

- d) Basic Rent: The Rentable Area of the Demised Premises plus GST as outlined in Section 2.2.
- e) Centre: Centre means the University Centre building which is located on the Fort Garry campus of the University of Manitoba, in the City of Winnipeg, in the Province of Manitoba.
- f) Commencement Date: Commencement Date means < >, 20< >.
- g) Common Areas: Common Areas means the areas and facilities located on the first, second and third levels of the Centre which, from time to time, the Landlord may make available to the Tenant.
- h) Common Area Expenses: Common Area Expenses means the costs incurred by the Landlord as set out in Section 3.3.
- i) Demised Premises: Demised Premises means that part of the Centre known as Rooms 116A, 116R and 116S as outlined in Schedule "A" attached hereto and comprising a Rentable Area of approximately three hundred thirty (330) square feet.
- j) Environmental Laws: Environmental Laws means all applicable federal, provincial or municipal statutes, regulations, ordinances, bylaws, and environmental permits relating to the protection and transportation of dangerous goods as may be enacted from time to time.
- a)
- k) Lands: Lands means the lands underneath, adjacent and appurtenant to the Demised Premises as outlined on the plans attached hereto as Schedule "B".
- l) Permitted Use of the Demised Premises: The Demised Premises shall be used for purposes of conducting the business of an <insurance broker/agency/company> and for no other purpose.
- m) Proportionate Share: Proportionate Share shall mean the ratio that the Rentable Area of the Demised Premises bears to the total square footage of the Centre (excluding food service

locations), which is estimated to be one hundred ninety-six thousand (196,000) square feet.

- n) Rentable Area of the Demised Premises: Rentable Area of the Demised Premises means approximately three hundred thirty (330) square feet as set out in paragraph (i) of the Special Provisions.
- o) Rental Year: Rental Year means every period of twelve (12) consecutive calendar months.
- p) Schedules: The following schedules are adopted into and form a part of this Lease:

Schedule "A" Demised Premises
Schedule "B" Lands
Schedule "C" Tenant's Work
- q) Tenant's Work: The fixtures, improvements, and installations made, erected and installed by the Tenant in or on the Demised Premises as set out in Schedule "C" to be attached pursuant to Article 4 hereof.
- r) Term: Subject to Section 1.4, the Term of this agreement shall commence on the Commencement Date and continue for a period of < > years.
- s) University University means The University of Manitoba.

ARTICLE 1

1. LEASE OF DEMISED PREMISES AND TERM

1.1 Demised Premises. In consideration of the rents, covenants and agreements herein contained on the part of the Tenant to be paid, observed and performed, the Landlord leases to the Tenant and the Tenant leases from the Landlord the Demised Premises.

1.2 Use of the Common Areas. The use and occupation by the Tenant of the Demised Premises includes, for the purposes of carrying on its business, the non-exclusive license of the Tenant, the Tenant's employees, agents, invitees, suppliers, and persons having business with the Tenant in common with the Landlord, its other tenants, sub-tenants and all others entitled or permitted to the non-exclusive use of the Common Areas, subject to Article 4; the covenants, terms and conditions of this Lease; and such reasonable rules, policies and procedures for the use thereof and access thereto as prescribed from time to time by the Landlord.

- 1.3 Term. The Tenant shall have and hold the Demised Premises for and during the Term subject to the payment of Basic Rent and all adjustments and increments thereto and Additional Rent and the observance and performance of the terms, covenants and conditions contained in this Lease.
- 1.4 Renewal. If the Tenant is interested in renewing the Lease, it shall notify the Landlord in writing one hundred eighty (180) days prior to the expiry of the Term. Upon receipt of such notice the parties shall negotiate in good faith for a period of ninety (90) days in order to reach a mutual agreement on the terms and conditions of a new Lease. In the event the parties are unable to reach a mutual agreement within the ninety (90) day period (or such longer period as the parties may agree) this Lease shall expire at the end of the Term.

ARTICLE 2

2. RENT

- 2.1 Covenant to Pay. The Tenant shall pay Basic Rent and Additional Rent (collectively referred to as "Rent") as herein provided.
- 2.2 Basic Rent. During the Term, the Tenant shall pay to the Landlord at its office or such other place designated by it or to such other person as the Landlord designates from time to time in lawful money of Canada, Basic Rent of the Rentable Area of the Demised Premises plus GST in advance commencing on the Commencement Date and on the first day of each calendar month thereafter in equal monthly installments of < > < > cents to equal an annual rental rate of < > dollars. If the Commencement Date falls on other than the first day of the month, the Basic Rent for the first partial month shall be prorated and the Term shall be extended by the number of days remaining in such partial month after the Commencement Date. The Tenant shall not be responsible to pay Basic Rent during the Fixturing Period.
- 2.3 Interest. If the Tenant fails to pay when due and payable any Basic Rent, Additional Rent or other amount payable by it under the Lease, the Tenant shall pay interest compounded monthly on all arrears at a rate of two (2%) percent per annum above the Prime Lending Rate of The Royal Bank of Canada.
- 2.4 Goods and Services Tax. Despite any other section or clause of this Lease, the Tenant shall pay to the Landlord, upon demand, an amount equal to any and all Goods and Services Tax, it being the intention of the parties that the Landlord shall be fully reimbursed by the Tenant with respect to any and all Goods and Services Tax at the full tax rate applicable from time to time in respect of the Basic Rent and Additional Rent payable for the lease of the Demised Premises pursuant to this Lease.
- 2.5 Prepaid Rent. Upon execution of this Lease, the Tenant shall pay to the Landlord <\$ > to be applied towards the first month's Basic Rent.
- 2.6 No Set-Off. All Basic Rent and Additional Rent to be paid by the Tenant to the Landlord hereunder shall be paid without any deduction, abatement, set-off or compensation whatsoever (except as provided herein), and the Tenant hereby waives the benefit of

any statutory or other rights in respect of abatement, set-off or compensation in its favour at the time hereof or at any future time.

- 2.7 Net Lease. The Tenant acknowledges and agrees that it is intended that this Lease is an absolutely net lease to the Landlord, except as expressly herein set out, that the Landlord is not responsible during the Term or any renewal thereof for any costs, charges, expenses and outlays of any nature whatsoever arising from or relating to the Demised Premises, or the use and occupancy thereof or the contents thereof or the business carried on therein, and the Tenant shall pay all charges, impositions, costs and expenses of every nature and kind relating to the Demised Premises except as expressly herein set out.
- 2.8 Postdated Cheques. The Tenant shall provide for the payment of Basic Rent by postdated cheques for the then ensuing Rental Year and at least thirty (30) days prior to the expiry of each Rental Year, a series of twelve (12) postdated cheques for the next ensuing Rental Year.

ARTICLE 3

3. TAXES, UTILITIES AND COMMON AREA EXPENSES

- 3.1 Tenant's Taxes. The Tenant shall pay as Additional Rent, to the lawful taxing authority or to the Landlord, as the Landlord directs, when same become due and payable:
- a) all taxes, rates, duties, assessments, licences and other charges that are levied, charged or assessed against or in respect of all improvements, equipment and other facilities of the Tenant on or in the Demised Premises; and
 - b) every tax and licence fee that is levied, rated, charged or assessed in respect of any and every business carried on in the Demised Premises or in respect of the use or occupancy thereof by the Tenant.
- 3.2 Tenant's Responsibility. The Tenant shall, upon request of the Landlord:
- a) promptly deliver to the Landlord for inspection, receipts for payment of all taxes payable by the Tenant pursuant to Section 3.1;
 - b) furnish such other information in connection with any such taxes payable by the Tenant pursuant to Section 3.1 as the Landlord reasonably determines from time to time.
- 3.3 Common Area Expenses. The Tenant shall pay in accordance with section 3.5, the Tenant's Proportionate Share of the total (without duplication) cost incurred by the Landlord (the "Common Area Expenses") with respect to the following:
- a) the cost of supplying electricity and other utility services to the Common Areas;
 - b) the amounts payable under service contracts with independent contractors in respect of the maintenance, operation and repair of the Common Areas;

- c) caretaking costs, if attributable to the Tenant.

