to be applied to payments falling due under this Lease. In the event of any dispute, the report of the Landlord's auditor or accountant as to the Additional Rent shall be conclusive as to the amount thereof for any period to which such report relates. Neither the Landlord nor the Tenant may claim any adjustment on account of Additional Rent for any fiscal period more than two (2) years after the date of delivery of the statement for such period.

#### Article 6 — Utilities and HVAC

### 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 shall contract with and pay the supplier directly. 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, on request, shall promptly provide the Landlord with a list of all installations, appliances and machines used in the Premises.

### 6.2 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 electrical wiring and service in the Premises, and agrees that if any equipment installed by the Tenant shall require additional utility 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.

### 6.3 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.

#### 6.4 HVAC

The Tenant shall, throughout the Term, operate, maintain, repair, replace and regulate the HVAC Equipment in such a manner as to maintain reasonable conditions of temperature and humidity within the Premises and so as to maintain the HVAC Equipment in a good and working order.

#### Article 7 — Use of Premises

#### 7.1 Use of the Premises

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

#### 7.2 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. Without limiting the generality of the foregoing:

- (a) where, during the Term, the Tenant has, through its use or occupancy of the Premises, caused or permitted a release of a contaminant at, from or to the Premises, the Tenant shall immediately clean up such contaminant from the Premises, and any affected areas, at the Tenant's expense; and
- (b) on the termination of this Lease for any reason, the Tenant shall remove, at its expense, any contaminant or contamination which, through the Tenant's use or occupancy of the Premises, it has brought to or created at the Premises.

### 7.3 Waste, Nuisance, Overloading

The Tenant shall not do or suffer any waste or 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 Premises, 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 8 — Maintenance, Repairs and Alterations of Premises

# 8.1 Tenant's Obligations

The Tenant covenants to keep the Premises in a good and reasonable state of repair consistent with the general standards applicable to buildings of a similar nature in the vicinity of the Premises. The Tenant shall not be responsible for any items that are within the Landlord's obligations pursuant to Section 8.2 of this Lease. The obligations of the Tenant include, without limitation, snow removal and pest control for the Premises, maintenance and gardening of the Premises, painting and decorating, flooring, roof membrane, mechanical systems (including HVAC), utility systems (within Premises), windows, doors, landscaping (other than lawn cutting), snow removal, security services, garbage removal, damages caused by tenant and maintenance of and repairs to the parking lot.

# 8.2 Landlord's Obligations

- (1) The Landlord shall be responsible for repairs and replacements arising from structural defects or weaknesses.
  - (2) The Landlord shall be responsible for the following (the "Landlord's Obligations"):
  - (a) capital repairs and replacements to the structure of the building and to the roof deck (excluding the roof membrane), it being agreed that capital repairs and replacements to the structure shall be deemed a Landlord's Obligation, and normal day-to-day maintenance of the structure and roof shall be included in the Tenant's obligations;
  - (b) lawn cutting at the premises; and
  - (c) Landlord's insurance for Premises.

### 8.3 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 for the purpose of having access to the under floor ducts, or to the 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. The Tenant shall promptly effect all repairs necessitated by the Tenant's negligence or wilful misconduct or the negligence or wilful misconduct of the Tenant's agents, servants, contractors, invitees, employees or others for whom the Tenant is in law responsible.

#### 8.4 Alterations

The Landlord shall be responsible for delivering the Premises in its current condition. The Tenant acknowledges having inspected the Premises and in particular the Building and shall accept the Premises in an "as is, where is" condition. The Tenant shall be responsible, at its own cost and expense, for performing the leasehold improvements and Tenant's Work as more particularly described in Schedule "E" hereto, all subject to prior approval of all plans and specification by the Landlord. 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. The Tenant must further obtain the Landlord's prior written consent to any change or changes in such drawings and specifications. The Tenant will pay to the Landlord the Landlord's reasonable out-of-pocket costs of having its architects approve such drawings and specifications and any changes. Such work shall be performed by qualified contractors engaged by the Tenant (and approved by the Landlord), but in each case only under a written contract approved in writing by the Landlord and 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 engaged for any structural, mechanical or electrical work. 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 and of all materials, labour and services involved therein and of all decoration and all changes to the Premises, its equipment or services necessitated thereby.

