

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

BETWEEN:

ROYAL BANK OF CANADA

Applicant

-and-

ALUMINART PRODUCTS LIMITED, ARCOR WINDOWS & DOORS INC.,
and N.A.P. WINDOWS & DOORS LTD.

Respondents

**SUPPLEMENTAL REPORT OF MSI SPERGEL INC.
IN ITS CAPACITY AS THE COURT-APPOINTED RECEIVER
OF ALUMINART PRODUCTS LIMITED, ARCOR WINDOWS & DOORS INC., and
N.A.P. WINDOWS & DOORS LTD.**

April 6, 2021

APPENDICES

1. The New Premises Lease Documents
2. Pictures of the trucks and trailers parked at the New Premises

1. This supplement report (this “**Supplement**”) is filed by msi Spergel inc. (“**Spergel**”) in its capacity as the Court-appointed receiver of certain Property (in such capacity, the “**Receiver**”) of Aluminart Products Limited (“**Aluminart**”), Arcor Windows & Doors Inc. (“**Arcor**”) and N.A.P. Windows & Doors Ltd. (“**NAP**”, collectively the “**Companies**”), as a supplement to the Receiver’s Report to the Court dated April 1, 2021 (the “**First Report**”). Unless otherwise stated, all capitalized terms are defined as in the First Report.
2. On April 5, 2021, the Receiver received a telephone call from David Owen, a representative of a company known as Pure Industrial advising that the Companies have guaranteed and indemnified a lease agreement between 12794799 Canada Inc. (the “**Purported Buyer**”) and a related company to Pure Industrial known as PIRET (Brampton) Holdings Inc. (the “**New Landlord**”) for a premises located at 2130 Williams Parkway, Brampton ON (the “**New Premises**”).
3. At paragraph 22 of the First Report, the Receiver reported the purported sale transaction between the Companies and the Purported Buyer. Copies of the executed offer to lease, an amendment to offer to lease and the lease agreement (not signed by the New Landlord) are attached as **Appendix “1”** to this Supplement.
4. The leasing documents indicate that the use of the New Premises is for manufacturing of windows and doors and related office use, the same business as the Companies.
5. Subsequently, the Receiver and the Receiver’s Counsel participated in a call with the New Landlord’s counsel who advised that the Purported Buyer had parked approximately 24 trucks and trailers at the New Premises some of which trailers have Aluminart and Arcor logos on them. Copies of photos of the trucks and trailers sent by the New Landlord are attached as **Appendix “2”** to this Supplement.
6. Given the guarantee and indemnity provided by the Companies regarding the New Premises, it would appear that the Purported Buyer and the Companies are not dealing at arms-length. Accordingly, the Receiver is seeking an order from this Honourable Court allowing the Receiver to:

- a) enter the New Premises to inspect the content of the trucks and trailers parked at the New Premises; and
 - b) take possession of the property (including computers and servers) contained in the trucks and trailers if such property is subject to the Receivership Order.
7. In addition, the Receiver was contacted by Albert Raponi, director of manufacturing of NAP, who advised that certain assets of NAP remain at the NAP British Columbia premises located at 8775 Jim Bailey Crescent B1, Kelowna, BC (the “**NAP Facility**”). Accordingly, the Receiver has scheduled a visit at the NAP Facility to meet with Albert and inspect the property and books and records available at the NAP Facility.
8. This Supplement is filed in support of the Receiver’s motion for the relief set out in paragraph 11 of the First Report, the relief set out herein and for the approval of the First Report, this Supplement and the Receiver’s activities described herein.

Dated at Toronto this 6th day of April, 2021.

msi Spergel inc.

in its capacity as the Court-appointed Receiver
of Aluminart Products Limited, Arcor Windows
& Doors Inc. and N.A.P. Windows & Doors Ltd.
and not in its personal or corporate capacity.

Per:



Mukul Manchanda, CPA, CIRP, LIT
Principal

APPENDIX 1

March 23, 2021

12794799 Canada Inc.
c/o Colliers Macaulay Nicolls Inc., Brokerage
401 The West Mall,
Suite 800
Toronto, ON

Attention: Mr. Stuart Forbes

Dear Stuart:

Re: Agreement to Lease the Building in its entirety (the "*Premises*") at 2130 Williams Parkway, Brampton (the "*Building*")

We are pleased on behalf of the Landlord to submit the following offer to lease the Premises to you on the following terms and conditions:

1. **Landlord:** PIRET (Brampton) Holdings Inc.
2. **Tenant:** 12794799 Canada Inc.
3. **Indemnifier:** AluminArt Products Limited
4. **Use:** Tenant shall use the Premises only for manufacturing of windows and doors and related office use in keeping with a first class industrial/commercial building in accordance with the Lease.
5. **Premises:** The Premises are shown on the plan attached as Schedule "A" hereto. The Premises have a Rentable Area of approximately 80,355 square feet. Tenant accepts the Premises in "as-is" condition other than the Landlord's Work specified in Schedule "B".
6. **Term:** The term (the "*Term*") of the lease for the Premises shall be 5 years commencing on August 1, 2021 (the "*Commencement Date*"), and shall have an expiry date of July 31, 2026 (the "*Expiry Date*").

If Landlord is delayed for any reason in delivering possession of the Premises, other than as a result of Tenant's failure to execute and deliver the Lease in a timely fashion, then the Commencement Date and Expiry Date shall be adjusted by a time period equivalent to such delay which will not exceed one (1) year, and Landlord shall not be liable for any loss or damage resulting from such delay.

Cam

7. **Basic Rent:** Annual Basic Rent shall be:

<u>Period</u>	<u>Rate per square foot of Rentable Area</u>
Months 1 - 13	\$12.00
Months 14 - 25	\$12.43
Months 26 - 37	\$12.93
Months 38 - 49	\$13.44
Months 50 - 61	\$13.98

Basic Rent plus applicable Rental Tax, shall be paid by way of equal monthly installments in advance on the first day of each month commencing on the Commencement Date.

8. **Additional Rent:** The Lease shall be fully net to Landlord. In addition to the payment of Basic Rent, Tenant shall pay to Landlord in advance on the first day of each month commencing on the Commencement Date, as Additional Rent, its Proportionate Share of Realty Taxes and Operating Costs (including Landlord's management and administration fee), the cost of all Utilities provided to the Premises, and the cost of all Additional Services provided to the Tenant, plus applicable Rental Tax, all in accordance with and as defined in the Lease. Tenant shall make all payments of Basic Rent and Additional Rent and such payments shall be made by way of pre-authorized debit. Tenant shall complete all required forms and will provide a void cheque along with the Lease. For clarity, Tenant is responsible for all utilities consumed within the Premises.

The estimated charges for Operating Costs and Realty Taxes in the current Fiscal Period (2021) are \$4.71 per square foot per annum of the Rentable Area of the Premises. Tenant acknowledges that such estimated charges are based upon information currently available to Landlord and that the actual charges may vary from the estimated charges as more accurate information becomes available.

9. **Deposit:** Upon acceptance of this Offer, Tenant shall deliver certified funds payable to PIRET (Brampton) Holdings Inc. in the amount of \$129,110.10 (plus H.S.T.), (the "**Deposit**"), to be held as a security deposit for Tenant's performance of its covenants under the Lease. If Tenant fails to comply with the provisions of this Offer the Deposit, if any, shall be forfeited to Landlord, without limiting Landlord's other remedies at law and under the Lease.
10. **Pre-Paid Rent:** Upon acceptance of this Offer, Tenant shall deliver certified funds payable to PIRET (Brampton) Holdings Inc. in the amount of \$129,110.10 (plus H.S.T.), (the "**Pre-Paid Rent**") to be held on account throughout the Term and applied to rent accruing for the last month of the Term and otherwise in accordance with the Lease. If Tenant fails to comply with the provisions of this Offer the Pre-Paid Rent, if any, shall be forfeited to Landlord, without limiting Landlord's other remedies at law and under the Lease.
11. **Lease Form:** Tenant agrees to execute and deliver Landlord's standard form of lease (the "**Lease**"), modified to reflect the terms of this Offer. In no event will Tenant be permitted access to the Premises until the Lease is executed and delivered by Tenant in form acceptable to Landlord and the Commencement Date shall not be adjusted for any delays resulting from Tenant's failure to execute and deliver the Lease in a timely fashion. If Tenant has not executed and returned the Lease in form acceptable to Landlord within fifteen (15) days after notice from Landlord requiring Tenant to do so, Landlord may at its option, by written notice to Tenant, terminate this Offer and retain the



Deposit, if any, and Pre-Paid Rent, if any, as liquidated damages and not as a penalty but such retention shall not limit or preclude Landlord's other rights and recourses. The Lease shall contain, among other provisions, the Landlord's right to relocate the Premises, the Landlord's right to terminate the Lease in the event of or demolition or redevelopment of the Building, the Landlord's usual insurance provisions (including the requirement that the Tenant maintain comprehensive general liability insurance of at least five million (\$5,000,000) dollars per occurrence), and a limitation of Landlord's liability (including an exclusion of liability if the Landlord is itself, or is a nominee of, a real estate investment trust). Any terms used in this Offer shall have the meanings specified in the Lease except to the extent otherwise indicated. Tenant confirms that it is not relying on any representation or warranty other than as specifically provided for in this Offer or the Lease.

12. Possession Requirements: It is understood and agreed by the Tenant that it will not be given occupancy of the Premises until such time as it has provided the Landlord with each of the following:

- (a) Executed Lease in a form acceptable to Landlord;
- (b) Certificate of Insurance and liability coverage of not less than five million (\$5,000,000) dollars (as per the Lease);
- (c) Pre-authorized payment form as required by the Landlord.
- (d) Delivery of Deposit and Pre-Paid Rent; and
- (e) Utility transfer form as required by the Landlord.

13. Heating And (If Applicable) Air Conditioning Units: The Landlord warrants that any base building heating and air-conditioning units (the "*Units*") located in the Premises will be in good working order at the Commencement Date. Any repairs, maintenance or replacements to the Units servicing the Premises shall be completed by Landlord and recovered through Operating Costs as further outlined in the Lease. Any Units installed by Tenant specifically for Tenant's use shall be maintained and repaired by Tenant at Tenant's sole cost and expense.

14. Transfer: Tenant will not assign or otherwise Transfer this Offer. No Transfer affecting Tenant, the Lease, the Premises or the business of Tenant at the Premises will be permitted or effective without Landlord's prior written consent, which shall not be unreasonably withheld, except on the basis of and in accordance with the Lease.

15. No Registration: No notice of this Offer shall be registered against title to the Building and in the event of a breach of this provision Landlord may terminate this Offer upon written notice to Tenant.

16. Financial Information: Tenant shall, within two (2) days after request from Landlord, provide to Landlord such information as to Tenant's financial standing and (if applicable) corporate organization as Landlord requires. Tenant hereby consents to Landlord making enquiries and investigation of Tenant's financial standing and authorizes all credit reporting agencies and financial institutions to provide full information concerning Tenant and its affairs to Landlord upon Landlord's request.

17. Landlord's Conditions: This Offer shall be conditional until ten (10) business days after the later of: (i) receipt by the Landlord of the financial information required pursuant to Section 16 above; and (ii) full acceptance of this Offer (unless otherwise noted below) upon:

- (a) Landlord approving all of the business and financial terms of this Offer, in its sole and absolute discretion.

- (b) Landlord satisfying itself as to the financial standing and credit worthiness of Tenant, in its sole and absolute discretion.
- (c) Landlord satisfying itself as to Tenant's intended use of the Premises.
- (d) Landlord receiving, reviewing and rejecting any other offers to lease or agreements that Landlord may have submitted to or received from other prospective tenants in respect of the Premises, it being acknowledged that Landlord shall be entitled to select an appropriate tenant for the Premises using Landlord's sole, absolute and unfettered discretion, and it being further acknowledged that Landlord may act in an unreasonable or arbitrary manner.

These conditions are for the sole benefit of Landlord and may be waived by it at any time. In the event that Landlord has not waived any of these conditions in writing during such condition period(s) then this Offer shall be null and void and the Deposit and Pre-Paid Rent, if any, shall be returned without interest or deduction.

- 18. **Signatures:** This Offer may be executed in several counterparts, each of which when so executed shall be deemed to be an original and such counterparts shall constitute one and the same instrument. This Offer shall be considered properly executed by any party if executed and transmitted by facsimile or other electronic transmission to the other parties.
- 19. **Irrevocable Offer:** This Offer is open for acceptance by Tenant until 5:00 p.m. (Toronto time) on the 26th day of March, 2021, failing which this Offer shall be null and void and of no further effect without further notice from either party.
- 20. **Notices:** Any notice to be given will be in writing and shall be delivered, faxed or mailed, to the addresses shown herein, in accordance with and subject to the terms of section 16.1 of the Lease.
- 21. **Environmental:** As more fully described in the Lease, the Tenant shall not use the Premises, or permit them to be used to utilize, manufacture, store or process any Contaminant except as permitted in writing by the Landlord to be brought into the Premises or onto the Lands or Building and in compliance with all Environmental Laws. The Tenant shall promptly on demand remove all non-permitted Contaminants used or released by the Tenant or brought onto the Premises, the Lands or the Building by the Tenant or those for whom it is at law responsible. For greater certainty, the foregoing obligation of the Tenant shall include, without limitation, the responsibility to remove any other Contaminant which has, as a result of the operations of the Tenant or those for whom it is at law responsible, become affixed to, permeated or accumulated on or within any structures forming part of the Building or the Lands. Tenant acknowledges the environmental provisions contained in the Lease and agrees that in no event will any amendments to Part 9 of the Lease be permitted. The Tenant shall be required to complete and sign the Environmental Questionnaire attached hereto as Schedule "D", which shall be certified by a senior officer of Tenant as complete and accurate responses and which are hereby deemed to be representations and warranties of Tenant upon which Landlord is relying.
- 22. **Special Provisions:** The special clauses and conditions on Schedule "B" hereof are incorporated herein.

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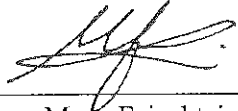


23. Joint and Several: Each of the parties executing this Offer as Tenant shall be jointly and severally responsible for Tenant's obligations hereunder.

24. Time is of the Essence: Time is of the essence with respect to all matters for which a time period is prescribed in this Offer.

Dated this 23rd day of March 2021.

PIRET (BRAMPTON) HOLDINGS INC.

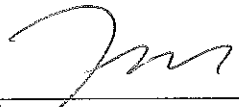
Per: 
Name: Maya Fainshtein
Title: Leasing Manager

ACCEPTANCE OF THIS OFFER BY TENANT WILL CONSTITUTE A VALID AND BINDING AGREEMENT BETWEEN LANDLORD AND TENANT.

We confirm our acceptance of this Offer upon the above terms and conditions and acknowledge receipt and review of Landlord's standard form of Lease.

Dated by Tenant this 23 day of MARCH, 2021.

12794799 CANADA INC.

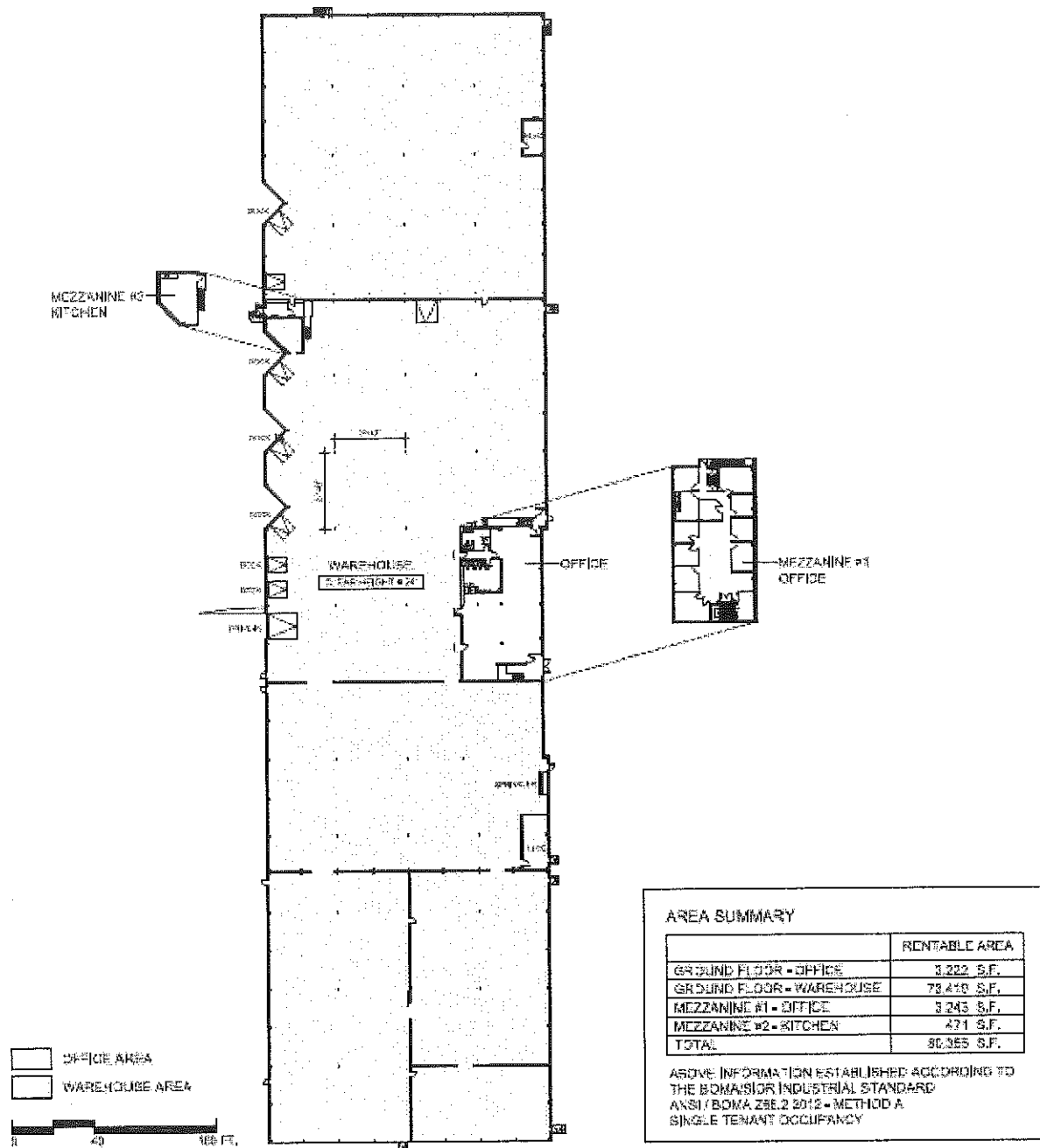
Per: 
Name: GIORGIO MARCHI
Title: DIRECTOR

Per: _____
Name: _____
Title: _____

I/We have authority to bind the Corporation.

- Schedule "A" – Floor Plan
- Schedule "B" – Special Provisions
- Schedule "C" – Tenant's Work
- Schedule "D" – Environmental Questionnaire
- Schedule "E" – Guarantee and Indemnity

SCHEDULE "A" - FLOOR PLAN



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SCHEDULE "B" - SPECIAL PROVISIONS

1. **Fixturing Period (Early Occupancy):** Provided the Lease has been executed in a form acceptable to Landlord, Tenant shall be permitted to occupy (**non-exclusive access to**) the Premises during the period (the "**Fixturing Period**") commencing on the later of (a) the date Tenant executes and delivers the Lease in form acceptable to Landlord, (b) the date Tenant delivers the Deposit as set out in paragraph 9 of this Offer, (c) the date the Tenant delivers the Pre-Paid Rent as set out in paragraph 10 of this Offer, and (d) the date the Tenant delivers to Landlord certificate(s) evidencing the requisite insurance coverage(s) under the Lease expiring on the date immediately preceding the Commencement Date, in order to complete Tenant's Work at Tenant's sole risk and expense. During the Fixturing Period all of the terms and conditions of the Lease, except for payment of Basic Rent, Realty Taxes and Operating Costs, shall be in full force and effect. Tenant shall reimburse Landlord for the cost of any special services provided during the Fixturing Period, including the cost of cleaning and rubbish removal, and the cost of any Utilities consumed in the Premises during the Fixturing Period.

Notwithstanding the foregoing, during the Fixturing Period, Landlord and Tenant acknowledge and agree that both parties will be performing both Landlord's Work and Tenant's Work simultaneously (the "Joint Construction Period"). The parties acknowledge and agree that completion of Landlord's Work will take priority and that Tenant will not open any permits for construction of Tenant's Work if opening any such permits prevents Landlord from opening and/or closing its own permit(s) related to Landlord's Work. Both parties shall exercise commercially reasonable efforts and shall require their respective contractors and subcontractors to exercise commercially reasonable efforts to cooperate and work in harmony during the performance of each party's respective construction work.

2. **Tenant's Work:** Tenant's Work (to be performed by Tenant at its sole risk and cost) shall consist of constructing all improvements and doing all work required to open for business, including the work specified in Schedule "C" hereto, all in accordance with the Lease, Landlord's criteria and standards for the Building and in strict accordance with plans and specifications to be approved by Landlord before the commencement of any Tenant's Work. Prior to commencing any Tenant's Work, Tenant shall provide Landlord with an insurance certificate from its contractor's insurer confirming builder's risk and public liability coverage in an amount not less than five million (\$5,000,000) dollars per occurrence and evidence that all required building and municipal permits and authorizations, if required, have been obtained. Tenant shall pay to Landlord on the Commencement Date any of Landlord's out of pocket expenses plus an administrative fee of \$1,500.00 for the review and processing of Tenant's plans. Tenant shall at the expiration or earlier termination of the Lease, at Landlord's option and direction, remove any Leasehold Improvement, fixture or other installation included in Tenant's Work and restore the Premises and, to the extent affected by Tenant's Work, the Building to Landlord's base building specifications.

Nevertheless, Tenant shall pay to Landlord for any alterations or initial work performed by Tenant a fee equal to 10% of the total cost of such work for co-ordination and supervision fees. If Landlord determines that no supervision is required, then, in lieu of such fee, Tenant shall pay to Landlord all of Landlord's out-of-pocket costs and expenses incurred in respect of such Tenant's Work, plus an administration fee of ten percent (10%) of such out-of-pocket costs and expenses.

3. **Landlord's Work:** Provided the Lease has been executed and delivered by Tenant in form acceptable to Landlord and Tenant is not in default thereof, Landlord shall carry out, at its sole cost, the below-noted work (the "*Landlord's Work*") prior to the Commencement Date (subject to any delays):

- (a) repair to interior corrugated metal wall;
- (b) repair to weather stripping and the exterior foam dock seals and dock bumpers and door panels as required; and
- (c) repair compromised structural steel columns throughout warehouse portion of the Premises as recommended by Landlord's structural engineer.

All above items are Landlord's standard samples.

Notwithstanding anything to the contrary, the items listed in (a) through (c) above are in connection with the prior tenant's restoration obligations which are being performed by Landlord at the expense of the previous tenant of the Premises. The scope set out above may be subject to change and/or revision as determined or advised by the Landlord's consultants and/or contractors. Tenant acknowledges that Landlord shall carry out Landlord's Work during the Fixturing Period and agrees not to disrupt or interfere with Landlord's Work. Further, the Tenant hereby acknowledges and agrees to relocate its property and equipment within the Premises at its sole cost if required by Landlord in order for Landlord to expeditiously complete the aforementioned Landlord's Work.

If Landlord is delayed completing Landlord's Work, then the Commencement Date and Expiry Date shall be adjusted by a time period equivalent to such delay, and Landlord shall not be liable for any loss or damage resulting from such delay. Notwithstanding anything to the contrary, the Commencement Date or Expiry Date shall not be adjusted for any delays resulting from Tenant's failure to execute and deliver the Lease in a timely fashion or Tenant's failure to satisfy either of (b) or (c) in the paragraph above.

SCHEDULE "C" – TENANT'S WORK

1. Tenant to install at its sole cost a spray/paint booth which will be fully enclosed, sprinklered and vented.

For certainty, Tenant acknowledges that base building work including any work related to venting through the roof shall be completed by Landlord's base building contractors at Tenant's cost.

SCHEDULE "D" – ENVIRONMENTAL QUESTIONNAIRE

TENANT NAME: 12794799 CANADA INC.

BUILDING: 2130 WILLIAMS PARKWAY, BRAMPTON

UNIT: BLDG

CONTACT PERSON: •

TELEPHONE NOS.: Office:

Residence:

GENERAL INFORMATION

A) Describe the business activities carried on in the Premises.

B) Will the business activities to be carried on in the Premises entail the use of Contaminants or Hazardous Materials? If so, describe them and provide all corresponding Material Safety Data Sheets (MSDS) in connection with any Contaminants or Hazardous Materials.

C) Indicate the approximate amounts of Contaminants and Hazardous Materials which will be generated and/or handled monthly or annually, in the Premises.

D) How do you intend to store the Contaminants and Hazardous Materials described in C)?

E) How will you dispose of the Contaminants and Hazardous Materials generated in the Premises by your business and who will be the carrier?

F) Will the business activities to be carried on in the Premises require that you obtain any certificate of authorization, permit or environmental approval? If so, give details and attach your certificate.



GM

- G) Will the business activities to be carried on in the Premises entail the discharge of Contaminants and Hazardous Material in the water system or in the air?

- H) Will pollution control equipment be required in the Premises to ensure that the discharge of Contaminants or Hazardous Materials in the water system or in the air will comply with the Environmental Legislation? If so, give details and list the standards to be met.

- I) Will the business activities to be carried on in the Premises necessitate the installation of an underground or surface storage tank in the Premises? If so, describe in detail the tank to be installed and material to be stored.

- J) Do you intend to have a prevention training or emergency plan in place to prevent an environmental incident? If so, give details and attach a copy of the plan and training procedure.

Dated this 23 day of MARCH, 2021

12794799 CANADA INC.

Per: _____

Name: _____

Title: _____

GM
GIORGIO MARCHI
DIRECTOR

Per: _____

Name: _____

Title: _____

I/We have authority to bind the corporation



GM

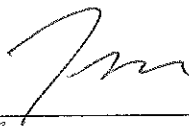
SCHEDULE "E" – GUARANTEE AND INDEMNITY


To induce Landlord to enter into this agreement and in consideration thereof, the undersigned Indemnifier as principal debtor and not as surety, hereby guarantee the due performance and observance of each and every covenant, obligation and agreement contained in this Offer and the Lease to be performed or observed by the Tenant, including without limitation, the payment of rent and all other amounts payable by the Tenant under this Offer and the Lease and Indemnifier agrees to fully indemnify and save Landlord harmless from and against all losses, damages, costs and expenses arising from any default by Tenant in the performance of all such covenants, obligations and agreements. The Indemnifier hereby covenants with Landlord to execute and deliver to Landlord, contemporaneously with the execution and delivery of the Lease, Landlord's form of Guarantee and Indemnity agreement attached as Schedule 9 to the Lease and the Tenants shall ensure the Indemnifier's performance of this covenant. Any failure by an Indemnifier in executing and delivering the Guarantee and Indemnity agreement to Landlord when requested by Landlord shall constitute a breach of this Offer and of the Lease by both the Tenant and by the Indemnifier, jointly and severally.

