



RETURN BIDS TO:
RETOURNER LES SOUMISSIONS À:
Bid Receiving Public Works and Government
Services Canada/Réception des soumissions
Travaux publics et Services gouvernementaux
Canada
1713 Bedford Row
Halifax, N.S./Halifax, (N.É.)
B3J 1T3
Nova Scotia
Bid Fax: (902) 496-5016

SOLICITATION AMENDMENT
MODIFICATION DE L'INVITATION

The referenced document is hereby revised; unless otherwise indicated, all other terms and conditions of the Solicitation remain the same.

Ce document est par la présente révisé; sauf indication contraire, les modalités de l'invitation demeurent les mêmes.

Comments - Commentaires

Vendor/Firm Name and Address
Raison sociale et adresse du
fournisseur/de l'entrepreneur

Issuing Office - Bureau de distribution
Atlantic Region Acquisitions/Région de l'Atlantique
Acquisitions
1713 Bedford Row
Halifax, N.S./Halifax, (N.É.)
B3J 3C9
Nova Scot

Title - Sujet MRS/MAR Atlantic Region	
Solicitation No. - N° de l'invitation E0225-171313/A	Amendment No. - N° modif. 001
Client Reference No. - N° de référence du client E0225-17-1313	Date 2016-09-16
GETS Reference No. - N° de référence de SEAG PW-\$HAL-220-9926	
File No. - N° de dossier HAL-6-77100 (220)	CCC No./N° CCC - FMS No./N° VME
Solicitation Closes - L'invitation prend fin at - à 02:00 PM on - le 2016-09-29	
Time Zone Fuseau horaire Atlantic Daylight Saving Time ADT	
F.O.B. - F.A.B. Plant-Usine: <input type="checkbox"/> Destination: <input checked="" type="checkbox"/> Other-Autre: <input type="checkbox"/>	
Address Enquiries to: - Adresser toutes questions à: Dunphy, Nancy	Buyer Id - Id de l'acheteur hal220
Telephone No. - N° de téléphone (902) 496-5481 ()	FAX No. - N° de FAX (902) 496-5016
Destination - of Goods, Services, and Construction: Destination - des biens, services et construction:	

Instructions: See Herein

Instructions: Voir aux présentes

Delivery Required - Livraison exigée	Delivery Offered - Livraison proposée
Vendor/Firm Name and Address Raison sociale et adresse du fournisseur/de l'entrepreneur	
Telephone No. - N° de téléphone Facsimile No. - N° de télécopieur	
Name and title of person authorized to sign on behalf of Vendor/Firm (type or print) Nom et titre de la personne autorisée à signer au nom du fournisseur/ de l'entrepreneur (taper ou écrire en caractères d'imprimerie)	
Signature	Date

Solicitation No. - N° de l'invitation
E0225-171313/A

Amd. No. - N° de la modif.
001

Buyer ID - Id de l'acheteur
HAL220

Client Ref. No. - N° de réf. du client
E0225-17-1313

File No. - N° du dossier
HAL-6-77100

CCC No./N° CCC - FMS No./N° VME

The solicitation amendment is raised to correct the table of contents and add Appendix 2 as follows:

Refer to TABLE OF CONTENTS

DELETE:

List of Annexes:

Annex A	Requirement
Annex B	Basis of Payment
Annex C	List of Directors

INSERT:

Annex A	Statement of Work
Annex B	Basis of Payment
Annex C	Evaluation Criteria and Basis of Selection
Annex D	List of Directors
Appendix 1	Class of Properties
Appendix 2	Lease Documentation

ADD:

Appendix 2 Lease Documentation

Please see attached.

**Lease
Documentation
Package
for
Lease
Project Number _____**

TO OFFERORS/REQUIREMENTS

1. Closing Time and Date for Receipt of Offer.....
2. Acceptance Period.....
3. Location and Project Related Requirements
4. Leased Premises
5. Term and Extensions.....
6. Commencement Date of the Lease
7. Parking
8. Preparation and Submission of an Offer
9. Clarification
10. Security
11. Evaluation
12. Acceptance.....
13. Lessee's Improvements
14. Execution of the Offer.....
15. Enquiries

Appendix "A" - IRREVOCABLE STANDBY LETTER OF CREDIT FORMAT

PART 2 OFFER.....

1. Name and Address of Offeror.....
2. Offer.....
3. Lease Documentation Package
4. Space
5. Space Measurements.....
6. Addendum.....
7. Additional Information
8. Applicable Laws
9. Lessee's Improvements
10. Canadian Environment Assessment Act
11. Term
12. Lease
13. Security Deposit.....
14. Acceptance Period.....
15. Notices
16. Disclosure.....
17. Procurement Business Number (PBN).....
18. Signatures.....

2.	Term.....
3.	Option to Extend.....
4.	Pre-Term and Delayed Occupancy.....
5.	Rent.....
6.	Parking.....
7.	Taxes.....
8.	Tax Adjustment.....
9.	Assignment.....
10.	Holding Over.....
11.	Services and Equipment.....
12.	Signage and Flag Display.....
13.	Operating Costs Adjustment.....
14.	Default.....
15.	Destruction of Building or Leased Premises.....
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17.	Insurance.....
18.	Laws.....
19.	Standards of Repair.....
20.	Date Sensitive Compliance For Building Systems.....
21.	Lessee's Improvements.....
22.	Yielding Up.....
23.	Set-Off.....
24.	Environmental Representations and Warranties.....
25.	Contingency Fees.....
26.	Encumbrance Holders.....
27.	Notices.....
28.	General.....
	Signatures.....

	Schedule "A" - Legal Description of Lands and Floor Plan(s).....
	Schedule "B" - Measurement Instructions.....
	Schedule "C" - Standards for Leased Accommodation.....
	Schedule "D" - Cleaning Specifications.....
	Schedule "E" - Terms and Conditions Applicable to the Lessee's Improvements.....
	Appendix 1 - Specimen Sub-agreement for the Lessee's Improvements.....
	Appendix 2 - Specimen Final Certificate of Completion of Lessee's Improvements.....
	Appendix 3 - Specimen Interim Certificate of Completion of Lessee's Improvements.....

THIS LEASE DOCUMENTATION PACKAGE CONTAINS *.* PAGES

PART 1

**INVITATION TO OFFER
INSTRUCTIONS TO OFFERORS
REQUIREMENTS**

Government Services, hereinafter called the "Lessee", invites Offers for Leased Premises in the .*. of .*. in the .*.

1. **CLOSING TIME AND DATE FOR RECEIPT OF OFFER**

(a) To be eligible for consideration, the Offer, found in Part 2 of this Lease Documentation Package must be received at the address noted below no later than XX:00:00 PM, local time, on the .*. day of .*. , 20 .* .:

Bid Receiving Unit
Atlantic Region
Nova Scotia District
Public Works and Government Services Canada
1713 Bedford Row
Post Office Box 2247
Halifax, Nova Scotia
B3J 3C9

(b) Offers received after the Closing Time and Date shall not be opened, nor given any consideration whatsoever.

(c) Offers may be revised, by letter, telegram or facsimile provided such revisions are received at the aforementioned address no later than the stipulated closing date and time and identified by the project number.

2. **ACCEPTANCE PERIOD**

Offers shall remain irrevocable by the Offeror and open for acceptance from the Closing Time and Date up to and including the date indicated in the Acceptance Period of the Offer found in Part 2 of this Lease Documentation Package.

3. **LOCATION AND PROJECT RELATED REQUIREMENTS**

(a) The premises offered shall be the premises set forth in the Letter of Invitation dated _____ addressed to _____ which accompanies this Lease Documentation Package. Receipt of the Letter of Invitation and/or Lease Documentation Package does not in any manner imply a pre-qualification of the Land, Building or Premises by the Lessee.

Optional

For a Public Tender, replace 3(a) by the following:

3. (a) *Leased Premises shall be located in a building within the area(s) bounded by:*

..*

(Note: Clearly indicate if both sides of the street are included.)

(b) The Lessor shall comply with the following project related requirements in connection with the Leased premises:

(i) For the purposes of the Lease, the Lessee's normal hours of operation are at all times throughout the period from 0630 to 1830 hours in each and every day (except Saturdays, Sundays and holidays observed by the Lessee and on which the Premises are closed to the public generally). Electrical, water and HVAC services, as such may apply, shall be provided to the Telecommunications Room and LAN room on a 24 hour per day seven day per week basis.

(ii) For the purposes of the Lease, Routine Cleaning Operations (which are operations to be performed on a daily, weekly, or monthly basis) shall be performed between the hours of _____ to _____ Monday through Friday.

(iv) Proposals may be disqualified should the configuration of the space offered for lease and/or location within the building, in the opinion of Her Majesty, not be considered to be conducive to the operational requirements of the intended occupants.