3.4 Utilities.

- a) In addition to the amounts payable pursuant to Section 3.8, the Tenant shall be solely responsible for and shall promptly pay to the Landlord or directly to the utility as the Landlord may direct, the cost of all utilities, including without limitation, water, electricity, gas and HVAC attributable to the Demised Premises during the Term or any renewal thereof.
- b) In no event is the Landlord to be liable for, nor does the Landlord have any obligation with respect to any interruption or cessation of, or failure in the supply of, any such utilities, services or systems in, to or servicing the Demised Premises whether or not supplied by the Landlord or others.
- c) The Tenant shall not install any equipment which will exceed or overload the capacity of any utility, electrical or mechanical facilities in the Demised Premises or install any utility, electrical or mechanical facility or service which the Landlord does not approve. The Tenant agrees that if any equipment installed by the Tenant requires additional utility, electrical or mechanical facilities, the Landlord may, in its sole discretion, if they are available, elect to install them at the Tenant's expense and in accordance with plans and specifications to be approved in advance in writing by the Landlord.

3.5 Payment of Utilities and Common Area Expenses.

- a) The amounts payable by the Tenant pursuant to Sections 3.3 and 3.4(a) shall be payable as Additional Rent monthly in advance along with Basic Rent. The amounts payable by the Tenant pursuant to Sections 3.3 and 3.4(a) hereof shall be estimated by the Landlord for such period as the Landlord determines from time to time and the Tenant agrees to pay to the Landlord the amounts so estimated commencing on the Commencement Date in monthly installments in advance during such period as Additional Rent.
- b) Within ninety (90) days after the end of the period for which the estimated payments have been made, the Landlord shall deliver to the Tenant a statement of the amounts and costs referred to in Sections 3.3 and 3.4(a), and if necessary an adjustment shall be made between the parties in the following manner:

If the Tenant has paid in excess of the amounts due, the excess shall be refunded by the Landlord within thirty (30) days after the delivery of the said statement or, at the option of the Landlord, the excess shall be credited to amounts payable pursuant to Sections 3.3 and 3.4(a) in the immediately following Rental Year. If the amount the Tenant has paid is less than the amounts due, the Tenant agrees to pay such additional amounts due within thirty (30) days after demand. If any Rental Year during the Term is greater or less than any such period determined by the Landlord as aforesaid, the amounts payable pursuant to Sections 3.3 and 3.4(a) shall be subject to a per diem, pro rata adjustment based upon a period of three hundred and sixty-five (365) days and shall be made on or before the last day of the Term. If the Term expires or this Lease is terminated prior to a final determination of the amounts payable

pursuant to Sections 3.3 and 3.4(a), an amount payable for the last Rental Year of the Term shall be estimated by the Landlord, acting reasonably. As soon as the amount payable by the Tenant for the last Rental Year of the Term has been determined, the amount shall be adjusted between the Landlord and the Tenant. The obligations set out herein shall survive the expiration of the Term or earlier termination of this Lease.

- 3.6 General Allocations. The Landlord's statements shall be conclusive and final and binding upon the parties as to any apportionment and allocation of utilities and Common Area Expenses pursuant to this Article 3. Where an amount hereunder is expressly or impliedly payable by the Tenant, and there is no certain mathematical calculation to determine the Tenant's obligation under Sections 3.3 and 3.4(a), then the Landlord shall be entitled to allocate, and the Tenant shall pay, in accordance with such allocation, such obligation or the Tenant's Proportionate Share thereof, where the context permits or requires.
- 3.7 Caretaking Services. The Tenant shall be solely responsible for the cost of caretaking services necessary to keep the Demised Premises in a clean and sanitary condition in accordance with the terms and conditions of this Lease.
- 3.8 Telephone and Telecommunications. The Tenant shall be solely responsible for, and shall promptly pay directly to the utility, the cost of all other utilities, including, without limitation, telephone, telecommunication, cable, satellite and internet supplied to the Demised Premises during the Term. Further, the Tenant shall pay all costs of installing and/or maintaining telephone services and any telecommunication services to the Demised Premises.

ARTICLE 4

4. COMMON AREAS AND LANDS – CONTROL, SERVICES AND USE

4.1 Control of the Common Areas and Lands by the Landlord.

- a) The Landlord has the right, in its control, management and operation of the Common Areas and Lands and by the establishment of rules and regulations and general policies by the Landlord from time to time with respect to the operation of the Common Areas and Lands or any part thereof at all times throughout the Term to:
- i) police and supervise the Common Areas;
 - ii) close all or any portion of the Common Areas and/or Lands to such extent as the Landlord may deem necessary, for any reasonable purpose whatsoever;
 - iii) obstruct or close off all or any part of the Common Areas and/or Lands for the purpose of maintenance or repair;
 - iv) make and modify such reasonable rules, regulations and policies as may be advisable (which shall be binding upon the Tenant) pertaining to, or

- necessary for, the operation and maintenance of the Common Areas and/or Lands;
- v) designate the areas and entrances and the times in, through and which loading and unloading of goods, merchandise and supplies shall be done by the Tenant, provided that such designation is reasonable;
 - vi) designate and specify the kind of container to be used by the Tenant for garbage and refuse and the manner and times and places at which same shall be placed for collection;
 - vii) from time to time change the area, level, location, arrangement and use of the Common Areas;
 - viii) alter, remove or add other structures or facilities in the Common Areas;
- b) Notwithstanding anything contained in this Lease, it is understood and agreed that if as a result of the reasonable exercise by the Landlord of its rights set out in this Section 4.1, or otherwise, the facilities in or improvements to the Demised Premises are diminished or altered in any manner whatsoever, the Landlord is not subject to any liability nor is the Tenant entitled to any compensation nor shall any alteration or diminution of the facilities or improvements in or to the Demised Premises as deemed to be constructive or actual eviction or a breach of any covenant for quiet enjoyment contained in this Lease.

ARTICLE 5

5. USE OF THE DEMISED PREMISES

5.1 Use of the Demised Premises. The Demised Premises shall be used solely for the purpose or purposes set forth in paragraph (I) (Permitted Use of the Demised Premises) of the Special Provisions and for no other purposes provided that in any event such purposes comply with the terms, covenants and conditions of this Lease; all applicable laws, by-laws, regulations or other governmental ordinances from time to time in existence; and such reasonable rules, policies and procedures of the Landlord.