DATED this 23 day of MARCH, 2021.

Witness:

Guarantor: AluminArt Products Limited


Name: GIORGIO MARCHI
Address: 100 BASSARO UNIT 32
VAUGHAN ONT.

Per: 
Name: Joseph Ciccamo
Title: Director

I have authority to bind the Corporation.

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NET INDUSTRIAL BUILDING LEASE

PIRET (BRAMPTON) HOLDINGS INC.

Landlord

- and -

12794799 CANADA INC.

Tenant

2130 Williams Parkway
Brampton, Ontario
L6S 5X7

Rentable Area: approximately 80,355 square feet

Date: March 26, 2021

INDEX

PART 1 - BASIC INFORMATION	1
1.1 <i>Landlord</i>	1
1.2 <i>Tenant</i>	1
1.3 <i>Indemnifier</i>	1
1.4 <i>Building</i>	1
1.5 <i>Premises</i>	1
1.6 <i>Use</i>	1
1.7 <i>Term</i>	2
1.8 <i>Basic Rent</i>	2
1.9 <i>Additional Rent</i>	2
1.10 <i>Deposit</i>	2
1.11 <i>Prepaid Rent</i>	2
PART 2 - BASIC TERMS AND PRINCIPLES	2
2.1 <i>Lease</i>	2
2.2 <i>Grant</i>	2
2.3 <i>Quiet Enjoyment</i>	3
2.4 <i>Basic Covenants</i>	3
2.5 <i>Consent Not to be Unreasonably Withheld/Allocations to be Reasonable</i>	3
2.6 <i>Unavoidable Delay</i>	3
2.7 <i>Basic Information</i>	3
PART 3 - USE	3
3.1 <i>Use</i>	3
3.2 <i>Common Areas</i>	3
3.3 <i>Compliance with Operating Standards</i>	3
3.4 <i>Compliance with Laws</i>	4
3.5 <i>No Waste or Nuisance</i>	4
3.6 <i>After Hours Access</i>	4
3.7 <i>Rail Spur</i>	5
3.8 <i>Backflow Preventer</i>	5
3.9 <i>Public Health Emergency</i>	5
PART 4 - TERM - POSSESSION	6
4.1 <i>Term</i>	6
4.2 <i>Acceptance of Premises and Fixturing</i>	6
4.3 <i>Delayed Possession</i>	6
4.4 <i>Effect of Termination</i>	6
4.5 <i>Surrender</i>	6
4.6 <i>Overholding</i>	6
PART 5 - RENT	7
5.1 <i>Basic Rent</i>	7
5.2 <i>Additional Rent</i>	7
5.3 <i>Estimated Amounts</i>	7
5.4 <i>Statements and Readjustments</i>	7
5.5 <i>Payment of Rent - General</i>	7

5.6	<i>Deposit</i>	8
5.7	<i>Prepaid Rent</i>	9
5.8	<i>Measurement of Premises</i>	9
PART 6 - UTILITIES		9
6.1	<i>Suppliers</i>	9
6.2	<i>Payment to Suppliers</i>	10
6.3	<i>Utilities Supplied by Landlord</i>	10
6.4	<i>No Overloading</i>	10
6.5	<i>Reporting of Energy Consumption and Water Use</i>	10
PART 7 - OPERATING COSTS AND TAXES		10
7.1	<i>Operating Costs Payable by Tenant</i>	10
7.2	<i>Realty Taxes Payable by Tenant</i>	11
7.3	<i>Contesting Taxes</i>	11
7.4	<i>Business and Other Taxes Payable by Tenant</i>	12
7.5	<i>Alternate Methods of Taxation</i>	12
7.6	<i>Rental Taxes</i>	12
PART 8 - MAINTENANCE, REPAIRS AND ALTERATIONS		12
8.1	<i>Responsibility of Tenant</i>	12
8.2	<i>Responsibility of Landlord</i>	13
8.3	<i>Inspection, Notice and Entry</i>	14
8.4	<i>Tenant Improvements and Alterations</i>	15
8.5	<i>External Changes</i>	17
8.6	<i>Removal of Trade Fixtures and Tenant Property</i>	17
8.7	<i>Removal of Leasehold Improvements and Restoration</i>	17
PART 9 - ENVIRONMENTAL PROVISIONS		18
9.1	<i>Compliance</i>	18
9.2	<i>Waste Disposal</i>	18
9.3	<i>Ownership of Contaminants</i>	19
9.4	<i>Pesticides</i>	19
9.5	<i>Operations and Maintenance</i>	19
9.6	<i>Orders and Offences</i>	19
9.7	<i>Inspection</i>	20
9.8	<i>Warehousing and Storage of Related Chemical Products</i>	20
9.9	<i>Vacant Possession</i>	21
9.10	<i>No Merger</i>	21
PART 10 - LANDLORD'S SERVICES AND ALTERATIONS		22
10.1	<i>Operation of Project</i>	22
10.2	<i>Services to Premises</i>	22
10.3	<i>Interruption or Delay of Services or Utilities</i>	22
10.4	<i>Public Policy</i>	22
10.5	<i>Easements</i>	22
10.6	<i>Landlord's Alterations</i>	23
10.7	<i>Landlord's Signs</i>	23
10.8	<i>Additional Services</i>	23

PART 11 - INSURANCE AND INDEMNIFICATION	23
11.1 <i>Tenant's Insurance</i>	23
11.2 <i>Policy Requirements</i>	24
11.3 <i>Proof of Insurance</i>	24
11.4 <i>Failure to Maintain</i>	24
11.5 <i>Damage to Leasehold Improvements</i>	25
11.6 <i>Landlord's Insurance</i>	25
11.7 <i>Increase in Insurance Premiums</i>	25
11.8 <i>Release of Landlord</i>	26
11.9 <i>Release of Tenant</i>	26
11.10 <i>Indemnification of Landlord</i>	27
11.11 <i>Extension of Rights and Remedies</i>	27
PART 12 - DAMAGE AND DESTRUCTION	27
12.1 <i>Damage to the Premises</i>	27
12.2 <i>Damage to the Building</i>	28
12.3 <i>Architect's Certificate</i>	29
12.4 <i>Limitation</i>	29
PART 13 - TRANSFERS BY TENANT	29
13.1 <i>Transfers</i>	29
13.2 <i>Additional Requirements</i>	31
13.3 <i>Landlord's Costs</i>	31
13.4 <i>No Advertising</i>	31
13.5 <i>No Release</i>	31
PART 14 - SALES AND FINANCINGS BY LANDLORD	32
14.1 <i>Dispositions by Landlord</i>	32
14.2 <i>Subordination and Postponement</i>	32
14.3 <i>Attornment</i>	32
14.4 <i>Reliance</i>	33
PART 15 - DEFAULT	33
15.1 <i>Landlord May Perform Tenant's Covenants</i>	33
15.2 <i>Right to Distrain</i>	33
15.3 <i>Landlord May Follow Chattels</i>	34
15.4 <i>Re-Entry</i>	34
15.5 <i>Acceptance of Rent Non-Waiver</i>	36
15.6 <i>Rights Cumulative</i>	36
15.7 <i>Landlord Default</i>	36
15.8 <i>Rights of Mortgagees</i>	36
PART 16 - NOTICES AND CERTIFICATES	36
16.1 <i>Notices</i>	36
16.2 <i>Certificates</i>	37
PART 17 - ADDITIONAL PROVISIONS	37
17.1 <i>Registration on Title</i>	37
17.2 <i>Name of Building and Project</i>	37

17.3	<i>Relocation</i>	37
17.4	<i>Demolition</i>	38
17.5	<i>Expropriation</i>	38
17.6	<i>Landlord and Tenant Relationship</i>	38
17.7	<i>Joint and Several</i>	38
17.8	<i>Limitation of Landlord's Liability</i>	39
17.9	<i>Authority</i>	39
17.10	<i>Lease Entire Agreement</i>	39
17.11	<i>Severability</i>	39
17.12	<i>Survival of Tenant's Covenants</i>	39
17.13	<i>Non Merger</i>	39
17.14	<i>No Waiver</i>	39
17.15	<i>Governing Law</i>	40
17.16	<i>Confidentiality</i>	40
17.17	<i>Successors and Assigns</i>	40
17.18	<i>Status of Manager</i>	40
17.19	<i>Tenant's Review of Lease</i>	40
17.20	<i>Signatures</i>	41
Schedule 1	- Legal Description	
Schedule 2	- Floor Plan	
Schedule 3	- Definitions	
Schedule 4	- Operating Standards	
Schedule 5	- Operating Costs	
Schedule 6	- Landlord's Specifications for HVAC Maintenance	
Schedule 7	- Environmental Questionnaire	
Schedule 8	- Special Provisions	
Schedule 9	- Indemnity	
Schedule 10	- Pre-Authorized Debit Authorization Form	

NET INDUSTRIAL BUILDING LEASE

THIS LEASE is made as of the 26th day of March, 2021

between Landlord, Tenant and Indemnifier listed below.

PART 1 - BASIC INFORMATION

- 1.1 **Landlord** Name: **PIRET (BRAMPTON) HOLDINGS INC.**
Address: 121 King Street West, Suite 2100, P.O. Box 112, Toronto, Ontario, M5H 3T9

Phone No.: 416 479-8590
Fax No.: 416 598-0435
- 1.2 **Tenant** Name: **12794799 CANADA INC.**
Address: 2130 Williams Parkway, Brampton, Ontario, L6S 5X7

Phone No.: _____
Fax No.: _____
- 1.3 **Indemnifier** Name: **ALUMINART PRODUCTS LIMITED**
Address: 2130 Williams Parkway, Brampton, Ontario, L6S 5X7

Phone No.: _____
Fax No.: _____
- Name: **ARCOR WINDOWS & DOORS INC.**
Address: 2130 Williams Parkway, Brampton, Ontario, L6S 5X7

Phone No.: _____
Fax No.: _____
- Name: **N.A.P. WINDOWS & DOORS LTD.**
Address: 2130 Williams Parkway, Brampton, Ontario, L6S 5X7

Phone No.: _____
Fax No.: _____
- 1.4 **Building** 2130 Williams Parkway, Brampton, Ontario, and situate upon the Lands described in Schedule 1 to this Lease.
- 1.5 **Premises** The area indicated on Schedule 2 to this Lease, being the whole of the Building and having a Rentable Area of approximately eighty thousand, three hundred and fifty-five (80,355) square feet measured in accordance with section 5.8 hereof.
- 1.6 **Use** The Premises may not be used for any purpose other than for the manufacturing of windows and doors and related office use, all in keeping with a first class industrial/commercial building and in accordance with this Lease.

1.7 **Term** Five (5) years, commencing on August 1, 2021 (the "*Commencement Date*") and expiring July 31, 2026.

1.8 **Basic Rent**

<u>Lease Years</u>	<u>Annual Rate (per square foot of Rentable Area of the Premises) *</u>	<u>Annual Amount (plus Rental Taxes) *</u>	<u>Monthly Amount (plus Rental Taxes) *</u>
August 1, 2021 to July 31, 2022	\$12.00	\$964,260.00	\$80,355.00
August 1, 2022 to July 31, 2023	\$12.43	\$998,812.65	\$83,234.39
August 1, 2023 to July 31, 2024	\$12.93	\$1,038,990.15	\$86,582.51
August 1, 2024 to July 31, 2025	\$13.44	\$1,079,971.20	\$89,997.60
August 1, 2025 to July 31, 2026	\$13.98	\$1,123,362.90	\$93,613.58

*Subject to adjustment pursuant to section 5.8

1.9 **Additional Rent** In addition to Basic Rent, Tenant shall pay Additional Rent in accordance with this Lease.

1.10 **Deposit** Landlord acknowledges receipt of the sum of One Hundred and Twenty-Nine Thousand, One Hundred and Ten Dollars and Ten Cents (\$129,110.10), plus Rental Taxes, (the "*Deposit*") to be held as provided in section 5.6 of this Lease.

1.11 **Prepaid Rent** Landlord acknowledges receipt of the sum of One Hundred and Twenty-Nine Thousand, One Hundred and Ten Dollars and Ten Cents (\$129,110.10), plus Rental Taxes, (the "*Prepaid Rent*") to be applied to the rent accruing for the last month of the Term and as provided in section 5.7 of this Lease.

PART 2 - BASIC TERMS AND PRINCIPLES

2.1 **Lease** This is a lease as well as a business contract. It is intended that this Lease be an absolutely net and carefree lease for Landlord and that rent be received by Landlord free of any cost or obligation concerning the Premises or the Project unless specified in this Lease. Each provision of this Lease applicable to each party although not expressed as a covenant, shall be construed to be a covenant of such party for all purposes. The Schedules to this Lease form a part of this Lease.

2.2 **Grant** In consideration of the rents to be paid and the covenants contained in this Lease, Landlord leases the Premises to Tenant and Tenant leases and accepts the Premises from Landlord, to have and to hold the Premises during the Term, at the rent, subject to the conditions and limitations and in accordance with the covenants contained in this Lease.

- 2.3 **Quiet Enjoyment** Landlord agrees that so long as Tenant duly pays the Rent hereby reserved and duly observes and performs the agreements, terms and conditions herein on its part to be observed and performed, Tenant shall and may peaceably possess and enjoy the Premises for the Term without any hindrance, interruption or disturbance from Landlord, subject nevertheless to the terms, covenants, conditions and limitations of this Lease.
- 2.4 **Basic Covenants** Landlord covenants to observe and perform all of the terms and conditions to be observed and performed by Landlord under this Lease. Tenant covenants to pay the Rent when due under this Lease, and to observe and perform all of the terms and conditions to be observed and performed by Tenant under this Lease.
- 2.5 **Consent Not to be Unreasonably Withheld/Allocations to be Reasonable** Except as otherwise specifically provided in this Lease, Landlord and Tenant, and each person acting for them, in granting a consent or approval or making a determination, designation, calculation, estimate, conversion or allocation under this Lease, will act reasonably and in good faith and each Architect or other professional person employed or retained by Landlord or Tenant will act in accordance with the applicable principles and standards of such person's profession. Tenant's sole remedy against Landlord in respect of any breach or alleged breach of this section shall be an action for specific performance and, without limitation, Landlord shall not be liable for damages and Tenant shall not be entitled to any other rights or remedies. If either party withholds any consent or approval where it is required to act reasonably, such party shall, on written request, deliver to the other party a written statement giving the reasons for withholding the consent or approval.
- 2.6 **Unavoidable Delay** If either party to this Lease is unable to perform any of the terms, obligations or conditions contained in this Lease due to Unavoidable Delay then such party will be deemed not to be in default under this Lease for the period of such delay and the time for the performance of any such term, obligation or condition will be extended for the period of such delay, provided that insolvency, lack of funds, inability to obtain financing or other financial contingency will not relieve any party to this Lease from fulfilment of any obligation arising under this Lease.
- 2.7 **Basic Information** Each reference in this Lease to any portion of the Basic Information shall incorporate the specific information described in Part 1 above. Certain words and phrases recurring throughout this Lease have defined meanings as set out in Schedule 3 to this Lease, unless otherwise provided.

PART 3 - USE

- 3.1 **Use** Tenant covenants to use the Premises only as specified in section 1.6.
- 3.2 **Common Areas** The Common Areas shall be subject to the exclusive control and management of Landlord or as Landlord may direct from time to time. Landlord agrees that Tenant, in common with all others entitled thereto may use and have access through the Common Areas for their intended purposes, provided however, that in a real or perceived emergency or in the case of Landlord making repairs, Landlord may temporarily close or restrict the use of any part of the Common Areas, although Landlord shall, in such instances, use commercially reasonable efforts to minimize interference with Tenant's access to and use of the Premises.
- 3.3 **Compliance with Operating Standards** Tenant shall comply with the Operating Standards. Landlord may from time to time make other rules and regulations to amend and supplement the Operating Standards and which relate to the operation, use, reputation, safety, care or cleanliness

of the Project and the Premises, the operation and maintenance of buildings and equipment, the use of Common Areas, and any other matters affecting the operation and use of the Project and conduct of business in the Premises, provided same do not conflict with the provisions of this Lease and are not arbitrarily applied.

- 3.4 **Compliance with Laws** Tenant is responsible at all times to comply with and to keep the Premises, the Leasehold Improvements and Trade Fixtures in compliance and accordance with the requirements of all applicable laws, directions, rules, regulations or codes of Landlord and every Authority having jurisdiction and of any insurer by which Landlord or Tenant is insured and affecting the construction, operation, condition, maintenance, use or occupation of the Premises or the making of any repair, improvement or alteration including, without limitation, compliance with each Environmental Law and any agreements with adjoining owners and or third parties affecting the Premises and the Building. Tenant shall not allow or cause any act or omission to occur in or about the Premises which may result in an illegal or prohibited use or causes any breach of or non-compliance with such laws, directions, rules, regulations and codes. If, due to Tenant's acts, omissions or use of the Premises, repairs, alterations or improvements to the Premises or the Building are necessary to comply with any of the foregoing or with the requirements of insurance carriers, Tenant will pay the entire cost thereof. Before being permitted to take possession of the Premises, and at any time and from time to time thereafter within ten (10) days after Landlord's request, Tenant shall provide a true and complete copy of all environmental permits and compliance certificates for the Tenant's permitted business operations and all other activities by Tenant at, upon or about the Premises required and/or issued by any Authority pursuant to any Environmental Law.
- 3.5 **No Waste or Nuisance** Tenant shall not commit or permit any waste or damage to the Premises or the Project, or commit or permit anything which may disturb the quiet enjoyment of any occupant of the Project or which may interfere with the operation of the Project. Tenant will not cause or permit any nuisance or hazard in or about the Premises and will keep the Premises free of any Contaminant, debris, trash, rodents, vermin and anything of a dangerous, noxious or offensive nature or which could create a fire hazard (through undue load on electrical circuits or otherwise) or undue vibration, heat or any noxious or strong noises or odours or anything which may disturb the enjoyment of the Project and the Common Areas by Landlord or other tenants. Without limiting the generality of the foregoing: (a) Tenant shall not use or permit the use of any equipment or device such as, without limitation, loudspeakers, stereos, public address systems, sound amplifiers, radios or televisions, which is in any manner audible or visible outside of the Premises; and (b) no noxious or strong odours shall be allowed to permeate outside the Premises; in each case without the prior written consent of Landlord which may be arbitrarily withheld or withdrawn on twenty-four (24) hours' notice to Tenant.
- 3.6 **After Hours Access** Subject to Landlord's rights in this Lease, and except in the case of a real or perceived emergency, Tenant shall be permitted to access the Premises twenty-four (24) hours per day, seven (7) days a week throughout the Term, provided Tenant is not in default under this Lease and Tenant pays the costs of any Additional Services, if any, arising from Tenant's access to the Building after Normal Business Hours, including security, Utilities and HVAC, unless otherwise specifically provided in Schedule 8 if applicable. Tenant acknowledges that Landlord may implement, maintain and alter, from time to time, a security card access system for the Building. Tenant further acknowledges that Landlord's estimates of Operating Costs from time to time are based upon ordinary usage of the Premises during Normal Business Hours.

- 3.7 **Rail Spur** In the event that Landlord has granted to Tenant under Schedule 8 of this Lease rights to use a rail spur (the "*Rail Spur*"), Tenant covenants and agrees to pay to Landlord the cost of any improvements to the Rail Spur required to accommodate Tenant's intended use, and to pay to Landlord Tenant's share of all costs arising from or relating to the use, maintenance and repair of the Rail Spur, including without limitation, fees and taxes (the "*Rail Spur Costs*"). In the event Tenant is from time to time the sole user of the Rail Spur then for such period(s) Tenant's share of the Rail Spur Costs shall be one hundred percent (100%). In the event that there are multiple users of the Rail Spur, Tenant's share of the Rail Spur Costs shall be allocated by Landlord acting reasonably among such users. The Rail Spur Costs shall be estimated by Landlord from time to time and upon notification of such estimated costs, Tenant will pay to Landlord in equal monthly instalments in advance on the first day of each month a sum on account of Tenant's share of Rail Spur Costs based upon such estimated amounts. Within six (6) months after the end of each Fiscal Period (or such longer period reasonable in the circumstances), Landlord shall determine the actual Tenant's share of Rail Spur Costs and the difference between such actual determination and the amount already billed to Tenant in instalments will be adjusted in the same manner as Operating Costs and Realty Taxes. Tenant hereby agrees to indemnify and hold harmless Landlord from all expenses, claims and liabilities relating in any way to Tenant's access to and use of the Rail Spur or to any agreements entered into with any railway company or other entity in respect to the Rail Spur.
- 3.8 **Backflow Preventer** If required by Landlord or by any applicable law, by-law, direction, rule, regulation or code of any Authority having jurisdiction as a result of any Tenant's work from time to time, whether as part of Tenant's Work provided for in Schedule 8, if applicable, or otherwise, and including the installation of all Leasehold Improvements and Trade Fixtures and the carrying out of all Alterations, Tenant shall, at Tenant's sole cost and expense, install, maintain, repair and/or replace a backflow prevention device (the "*Backflow Preventer*") in order to protect potable water supplies from contamination or pollution due to undesirable reversal of flow of a liquid, gas, or suspended solid into the potable water supply. In addition, Tenant shall be responsible to arrange, at Tenant's cost, for annual testing of the Backflow Preventer, by a firm acceptable to Landlord, and shall submit to Landlord and to the applicable Authority a copy of the report from such firm. The installation, maintenance, repair and/or replacement of the Backflow Preventer shall be subject to the other provisions of this Lease regarding same including, without limitation, Part 8 below.
- 3.9 **Public Health Emergency** Landlord and Tenant agree that in anticipation of, during, and for a period of time following (each as Landlord shall determine, in its sole discretion) a Public Health Emergency, in addition to Landlord's rights in this Lease, the following shall apply:
- (a) Landlord shall have the right, in its sole discretion and having regard to the type of Public Health Emergency, to:
 - (i) close, limit, control, regulate, restrict and/or prohibit access to the Premises and the Building and any part or parts thereof, and to re-open same, as Landlord shall determine;
 - (ii) implement additional security measures including health screening measures and conditional entry to the Building by all persons (including Tenant, its employees and invitees) on such persons participating in and passing all implemented additional security and/or health screening measures permitted at law, including

without limitation, disclosure of then current and past health status and having no signs or symptoms of infectious disease and having normal body temperature;

- (iii) amend or supplement existing Operating Standards and/or rules and regulations at the Building, and implement new Operating Standards and/or rules and regulations for the Building;
- (iv) improve, enhance, modify, supplement, suspend, restrict or limit the provision of any or all services to the Premises and the Building and any part or parts thereof.
- (b) Tenant shall promptly notify Landlord in writing of any diagnosis of infectious disease among Tenant, its employees and invitees who have accessed the Building or the Premises within a prior thirty (30) day time period.
- (c) All costs incurred by Landlord in respect of the Building or any part or parts thereof and which are incurred in connection with or related to the Public Health Emergency shall be included in Operating Costs.
- (d) Landlord and Tenant shall act reasonably and co-operatively and in good faith to minimize the impact of the Public Health Emergency on the Premises and the Building and its operations. Landlord's response, if any, to a Public Health Emergency, may differ from, supplement, modify, reduce or augment the recommendations of any Authority, having regard to the nature of the Building and the permitted uses of the tenants and occupants therein.
- (e) This section 3.9 shall not impose any duty, obligation or liability on Landlord in respect of a Public Health Emergency or Landlord's response thereto, if any.

PART 4 - TERM - POSSESSION

- 4.1 **Term** This Lease shall be for the Term set out in section 1.7 unless earlier terminated as provided in this Lease.
- 4.2 **Acceptance of Premises and Fixturing** Tenant accepts the Premises in an as-is condition, save and except for any Landlord's Work specifically provided for in Schedule 8. See paragraph 3 of Schedule 8 for Fixturing Period.
- 4.3 **Delayed Possession** See paragraph 3 of Schedule 8.
- 4.4 **Effect of Termination** The expiry or termination of this Lease whether by elapse of time or by the exercise of any right of either Landlord or Tenant pursuant to this Lease shall be without prejudice to the right of Landlord to recover arrears of rent and the right of each party to recover damages for an antecedent default by the other.
- 4.5 **Surrender** Tenant shall surrender possession of the Premises upon termination of this Lease by expiration of the Term or operation of the terms hereof, in good and substantial repair and condition as required by this Lease.
- 4.6 **Overholding** If Tenant remains in possession of the Premises following termination of this Lease by expiration of the Term or operation of the terms hereof, with or without objection by Landlord,

and without any written agreement otherwise providing, Tenant shall be deemed to be a monthly tenant upon the same terms and conditions as are contained in this Lease except as to the Term, and except as to Basic Rent which shall be equal to the greater of: (a) twice the Basic Rent payable in the last year of the Term or any extension or renewal term, or (b) the then prevailing rate charged by Landlord in the Project. This provision shall not authorize Tenant to so overhold where Landlord has objected.

PART 5 - RENT

- 5.1 **Basic Rent** Tenant shall pay to Landlord or as Landlord shall direct, Basic Rent in the amount set out in section 1.8, without demand in advance in equal consecutive monthly instalments on the first day of each month commencing on the Commencement Date or such other date as specified in this Lease.
- 5.2 **Additional Rent** From and after the Commencement Date, or such other date specified in this Lease, at the times and in the manner provided herein, Tenant shall pay to Landlord or as Landlord shall direct, Additional Rent. Additional Rent shall include, without limitation, all charges for Utilities payable under Part 6 and Tenant's Share of Operating Costs and Realty Taxes payable under Part 7, and all charges for Additional Services.
- 5.3 **Estimated Amounts** On or before the Commencement Date and the commencement of any Fiscal Period during the Term, Landlord shall estimate acting reasonably the Realty Taxes and Operating Costs and Tenant's Share thereof. Tenant shall pay, upon notification of such estimates, to Landlord in equal monthly instalments in advance on the first day of each month a sum on account of Tenant's Share of Realty Taxes and Operating Costs based on Landlord's estimates. Landlord may from time to time re-estimate the amount of estimated Realty Taxes and Operating Costs for the then current Fiscal Period and re-estimate Tenant's Share thereof for the remainder of the Fiscal Period and Tenant shall change its monthly instalments to conform with the revised estimates.
- 5.4 **Statements and Readjustments** Within six (6) months after the end of each Fiscal Period (or such longer period reasonable in the circumstances), Landlord shall determine the actual Tenant's Share of Realty Taxes and Operating Costs and the difference between such actual determination and the amount already billed to Tenant in instalments. Invoices for the actual determination of Tenant's Share of Operating Costs and Realty Taxes shall be accompanied by a statement of such Operating Costs and Realty Taxes verified to be correct by Landlord. If the aggregate of Tenant's instalments for the Fiscal Period in question was less than the actual determination, then Tenant shall pay the difference to Landlord within ten (10) days after demand, or if the aggregate of such instalments was more than the actual determination, Landlord shall credit the difference to Tenant's rental account or, if the Term has expired, pay to Tenant the difference less any amounts then owing by Tenant to Landlord. Tenant may not claim a re-adjustment in respect of Tenant's Share of Operating Costs or Realty Taxes for a Fiscal Period based upon any error of computation or allocation except by notice delivered to Landlord within three (3) months after the date of delivery of Landlord's statement.
- 5.5 **Payment of Rent - General**
- (a) **General** From and after the Commencement Date or such other date(s) specified herein, Tenant covenants to pay the Basic Rent and the Additional Rent without deduction, abatement or set-off in legal tender of Canada. All amounts payable by Tenant to Landlord

pursuant to this Lease shall be deemed to be Rent and will be payable and recoverable as Rent in the manner herein provided, and Landlord will have all rights against Tenant for default in any such payment as in the case of arrears of Rent. Tenant's obligations to pay Rent will survive the expiration or earlier termination of this Lease.