(v) Proposals may be disqualified should the space offered be located in proximity of incompatible usage's which, in the opinion of Her Majesty, not be considered to be conducive to the operational requirements of the intended occupants (example: taverns and industrial usage's depending on proximity to Building and/or access to Premises offered).

(vi) Proposals must provide to the office space natural light to good industry standards as defined in Schedule "C" Standards for Leased Accommodation.

(vii) .*

(viii) .*

4. LEASED PREMISES

(a) Category and amount of Leased Premises required:

(i) Basic Office Space : .* square metres

(ii) Related Storage Space : .* square metres

(iii) Related Compound Space * square metres

in usable area as defined and determined in accordance with the Measurement Instructions found in Part 3 of this Lease Documentation Package.

(b) Leased Premises requirements are set forth in terms of usable area, however Offerors shall quote rental rates on the basis of rentable area as defined and determined in accordance with the Measurement Instructions. In completing an Offer, Offerors shall set forth both the usable area and rentable area of the Leased Premises offered.

5. TERM AND EXTENSIONS

(a) The Lessee requires a lease term of .* () years.

(b) The Lessee requires the right to extend the term of the Lease for additional period(s) of .* () year (s) each on the same terms and conditions.

6. COMMENCEMENT DATE OF THE LEASE

(a) The Commencement Date of the Lease shall be the .* day of .* , 20 .* , ready for use and occupancy.

(b) The Leased Premises shall be available for completion of the Lessee's Improvements at least .* weeks prior to the Commencement Date of the Lease at no cost to the Lessee.

7. PARKING

(a) The parking spaces provided to the Lessee shall meet the requirements of Part 3 of this Lease Documentation Package and the standards for parking set forth in the Standards for Leased Accommodation of this Lease Documentation Package.

[Note: In clause 7(b), it is important to indicate if parking is to be reserved on a continuous or daily basis. It is also important to make the necessary modifications to the Specimen Lease, clause 6(a)(iii).]

disabilities, all as further defined in Part 3.

(c) The parking spaces shall be located within the Building in which the Leased Premises are located or on a paved area adjacent to the building where the Leased Premises are located.

Optional

(d) The parking spaces may also be located in a parking structure or on proximate lands located no further than .*. metres from the building, measured by sidewalk and crosswalk routes.

8.

SECURITY OF PREMISES, ASSETS AND INFORMATION

(a) Security Screening

(i) Overview - this security requirement applies to Offerors that will participate in the evaluation process and will enter into lease agreements with the Lessee (see clause 28 of the specimen lease). The requirement prescribes a mandatory security status for those individuals who have access to real property premises, assets or protected information regardless of the duration of the work. The security clearance specifically for the Offerors must have been obtained prior to the offer. The Offerors must ensure their employees, contractors i.e., janitorial staff or maintenance crew, and other individuals who require access to a Government of Canada Leased Premises obtain their security screening and clearance;

(ii) Any individual, employee, contractor or sub-contractor that fails to obtain the required level of security shall be restricted from performing work in the Leased Premises. Where any individual, employee or contractor fails to obtain the required security screening and clearance, a replacement who meets the appropriate security requirements will be provided by the Offeror; and

(iii) There are no costs charged by the CISD to the Offerors wishing to obtain a security clearance.

(b) Security Clearance Submission Requirements

(i) General - the Offerors will undertake to obtain the security screening and clearance as an organization or an individual. The Offerors must have a security clearance prior to offer. The Offerors have access to the Canadian Industrial Security Directorate (CISD) website at <http://ssi-iss.tpsgc-pwgsc.gc.ca> to become knowledgeable of the specific submission requirements, both for organizational and personnel security screening and clearance purposes, form: TBS/SCT 330-23. Refer to Chapter 2, Industrial Security Manual (Latest Edition). All security access mentioned in this document is based on a need-to-know only;

(ii) A Designated Organization Screening (DOS) permits the organization to clear it's employees to allow access to leased premises, assets or protected level information such as space occupied by the Government of Canada;

applicants

through the process:

organizational details will be requested:

one individual within the organization will act as the point of contact with CISD; this individual will be known as the Company Security Officer; and

Personnel will need to fill out the TBS/SCT 330-23 form.

lease. All individuals require a personnel screening and clearance when their duties or tasks necessitate access to leased premises, assets or protected information. This procedure applies to all positions and the process usually involves inquiries.

(c) Security Rejections

If an individual cannot achieve the required personnel security clearance, the individual involved will not be permitted access to the Leased Premises. Failure to achieve a security clearance is not intended to reflect on the individual's character or reliability but rather a statement that PWGSC has not been able to establish a clear record that permits that individual to have access to leased premises, assets or protected information. The above includes any additional individual, contractor or sub-contractor hired by the Lessor in order to fulfill the requirements of the lease. Where any individual, employee, contractor or sub-contractor fails to obtain the required security clearance, a replacement who meets the appropriate security requirements will be provided by the Offeror.

9. **PREPARATION AND SUBMISSION OF AN OFFER**

- (a) This Lease Documentation Package sets out the provisions, requirements and standards to be included and maintained in the Leased Premises and is to be used in the preparation of an Offer. The preparation and submission of an Offer shall be at the sole expense of the Offeror.
- (b) Where the Building in which Leased Premises are offered is not yet constructed, not yet completed, or does not presently meet all the provisions, requirements and standards set out in this Lease Documentation Package, Offers submitted, in accordance with the provisions of Part 2 - Offer, automatically include a commitment by the Offeror to meet these provisions, requirements and standards prior to the date set for occupancy by the Lessee, all at the Offeror's sole expense. In such circumstances, the Offeror shall upon request by the Lessee, provide a detailed, unambiguous description and schedule of all work which shall be completed in order to meet the provisions, requirements and standards contained in this Lease Documentation Package. The said description and schedule shall be in sufficient detail to demonstrate clearly to the Lessee that the work the Offeror will undertake and complete is such that the Leased Premises offered will meet all of the provisions, requirements and standards contained in this Lease Documentation Package. Provision of such description and schedule shall not in any way impair or derogate from the obligation of the Offeror to comply with all the provisions, requirements and standards set out in this Lease Documentation Package.
- (c) An Offer shall include:
- (i) a fully completed and executed Offer, found in Part 2 of this Lease Documentation Package;
 - (ii) a Security Deposit;
 - (iii) floor plans showing the Leased Premises being offered as well as columns, washrooms, elevators, stairs, including any architectural elements normally present in such floor plans.

Optional

- (iv) plan(s) showing the location(s) of the parking spaces and its or their relation to the Leased Premises being offered;

All of the above information shall be enclosed in an envelope which shall be sealed and endorsed with the name and address of the Offeror, the project number and the Time and Date fixed for receipt of Offers. When it is impossible to enclose any required information in such envelope, this information shall be submitted in a package or packages clearly and prominently labelled, cross-referenced with and attached to the envelope containing the Offer.

(i) A comprehensive description of the building in which the Leased Premises is located, including the building systems: architectural, structural, floor loading capacities, mechanical, electrical, and vertical transportation. The description must be sufficiently detailed to permit the Lessee to evaluate conformity of the Offer with provisions, requirements and standards set out in this Lease Documentation Package.

(ii) A map showing the relationship of the building in which the Leased Premises is located, to the surrounding roadways and buildings.

(iii) A comprehensive, unambiguous, professionally prepared schedule outlining all activities pertaining to the implementation of the work to be completed, all in logical sequence.

(iv) Documentary evidence as to the nature of the Offeror's rights in the Leased Premises offered: either a certified copy of the deed, emphytetic lease or ground lease, a copy of the option to purchase, or a copy of the legal document on which such rights are based.

(v) Plan(s) showing the location(s) of the parking spaces and its or their relation to the Leased Premises being offered.

(vi) Current floor plans (scale - 1:50 (1/4"=1'-0") or 1:100 (1/8"=1'-0")) showing the Leased Premises being offered as well as columns, washrooms; elevators, stairs, including any architectural elements normally present in such floor plans.

(vii) Any additional information considered necessary by the Lessee.

10.

CLARIFICATION

The Lessee may require clarification from the Offeror with respect to any information provided by Offeror. Such clarification shall be provided within 24 hours, or within a longer time period stipulated by the Lessee.

11.

SECURITY

(a) SECURITY DEPOSIT

A security deposit in the amount of \$ *. shall accompany the Offer. The security deposit shall be in the form of a letter of credit, a certified cheque or bond of the Government of Canada at current market value as follows:

(i) Letter of credit: In the form of an irrevocable standby letter of credit in the form of Appendix "A" attached hereto.

(ii) Certified Cheque: Payable to the Receiver General and drawn on a member of the Canadian Payments Association or a local co-operative credit society that is a member of a central co-operative credit society having membership in the Canadian Payments Association. The Offeror shall be obligated to provide a replacement cheque if the initial one provided expires.