# 8.5 Signs

The Tenant shall not paint, display, inscribe, place or affix any sign, picture, advertisement, notice, lettering or direction on any part of the outside of the Premises or that is visible from the outside of the Premises without the prior consent of the Landlord, not to be unreasonably withheld.

### **8.6 Construction Liens**

If any construction or other liens or order for the payment of money shall be filed against the Premises 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 liens or orders against the Tenant at the Tenant's sole expense. The Tenant indemnifies the Landlord against any expense or damage incurred as a result of such liens or orders.

### 8.7 Removal of Improvements and Fixtures

- (1) 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.
- (2) The Tenant shall, at its own expense, repair any damage caused to the Premises 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 HVAC Equipment or light fixtures. Notwithstanding anything in this Lease, the Landlord shall be under no obligation to repair or maintain the Tenant's installations.

#### 8.8 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 8.7.

# Article 9 — Insurance and Indemnity

#### 9.1 Tenant's Insurance

- (1) 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 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 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;
  - (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, 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) 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) plate glass insurance with respect to all glass windows and glass doors in or on the

- Premises for the full replacement value thereof; and
- (f) such other forms of insurance as may be reasonably required by the Landlord and any Mortgagee from time to time.
- (2) 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 9.1(a) and 9.1(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 9.1(b) and 9.1(d) shall name as an additional insured the Landlord and anyone else with an interest in the Premises 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.
- (3) 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, on 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 payment by the Landlord.

#### 9.2 Landlord's Insurance

The Landlord shall provide and maintain insurance on the Premises 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 Premises. 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 Premises 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.

#### 9.3 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 Premises 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

Premises, 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 Premises 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.

# 9.4 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 provisions of this Lease.

## 9.5 Mutual Release

- (1) Each of the Landlord and the Tenant releases the other and waives all claims against the other and those for whom the other is in law responsible with respect to occurrences insured against or required to be insured against by the releasing party, whether any such claims arise as a result of the negligence or otherwise of the other or those for whom it is in law responsible, subject to the following:
  - (a) such release and waiver shall be effective only to the extent of proceeds of insurance received by the releasing party or proceeds which would have been received if the releasing party had obtained all insurance required to be obtained by it under this Lease (whichever is greater) and, for this purpose, deductible amounts under the Tenant's insurance (but not the Landlord's) shall be deemed to be proceeds of insurance received; and
  - (b) to the extent that both parties have insurance or are required to have insurance for any occurrence, the Tenant's insurance shall be primary.
- (2) Notwithstanding the foregoing or anything else herein contained, in no event, whether or not the result of the wilful act or the negligence of the Landlord, its agents, officers, employees or others for whom it is legally responsible, and irrespective of any insurance that may or may not be carried or required to be carried, shall the Landlord be liable for: (a) damage to property of the Tenant or others located on the Premises; (b) any injury or damage to persons or property resulting from fire, explosion, steam, water, rain, snow or gas which may leak into or issue or flow from any part of the Premises or from the water, steam or drainage pipes or plumbing works of the Premises or from any other place or quarter; (c) any damage caused by or attributable to the condition or arrangement of any electrical or other wiring; or (d) any indirect or consequential damages suffered by the Tenant.

# Article 10 — Assignment and Subletting

### 10.1 Assignment, Subletting

The Tenant shall not effect any Transfer without the prior written consent of the Landlord, which may be unreasonably withheld. No consent to any 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.

#### 10.2 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. The Tenant's request shall contain the information required by Section 10.3 of this Lease. The Landlord shall, within fourteen (14) days after receipt of such request, notify the Tenant in writing either that: (a) the Landlord consents or does not consent, as the case may be; or (b) the Landlord elects to cancel and terminate this Lease if the request is to assign the Lease or to sublet or otherwise transfer all of the Premises or, if the request is to sublet or otherwise transfer a portion of the Premises only, to cancel and terminate this Lease with respect to such portion. If the Landlord elects to cancel this Lease as aforesaid and so advises the Tenant in writing, the Tenant shall then notify the Landlord in writing within fifteen (15) days thereafter of the Tenant's intention either to refrain from such Transfer or to accept the cancellation of the Lease (in whole or in part, as the case may be). Failure of the Tenant to deliver notice to the Landlord within such fifteen (15) day period advising of the Tenant's desire to refrain from such Transfer shall be deemed to be an acceptance by the Tenant of the Landlord's cancellation of this Lease (in whole or in part, as the case may be). Any cancellation of this Lease pursuant to this Section 10.2 shall be effective on the later of the date originally proposed by the Tenant as being the effective date of the Transfer and the last day of the month sixty (60) days following the date of the Landlord's notice to cancel this Lease.