- (b) **Payment** Rent will be paid to Landlord at the address of Landlord set forth in section 1.1, or to such other person or at such other address as Landlord may from time to time designate in writing. Tenant agrees to complete and deliver to Landlord on or before the execution of this Lease, the Pre-Authorized Debit Authorization Form attached hereto as Schedule 10 and to pay Rent at Tenant's expense by an automated debiting system, under which payments are deducted from Tenant's bank account and credited to Landlord's bank account on the due date. Alternatively, should Landlord so require, Tenant shall deliver to Landlord at the time and for the period requested by Landlord, monthly post-dated cheques in amounts conforming with the monthly Basic Rent payments, plus any Additional Rent payments estimated by Landlord in advance.
- (c) **No Delay in Payment of Rent** Except as provided in sections 12.1 and 12.2 nothing contained in this Lease shall suspend or delay the payment of any money by Tenant at the time it becomes due and payable. Tenant agrees that Landlord may, at its option, apply any sums received against any amounts due and payable under this Lease in such manner as Landlord sees fit. No payment by Tenant, or receipt by Landlord, of a lesser amount than the Rent due hereunder will be deemed to be other than on account of the earliest stipulated Rent, nor will any endorsement or statement on any cheque or any letter accompanying any cheque, or payment as Rent, be deemed an accord and satisfaction, and Landlord may accept such cheque or payment without prejudice to Landlord's right to recover the balance of such Rent or pursue any other remedy available to Landlord.
- (d) **Interest on Arrears** If any amount of Rent is in arrears it shall bear interest at the Interest Rate from the due date for payment thereof until the same is fully paid and satisfied.
- (e) **Partial Periods** If the Commencement Date is any day other than the first day of a calendar month, or if the Term ends on a day other than the last day of a calendar month, then Basic Rent and Additional Rent, as the case may be, will be adjusted for the months affected, pro rata, based on a 365 day year.

- 5.6 **Deposit** Tenant shall pay to Landlord the Deposit in the amount specified in section 1.10 to be held by Landlord as security for Tenant's performance of its covenants under this Lease. No interest shall accrue or be payable to Tenant in respect of the Deposit. If Tenant shall be in default of any such covenant, Landlord may appropriate and apply such portion of the Deposit as Landlord considers necessary to compensate it for rent outstanding or loss or damage suffered by Landlord arising out of or in connection with such default, without prejudice to any other right or remedy available to Landlord. When requested by Landlord following any such appropriation Tenant shall pay to Landlord an amount sufficient to restore the original amount of the Deposit. Tenant shall not assign or encumber its interest in the Deposit, and Landlord shall not be bound by any attempted assignment or encumbrance of the Deposit, except in the case of any permitted Transfer of the Lease, in which case Tenant's interest in the Deposit shall be deemed to have been assigned to such permitted transferee as of the date of such Transfer. So much of the Deposit which remains unappropriated by Landlord in accordance with this section 5.6 shall be returned to Tenant within thirty (30) days after expiry of the Term so long as Tenant has surrendered the Premises in

accordance with all requirements of this Lease. In the event of any bankruptcy, insolvency, winding-up or other creditors' proceeding, the Deposit shall be the absolute property of Landlord and shall, at Landlord's option, be automatically appropriated and applied against the Rent and any other amounts payable under this Lease. The rights of Landlord hereunder in respect of the Deposit shall continue in full force and effect and shall not be waived, released, discharged, impaired or affected by reason of the release or discharge of Tenant in any receivership, bankruptcy, insolvency, winding up or other creditor's proceedings, including, without limitation, any proceedings under the *Bankruptcy and Insolvency Act* (Canada) or the *Companies Creditors Arrangement Act* (Canada), or the surrender, disclaimer, repudiation or termination of this Lease (individually and collectively referred to herein as "*Disclaimed*") in any such proceedings and shall continue with respect to the periods thereto and thereafter as if this Lease had not been Disclaimed.

- 5.7 **Prepaid Rent** Tenant shall pay to Landlord the Prepaid Rent in the amount specified in section 1.11, to be held without interest and credited against rent as provided in section 1.11. If Tenant shall be in default of payment of rent, Tenant agrees that Landlord may (but is not obligated to) apply the Prepaid Rent against such outstanding rent, without prejudice to any other right or remedy available to Landlord. When requested by Landlord following any such application, Tenant shall pay to Landlord an amount sufficient to restore the Prepaid Rent to the amount held by Landlord immediately prior to such application. Landlord will not be liable on account of the Prepaid Rent if it transfers it, or credits it, to a purchaser of Landlord's interest in the Project or any part thereof, and thereupon Landlord will be discharged from any further liability with respect to the Prepaid Rent.
- 5.8 **Measurement of Premises** Rent is subject to adjustment upon measurement of the actual Rentable Area of the Premises by Landlord. The Rentable Area of the Premises and other leaseable premises in the Project shall be calculated by the Architect in accordance with the Building Owners and Managers Association ("BOMA") measurement standards applicable to industrial buildings then adopted by Landlord for the Project, or in the event that no such BOMA standards are then being utilized by Landlord for the Project, calculated to the outside face of permanent exterior walls and to the centre line of interior walls and demising partitions, and to the centre line of a pre-determined lease line in the case of space facing onto either an interior corridor or onto a public street or lane. No deduction shall be made for vestibules inside the permanent exterior building walls or inside the pre-determined lease line, or for any columns located wholly or partially within the leaseable space. If there are any interior Common Areas within the Building, the Rentable Area of the Premises will be deemed to be increased in the same proportion that the area of the Common Areas within the Building bears to the Total Rentable Area of the Building. If, as the result of a certification or re-certification by the Architect of the Rentable Area of the Premises, there is to be a proportionate adjustment of Rent and of other Tenant charges which are based upon the Rentable Area of the Premises, such adjustment shall be made and become effective on: (a) the Commencement Date if certified in the first year of the Term; and (b) the first day of the month following the date of the certification or re-certification by the Architect if certified or re-certified after the end of the first year of the Term. If Tenant shall require a certification or re-certification by the Architect of the Rentable Area of the Premises at any time prior to or during the Term, Tenant will pay the cost of same.

PART 6 - UTILITIES

- 6.1 **Suppliers** Landlord shall be entitled to make such arrangements for the supply of electricity and other Utilities to the Project and the Premises as Landlord determines, and Tenant agrees to use

the existing suppliers to the Project. Landlord may from time to time negotiate modifications and revisions to such arrangements and enter into new arrangements. Landlord shall be entitled from time to time to require that any electricity and other Utilities be provided only by such suppliers, distributors or retailers who have been designated and approved by Landlord from time to time. Tenant shall not be permitted to make arrangements for the supply of electricity and other Utilities to the Premises directly from any supplier, retailer or distributor unless such arrangements have received Landlord's prior written approval, such approval not to be unreasonably withheld unless Tenant's arrangements are inconsistent with Landlord's then current or planned arrangements.

- 6.2 **Payment to Suppliers** Tenant shall pay promptly to the applicable approved supplier, retailer or distributor when due all charges related to or associated with the production, generation, transmission, delivery, supply and servicing of Utilities used or consumed in the Premises and which are charged directly to Tenant. If so required by Landlord, acting reasonably, separate meters for any such Utilities shall be installed in or for the Premises at Tenant's expense.
- 6.3 **Utilities Supplied by Landlord** Tenant shall pay to Landlord, without duplication, monthly in advance, all costs and expenses incurred by Landlord related to or associated with the production, generation, transmission, delivery, supply and servicing of Utilities to the Premises including, without limitation, all demand and consumption charges and surcharges and all costs and charges related to administration, debt, servicing and metering, to the extent not invoiced directly to Tenant by a third party supplier, retailer or distributor or included in Operating Costs, plus any costs incurred for consultants and brokers retained in connection with procurement of Utilities for the Premises, and fifteen percent (15%) of all such costs to cover Landlord's cost of administration. The determination of Utilities cost shall reflect Landlord's reasonable estimates for the quantities and types of Utilities supplied multiplied by the average unit costs to Landlord for each of such types of Utilities. If Landlord shall from time to time reasonably determine that the use of electricity or any other Utility or service in the Premises is disproportionate to the use of other tenants in the Building or the Project, Landlord may adjust Tenant's share of the cost thereof from a date reasonably determined by Landlord to take equitable account of the disproportionate use and may separately charge Tenant for such excess cost.
- 6.4 **No Overloading** Tenant shall not overload any Utilities, any service, or the roof, floor or other structural components of the Building and shall comply with the Landlord's specifications provided in Schedule 6 hereto.
- 6.5 **Reporting of Energy Consumption and Water Use** Not later than February 15th each year during the Term and any exercised extension term(s), where Tenant is purchasing Utilities directly from a supplier with Landlord's consent in accordance with this Lease, Tenant shall submit to Landlord copies of original invoices showing Tenant's water, natural gas and electricity consumption in the Premises during the immediately prior calendar year. In addition, Tenant covenants and agrees from time to time and within seven (7) days of request, to provide to Landlord all energy consumption and water use information regarding the Premises that Landlord may require.

PART 7- OPERATING COSTS AND TAXES

- 7.1 **Operating Costs Payable by Tenant** Tenant shall pay to Landlord, at the times and in the manner provided in section 5.3, Tenant's Share of Operating Costs, determined in accordance with Schedule 5.

7.2 **Realty Taxes Payable by Tenant** To the extent that Realty Taxes are levied or imposed directly against Tenant or the Premises, Tenant shall pay, and provide evidence to Landlord of such payment, before delinquency such Realty Taxes. Landlord shall pay all other Realty Taxes (and Tenant acknowledges that there may be more than one of such Realty Taxes assessed, charged or imposed upon or in respect of the Project) in the first instance and Tenant shall pay to Landlord in each Fiscal Period Tenant's Share of Realty Taxes, provided that Landlord may adjust from time to time Tenant's Share of Realty Taxes, acting reasonably, as follows:

- (a) Tenant's Share of Realty Taxes shall be adjusted to include any increase or incremental amount of Realty Taxes or other taxes which Landlord, acting reasonably, has determined to be attributable to the conduct of Tenant's business or particular use of the Premises or any of the Common Areas by Tenant, or to any act by Tenant (including, without limitation, declaring itself a separate school supporter), or attributable to the Leasehold Improvements, Trade Fixtures and Tenant Property;
- (b) Landlord shall be entitled to allocate Realty Taxes among categories of premises in the Project on the basis of such factors as Landlord determines, acting reasonably, to be relevant and to adjust Tenant's Share of Realty Taxes based on such allocation; and
- (c) if there are separate Realty Tax bills or assessments (or, in lieu of separate assessments, calculations made by authorities having jurisdiction from which separate assessments may, in Landlord's opinion be readily determined) for any leaseable premises in the Project (including the Premises), Landlord may adjust Tenant's Share of Realty Taxes having regard thereto.

Nothing herein shall compel or require Landlord to adjust, continue to adjust or to make the same determination or allocation of Tenant's Share of Realty Taxes from year to year or in any Fiscal Period. For the purposes of determining the Tenant's Share of Realty Taxes payable by Tenant pursuant to this Lease, Realty Taxes shall include such additional amounts as would have formed part of Realty Taxes had the Project been fully assessed during the whole of the relevant Fiscal Period as fully completed and occupied by tenants, with no special exemptions or reductions, and without taking into account any actual or potential reduction of Realty Taxes or change of assessment category or class for premises within the Project which are vacant or underutilized, provided that the foregoing shall not result in the Tenant's Share being greater than it would be if the Project was fully completed and occupied.

7.3 **Contesting Taxes** Landlord and Tenant will each have the right to contest in good faith the validity or amount of any tax which it is responsible to pay under this Part 7, provided that in the case of Tenant: (a) no contest by Tenant may be initiated without Tenant first obtaining Landlord's written consent of such contest (such consent not to be unreasonably withheld) and having provided Landlord with copies of all assessment notices, tax bills and other documents received by Tenant relating to Realty Taxes; (b) no contest by Tenant may involve the possibility of forfeiture, sale or disturbance of Landlord's interest in the Premises; (c) if required by Landlord, Tenant will deliver to Landlord prior to such contest security in such amount as Landlord considers necessary; (d) in the case of Realty Taxes, the contest shall be limited to the assessment of the Premises alone and shall not include, directly or indirectly, any other part of the Project; and (e) upon final determination of such contest, if Tenant has not already done so, Tenant will immediately pay and satisfy the amount found to be due, together with any costs, penalties and interest. Tenant will not have the right in the event of any such contest to withhold payment to Landlord of the amounts which are

the subject of the contest if such amounts are otherwise payable to Landlord and Landlord remains liable for payment of such amount to the Authority notwithstanding such contest. Tenant will fully indemnify Landlord for all costs and expenses (including legal fees and disbursements) incurred by Landlord as a result of any such contest by Tenant.

- 7.4 ***Business and Other Taxes Payable by Tenant*** Tenant shall pay before delinquency all Business Taxes, and any other taxes, charges, rates, duties and assessments levied, rated, imposed, charged or assessed against or in respect of any use, occupancy or conduct of business at the Premises or in respect of the Leasehold Improvements, Trade Fixtures, Tenant Property, or the business or income of Tenant on or from the Premises or rent payable under this Lease.
- 7.5 ***Alternate Methods of Taxation*** If during the Term the method of taxation shall be altered so that the whole or any part of the Realty Taxes now levied on real estate and improvements are levied wholly or partially as a capital levy or on the rents received or reserved or otherwise, or if any new or other tax, assessment, levy, imposition or charge in lieu thereof, shall be imposed upon Landlord, related in any way to the Project, or the income therefrom, then all such taxes, assessments, levies, impositions and charges shall be included when determining Realty Taxes. If during the Term the method of taxation shall be altered so that the whole or any part of the Business Taxes payable in respect of any use or occupancy of the Premises which are currently included in Realty Taxes are separately assessed, and become separately payable, Tenant shall pay and be liable to pay same as Additional Rent and Landlord shall have the right to allocate and collect such Business Taxes (as would have formerly been included in Realty Taxes) from Tenant in the manner or on the same basis as would have been employed by the Authority previously levying same.
- 7.6 ***Rental Taxes*** In addition to Rent, Tenant will pay to Landlord Rental Taxes calculated by Landlord in accordance with applicable legislation, which amounts shall be paid by Tenant at the same time as the amounts to which Rental Taxes apply are payable under the terms of this Lease. Rental Taxes will not be considered to be Rent, but Landlord shall have all of the same remedies and rights of recovery with respect to Rental Taxes as it has for non-payment of Rent.

PART 8 - MAINTENANCE, REPAIRS AND ALTERATIONS

- 8.1 ***Responsibility of Tenant*** Without notice or demand from Landlord and except to the extent that Landlord is specifically responsible therefor under this Lease or elects from time to time to carry out any such maintenance, repairs and alterations as an Additional Service at Tenant's cost or, at Landlord's sole discretion, as part of Operating Costs, Tenant will maintain and keep in a good state of repair the Premises, the Leasehold Improvements, the Supplemental HVAC Facilities (if any), and the Trade Fixtures in good order and condition all as a careful owner would do, including without limitation:
- (a) with respect to the Supplemental HVAC Facilities (if any), complying with the Landlord's maintenance schedule and specifications provided in Schedule 6 hereto and delivering to the Landlord, at the times and in the manner specified in Schedule 6, a certified statement of compliance with such maintenance schedule and specifications together with evidence thereof satisfactory to Landlord, including without limitation copies of all reports and, as required by Landlord from time to time, invoices from suppliers and contractors carrying out such maintenance;

- (b) making repairs, replacements and alterations as needed, including those necessary to comply with the requirements of any Authority;
- (c) keeping the Premises and the exterior area surrounding the Premises in a clean and tidy condition, and not permitting wastepaper, garbage, ashes, waste or objectionable material to accumulate thereon or in or about the Building, other than in areas and in a manner designated by Landlord; and
- (d) repairing all damage in the Premises resulting from any misuse, excessive use or installation, alteration, or removal of Leasehold Improvements, Supplemental HVAC Facilities (if any), Trade Fixtures and/or Tenant Property.

With respect to the Supplemental HVAC Facilities (if any), Tenant shall only cause or permit the repair and maintenance work specified in Schedule 6 hereto to be carried out by those contractors listed therein or otherwise approved by Landlord in writing pursuant to supply contracts which include those clauses specified in such Schedule 6. Tenant will promptly notify Landlord of any damage to or defect in any part of the Premises or in any equipment or Utilities serving the Premises of which Tenant becomes aware notwithstanding that Landlord may have no obligation with regard thereto. For greater certainty and without limitation, the Tenant is to notify the Landlord promptly of any water damage or leaks. If the Landlord elects to carry out any such maintenance, repairs and for alterations then subsection 8.4(f) shall apply thereto unless Landlord elects, in its sole discretion from time to time, to include the costs thereof as part of Operating Costs.

8.2 ***Responsibility of Landlord***

- (a) Landlord shall maintain and keep in a good state of repair having regard to the size, age, type and location of the Project:
 - (i) the Building's structure, roof, and permanent building walls (except for interior faces facing into the Premises);
 - (ii) systems and equipment installed by Landlord for the supply and distribution of Utilities,
 - (iii) the Common Areas;
 - (iv) the HVAC Facilities serving the Building and the Premises, excluding any Supplemental HVAC Facilities and those HVAC Facilities exclusively servicing other premises in the Building; and
 - (v) damage from causes against which Landlord has agreed to insure as primary insurer.
- (b) The following provisions apply to and may limit Landlord's obligations under subsection 8.2(a):
 - (i) if all or part of such systems, facilities and equipment are destroyed, damaged or impaired, Landlord will have a reasonable time in which to complete the necessary repair or replacement, and during that time will be required only to maintain such services as are reasonably possible in the circumstances;

- (ii) no reduction or discontinuance of Landlord services will be construed as an eviction of Tenant or release Tenant from any obligation of Tenant under this Lease; and
- (iii) nothing contained in subsection 8.2(a) will derogate from the provisions of Part 12 or from Landlord's right to include in Operating Costs the cost of complying with this Part 8.

8.3 ***Inspection, Notice and Entry***

- (a) ***Inspection*** Tenant will permit Landlord and its authorized agents, employees, consultants and contractors to enter upon the Premises at any time or times upon twenty-four (24) hours prior notice (except in a real or perceived emergency, in which event, no notice will be required) to examine, measure and inspect the Premises, to inspect Tenant's maintenance, repairs and alterations to the Premises, to show the Premises to prospective Mortgagees or Purchasers, to show the Premises to prospective tenants during the last twelve (12) months of the Term only, to provide janitorial (if applicable) and maintenance services, and to make all repairs, alterations, changes, adjustments, improvements, installations or additions to the Premises or the Building, including the Building systems and facilities, that Landlord considers necessary or desirable, whether for the direct benefit of the Premises or where necessary to serve another part of the Building or the Project, including those matters which are Tenant's responsibilities pursuant to section 8.1 hereof. For the purposes of this section 8.3, Landlord may take materials into the Premises as required therefor and may have access to the Building systems and facilities including the HVAC Facilities. Tenant will not obstruct pipes, conduits, ducts or shafts or other parts of the Building systems so as to prevent access to them by Landlord. Landlord in exercising its rights under this section will make commercially reasonable efforts to minimize interference with Tenant's use and enjoyment of the Premises. No entry made or work undertaken by or on behalf of Landlord upon the Premises pursuant to this section is a re-entry or a breach of Landlord's covenant for quiet enjoyment.
- (b) ***Entry*** If Tenant is not present to open and permit any entry into the Premises when for any reason an entry shall be permitted hereunder or necessary in the case of a real or perceived emergency, Landlord or its agents may, using reasonable force, enter the same without rendering Landlord or such agents liable therefor, and without affecting the obligations and covenants of Tenant under this Lease.
- (c) ***Limitation*** Notwithstanding anything to the contrary, Landlord shall not be required to inspect the Premises, give notice to Tenant or carry out remedies on Tenant's behalf, nor is Landlord under any obligation for the care, maintenance or repair of the Premises, except as specifically provided in this Lease, and Tenant shall not be entitled to any abatement or reduction of Rent as a result of, nor shall Landlord be liable for any loss, expense or damage arising from or relating to, any inspection, entry or work described in this section 8.3.
- (d) ***Performance of Tenant's Responsibilities by Landlord*** If Tenant has not complied with the provisions of section 8.1 then Landlord may in addition to and without waiving or limiting its rights under section 15.1, enter the Premises and perform Tenant's responsibilities

pursuant to section 8.1, and repair or replace any and all equipment or fixtures servicing the Premises at Tenant's cost plus 15%.

8.4 ***Tenant Improvements and Alterations***

- (a) ***Landlord's Criteria*** All Tenant's work from time to time, whether as part of Tenant's Work provided for in Schedule 8, if applicable, or otherwise, and including the installation of all Leasehold Improvements and Trade Fixtures and the carrying out of all Alterations shall:
- (i) be subject to Landlord's prior written approval, which approval shall not be unreasonably withheld unless such work may affect a structural part of the Building or may affect the mechanical, electrical, HVAC or other basic systems of the Building or the capacities thereof, in which case Landlord's approval may be arbitrarily withheld;
 - (ii) be performed in a good and workmanlike manner, at the sole risk and expense of Tenant, and in strict accordance with drawings and specifications approved by Landlord and Landlord's design criteria for the Building;
 - (iii) be performed in compliance with the applicable requirements of all Authorities, evidence of which shall be provided to Landlord;
 - (iv) be subject to the supervision and direction of Landlord or its employees, agents, manager or contractors during construction (Tenant hereby acknowledging that such supervision will be for the benefit of Landlord only and that Landlord will not be responsible in any way whatsoever for the quality, design, construction or installation of any such work);
 - (v) equal or exceed the then current standard for the Project; and
 - (vi) subject to subsection 8.4(f), be carried out only by competent workers selected by Tenant and approved in writing by Landlord (it will be reasonable for Landlord to consider, among other factors, labour union compatibility on the Project, if applicable), who will, if required by Landlord, deliver to Landlord before commencement of the work performance and payment bonds as well as proof of insurance coverage as required herein.
- (b) ***Plans and Specifications*** Tenant shall submit to Landlord details of any proposed Tenant's work, including Leasehold Improvements and Alterations, which details shall include complete working drawings and specifications prepared by qualified designers and conforming to good engineering practice. Tenant shall reimburse Landlord for the cost of technical evaluation of Tenant's plans and specifications and shall revise such plans and specifications as Landlord deems necessary. Tenant shall be solely responsible for the adequacy and sufficiency of Tenant's plans and specifications and Landlord shall have no liability of any kind arising from Landlord's review or approval of such plans and specifications nor shall Landlord's review and approval constitute an acknowledgement or indication of any kind as to the adequacy or sufficiency of Tenant's plans and specifications.

- (c) **Insurance** Tenant and its contractors shall be required to maintain at their cost, throughout the period of Tenant's work, on terms and conditions satisfactory to Landlord acting reasonably, the following insurance:
- (i) commercial general liability insurance with respect to the construction in an amount of not less than five million dollars (\$5,000,000.00) for any one occurrence or claim or such higher limit as Landlord or the Mortgagee may require from time to time; and
 - (ii) builders risk insurance covering all work against all risks of physical loss or damage.
- (d) **Supervisory Fees** If Tenant or its contractors perform Tenant's work (including Leasehold Improvements and Alterations), Tenant shall pay to Landlord a fee for coordination and supervision services equal to ten percent (10%) of the total cost of Tenant's work (including Leasehold Improvements and Alterations) carried out from time to time, unless otherwise specifically provided for in Schedule 8 or otherwise agreed to in writing by the parties hereto.
- (e) **Debris** During construction and installation of Leasehold Improvements and Alterations, Tenant shall keep the Premises and the Building clean of any related debris.
- (f) **Landlord's Work at Tenant's Expense** Tenant shall pay to Landlord the cost of any services provided by Landlord relating to Tenant's work, Leasehold Improvements and Alterations, including the cost of any necessary cutting, patching or repairing of any damage to the Building or the Premises, any cost to Landlord of removing refuse, cleaning, hoisting of materials, the cost of any services provided by Landlord pursuant to section 8.1 and any other costs of Landlord which can be reasonably allocated as a direct expense relating to the conduct of such work. If a request is made by Tenant with respect to approval of any Tenant's work, including any Leasehold Improvements and Alterations, which may affect the structure or the mechanical, electrical, HVAC or other basic systems of the Building or the capacities thereof, which request is approved by Landlord, Landlord may require that such work be designed, at Tenant's cost, by consultants designated by Landlord and/or that it be performed by Landlord or its contractors. If Landlord or its contractors perform any such services or work, it shall be at Tenant's expense in an amount equal to Landlord's total cost of such service or work, which shall be reasonable having regard to Landlord's standards for the Building, plus fifteen percent (15%) of such amount, payable following completion upon demand. Tenant will, if required by Landlord, deliver to Landlord prior to commencement by Landlord of any such work security satisfactory to Landlord in an amount equal to Landlord's reasonable estimate of the cost of performing such work.
- (g) **Restrictions** No Leasehold Improvements or Alterations by or on behalf of Tenant shall be permitted which may adversely affect the condition or operation of the Building or the Project or any of its systems or the Premises or diminish the value thereof or restrict or reduce Landlord's coverage for municipal zoning purposes.
- (h) **Unauthorized Installations** Any Leasehold Improvements or Alterations made by Tenant without the prior written consent of Landlord or which are not in strict accordance with the

drawings and specifications approved by Landlord shall, if requested by Landlord, be promptly removed by Tenant at Tenant's expense, and the Premises shall be restored to their previous condition.