(iii) Bond: Bond of the Government of Canada or bond unconditionally guaranteed as to principal and interest by the Government of Canada that are:

(aa) payable to bearer, or

(bb) accompanied by a duly executed instrument of transfer to the Receiver General in the form prescribed by the Domestic Bonds of Canada Regulation, or

(iv) The security deposit may, without prejudice to any other of the Lessee's rights at law or in equity, be forfeited, at the option of the Lessee if any of the following events occur:

(aa) the Offeror withdraws its Offer within the period limited for acceptance,

(bb) the Offeror fails to provide clarification required by the Lessee,

(cc) the Offeror fails to provide contract security as required by the Lessee,

(dd) the Offer is accepted and the Offeror fails to execute and deliver the Lease and, if applicable, any agreement for Lessee's Improvements set forth in this Lease Documentation Package.

If any of the events set forth in (iv) transpire, notwithstanding anything to the contrary, the agreement constituted by this Offer when accepted, and any Lease and any agreement for Lessee's Improvements entered into pursuant to this Offer shall, at the option of the Lessee, be null, void and of no effect.

(v) All unsuccessful Offerors will have their security deposits returned within 30 days following the acceptance of an Offer, or the rejection of all Offers, or other termination of the Lease Tender Process.

(vi) If an Offer is accepted and the Offeror is required to undertake the improvements referred to in the Lessee's Improvements Clause of the Offer, the Lessee shall return the security deposit within 90 days after the Lessee's Improvements have been satisfactorily completed and the delivery to the Lessee of an executed Lease, all in accordance with the provisions of the Offer. If the Lessee undertakes the improvements referred to in the Improvement Clause of the Offer, the Lessee shall then return the security deposit within 30 days after the delivery to the Lessee of an executed Lease, all in accordance with the provisions of the Offer.

(b) CONTRACT SECURITY

(i) During the evaluation of the Offer, or after the acceptance of the Offer, the Lessee may direct the Offeror to deliver to the Lessee, within ten (10) days or such other period as may be designated by the Lessee, a written undertaking in a form and substance acceptable to the Lessee. The Undertaking shall :

(aa) be from a financial institution which is a member of the Canadian Payments Association; and

(bb) if the Offeror's Offer is accepted, oblige the financial institution, within thirty (30) days of the acceptance of the Offer, or within such other period as may be designated by the Lessee, to provide to the Lessee an Irrevocable Standby Letter of Credit in the amount of dollars (\$) and in the form attached as Appendix "A".

(ii) Notwithstanding the provisions of sub-paragraph (b)(i) above, at the request of the Lessee, the Lessor shall within thirty (30) days of the acceptance of the Offer, or within such other period as may be designated by the Lessee, at the Lessor's expense, deliver to the Lessee an Irrevocable Standby Letter of Credit which meets the requirements of sub-paragraphs (b)(aa) & (bb) above. If the Irrevocable Standby Letter of Credit is not so delivered, notwithstanding anything to the contrary, the agreement constituted by this Offer

Lessee ready for use and occupancy by the Lessee, and that Her Majesty shall be entitled to receive full payment under the Irrevocable Standby Letter of Credit in the event that the Offeror is in default under any provision of the Offer.

12.

EVALUATION

- (a) The evaluation of Offers received is an on-going process and the Lessee reserves the right to terminate any further consideration of any Offer at any time during the Acceptance Period.
- (b) The Offeror shall permit the Lessee's employees, servants, agents and contractors reasonable access to the Leased Premises and Building, or Lands on which the Leased Premises are located, for the purpose of making assessments with respect to the Premises offered including Building systems and environmental assessments which the Lessee deems appropriate. Such assessments shall not constitute a taking of possession by the Lessee.
- (c) An Offer may not be subject to further evaluation if, in the sole opinion of the Lessee, the Offer fails to meet or comply with the provisions, requirements or standards as set forth in this Lease Documentation Package.
- (d) An Offer will not be subject to further evaluation if, in the sole opinion of the Lessee, the Offer is conditional.
- (e) In carrying out the evaluation of the Offer:
 - (i) The Lessee will take into consideration the rent and parking fees, additional rent, as they occur over the original term of the Lease (excluding any option to extend), and including the front-end costs. For the purpose of this subclause, the front end costs shall mean those costs which will be estimated by the Lessee including, but will not be limited to, those related to the Lessee's Improvements, moving, signage, screens, consultants, and any similar costs which may be incurred by the Lessee. The types of costs and the estimations made by the Lessee related thereto shall be determined at the sole discretion of the Lessee.
 - (ii) The Lessee may take into consideration inducements and allowances offered by the Offeror, but the value, if any, attributed to such inducements and allowances will be determined at the sole discretion of the Lessee.
 - (iii) Cash flows will be depicted as a net present value as of the commencement date of the Lease.
 - (iv) In cases where the Leased Premises offered are currently under lease by the Lessee and it is determined by the Lessee that a temporary relocation of the occupants or any other costs could become necessary to allow for the completion of any portion of the improvements to be made to the Leased Premises (including the improvements to be completed by both the Offeror and the Lessee), the Lessee may include in the evaluation of the Offer those costs expected to be incurred by the Lessee connected thereto at the sole discretion of the Lessee.
 - (v) The measurements quoted in the Offer will be utilized and all costs calculated or estimated by the Lessee shall be final.
- (f) Notwithstanding the above, the Lessee reserves the unqualified right to carry out a comparative evaluation of all or any of the Offers and evaluate them based on considerations which in the sole opinion of the Lessee would yield to the Lessee the best value. This evaluation may be on such matters as, but not limited to, the quality of Leased Premises, the efficiency of the Leased Premises offered, building design and access, the degree to which the requirements are already met, or the time within which all requirements will be met.

13. ACCEPTANCE

The Lessee may accept any Offer whether it is the lowest or not, or may reject any or all Offers.

improved prior to the Commencement Date of the Lease, or as may be directed by the Lessee.

(b) If the Lessee decides to have all or part of its Lessee's Improvements undertaken by the Offeror, the Offeror shall execute the form of agreement for Lessee's Improvements in accordance with the terms and conditions of the Offer and set forth in this Lease Documentation Package.

15.

EXECUTION OF THE OFFER

The Offer must be executed in accordance with the following:

(a) **Corporation or Joint Stock Company** - The signatures of the authorised signatories shall be affixed and their names and titles typed or printed in the space provided and the corporate seal should be affixed. If the corporate seal is not affixed to the Offer, the signatures shall be witnessed and proof of signing authority shall accompany the Offer.

(b) **Partnership, General Partnership or a Limited Partnership** - The signatures of the partners shall be affixed and their names typed or printed in the space provided. The signatures shall be witnessed. If not all of the partners sign or in the event that the signatory is not a partner, then a certified true copy of the agreement signed by all partners authorising any such signatory to execute the Offer on their behalf shall accompany the Offer.

An adhesive coloured seal shall be affixed next to each signature.

(c) **Sole Proprietorship or An Individual doing business under a firm name** - The signature of the sole proprietor shall be affixed and the name typed or printed in the space provided. The signature shall be witnessed. In the event that the signatory is not the sole proprietor, then a certified true copy of the agreement signed by the sole proprietor authorising any such signatory to execute the Offer shall accompany the Offer.

An adhesive coloured seal shall be affixed next to each signature.

16.

ENQUIRIES

Refer all enquiries concerning this project to:

.*.
Atlantic Region
PWGSC

.*.
.*.

Telephone number: (.*).*. Fax number: (.*).*..

Dated the _____ day of _____ 20____.

Name and address of issuing financial institution (branch), hereinafter referred to as "We"

Name and address of negotiating, paying or accepting financial institution (branch), as required

Applicant's name and address

Beneficiary: Her Majesty the Queen in Right of Canada, represented by the Minister of Public Works and Government Services, herein called "Her Majesty".

Amount in words:

Date of expiry: *date specified by the Lessee*

RE: Lease Project Number. _____ dated _____ between Her Majesty the Queen in Right of Canada and _____.

We, hereby issue our Irrevocable Standby Letter of Credit in favour of Her Majesty, in the amount of _____ (\$_____), which is payable at sight upon presentation of a written demand signed by the Regional Director General or the Director General, Real Property, NCA, Public Works and Government Services Canada stating that:

the Applicant has not complied with the terms and conditions of its Offer to Her Majesty bearing Lease Project No. _____ ;

the amount of the demand; and,

the number and date of this Irrevocable Standby Letter of Credit, and the name of the issuer.

Payments shall be made to the Receiver General.

Partial and multiple demands against this Irrevocable Standby Letter of Credit are permitted. The maximum amount of this Irrevocable Standby Letter of Credit shall be reduced by the amount of any payment made thereunder. All banking charges are for the account of the Applicant.

Except so far as otherwise expressly stated herein, this Irrevocable Standby Letter of Credit is subject to the Uniform Customs and Practice for Documentary Credits, 2007 Revision, International Chamber of Commerce Publication No. 600.