### **10.3 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, telephone 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 on the following:

- (a) the Tenant remaining fully liable to pay Rent and to perform all of the covenants, terms and conditions herein contained;
- (b) the Landlord being satisfied, acting reasonably, with the financial ability and good credit rating and standing of the Transferee and the ability of the Transferee to carry on the permitted use;
- (c) the Tenant having regularly and duly paid Rent and performed all the covenants contained in this Lease;
- (d) the Transferee having entered into an agreement with the Landlord agreeing to be bound

- by all of the terms, covenants and conditions of this Lease;
- (e) the Tenant paying to the Landlord, prior to receiving such consent, an administrative fee and all reasonable legal fees and disbursements incurred by the Landlord in connection with the Transfer; and
- (f) the Tenant paying to the Landlord, as Additional Rent, all excess rent and other profit earned by the Tenant in respect of the Transfer.

# 10.4 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 10 shall apply *mutatis mutandis*. The Tenant shall make available to the Landlord or 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. This provision shall not apply if the Tenant is a public company or is controlled by a public company listed on a recognized stock exchange and such change occurs as a result of trading in the shares of a corporation listed on such exchange.

# 10.5 No Advertising

The Tenant shall not advertise that the whole or any part of the Premises is available for assignment or sublease, 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.

## 10.6 Assignment by Landlord

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

#### 10.7 Status Certificate

The Tenant shall, on ten (10) days' notice from the Landlord, execute and deliver to the Landlord and/or as the Landlord may direct 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 Basic Rent then being paid; (c) the dates to which Basic Rent, by instalments or otherwise, and Additional Rent and other charges hereunder have been paid; (d) whether or not there is any existing default on the part of the Landlord of which the Tenant has notice; and (e) any other information and particulars as the Landlord may reasonably request.

### 10.8 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 on 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 11 — Quiet Enjoyment

# 11.1 Quiet Enjoyment

The Tenant, on 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.

# Article 12 — Damage and Destruction

# 12.1 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.

### 12.2 Rights to Termination

# Notwithstanding Section 12.1:

- (a) if the Premises or any portion thereof are damaged or destroyed by any cause whatsoever and cannot, in the reasonable opinion of the Landlord, be rebuilt within one hundred and twenty (120) days of the damage or destruction, the Landlord may 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) 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 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 Premises, the Landlord may elect, within thirty (30) days of such damage

or destruction, on written notice to the Tenant, to terminate this Lease, and the Tenant shall immediately deliver up vacant possession of the Premises to the Landlord.

### 12.3 Certificate Conclusive

Any decisions regarding the extent to which the Premises 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 on the parties.

#### 12.4 Landlord's Work

In performing any reconstruction or repair, the Landlord may effect changes to the Premises and its equipment and systems. 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.

### 12.5 Expropriation

- (1) If at any time during the Term any public body or paramount authority shall take or expropriate the whole or a portion of the Premises, then the following provisions shall apply:
  - (a) if such expropriation or compulsory taking does not materially affect the Tenant's use or enjoyment of the Premises, then the whole of the compensation awarded or settled, whether fixed by agreement or otherwise, shall be paid or received by the Landlord, and the Tenant assigns, transfers and sets over unto the Landlord all of the right, title and interest of the Tenant therein and thereto, and this Lease shall thereafter continue in effect with respect to the remainder of the Premises, without abatement or adjustment of Rent; and
  - (b) if such expropriation or compulsory taking does materially affect the Tenant's use or enjoyment of the Premises, then, at the Landlord's option: (i) this Lease shall be deemed to terminate and the Term shall terminate on the date upon which the expropriating or taking authority requires possession of the lands so expropriated or taken; or (ii) the Premises shall be adjusted to exclude the area so taken, the Landlord shall complete any work required to the Premises as a result of such taking (excluding any work relating to 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) and the Rent shall be adjusted if the Rentable Area of the Premises changes as a result of such taking. In either event the Landlord shall be entitled to receive the entire compensation awarded or settlement, whether fixed by agreement or otherwise, save and except for that portion thereof as is specifically awarded or allocated in respect of the leasehold improvements or other interests of the Tenant.
- (2) The Landlord and the Tenant will cooperate with each other regarding any expropriation of the Premises or any part thereof so that each receives the maximum award to which it is entitled at law.