- (i) **Liens** Tenant shall promptly pay all its contractors and suppliers and shall do all things necessary to prevent a lien attaching to the Lands or Building and should any such lien be made, filed or attach Tenant shall discharge or vacate such lien within five (5) days of receiving notice thereof. If Tenant shall fail to discharge or vacate any lien, then in addition to any other right or remedy of Landlord, Landlord may discharge or vacate the lien by paying into Court the amount required to be paid to obtain a discharge, and the amount so paid by Landlord together with all costs and expenses including solicitor's fees (on a solicitor and his client basis) incurred in connection therewith shall be due and payable by Tenant to Landlord on demand together with interest at the Interest Rate, calculated from the date of payment by Landlord until all of such amounts have been paid by Tenant to Landlord.
- (j) **Realty Tax/Insurance Increases** Any increase in Realty Taxes or fire or casualty insurance premiums for the Project attributable to the Tenant's Leasehold Improvements or Alterations will be borne by Tenant and Tenant will pay Landlord for the cost of such increase upon receipt of Landlord's invoice.

8.5 **External Changes** Tenant agrees that it shall not erect, affix or attach to any roof, exterior walls or surfaces of the Building or any part of the Project any antennae, sign, attachment or fixture of any kind (except as may otherwise be specifically permitted under Schedule 8, if applicable), nor shall it make any opening in or alteration to the roof, walls, or structure of the Premises or the Building, or install in the Premises or Building free standing air-conditioning units, without the prior written consent of Landlord which may be arbitrarily withheld.

8.6 **Removal of Trade Fixtures and Tenant Property** At the end of the Term, if not in default, Tenant may remove its Trade Fixtures and Tenant Property, and shall, in the case of every installation or removal of Trade Fixtures and Tenant Property, make good any damage caused to the Premises or the Building by such installation or removal. Any Trade Fixtures removed during the Term will be contemporaneously replaced with Trade Fixtures of equal or better quality. Tenant may, if not in default, during the Term remove Tenant Property which is obsolete or as part of Tenant's ordinary course of business during Normal Business Hours. Any Trade Fixtures and Tenant Property belonging to Tenant, if not removed at the termination or expiry of this Lease, shall, if Landlord so elects, be deemed abandoned and become the property of Landlord without compensation to Tenant. If Landlord shall not so elect, Landlord may remove such Trade Fixtures and Tenant Property from the Premises and store them at Tenant's risk and expense and Tenant shall save Landlord harmless from all damage to the Premises and the Building caused by such removal, whether by Tenant or by Landlord.

8.7 **Removal of Leasehold Improvements and Restoration** The Leasehold Improvements shall immediately upon installation become the property of Landlord without compensation to Tenant. Unless Landlord by notice in writing requests otherwise, or unless Landlord elects to do so on Tenant's behalf as an Additional Service, Tenant shall at its expense, upon the expiration of the Term or earlier termination of this Lease, remove all (or part, as designated by Landlord) of the Leasehold Improvements (including, without limitation, any Supplemental HVAC Facilities) and complete any reconstruction necessary to reinstate the Premises original structure as existing on

the date on which Tenant took possession of the Premises in the event structural changes were undertaken by Tenant. Tenant shall repair and make good any damage to the Premises or to the Building caused either in the installation or removal of Leasehold Improvements (including, without limitation, any Supplemental HVAC Facilities).

PART 9 - ENVIRONMENTAL PROVISIONS

9.1 Compliance The Tenant covenants:

- (a) prior to taking possession of the Premises and thereafter from time to time within fifteen (15) days of request by Landlord, to complete and sign the Environmental Questionnaire, which shall be certified by a senior officer of Tenant as complete and accurate responses and which are hereby deemed to be representations and warranties of Tenant upon which Landlord is relying;
- (b) to use and occupy the Premises so as not to contravene any present or future Environmental Law, and obtain and comply with the terms of all licenses, certificates of approval, permits and other approvals necessary or appropriate under applicable Environmental Law for the safe and lawful conduct of its business at or from the Premises;
- (c) not to cause or allow any Contaminant to be used, generated, stored, or disposed of on, under or about, or transported to or from any part of the Project including without limitation the Premises, (collectively the "*Contaminant Activities*") unless previously disclosed to Landlord in the Environmental Questionnaire and consented to in writing by Landlord, and then only in strict compliance, at Tenant's expense, with applicable Environmental Law, using all necessary and appropriate precautions which a cautious and prudent operator would exercise;
- (d) not to permit any Discharge except to the extent consented to by Landlord in writing and in accordance with Environmental Law, and to give immediate notice to Landlord of any Discharge or of any other occurrence which might give rise to a duty in Tenant or Landlord or both under Environmental Law;
- (e) to comply with any investigative, remedial or precautionary measures required under Environmental Law arising from or attributable to any act or omission of Tenant or those for whom Tenant is in law responsible;
- (f) notwithstanding anything to the contrary in this Lease, to protect, defend, indemnify and save Landlord, Manager and their respective directors, officers, employees, agents, successors and assigns completely harmless from and against all costs, losses, damages and expenses incurred relating to any Contaminant Activities or Environmental Claim or both, directly or indirectly incurred, sustained or suffered by or asserted against all or any one of them, including without limiting the generality of the foregoing, the cost of satisfying any order, carrying out remedial or precautionary measures, or cleaning up any Discharge, to the extent caused by or attributable to, either directly or indirectly, any act or omission of Tenant and/or any person for whom Tenant is in law responsible and Tenant covenants and agrees to pay to Landlord an administrative fee equal to fifteen percent (15%) of all such amounts.

9.2 Waste Disposal

- (a) Tenant shall be responsible for proper disposal of all Contaminants and other materials which require special disposal measures, including oil, kitchen waste and grease. Tenant will store and dispose of all of its waste in a lawful manner. In particular, Tenant will use the garbage collection service provided by Landlord only to dispose of solid waste (which is not Hazardous Waste) which can lawfully be transported to, and dumped at, a landfill site without requiring payment of surcharges or penalties, and will use the sewers only to dispose of liquid waste (which is not Hazardous Waste) which may be lawfully discharged into the municipal sewer. All other wastes will be disposed of by Tenant, at its expense, at least once every month, using a properly licensed waste hauler. Regardless of whether the waste hauler is retained by Landlord or Tenant, Tenant, and not Landlord, shall be deemed to be the generator of Tenant's waste and all costs shall be Tenant's responsibility.
- (b) Where Landlord provides separate waste collection facilities for different types of waste, Tenant will separate its waste and will deliver each waste to the appropriate facility. Tenant will comply with any waste reduction workplan prepared by Landlord from time to time (if any), at Tenant's cost. Tenant will comply with all reasonable requirements imposed by Landlord with respect to the implementation of a system for the storage, disposal, and separation of waste at the Building and the Project as contemplated by this Part 9.

9.3 **Ownership of Contaminants** If Tenant shall bring or create upon the Premises or the Project any Contaminant or if the conduct of Tenant's business shall cause there to be any Contaminant upon the Project or the Premises, then, notwithstanding any rule of law to the contrary, such Contaminant shall be and remain the sole and exclusive property of Tenant and shall not become the property of Landlord notwithstanding the degree of affixation of the Contaminant or the goods containing the Contaminant to the Premises or the Project and notwithstanding the expiry or earlier termination of this Lease.

9.4 **Pesticides** Tenant will not use pesticides in the Premises or the Project unless Tenant has first obtained written consent from Landlord to do so and all necessary permits under applicable Environmental Law.

9.5 **Operations and Maintenance** Tenant will design, install, operate, repair, replace and maintain, all equipment and property in the Premises, and will train all of its staff, in order to comply with Environmental Law and so as to minimize the risk of spills and other accidents, particularly those which might result in a Discharge. If due to Tenant's acts or omissions or use of the Premises, improvements to the Premises or the Project are necessary to comply with Environmental Law or with the requirements of any insurance carriers, Tenant will pay the entire cost thereof. Tenant will conduct regular preventative maintenance of all pollution control equipment, and will keep it in good working order at all times.

9.6 **Orders and Offences**

- (a) Tenant will fully comply with all orders of an Authority which may be directed to Landlord or Tenant and which relate to the Premises or the Project in relation to the Tenant or those for whom Tenant is in law responsible. Should an order or direction of an Authority be issued to Landlord or Tenant, requiring Landlord or Tenant to do anything in relation to an environmental problem caused or contributed to by Tenant, Tenant will, upon receipt of written notice from Landlord, promptly and fully satisfy the requirements of the order or direction at Tenant's expense.

- (b) If Tenant fails or refuses to promptly and fully satisfy the requirements of an order or direction referred to in this section, or if, in Landlord's opinion Tenant is not competent to satisfy the requirements of the order or direction, Landlord may elect in writing (but is not obligated) to satisfy the whole or any part of the requirements of the order or direction at Tenant's expense.
- (c) If Tenant fails or refuses to promptly and fully satisfy the requirements of any such order or direction or if Tenant is convicted of an offence contrary to any Environmental Law which relates to the Premises or the Project and the course of conduct which gave rise to the order, direction or offence has not ceased or been rectified, or re-occurs, Landlord will have the option, at its sole discretion, to terminate this Lease forthwith by notice in writing, and Landlord will not be liable for any losses or damages of any kind however caused arising out of such termination.

9.7 ***Inspection***

- (a) Landlord may at any time upon twenty-four (24) hours' notice (except in a real or perceived emergency in which event no notice shall be required) inspect the Premises and Tenant's records to determine whether Tenant is fully complying with Environmental Law and its environmental obligations under this Lease and to evaluate the risk of Discharges.
- (b) When Landlord reasonably considers it necessary, the inspection may be performed in whole or in part by experts, and may include sampling, monitoring, and other tests, all performed at Tenant's expense if arising from or attributable to any act or omission of Tenant or if such inspection discloses that Tenant has not complied with its obligations under this Part 9.
- (c) If Landlord's inspection discloses a breach of an Environmental Law, or a situation which could reasonably be anticipated to result in a breach of an Environmental Law, Landlord will have the right to rectify such breach, or prevent such breach from occurring, as the case may be, at Tenant's sole expense.
- (d) Tenant authorizes Landlord to make inquiries from time to time of any Authority with respect to Tenant's compliance with Environmental Law, and Tenant will from time to time provide to Landlord such written authorizations as Landlord may require in order to facilitate Landlord obtaining such information.
- (e) Upon request by Landlord from time to time, Tenant shall provide to Landlord a certificate executed by a senior officer of Tenant certifying ongoing compliance by the Tenant with Environmental Law, the Environmental Questionnaire and its covenants contained in this Part 9.
- (f) At any time during the Term following a Discharge occurring on or about the Premises, Landlord may require Tenant to obtain and deliver to Landlord at Tenant's expense an Environmental Assessment addressed to both Landlord and Tenant concerning any Discharge or the status of Tenant's performance of its obligations under this Part 9.

9.8 ***Warehousing and Storage of Related Chemical Products*** Tenant acknowledges, covenants and agrees that:

- (a) all Related Chemical Products at the Premises shall be disclosed in writing by Tenant to Landlord including, without limitation, as part of the Environmental Questionnaire to be provided by Tenant to Landlord from time to time pursuant to the Lease;
- (b) all Related Chemical Products kept at the Premises shall be received pre-packaged in packaging mandated by the applicable Authority and ready for use, and shall not be handled in unprocessed form at any time within any portion of the Project;
- (c) all Related Chemical Products shall be stored in accordance with all Environmental Laws and in accordance with the requirements of the applicable Authority and shall be kept in a discrete, clearly identified area of the warehouse portion of the Premises being identifiable from the majority of the warehouse portion of the Premises;
- (d) the Related Chemical Products shall be stored and handled in strict accordance with the MSDS and the requirements of the WHMIS, and every person delivering or handling the Related Chemical Products shall be trained in accordance with the WHMIS guidelines and shall follow the MSDS;
- (e) no container, vessel, receptacle or box containing Related Chemical Products may be open at the Project and there shall be no mixing or preparation involving any Related Chemical Products at the Project;
- (f) the Related Chemical Products shall be stored on skids in dedicated areas for each Related Chemical Product. The Related Chemical Products shall be loaded into and out of the Premises directly onto the truck which will be entering into the Premises through the same door;
- (g) Landlord may make inquiries from time to time of any Authority with respect to Tenant's compliance with the WHMIS and the MSDS, and Tenant will from time to time provide to Landlord such written authorizations as Landlord may require in order to facilitate Landlord obtaining such information; and
- (h) any spill, release, escape or leak of Related Chemical Products shall be remediated in strict accordance with the MSDS and the requirements of each Authority having jurisdiction and Tenant hereby agrees to indemnify and hold harmless Landlord from all expenses, claims and liabilities relating in any way to any and all Related Chemical Products at the Project.

9.9 ***Vacant Possession*** Upon the expiration of the Term or other termination of this Lease, Tenant will leave the Premises and the Project clean of Contaminants and suitable for immediate reuse for any commercial purpose. Tenant will be deemed to be overholding until it has removed from the Premises and the Project and lawfully disposed of all waste and other Contaminants caused by or resulting from its occupancy and use of the Premises and the Project.

9.10 ***No Merger*** The provisions of this Part 9 will survive and continue to apply following the expiry or earlier termination of this Lease.

PART 10 - LANDLORD'S SERVICES AND ALTERATIONS

- 10.1 **Operation of Project** The Project shall at all times be under the exclusive control and management of Landlord and, subject to participation by Tenant by payment of Operating Costs, Landlord will provide the services set out in section 10.2.
- 10.2 **Services to Premises**
- (a) **Electrical Power** Landlord will supply to the Premises circuits sufficient to deliver electrical power to the Premises to the levels currently existing on the date hereof. If Tenant requires electrical power at a different voltage or at a greater capacity than Landlord's system delivers, then any additional systems required, if available, shall be installed, operated and maintained at Tenant's cost.
 - (b) **Water and Sewage Connections** Landlord shall provide to the Premises water and sewer connections to the extent existing on the date hereof. Any connections or special facilities required by Tenant shall be made at Tenant's cost and in accordance with section 8.4.
 - (c) **Information Technology** Landlord may provide or arrange with third parties to provide to the Building from time to time access to advanced information technology systems and equipment including fibre optic and other sophisticated telecommunication facilities on terms and conditions satisfactory to Landlord in its sole discretion.
 - (d) **Utility Regulations** Landlord's furnishing of Utilities as set out in this section 10.2 or otherwise shall be subject to the rules and regulations of the supplier of such utility or other Authority regulating the business or providing any of these Utilities.
- 10.3 **Interruption or Delay of Services or Utilities** Landlord may slow down, interrupt, delay, or shut down any of the services or Utilities outlined in this Part 10 on account of repairs, maintenance or alterations to any equipment or other parts of the Project, provided that to the extent reasonably possible under the circumstances Landlord shall provide prior notice and shall schedule such interruptions, delays, slow downs, or stoppage so as to minimize any inconvenience to Tenant, save and except in all instances for real or perceived emergencies and events beyond Landlord's control. No reduction or discontinuance of such services or Utilities will be construed as an eviction of Tenant, nor release Tenant from any obligation of Tenant under this Lease, nor make Landlord liable for any damages arising therefrom.
- 10.4 **Public Policy** Landlord shall be deemed to have observed and performed the terms and conditions to be performed by Landlord under this Lease, including those relating to the provision of Utilities, if in so doing it acts in accordance with a directive, policy or request of an Authority acting in the fields of energy, conservation, waste management and disposal, security, the environment or other area of public interest.
- 10.5 **Easements** Tenant acknowledges that Landlord and any persons authorized by Landlord may install, maintain and repair pipes, wires and other conduits or facilities through the Common Areas and, provided that same once installed will not materially interfere with Tenant's reasonable use and enjoyment of the Premises, through the Premises. Any such installing, maintaining and repairing shall be done in a manner that will minimize inconvenience to Tenant to the extent reasonably possible in the circumstances.

- 10.6 **Landlord's Alterations** Landlord shall have the right, at any time, to (a) add buildings, additions and parking structures on the Lands and the Project or to make additions to, or subtractions from, or to change, rearrange or relocate any part of the Common Areas, the Lands, the Building and/or other parts of the Project; (b) enclose any open area, and to grant, modify or terminate easements and other agreements pertaining to the use and maintenance of all or any part of the Common Areas, the Lands, the Building and/or other parts of the Project; and (c) make changes to the parking areas and facilities, access routes and driveways and to make any changes or additions to the systems, pipes, conduits, Utilities or other building services within or serving the Project.

In doing any of the foregoing, Landlord shall have the right to enter the Premises upon forty-eight (48) hours prior notice, and shall make such changes as expeditiously as reasonably possible, using commercially reasonable efforts to minimize interference with Tenant's use and enjoyment of the Premises. Tenant shall cooperate with Landlord in any of its programs to improve or make more efficient the operation of the Project or any part thereof.

- 10.7 **Landlord's Signs** Landlord shall have the right at any time to install general information, directory and direction signs in and about the Project, and further may place upon the Building a notice of reasonable dimensions, reasonably placed so as not to interfere with Tenant's business, stating that the Building is for sale, or that areas of the Project are for lease, as the case may be, and at any time during the last nine (9) months of the Term, that the Premises are for lease. Tenant shall not remove or interfere with such notices or signs.

- 10.8 **Additional Services** Tenant may from time to time be provided with (only to the extent specifically provided for herein) or request Additional Services from Landlord and Tenant shall pay Landlord's charge for such Additional Services (which shall be reasonable having regard to Landlord's standards for the Building and which, where practical, shall be estimated by Landlord in advance) plus fifteen percent (15%) thereof to cover Landlord's cost of administration, payable within ten (10) days of delivery of Landlord's invoice therefor. If a charge for Additional Services is payable by Tenant under this Lease, then to the extent any cost or expense is included in such charge, such cost or expense shall be excluded from Operating Costs.

PART 11 - INSURANCE AND INDEMNIFICATION

- 11.1 **Tenant's Insurance** Tenant shall, at its sole cost and expense, take out and maintain in full force and effect at all times throughout the Term the following insurance:
- (a) "All Risks" insurance upon property of every description and kind owned by Tenant, or for which Tenant is legally liable, or which is installed by or on behalf of Tenant, within the Premises or on the Lands, Building or Project, 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. If there shall be a dispute as to the amount of full replacement cost the decision of Landlord or the Mortgagee, acting reasonably, shall be conclusive;
 - (b) commercial general liability and property damage insurance, including personal liability, contractual liability, tenants' legal liability, non-owned automobile liability and owners' and contractors' protective insurance coverage with respect to the Premises and the Common Areas, which coverage shall include the business operations conducted by Tenant and any other person on the Premises and all those for whom Tenant is responsible including those

performing work for or on behalf of Tenant. Such policies shall be written on an occurrence basis with coverage for any one occurrence or claim of not less than five million dollars (\$5,000,000.00) or such higher limits as Landlord or the Mortgagee may require from time to time;

- (c) business interruption insurance including loss of profits;
- (d) broad form boiler and machinery insurance on a blanket repair and replacement basis with limits for each accident in an amount of at least the replacement cost of all Leasehold Improvements and of all boilers, pressure vessels, air-conditioning equipment and miscellaneous electrical apparatus owned or operated by Tenant or by others (except for Landlord) on behalf of Tenant in the Premises, or relating to, or serving the Premises; and
- (e) any form of insurance as Tenant, Landlord or the Mortgagee may reasonably require from time to time, including without limitation pollution and remediation legal liability coverage with respect to any Environmental Claim, in amounts and for insurance risks against which a prudent tenant would protect itself.

11.2 **Policy Requirements** Each policy of insurance taken out by Tenant in accordance with this Lease shall be taken out with insurers and shall be in such form and on such terms with deductibles as are satisfactory to Landlord, the Mortgagee and the Manager and each such policy shall name Landlord, any Mortgagee and the Manager and any others designated by Landlord (including any beneficial owner or other having an insurable interest) as additional named insureds, as their respective interests may appear, and each of such policies shall contain in form satisfactory to Landlord:

- (a) a waiver by the insurer of any rights of subrogation or indemnity or any other claim over, to which such insurer might otherwise be entitled against Landlord, the Manager and their respective officers, directors, agents, employees or those for whom it is in law responsible;
- (b) an undertaking by the insurer to notify Landlord and the Mortgagee in writing not less than thirty (30) days prior to any proposed material change, cancellation or other termination thereof;
- (c) a provision that Tenant's insurance is primary and shall not call into contribution any other insurance available to Landlord; and
- (d) a severability of interests clause and a cross-liability clause, where applicable; and
- (e) the Mortgagee's standard mortgage clause.

11.3 **Proof of Insurance** Tenant shall provide to Landlord and the Mortgagee at the time of execution of this Lease and thereafter on demand, and from time to time, satisfactory evidence that the policies of insurance required to be maintained by Tenant in accordance with this Lease are in fact being maintained, which evidence shall be in the form of certificates of insurance, or if required by Landlord or the Mortgagee, certified copies of each such insurance policy.

11.4 **Failure to Maintain** If Tenant fails to take out or keep in force any insurance referred to in this Part 11 or should any such insurance not be approved by either Landlord or the Mortgagee, each acting reasonably, and should Tenant not rectify the situation within forty-eight (48) hours following receipt

by Tenant of written notice from Landlord (stating, if Landlord or the Mortgagee do not approve of such insurance, the reasons therefor), Landlord shall have the right, without assuming any obligation in connection therewith, to effect insurance under the Landlord's blanket policy to cover the Landlord's Mortgagee's interests at the sole cost of Tenant and all outlays by Landlord shall be payable by Tenant to Landlord and shall be due on the first day of the next month following said payment by Landlord, without prejudice to any other rights and remedies of Landlord under this Lease.

- 11.5 ***Damage to Leasehold Improvements*** In case of damage to the Leasehold Improvements, or any material part thereof, the proceeds of insurance in respect thereto shall be payable to Landlord, and such proceeds if received by the Landlord shall be released to Tenant (provided that Tenant is not in default hereunder) upon Tenant's written request for progress payments, at stages determined by a certificate of the Architect stating that repairs to each such stage have been satisfactorily completed free of liens by Tenant or by Tenant's contractors. In the event Tenant defaults in making such repairs, Landlord may, but shall not be obliged to, perform the repairs and the proceeds may be applied by Landlord to the cost thereof. If this Lease expires or is terminated at a time when the Premises or Leasehold Improvements are damaged or destroyed as a result of a peril required to be insured against by Tenant, Tenant shall pay or assign to Landlord free of any encumbrance, an amount equal to the proceeds of insurance maintained or, if Tenant is in default of section 11.1, the proceeds of insurance which would have been recoverable under insurance required to be maintained by Tenant with respect to such damage or destruction.
- 11.6 ***Landlord's Insurance*** Landlord agrees to insure the Building and the machinery, boilers and equipment therein owned by Landlord (specifically excluding any property which Tenant is obliged to insure under this Part 11) against "All Risks" of loss in such reasonable amounts as would be carried by a prudent owner of a comparable building in the municipality. Landlord shall also carry commercial general liability insurance covering third party bodily injury and property damage with respect to the operation of the Building, and may carry rental insurance and environmental insurance and any other forms of insurance as it or the Mortgagee may reasonably determine to be advisable from time to time. Notwithstanding that Tenant shall be contributing to Landlord's costs and premiums respecting such insurance, Tenant shall not have any insurable or other interest in any of Landlord's insurance other than the rights, if any, expressly set forth in this Lease, and in any event, Tenant shall not have any interest in, nor any right to recover any proceeds under any of Landlord's insurance policies.
- 11.7 ***Increase in Insurance Premiums*** Tenant shall not do or permit anything to be done upon the Premises which shall cause the premium rate of insurance on the Building to be increased. If the premium rate of insurance on the Building shall be increased by reason of any act or omission of Tenant or any use made of the Premises, Tenant shall pay to Landlord on demand the amount of such premium increase. In the event of an actual or threatened cancellation of any Landlord's insurance on the Building or any material adverse change thereto by the insurer by reason of the use or occupation of the Premises and if Tenant has failed to remedy the situation, use, condition, occupancy or other factor giving rise to such actual or threatened cancellation or adverse change within twenty-four (24) hours after notice thereof by Landlord, then without prejudice to any other rights which Landlord may have, Landlord may remedy the situation, use, condition, occupancy or other factor giving rise to such actual or threatened cancellation or change, all at the cost of Tenant to be paid forthwith upon demand, and for such purposes Landlord shall have the right to enter upon the Premises without further notice.

11.8 **Release of Landlord** Tenant hereby releases Landlord and those for whom Landlord is in law responsible from all losses, damages and claims of any kind in respect of which Tenant is required to maintain insurance or is otherwise insured. In addition and without limitation, Tenant agrees that Landlord, regardless of negligence or alleged negligence on the part of Landlord or those for whom Landlord is in law responsible, or any breach of this Lease by Landlord, shall not be liable for and Tenant hereby releases Landlord from:

- (a) any death or injury arising from or out of any occurrence in, upon, at or relating to the Premises or the Project;
- (b) any loss or damage to any property of Tenant or others (whether or not such property has been entrusted to Landlord, its agents, servants or employees) resulting from fire, explosion, steam, water, mould, rain, snow or gas which may leak into or issue or flow from any part of the Building or the Project or from the water, steam or drainage pipes or plumbing works of the Building or the Project, or the effects thereof;
- (c) any loss or damage caused as a result of any damage, destruction, construction, alteration, expansion, expropriation, reduction, repair or reconstruction from time to time of the Building or any parts or components of the Building or the Project, or of improvements on adjoining properties;
- (d) any loss or damage caused by or attributable to the condition or arrangement of any electric or other wiring;
- (e) any loss or damage of any kind arising from any failure, interruption, slowdown or stoppage of any Utilities, including without limitation any failure or interruptions of any telecommunications, fibre optic or other information technology facility utilized by Tenant and whether provided by Landlord or any other provider, any HVAC Facility, any service or any other base building system;
- (f) any damage caused by anything done or omitted to be done by any other tenant or occupant of the Building or the Project;
- (g) any claim or demand in connection with any injury, loss or damage to Tenant, its agents, invitees or licensees, or to the property of Tenant, its agents, invitees or licensees, where such injury, loss or damage arises out of the security services in force or the lack thereof in the Building or the Project from time to time;
- (h) any loss, damage or injury caused by or attributable to Landlord entering the Premises to carry out inspections, maintenance services, repairs, alterations or improvements; and
- (i) in any event, any indirect or consequential damages suffered by Tenant, including without limitation, loss of profit.