5.2 Conduct of Business.

- a) Subject to the prior written consent of the Landlord, the Tenant may close at mid-term break or for periods during the months of May through August if lack of patronage warrants closure;
- b) The daily hours of operation of the normal business of the Tenant in the Demised Premises shall not commence before <9:00 a.m.> or end after < > p.m., Monday to Saturday to a maximum of fifteen (15) hours a day. Sunday service and service beyond usual hours of operation requires the written approval of the Landlord;
- c) It is understood that the Tenant shall not operate its business in the Demised Premises and the Demised Premises shall be closed when the Centre is not

open for business. The Landlord and the Centre will not be open for business on any statutory holiday, Remembrance Day and any day during the period during which the Landlord is closed (such as for the holiday season in December/January of each year) as may be specified from time to time in a letter from the Vice-President (Administration) of the Landlord to Deans, Directors and Department Heads. The Landlord may declare additional days of closure other than statutory holidays and the holiday season closure during which the Landlord's services will not be available;

- d) The Tenant, its employees and customers of the business operated within the Demised Premises, shall observe and comply, at its sole cost and expense, with all rules, regulations and policies of the Landlord as pertains to the operation and management of its business, the Demised Premises, the Common Areas and the Centre, or the use of the Lands;
- e) The Tenant will use reasonable efforts to employ University students whenever possible for service positions in the operation of the business in the Demised Premises;
- f) The Tenant shall conduct its business in the Demised Premises in a reputable and first-class manner at all times throughout the Term and any renewal thereof. Any business, conduct or practice promulgated, carried on or maintained by the Tenant, whether through advertising or selling procedures or otherwise, which in the opinion of the Landlord, acting reasonably, may harm or tend to harm the reputation of the Landlord or reflect unfavourably on the Landlord or other tenants of the Centre, or which may tend to confuse, mislead, deceive or be fraudulent to the public, shall be immediately discontinued by the Tenant at the request of the Landlord;
- g) The Landlord and Tenant recognize that any name chosen by Tenant for the operation of its business in the Demised Premises must be appropriate and will require the prior written consent of the Landlord, which consent shall not be unreasonably withheld. For greater certainty, but without limiting the generality of the foregoing, the Landlord may withhold its consent if the name is offensive or would bring the reputation of the Landlord into disrepute;

5.3 Observance of Law. The Tenant shall, at its sole cost and expense and subject to Sections 7.2 and 7.3 hereof, promptly:

- a) observe and comply at its sole cost and expense with all provisions of law including, without limiting the generality of the foregoing, all requirements of all governmental authorities, including federal, provincial and municipal legislative enactments, by-laws, police, fire and sanitary regulations, and other regulations now or hereafter in force which pertain to or affect the Demised Premises, the Tenant's use of the Demised Premises or the conduct of any business in the Demised Premises, or of any repairs, replacements, alterations, additions, changes, substitutions or improvements of or to the Demised Premises;
- b) obtain all necessary permits, licenses and approvals relating to the use of the Demised Premises and the conduct of business therein;

- c) carry out all modifications, alterations or changes of or to the Demised Premises and the Tenant's conduct of business in or use of the Demised Premises which are required by any such authorities as set out herein;
- d) it is understood and agreed that the Landlord shall not be liable to the Tenant in any way for any losses, costs, damages or expenses whether direct or consequentially paid, suffered or incurred by the Tenant due to any reduction in the services provided by the Landlord to the Tenant or to the Demised Premises or any part thereof as a result of the Landlord's compliance with such laws, by-laws, regulations or others.

5.4 Environmental Compliance. The Tenant shall utilize and occupy the Demised Premises in a manner that ensures the Demised Premises are maintained in compliance with all Environmental Laws and building regulations.

ARTICLE 6

6. INSURANCE AND INDEMNITY

6.1 Tenant's Insurance.

- a) The Tenant shall throughout the Term and any renewals thereof (and at any other time during which the Tenant is in possession of the Demised Premises), at its sole cost and expense, take out and keep in full force and effect and in the names of the Tenant and the Landlord, as their respective interests may appear, the following insurance:
 - i) all risks replacement cost insurance against all perils normally covered in an "all risks" policy in an amount equal to the full replacement cost of all property of the Tenant in or upon the Demised Premises;
 - ii) business interruption insurance in such amount as will reimburse the Tenant for direct or indirect loss of earnings attributable to all perils insured against in Sections 6.1(a)(i) and other perils commonly insured against by prudent tenants or attributable to prevention of access to the Demised Premises as a result of such perils;
 - iii) Comprehensive General Liability Insurance including personal injury liability, contractual liability, employers' liability, and owner's and contractors' protective insurance coverage with respect to the Demised Premises and the Tenant's use thereof, coverage to include the activities and operations conducted by the Tenant and any other person on the Demised Premises. Such policies shall: (1) be written on a comprehensive basis with inclusive limits of not less than five million (\$5,000,000.00) dollars for bodily injury to any one or more persons or property damage and such higher limits as the Landlord, acting reasonably, requires from time to time; and (2) contain a severability of interests clause and a cross-liability clause;

- iv) tenants' fire insurance for the replacement cost of the contents of the Demised Premises including loss of use thereof;
 - v) any other form of insurance as the Tenant or the Landlord, acting reasonably, or the Landlord's mortgagee requires from time to time in form, in amounts and for insurance risks against which a prudent tenant would insure;
- b) All policies referred to herein shall contain a waiver of any subrogation rights which the Tenant's insurers may have against the Landlord and against those for whom the Landlord is in law responsible, whether any such damage is caused by the act, omission or negligence of the Landlord or those for whom the Landlord is in law responsible;
- c) All policies:
- i) shall be taken out with reputable insurers licenced to do business in Manitoba;
 - ii) shall be in a form satisfactory from time to time to the Landlord acting reasonably;
 - iii) shall be non-contributing with and shall apply only as primary and not as excess to any other insurance available to the Landlord; and
 - iv) shall not be invalidated as respects the interests of the Landlord and declarations or conditions contained in the policies. All policies shall contain an undertaking by the insurers to notify the Landlord in writing not less than thirty (30) days prior to any material change, cancellation or termination thereof;
- d) The Tenant agrees that:
- i) promptly upon request by the Landlord, certified copies of each such insurance policy will be delivered to the Landlord; and
 - ii) no review or approval of any insurance certificate by the Landlord shall derogate from or diminish the Landlord's rights or the Tenant's obligations concerned in this Lease including, without limitation, those concerned in this Article 6;
- e) The Tenant agrees that if the Tenant fails to take out or keep in force any such insurance referred to in this Article 6, and should the Tenant not commence to diligently rectify the situation within forty-eight (48) hours after written notice from the Landlord to the Tenant, the Landlord has the right without assuming any obligation in connection therewith to effect such insurance at the sole cost of the Tenant and all outlays by the Landlord shall be paid by the Tenant to the Landlord as Additional Rent on the first day of the next month following said payment by the Landlord without prejudice to any other rights and remedies of the Landlord under this Lease;

- f) The Tenant agrees that in the event of damage or destruction to the leasehold improvements in the Demised Premises covered by insurance required to be taken out by the Tenant pursuant to Section 6.1(a)(i), the Tenant shall use the proceeds of such insurance for the purpose of repairing or restoring such leasehold improvements. In the event of damage to or destruction of the Demised Premises entitling the Landlord to terminate the Lease pursuant to Section 9.1, and if the Demised Premises have not been damaged or destroyed, the Tenant shall upon demand deliver to the Landlord in accordance with the provisions of this Lease the leasehold improvements and the Demised Premises.

6.2 Increase in Insurance Premiums. The Tenant shall not keep, use, sell or offer for sale in or upon the Demised Premises any article which may be prohibited by any fire insurance policy in force from time to time covering the Demised Premises. If:

- a) the occupancy of the Demised Premises;
- b) the conduct of business in the Demised Premises; or
- c) any acts or omissions of the Tenant in the Demised Premises or any part thereof;

causes or results in any increase in premiums for the insurance carried from time to time by the Landlord with respect to the Demised Premises and the Lands, the Tenant shall pay any such increase in premiums as Additional Rent within five (5) days after invoices for such additional premiums are rendered by the Landlord.