### Article 13 — Default

# 13.1 Default and Right to Re-enter

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

- (a) any Rent due is not paid within five (5) days after notice in writing from the Landlord to the Tenant;
- (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 13.1, after notice in writing from the Landlord to the Tenant:
  - (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 ten (10) days of such breach, or thereafter fails to proceed diligently to remedy such breach;
- (c) the Tenant 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;
- (e) the Tenant 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 the date of 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 Premises 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 person for whom it is legally responsible.

#### 13.2 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, enjoy them as of its former estate, and to 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. If the Landlord enters the Premises without notice to the Tenant as to whether it is terminating this Lease under this Section 13.2(a) or proceeding under Section 13.2(b) or any other provision of this Lease, the Landlord shall be deemed to be proceeding under Section 13.2(b), 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;

- (b) to enter the Premises as agent of the Tenant to do any or all of the following: (i) relet the Premises for whatever length and on such terms as the Landlord, in its discretion, may determine, and to receive the rent therefor; (ii) take possession of any property of the Tenant on the Premises, store such property at the expense and risk of the Tenant, and sell or otherwise dispose of such property in such manner as the Landlord sees fit without notice to the Tenant; (iii) make alterations to the Premises to facilitate their reletting; and (iv) 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 for any deficiency to the Landlord;
- (c) to remedy or attempt to remedy any default of the Tenant under this Lease for the account of the Tenant and to enter upon 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, and 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. 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 immediately become due and payable as accelerated rent.

#### 13.3 Distress

Notwithstanding any provision of this Lease or any provision of any 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. If the Landlord makes any claim against the goods and chattels of the Tenant by way of distress, this provision may be pleaded as an estoppel against the Tenant in any action brought to test the right of the Landlord to levy such distress.

#### **13.4 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.

### 13.5 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, by statute, or common law, all of which rights and remedies are intended to be cumulative and not alternative. The express provisions contained in this Lease 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 14 — Right of First Refusal and Option to Purchase

# 14.1 Right of First Refusal

Provided the Tenant: (a) is Dynament Corp; and (b) has never been in default under this Lease, including but not limited to the Tenant Special Covenants, the Landlord agrees that if it receives a bona fide offer to purchase the Premises or the Additional Lands which the Landlord is prepared to accept, the Landlord shall so advise the Tenant by notice in writing with the offer attached (the "First Refusal Notice") and the Tenant shall have the right exercisable by an offer in writing to the Landlord given within fifteen (15) days after the receipt by it of the First Refusal Notice to purchase on the same terms and conditions as in the First Refusal Notice

If the Tenant fails to exercise its right in this Article, the Tenant shall be deemed to have waived its right of first refusal and the Landlord shall be free to sell to a third party on the same or no less favourable terms as set out in the First Refusal Notice subject to the third party assuming the obligations of the Landlord pursuant to this Lease.

If the purchase transaction is not completed and a subsequent bona fide offer is received to purchase the Premises or the Additional Lands then this right of first refusal shall apply to any such subsequent bona fide offer.

In the event that the Landlord completes the sale of the Premises and/or Additional Lands pursuant to the bona fide offer to purchase, the Landlord shall be released from all of its obligations under the Lease.

## 14.2 Option to Purchase Premises

Provided the Tenant: (a) is Dynament Corp; and (b) has never been in default under this Lease, including but not limited to the Tenant Special Covenants, the Tenant shall have a one-time option to purchase (the "Purchase Option") the Premises as follows:

- (a) subject to Section 14.2(e) below, the purchase price shall be Two Hundred and Ninety Five Thousand Dollars (\$295,000.00), payable in cash or by certified cheque on closing;
- (b) the Tenant shall exercise the Purchase Option by written notice to the Landlord of its election to do so, such notice to be accompanied by a deposit in the amount of Twenty-Five Thousand Dollars (\$25,000.00) payable to the Landlord. The notice from the Tenant exercising the Purchase Option shall constitute a binding agreement of purchase and sale;
- (c) the closing of the Purchase Option shall be on the thirtieth day following the exercise of the Purchase Option, unless such date is not a business day, in which case the closing shall be on the next business day;
- (d) the Tenant shall purchase the Premises on an "as is, where is" basis without any representation or warranties from the Landlord whatsoever as to condition of the Premises;
- (e) if the Option to Purchase is exercised during the initial Term the purchase price payable pursuant to this Purchase Option shall be reduced by the amount of Base Rent payable by the Tenant to the Landlord as of the date the Premises are transferred to the Tenant by the Landlord and such Base Rent shall be payable to the Landlord by the Tenant on closing of the purchase and sale transaction contemplated hereby in addition to the purchase price; and
- (f) the terms of the OREA (including any successor thereof) standard form of agreement of purchase and sale in effect at the time that the Purchase Option is exercised shall apply to the Purchase Option, to the extent applicable and where not inconsistent with the terms hereof.

# 14.3 Option to Purchase Additional Lands

Provided the Tenant: (a) is Dynament Corp; and (b) has never been in default under this Lease, including but not limited to the Tenant Special Covenants, the Tenant shall have a one-time option to purchase (the "Purchase Option") the Additional Lands as follows:

- (a) the purchase price shall be the fair market value of the Additional Lands, payable in cash or by certified cheque on closing. If the Landlord and the Tenant do not agree on such fair market value at least fifteen (15) days prior to closing then the fair market value shall be determined by arbitration before a sole arbitrator in accordance with the arbitration legislation of the province in which the Premises is situate. If the arbitrator has not made its determination by the date scheduled for closing, then closing shall be extended to five (5) business days following such determination;
- (b) the Tenant shall exercise the Purchase Option by written notice to the Landlord of its election to do so, such notice to be accompanied by a deposit in the amount of Twenty-Five Thousand Dollars (\$25,000.00) payable to the Landlord. The notice from the

- Tenant exercising the Purchase Option shall constitute a binding agreement of purchase and sale;
- (c) the closing of the Purchase Option shall be on the thirtieth day following the exercise of the Purchase Option, unless such date is not a business day, in which case the closing shall be on the next business day;
- (d) the Tenant shall purchase the Additional Lands on an "as is, where is" basis without any representation or warranties from the Landlord whatsoever as to condition of the premises; and
- (e) the terms of the OREA (including any successor thereof) standard form of agreement of purchase and sale in effect at the time that the Purchase Option is exercised shall apply to the Purchase Option, to the extent applicable and where not inconsistent with the terms hereof.

## Article 15 — Environmental

#### 15.1 Definitions

#### In this Lease:

- (a) "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; and
- (b) "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.

## 15.2 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.

#### 15.3 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.

# 15.4 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 authorizations as may be required to facilitate the obtaining of such information.

### 15.5 Audit Report at End of Term

Upon the request of the Landlord, given to the Tenant within six (6) months preceding the calendar month in which the Term or any extension or renewal thereof (as the case may be) expires, the Tenant shall provide to the Landlord, at the sole cost of the Tenant, an independent audit or assessment report, in form and substance and from a qualified consultant approved by

the Landlord, acting reasonably, regarding Hazardous Substances in, on or under the Premises (the "Exit Report"). Should the Exit Report reveal that the presence of any Hazardous Substances beyond those permitted by Environmental Laws were found in, on or under the Premises that were released, discharged, emitted or otherwise produced by the Tenant or its employees, agents, invitees or contractors, the Tenant shall complete all remediation required on or before the end of the Term (or renewal or extension) to the standards required by all Environmental Laws at that time. If for reasons beyond the control of the Tenant such remediation cannot be completed by the end of the Term (or renewal or extension as the case may be) the Tenant shall be entitled, by notice to the Landlord given within ten (10) days of the delivery of the Exit Report to the Landlord, to an additional two (2) months to complete such remediation. All terms and conditions shall continue during such two (2) month period including all of the Tenant's obligations in respect of Rent.

#### 15.6 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.

#### 15.7 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 to the standards required by all Environmental Laws together with any other work required; (c) provide all bonds and other security required by such authorities; and (d) carry out and complete the remediation to the standards required by all Environmental Laws together with any 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.

### 15.8 Hazardous Substances Remain Property of Tenant

If the Tenant or its sublesees 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.

# 15.9 Tenant Indemnity

Without limiting any other obligation of the Tenant in this Lease, the Tenant agrees to indemnify and save harmless the Landlord, its mortgagees, and their agents, servants, employees and others for whom 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; and
- (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.