11.9 **Release of Tenant** Landlord hereby releases Tenant and any other person for whom Tenant is legally responsible from any liability or claim that may be made by Landlord against Tenant under the provisions of this Lease with respect to such loss to the extent of the lesser of: (a) the amount, if any, by which such loss exceeds the amount of insurance Tenant is required to maintain under the terms of this Lease or actually maintains, whichever is greater; and (b) the proceeds actually paid to Landlord with respect to such loss under the policies of insurance maintained by Landlord

pursuant to section 11.6 or which would have been paid if Landlord had maintained the insurance required under this Lease and had diligently processed any claims thereunder. This release shall be operative only if it is not prohibited by Landlord's insurance policies and would not place Landlord in breach of such policies or expose Landlord to additional costs under or in connection with such policies.

- 11.10 ***Indemnification of Landlord*** Tenant shall indemnify Landlord and save it harmless from all losses, liabilities, damages, claims, demands and actions of any kind or nature which Landlord shall or may become liable for or suffer by reason of any breach, violation or non-performance by Tenant of any covenant, term or provision of this Lease and, subject to section 11.9, against any and all losses, liabilities, damages, claims, demands, actions and expenses in connection with loss of life, personal injury or damage to property arising from any occurrence on the Premises or arising from the occupancy or use by Tenant of the Premises, the Lands, the Building or the Project by Tenant, its agents, contractors, employees, servants, licensees, concessionaires or invitees (including without limitation, third party claims arising from or related to any failure or interruption of services, Utilities or telecommunications supplied by Landlord), or occasioned wholly or in part by any act or omission of Tenant, its agents, contractors, employees, servants, licensees or concessionaires whether on the Premises, the Lands or in the Building or any other part of the Project. If Landlord, without actual fault on its part, is made a party to any litigation commenced by or against Tenant, Tenant shall hold Landlord harmless and shall pay all costs and legal fees incurred or paid by Landlord in respect of such litigation.
- 11.11 ***Extension of Rights and Remedies*** Every right, benefit, exemption from liability, defence, immunity and waiver of whatsoever nature applicable to Landlord under this Lease shall also be available and shall extend to benefit and to protect all other companies owned, operated or controlled by or affiliated with Landlord and the Manager (if any) and to protect their respective officers, directors, managers, consultants and employees and for such purposes Landlord and the Manager (if any) is or shall be deemed to be acting as agent or trustee on behalf of and for the benefit of such companies and persons.

PART 12 - DAMAGE AND DESTRUCTION

- 12.1 ***Damage to the Premises*** It is understood and agreed that, notwithstanding the other provisions of this Lease, should the Premises at any time be partially or wholly destroyed or damaged by any cause whatsoever or should demolition of the Premises be necessitated thereby or should the Premises become unfit for occupancy by Tenant:
- (a) subject as hereinafter provided in this section 12.1, Landlord shall, to the extent of the insurance proceeds available for reconstruction and actually received by Landlord from its insurers following an election by the Mortgagee to apply all or any portion of such insurance proceeds against the debt owing to the Mortgagee as the case may be, reconstruct the Premises in accordance with Landlord's obligations to repair under the provisions of section 8.2 hereof. Upon substantial completion of Landlord's work, Landlord shall notify Tenant, and Tenant shall forthwith commence and expeditiously complete reconstruction and repair of the Premises, Leasehold Improvements and Trade Fixtures in accordance with Tenant's obligations to repair under the provisions of section 8.1 hereof;
 - (b) rent shall not abate unless the Premises are rendered wholly or partially unfit for occupancy by such occurrence and in such event Rent, as of the date of such occurrence shall abate

proportionately as to the portion of the Premises rendered unfit for occupancy, but only for the period and to the extent that proceeds of rental insurance are actually received by Landlord, or if earlier, only until thirty (30) days following receipt by Tenant of Landlord's notice given to Tenant as provided in subsection 12.1(a) hereof, at which time Rent shall recommence;

- (c) if, in the opinion of the Architect, such opinion to be given to Landlord and Tenant within thirty (30) days of the date of such damage, the Premises cannot be repaired and made fit for occupancy within one hundred and eighty (180) days from the date of such damage (employing normal construction methods without overtime or other premium), then: (i) Landlord may by written notice to Tenant, given within thirty (30) days of receipt of such opinion of the Architect, elect to terminate this Lease, and (ii) if such damage occurs during the last Lease Year of the Term, as same may be extended or renewed, Tenant may by written notice to Landlord, given within thirty (30) days of receipt of such opinion of the Architect, elect to terminate this Lease, and in either case Rent shall cease and be adjusted as of the date of such damage and Tenant shall immediately vacate the Premises and surrender same to Landlord; and
- (d) in no event, including termination of the Lease in accordance with the provisions of subsection 12.1(c) hereof, shall Landlord be liable to reimburse Tenant for damage to, or replacement or repair of any Leasehold Improvements, Trade Fixtures or any of Tenant's Property.

Notwithstanding the foregoing, Landlord and Tenant agree that the provisions of this section 12.1 shall not apply so long as Tenant leases the whole of the Building.

12.2 **Damage to the Building** It is understood and agreed that, notwithstanding the other provisions of this Lease, should the Building at any time be partially or wholly destroyed or damaged by any cause whatsoever, or should demolition of the Building, or any part thereof, be necessitated thereby:

- (a) subject as hereinafter provided in this section 12.2, Landlord shall, to the extent of the insurance proceeds available for reconstruction and actually received by Landlord from its insurers following any election by the Mortgagee to apply all or any portion of such insurance proceeds against the debt owing to the Mortgagee as the case may be, expeditiously reconstruct and repair the Building, and to the extent necessary, the Premises, in accordance with Landlord's obligations to repair under the provisions of section 8.2 hereof. Upon substantial completion of Landlord's work as it relates to the Premises Landlord shall notify Tenant, and Tenant shall forthwith commence and expeditiously complete reconstruction and repair of the Premises, Leasehold Improvements and Trade Fixtures to the extent they are so affected, in accordance with Tenant's obligations to repair under the provisions of section 8.1 hereof;
- (b) rent shall not abate unless the Premises are rendered wholly or partially unfit for occupancy by such occurrence, and in such event, Rent, as of the date of such occurrence shall abate proportionately as to the portion of the Premises rendered unfit for occupancy, but only for the period and to the extent that proceeds of rental insurance are actually received by Landlord, or if earlier, only until thirty (30) days following receipt by Tenant of Landlord's

notice given to Tenant as provided in subsection 12.2(a) hereof, at which time Rent shall recommence;

- (c) if in the opinion of the Architect, such opinion to be given to Landlord and Tenant within thirty (30) days of the date of such damage, thirty percent (30%) or more of the Total Rentable Area of the Building is at any time destroyed or damaged in whole or in part by any cause whatsoever, or by demolition caused or necessitated thereby, notwithstanding that the Premises may be unaffected by such occurrence, Landlord may, by written notice to Tenant, given within thirty (30) days of receipt of such opinion of the Architect, elect to terminate this Lease, in which case, Rent shall cease and be adjusted as of the termination date specified in such notice, and Tenant shall vacate the Premises and surrender same to Landlord on such termination date;
- (d) in repairing, reconstructing or rebuilding the Building or any part thereof, Landlord may use designs, plans and specifications, other than those used in the original construction of the Building, and Landlord may alter or relocate, or both, any or all buildings, facilities and improvements, including the Premises, provided that the Premises as altered or relocated shall be substantially the same size and shall be in all material respects reasonably comparable to the Premises, as defined herein; and
- (e) in no event, including termination of this Lease in accordance with the provisions of subsection 12.2(c) hereof, shall Landlord be liable to reimburse Tenant for damage to, or replacement or repair of any Leasehold Improvements, Trade Fixtures or of any Tenant Property.

12.3 **Architect's Certificate** It is understood and agreed by Tenant that wherever a certificate of the Architect is required or deemed appropriate by Landlord, the certificate of the Architect shall bind the parties hereto as to completion of construction of the Premises and the availability of services, the percentage of the Premises or Building destroyed or damaged and the number of days required to make repairs or reconstruct and the state of tenantability of the Premises, and the state of completion of any work or repair of either Landlord or Tenant.

12.4 **Limitation** Except as specifically provided in this Lease, there will be no reduction or abatement of Rent and Landlord will have no liability to Tenant by reason of any injury to or interference with Tenant's business or Tenant Property arising from fire or other casualty, howsoever caused, or from the making of any repairs resulting therefrom in or to any portion of the Building. Notwithstanding anything contained in this Lease, including sections 12.1 and 12.2, if the damage is caused by any act or omission of Tenant or those for whom Tenant is in law responsible then any Rent abatement shall be only for the period and to the extent that proceeds of rental insurance are actually received by Landlord (Landlord agrees to use commercially reasonable efforts to recover any such proceeds to which it may be entitled, but shall be under no obligation to commence nor maintain any legal action).

PART 13 - TRANSFERS BY TENANT

13.1 **Transfers** Tenant covenants that no Transfer affecting Tenant, this Lease, the Premises or the business of Tenant at the Premises shall be permitted or effective until Landlord's prior written consent to the Transfer is delivered to Tenant, which consent (without limiting Landlord's rights hereunder) will not be unreasonably withheld, so long as Tenant is not in default hereunder.

Requests by Tenant to assign this Lease or sublet all or part of the Premises or to otherwise enter into a Transfer shall be in writing to Landlord accompanied by a copy of the proposed Transfer documents, full particulars of the proposed Transfer, the business and financial responsibility and standing of the proposed transferee, a copy of the Environmental Questionnaire attached hereto as Schedule 7 completed and certified by such proposed transferee, and such other information as Landlord may reasonably require. Prior to any consent being given by Landlord to Tenant's request, Landlord must be satisfied as to, among other things, the following: (a) that the liability of Tenant to fulfil the terms, covenants and conditions of this Lease shall remain; (b) that the financial ability, credit rating, business reputation and standing of the proposed assignee, subtenant or transferee, as the case may be, is satisfactory to Landlord; (c) that Tenant has regularly and duly paid Rent and performed all of the covenants contained in this Lease, (d) that any Mortgagee will consent to such request; (e) that the proposed transferee has, or will enter into an agreement with Landlord agreeing to be bound by all of the terms, covenants and conditions of this Lease; (f) that the proposed transferee's intended use of the Premises shall not increase the likelihood of a Discharge or other environmental contamination or damage; and (g) that comparable space is not available in the Project for lease by Landlord (in which event Landlord may offer to lease such space directly to such proposed assignee, subtenant or transferee). If Tenant requests Landlord's consent to any Transfer, Landlord may:

- (a) refuse its consent (acting reasonably, provided that it will be reasonable for Landlord to consider, among other things, those factors listed above); or
- (b) elect to cancel and terminate this Lease if the request is to assign the Lease or to sublet all of the Premises, or if the request is to sublet a portion of the Premises only, to cancel and terminate this Lease either entirely or with respect to only such portion, as Landlord shall determine. If Landlord elects to cancel this Lease and so advises Tenant in writing, Tenant shall then notify Landlord in writing within fifteen (15) days thereafter of Tenant's intention either to refrain from such assigning or subletting or to accept the cancellation of the Lease (in whole, or in part). Failure of Tenant to deliver notice to Landlord within such fifteen (15) day period advising of Tenant's intention to refrain from such assigning or subletting, shall be deemed to be an acceptance by Tenant of 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 13.1 shall be effective on the later of the date originally proposed by Tenant as being the effective date of transfer or the last day of the month which is not less than sixty (60) days following the date of Landlord's notice of cancellation of this Lease; or
- (c) grant its consent with such conditions, if any, as Landlord elects to impose, acting reasonably, which conditions may include but are not limited to:
 - (i) the requirement that any transferee covenant directly with Landlord in writing to perform and observe such of the covenants, obligations and agreements of Tenant under this Lease as Landlord requires; and
 - (ii) the requirement that any transferee deliver to Landlord the Environmental Questionnaire attached hereto as Schedule 7, certified by a senior officer of such transferee to be complete and accurate, disclosing no increased environmental risk.

- 13.2 **Additional Requirements** If Landlord agrees to grant its consent to any Transfer under section 13.1:
- (a) Tenant shall not permit or cause such Transfer to be completed except:
 - (i) upon terms consistent with the terms of Tenant's request and information under section 13.1 (except to the extent modified by any conditions imposed by Landlord under section 13.1);
 - (ii) upon conditions imposed by Landlord, if any, under section 13.1; and
 - (iii) upon terms not otherwise inconsistent with the terms of this Lease;
 - (b) Tenant shall cause to be executed and delivered by any party to the Transfer (including Tenant) such documentation as may be required by Landlord in connection with such Transfer;
 - (c) if the basic and additional rent (net of reasonable out of pocket costs for commissions and legal fees directly related to such Transfer) to be paid by the transferee under the Transfer exceeds the Basic Rent and Additional Rent payable by Tenant hereunder, the amount of such excess shall be paid by Tenant to Landlord; and if Tenant receives from any transferee, either directly or indirectly, any consideration other than basic rent or additional rent for such Transfer, either in the form of cash, goods or services, Tenant shall immediately pay to Landlord an amount equivalent to such consideration;
 - (d) if such Transfer shall not be completed within sixty (60) days after Landlord's consent is given, such consent shall expire and become null and void and Tenant shall not then allow or cause such Transfer to be completed without again complying with all the requirements of this Part 13; and
 - (e) such consent shall not be effective unless and until Tenant shall have complied fully with this section 13.2 and section 13.3.
- 13.3 **Landlord's Costs** Prior to Landlord delivering any requested consent, Tenant shall pay Landlord's reasonable fees and costs incurred in processing each request by Tenant for consent to Transfer including Landlord's administrative fee of \$1,500 plus reimbursement for all reasonable legal costs and reimbursement for all credit check fees and all applicable taxes.
- 13.4 **No Advertising** Tenant shall not advertise that the whole or any part of the Premises are available for a Transfer 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 Landlord, such approval not to be unreasonably withheld. No such advertisement shall contain any reference to the rental rate of the Premises.
- 13.5 **No Release** No Transfer or other disposition by Tenant of this Lease or of any interest under this Lease shall release Tenant from the performance of any of its covenants under this Lease and Tenant shall continue to be bound by this Lease. Tenant's liability under the Lease will continue notwithstanding the bankruptcy, insolvency, dissolution or liquidation of any transferee of this Lease or the termination of this Lease for default or the termination, disclaimer, surrender or repudiation of this Lease pursuant to any statute or rule of law. Furthermore, if this Lease is terminated for default or is terminated, disclaimed, surrendered or repudiated pursuant to any statute or rule of

law, then, in addition to and without limiting Tenant's liability under this Lease, Tenant, upon notice from Landlord given within ninety (90) days after any such termination, disclaimer, surrender or repudiation, shall enter into a new lease with Landlord for a term commencing on the effective date of such termination, disclaimer, surrender or repudiation and expiring on the date this Lease would have expired but for such termination, disclaimer, surrender or repudiation and otherwise upon the same terms and conditions as are contained in this Lease with respect to the period after such termination, disclaimer, surrender or repudiation.

PART 14 - SALES AND FINANCINGS BY LANDLORD

14.1 **Dispositions by Landlord** Landlord, at any time and from time to time, may sell, transfer, lease, assign, or otherwise dispose of the whole or any part of its interest in the Project or in the Premises and, at any time and from time to time, may enter into a Mortgage of the whole or any part of its interest in the Project or in the Premises. In the event of such a disposition, other than a Mortgage, by Landlord, if the party acquiring Landlord's interest covenants to assume and perform the covenants of Landlord under this Lease, Landlord shall thereupon be released from all of its covenants under this Lease. If required by Landlord in connection with any sale, transfer, Mortgage or other disposition, Tenant shall, within five (5) business days of request, provide to Landlord, prospective Purchasers and Mortgagees, and their respective agents and consultants, access to the current financial statements of Tenant and any Indemnifiers, provided that if Tenant is listed on a recognized stock exchange in Canada or the United States, Tenant agrees to provide in lieu thereof, copies of Tenant's annual reports, quarterly reports and all other publicly distributed reporting materials.

14.2 **Subordination and Postponement**

- (a) Subject to subparagraph 14.2(b) immediately below, this Lease and the rights of Tenant in this Lease shall be subject and subordinate to any and all Mortgages and Tenant, on request by and without cost to Landlord, shall, within five (5) business days after such request, execute and deliver any and all instruments required by Landlord to evidence such subordination. Upon request by Tenant at the time of any request for confirmation of subordination, Landlord shall make reasonable commercial efforts to obtain from any Mortgagee, at Tenant's cost, an acknowledgement and assurance in writing addressed to Tenant, whereby such Mortgagee acknowledges that in the event of any such Mortgagee realizing upon the security, it will not disturb Tenant and will permit Tenant to remain in possession under this Lease in accordance with its terms, so long as Tenant is not in default.
- (b) Landlord, as to any Mortgage, and a Mortgagee, as to any Mortgage held by it, may, by notice to Tenant, elect at any time that this Lease and the rights of Tenant hereunder shall have, and shall be deemed to have always had, priority to such Mortgage(s). Tenant, on request by and without cost to Landlord, shall, within five (5) business days after such request, execute and deliver any and all instruments required by Landlord or the Mortgagee, as the case may be, to further evidence priority of this Lease over the Mortgage(s).

14.3 **Attornment** At any time after any of the following has occurred:

- (a) a Mortgagee delivers a notice of attornment; or

- (b) a Mortgagee takes possession of the Building or the Premises; or
- (c) the interest of Landlord is transferred to any person (a "*Purchaser*") by reason of foreclosure or other proceedings for enforcement of any Mortgage or by delivery of a transfer/deed or other conveyance,

Tenant shall at the option of the Mortgagee or the Purchaser, as the case may be, exercisable by notice in writing to Tenant, be deemed to have attorned to the Mortgagee or the Purchaser, as the case may be, upon receipt of such notice. Landlord, the Mortgagee or the Purchaser, as the case may be, may require Tenant to enter into all instruments required by Landlord, the Mortgagee or the Purchaser, as the case may be, to confirm such attornment. Upon such attornment the obligations of Tenant under this Lease shall continue in full force and effect upon all the same terms, conditions and covenants contained in this Lease.

- 14.4 ***Reliance*** Notwithstanding that a Mortgagee or a Purchaser is not a party to this Lease, it shall be entitled to rely upon and enforce the provisions of this Lease which are stated to be for its benefit and, without limitation, the Mortgagee shall be entitled to act as agent for Landlord to the extent necessary to enforce any such provisions.

PART 15- DEFAULT

- 15.1 ***Landlord May Perform Tenant's Covenants*** If Tenant is in default of any of its covenants, obligations or agreements under this Lease (other than its covenant to pay Rent) and such default shall have continued for a period of ten (10) consecutive days (or such shorter period set out in this Lease) after notice by Landlord to Tenant specifying with reasonable particularity the nature of such default and requiring the same to be remedied or, if by reason of the nature thereof, such default cannot be cured by the payment of money and cannot with due diligence be wholly cured within such ten (10) day period (or such shorter period set out in this Lease), if Tenant shall fail to proceed promptly to cure the same or shall thereafter fail to prosecute the curing of such default with due diligence, Landlord, without prejudice to any other rights which it may have with respect to such default, may remedy such default and the cost thereof to Landlord together with interest at the Interest Rate thereon from the date such cost was incurred by Landlord until repaid by Tenant shall be treated as Additional Rent and added to the Rent due on the next succeeding date on which Basic Rent is payable.

15.2 ***Right to Distrain***

- (a) Tenant agrees that Landlord shall have the right to distrain for any arrears of Rent without notice to Tenant, in addition to the other rights reserved to it. For such purpose Landlord shall have the right to enter the Premises as agent of Tenant either by force or otherwise without being liable for any prosecution therefor and to take possession of any goods and chattels whatever on the Premises, and to sell the same at public or private sale and apply the proceeds of such sale on account of the Rent or in satisfaction of the breach of any covenant, obligation or agreement of Tenant under this Lease and Tenant shall remain liable for the deficiency, if any. Notwithstanding anything contained in any statute concerning commercial tenancies in the province in which the Building is located, (the "*Act*") or any successor legislation or other statute which may hereafter be passed to take the place of the said Act or to amend the same, none of the goods and chattels of Tenant at any time during the continuance of the Term shall be exempt from levy by distress for Rent and Tenant hereby waives all and every benefit that it could or might have under such

Act. Upon any claim being made for such exemption by Tenant, or on distress being made by Landlord, this provision may be pleaded as an estoppel against Tenant in any action brought to test the right to the levying of distress upon any such goods.

- (b) In exercising its right to distrain, Landlord in addition to the rights reserved to it shall have the right:
 - (i) to enter the Premises by force or otherwise without being liable for any prosecution therefor;
 - (ii) to change the locks on the Premises in order to prevent the removal by Tenant or any other person of the goods and chattels which are being distrained without thereby re-entering the Premises or terminating this Lease; and
 - (iii) to levy distress after sunset and before sunrise.

15.3 **Landlord May Follow Chattels** In case of removal by Tenant of the goods or chattels of Tenant from the Premises, Landlord may follow the same for thirty (30) days in the same manner as is provided for in the Act or any successor legislation or other statute which may hereafter be passed to take the place of the Act or to amend the same.

15.4 **Re-Entry**

- (a) It is a condition of this Lease that when:
 - (i) Tenant fails to pay when due any Rent, whether lawfully demanded or not, and such failure continues for three (3) days after notice from Landlord;
 - (ii) Tenant is in default of any of its covenants, obligations or agreements under this Lease (other than its covenant to pay Rent) and such default has continued for a period of ten (10) consecutive days (or such shorter period set out in this Lease) after notice by Landlord to Tenant specifying with reasonable particularity the nature of such default and requiring the same to be remedied, or, if by reason of the nature thereof, such default cannot be cured by the payment of money and cannot with due diligence be wholly cured within such ten (10) day period, if Tenant has failed to proceed promptly to cure the same or has thereafter failed to prosecute the curing of such failure with due diligence;
 - (iii) any execution issues against any property located on the Premises of Tenant or any Indemnifier (if applicable) and remains outstanding for more than ten (10) days, or any receiver of any property located on the Premises of Tenant or any Indemnifier (if applicable) is appointed, or Tenant or any Indemnifier (if applicable) becomes insolvent or makes application for relief from creditors under the provisions of any statute now or hereafter in force, or files a notice of intention or a proposal, makes an assignment in bankruptcy, has a receiving order made against it or otherwise becomes bankrupt or insolvent, or any action, steps or proceedings whatever, are taken with a view to the winding up, dissolution or liquidation of Tenant or Indemnifier (if applicable), or with a view to the restructuring or compromise of any debt or other obligation of Tenant or Indemnifier (if applicable);

- (iv) any insurance policy on the Building is actually cancelled or not renewed or threatened to be cancelled or not renewed by any insurer by reason of any particular use or occupation of the Premises and Tenant has failed to remedy the situation, use, condition, occupancy or other factor giving rise to such actual or threatened cancellation within forty-eight (48) hours following receipt by Tenant of written notice from Landlord;
- (v) the Premises have been or are in the process of being abandoned, or the Premises have been used or occupied by any other person or persons other than Tenant or any person permitted by Part 13 or Schedule 8 hereof; or
- (vi) Tenant or any Related Corporation is in default of any of its covenants, obligations or agreements under any lease or other written agreement between it and Landlord and such default shall have continued for such period of time that Landlord's remedies have become exercisable thereunder;
- (vii) Tenant has not discharged or vacated any lien referred to in subsection 8.4(i) within the time period specified therein;
- (viii) Tenant makes a bulk sale of its goods or moves or commences, attempts or threatens to move its goods, chattels and equipment out of the Premises (other than in the normal course of its business); or
- (ix) termination of this Lease by Landlord is permitted for cause under any other part of this Lease or in law;

then, and in any of such events, the then current month's Rent together with the Rent for the three (3) months next ensuing shall immediately become due and payable, and at the option of Landlord the Term shall become forfeited and void, and Landlord without notice or any form of legal process whatever may forthwith re-enter the Premises or any part thereof in the name of the whole and repossess the same as of its former estate, anything contained in any statute or law to the contrary notwithstanding. Landlord may expel all persons and remove all property from the Premises and such property may be removed and sold or disposed of by Landlord as it deems advisable or may be stored in a public warehouse or elsewhere at the cost and for the account of Tenant without Landlord being considered guilty of trespass or conversion or becoming liable for any loss or damage which may be occasioned thereby, provided, however, that such forfeiture shall be wholly without prejudice to the right of Landlord to recover arrears of rent and damages for any antecedent default by Tenant of its covenants under this Lease. Should Landlord at any time terminate this Lease by reason of any such event, then, in addition to any other remedies it may have, it may recover from Tenant all damages it may incur as a result of such termination.

- (b) Notwithstanding any termination of this Lease, Landlord shall be entitled to receive Rent and Rental Taxes up to the time of termination plus accelerated rent as herein provided and damages including but not limited to:
 - (i) damages for the loss of Rent suffered by reason of this Lease having been prematurely terminated;

- (ii) the costs of reclaiming and repairing the Premises; and
- (iii) solicitor's fees and disbursements on a solicitor and his client basis, or a substantial indemnity basis, whichever is greater.

- 15.5 **Acceptance of Rent Non-Waiver** No receipt of monies by Landlord from Tenant after the termination of this Lease shall reinstate, continue or extend the Term, or affect any notice previously given to enforce the payment of Rent then due or thereafter falling due or operate as a waiver of the right of Landlord to recover possession of the Premises by proper action, proceeding or other remedy; it being agreed that, after the service of a notice to cancel or terminate this Lease and after the commencement of any action, proceeding or other remedy, or after a final order or judgment for possession of the Premises, Landlord may demand, receive and collect any monies due, or thereafter falling due without in any manner affecting such notice, action, proceeding, order or judgment; and any and all such monies so collected shall be deemed payments on account of the use and occupation of the Premises or at the election of Landlord on account of Tenant's liability hereunder.
- 15.6 **Rights Cumulative** The rights and remedies given to Landlord in this Lease are distinct, separate and cumulative, and no one of them, whether or not exercised by Landlord shall be deemed to be in exclusion of any other rights or remedies provided in this Lease or by law or in equity.
- 15.7 **Landlord Default** If Landlord is in default, Tenant shall not have or exercise any right or remedy with respect thereto unless such default continues for thirty (30) days or such longer period as may be reasonably required in the circumstances to cure such default after notice by Tenant to Landlord specifying reasonable details of the default and requiring it to be remedied.
- 15.8 **Rights of Mortgagees** If at any time during the currency of a Mortgage, notice of which has been given to Tenant, Landlord shall be in default under this Lease and such default would give rise to a right in Tenant to terminate this Lease, Tenant, before becoming entitled as against the holder of such Mortgage to exercise any right to terminate this Lease shall give to such Mortgagee notice in writing of such default. Such Mortgagee shall have thirty (30) days after the giving of such notice, or such longer period as may be reasonable in the circumstances, within which to remedy such default, and if such default is remedied within such time Tenant shall not by reason thereof terminate this Lease. The rights and privileges granted to any such Mortgagee by virtue of this section shall not be deemed to alter, affect or prejudice any of the rights and remedies available to Tenant as against Landlord. Any notice to be given to such Mortgagee shall be deemed to have been properly given if mailed by registered mail to its most recent address of which Tenant has notice.