For *(name of financial institution)*

Signed: _____
(authorised signature)

Countersigned: _____
(authorised signature)

Date: _____

PART 2

OFFER

Public Works and Government Services, hereinafter called the "Lessee", by

_____ ,
hereinafter called the "Offeror",

whose address is:

Offeror's Representative: _____

Telephone Number: () _____

2. OFFER

(a) The Offeror hereby offers to grant to the Lessee a lease (hereinafter called the "Lease") for the premises herein described (hereinafter called the "Leased Premises") in compliance with and subject to the provisions, requirements and standards of this Offer and the complete Lease Documentation Package for Lease Project Number [.*].

(b) Name and Address of the building in which Leased Premises offered are located:

(c) Basic Office Space Offered:

FLOOR NUMBER		MEASUREMENT m ²	
WHOLE	PART	RENTABLE	USABLE
TOTAL			

as identified on the attached and initialled plans.

(d) Related Storage Space Offered:

FLOOR		MEASUREMENT m ²	
WHOLE	PART	RENTABLE	USABLE
TOTAL			

as identified on the attached and initialled plans.

(e) Related Compound space offered:

FLOOR		MEASUREMENT m ²	
WHOLE	PART	RENTABLE	USABLE
TOTAL			

Continuous	Daily	Indoor	Outdoor	(Building, Lands, Other)

- (1) The parking spaces offered are identified on the attached and initialled plans.
- (2) _____ of the said parking spaces shall be accessible and safely usable by persons with disabilities and shall meet all of the technical requirements defined in the Standards for Leased Accommodation.
- (g) Annual Rental Rates Offered

LEASED PREMISES	Rate per Rentable Square Metre			
	BASIC RENT & TAXES	UNIT OPERATING RATE	BASIC ENERGY RATE (OPTIONAL)	TOTAL ALL-INCLUSIVE **
Basic Office				
Related Storage	\$ per Rentable Square Metre			
Related Compound Space	\$ per Rentable Square Metre			
Parking	\$ per Space per Annum			
	Reserved Continuous Indoor			
	Reserved Continuous Outdoor			
	Reserved Daily Indoor			
	Reserved Daily Outdoor			
	Non-reserved Indoor			
	Non-reserved Outdoor			
* As defined in the Specimen Lease (Part 3 of this Lease Documentation Package).				
** The correct arithmetic calculations will always take precedence over the amounts actually shown as the All-inclusive rental rate.				

(1) The rental rates quoted must not include the Goods and Services Tax (GST) or the Harmonised Sales Tax (HST), as such may apply. GST and HST will be calculated and remitted by the Lessee to the Lessor in accordance with the legislation.

(2) Only one rate covering the full term of the Lease can be stated for each type of space and each unit rate must be expressed as an annual total all-inclusive rate per rentable square metre. For Parking, the rate quoted will be in dollars per space per annum.

OPTIONAL

(3) Should the Lessee so request, the Lessor shall provide to the Lessee, an audited statement setting forth the Lessor's computation of the sum payable by the Lessee under the provisions of the Lease for Operating Costs Adjustments. In the event the Offeror includes costs in the Basic Unit Operating Rate which are not supported by its audited statement, then the Lessee shall have the right, at its sole discretion, to attribute the such costs to either the Basic Rent & Taxes or the Basic Unit Operating Rate or Basic Energy Rate (Optional).

(1) With respect to any unused portion of an inducement, unless specifically stipulated otherwise by the Offeror, the Lessee will be entitled to payment of such portion by way of a cheque from the Offeror or the Lessee may stipulate that such portion be applied as rent-free period(s).

(2) Any inducement which may be offered must be clear since the value, if any, which is attributable to the inducement will be determined at the sole discretion of the Lessee and, in order to be taken into account, the inducement must have a specific, quantifiable financial value to the Lessee.

3. **LEASE DOCUMENTATION PACKAGE**

The Offeror acknowledges having read the whole of the Lease Documentation Package and acknowledges that it has been received in complete form and in good order.

4. **SPACE**

(a) "Basic Office Space" means office space within a completed shell, with finished floors and ceilings, windows, finished columns, finished perimeter walls and finished walls separating it from other space, window and floor coverings, and entry and exit doors, all as more particularly described in the Standards for Leased Accommodation, along with the requisite building operating systems and equipment to provide the services and maintain the conditions, all of which is set forth in this Lease Documentation Package.

(b) "Related Storage Space" means storage space finished to the standards for storage space set forth in the Standards for Leased Accommodation of this Lease Documentation Package.

(c) All finishes, coverings, systems to be provided in the space offered shall be new or, in exceptional circumstances, per the provisions for the Standards for Leased Accommodation, in like-new condition at the sole discretion of the Lessee and all finishes and coverings shall present a uniform appearance.

(d) Except for the required finishes, coverings, systems and equipment, Basic Office Space and Related Storage Space shall be offered as though bare, without regard to the particular fit-up requirements of the Lessee, and the Offeror shall remove, at its sole expense, all existing improvements or fit ups therein.

(e) Notwithstanding sub-clause 4(d), the Offeror hereby agrees to transfer to the Lessee free and clear of all encumbrance, and at no cost, those existing improvements or fit-ups which the Lessee has elected, at its sole discretion, to use. The Offeror shall remove, at its sole expense, any remaining improvements or fit-ups which are not acceptable to the Lessee.

5. **SPACE MEASUREMENTS**

(a) The Offeror certifies that the rentable and usable areas quoted in Clause 2 of this Offer have been measured in accordance with the measurement instructions specified in the Lease Schedule entitled "Measurement Instructions" and agrees that if this Offer is accepted any amount payable under the Lease shall be calculated based upon the actual measured rentable area as determined by the Lessee or the amount of rentable space specified in the Offer, whichever is less.

been accepted by the Lessee, and the Offeror is unable to provide such balance of Leased Premises, the Offeror shall be liable and pay for any loss, cost or damage suffered by the Lessee connected or related thereto.

Documentation Package:

_____, dated _____
_____, dated _____
_____, dated _____

7. **ADDITIONAL INFORMATION**

The following additional information has been attached hereto by the Offeror and forms part of this Offer:

If an Offeror currently holds a valid security clearance to the required level, this should be provided in clause 7 of the offer.

8. **APPLICABLE LAWS**

The Offeror represents that the Lands, Building in which the Leased Premises is located, and the Leased Premises, and the Lessee's intended use thereof, comply in all respects with the requirements of all applicable laws.

9. **LESSEE'S IMPROVEMENTS**

The Offeror shall, at the Lessee's request, and in the manner provided in the Specimen Lease of this Lease Documentation Package and more particularly described in the Terms And Conditions Applicable To The Lessee's Improvements forming part of the Specimen Lease, undertake and complete part or all of the Lessee's Improvements in any part of the Leased Premises as may be required by the Lessee prior to the Term to meet the particular requirements of the intended occupants thereof, and for such purpose to enter into one or more Sub-agreement(s) for Lessee's Improvements with the Lessee.

10. **CANADIAN ENVIRONMENTAL ASSESSMENT ACT**

The Offeror acknowledges that:

- (a) The activity to be carried out in and on the Leased Premises may fall within the definition of a "project" as referred to in the Canadian Environment Assessment Act (CEAA);
- (b) The Lessee cannot proceed with a project before an Environmental Assessment (EA), if required, is carried out and any necessary mitigation plan is implemented;
- (c) The Offer will not be accepted until an EA has been completed and the findings or results thereof satisfactory to the Lessee;
- (d) There may arise from the EA a need for a mitigation plan which may require incorporation of such plan into the Lease, and which may require an agreement between the Offeror and the Lessee as to responsibility for costs of such plan, prior to any acceptance of the Offer by the Lessee.

11. **TERM**

- (a) The term of the Lease is (hereinafter called the "Term") is _____ years commencing on the _____ day of _____, 20 _____. (Hereinafter called the "Lease Commencement Date")

occupy all or a portion of such Leased Premises earlier than the Lease Commencement Date.

(c) The Lessee shall have the option to extend the Term of the Lease for .*. additional period(s) of .*. () year(s) each on the same terms and conditions.

(d) The Offeror agrees that the Leased Premises shall be available for completion of the Lessee's Improvements at no cost to the Lessee at least .*. weeks prior to the commencement date specified in this Clause.

12. LEASE

(a) The Lease shall be in the form of the Specimen Lease set forth in this Lease Documentation Package.

(b) The Offeror agrees to obtain an undertaking:

(i) from any encumbrance holder in whose favour an encumbrance exists in priority to the Lease, to execute the Lease for the purposes set forth in such Lease; and

(ii) from any Head Lessor to execute the Lease for the purpose of consenting to the Lease, confirming that the lease from which the Offeror derives any interest is in good standing and in full force and effect, and agreeing that at all times the Head Lessor shall not disturb the Lessee or the Lessee's rights under Her lease with the Offeror.