### 15.10 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.

# 15.11 Environmental Questionnaire

Upon request by the Landlord, the Tenant covenants to complete, execute and deliver to the Landlord on or before the Commencement Date, and at any time and from time to time during the Term, an Environmental Questionnaire in such form as prepared by the Landlord, acting reasonably. The Landlord's request for completion of such Questionnaire and/or receipt of any completed Questionnaire shall not constitute or imply an obligation on the part of the Landlord in respect of any matters disclosed by any such Questionnaire.

#### Article 16 — General

## **16.1 Entry**

- (1) Provided that the Tenant has not exercised any option to extend this Lease as provided herein, the Landlord shall be entitled at any time during the last nine (9) months of the Term:
  - (a) without notice to or consent by the Tenant to place on the exterior of the Premises the Landlord's usual notice(s) that the Premises are for rent; and

- (b) on reasonable prior notice, to enter upon the Premises during normal business hours for the purpose of exhibiting same to prospective tenants.
- (2) The Landlord may enter the Premises 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. The Landlord shall have the right to place on the Premises a "for sale" sign of reasonable dimensions.

# 16.2 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 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 delays. The provisions of this Section 14.2 shall not under any circumstances operate to excuse the Tenant from prompt payment of Rent and/or any other charges payable under this Lease.

#### 16.3 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 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 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 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.

### 16.4 Notices

- (1) 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(a), (b) or (c), as applicable, 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 same or on the third 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.
- (2) 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.

## 16.5 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 Premises. The Tenant may register a notice or caveat of this Lease provided that: (a) a copy of the Lease is not attached; (b) no financial terms are disclosed; (c) the Landlord gives its prior written approval to the notice or caveat; and (d) the Tenant pays the Landlord's reasonable costs on account of the matter. Upon the expiration or earlier termination of the Term, the Tenant shall immediately discharge or otherwise vacate any such notice or caveat.

# 16.6 Rules and Regulations

The Tenant and its officers, directors, servants, agents and all persons visiting or doing business with it shall be bound by and shall observe the rules and regulations attached to this Lease as Schedule "F" and any other reasonable rules and regulations made by the Landlord from time to time of which notice shall be given to the Tenant, and all such rules and regulations shall be deemed to be incorporated into and form part of this Lease.

## 16.7 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.

# 16.8 Severability, Subdivision Control

If any Article or Section or part or parts of an Article or Section in this Lease is or is held to 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 on the Landlord and the Tenant as though such Article or Section or part 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 cooperate with the Tenant in bringing such application.

### 16.9 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, and no amendment, variation or change to this Lease shall be binding unless the same shall be in writing and signed by the parties.

### 16.10 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.

# 16.11 Confidentiality and Personal Information

- (1) The contents, terms and conditions of this Lease shall be kept strictly confidential by the Tenant. The Tenant shall not, under any circumstances, discuss or reveal the details of this Lease with any arm's-length parties including, but not limited to, any prospective tenants, real estate agents or others, except the Tenant's legal and financial advisors, any *bona fide* Transferee, and except as may be required by law.
- (2) Any Tenant or Indemnifier that is an individual person consents to the collection and use of their personal information, as provided directly or collected from third parties, for the purposes of the Landlord considering the Tenant's offer in respect of this Lease and determining the suitability of the Tenant or Indemnifier, as applicable, (both initially and on an on-going basis), including the disclosure of such information to existing and potential lenders, investors and purchasers.

# 16.12 No Contra Proferendum

This Lease has been negotiated and approved by the Landlord and the Tenant and, notwithstanding any rule or maxim of law or construction to the contrary, any ambiguity or uncertainty will not be construed against either Landlord or Tenant by reason of the authorship of any of the provisions contained in this Lease.

IN WITNESS WHEREOF the parties have duly executed this Lease.