6.3 Cancellation of Insurance. If any insurance policy upon the Lands or any part thereof shall be cancelled or shall be threatened by the insurer to be cancelled or the coverage thereunder reduced in any way by the insurer by reason of the use and occupation of the Demised Premises or any part thereof by the Tenant or by any assignee or sub-tenant of the Tenant, or by anyone permitted by the Tenant to be upon the Demised Premises and if the Tenant fails to remedy the condition giving rise to cancellation, threatened cancellation or reduction of coverage within forty-eight (48) hours after notice thereof by the Landlord, the Landlord may, at its option, either:

- a) re-enter and take possession of the Demised Premises forthwith by leaving upon the Demised Premises a notice in writing of its intention so to do and thereupon the Landlord shall have the same rights and remedies as are contained in Article 10; or
- b) enter upon the Demised Premises and remedy the condition giving rise to such cancellation, threatened cancellation or reduction, including the removal of any offending article and the Tenant shall pay the cost thereof to the Landlord within five (5) days after demand and such cost may be collected by the Landlord as Additional Rent and the Landlord shall not be liable for any damage or injury caused to any property of the Tenant or of others located on the Demised Premises as a result of any such entry. The Tenant agrees that any such entry by the Landlord is not a re-entry or a breach of any covenant for quiet enjoyment contained in this Lease.

6.4 Loss or Damage. The Landlord shall not be liable for any injury or death to person or loss or damage to property suffered by the Tenant or anyone whom the Tenant is

responsible at law, occurring in or about the Demised Premises from whatever cause such injury, death, loss or damage may arise, unless the injury, death, loss or damage is caused by the willful or negligent act or omission of the Landlord, or of anyone whom the Landlord is responsible at law.

- 6.5 Landlord's Insurance. The Landlord shall obtain and maintain insurance on the Demised Premises and the Lands of such type and in such amount as would a prudent owner of a similar building, in an amount equal to the full replacement value of the Demised Premises, excluding foundation, but including insurance against loss by fire, general liability insurance and business interruption insurance.
- 6.6 Indemnification of the Landlord. The Tenant shall indemnify and save harmless the Landlord against all claims, actions, demands, judgments, damages, liabilities and expenses (including reasonable legal fees) for which the Landlord may become liable or suffer arising out of or by reason of or incidental to the Tenant's use or occupancy of the Demised Premises, except to the extent caused by the willful misconduct or negligence of the Landlord, its agents, servants, employees, contractors, or any persons for whom it may be in law responsible.

ARTICLE 7

7. MAINTENANCE, REPAIRS AND ALTERATIONS

7.1 Maintenance and Repairs by the Tenant.

- a) The Tenant shall, at all times, at its sole cost, keep and maintain its exterior and interior signs and the whole of the Demised Premises including without limitation, all interior partitions, doors, overhead doors, fixtures, shelves, equipment and appurtenances thereof and improvements thereto (including without limitation, electrical lighting, mechanical, electrical or other base building systems of the Demised Premises, wiring, plumbing fixtures and equipment and the heating, ventilating and air-conditioning systems and equipment within or installed by or on behalf of the Tenant for the Demised Premises), and all telephone outlets and conduits and special mechanical and electrical equipment within or serving the Demised Premises in good order, condition and repair (which shall include, without limitation, periodic painting and decoration), as determined by the Landlord acting reasonably, and the Tenant shall, subject to Section 8.3 and Article 9, make all needed repairs and replacements with due diligence and dispatch in a good and workmanlike manner. This Section 7.1 shall not apply to inherent structural defects, which shall be the responsibility of the Landlord;
- b) The Tenant shall at all times, at its sole cost, replace any glass broken on the Demised Premises including outside windows and doors of the perimeter of the Demised Premises (including perimeter windows in the exterior walls) and such glass shall be replaced with glass of as good quality and size as that glass so broken;
- c) Tenant shall not place, leave or permit or suffer to be placed, left in or upon the Demised Premises or Common Areas any debris, garbage or refuse, except as deposited in areas designated by the Landlord. The Demised Premises shall be

kept in a clean and sanitary condition in accordance with all directions, rules and regulations of any health officer, fire marshall, building inspector or other proper officers of the government, the Landlord, or municipal or other agencies having jurisdiction, all at the sole cost and expense of Tenant.

7.2 Landlord's Approval of Tenant's Repairs. The Tenant shall not make any repairs, alterations, replacements, decorations or improvements or architectural, mechanical or electrical revisions to any part of the Demised Premises without first obtaining, the Landlord's written approval, such approval not to be unreasonably withheld. The Tenant shall submit to the Landlord:

- a) details of the proposed work including drawing and specifications prepared by qualified architects or engineers and conforming to good engineering practice;
- b) such indemnification against liens, costs, damages and expenses as the Landlord reasonably requires; and
- c) evidence satisfactory to the Landlord that the Tenant has obtained, at its expense, all necessary consents, permits, licenses and inspections from all governmental and regulatory authorities having jurisdiction. All such repairs, replacements, alterations, decorations or improvements by the Tenant to the Demised Premises approved of by the Landlord shall be performed:
 - i) at the sole cost of the Tenant;
 - ii) in a good and workmanlike manner, consistent with the Demised Premises;
 - iii) in accordance with the drawings and specifications approved by the Landlord; and
 - iv) subject to the reasonable regulations, controls and inspection of the Landlord.

Any such repair, replacement, alteration, decoration or improvement made by the Tenant without the prior written approval of the Landlord or which is not made in accordance with the drawings and specifications approved by the Landlord shall, if requested by the Landlord, be promptly removed by the Tenant at the Tenant's expense and the Demised Premises returned to their previous condition. Failing such removal the Landlord shall be entitled to remove same forthwith without notice at the Tenant's sole cost and expense which shall be recoverable as Additional Rent.

In addition to the foregoing, if any such repair, replacement, alteration, decoration or improvements will in any way affect the Centre or its operations, the Landlord will assign a designate from its physical plant to supervise any such repairs, replacements, alterations, decorations or improvements. The Tenant shall report to such supervisor regularly, answer any questions of the supervisor and allow the supervisor regular access to the Demised Premises to inspect.

7.3 Maintenance by the Landlord.

- a) The Landlord shall at all times throughout the Term and any renewal thereof but subject to Section 7.1 and Article 8 hereof, maintain and repair, or cause to be maintained and repaired as would a prudent owner of a reasonably similar building, the structure of the Demised Premises, including, without limitation, the foundations, exterior wall assemblies including weather walls, sub-floor, roof, bearing walls and structural columns and beams of the Demised Premises. Notwithstanding the foregoing, if the Landlord is required, due to the business carried on by the Tenant to make such repairs or replacements by reason of the application of laws or ordinances or the direction, rules or regulations of any duly constituted regulatory body, or by reason of any act, omission to act, neglect or default of the Tenant or those for whom the Tenant is in law responsible, then in any such event the Tenant shall be liable and responsible for the total actual cost of any such repairs or replacements, without mark-up, payable to the Landlord as Additional Rent;
- b) Excepting the Landlord's negligence, the Tenant acknowledges and agrees that the Landlord is not liable for any damage direct, indirect or consequential or for damages for personal discomfort, illness or inconvenience of the Tenant or the Tenant's servants, clerks, employees, invitees or other persons by reason of failure of any equipment, facilities or systems servicing the Demised Premises or reasonable delays in the performance of any repairs, replacements and maintenance for which the Landlord is responsible pursuant to this Lease.

7.4 Surrender of the Demised Premises. At the expiration or earlier termination of the Term or any renewal thereof, the Tenant shall peaceably surrender and yield up the Demised Premises to the Landlord in as good condition and repair as the Tenant is required to maintain the Demised Premises throughout the Term or any renewal thereof, and the Tenant shall surrender all keys for the Demised Premises to the Landlord at the place then fixed for the payment of Rent and shall inform the Landlord of all combinations of locks, safes; and vaults, if any, in the Demised Premises. If required by the Landlord, the Tenant shall remove any and all leasehold improvements completed by the Tenant or its contractors to the Demised Premises and the Tenant's fixtures and shall restore the Demised Premises to as good a condition as the Demised Premises were in as at the Commencement Date, all at the Tenant's sole expense. The Tenant's obligation to observe and perform this covenant shall survive the expiration of the Term or earlier termination of this Lease.