PART 16 - NOTICES AND CERTIFICATES

- 16.1 **Notices** Any notice required or contemplated by any provision of this Lease shall be given in writing and shall be signed by the party giving the notice, addressed, in the case of Landlord to it only at the address shown in Part 1; in the case of notice to Tenant to it at the Premises or at the address shown in Part 1; and in the case of notice to the Indemnifier, if applicable, to it at the address shown in Part 1, in each case delivered or sent by facsimile or by registered mail, postage prepaid, return receipt requested. For the purposes of this Lease, electronic messaging and electronic mail shall not be considered notice in writing. Notice shall be conclusively deemed to have been given and received, if delivered or sent by facsimile, at the time of such delivery or the

time of sending by facsimile, in either case, unless received on a non-business day or after 5:00 p.m. on a business day, in either of which events such notice shall be deemed to have been given and received on the next business day, or if mailed, on the fifth (5th) day of regular mail service after such mailing. If two or more persons are named as Tenant, any notice given under this Lease to Tenant shall be deemed to have been sufficiently given if delivered, sent by facsimile or mailed in the foregoing manner to any one of such persons. Any party hereto may, by ten (10) days prior notice to the other(s), from time to time designate another address in Canada to which notices thereafter shall be addressed. Any notice to be given by Landlord may be signed and given by Landlord or by the Manager or by Landlord's solicitors.

- 16.2 **Certificates** Landlord and Tenant respectively agree that within ten (10) days after a written request therefor, they shall execute and deliver to the other or to such person as may be identified in the written request (but in no event more than twice in any year) a written statement certifying that this Lease is unmodified and is in full force and effect (or if modified stating the modifications and that this Lease is in full force and effect as modified), the amount of the Basic Rent and the date to which it as well as all other charges under this Lease have been paid, whether or not there is any existing default on the part of Landlord or Tenant of which the person signing the certificate has notice and giving as well such further information as the person requesting the certificate shall reasonably require.

PART 17 - ADDITIONAL PROVISIONS

- 17.1 **Registration on Title** Tenant shall not register this Lease on the title to the Lands; however, Tenant after having paid to Landlord the sum of five hundred (\$500.00) as an additional deposit which Landlord may use to defer costs incurred in removing such registration at the end of the Term, may register a Notice of Lease on title to the Lands, at its sole cost, provided such Notice of Lease shall describe only the parties, the Premises, the Term and any renewals, and shall authorize and direct the Land Registrar to delete such instrument upon the expiration of the Term, unless notice of renewal is registered by Tenant with Landlord's approval, without further authorization. Such Notice of Lease shall be prepared by Tenant's solicitors, and shall be subject to the prior written approval of Landlord and its solicitors, and shall be registered at Tenant's expense. Upon expiry or termination of this Lease, Tenant shall forthwith remove or discharge from registration any such Notice of Lease and upon receipt by Landlord from Tenant of reasonable evidence of such removal or discharge, Landlord will return such additional deposit to Tenant.
- 17.2 **Name of Building and Project** Landlord will have the right, after thirty (30) days' notice to Tenant, to change the name, number or designation of the Building or the Project or any part thereof, during the Term without liability of any kind to Tenant.
- 17.3 **Relocation** Landlord shall have the right from time to time, on not less than sixty (60) days' notice to Tenant, to relocate the Premises to other premises within the Portfolio having approximately the same area as the Premises. If Landlord relocates the Premises prior to occupancy by Tenant, it shall reimburse Tenant for all expenses already incurred by Tenant in preparing to move into the Premises to the extent that such expenditure is for materials not capable of being used in the other premises. If Landlord relocates Tenant after occupancy by Tenant, Landlord shall deliver the relocated premises to Tenant improved to a standard and using materials of approximately the same quality as the Leasehold Improvements which exist in the existing Premises at the time of relocation and shall reimburse Tenant (upon receipt of copies of receipted third party invoices) for reasonable direct costs resulting from such relocation, including, without limitation, moving costs,

reprinting of a limited supply of stationery and supplies and disconnection and reconnection of telephone and computer equipment and systems. In no case will Tenant be reimbursed or compensated for indirect costs including without limiting the generality of the foregoing, overhead, overtime charges or loss of profits, and Tenant will minimize costs by re-using all fixtures and Trade Fixtures from the Premises where it is feasible to do so. Landlord agrees to use reasonable efforts to effect the relocation with a minimum of disruption to Tenant's business. Landlord and Tenant shall enter into a lease amending agreement in Landlord's standard form to confirm the terms of the relocation including, without limitation, any adjustment to the Basic Rent if the Rentable Area of the relocated premises is different than the Rentable Area of the existing Premises and to confirm that all other terms and conditions of this Lease shall apply with respect to the relocated premises for the remainder of the Term.

- 17.4 **Demolition** Notwithstanding anything contained in this Lease to the contrary, if at any time after the expiry of the second Lease Year, Landlord intends to demolish, renovate, redevelop, remodel or alter the Building, then Landlord, upon giving Tenant one hundred and eighty (180) days written notice, shall have the right to terminate this Lease, in which event this Lease shall expire on the expiration of one hundred and eighty (180) days from the date of giving of such notice without compensation of any kind to Tenant except for the payment by Landlord to Tenant of an amount equal to the unamortized portion of the cost to Tenant (less any allowances paid by Landlord or the amount of any rent free period or rent credits granted by Landlord herein) of Tenant's Leasehold Improvements (amortized on a straight line basis over the shorter of the useful life of such Leasehold Improvements or the Term of this Lease remaining at the time of installation thereof, and determined as of the date of termination).
- 17.5 **Expropriation** Landlord and Tenant shall co-operate in respect of any expropriation of all or any part of the Premises or the Project so that each party may receive the maximum award to which it is entitled in law. If the whole or any part of the Premises or of the Project are expropriated, as between the parties hereto, their respective rights and obligations under this Lease shall continue until the day on which the expropriating authority takes possession thereof. If, in the case of partial expropriation of the Premises this Lease is not frustrated by operation of governing law and such expropriation does not render the remaining part of the Premises untenable for the purposes of this Lease, Tenant and Landlord shall restore the part not so taken in accordance with their respective repair obligations under the provisions of Part 8 of this Lease. In this section the word "expropriation" shall include a sale by Landlord to any authority with powers of expropriation, in lieu of or under threat of expropriation.
- 17.6 **Landlord and Tenant Relationship** No provision of this Lease is intended to nor creates a joint venture or partnership or any other similar relationship between Landlord and Tenant, it being agreed that the only relationship created by this Lease is that of landlord and tenant.
- 17.7 **Joint and Several** If two or more individuals, corporations, partnerships or other business associations (or any combination of two or more thereof) sign this Lease as Tenant, the liability of each such individual, corporation, partnership or other business association to pay Rent and to perform all other obligations hereunder shall be deemed to be joint and several. In like manner, if Tenant is a partnership or other business association, the members of which are, by virtue of statute or general law, subject to personal liability, the liability of each such member shall be joint and several.

- 17.8 **Limitation of Landlord's Liability** Any liability of Landlord under this Lease shall be limited to its interest in the Project from time to time. If Landlord consists of more than one person, the liability of each such person shall be several and be limited to its percentage interest in the Project.
- 17.9 **Authority** Each of Tenant and Landlord represents and warrants to the other that it is duly formed and in good standing, and has full corporate or partnership authority, if applicable and as the case may be, to enter into this Lease, and has taken all corporate or partnership action, if applicable and as the case may be, necessary to make this Lease a valid and binding obligation, enforceable in accordance with its terms.
- 17.10 **Lease Entire Agreement** There are no covenants, representations, warranties, agreements or conditions expressed or implied, collateral or otherwise forming part of or in any way affecting or relating to this Lease or the Premises save as expressly set out in this Lease and this Lease constitutes the entire agreement between Landlord and Tenant and may not be amended or modified except by instrument in writing of equal formality executed by Landlord and Tenant. The Schedules attached hereto or referred to herein are an integral part of this Lease. The submission of this Lease for examination does not constitute an offer, a reservation of or option for the Premises, and this Lease becomes effective as a lease only upon execution and delivery thereof by both Landlord and Tenant, and if applicable and at Landlord's option, the Indemnifier.
- 17.11 **Severability** If any provision of this Lease or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Lease or the application of such provision to persons or circumstances other than those to which it is held invalid or unenforceable, shall not be affected thereby and each provision of this Lease shall be separately valid and enforceable to the fullest extent permitted by law.
- 17.12 **Survival of Tenant's Covenants** All agreements, covenants and indemnifications in this Lease made by Tenant shall survive the expiration or earlier termination of this Lease, anything to the contrary in this Lease or at law notwithstanding.
- 17.13 **Non Merger** There shall be no merger of this Lease nor of the leasehold estate created hereby with the fee estate in the Lands or any part thereof by reason of the fact that the same person, firm, corporation or entity may acquire or own or hold directly or indirectly: (a) this Lease or the leasehold estate created hereby or any interest in this Lease or any such leasehold estate; and (b) the fee estate in the Lands or any part thereof or any interest in such fee estate. No such merger shall occur unless and until Landlord, Tenant and Landlord's Mortgagees (including a trustee for bondholders) shall join in a written instrument effecting such merger and shall duly record the same.
- 17.14 **No Waiver** No condoning or waiver by either Landlord or Tenant of any default or breach by the other at any time or times in respect of any of the terms, covenants and conditions contained in this Lease to be performed or observed by the other shall be deemed to operate as a waiver of Landlord's or Tenant's rights under this Lease, as the case may be, in respect of any continuing or subsequent default or breach nor so as to defeat or affect in any way the rights or remedies of Landlord or Tenant under this Lease, as the case may be, in respect of any such continuing or subsequent default or breach. Unless expressly waived in writing, the failure of Landlord or Tenant to insist in any case upon the strict performance of any of the terms, covenants or conditions contained in this Lease to be performed or observed by the other shall not be deemed to operate as a waiver of the future strict performance or observance of such terms, covenants and conditions.

- 17.15 **Governing Law** This Lease shall be construed in accordance with the laws having application in the Province in which the Building is situate and the parties attorn to the exclusive jurisdiction of the courts of such Province to deal with all actions in respect of this Lease. The section headings of this Lease have been inserted for convenience of reference only and they shall not be referred to in the interpretation of this Lease. This Lease shall be read with all changes of gender and number required by the context. Time shall be of the essence of this Lease and each of the provisions hereof.
- 17.16 **Confidentiality** Tenant shall keep confidential all financial information in respect of this Lease, provided that it may disclose such information to its auditors, consultants and professional advisors so long as they have first agreed to respect such confidentiality.
- 17.17 **Successors and Assigns** This Lease shall enure to the benefit of and be binding upon the parties hereto and their respective permitted successors and assigns.
- 17.18 **Status of Manager** Tenant acknowledges that if the Manager has executed this Lease, it has done so solely in its representative capacity as property manager for Landlord and the Manager shall have no personal liability under the provisions of this Lease. Subject to the foregoing, the Manager shall represent and act for and on behalf of Landlord for all purposes of this Lease and by executing this Lease represents and warrants that it has authority to bind Landlord under this Lease.
- 17.19 **Tenant's Review of Lease** Tenant acknowledges and agrees that this Lease has been negotiated and approved by each of Landlord and 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 provision contained in this Lease.

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- 17.20 **Signatures** A facsimile or PDF or electronic signature shall constitute a valid and binding signature with the same effect as if it were an original signature endorsed on this Lease. A signed copy of this Lease transmitted by PDF or other electronic means of transmission shall be deemed to have been validly delivered and shall bind the parties. The parties agree that execution of this Lease by use of digital signature software shall constitute valid execution. At Landlord's request, Tenant shall ensure that this Lease is executed and delivered in hard copy within five (5) days of the acceptance or execution hereof by PDF or other electronic means of transmission.

IN WITNESS WHEREOF the parties hereto have executed this Lease as of the date first above written.

LANDLORD

PIRET (BRAMPTON) HOLDINGS INC.

Per: _____

Name: David Owen

Title: Authorized Signing Officer

I have authority to bind the Corporation.

TENANT

12794799 CANADA INC.

Per: _____

Name: _____

Title: _____


GIORGIO MARCHI
DIRECTOR

Per: _____

Name: _____

Title: _____

I/We have authority to bind the Corporation

SCHEDULE 1

LEGAL DESCRIPTION

Firstly: PIN 14209-0098 (LT)

PCL BLOCK 3-5, SEC 43M618; PT BLK 3, PL 43M618, PT 2, 43R16679 ; BRAMPTON

Secondly: PIN 14209-0092 (LT)

PCL 0.30 RESERVES-4, SEC 43M618; PT BLK 20 BEING 0.30 RESERVE, PL 43M618,
PT 2, 43R17731 ; BRAMPTON

Thirdly: PIN 14209-0093 (LT)

PCL 0.30 RESERVES-4, SEC 43M618; PT BLK 20 BEING 0.30 RESERVE, PL 43M618,
PT 1, 43R17731 ; BRAMPTON

Being the whole of the said PINs.

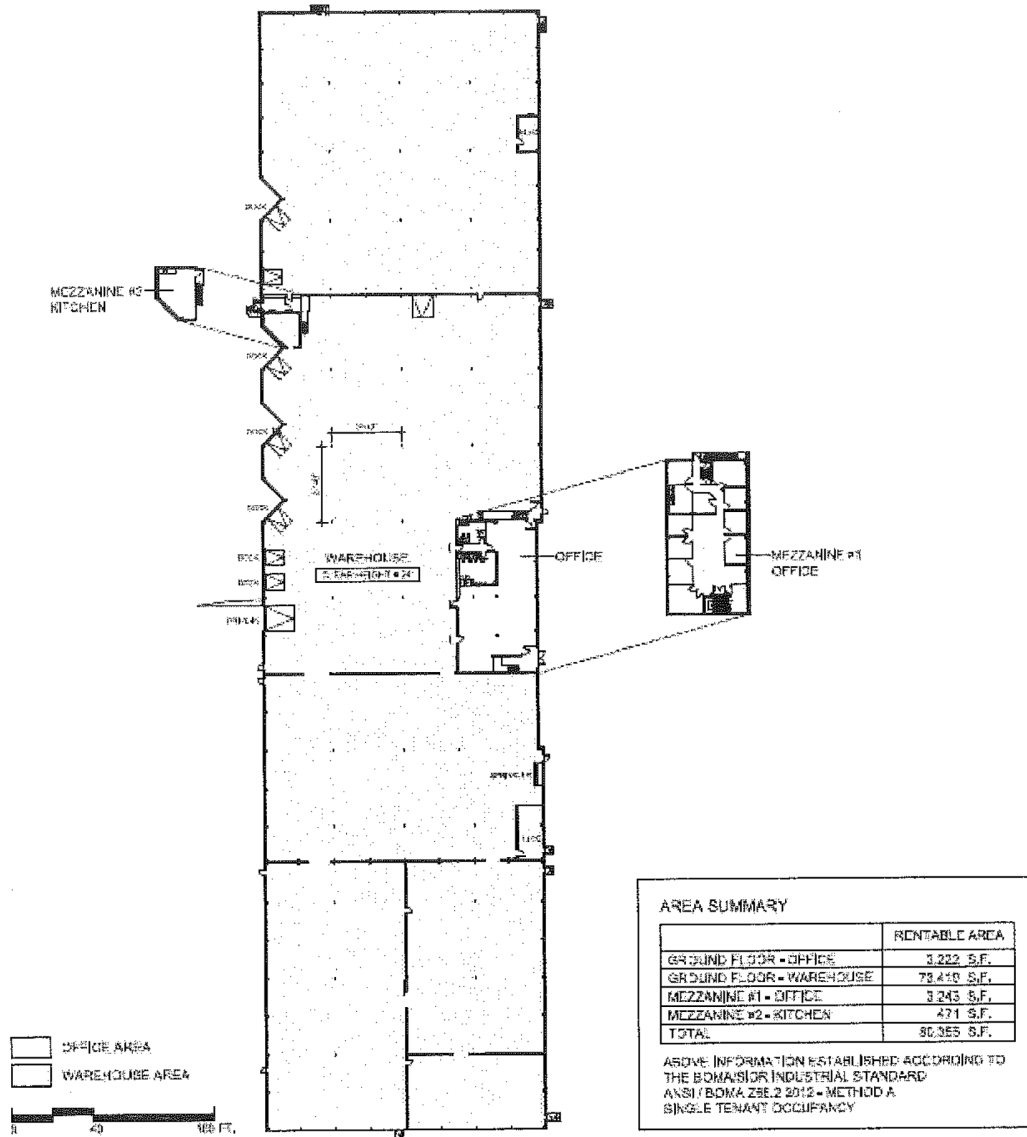
Together with and subject to the rights of ways and easements more particularly set out in the above PIN.

In the City of Brampton, in the Regional Municipality of Peel

In the Land Titles Office for the Regional Municipality of Peel No. 43

SCHEDULE 2

FLOOR PLAN



SCHEDULE 3

DEFINITIONS

In this Lease, unless there is something in the subject matter or context inconsistent therewith:

“Additional Rent” means all amounts in addition to Basic Rent payable by Tenant to Landlord or any other person pursuant to this Lease, other than Rental Taxes.

“Additional Services” means any additional service, Utilities and/or supervision provided to Tenant by Landlord or by anyone authorized by Landlord and not otherwise expressly provided for as a standard service under this Lease, including without limitation, adjusting and balancing HVAC Facilities, cleaning of carpets, moving furniture, installation or removal of Leasehold Improvements, providing HVAC for periods in excess of Normal Business Hours and access and connection to fibre optics or other enhanced information technology, unless otherwise specifically provided in Schedule 8.

“Alterations” means any alterations, repairs, changes, replacements, additions, installations or improvements to any part of the Premises, Leasehold Improvements or Trade Fixtures implemented or carried out by or on behalf of Tenant.

“Architect” means the architect, surveyor or engineer from time to time appointed by Landlord.

“assignment” means any transaction whereby any rights of Tenant under this Lease are transferred to anyone (whether immediately, conditionally or contingently) and includes an assignment or specific or floating charge whereby the interest of Tenant or the Premises is mortgaged or pledged as security for any indebtedness or other obligation and includes an assignment by operation of law and any change in the identity of the party having the right to possession or actually in possession of the Premises.

“Authority” means the federal, provincial, and municipal governments, the courts, administrative and quasi-judicial boards and tribunals and any other organizations or entities with the lawful authority to regulate, or having a power or right conferred at law or by or under a statute over, Landlord, Tenant, the Project or the Premises including the businesses carried on therein;

“Backflow Preventer” has the meaning set out in section 3.8 of this Lease.

“Basic Information” means the information set out in Part 1 of this Lease.

“Basic Rent” means the basic rent payable by Tenant pursuant to section 5.1 of this Lease.

“Building” means the building in the Project in which the Premises are located, together with all fixtures, sprinklers, elevators, escalators, HVAC Facilities and mechanical and electrical equipment and machinery and water, gas, sewage, telephone and other communication facilities and electrical power services and Utilities comprised therein, belonging thereto, connected therewith or used in the operation thereof, and now or hereafter constructed, erected and installed therein and thereon, and all alterations, additions, and replacements thereto, but excludes all Leasehold Improvements made, constructed, erected or installed therein by or on behalf of Tenant and any other tenant or occupant of premises therein.

“business day” means a day other than a Saturday, Sunday or statutory holiday in the Province of Ontario.

“Business Taxes” means any business tax or assessment or any other tax, assessment, rate or levy imposed by any Authority having jurisdiction, in respect of, any business carried on, in, from or through the Premises or the whole or any part of the Building or any use, possession or occupancy of any property, premises or space in the Building.

“Capital Tax” means any tax or taxes payable by the Taxpayer to any taxing authority based upon or computed by reference to the value of the Lands, Building and Project or the paid-up capital or place of business of the Taxpayer, including without limitation provincial capital tax and federal large corporations tax. If the system of capital taxation shall be altered such that any new capital tax shall be levied or imposed in substitution or replacement for or in addition to Capital Tax from time to time levied or imposed, then any such new tax or levy shall be deemed to be Capital Tax or included in Capital Tax.

“Capital Tax for the Project” is included in Operating Costs and for any Fiscal Period means the amount calculated by multiplying the aggregate book value to the Taxpayer of the Lands, Building and Project (and all equipment used in connection therewith) by the applicable Capital Tax rate imposed, from time to time, by the taxing authority having jurisdiction. Aggregate book value shall be net of depreciation and amortization for financial statement purposes and determined as at the end of such Fiscal Period and may be imputed by Landlord (i) as if the Lands, Building and Project was the only property of the Landlord, but with any applicable tax exemption allocated equitably by Landlord amongst all of its properties and/or assets, and (ii) on the basis of the Landlord’s determination of the amount of capital attributable to the Lands, Building and Project. The parties acknowledge that Capital Tax for the Lands, Building and Project is an approximation based upon the concept of Capital Tax, and is not necessarily the actual Capital Tax paid or payable by the Taxpayer in respect of the Lands, Building and Project. If the calculation or basis of Capital Tax changes then Landlord may adjust the calculation or basis of such amount to reasonably reflect such change.

“change in control” means, in the case of any corporation or partnership, the transfer, by sale, assignment, operation of law, transmission on death, mortgage, trust, issuance from treasury, cancellation or redemption, or otherwise, of any shares, voting rights or interest, which will result in a change of the identity of the person exercising, or who might exercise, effective control of such corporation or partnership whether directly or indirectly, unless such change occurs as the result of trading in shares listed upon a recognized stock exchange.

“Commencement Date” is defined in section 1.7 hereof.

“Common Areas” means those areas, facilities, improvements, installations and equipment in or around the Project existing from time to time that: (i) are neither rented nor designated nor intended by Landlord to be rented; and (ii) are provided or designated from time to time by Landlord for use in common by Landlord, Tenant, other tenants of the Building or their sublessees, agents, employees, customers, invitees or licensees, whether or not those areas are open to the general public or to all tenants of the Project including, without limitation, entrances, lobbies, access and service corridors, stairways, indoor and outdoor walkways (both open and enclosed), indoor and outdoor landscaping and landscaped areas, the roof, passageways leading to any public walkway or other facilities or to other buildings or concourses, electrical, telephone, meter, valve, mechanical, storage and janitor rooms, shipping and receiving areas and loading docks, package or passenger pick-up areas, waste disposal or recycling facilities, parking facilities, driveways, laneways and ramps and sidewalks, and other facilities for which Landlord directly or indirectly is subject to obligations in its capacity as owner of the Project or an interest in it, and systems and facilities contained in or used in connection with such areas, all as may be altered, expanded, reduced, reconstructed or relocated from time to time.

"Contaminant" means any solid, liquid, organic or gaseous substance, any Hazardous Waste, any Toxic Substances, any odour, heat, sound vibration, radiation or combination of any of them the presence or Discharge of which may or that may, if Discharged, have an adverse effect on the environment or on people, property or the normal conduct of business.

"Deposit" has the meaning provided in section 1.10 hereof.

"Discharge" means any spill, release, escape, leak or movement of a Contaminant into the environment, the indoor or outdoor air, into or onto the ground, into the surface water or ground water, into the sewers or any watercourse, or into, onto or from the Premises or the Building.

"Disclaimed" has the meaning provided in section 5.6 hereof.

"Environmental Assessment" means an inspection and investigation of the Premises or other affected locations at the Project by an independent consultant approved by Landlord, together with such tests, surveys and inquiries as Landlord or such consultant deems advisable in the circumstances into the use, transport, storage, disposal, handling, sale, manufacture or Discharge of any Contaminant in, on or about the Premises or the Project by Tenant, and/or into the condition or status of the Premises in relation to possible contamination by any Contaminant, and shall include the consultant's written report addressed and delivered to Landlord summarizing the nature and results of all inspections, tests, surveys and inquiries conducted, and the consultant's recommendations for any remedial or precautionary actions that are or may be required under Environmental Law in the circumstance;

"Environmental Claim" means all claims, losses, costs, expenses, fines, penalties, payments and/or damages (including, without limitation, all solicitors' fees on a solicitor and own client basis) relating to, arising out of, resulting from or in any way connected with the presence of any Contaminant at the Premises or the Project, including, without limitation, all costs and expenses of any remediation or restoration of the Premises, the Project and/or any property adjoining or in the vicinity of the Premises or the Project required by Environmental Law;

"Environmental Law" means the statutes, regulations, policies, directives, orders, approvals and other legal requirements of an Authority or of the common law from time to time which affect the Project, and Landlord's or Tenant's business, and which impose any obligations relating to the protection, conservation or restoration of the environment, the Premises or the Project.

"Environmental Questionnaire" means the environmental questionnaire attached as Schedule 7 to this Lease.

"Fiscal Period" means the period (not to exceed twelve (12) months) designated as such from time to time by Landlord.

"Hazardous Waste" means any hazardous waste, hazardous product, deleterious substance, special waste, liquid industrial waste, bio-medical waste, dangerous goods or substance which is controlled or regulated under Environmental Law. For ease of reference, this includes, but is not limited to, any waste which is composed in whole or in part of substances which are: (i) corrosive, (ii) ignitable, (iii) pathological, (iv) radioactive, (v) reactive, or (vi) toxic; and liquid waste, whether or not from a commercial or industrial process, that cannot lawfully be disposed of through the municipal sewers.

"HVAC" means heating, ventilating or cooling or any combination thereof.

“HVAC Facilities” means facilities and equipment used for or in connection with the provision and supply of HVAC, as from time to time existing.

“Indemnifier” includes each Indemnifier named in this Lease and its respective heirs, executors, administrators, successors and assigns, as the case may be.

“Interest Rate” means interest at a rate equivalent to three (3%) per cent per annum in excess of the prime lending rate of a Canadian bank designated by Landlord where the prime lending rate of such bank means the rate of interest (now commonly known as that bank’s “prime rate”), expressed as a rate per annum, charged by such bank in Toronto on commercial demand loans made by it in Canadian dollars at such time to its most creditworthy borrowers.

“Landlord” includes Landlord named in this Lease and its respective heirs, executors, administrators, successors and assigns, as the case may be.

“Lands” means the lands described in Schedule 1 annexed hereto as supplemented or diminished from time to time by Landlord.

“Lease” means this document, including the Schedules hereto annexed, as originally signed, sealed and delivered and as amended, from time to time.

“Lease Year” in the case of the first lease year means the period beginning on the Commencement Date and terminating on the first anniversary of the last day of the month in which the Commencement Date occurs, unless the Commencement Date is the first day of a month, in which event the first lease year terminates on the expiration of the period of twelve (12) months thereafter. Each subsequent lease year commences on the first day following the expiration of the preceding lease year and terminates on the earlier of the expiration of twelve (12) months thereafter or on the expiration or sooner termination of this Lease.