(c) Following acceptance of an Offer, a formal Lease shall be prepared by the Lessee, at the expense of the Lessee, and shall be executed by the Offeror before the Commencement Date of the Lease. Notwithstanding the foregoing, the provisions of such Lease and of the Lease Documentation Package are and shall be binding on the Offeror and Lessee from the date on which the Offer is accepted by the Lessee.

(d) The Offeror agrees that the Lessee may register the Lease or an instrument evidencing the Lessee's interest in the Lands under the Lease, at the Lessee's option, in the appropriate Land Titles or Land Registry Office.

(e) The Offeror agrees to use its best efforts to obtain postponement agreements from encumbrance holders in priority to the Lease, postponing their interests in the Leased Premises in favour of the Lessee's leasehold interest.

(f) The Offeror agrees it shall not assign any or all of its rights and obligations under the Lease Documentation Package prior to or following acceptance of its Offer without the prior written consent of the Lessee which consent may be withheld for any reason.

13. SECURITY DEPOSIT

Enclosed is the required security deposit in the amount of \$.*. .

I/We understand that the security deposit referred to herein, if provided in the form of a bill of exchange, will be deposited into the Consolidated Revenue Fund of Canada.

14. ACCEPTANCE PERIOD

This Offer shall remain irrevocable by the Offeror and open for acceptance throughout the period from the date set for Receipt of Offers to and including the _____ day of _____, 20__.

may be sufficiently given by hand, or by mailing the same postage prepaid, in the case of the Offeror, addressed to the address mentioned in the Offer, and in the case of the Lessee, addressed to:

or to such other address as either of the parties may from time designate in writing to the other. Any notice aforesaid if delivered by hand shall be deemed to have been given on the date on which it was delivered, if mailed by registered mail with return receipt shall be deemed to have been given on the day on which it was received as evidenced by the receipt.

16. DISCLOSURE

(1) The Offeror hereby consents that:

(a) The Lessee may provide the public at large at tender opening or after tender opening, upon request to Public Works and Government Services, with the information provided in Clauses 1 and 2 of this Offer; and

(b) The Lessee, once having accepted an Offer for the project, may disclose any Offers that were part of the evaluation process to the public at large; and

(2) Notwithstanding the foregoing, the Lessee shall refuse to disclose any part of an Offer that contains information the disclosure of which, in the Lessee's sole discretion,

(a) be injurious to the defence of Canada or any state allied or associated with Canada or the conduct of international affairs;

(b) adversely affect the detection, prevention or suppression of subversive or hostile activities;

(c) facilitate the commission of an offence, or

(d) threaten the safety of individuals.

This may include, without restricting the generality of the foregoing, any such information on the vulnerability of particular buildings or other structures or systems, including computer or communication systems, or methods employed to protect such buildings or other structures or systems.

17. PROCUREMENT BUSINESS NUMBER

The Offeror undertakes to obtain a Procurement Business Number (PBN) registering itself as an entity wishing to do business with the Lessee. The registration process can be accomplished by telephoning Contracts Canada at 1-800-811-1148, or by accessing the Contracts Canada Web Site at [Http://www.contractsCanada.gc.ca/en/regist-e.htm](http://www.contractsCanada.gc.ca/en/regist-e.htm), prior to submission of an Offer. A place for inclusion in the Offer of the PBN arising out of such registration is located on the last page of the form of Offer.

Signed, sealed and delivered
by the Offeror on the date
shown on the right, in the
presence of:

Date

WITNESS +

Signature

Date

Name and Title of Signing Officer

Signature

Date

Name and Title of Signing Officer

Procurement Business Number,

Harmonized Sales Tax Number

if available

PART 3

SPECIMEN LEASE

1.	Leased Premises
2.	Term
3.	Option to Extend
4.	Pre-Term and Delayed Occupancy
5.	Rent
6.	Parking
7.	Taxes
8.	Tax Adjustment.....
9.	Assignment.....
10.	Holding Over.....
11.	Services and Equipment.....
12.	Signage and Flag Display
13.	Operating Costs Adjustment
14.	Default.....
15.	Destruction of Building or Leased Premises.....
16.	Indemnity
17.	Insurance
18.	Laws
19.	Standards of Repair
20.	Date Sensitive Compliance For Building Systems
21.	Lessee's Improvements
22.	Yielding Up.....
23.	Set-Off
24.	Environmental Representations and Warranties
25.	Contingency Fees.....
26.	Encumbrance Holders
27.	Notices
28.	General.....
	Signatures.....

	Schedule "A" - Legal Description of Lands and Floor Plan(s)
	Schedule "B" - Measurement Instructions
	Schedule "C" - Standards for Leased Accommodation.....
	Schedule "D" - Cleaning Specifications.....
	Schedule "E" - Terms and Conditions Applicable to the Lessee's Improvements
	Schedule "F" - Roof Mounted Equipment
	Appendix 1 - Specimen Sub-agreement for the Lessee's Improvements
	Appendix 2 - Specimen Final Certificate of Completion of Lessee's Improvements.....
	Appendix 3 - Specimen Interim Certificate of Completion of Lessee's Improvements

THIS LEASE DOCUMENTATION PACKAGE CONTAINS * . * PAGES

AND

HER MAJESTY THE QUEEN in right of Canada as represented by the Minister of Public Works and Government Services, hereinafter called the "Lessee".

WHEREAS the Lessor is the owner, or is otherwise entitled to enter into this Lease, of the building, hereinafter called the "Building", commonly known as ... , [address - number, Street, City, Province or Territory]... situated on the lands, hereinafter called the "Lands", described (PID #) ...

AND WHEREAS the parties hereto have agreed to enter into this Lease.

NOW THEREFORE in consideration of the rents, covenants and agreements hereinafter reserved and contained, the parties hereto hereby covenant and agree each with the other as follows:

1. LEASED PREMISES

The Lessor hereby leases to the Lessee:

(a) As Office space:

- (i) the whole of floors ... of the Building, being respectively, ... square metres in rentable area, and
- (ii) those portions of floors ... of the Building, respectively shown heavily outlined on the attached Schedule entitled "Floor Plan(s)", being respectively, ... square metres in rentable area, and

(b) As Storage Space:

- (i) the whole of floors ... of the Building, being respectively, ... square metres in rentable area, and
- (ii) those portions of floors ... of the Building, respectively shown heavily outlined on the attached Schedule entitled "Floor Plan(s)", being respectively, ... square metres in rentable area.

All such Office Space together having a total of ... square metres in rentable area and all such Storage Space together containing a total of ... square metres in rentable area, measured in accordance with the Schedule entitled "Measurement Instructions" appended hereto, as such may have been improved by the Lessee or on the Lessee's behalf by the Lessor, hereinafter collectively called the "Leased Premises".

TOGETHER with the right of ingress and egress for the Lessee's employees, servants and agents, customers and invitees, and the use of elevators, entrances, lobbies, hallways, stairways, driveways, common loading and stopping areas in and about the Lands and Building, hereinafter called the "common areas".

2. TERM

To hold the premises for a term of _____ () year(s) commencing on the () day of _____ 20__ with the Lessor granting the Lessee the Right to Terminate this Lease at any time on or after the _____ () day of _____ 20__, by the Lessee serving to the Lessor at least _____ () month(s) prior written notice, such notice may be served at any time during the term of the Lease.

of ...year (s) each provided written notice to exercise such right is given by the Lessee to the Lessor at least six (6) months prior to the expiration of the Term hereby granted or such extension thereof, and the terms, conditions and covenants set forth in this Lease, including rent, shall apply during such extension but excepting, in the last extension, this right of extension.

4. PRE-TERM AND DELAYED OCCUPANCY

(a) Prior to the commencement of the Term, the Lessee may occupy and use any portion of the Leased Premises, subject to payment as daily rental for each and every day of the period up to the date of commencement of the Term of the Lease during which any portion of the Leased Premises is so occupied and used by the Lessee, at the end of such period, of the aggregate of the amount determined by multiplying

(i) the rentable area, expressed in square metres, of that part of such portion or portions of the Leased Premises so occupied and used,

by

(ii) \$, being the rate per square metre of rentable area per annum charged for all that portion of the Office Space, and dividing the product so obtained by 365,

and

(iii) \$, being the rate per square metre of rentable area per annum charged for all that portion of the Storage Space and dividing the product so obtained by 365,

(b) Any improvements to be made to the Leased Premises by the Lessor, pursuant to any agreements entered into between the Lessor and the Lessee, shall be fully completed to the satisfaction of the Lessee by the date fixed therefor by such agreement(s). If in the opinion of the Lessee, by reason of the Lessor's failure to complete any or all of the improvements, the Leased Premises or any part thereof cannot be occupied and used by the Lessee by the date fixed by such agreement for completion of all such improvements, then notwithstanding anything to the contrary,

(i) if, in the opinion of the Lessee, the whole of the Leased Premises cannot be occupied and used by the Lessee, the rent hereby reserved shall not run between the date fixed by such agreement for completion of all such improvements and expiring on the date of actual completion thereof to the satisfaction of the Lessee;

(ii) if, in the opinion of the Lessee, a portion of the Leased Premises cannot be occupied and used by the Lessee, the rent hereby reserved shall abate by an amount equal to the aggregate of the amount determined by multiplying the rentable area, expressed in square metres, of that portion of the Leased Premises, by the rate per square metre of rentable area per annum and dividing the product so obtained by 365, for each and every day of the period during which any portion of the Leased Premises is not so occupied and used.