7.5 Repair Where the Tenant is at Fault. Notwithstanding any other terms, covenants and conditions contained in this lease including, without limitation, the Landlord's obligations to repair set out in Section 7.3, the Landlord's obligations to take out insurance set out in Section 6.5, the Tenants obligation to pay its Proportionate Share of the cost of insurance set out in Section 3.5, if the Demised Premises or any part thereof, or any equipment, machinery, facilities or improvements contained therein or made thereto, or to the roof or the outside walls of the Demised Premises or any other structural portions thereof require repair or replacement or become damaged or destroyed through the negligence, carelessness or misuse of the Tenant or those for whom the Tenant is in law responsible or any person doing business with the Tenant or through it in any way

stopping or damaging the climate control heating apparatus, water pipes, drainage pipes or other equipment or facilities or parts of the Demised Premises, the cost of the resulting repairs, replacements or alterations plus a sum equal to ten (10%) percent of the cost thereof representing the Landlord's overhead shall be paid by the Tenant to the Landlord as Additional Rent within five (5) days after presentation of an account of such expenses incurred by the Landlord.

7.6 Tenant Not To Overload Floors. The Tenant shall not bring into the Demised Premises or any part thereof, any machinery, equipment, article or thing that by reason of its weight, size or use, might in the opinion of the Landlord damage the Demised Premises and shall not at any time overload the floors of the Demised Premises. If any damage is caused to the Demised Premises by any machinery, equipment, object or thing or by overloading, or by any act, neglect, or misuse on the part of the Tenant, or any of its servants, agents, or employees, or any person having business with the Tenant, the Tenant will forthwith repair such damage, or at the option of the Landlord, pay the Landlord within five (5) days after demand as Additional Rent, the cost of repairing such damage.

7.7 Removal and Restoration by the Tenant.

- a) All alterations, decorations, additions and improvements made by the Tenant, or made by the Landlord on the Tenant's behalf (other than the Tenants trade fixtures) shall immediately become the property of the Landlord upon affixation or installation, without compensation therefore to the Tenant, but the Landlord is under no obligation to repair, maintain or insure such alterations, decorations, additions or improvements. Such alterations, decorations, additions or improvements shall not be removed from the Demised Premises either during or at the expiration or earlier termination of this Lease except that the Tenant may during the Term in the usual or normal course of its business and with the prior written consent of the Landlord remove its trade fixtures, provided such trade fixtures, have become excess for the Tenant's purposes or the Tenant is substituting new and similar trade fixtures therefore, and provided that in each case: (1) the Tenant is not in default under this Lease; and (2) such removal is done at the Tenant's sole cost and expense;
- b) If the Tenant does not remove its trade fixtures at the expiration or earlier termination of this Lease, the trade fixtures shall at the option of the Landlord, become the property of the Landlord and may be removed from the Demised Premises and sold or disposed of by the Landlord in such manner as it deems advisable;
- c) The Tenant shall, in the case of every such installation or removal either during or at the expiration or earlier termination of this Lease, effect the same at times designated by the Landlord and promptly make good any damage caused to the Demised Premises or any part thereof by the installation or removal of any such alterations, decorations, additions or improvements;
- d) For greater certainty, the Tenant's trade fixtures shall not include any:
 - i) heating, ventilating or air conditioning systems, facilities and equipment in or serving the Demised Premises;

- ii) floor covering affixed to the floor of the Demised Premises;
- iii) light fixtures;
- iv) internal stairways and doors, if any; and
- v) all fixtures, improvements, installations, alterations or additions, which in accordance with generally accepted accounting practices, are considered to be leasehold improvements.

All of the foregoing shall be deemed to be leasehold improvements.

- 7.8 Tenant to Discharge all Liens. The Tenant shall at all times during any period of use, possession or occupancy prior to the Commencement Date and throughout the Term any renewal thereof promptly pay all of its contractors, material men, suppliers and workmen and all charges incurred by or on behalf of the Tenant for any work, materials or services which may be done, supplied, or performed at any time in respect of the Demised Premises and the Tenant shall do any and all things necessary so as to ensure that no builders' or other lien is registered against the Demised Premises or the Lands or any part thereof or against the Landlord's interest in the Demised Premises or the Lands or against the Tenants interest in the Demised Premises and if any such lien is made, filed or registered, the Tenant shall discharge it or cause it to be discharged forthwith at the Tenants expense.

If the Tenant fails to discharge or cause any such lien to be discharged as aforesaid, then, in addition to any other right or remedy of the Landlord the Landlord may, but it shall not be obligated to, discharge the same by paying the amount claimed to be due, and any additional amounts as may be required at law or otherwise, into Court or directly to any such lien claimant and the amount so paid by the Landlord and all costs and expenses including reasonable legal fees (on a solicitor and own client basis) incurred as a result of the registration of any such lien, including without limitation, for the discharge of such lien shall be immediately due and payable by the Tenant to the Landlord as Additional Rent within five (5) days after demand.

- 7.9 Signage. The Landlord and the Tenant recognize and value the need for appropriate signage. Such signage by the Tenant will be on the exterior of the Demised Premises and shall be consistent with the Landlord's architecture and design, and will require prior written approval by the Landlord and shall be in accordance with the relevant by-laws of the City of Winnipeg and The University of Manitoba.

ARTICLE 8

8. DAMAGE AND DESTRUCTION

8.1 Damage or Destruction of the Demised Premises.

- a) If the Demised Premises are at any time destroyed or damaged (including, without limitation, smoke and water damage) as a result of fire, the elements, accident or other casualty required to be insured against by the Landlord

pursuant to Section 6.5 hereof or otherwise insured against by the Landlord and not caused by the Tenant, and if as a result of such occurrence:

- i) the Demised Premises are rendered untenable only in part, this Lease shall continue in full force and effect and the Landlord shall subject to Section 8.1(b) hereof, commence diligently to reconstruct, rebuild or repair the Demised Premises, and then only to the extent of the insurance proceeds actually received by the Landlord, and Basic Rent and Additional Rent shall abate proportionately to the portion of the Demised Premises rendered untenable from the date of the destruction or damage and until the Demised Premises have been restored and rendered tenantable by the Landlord to the extent of its obligations hereunder;
 - ii) the Demised Premises are rendered wholly untenable this Lease shall continue in full force and effect and the Landlord shall, subject to Section 8.1(b) hereof, commence diligently to reconstruct, rebuild or repair the Demised Premises to the extent of the insurance proceeds actually received by the Landlord, and Basic Rent and Additional Rent shall abate entirely from the date of the destruction or damage and until the Demised Premises have been restored and rendered tenantable in whole or in part by the Landlord to the extent of its obligations hereunder;
 - iii) the Demised Premises are not rendered untenable in whole or in part, the Lease shall continue in full force and effect, the Basic Rent, Additional Rent and other amounts payable by the Tenant shall not terminate, be reduced or abate and the Landlord shall, subject to Sections 8.1(b) hereof commence diligently to reconstruct, rebuild or repair the Demised Premises to the extent set forth in this Section 8.1;
- b) Notwithstanding anything contained in Section 8.1(a), if the Demised Premises are damaged or destroyed by any cause whatsoever, and if, in the opinion of the Landlord acting reasonably, the Demised Premises cannot be rebuilt or made fit for the purposes of the Tenant within one hundred eighty (180) days of the happening of the damage or destruction, the Landlord, instead of rebuilding or making the Demised Premises fit for the Tenant in accordance with Section 8.1(a) may, at its option, elect to terminate this Lease by giving to the Tenant, within thirty (30) days after such damage or destruction, notice of termination, and thereupon Basic Rent, Additional Rent, and any other payments for which the Tenant is liable under this Lease shall be apportioned and paid to the date of such damage or destruction and the Tenant shall immediately deliver up vacant possession of the Demised Premises to the Landlord in accordance with the terms of this Lease;
- c) Upon the Tenant being notified in writing by the Landlord that the Landlord's repair and restoration work hereunder has been substantially completed, the Tenant shall forthwith complete all work required to fully restore the Demised Premises for business. The Tenant shall diligently complete such restorative work and, if the Demised Premises have been closed for business, reopen for business within thirty (30) days after notice that the Landlord's work required hereunder is substantially completed;

- d) Nothing in this Section 8.1 requires the Landlord to rebuild the Demised Premises in the condition and state that existed before any such occurrence provided that the Demised Premises, as re-built, will have reasonably similar facilities and services to those in the Demised Premises prior to the damage or destruction having regard, however, to the age of the Demised Premises at such time.