“Leasehold Improvements” means all items generally considered to be leasehold improvements, including, without limitation, all fixtures, improvements, installations, alterations and additions from time to time made, erected or installed by or on behalf of Tenant, whether by Landlord, Tenant or any other party, or by any previous occupant of the Premises, including without limitation, any stairways for the exclusive use of Tenant, all fixed partitions, light fixtures, plumbing fixtures however affixed and whether or not movable, and all wall-to-wall carpeting other than carpeting laid over finished floors and affixed so as to be readily removable without damage, and all water, electrical, gas and sewage facilities, all HVAC Facilities exclusively serving the Premises, all telephone and other communication and information technology wiring and cabling leading from the base building facilities and distribution panel to facilities located in the Premises, all cabinets, cupboards, shelving and all other items which cannot be removed without damage to the Premises; but excluding Trade Fixtures, Tenant Property, unattached or free-standing partitions and equipment not in the nature of fixtures.

“Manager” means the manager for the Building appointed by Landlord from time to time, if any.

“Mortgage” means any mortgage, charge or security instrument (including a deed of trust or mortgage securing bonds) and all extensions, renewals, modifications, consolidations and replacements of any of the foregoing which now or hereafter affect the Project or any part thereof.

“Mortgagee” means the mortgagee, chargee or other secured party (including a trustee for bondholders), as the case may be, who from time to time holds a Mortgage.

"MSDS" means the applicable material safety data sheet or product safety data sheet for a material or product which: (i) lists information relating to occupational safety and health for the use of the material or product; or (ii) catalogues information on chemicals, chemical compounds and chemical mixtures; or (iii) contains information on the potential hazards (health, fire, safety, reactivity and environmental) and how to work safely with chemicals, chemical compounds or chemical mixtures.

"Normal Business Hours" means the hours from 8:00 a.m. to 6:00 p.m. on Monday to Friday of each week except any statutory holiday or civic holiday in the municipality where the Building is located.

"Operating Costs" has the meaning provided in Schedule 5.

"Operating Standards" means the rules, procedures and requirements as amended and supplemented from time to time, initially as set forth in Schedule 4 to this Lease, governing the manner in which Tenant and others doing business in the Project shall operate and conduct their businesses and utilize the Premises and the Common Areas.

"person" means any individual, corporation, partnership, trust, other legal entity or other business association and includes a government or departmental subdivision or agency thereof.

"Portfolio" means the industrial buildings owned or managed by Landlord or its affiliated or related entities from time to time.

"Premises" means the whole of the Building and shall be deemed to include the space demised and all Leasehold Improvements and Alterations therein. The space demised shall consist of the area specified in section 1.5 and indicated on Schedule 2 and shall be bounded by the unfinished interior surfaces of the perimeter walls and windows, the unfinished surfaces of interior load-bearing walls, the unfinished top of the floor slab and the bottom of the ceiling structure including pipes, wires, ducts, conduits and HVAC Facilities and all mechanical, electrical and utility systems and equipment within the Premises for the exclusive use of the Premises.

"Prepaid Rent" has the meaning provided in section 1.11 hereof.

"Project" means the Lands, the Building and all other buildings, structures, and improvements from time to time erected on the Lands, together with all fixtures, sprinklers, elevators, escalators, HVAC Facilities and mechanical and electrical equipment and machinery and water, gas, sewage, telephone and other communication facilities and electrical power services and Utilities comprised therein, belonging thereto, connected therewith or used in the operation thereof, and now or hereafter constructed, erected and installed therein and thereon, and all alterations, additions, and replacements thereto, and includes the Common Areas.

"Public Health Emergency" means and includes an epidemic, pandemic (including without limitation, COVID-19), other situations where persons in or entering the Lands or Building are or may be exposed to imminent danger from a disease or virus or other biological or physical agents which pose a threat to human health, and states of emergency or public health emergency declared by an Authority and affecting the City in which the Building is located.

"Realty Taxes" means all real estate, municipal or property taxes (including local improvement rates), levies, rates, duties, and assessments whatsoever imposed upon or in respect of any real property from time to time by any Authority, which may be levied or assessed against the Project or any part thereof, or Taxpayer due to its ownership thereof, and any and all taxes which may, in the future, be levied on the

Project or any part thereof, or Taxpayer due to its ownership thereof in lieu of realty taxes or in addition thereto and the cost to Taxpayer of appealing such levies, rates, duties and assessments, together with a 15% administration fee on all such taxes and amounts.

“Related Chemical Products” means pre-packaged chemicals stored or utilized by Tenant at the Premises and which are directly related to Tenant’s specific use of the Premises as permitted in section 1.6 of this Lease.

“Related Corporation” means a holding corporation, subsidiary corporation or affiliate of Tenant, as each of those terms is defined in the business corporations act or similar statute of the Province in which the Building is located.

“Rent, rent, Rental or rental” means all payments and charges payable by Tenant pursuant to this Lease, including without limitation the Basic Rent and the Additional Rent.

“Rentable Area” shall have the meaning provided in section 5.8.

“Rental Taxes” means any tax or duty imposed upon Landlord or Tenant on or in respect of this Lease, the payments made by Tenant hereunder or the goods and services provided by Landlord, including but not limited to the rental of the Premises and provision of administrative services to Tenant or to others whether existing at the date hereof or hereinafter imposed by any Authority, including without limitation goods and services tax, use, consumption or value added tax, business transfer tax, retail sales tax, federal sales tax, provincial sales tax, harmonized sales tax, excise taxes or duties, or any tax similar to any of the foregoing.

“sublease” means any transaction other than an assignment whereby any right of use, occupancy or possession (whether exclusive, non-exclusive, permanent or temporary) relating to the whole or any part of the Premises is conferred upon anyone (whether immediately, conditionally or contingently) and includes but is not limited to any sublease, sub-sublease, concession, franchise, licence agreement or any other arrangement (such as but not limited to a management agreement) conferring any such right of use, occupancy or possession and whether or not Tenant is a party thereto.

“Supplemental HVAC Facilities” has the meaning set out in paragraph 1 of Schedule 8.

“Taxpayer” means Landlord and each of the entities constituting Landlord and each of the owners of the Building, as the case may be. In the event that the Landlord or any of the entities constituting Landlord are not corporations against which Capital Taxes are exigible, including general and limited partnerships, then Taxpayer shall include any corporate owner of Landlord or any of the entities constituting Landlord required to include in computing its paid-up capital its share of the amounts that would be components of the paid-up capital of Landlord if Landlord were a corporation against which Capital Taxes are exigible.

“Tenant” includes Tenant named in this Lease and its respective heirs, executors, administrators, successors and assigns, as the case may be.

“Tenant Property” means the Tenant’s chattels, merchandise and personal effects.

“Tenant’s Share” means the proportion which the Rentable Area of the Premises is of the Total Rentable Area of the Project, subject to adjustment in certain instances as provided for in this Lease. As of the date of this Lease, Tenant’s Share is one hundred percent (100%).

“Term” means the initial term of this Lease as set out in section 1.7 hereof, as same may be extended or renewed.

“Total Rentable Area of the Project” means the sum of Rentable Areas for all leaseable premises (measured in accordance with the terms hereof) in the Project.

“Toxic Substances” means any substance which is designated to be toxic or hazardous by an Authority.

“Trade Fixtures” means all items generally considered to be trade fixtures, including, without limitation, equipment or fixtures used by Tenant in its business and which have been installed in the Premises by or on behalf of Tenant, but notwithstanding the foregoing, shall not include any Leasehold Improvements, any part of the electrical, plumbing, mechanical or sprinkler equipment or systems, the HVAC Facilities or any floor coverings, wall coverings or any part of the ceiling, whether or not installed by Tenant or Landlord.

“Transfer” means any assignment, sublease, change in control, or parting with possession, or any other transaction or occurrence (including an expropriation, amalgamation, receivership or seizure by execution or other legal process) which has or might have the effect of changing the identity of Tenant or the person controlling Tenant, or, changing the identity of the person having lawful use, occupancy or possession of the whole or any part of the Premises, whether such change is or might be immediate, deferred, conditional, exclusive, non-exclusive, permanent or temporary.

“Unavoidable Delay” means any prevention, delay, stoppage or interruption in performance due to weather conditions, strikes, lockouts, labour disputes, lack of materials or supplies, legal or regulatory impediment, a Public Health Emergency, acts of God, the occurrence of enemy or hostile action, civil commotion, fire or other casualties or conditions, or due to any other causes beyond the reasonable control of the party obligated to perform where the effects of such casualty or contingency are not avoidable by the exercise of reasonable effort or foresight by such party (but does not include insolvency, lack of funds , inability to obtain financing, or other financial contingency).

“Utilities” means water, gas, fuel, electricity, telephone, telecommunications, fibre optics and any other form of information technology systems and equipment, waste disposal and other utilities or services or any combination thereof other than HVAC.

“WHMIS” means the "Workplace Hazardous Materials Information System" hazard communications system used in Canada.

SCHEDULE 4

OPERATING STANDARDS

1. Tenant shall not perform any acts or carry on any practice which may injure the Common Areas or be a nuisance to any other tenants of the Project.
2. Tenant shall not burn any trash or garbage in or about the Premises or anywhere in or upon the Project. Garbage or refuse shall be placed in containers of a type approved by Landlord in writing, located inside the Premises or elsewhere in or upon the Project, subject to Landlord's prior written consent, and shall be removed only at such time or times as Landlord shall from time to time advise Tenant.
3. Tenant shall not keep or display any merchandise on, or otherwise obstruct, the exterior facilities or other areas adjacent to the Premises. Tenant shall not allow any merchandise, supplies, materials, garbage, refuse or other chattels to remain on any loading dock or Common Areas.
4. Tenant shall not overload any floor of the Premises nor shall Tenant bring upon the Premises anything which might damage the Building.
5. Tenant shall at all times keep the Premises in a clean and sanitary condition in accordance with applicable laws, directions, order, rules and regulations of any governmental or municipal agency having jurisdiction and shall keep all doorways, entrances and exits clear at all times to ensure proper exiting in the event of fire or evacuation of the Premises.
6. At the commencement and throughout the Term, Tenant shall at its sole expense supply and install all light bulbs and tubes and maintain all necessary lighting fixtures. In addition, Tenant shall at all times store and handle the Related Chemical Products in strict accordance with the MSDS and WHMIS.
7. Tenant shall not grant any concessions, licences or permission to any third parties to sell or to take orders for merchandise or services in the Premises without the prior written consent of Landlord.
8. Tenant agrees that Tenant will not carry on, or permit to be carried on, any business in the Premises under a name or style other than the name of Tenant, or call or permit the Premises or any business carried on therein, to be called by any name other than the name of Tenant, without the prior written consent of Landlord.
9. Upon written notice from Landlord, Tenant shall within five (5) days furnish Landlord with the current provincial licence numbers of any vehicles owned or used by employees of Tenant.
10. Tenant shall not install a security alarm system ("System") in the Premises without the written consent of Landlord. In the event Landlord gives consent for installation of a System in the Premises, Tenant shall remove such System at the expiration or earlier termination of this Lease and shall repair any damage caused by such installation or removal, all at Tenant's sole cost and expense. Landlord shall not be liable for any damages whatsoever either to such System or as a result of such System being activated as a result of Landlord's entry into the Premises pursuant to the provisions of this Lease.

11. All glass, locks and trimmings of the doors and windows in or upon the Premises and in or upon the exterior walls of the Premises shall be kept whole and whenever broken shall be immediately replaced or repaired by and at the sole cost and expense of Tenant, with glass, locks and trimmings of the same quality and under the direction and to the reasonable satisfaction of Landlord. Provided that all repairs to or replacement of any locks shall only be done by a person specified by Landlord, subject to the foregoing provisions with respect to payment for such repairs and replacement. Tenant shall not place any additional lock, or replace any locks upon any door of the Building.
12. No vehicles of any kind shall be parked on the parking lot(s) or driveways overnight except as specifically permitted in this Lease or in the normal course of Tenant's business.
13. Tenant shall not store any equipment outside of the Premises.
14. The loading and unloading of merchandise, supplies, materials, garbage, refuse and other chattels shall be made only through or by means of such doorways or corridors as Landlord shall designate in writing from time to time.
15. Tenant shall install necessary fire extinguisher and safety equipment as required by local fire department and safety standards and shall maintain such equipment in good working order during the Term.
16. No animals shall be allowed in or about the Premises at any time.
17. For the benefit and welfare of all or any tenants of premises in the Project as it may exist from time to time, Landlord shall have the right to revoke or amend any rule or regulation or to issue further rules and regulations and any amended or further rules and regulations shall be binding upon Tenant, provided same are not arbitrary and do not conflict with any of the provisions of this Lease.

SCHEDULE 5

OPERATING COSTS

“Operating Costs” means the total direct and indirect cost and expense, without duplication, incurred or accrued whether by Landlord or by others on behalf of Landlord and allocated or attributed by Landlord for each Fiscal Period designated by Landlord to the discharge of its obligations under this Lease and with respect to the ownership, administration, operation, management, maintenance, improvement, insuring, cleaning, supervision, rebuilding, replacement and repair of the Project.

A. Inclusions

Without limiting the generality of the foregoing, Operating Costs shall include, if provided by Landlord or by others on behalf of Landlord, without duplication and subject to Parts B (Limitations) and C (Calculations and Adjustments) listed below, all costs in respect of:

- (a) providing and maintaining security, traffic control, landscaping, gardening, snow clearing and salting and refuse removal;
- (b) heating, air conditioning and ventilating the Project and investigating and remedying air quality issues, if any;
- (c) providing hot and cold or tempered water, electricity (including lighting) and all other Utilities to all parts of the Project not otherwise paid by tenants;
- (d) window cleaning;
- (e) all insurance which Landlord is obligated or permitted to obtain under this Lease and the cost of any deductible amount paid by the Landlord in connection with a claim under its insurance;
- (f) all rented or leased equipment acquired for the operation or maintenance of the Project;
- (g) accounting in connection with the Project including computations required for the imposition of charges to tenants and audit fees incurred for the determination of any costs hereunder and the reasonable costs of collecting and enforcing payment of such charges;
- (h) all equipment acquired for the operation or maintenance of the Project;
- (i) any improvement, replacement, repair or alteration whether with respect to buildings, improvements, equipment, fixtures or otherwise and whether on-site or off-site which, in the opinion of the Landlord, is necessary to reduce or limit increases in Operating Costs or is required by the Landlord's insurance carriers or by any changes in the laws, rules, regulations or orders of any governmental authority having jurisdiction, including those necessary to comply with energy conservation, pollution and environmental control standards and the costs of any procedures required with respect thereto, and all costs incurred in the reduction of greenhouse gas emissions with respect to the Lands and the Building and all costs incurred in the furtherance of Landlord's environmental sustainability initiatives;

- (j) a sum reasonably determined by Landlord, from time to time, on account of estimated future capital replacement costs in respect of the Project;
- (k) investigating, testing, monitoring, removing, enclosing, encapsulating or abating any Contaminant which is in or about the Project or any part thereof or which has entered the environment from the Project, if the Landlord is required to do so or if, in the Landlord's opinion, it is actually or potentially harmful or hazardous to any person or to the Project or any part thereof or to the environment not to do so;
- (l) maintenance, repairs and replacements to or in respect of the Project including without limitation those resulting from normal wear and tear and otherwise and including those necessary with respect to the roof or any parking area or facility;
- (m) maintenance, monitoring, repairs, replacements and improvements to systems in the Project including, without limitation, the heating, ventilating, air conditioning, fire sprinkler, energy-saving, and security systems and devices, and telecommunications and information technology;
- (n) operating, improving, maintaining and repairing any common holding and receiving areas and truck docks;
- (o) the amount of all salaries, wages, fringe benefits and other contributions or expenses paid to or for the benefit of or relating to employees and others engaged either full-time or part-time in the operation or maintenance of the Project, provided that Landlord shall allocate on a reasonable basis the costs of any personnel not engaged full-time in the operation or maintenance of the Project amongst the Project and other properties served by them;
- (p) amounts paid for service contracts with independent contractors;
- (q) energy audits, conservation studies and other measures taken to conserve energy or reduce costs or liability;
- (r) renting, operating and maintaining Project signs and providing directional signage;
- (s) all other expenses of every nature incurred in connection with the maintenance and operation of the Project;
- (t) direct supervision attributable to any of the above;
- (u) Business Taxes, if any, on the Common Areas;
- (v) any contest and appeal of Realty Taxes by Landlord and the cost of Realty Taxes not otherwise payable by tenants of the Project;
- (w) Rental Taxes payable by Landlord on the purchase of goods and services included in Operating Costs except as excluded under Part B below;
- (x) Capital Tax for the Project;

- (y) all costs related to the furnishing, equipping, staffing and operation of a regional or on-site administrative office serving the Project, including the fair rental value (having regard to rentals prevailing from time to time for similar space) of space occupied by the employees or contractors of Landlord or an outside contractor for day to day management, administrative and supervisory purposes relating to the Project, and in the case of a regional office, the costs will be apportioned by Landlord amongst the buildings served by it on an equitable basis;
- (z) all costs of preparing for and responding to a Public Health Emergency, including, without limitation, all costs of purchasing and maintaining applicable equipment and supplies, all costs of additional personnel for testing, screening and enhanced security measures, and all costs of decontamination and sanitization procedures, if any; and
- (aa) a management fee equal to 15% of the foregoing costs, including the cost of Utilities.

B. Limitations

In determining Operating Costs, the cost (if any) of the following shall be excluded or deducted, as the case may be:

- (a) major repairs to structural components that are required as a result of defective design or construction of such structural components;
- (b) interest on and retirement of debt under any Mortgage;
- (c) ground rent payable to the lessor under any ground or other lease pursuant to which Landlord has an interest in the Project;
- (d) expenses relating to decorating or redecorating or renovating rentable space for tenants or occupants of the Project and costs relating to tenant inducements, allowances or similar expenses;
- (e) all leasing expenses, real estate brokers' fees, leasing commissions, advertising and space planners' fees;
- (f) repairs or maintenance done for the direct account of other tenants;
- (g) net recoveries by the Landlord in respect of warranties or guarantees and insurance claims to the extent (but only to the extent) that the repair costs in respect of the work covered by such warranties or guarantees or insurance claims have been charged as Operating Costs; and
- (h) the amount of any Rental Taxes paid or payable by Landlord on the purchase of goods and services included in Operating Costs which may be available to be claimed by the Landlord as a credit in determining Landlord's net liability or refund on account of Rental Taxes but only to the extent the Rental Taxes are included in Operating Costs.

C. Calculations and Adjustments

In computing Operating Costs and Tenant's Share thereof:

- (a) where any amount, cost or expense is to be determined, allocated, apportioned or attributed, Landlord shall act reasonably in determining and applying criteria which are relevant to doing so and Landlord may retain engineering, accounting, legal and other professional consultants to assist and advise in doing so;
- (b) if Landlord does not charge the full amount of any one or more of the foregoing costs and expenses in the Fiscal Period in which it is incurred, then any such uncharged portions may be charged in any subsequent Fiscal Periods and there shall be included interest at the Interest Rate on the uncharged portion of such costs and expenses from time to time outstanding;
- (c) any Operating Costs which are capital in nature as determined by Landlord in its discretion in accordance with generally accepted accounting principles, whether incurred before or during the Term and whether or not incurred by the party constituting Landlord at any time or its predecessor in title or interest, shall be amortized or depreciated as the case may be on a reasonable basis determined by Landlord in accordance with generally accepted accounting principles, and the amortized or depreciated, as the case may be, portion of such capital expense, together with Interest on the undepreciated or unamortized amount thereof, shall be included in Operating Costs for the Fiscal Period in which it is incurred and the subsequent Fiscal Periods until fully amortized or depreciated;
- (d) indirect and offsite costs attributable to the operation, repair and maintenance of the Project or incurred to reduce Operating Costs but not solely attributable to the operation, repair and maintenance of the Common Areas shall be determined and allocated by Landlord to Operating Costs acting reasonably;
- (e) if the Project contains more buildings than the Building, Landlord may, in its sole discretion from time to time, allocate Operating Costs or any portion thereof between the Building and other buildings in the Project according to Landlord's reasonable determination of the amounts of such Operating Costs attributable to each building in the Project and Tenant's Share thereof shall be adjusted accordingly;
- (f) where Landlord determines, acting reasonably, that any item(s) of Operating Costs are provided only to or for the benefit of a portion of the Building, then Landlord shall be entitled, to allocate the cost of those item(s), on a basis consistent with the benefits derived, over such portion of the Building and to adjust the Tenant's Share of Operating Costs based on such allocation;
- (g) if the Project is comprised of different categories of leaseable premises, Landlord shall be entitled, to allocate Operating Costs among the various categories on the basis of such factors as Landlord reasonably determines to be appropriate and to adjust Tenant's Share of Operating Costs based on such allocation;
- (h) if less than 100% of the Rentable Area of the Project is completed or occupied during any period for which a computation must be made, the amount of Operating Costs which vary with the level of occupancy of the Project will be increased by the amount of the additional costs determined by Landlord, acting reasonably, that would have been incurred had 100% of the Rentable Area of the Project been completed or occupied during that period,

provided that the foregoing shall not result in the Tenant's Share being greater than it would be if the Project was fully occupied and completed;

- (i) if any facilities, services or Utilities are shared between the Project and another building or other buildings, the costs, charges and expenses of such items shall be allocated by Landlord, acting reasonably, between the Project and other building or buildings on a reasonable basis; and
- (j) if by reason of the conduct of Tenant's business or the particular use of the Premises or any of the Common Areas by Tenant, its employees, agents or persons having business with Tenant, additional costs in the nature of Operating Costs are incurred in excess of the costs which otherwise would have been incurred, Landlord shall have the right to adjust Tenant's Share of Operating Costs to include such excess costs.

D. **Reduction or Control of Operating Costs**

Tenant shall comply with any practices or procedures that Landlord, acting reasonably, may from time to time introduce to reduce or control Operating Costs and shall pay, as Additional Rent, all costs, as determined by Landlord, acting reasonably, that may be incurred by the Landlord as a result of any non-compliance.

SCHEDULE 6

LANDLORD'S SPECIFICATIONS FOR HVAC MAINTENANCE

Tenant shall, at its sole cost and expense, perform this maintenance in respect of the Supplemental HVAC Facilities, if any.

I. List of the principal preventive maintenance work required and to be included in the contract (in accordance with the manufacturer)

Rooftop air condition system

*Inspection 5 times a year including:

- Replace high efficiency filters if necessary;
- Inspect fan for bent blades or unbalanced: adjust if necessary;
- Check belt for condition, proper tension, and misalignment : adjust or replace if necessary;
- Lubricate bearings.

- Verification:
- Verify and make adjustments if necessary to contactors, limit switches and probes;
 - Clean electrical wiring and connections : tighten loose connections;
 - Perform operational check of unit : make adjustments on controls etc.; if needed;
 - Check compressor operation for abnormal noise and vibration;
 - Check refrigerant pressure : add refrigerant if needed;
 - Check compressor oil level if possible;
 - Verify refrigerant piping and insulation;
 - Check motor amperage / system;
 - Check electrical wiring to burner controls and blower.

To be done in June

- Clean condenser air intake, fans and grilles;
- Pressure wash condenser coils with proper coils clean solution;
- Clean evaporator coils, drain pan and drain piping.

To be done in autumn

- Verify the crankcase heater;
- Check internal electrical coil operation ; if installed; for maximum capacity;
- Inspect, clean and adjust thermos-sensing bulbs on gas burners;
- Inspect and clean chimney as necessary;
- Check for proper operation of burner primary controls: check and adjust thermostat;
- Verify and clean combustion room.

Forced air heater gas fired

*Inspection 2 times a year including:

- Lubricate oil burner motor bearings as applicable;
- Replace air filters in air handler as applicable;
- Check belts for wear and proper tension: tighten and / or replace if required.

- Verification:
- Check for proper operation of burner primary controls, check and adjust thermostat;
 - Check blower and motor for vibration and noise;
 - Inspect, clean and adjust thermos-sensing bulbs on gas burners;
 - Check electrical wiring to burner controls and blower;
 - Clean blower and air plenum;
 - Check condition of flue pipe, damper and stack;
 - Inspect and clean chimney as necessary;
 - Check furnace operation through complete cycle or up to 10 minutes;
 - Clean area around furnace.

Roof exhauster

*Inspection 2 times a year including:

- Verification:
- Check tension, condition and alignment of belts, adjust if necessary, lubricate shaft and motor bearings;
 - Check for unusual noise or vibration;
 - Replace air filters as applicable;
 - Check controls and unit for proper operation.

Boiler steam humidifier

*Inspection 2 times a year including:

- Verification:
- Check main valve and water flow;
 - Clean or change water filter;
 - To empty the cylinder and check the drain;
 - Check or change the cylinder, where applicable;
 - The valve should be removed, dismantled and thoroughly cleaned;
 - Sieve: dismantling and cleaning.

- Check boiler steam humidifier operation through complete cycle.

II. **Clauses which must be included in the preventive maintenance contract:**

+The supplier has to produce evidence of a minimum responsibility insurance of \$5,000,000.00 (5 million dollars);

+The supplier has to provide an emergency duty 24 hours a day, seven days a week;

- +The frequency of inspections per year;
- +The supplier will have to arrange to verify activation and deactivation of the system and check with operating and/or the owner for deficiencies;
- +Along the way of the periodical inspection, the supplier will have to submit an inspection report and make repairs recommendation, if necessary, with forecast prices (estimation);
- +The supplier consents to redo at his own expense every work judged badly executed by his technicians;
- +The supplier guarantees all his material and parts, only if these said material and parts are guaranteed by its supplier;
- +The supplier will have to submit his labour wage rate (valid for only one year) for additional or emergency services that could be necessary.

The details of the equipment have to be included in the contract. The required information are:

Unit number:	Tonnage A/C	MBM Heating (included herein)
Type of unit (roof, etc.)	Trade name	Temperature control (by model number)

III. Suggested list of suppliers.

As advised by the Landlord from time to time.

NOTE: Thirty (30) days prior to the expiration or earlier termination of the Lease, Tenant will provide Landlord with a certificate from a heating and air-conditioning contractor approved by Landlord that the heating and air-conditioning units are in good working order, reasonable wear and tear excepted. If such certificate is not provided, Landlord may apply the Deposit towards the cost of any necessary repairs.

SCHEDULE 7

ENVIRONMENTAL QUESTIONNAIRE

TENANT NAME: 12794799 CANADA INC.