5. RENT

(a) The Lessee shall pay rent to the Lessor, subject to the provisions of this Lease, in each and every year of the Term, the sum of ... Dollars (\$) per annum, plus applicable taxes, payable in monthly instalments of ... Dollars (\$) each, on the last day of each and every month during the Term.

(b) Notwithstanding subclause 5(a), during the period of .. to ..., the Lessee may occupy and use the Leased Premises rent-free [*Insert Clause 5(b) only when rent-free was offered in the Offer to Lease*].

(c) [*describe here any inducement or allowance, other than free rent, that is part of the Offer to Lease*].

provide _____ parking spaces for motor vehicles, and such other vehicles as the Lessee may at the Lessee's own sole discretion determine and authorize, and the Lessor undertakes to provide safe and convenient access between such parking spaces and the Leased Premises and to meet the requirements outlined in the Standards for Leased Accommodation attached hereto.

(ii) _____ of the said parking spaces shall also be accessible by persons with physical or sensory disabilities and shall meet the technical requirements for Real Property Accessibility set forth in the Standards for Leased Accommodation attached hereto.

continuous basis (optional)

(iii) The said parking spaces shall be located in [indoor] [outdoor] parking areas and reserved for the exclusive use of the Lessee and the Lessee's servants, agents, employees and invitees, at all times during the Term of this Lease (hereinafter referred to the "continuous basis").

daily basis (optional)

(iii) The said parking spaces shall be located in [indoor] [outdoor] parking areas and reserved for the exclusive use of the Lessee and the Lessee's servants, agents, employees and invitees on a "daily basis", at all times throughout the period from 6:30 to 18:30 hours in each and every day (except Saturdays, Sundays and holidays observed by the Lessee and on which the Leased Premises are closed to the public generally) throughout the Term of this Lease.

(b) (i) Notwithstanding anything to the contrary, the Lessee may, at any time and from time to time, by written notice given to the Lessor, release the whole, or any number less than the whole, of the parking spaces referred to in subclause (a) hereof. Any and every such notice shall become effective on the first day of the second month next following the month in which such notice is so given.

(ii) From and after the effective date of any such notice the Lessee shall have no further right to use the parking spaces referred to in and released by such notice and the monthly instalments of rent hereinbefore provided to be paid shall be adjusted to conform to the annual rent reduced by an amount determined by multiplying the number of parking spaces, which are referred to in and released by such notice, by the parking space rate respectively applicable thereto as provided by subclause (c) hereof.

(c) In this Clause, "parking space rate" means that rate utilized to determine the portion of the annual rent payable only in respect to the provision of any one of the parking spaces referred to in subclause (a) hereof. The parking rate shall be \$_____ per annum for each interior parking space and \$_____ per annum for each exterior parking space.

7. TAXES

The Lessor shall pay all taxes, rates, duties, assessments and levies whatsoever now or hereafter levied upon the Lands and the Building, or either of them, or any part thereof, or arising out of any use or occupation of the Lands and the Building, payable by the Lessor including, without limiting the generality of the foregoing, all municipal taxes for local improvements and/or works assessed upon the property benefited thereby and all school, business, occupancy taxes (including business occupancy taxes normally assessed against the Lessee), water piping and sewerage piping installation taxes, rates, duties, assessments and levies.

(1) In this Clause,

(a) "TAX base year" means the first full municipal taxation year, within the Term of this Lease, in which the taxes levied and assessed against the Lands and the Building with the exception of the business occupancy tax which is assessed against the Leased Premises, are so levied and assessed on the basis that the Building has been assessed to its full value as a fully completed Building for the whole of such year, without rebate or concession;

(b) "subsequent TAX year" means any municipal taxation year subsequent to the TAX base year, the whole or part of which is within the Term of this Lease;

(c) "TAX", with respect to the TAX base year or to any subsequent TAX year, means an amount equal to that portion of the municipal real property taxes (other than business tax and local improvement taxes or charges), and school taxes, not including any interest for late payment, levied and assessed against the Lands and the Building, as apportioned by the Lessor and the Lessee calculated as follows:

(i) The TAX shall apportioned based on the ratio of the rentable area of the Leased Premises to the total rentable area of the Building which, at the lease commencement date has been calculated to be _____ percent, based on a total of _____ rentable square meters for the Building, as agreed to by the Lessor and the Lessee or as certified by the Lessor's architect or engineer. For greater certainty, the Lessor and Lessee agree that storage space and parking space shall not be included in the calculation of the aforementioned ratio.

(ii) The percentage in subclause (i) shall be subject to adjustment according to any change in the rentable area of either the Leased Premises or the Building. The Lessor shall notify the Lessee in writing of any change in the rentable area of the Building.

(iii) Notwithstanding the above, the Lessee shall have the right to adjust the proportionate share of TAX in order to attribute to the Leased Premises only an equitable proportion of such municipal real property taxes and school taxes; having regard among other things to:

- (i) the various uses of the Building;
- (ii) the cost of original construction of the Building;
- (iii) the relationship of the location and area of each individual portions of the Building;
- (iv) the cost and extent of the improvements made in and to the Leased Premises and other individual portions of the Building;
- (v) the fair market rental value for each of the Leased Premises and other individual portions of the Building;
- (vi) any other principles which may be customary for taxing authorities in the jurisdiction in which the Lands are located to use to determine appropriate assessments if such taxing authorities were to provide separate assessments for the Leased Premises and other individual leased portions of the Building;

- (2) (a) The Lessee shall pay to the Lessor, in addition to rent, an amount equal to the excess TAX, if any, for each subsequent TAX year, subject to and within (ninety) 90 days next following delivery by the Lessor to the Lessee of evidence reasonably satisfactory to the Lessee that, as of the date of such delivery, all TAX due and payable has been paid, or if TAX for any subsequent TAX year is paid by the Lessor in instalments, pursuant to any schedule of payment by instalments that is prescribed by a taxing authority, the Lessee shall pay to the Lessor, in addition to rent, an amount equal to the excess TAX, if any, applicable to each instalment of TAX paid by the Lessor during a subsequent TAX year subject to and within ninety (90) days next following delivery by the Lessor to the Lessee of evidence reasonably satisfactory to the Lessee that the amount of the instalment of TAX due and payable has been paid.
- (b) The Lessor shall pay to the Lessee an amount equal to the TAX reduction, if any, for each subsequent TAX year, within thirty (30) days next following the end of such subsequent TAX year.
- (c) Notwithstanding paragraph (a) of this subclause, no amount in respect of excess TAX for a subsequent TAX year, whether TAX is paid by the Lessor annually or in instalments, shall be payable by the Lessee unless the Lessor shall have delivered to the Lessee, not later than twelve (12) months immediately following the end of a subsequent TAX year, evidence reasonably satisfactory to the Lessee that all TAX due and payable has been paid.
- (d) If part, but not the whole, of the final subsequent TAX year is included within the Term, any amount payable for such subsequent TAX year, by the Lessee, pursuant to paragraph (a) of this subclause, or by the Lessor, pursuant to paragraph (b) of this subclause, shall be reduced proportionately.
- (3) (a) The Lessee shall have the right and privilege, if acting in good faith, in the name of the Lessor, but at the Lessee's own expense, of contesting or appealing any assessment or of applying for a reduction of the amount of any tax, rate, levy, duty or assessment. To this end and for all purposes hereunder, the Lessor agrees to execute any instruments reasonably required by the Lessee, to co-operate fully with the Lessee in all ways, and upon receiving any assessment notices relating to the Building, to forthwith send a copy thereof to the Lessee.
- (b) The Lessor shall also have the right and privilege, if acting in good faith, of contesting or appealing any assessment or of applying for a reduction of the amount of any tax, rate, levy, duty or assessment, and the Lessor may take such action in the Lessor's name, or if required and upon agreeing to indemnify the Lessee in respect of such action and all costs relating thereto, in the name of the Lessee, and the Lessee hereby agrees to join in such proceedings.
- (c) Notwithstanding anything to the contrary which may be contained elsewhere in this Clause, whenever any rebate is made to the Lessor from a taxing authority as a result of a contestation or application pursuant to paragraph (a) or paragraph (b) of this subclause, if any portion of the rebate is part of the TAX, with respect to the TAX base year or any subsequent TAX year, then the Lessor shall promptly pay to the Lessee a sum equal to the amount of the TAX portion of the rebate, and in default of payment thereof, the Lessee shall be entitled to deduct the same from the rent or any other amount payable hereunder by the Lessee to the Lessor.