ARTICLE 9

9. TRANSFER AND SALE

- 9.1 Assignment and Subletting. The Tenant will not assign this Lease in whole or in part, nor sublet all or any part of the Demised Premises, nor mortgage or encumber this Lease or the Demised Premises or any part thereof, nor suffer or permit the occupation of or part with or share possession of all or any part of the Demised Premises by any Person (all of the foregoing being hereinafter collectively referred to as a "Transfer") without the prior written consent of the Landlord in each instance which consent shall not be unreasonably withheld, provided that notwithstanding any statutory provision to the contrary, it shall not be considered unreasonable for the Landlord to take into account the following factors in deciding whether to grant or withhold its consent:
- a) whether any such Transfer is in violation or in breach of any covenants or restrictions granted by the Landlord to other tenants or occupants or prospective tenants or occupants;
 - b) whether in the Landlord's opinion the financial background, business history, capability of the proposed transferee is satisfactory; and
 - c) whether the proposed assignee falls within the biotechnology, advanced materials and manufacturing technologies, telecommunications, information technology or nutraceutical fields, life science or science and technology.
- 9.2 Corporate Ownership. If the Tenant is a corporation, any change in ownership or control of such corporation shall and is hereby deemed to be a Transfer.
- 9.3 Assignment by the Landlord. In the event of the sale, lease or other disposition by the Landlord of the Demised Premises and the Lands or any part thereof, or the assignment by the Landlord of this Lease or any interest of the Landlord hereunder, and to the extent that the purchaser or assignee thereof assumes the covenants and obligations of the Landlord hereunder, the Landlord shall, thereupon and without further agreement, be freed and relieved of all liability with respect to such covenants and obligations.
- 9.4 Right of Entry. The Landlord and its agents have the right to enter the Demised Premises at all reasonable times (except in the event of an emergency, when the Landlord can enter at any time) to show them to prospective purchasers, lessees (if the Tenant fails to exercise its option to renew the Lease) or mortgagees, and to examine the same and to make such repairs, alterations changes, adjustments, improvements or additions to the Demised Premises as the Landlord considers necessary or desirable.

ARTICLE 10

10. DEFAULT

10.1 Right to Re-enter. If and whenever:

- a) the Tenant fails to pay Basic Rent or Additional Rent or other sums due hereunder on the day or dates appointed for the payment thereof (provided the Landlord first gives five (5) days written notice to the Tenant of any such failure), and the Tenant fails to cure said default within the five (5) day notice period; or
- b) the Tenant fails to observe or perform any other of the terms, covenants or conditions of this Lease to be observed or performed by the Tenant (other than the terms, covenants or conditions set out below in subparagraphs (c) to (k), inclusive, for which no notice shall be required) provided the Landlord first gives the Tenant ten (10) days or such shorter period of time as is otherwise provided herein, written notice of any such failure to perform and the Tenant within such period of ten (10) days fails to commence diligently and thereafter to proceed diligently to cure any, such failure to perform; or
- c) the Tenant or any agent of the Tenant falsifies, any report or statement required to be furnished to the Landlord pursuant to this Lease; or
- d) the Tenant becomes bankrupt or insolvent or takes the benefit of any act now or hereafter in force for bankrupt or insolvent debtors or files any proposal or makes any assignment for the benefit of creditors or any arrangement or compromise; or
- e) a receiver or a receiver and manager is appointed for all or a portion of the Tenant's property; or
- f) any steps are taken or any action or proceedings are instituted by the Tenant or by any other party including, without limitation, any court or governmental body of competent jurisdiction for the dissolution, winding-up or liquidation of the Tenant or its assets other than in connection with a corporate reorganization or a merger or an amalgamation; or
- g) the Tenant makes a sale in bulk of any of its assets on the Demised Premises (other than a bulk sale made to an assignee or sublessee pursuant to a permitted assignment or subletting hereunder which is made and completed in accordance with the provisions of any applicable legislation governing sales in bulk); or
- h) the Tenant abandons or attempts to abandon the Demised Premises, or sells or disposes of the trade fixtures, goods or chattels of the Tenant or removes them from the Demised Premises so that there would not in the event of such sale or disposal be sufficient trade fixtures, goods or chattels of the Tenant on the Demised Premises subject to distress to satisfy all Rent due or accruing hereunder for a period of at least three (3) months; or

- i) the Demised Premises become and remain vacant for a period of thirty (30) consecutive days or are used by any persons other than such as are entitled to use them hereunder; or
- j) the Tenant assigns, transfers, encumbers, sublets or permits the occupation or use or any parting with or sharing possession of all or any part of the Demised Premises by anyone except in a manner permitted by the Lease; or
- k) this Lease or any of the Tenant's assets are taken under any writ of execution; or

re-entry is permitted under any other terms of this Lease, then and in every such case the Landlord, in addition to any other rights or remedies the Landlord has pursuant to this Lease or by law, has the immediate right of re-entry upon the Demised Premises and it may repossess the Demised Premises and enjoy them as of its former estate and may expel all persons and remove all property from the Demised Premises and such property may be removed and sold or disposed of by the Landlord as it deems advisable or may be stored in a public warehouse or elsewhere at the cost and for the account of the Tenant, all without service of notice or resort to legal process and without the Landlord being considered guilty of trespass or becoming liable for any loss or damage which may be occasioned thereby.

10.2 Right to Relet.

- a) If the Landlord elects to re-enter the Demised Premises as herein provided, or if it takes possession pursuant to legal proceedings or pursuant to any notice provided for by law, it may either terminate this Lease or it may from time to time without terminating this Lease, make such alterations and repairs as are necessary in order to relet the Demised Premises or any part thereof, for such term or terms (which may be for a term extending beyond the Term or any renewal thereof) and at such rent and upon such other terms, covenants and conditions as the Landlord in its sole discretion considers advisable. Upon each such reletting all rent received by the Landlord from such reletting shall be applied, first to the payment of any indebtedness other than Basic Rent or Additional Rent due hereunder from the Tenant to the Landlord; second, to the payment of any costs and expenses of such reletting including brokerage fees and solicitors fees and of costs of such alterations and repairs; third, to the payment of Basic Rent and Additional Rent due and unpaid hereunder, and the residue, if any, shall be held by the Landlord and applied in payment of future rent as the same becomes due and payable hereunder. If such rent received from such reletting during any month is less than that to be paid during that month by the Tenant hereunder, the Tenant shall pay any such deficiency which shall be calculated and paid monthly in advance on or before the first day of each and every month. No such re-entry or taking possession of the Demised Premises by the Landlord shall be construed as an election on its part to terminate this Lease unless a written notice of such intention is given to the Tenant. Notwithstanding any such reletting without termination the Landlord may at any time thereafter elect to terminate this Lease for such previous breach. This Section 10.2(a) shall survive the termination of the Lease;
- b) If the Landlord at any time terminates this Lease for any breach, in addition to any other remedies it may have, it may recover from the Tenant all damages it