LANDLORD	The Corporation of the Town of Amherstburg
I/We have the authority to bind the Corporation	Per: MAYNE HURST Title: MAYOR c/s Per: Name: BRENDA M. PERCY Title: CLERK.
TENANT	Dynament Corp.
I/We have the authority to bind the Corporation	Per: Steve Livneh Prendent Name: Title:  C/s Alinic) Name: Title:

# SCHEDULE "A"

# PREMISES AND ADDITIONAL LANDS

See attached

Premises – Outlined in blue Additional Lands – Outlined in yellow and crosshatched

# SCHEDULE "B"

# INTENTIONALY DELETED

### **SCHEDULE "C"**

### **EXTENSION RIGHTS**

Provided that the Tenant is: (i) Dynament Corp.; (ii) in occupation of the whole of the Premises; and (iii) not in default under this Lease, the Tenant shall have the option exercisable upon no less than six (6) 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 two (2) years (the "Extended Term") on the same terms and conditions as the Term save and except:

- (a) there will be no further right to extend the Term;
- (b) the Basic Rent rate for the Extended Term shall be negotiated prior to the commencement of the Extended Term. If the parties cannot agree on a Basic Rent rate for the Extended Term, the same will be determined by arbitration in accordance with the *Arbitration Act* (Ontario);
- (c) there shall be no leasehold improvement allowance, Landlord's Work, rent free period or other inducements.

### **SCHEDULE "D"**

### TENANT SPECIAL COVENANTS

In consideration of the Landlord's entering into the Lease the Tenant shall covenant and agree to:

- (a) from the Commencement Date and thereafter throughout the Term as the same may be extended, conduct continuously and actively the Business;
- (b) hire a total of twenty-five (25) Full Time Employees or more within the first year after the Commencement Date, and thereafter, subject to (c) and (d) below, continue to employ at least twenty-five (25) Full Time Employees during the remainder of the Term;
- (c) hire a total of forty (40) Full Time Employees or more within the second year after the Commencement Date, and thereafter, subject to (d) below, continue to employ at least forty (40) Full Time Employees during the remainder of the Term; and
- (d) hire a total of sixty (60) Full Time Employees or more within the third year after the Commencement Date, and thereafter, continue to employ at least sixty (60) Full Time Employees during the remainder of the Term as may be extended.

The Tenant shall use its best efforts to recruit and train Full Time Employees to work in the Business who are currently resident in the Amherstburg, Ontario region.

"Full Time Employee" means a paid employee of the Tenant employed continuously by the Tenant in connection with the conduct by the Tenant of the Business and who at the time in question averaged in the prior twelve month period at least thirty-five (35) hours of work per week determined on an annualized basis; provided that an employee who was hired by the Tenant as a new hire at the time in question within the previous twelve (12) months shall also be deemed to be a Full time Employee if such employee will average at least thirty-five (35) hours of work per week of the next twelve (12) month period.

The Tenant acknowledges that the Landlord is relying on this Tenant Special Covenant in agreeing to enter into this Lease and that, while failure of the Tenant to satisfy the Tenant Special Covenant, shall not, on its own, give rise to a right of the Landlord to terminate the Lease satisfaction of the Tenant Special Covenant shall be a condition precedent to the Tenant's right to renew the lease, to exercise the Option to Purchase and to exercise the Right of First Refusal.

# SCHEDULE "E"

# TENANT'S WORK

[NTD: To be completed by Tenant]

### SCHEDULE "F"

### **RULES AND REGULATIONS**

# The Tenant agrees as follows:

- 1. All loading and unloading of merchandise, supplies, materials, garbage and other chattels shall be effected only through or by means of such doorways, corridors or elevators as the Landlord shall designate.
- 2. The delivery or shipping of merchandise, supplies and fixtures to and from the Premises shall be subject to such rules and regulations as in the judgment of the Landlord are necessary for the property operation of the Premises.
- 3. All garbage and refuse shall be kept in the kind of covered container specified by the Landlord, sorted as specified by the Landlord for the purposes of any recycling program established by the Landlord or the Municipality, and shall be placed outside of the Premises prepared for collection in the manner and the times and places specified by the Landlord. If the Landlord provides or designates a service for picking up refuse and garbage, the Tenant shall use it at the Tenant's cost. The Tenant shall pay the cost of removal of any of the Tenant's refuse or rubbish.
- 4. No loudspeakers, televisions, phonographs, radios or other devices shall be used in a manner so as to the heard or seen outside the Premises without the prior written consent of the Landlord.
- 5. The Tenant and the Tenant's employees shall park their cars only in those portions of the parking area designated for that purpose by the Landlord, acting reasonably. The Tenant shall furnish the Landlord, at the Landlord's request, with automobile licence numbers assigned to the Tenant's car or cars and cars of the Tenant's employees within five days after taking possession of the Premises and shall notify the Landlord of any changes within five days after any changes occur. The Landlord shall have the right to remove any vehicle parked on any Common Facilities contrary to any provision of this Lease and the Tenant shall pay all costs of removal and any storage costs. The Landlord shall not be liable to the Tenant for any loss, costs or damage occasioned by such removal or storage. The Tenant shall pay as Additional Rent \$25.00 per day for each improperly parked vehicle.
- 6. The Tenant shall not permit bicycles or other vehicles inside or on the sidewalk outside the Buildings, except in areas designated from time to time by the Landlord for such purposes.
- 7. The plumbing facilities shall not be used for any other purpose than that for which they are constructed and no foreign substances of any kind shall be thrown in them and the expense of any breakage, stoppage or damage resulting from a violation of this provision