9. **ASSIGNMENT**

The Lessee may assign this Lease or sublet the Leased Premises or any part thereof with the consent of the Lessor. Such consent shall not be unreasonably withheld.

termination thereof, the Lessee holds over the Leased Premises without any express agreement as to an extension, a tenancy from year to year shall not be created by implication of law, but the Lessee shall be a monthly tenant only at a monthly rent equal to the instalments of rent hereby reserved and otherwise on the same terms and conditions set forth in this Lease insofar as the same are applicable to a month to month tenancy.

11. SERVICES AND EQUIPMENT

(1) The Lessor shall, at all times during the Term, at the Lessor's own expense and to the satisfaction of the Lessee provide for and to the Leased Premises, maintain, and as appropriate, install and keep in good repair and operating condition, all in accordance with the Schedules entitled "Standards for Leased Accommodation" and "Cleaning Specifications" appended hereto:

(a) a constant supply of domestic hot and cold water to all washbasins, sinks and showers;

(b) potable drinking water by means of either a refrigerated drinking fountain or a refrigerated potable water dispensing unit, on each and every floor of the Leased Premises;

(c) all heat, ventilation, air conditioning, air circulation and humidity control required in and for the Leased Premises;

(d) lighting and all electrical power required on the Leased Premises except as herein specifically otherwise provided, and, as lamps, bulbs, ballasts and fuses wear out, replacement thereof;

(e) a fire alarm system for use in emergency situations;

(f) an auxiliary supply of electricity and power for emergency services and systems throughout the Building, whenever a failure in the normal supply of electricity and power occurs;

(g) a constant supply of all dispensary items and deodorant blocks and all maintenance and repairs from time to time required to keep lavatory and toilet room equipment and accessories in good operating condition;

(h) removal of ice and snow from all outside parking areas and the roadways, walks, steps and fire escapes leading to and from the Building, all such parking spaces, roadways, walks, steps and fire escapes to be kept, at all times, free and clear of snow and ice;

(i) all maintenance and repairs required to keep the common areas at all times clean, tidy, free and clear of any refuse, garbage, waste products and, obstructing materials whatsoever, and in good condition and repair;

(j) where available, removal of garbage and recyclable materials from the Leased Premises whenever and so often as may be necessary and, in any event, not less often than once daily, to keep the Leased Premises at all times neat, tidy and free and clear of any refuse, garbage, waste products and obstructing materials whatsoever;

(k) all labour and materials for the cleaning of the Leased Premises, the Lessee's Improvements and the furnishings therein, the windows of the Leased Premises and the common areas and the Lessor shall, at all times during the Term, clean the said Leased Premises, Lessee's Improvements and furnishings, windows and common areas and keep the same clean and free of dust and dirt and maintain the grounds forming part of the Lands in the manner and not less often than as specified in the Schedule entitled "Cleaning Specifications", attached hereto;

(l) all elevator service required with one or more elevators in operation and available for use at all times, throughout each and every hour of each and every day of the term and the remainder of which shall be in operation daily at all times throughout the period from 6:30 to 10:30 hours in each and every day, except Saturdays, Sundays and holidays.

- (m) window and floor coverings and replacement thereof whenever required by reason of wear and tear;
- (n) safe and convenient access for persons with disabilities to and from the Lands, the Building and the Leased Premises and the facilities for the use of persons with disabilities situated in and out of the Leased Premises;
- (o) if so requested by the Lessee, a mutually acceptable location for bicycle racks, provided by the Lessee and in the care of the Lessor, having a capacity of at least... Bicycles; and
- (p) provide all labour and equipment necessary for the collection, storage and removal of recyclable material in order to comply with the Multi-material and Paper recycling program of the Lessee, to the extent that a recycling infrastructure is operational in the community in which the Building is located, with the understanding that the Lessor will make available to the Lessee any records the Lessor has at his disposal on the total weight of recycled material removed from the Building.

OPTIONAL (For leases having a guaranteed term of eight years or longer)

- () on the anniversary of the _____ year of this Lease, the Lessor shall at its own expense repaint and/or refurbish all wall surfaces and doors within the Leased Premises, including those installed as part of the Lessee's Leasehold Improvements, in accordance with the standards set forth in Schedule "C" hereof. Said work to include furniture movement;
- () on the anniversary of the _____ year of this Lease, the Lessor shall at its own expense replace all carpeting, window coverings and wall coverings, including those installed as part of the Lessee's Leasehold Improvements, within the Leased Premises in accordance with the standards set forth in Schedule "C" hereof. Said work to include furniture movement;
- (2) (a) The Lessee may, as determined by the Lessee and at the Lessee's sole discretion, make application to a utility company for the supply of electrical power required for the operation of special equipment, installed and used on the Leased Premises, subject only to the Lessee paying the cost of such installations and supply, and,
 - (b) The Lessor shall permit the installation of meters and other facilities required for the purposes provided in paragraph (a) of this subclause, and the entry, from time to time, on the Leased Premises, of all persons engaged in the making of such installation and the taking of reading from, and maintaining and making repairs to, such meters and other facilities.
- (3) ...)))The Lessee's normal hours of operation are at all times throughout the period from 0630 to 1830 hours in each and every day (except Saturdays, Sundays and holidays observed by the Lessee and on which the Premises are closed to the public generally). Services indicated in paragraph (c) and (d) of subclause (1) above shall be provided, to the LAN room on a twenty-four (24) hour per day seven (7) day per week basis without additional charge.

NOTE: OPTIONAL CLAUSE; DELETE IF NOT REQUIRED.

- (3) The Lessee's normal hours of operation are at all times throughout the period from 0630 to 1830 hours in each and every day (except Saturdays, Sundays and holidays observed by the Lessee and on which the Premises are closed to the public generally). Services indicated in paragraph (c) and (d) of subclause (1) above shall be provided, to the telecommunications spaces (including Telecommunications Rooms, Equipment Room(s) and Entrance Room(s)) meeting the requirements of 569-A on a twenty-four (24) hour per day seven (7) day per week basis without additional charge.
- (4) Should the Lessee require the services indicated in paragraph (c) and (d) of subclause (1) above, beyond the normal hours indicated in subclause (3) above, the hourly charge shall be \$_____

accordance with the terms and conditions set forth in the document hereto attached and marked as Schedule "F" Roof Mounted Equipment and forming part of this lease.

12. SIGNAGE AND FLAG DISPLAY

- (1) The name of the Building and its street address shall be clearly and appropriately displayed on the exterior of the Building.
- (2) The Lessor shall provide a directory board in the main floor lobby and in the elevator lobby of each floor of the Leased Premises, as applicable, including identification of the occupants of the Leased Premises as provided by the Lessee.
- (3) All worded signs and directory boards in and about the Leased Premises and common areas of the Building shall be in both official languages.
- (4) The Lessee may erect signs on the Leased Premises and Lands as necessary for the proper conduct of its business, including but not limited to: exterior free-standing or surface-mounted signs; interior identification signs including signs providing direction to the Leased Premises; and when the Lessee is the sole occupant of a floor or of the building, the Lessee may install a federal identifier "Canada" wordmark sign at a mutually acceptable location in the elevator lobby or in the main floor lobby, as applicable.
- (5) The Lessor shall provide a prominent location, visible to the public and acceptable to the Lessee, at the exterior of the Building and in the main floor lobby of the Building for the display of the National Flag of Canada which shall be supplied and installed by the Lessor. The Lessee shall have the right to install lighting as part of the exterior display.

NOTE: For leases of two years or under Part 13 is to be deleted in its entirety.