incurs by reason of such breach, including the cost of recovering the Demised Premises, legal fees (on a solicitor and own client basis) and including the worth at the time of such termination of the excess, if any, of the amount of Basic Rent, Additional Rent and other charges required to be paid pursuant to this Lease for the remainder of the stated Term or any renewal thereof over the then reasonable rental value of the Demised Premises for the remainder of the stated Term or any renewal thereof, all of which amounts shall be immediately due and payable by the Tenant to the Landlord. In any of the events referred to in Section 13.1 hereof, in addition to any and all other rights, including the rights referred to in this Section and in Section 13.1 hereof, the full amount of the current month's installment of Basic Rent and of all Additional Rent payments for the current month and any other payments required to be made monthly hereunder, together with the next three (3) months installments of Basic Rent and of Additional Rent and such other payments for the next three (3) months, all of which shall be deemed to be accruing due on a day-to-day basis, shall immediately become due and payable as accelerated rent and the Landlord may immediately distrain for the same, together with any arrears then unpaid.

- 10.3 Expense. If legal action is brought for recovery of possession of the Demised Premises, for the recovery of Basic Rent and Additional Rent or any other amount due under this Lease, or because of the breach of any other terms, covenants or conditions herein contained on the part of the Tenant to be kept or performed, the Tenant shall pay to the Landlord all expenses incurred therefore, including legal fees (on a solicitor and own client basis), unless a court shall otherwise award.
- 10.4 Waiver of Exemption from Distress. The Tenant hereby agrees with the Landlord that notwithstanding any statute or rule of law to the contrary, none of the goods and chattels of the Tenant at any time during the continuance of the Term and renewal thereof on the Demised Premises shall be exempt from levy by distress for Basic Rent or Additional Rent in arrears by the Tenant as provided for by statute or at law and that if any claim is made for such exemption by the Tenant or if a distress is made by the Landlord, this covenant and agreement may be pleaded as an estoppel against the Tenant in any action brought to test the right to the levying upon any such goods are named as exempted in any statute or rule of law, the Tenant waiving, as it hereby does all and every benefit that could or might have accrued to the Tenant under and by virtue of any such statute or rule of law but for this covenant.
- 10.5 Landlord May Cure the Tenant's Default or Perform the Tenant's Covenants. If the Tenant fails to pay, when due, any amounts or charges required to be paid pursuant to this Lease, the Landlord after giving five (5) days' notice in writing to the Tenant, may, but shall not be obligated to, pay all or any part of the same. If the Tenant is in default in the performance of any of its covenants or obligations hereunder (other than the payment of Basic Rent, Additional Rent or other sums required to be paid from time to time) after giving such notice as the Landlord considers sufficient (or without notice in the case of an emergency) having regard to the circumstances applicable, perform or cause to be performed any of such covenants or obligations, or any part thereof, and for such purpose may do such things as may be required including, without limitation, entering upon the Demised Premises or any part thereof as the Landlord reasonably considers requisite or necessary. All expenses incurred and expenditures made pursuant to this Section 10.5 plus a sum equal to fifteen (15%) percent thereof representing; the Landlord's overhead shall be paid by the Tenant as Additional Rent

within five (5) days after demand. The Landlord shall have no liability to the Tenant for any loss or damages resulting from any such action or entry by the Landlord upon the Demised Premises under Articles 11 or 13 and same is not a re-entry or a breach of any covenant for quiet enjoyment contained in this Lease.

- 10.6 Lien on Trade Fixtures. If the Tenant, at any time during the period of time the Tenant is given possession of the Demised Premises, or throughout the Term, or at the expiration or earlier termination of the Term or any renewal thereof, is in default under any covenant or obligation contained in this Lease, the Landlord has a lien on all stock-in-trade, inventory and fixtures, equipment and facilities of the Tenant as security against loss or damage resulting from any such default by the Tenant and said stock-in-trade, inventory, fixtures, equipment and facilities shall not be removed by the Tenant until such default is cured, unless otherwise permitted in writing by the Landlord. The provisions of this Section 13.6 shall survive the expiration or earlier termination of this Lease.
- 10.7 Additional Rent. If the Tenant is in default in the payment of any amounts or charges required to be paid pursuant to this Lease, they shall if not paid when due, be collectible as Additional Rent within five (5) days, after demand, but nothing herein contained is deemed to suspend or delay the payment of any amount of money at the time it becomes due and payable hereunder, or limit any other remedy of the Landlord. The Tenant agrees that the Landlord may, at its option, apply or allocate any sums received from or due to the Tenant against any amounts due and payable hereunder in such manner as the Landlord sees fit.
- 10.8 Remedies Generally. Mention in this Lease of any particular remedy of the Landlord in respect of the default by the Tenant does not preclude the Landlord from any other remedy in respect thereof, whether available at law or in equity or by statute or expressly provided for in this Lease. No remedy shall be exclusive or dependent upon any other remedy, but the Landlord may from time to time exercise any one or more of such remedies generally or in combination, such remedies being cumulative and not alternative. Whenever the Tenant seeks a remedy in court to enforce the observance or performance of one of the terms, covenants and conditions contained in this Lease on the part of the Landlord to be observed or performed, the Tenant's only remedy shall be for damages the Tenant shall be able to prove in a court of competent jurisdiction that it has suffered as a result of a breach (if established) by the Landlord in the observance or performance, of any of the terms, covenants and conditions contained in this Lease on the part of the Landlord to be observed or performed.

ARTICLE 11

11. MISCELLANEOUS

11.1 Intent and Interpretation.

- a) Obligations as Covenants - Each obligation or agreement of the Landlord or the Tenant expressed in this Lease, even though not expressed as a covenant is considered to be a covenant for all purposes;

- b) Captions and Section Numbers - The captions, section numbers, and Table of Contents appearing in this Lease are inserted only as a matter of convenience and in no way define, limit, construe or describe the scope or intent of such sections or articles of this Lease nor in any way affect this Lease;
- c) Partial Invalidity - If for any reason whatsoever any term, covenant or condition of this Lease, or the application thereof to any person or circumstance, is to any extent held or rendered invalid, unenforceable or illegal then such term, covenant or condition:
 - i) is deemed to be independent of the remainder of the Lease and to be severable and divisible therefrom, and its invalidity, unenforceability or illegality does not affect, impair or invalidate the remainder of the Lease or any part thereof; and
 - ii) continues to be applicable to and enforceable to the fullest extent permitted by law against any person and circumstances other than those as to which it has been held or rendered invalid, unenforceable or illegal.

Neither party is obliged to enforce any term, covenant or condition of this Lease against any person, if, or to the extent by so doing, such party is caused to be in breach of any laws, rules, regulations or enactments from time to time in force;

- d) Entire Agreement - This Lease and the Schedules set forth all the covenants, promises, agreements, conditions and understandings between the Landlord and the Tenant concerning the Demised Premises and there are no covenants, promises, agreements, conditions or understandings, either oral or written, between them other than are herein set forth. Except as herein otherwise provided, no subsequent alteration, amendment, change or addition to this Lease shall be binding upon the Landlord or the Tenant unless in writing and signed by the Tenant and the Landlord;
 - e) Governing Law - This Lease shall be construed in accordance with and governed by the laws of the Province of Manitoba and the parties irrevocably attorn to the jurisdiction of the Courts of Manitoba;
 - f) Time of the Essence - Time is of the essence of this Lease and of every part hereof.
- 11.2 Overholding - No Tacit Renewal. If the Tenant remains in possession of the Demised Premises after the end of the Term without the consent of the Landlord, there is no tacit renewal of this Lease and the Term hereby granted, notwithstanding any statutory provisions or legal presumption to the contrary, and the Tenant shall be occupying the Demised Premises as a Tenant from month to month at a monthly Basic Rent payable in advance on the first day of each month equal to one hundred fifty (150%) percent of the monthly amount of Basic Rent payable during the last month of the Term or any renewal thereof, and otherwise, upon the same terms, covenants and conditions as are set forth in this Lease (including the payment of all Additional Rent and other charges required to be paid pursuant to this Lease), so far as these are applicable to a monthly tenancy.