shall be borne by the Tenant. The Tenant, its employees or agents, shall not mark, paint, drill or in any way deface any walks, ceilings, partitions, floors, wood, stone or iron without the written consent of the Landlord.

- 8. In those portions of the Premises where carpet has been provided directly or indirectly by the Landlord, the Tenant shall at its own expense install and maintain pads to protect the carpet under all furniture having casters other than carpet casters.
- 9. The Tenant shall use at the Tenant's cost, the pest extermination contractor directed by the Landlord and at the intervals required by the Landlord.
- 10. No animals or birds shall be brought into or kept in or about the Premises.
- 11. If the Tenant desires telegraph, telephone, paging or other private signal connections, the Landlord reserves the right to direct the electricians or other workmen as to where and how the wires are to be introduced and without such directions no boring or cutting for wires shall take place. No other wires of any kind shall be introduced without the written consent of the Landlord.
- 12. No one shall use the Premises for sleeping apartments or residential purposes as defined in the *Landlord and Tenant Act* or *Residential Tenancies Act* of Ontario.
- 13. The Tenant agrees to install at its own expense a lock approved by the Landlord, on all doors of the Premises and to supply the Landlord with two keys. The Landlord may from time to time install and change locking mechanisms on entrances to the Buildings, the Common Facilities and the Premises, and (unless 24 hour security is provided by the Building) shall provide to the Tenant a reasonable number of keys and replacement keys ("keys" include any device serving the same purpose). The Tenant shall not add to or change existing locking mechanisms on any door in or to the Premises without the Landlord's prior written consent. If with the Landlord's consent, the Tenant installs lock(s) incompatible with the Building master locking system:
  - (a) the Landlord, without abatement of rent, shall be relieved of any obligation under this Lease to provide any service to the affected areas during times when such areas are locked and the Tenant is not available to provide access;
  - (b) the Tenant shall indemnify the Landlord against any expenses as a result of a forced entry to the affected areas which may be required in an emergency; and
  - (c) the Tenant shall at the end of the Term and at the Landlord's request remove such lock(s) at the Tenant's expense.

At the end of the Term, the Tenant shall promptly return to the Landlord all keys in the Tenant's possession for the Building and Premises.

- 14. The Tenant shall give the Landlord prompt written notices of any accident, or any defect in the water pipes, gas pipes, heating or cooling apparatus, telephone or electric light or other wires in any part of the Premises which comes to the attention of the Tenant.
- 15. No flammable oils or other flammable, dangerous or explosive material shall be kept or permitted to be kept in the Premises.
- 16. The Tenant shall not place on, obstruct or in any manner conduct business operations on the Common Facilities or distribute handbills or other advertising matter in the Common Facilities without the written consent of the Landlord.
- 17. The Tenant shall not gain access to the roof, mechanical or electrical rooms without the written consent of the Landlord.
- 18. The Tenant shall not construct or in any way affix to the Premises a television, radio or like antenna, satellite receiver or similar device.
- 19. The Tenant shall keep its display windows and signs lit in a manner satisfactory to the Landlord until 11:00 p.m. on each evening, except if prevented by reasons beyond the control of the Tenant or unless otherwise approved in writing by the Landlord.
- 20. The Landlord shall have the right to make further reasonable rules and regulations and to alter, amend or cancel all rules and regulations as in its judgment may from time to time be needed and all such rules and regulations, to the extent they are applicable to the Tenant, shall be kept and observed by the Tenant. The Landlord may from time to time waive any of such rules and regulations and is not liable to the Tenant for breaches of them by other Tenants.