BUILDING: 2130 WILLIAMS PARKWAY, BRAMPTON

UNIT: BLDG

CONTACT PERSON: • GIORGIO MARCI

TELEPHONE NOS.: Office: 4.554.7940 Residence:

GENERAL INFORMATION

- A) Describe the business activities carried on in the Premises.

manufacture windows + doors

- B) Will the business activities to be carried on in the Premises entail the use of Contaminants or Hazardous Materials? If so, describe them and provide all corresponding Material Safety Data Sheets (MSDS) in connection with any Contaminants or Hazardous Materials.

n/a

- C) Indicate the approximate amounts of Contaminants and Hazardous Materials which will be generated and/or handled monthly or annually, in the Premises.

n/a

- D) How do you intend to store the Contaminants and Hazardous Materials described in C)?

n/a

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

n/a

- F) Will the business activities to be carried on in the Premises require that you obtain any certificate of authorization, permit or environmental approval? If so, give details and attach your certificate.



405 Britannia Rd E, Suite 202
Mississauga, ON L4Z 3E6

Office: 416.479.8590
www.pureindustrial.ca

n/a

- G) Will the business activities to be carried on in the Premises entail the discharge of Contaminants and Hazardous Material in the water system or in the air?

n/a

- H) Will pollution control equipment be required in the Premises to ensure that the discharge of Contaminants or Hazardous Materials in the water system or in the air will comply with the Environmental Legislation? If so, give details and list the standards to be met.

n/a

- I) Will the business activities to be carried on in the Premises necessitate the installation of an underground or surface storage tank in the Premises? If so, describe in detail the tank to be installed and material to be stored.

n/a

- J) Do you intend to have a prevention training or emergency plan in place to prevent an environmental incident? If so, give details and attach a copy of the plan and training procedure.

n/a

Dated this 24 day of MARCH, 2021

12794799 CANADA INC.

Per: _____

Name: _____

Title: _____

GIORGIO MARCHI
DIRECTOR

Per: _____

Name: _____

Title: _____

I/We have authority to bind the corporation



405 Britannia Rd E, Suite 202
Mississauga, ON L4Z 3E6

Office: 416.479.8590
www.pureindustrial.ca

SCHEDULE 8

SPECIAL PROVISIONS

1. **Heating and (If Applicable) Air-Conditioning Units:** Landlord warrants that any base building heating and air-conditioning units (the "**Units**") located in the Premises will be in good working order on the Commencement Date. Landlord will maintain, repair and replace the Units throughout the Term and the cost associated therewith shall be included in Operating Costs.

Notwithstanding anything to the contrary, any base building heating and air-conditioning facilities and equipment installed by Tenant specifically for Tenant's use (the "**Supplemental HVAC Facilities**") shall be maintained, repaired and replaced by Tenant at Tenant's sole cost and expense and in accordance with the specifications set out in Schedule 6 of the Lease. With respect to the Supplemental HVAC Facilities, if any, Tenant shall only cause or permit the repair and maintenance work specified in Schedule 6 hereto to be carried out by those contractors listed therein or otherwise approved by Landlord in writing pursuant to supply contracts which include those clauses specified in such Schedule 6.

2. **Landlord's Work:** Provided this Lease has been executed and delivered by Tenant in a form acceptable to Landlord and Tenant is not in default hereof, Landlord shall carry out, at its sole cost, the below-noted work to the Premises (the "**Landlord's Work**") prior to the Commencement Date, subject to Unavoidable Delay and any other delays:

- (a) repair to the corrugated metal wall;
- (b) repair to the weather stripping and the exterior foam dock seal and dock bumpers and door panels, as required; and
- (c) repair compromised structural steel columns throughout the warehouse portion of the Premises as recommended by Landlord's structural engineer.

All items of Landlord's Work will be completed using Landlord's standard samples for the Building.

Notwithstanding anything to the contrary, the items of Landlord's Work listed in (a) through (c) above are in connection with the prior tenant's restoration obligations which are being performed by Landlord at the expense of the previous tenant of the Premises. The scope of Landlord's Work set out above may be subject to change and/or revision as determined or advised by Landlord's consultants and/or contractors. Tenant acknowledges that Landlord shall carry out Landlord's Work during the Fixturing Period and agrees not to disrupt or interfere with Landlord's Work. Further, Tenant hereby acknowledges and agrees to relocate its property and equipment within the Premises at its sole cost if required by Landlord in order for Landlord to expeditiously complete the aforementioned Landlord's Work.

3. **Fixturing Period (Early Occupancy):** Tenant shall be permitted non-exclusive access to the Premises during the period (the "**Fixturing Period**") commencing on the later of (a) the date Tenant executes and delivers this Lease in a form acceptable to Landlord, (b) the date Tenant delivers certificate(s) evidencing requisite insurance coverage(s) in accordance with this Lease, (c) the date Tenant delivers the Deposit specified in section 1.10 of this Lease and the Prepaid Rent specified in section 1.11 of this Lease, (d) if applicable, the date Tenant executes and delivers the Utility transfer form as required by Landlord (the "**Utility Transfer Form**"), and (e) the date Tenant

executes and delivers the Pre-Authorized Debit Authorization Form attached hereto as Schedule 10 (the "**PAD Form**"), and expiring on the date immediately preceding the Commencement Date, in order to carry out Tenant's Work (as defined in paragraph 4 of this Schedule 8) to the extent same may be reasonably coordinated with and not interfere with or delay the Landlord's Work, at Tenant's sole risk and expense. During the Fixturing Period all of the terms and conditions of this Lease, except for payment of Basic Rent, Realty Taxes and Operating Costs, shall be in full force and effect. Tenant shall reimburse Landlord for the cost of any Additional Services provided during the Fixturing Period, including the cost of cleaning and rubbish removal, and the cost of any Utilities consumed in the Premises during the Fixturing Period.

If Landlord is delayed for any reason in delivering possession of the Premises, then the Commencement Date and the Term expiration date shall be adjusted by a time period equivalent to such delay (not to exceed one (1) year), and Landlord shall not be liable for any loss or damage resulting from such delay. Notwithstanding anything to the contrary, at Landlord's sole option, the commencement of the Fixturing Period and the Commencement Date shall not be adjusted for any delays resulting from Tenant's failure to execute and deliver this Lease in a timely fashion or resulting from Tenant's failure to deliver evidence of insurance or the Deposit or the Prepaid Rent or the Utility Transfer Form or the PAD Form as set out in (b), (c), (d) and (e) in the paragraph above.

Notwithstanding the foregoing, Landlord and Tenant acknowledge and agree that during the Fixturing Period Landlord will be performing Landlord's Work and Tenant will be performing Tenant's Work simultaneously. The parties acknowledge and agree that the completion of Landlord's Work will take priority and that Tenant will not open any permits for construction of Tenant's Work if opening any such permits prevents Landlord from opening and/or closing its own permit(s) related to Landlord's Work. Both parties shall exercise commercially reasonable efforts and shall require their respective contractors and subcontractors to exercise commercially reasonable efforts to cooperate and work in harmony during the performance of each party's respective construction work.

4. **Tenant's Work:** Tenant's work (the "**Tenant's Work**") (to be performed by Tenant at its sole risk and cost) shall consist of constructing all improvements and doing all work required to open for business, including the work specified below, all in accordance with this Lease, Landlord's criteria and standards for the Building and in strict accordance with plans and specifications to be submitted by Tenant within fourteen (14) days of Tenant's execution of this Lease and approved by Landlord before the commencement of any Tenant's Work. Prior to commencing any Tenant's Work, Tenant shall provide Landlord with an insurance certificate from its contractor's insurer in a form acceptable to Landlord confirming builder's risk and public liability coverage in an amount not less than Five Million Dollars (\$5,000,000) per occurrence and evidence that all required building and municipal permits and authorizations, if required, have been obtained.

Scope of Tenant's Work:

- Tenant to install, at its sole cost, a spray/paint booth which will be fully enclosed, equipped with sprinklers and vented. For greater certainty, Tenant acknowledges and agrees that any base building work including, without limitation, any work related to venting through the roof, shall be completed by Landlord's base building contractors at Tenant's cost.

Tenant shall pay to Landlord on the Commencement Date all of Landlord's out-of-pocket expenses, plus an administration fee of \$1,500.00, for the review and processing of Tenant's plans.

Notwithstanding anything to the contrary, Tenant shall pay to Landlord for any Alterations or initial work performed by Tenant a fee equal to 10% of the total cost of such work for co-ordination and supervision services. If Landlord determines that no supervision or co-ordination is required, then, in lieu of such fee, Tenant shall pay to Landlord all of Landlord's out-of-pocket costs and expenses incurred in respect of such Tenant's work (including, without limitation, the initial work and any Alterations) plus an administration fee of ten percent (10%) of such out-of-pocket costs and expenses.

Tenant shall, at the expiration or earlier termination of this Lease, as Landlord's option and direction, remove any Leasehold Improvement, fixture or other installation included in Tenant's Work and restore the Premises and, to the extent affected by Tenant's Work, the Building, to Landlord's base building specifications.

SCHEDULE 9

INDEMNITY

THIS INDEMNITY AGREEMENT dated the 26th day of March, 2021,

BETWEEN:

PIRET (BRAMPTON) HOLDINGS INC.

(*"Landlord"*)

-and-

**ALUMINART PRODUCTS LIMITED and
ARCOR WINDOWS & DOORS INC. and
N.A.P. WINDOWS & DOORS LTD.**

(jointly and severally, *"Indemnifier"*)

To induce Landlord to enter into a lease (the *"Lease"*) dated the 26th day of March, 2021, and made between Landlord and 12794799 Canada Inc., as Tenant, for premises being the whole of the Building municipally known as 2130 Williams Parkway, Brampton, Ontario and comprising approximately eighty thousand, three hundred and fifty-five (80,355) square feet of Rentable Area, and for other good and valuable consideration, the receipt and sufficiency whereof is hereby acknowledged, Indemnifier hereby agrees with and in favour of Landlord as follows:

1. Indemnifier hereby agrees with Landlord that at all times during the Term of the Lease and any extension or renewal of the Lease, it will (a) make the due and punctual payment of all rent, monies, charges and other amounts of any kind whatsoever payable under the Lease by Tenant whether to Landlord or otherwise and whether the Lease has been disaffirmed, repudiated or disclaimed; (b) effect prompt and complete performance of all of the terms, covenants and conditions contained in the Lease on the part of Tenant to be kept, observed and performed; and (c) indemnify and save harmless Landlord from any loss, costs, damages or expenses arising out of any failure by Tenant to pay the rent, monies, charges and other amounts due under the Lease or resulting from any failure by Tenant to observe or perform any of the terms, covenants and conditions contained in the Lease.
2. Nothing in this Indemnity will be construed so as to (a) release Indemnifier or limit its obligations in a situation where the Lease is terminated before the expiry of the Term by effluxion of time; or (b) confer any rights on Indemnifier to occupy or use the Premises, or to claim any interest or rights in the Premises or the Lease, whether or not Indemnifier is required to perform obligations, or to pay rent or other amounts under this Indemnity or the Lease. The Indemnifier's obligation under this Indemnity is that of principal obligor and not a mere guarantor or surety, and the Indemnifier shall be jointly and severally liable with the Tenant to the Landlord for the due performance of all of the Tenant's covenants, obligations and agreements under the Lease, it being acknowledged that the Indemnifier has assumed a primary and parallel obligation to the Landlord with the Tenant.
3. This Indemnity is absolute and unconditional and the obligations of the Indemnifier shall not be released, discharged, mitigated, impaired or affected by (a) any extension of time, indulgences or

modifications which the Landlord extends to or makes with the Tenant in respect of the performance of any of the obligations of the Tenant under the Lease; (b) any waiver by or failure of the Landlord to enforce any of the terms, covenants and conditions contained in the Lease; (c) any assignment of the Lease by the Tenant or by any trustee, receiver or liquidator; (d) any consent which the Landlord gives to any such assignment or subletting; (e) any amendment to the Lease or any waiver by the Tenant of any of its rights under the Lease; or (f) the expiration of the Term.

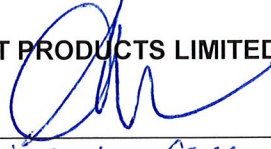
4. Indemnifier hereby expressly waives notice of non-performance, non-payment or non-observance on the part of Tenant of the terms, covenants and conditions in the Lease. Without limiting the generality of the foregoing, any notice which Landlord desires to give to Indemnifier shall be sufficiently given if delivered or faxed to, or mailed by prepaid registered or certified post addressed to Indemnifier at the address set out in section 1.3 of the Lease, or at Landlord's option, at the Premises, and every such notice is deemed to have been given upon the day it was delivered or faxed, or if mailed, three (3) days after the date it was mailed. Indemnifier may designate by notice in writing a substitute address for the address set forth above. If two or more persons are named as Indemnifier, such notice given hereunder or under the Lease shall be sufficiently given if delivered or mailed in the foregoing manner to any one of such persons.
5. In the event of a default under the Lease or under this Indemnity, Indemnifier waives any right to require Landlord to (a) proceed against Tenant or pursue any rights or remedies against Tenant with respect to the Lease; (b) proceed against or exhaust any security of Tenant held by Landlord; or (c) pursue any other remedy whatsoever in Landlord's power. Landlord has the right to enforce this Indemnity regardless of the acceptance of additional security from Tenant and regardless of any release or discharge of Tenant by Landlord or by others or by operation of any law.
6. Without limiting the generality of the foregoing, the liability of Indemnifier under this Indemnity is not deemed to have been waived, released, discharged, impaired or affected by reason of the release or discharge of Tenant in any receivership, bankruptcy, winding-up or other creditors' proceedings or their rejection, disaffirmance or disclaimer of the Lease in any proceeding and shall continue with respect to the periods prior thereto and thereafter, for and with respect to the Term as if the Lease had not been disaffirmed or disclaimed, and in furtherance hereof, Indemnifier agrees, upon any such disaffirmance or disclaimer, that Indemnifier shall, at the option of Landlord, exercisable by written notice to Indemnifier, become the tenant of Landlord upon the same terms and conditions as are contained in the Lease, applied mutatis mutandis. The liability of Indemnifier shall not be affected by any repossession of the Premises by Landlord provided, however, that the net payments received by Landlord after deducting all costs and expenses of repossessing and reletting the Premises, including, but not limited to, advertising, legal, commissions or fees paid to any rental agent and repair and refurbishing costs, shall be credited from time to time by Landlord against the indebtedness of Indemnifier hereunder and Indemnifier shall pay any balance owing to Landlord from time to time immediately upon demand.
7. No action or proceedings brought or instituted under this Indemnity and no recovery in pursuance thereof shall be a bar or defence to any further action or proceeding which may be brought under this Indemnity by reason of any further default hereunder or in the performance and observance of the terms, covenants and conditions contained in the Lease.
8. No modification of this Indemnity shall be effective unless it is in writing and is executed by both Indemnifier and Landlord.

9. Indemnifier shall, without limiting the generality of the foregoing, be bound by this Indemnity in the same manner as though Indemnifier were Tenant named in the Lease.
10. If two or more individuals, corporations, partnerships or other business associations (or any combination of two or more thereof) execute this Indemnity as Indemnifier, the liability of each such individual, corporation, partnership or other business association hereunder is joint and several. In like manner, if Indemnifier named in this Indemnity is a partnership or other business association, the members of which are by virtue of statutory or general law, subject to personal liability, the liability of each such member is joint and several.
11. All of the terms, covenants and conditions of this Indemnity extend to and are binding upon Indemnifier, his or her heirs, executors, administrators, successors and assigns, as the case may be, and enure to the benefit of and may be enforced by Landlord, its successors and assigns, as the case may be, and any Mortgagee. Any assignment by Landlord of its interest in the Lease operates automatically as an assignment to such assignee of the benefit of this Indemnity.
12. The expressions "**Landlord**", "**Tenant**", "**rent**", "**Term**", "**Premises**" and "**Mortgagee**" and other terms or expressions where used in this Indemnity, respectively, have the same meaning as are attributed to them in the Lease.
13. This Indemnity shall be construed in accordance with the laws having application in the province in which the Building is situate.

**REMAINDER OF PAGE INTENTIONALLY LEFT BLANK
SEE NEXT PAGE FPR SIGNATURES**

IN WITNESS WHEREOF the Indemnifier has signed and sealed this Indemnity.

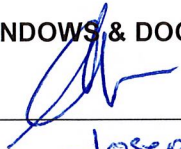
ALUMINART PRODUCTS LIMITED

Per: 
Name: Joseph Caccamo
Title: Director

Per: _____
Name: _____
Title: _____

I/We have authority to bind the Corporation


ARCOR WINDOWS & DOORS INC.

Per: 
Name: Joseph Caccamo
Title: Director

Per: _____
Name: _____
Title: _____

I/We have authority to bind the Corporation

N.A.P. WINDOWS & DOORS LTD.

Per: 
Name: Joseph Caccamo
Title: Director

Per: _____
Name: _____
Title: _____

I/We have authority to bind the Corporation

SCHEDULE 10

AUTHORIZATION TO DEBIT AN ACCOUNT - UNDER THE PREAUTHORIZED PAYMENT PLAN



The undersigned client authorizes **PIRET (Brampton) Holdings Inc.** (hereinafter called the "Payee") to issue on his/her behalf any cheque, payment order or request drawn on the financial institution named below and payable to the order of the Payee, in payment of the amounts owing to the Payee for Business PADs (rent/additional rent/ additional billings) under the terms of the present agreement and future contracts between the Payee and the undersigned.

CIBC
Name of Institution
2208 KING RD KING CITY
Branch or Address
010 *05742* *9952411*
Bank Number: (3 characters) Transit Number: Account Number:

The above-named institution is hereby authorized to pay and to debit to the account described above any cheque, payment order or request whatsoever, payable to the order of the Payee and drawn on said account by a bank acting in the name of the Payee. Any cheque, payment order or request whatsoever thus drawn by the Payee's bank shall be considered as having been signed by the undersigned.

For the purposes of this authorization, the word "cheque" shall be deemed to include any payment order drawn on an institution other than a bank. Furthermore, if this authorization is signed by more than one person, the singular shall be interpreted as plural wherever it occurs." I/We agree that no prior notification of the amount of each payment will be given to me/us and I/we specifically waive any pre-notification requirements in respect of same.

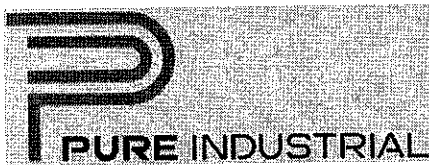
This authorization can be revoked, by the undersigned, at any time by thirty (30) days written notification sent to the above-named institution at the address shown, and to the Payee at the address in the above-mentioned contract. I/We have certain recourse rights if any debit does not comply with this document. For example, I/we have the right to receive reimbursement for any debit that is not authorized by, or is not consistent with, this document. More information on recourse rights may be obtained from the financial institution noted above or by visiting www.cdnpay.ca.

Tenant Name *12794799 CANADA INC.*
Address *32-100 BASS PRO MILLS*
Date *APRIL 1 2021* *1 Diane Lianellis*
Signature (as it appears on cheques)

N.B.: Please attach a sample of a cancelled/Void cheque from the above-named institution. If the account requires two signatures, then the present authorization should be signed by the same two officers.

PURE INDUSTRIAL

121 KING STREET WEST, SUITE 2100 • PO BOX 112 • TORONTO, ONTARIO • CANADA • M5H 3T9 • TELEPHONE (416) 479-8590 • FAX (416) 598-0435
www.pureindustrial.ca



405 Britannia Rd E, Suite 202
Mississauga, ON L4Z 3E6

Office: 416.479.8590
www.pureindustrial.ca

March 26, 2021

12794799 Canada Inc.

c/o Colliers Macaulay Nicolls Inc., Brokerage
401 The West Mall, Suite 800
Toronto, Ontario

Attention: Mr. Stuart Forbes

Dear Stuart

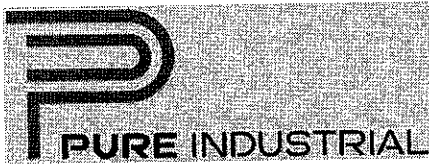
RE: Agreement to Lease dated March 23, 2021 (the "Offer") between 12794799 Canada Inc. (the "Tenant"), AluminArt Products Limited (the "Indemnifier") and PIRET (Brampton) Holdings Inc. (the "Landlord") for certain premises containing approximately 80,355 square feet (the "Premises") at 2130 Williams Parkway, Brampton, Ontario

The Landlord hereby waives the Landlord's Conditions as stated in Section 17 of the Offer made between the Tenant and Landlord, subject to the following amendments:

1. The Tenant hereby acknowledges and agrees that in addition to AluminArt Products Limited, Arcor Windows & Doors Inc. and N.A.P. Windows & Doors Ltd. shall be added to the Offer as an Indemnifier;
2. Schedule "E" of the Offer is hereby deleted and replaced with Schedule "E" attached hereto; and
3. Section 7 of the Offer is amended by deleting the words "Months 1-13, Months 14-25, Months 26-37, Months 38-49, Months 50-61" and replacing them with "Year 1, Year 2, Year 3, Year 4, Year 5" respectively.
4. The following paragraph shall be added to the end of Schedule "B" Section 1 (Fixturing Period):

"Notwithstanding anything in this Offer to Lease to the contrary, Landlord hereby acknowledges and agrees that Tenant will be permitted to park its trucks and/or trailers at the Premises prior to the commencement of the Fixturing Period during the completion of the Landlord's Work, subject to the following terms and conditions:

- (a) Tenant shall park all trucks and/or trailers in a manner and in locations that will not interfere with or impede Landlord's Work, it being understood and agreed that any additional costs in Landlord's Work incurred by Landlord arising from the storage of Tenant's property will be paid by Tenant. For greater certainty, upon Landlord's request, Tenant shall promptly move any of its property which are required by Landlord to be moved in order to allow Landlord to complete Landlord's Work;
- (b) Tenant shall indemnify and save harmless Landlord from and against any and all losses, costs, damages or expenses which may be suffered by Landlord and those for whom Landlord is in law responsible arising out of Tenant's trucks and/or trailers being parked or stored at the Premises during the completion of the Landlord's Work. For greater certainty, Landlord shall not be liable for and Tenant hereby releases Landlord from any loss or damage to any property of Tenant stored at the Premises during the completion of the Landlord's Work; and



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Mississauga, ON L4Z 3E6

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www.pureindustrial.ca

- (c) Tenant shall be required to deliver Landlord all certificate(s) evidencing requisite insurance coverage(s) required under the Lease effective from the date the Tenant intends to access the Premises for the purpose of parking any truck and/or trailer or storing and of its property at the Premises.

For certainty, the Tenant hereby acknowledges and agrees that it shall not be permitted to unload any truck and/or trailer parked at the Premises until the commencement of the Fixturing Period."

Further, copy of the building's standard Lease Agreement, which incorporates the terms of the above-referenced Offer, will be forwarded to you as soon as possible.

This Amendment shall be open for acceptance by Tenant until 5:00 p.m. (Toronto time) on the 29th day of March, 2021, failing which the Offer shall be null and void and of no further effect without further notice from either party. The Tenant acknowledges its acceptance of the foregoing by signing below.

SIGNATURE BLOCKS TO FOLLOW


REMAINDER OF PAGE LEFT INTENTIONALLY BLANK.

Sincerely,


Maya Fainshtein
Leasing Manager

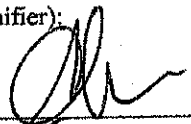
I/We confirm our acceptance of the above terms and conditions.

12794799 CANADA INC.
(Tenant):

Per: 
Name: **GIORGIO MARCHI**
Title: **DIRECTOR**

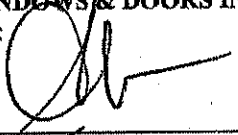
I/We have authority to bind the Corporation.

ALUMINART PRODUCTS LIMITED
(Indemnifier):

Per: 
Name: **Joseph Caccamo**
Title: **Director**

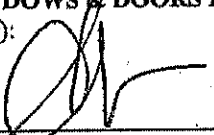
I/We have authority to bind the Corporation.

ARCOR WINDOWS & DOORS INC.
(Indemnifier):

Per: 
Name: **Joseph Caccamo**
Title: **Director**

I/We have authority to bind the Corporation.

N.A.P. WINDOWS & DOORS LTD.
(Indemnifier):

Per: 
Name: **Joseph Caccamo**
Title: **Director**

I/We have authority to bind the Corporation.

SCHEDULE "D" – GUARANTEE AND INDEMNITY

To induce Landlord to enter into this agreement and in consideration thereof, the undersigned Indemnifiers as principal debtors and not as sureties, hereby jointly and severally guarantee the due performance and observance of each and every covenant, obligation and agreement contained in this Offer and the Lease to be performed or observed by the Tenant, including without limitation, the payment of rent and all other amounts payable by the Tenant under this Offer and the Lease and each Indemnifier jointly and severally agrees to fully indemnify and save Landlord harmless from and against all losses, damages, costs and expenses arising from any default by Tenant in the performance of all such covenants, obligations and agreements. Each Indemnifier hereby covenants with Landlord to execute and deliver to Landlord, contemporaneously with the execution and delivery of the Lease, Landlord's form of Guarantee and Indemnity agreement attached as Schedule 9 to the Lease and the Tenant shall ensure the Indemnifiers' performance of this covenant. Any failure by an Indemnifier in executing and delivering the Guarantee and Indemnity agreement to Landlord when requested by Landlord shall constitute a breach of this Offer and of the Lease by both the Tenant and by the Indemnifiers, jointly and severally.

DATED this 26 day of MARCH, 2021.

Witness:

Pallas Rangolan
Name: PALLAS RAMLOLAN
Address: 2211 SHELDON RD.
MISSISSAUGA, ON
L5A 2K5

Witness:

Pallas Rangolan
Name: PALLAS RAMLOLAN
Address: 2211 SHELDON RD
MISSISSAUGA ON
L5A 2K5

Witness:

Pallas Rangolan
Name: PALLAS RAMLOLAN
Address: 2211 SHELDON RD
MISSISSAUGA, ON
L5A 2K5

Guarantor: AluminArt Products Limited

Per: [Signature]
Name: Joseph Caccamo
Title: Director
I have authority to bind the Corporation.

Guarantor: Arcor Windows & Doors Inc.

Per: [Signature]
Name: Joseph Caccamo
Title: Director
I have authority to bind the Corporation.

Guarantor: N.A.P. Windows & Doors Ltd.

Per: [Signature]
Name: Joseph Caccamo
Title: Director
I have authority to bind the Corporation.

APPENDIX 2



AIR-RIDE EQUIPPED

TBS7016





IFS

IFS

253275

232347



Windows & Doors Inc.

Clearly the Best!

Arcor Windows & Doors Inc.

Innovation Drive, Bramborough ON Canada L9B 7L8

US DOT 552460

NEO 63 382E

ACTERRA

Mercedes-Benz
POWER

DIESEL
ON



59217

7023



• Expedited
• Decanting
• Warehousing
• Crossdocking
• Dedicated Runs

Delivering

Pea

15

Arcor
Windows & Doors Inc.
Clearly the Best!

NEO 63 3 823