- 11.3 Successors. All rights and liabilities herein granted to, or imposed upon the respective parties hereto, extend to and bind the successors and assigns of the Landlord and the heirs, executors, administrators and successors and permitted assigns of the Tenant, as the case may be. No rights, however, shall enure to the benefit of any assignee of the Tenant unless the assignment to such assignee has been consented to by the Landlord in writing as provided in Section 10.1 hereof. If there is more than one Tenant they are all bound jointly and severally by the terms, covenants and conditions herein.
- 11.4 Waiver. The waiver by the Landlord of any breach of any term, covenant or condition herein contained is not deemed to be a waiver of such term, covenant or condition or of any subsequent breach of the same or of any other term, covenant or condition herein contained. The subsequent acceptance of Basic Rent or Additional Rent hereunder by the Landlord is not deemed to be a waiver of any preceding breach by the Tenant of any term, covenant or condition of this Lease, regardless of the Landlord's knowledge of such preceding breach at the time of acceptance of such Rent. No term, covenant or condition of this Lease is deemed to have been waived by the Landlord unless such waiver is in writing by the Landlord.
- 11.5 Accord and Satisfaction. No payment by the Tenant or receipt by the Landlord of a lesser amount than the monthly payment of Basic Rent or Additional Rent herein stipulated is deemed to be other than on account of the earliest stipulated Basic Rent or Additional Rent, nor is any endorsement or statement on any cheque or any letter accompanying any cheque or payment as Rent deemed an acknowledgment of full payment or accord and satisfaction, and the Landlord may accept and cash any such cheque or payment without prejudice to the Landlord's right to recover the balance of such rent or pursue any other remedy provided in this Lease.
- 11.6 No Partnership or Agency. The Landlord does not in any way or for any purpose become a partner of the Tenant in the conduct of its business, or otherwise, or a joint venturer or a member of a joint enterprise with the Tenant, nor is the relationship of principal and agent created.
- 11.7 Force Majeure. Notwithstanding anything to the contrary contained in this Lease, if either party hereto is bona fide delayed or hindered in or prevented from the performance of any term, covenant or act required hereunder by reason of strikes, labour troubles; inability to procure materials or services; power failure; restrictive governmental laws or regulations; riots; insurrection; sabotage; rebellion; war; act of God; or other reason whether of a like nature or not which is not the fault of the party delayed in performing work or doing acts required under the terms of this Lease, then performance of such term, covenant or act is excused for the period of the delay and the party so delayed shall be entitled to perform such term, covenant or act within the appropriate time period after the expiration of the period of such delay. However, the provisions of this Section 14.7 do not operate to excuse the Tenant from the prompt payment of Basic Rent, Additional Rent or any other payments required by this Lease.
- 11.8 Notices. Any notice, demand, request or other instrument which may be or is required to be given under this Lease shall be delivered in person or sent by registered mail postage prepaid and shall be addressed:

- a) if to the Landlord, to c/o the address specified in paragraph (b) of the Special Provisions, or to such other person or at such other address as the Landlord designates by written notice; and
- b) if to the Tenant, at the Demised Premises or, at the Landlord's option to the Tenant's head office.

Any such notice, demand, request or consent is conclusively deemed to have been given or made on the day upon which such notice, demand, request or consent is delivered, or, if mailed, then forty-eight (48) hours following the date of mailing as the case may be and the time period referred to in the notice commences to run from the time of delivery or forty-eight (48) hours following the date of mailing. Either party may at any time give notice in writing to the other of any change of address of the party giving such notice and from and after the giving of such notice, the address therein specified is deemed to be the address of such party for the giving of notices hereunder. If the postal service is interrupted or is substantially delayed, any notice, demand, request or other instrument shall only be delivered in person.

- 11.9 Accrual of Basic Rent and Additional Rent. Basic Rent and Additional Rent shall be considered as annual and accruing from day to day and where it becomes necessary for any reason to calculate such rent for an irregular period of less than one (1) year, an appropriate apportionment and adjustment shall be made. Where the calculation of any Additional Rent is not made until after the termination of this Lease, the obligation of the Tenant to pay such Additional Rent shall survive the termination of this Lease and such amounts shall be payable by the Tenant forthwith on demand to the Landlord.
- 11.10 Quiet Enjoyment. If the Tenant pays the Basic Rent and Additional Rent and other sums herein provided, and observes and performs all the terms, covenants and conditions on the Tenant's part to be observed and the Tenant shall peaceably and quietly hold and enjoy the Demised Premises for the Term hereby demised without hindrance or interruption by the Landlord, or any other person lawfully claiming by, through or under the Landlord subject, nevertheless, to the terms, covenants and conditions of this Lease.
- 11.11 Prior Agreements. Any prior agreements between the parties with respect to the Demised Premises shall terminate on the execution of this Lease.
- 11.12 No Registration. The Tenant shall not, at any time before or during the Term or any renewal thereof cause any document (whether in the form of a caveat or otherwise) to be registered against title to the Lands giving notice of any agreement to lease or this Lease.
- 11.13 Arbitration. If any dispute or question arises between the Landlord or Tenant during the Term or any renewal thereof, as to any matter under this Lease, which the parties are unable to resolve by agreement, the determination of the matter in issue shall be referred to a single arbitrator if the parties agree on one. Failing which the determination of shall be referred to a board of three (3) arbitrators, one (1) to be appointed by each of the Landlord and the Tenant and the third arbitrator to be appointed by the first two (2) named arbitrators in writing. If one party refuses or neglects to appoint an arbitrator, the other party may serve written notice on the party so refusing or neglecting requiring such party to make such appointment. If the party refusing or neglecting fails to appoint an arbitrator within seven (7) days after receipt of such notice, then the arbitrator first appointed shall, at the

request of the party appointing him, proceed to hear and determine the matters in dispute as if he were a single arbitrator appointed by both parties for that purpose. If two (2) arbitrators are so named in the time prescribed and they do not agree within a period of five (5) days upon the appointment of the third arbitrator, then upon application of either the Landlord or the Tenant, the third arbitrator shall be appointed by a Justice of the Court of Queen's Bench of Manitoba.

The award or determination shall be made by a majority of the arbitrators or by the single arbitrator, as the case may be, and shall be final and binding upon the Landlord and Tenant, their successors and assigns; and the provisions of this section shall be deemed to be a submission to arbitration within the provisions of *The Arbitration Act* of Manitoba and any statutory modifications or re-enactments thereof. The costs of the arbitrator(s) shall be borne by the Landlord and the Tenant equally.

11.14 Survival. Any term of this Agreement which by its nature extends beyond expiration or termination will remain in effect until fulfilled and will bind the parties and their legal representatives, successors and permitted assigns including, but not limited to, Sections < >.

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

THE UNIVERSITY OF MANITOBA

Per: _____
Name:
Title:

<TENANT>

Per: _____
Name:
Title:

SCHEDULE "A"

DEMISED PREMISES

SCHEDULE "B"

LANDS

SCHEDULE "C"

TENANT'S WORK

To be attached