13. OPERATING COSTS ADJUSTMENT

- (1) In this Part,
 - (a) "Subsequent year" means any period of twelve (12) consecutive months, commencing on an anniversary of the date of commencement of the Lease;
 - (b) the "Basic Unit Operating Rate" is xxxx xxx Dollars (\$ xx.xx) per rentable square metre of office space;
 - (c) "Operating costs" with respect to the basic unit operating rate means the amounts estimated by the Lessor only, by reason of and in respect to the following:
 - (i) sewer services and water (other than for installation thereof);
 - (ii) fuel for heating and hot water (remove if using optional Basic Energy Clause);
 - (iii) electricity (remove if using optional Basic Energy Clause);
 - (iv) cleaning of the interior of the Building and windows as such may be described in the Schedule entitled "Cleaning Specifications" appended hereto (including related wages, cleaning supplies and cleaning contracts);
 - (v) maintenance of the grounds forming part of the Lands as such may be described in the Schedule entitled "Cleaning Specifications" appended hereto (including related labour and payments to contractors);
 - (vi) material and labor related to the collection and disposal of garbage, waste and recyclable material from the Building;

lighting retrofit, in such instance(s) the cost of such replacements shall be at the Landlord's sole expense and shall not be included in the calculation of Operating Costs;

(viii) security and policing of the Building, excluding the cost of any capital installations and or improvements relating to security and policing of the Building, that under generally accepted accounting principles are properly classified as capital expenditures;

(ix) operation, maintenance and repairs in respect of any elevators, escalators, life safety systems and motorized equipment within the Building, excluding the cost of the following: any capital improvements to the elevators, escalators, life safety systems, motorized equipment and other items that under generally accepted accounting principles are properly classified as capital expenditures, any major replacements of parts which materially extend the life of the elevators, escalators, life safety systems, motorized equipment, mechanical and electrical services, costs for any repair and/or replacement to the Structure and costs of correcting defects in the construction of the Building or in the building equipment;

(x) insurance which the Lessor is obliged, by the Lessee, to obtain for the Building;

(xi) reasonable salary and benefits, consistent with the salary and benefits normally paid in the trade for similar duties, of the "on-site" manager where his/her entire duties relate to the management of the Building (or a portion thereof based on the time devoted exclusively to his/her duties related to the management of the Building), plus the cost of other "on-site" support personnel working only and exclusively on the business of managing the Building, excluding officers, secretarial, clerical, accounting and leasing staff of the Lessor and /or Lessor's representative;

(xii) an administrative charge equal to 2% of the above Operating Costs; such services and the costs thereof being reasonable and equitably attributable to the Office Space forming part of the Leased Premises and which are not otherwise recoverable from the Lessee, other lessees or occupants of the Building;

(d) the "Total Operating Costs" means that portion of the annual rent hereby reserved arrived at by multiplying the Basic Unit Operating Rate with the total rentable square metres of Office Space;

(e) the "Basic Annual Rent" means the total of all amounts payable hereunder less the Total Operating Costs;

(f) the "Basic Index" means the All Item Consumer Price Index for each Province, published by Statistics Canada (No. 62-001XPB).

(g) the "New Index" means the index for the third month prior to the commencement of the applicable Subsequent year from the publication described in the preceding subclause (f) hereof; and

(h) the "Factor" means the result obtained by dividing any New Index by the Basic Index and rounding off such result to five (5) decimal points.

(2) In this Part,

(a) "Subsequent year" means any period of twelve (12) consecutive months, commencing on an anniversary of the date of commencement of the Lease;

(b) the "Basic Energy Rate" is _____ and ___/100 Dollars (\$_____) per rentable square metre of office space;

- (ii) electricity;
 - (iii) an administrative charge equal to 2% of the above Operating Costs; such services and the costs thereof being reasonable and equitably attributable to the Office Space forming part of the Leased Premises and which are not otherwise recoverable from the Lessee, other lessees or occupants of the Building;
 - (d) the "Total Energy Costs" means that portion of the annual rent hereby reserved arrived at by multiplying the Basic Energy Rate with the total rentable square metres of Office Space;
 - (e) the "Basic Annual Rent" means the total of all amounts payable hereunder less the Total Operating Costs and Total Energy Costs;
 - (f) the "Energy Index" means the Special Aggregate Energy Price Index for each Province published by Statistics Canada (<http://www40.statcan.ca/101/cst01/cpis01d.htm>) for the month of _____;
 - (g) the "New Index" means the index for the third month prior to the commencement of the applicable Subsequent year from the publication described in the preceding subclause (f) hereof; and
 - (h) the "Factor" means the result obtained by dividing any New Index by the Basic Index and rounding off such result to five (5) decimal points.
- (3) For each Subsequent year during the Term, the total annual rent payable hereunder shall be adjusted by applying the Factors to the Total Operating Costs and Total Energy Costs by using the established formula:

Basic Annual Rent + (Total Operating Costs x Factor) + (Total Energy Costs x Factor)

and the month installments of rent hereinbefore provided to be paid shall be adjusted accordingly.

14. DEFAULT

- (1)
 - (a) If the Lessee shall make any default in payment of rent hereby reserved or in the performance of any other of the Lessee's covenants under this Lease, and such default continues for one calendar month, the Lessor may give to the Lessee a notice in writing requiring the Lessee to remedy such default within a period of thirty days from and after the date of service of such notice; and
 - (b) if the Lessee shall fail to remedy such default within such period of thirty days or longer period as may be reasonably necessary in view of the nature of the default, the Lessor may, in addition to its other rights at law, enter upon and take possession of the Leased Premises or any part thereof in the name of the whole and repossess and enjoy same as of its former estate, and the Term hereby granted shall thereupon cease and terminate.
- (2)
 - (a) The Lessor covenants and agrees that as and when they become due, the Lessor will make all payments on account of any mortgages, liens, taxes, charges and other encumbrances upon the Lands and Building, and will protect and indemnify the Lessee against all loss or damage which the Lessee may sustain by reason of any action which might be taken under or in respect of any mortgages, liens, taxes, charges and other encumbrances, and
 - (b) if the Lessor makes any default in the payment of any amount due or interest under any mortgage or encumbrance or in respect to taxes, or is in default in respect of any covenants and obligations under any mortgage, lien, charges or other encumbrance affecting the Lands and Building, the Lessee may, but shall not be obliged to make such payment, or to remedy any such default, and

expenses incurred by the Lessee in remedying any such default.

- (3) In the event that the Lessee shall deliver to the Lessor written notice of default in the performance of any of the Lessor's covenants under this Lease, and the Lessor shall fail to remedy, or commence to remedy such default within a period of time determined to be reasonable by the Lessee as the circumstances warrant, then and in any and every such event, the Lessee may, without further notice to the Lessor, take such steps as may, in the sole judgment of the Lessee, be necessary to remedy such default and, without limiting any of the Lessee's remedies at law or in equity, all costs and expenses incurred by the Lessee in remedying any such default of the Lessor shall be charged to and paid by the Lessor and, if the Lessor fails to pay such costs and expenses on demand, the Lessee shall be entitled to deduct same from the rent or any other amounts payable under this Lease by the Lessee to the Lessor.

15. DESTRUCTION OF BUILDING OR LEASED PREMISES

- (1) If, during the Term, the Building or the Leased Premises or any part thereof shall be damaged or destroyed by fire or by any other cause whatsoever and where the Lessee, acting reasonably and based on the advice of its engineers and architects, is of the opinion that the Leased Premises is rendered wholly or partially unfit for occupancy, the following provisions will have effect:

(a) Where the Lessee is of the opinion that the Leased Premises is incapable of being repaired within a period of time acceptable to the Lessee, then the Term shall cease and be at an end and the Lessee shall surrender and yield up possession of the Leased Premises effective on and from the date of such destruction or damage.

(b) Where the Lessee is of the opinion that the Leased Premises is capable of being repaired within a period of time acceptable to the Lessee and, within fifteen (15) days from the happening of such destruction or damage, written notice (hereinafter called the "Lessee's notice") is given by the Lessee to the Lessor specifying such time acceptable to the Lessee within which such destruction or damage will be repaired then, in any such event, but subject, nevertheless, to the provisions of paragraph (e) of this subclause, the Lessor shall forthwith commence and thereafter diligently complete the repair of such destruction or damage.

(c) Where the Lessee is of the opinion that the whole of the Leased Premises is rendered unfit for occupancy, the rent hereby reserved shall not run for the period commencing on the date of the happening of such destruction or damage and ending on the date of completion of all repairs, as aforesaid.

(d) Where the Lessee is of the opinion that only a portion of the Leased Premises is rendered unfit for occupancy and the Leased Premises are capable of being partially occupied, the rent hereby reserved shall abate by a proportionate amount of the annual rent, in the same ratio as the portion of the Leased Premises rendered unfit for occupancy bears to the whole, calculated on a daily basis, based on a 365 day year, and such proportionate amount shall be adjusted to take into consideration, among other things, the type of space rendered unfit for occupancy, the degree to which the Leased Premises capable of being partially occupied can be effectively used and the degree to which the provisions of the Lease can be observed and performed, for each and every day of the period commencing on the date of such destruction or damage and ending on the date of completion of all repairs, as aforesaid.

(e) Where the Leased Premises is rendered wholly unfit for occupancy and, within ten (10) days next following the giving of the Lessee's notice, referred to in paragraph (b) herein, the Lessor gives written notice to the Lessee that by reason of matters specified in such notice over which the Lessor has no control and that are not caused by the fault of the Lessor, such damage or destruction cannot with reasonable diligence be repaired within the period of time specified in the Lessee's notice, then and in any such event the provisions of paragraph (a) herein shall apply.

- (2) The Lessor agrees to look solely to its insurer or insurers in the event of any loss by fire, lightning, explosion, malfunction or non-function of boilers, pipes or accessories in and about the

damage to or destruction of the Building or any part thereof occasioned by any of the said perils, whether such rights, claims or demands arise through the negligence or other fault of the Lessee, the Lessee's servants, agents or contractors or otherwise.

16. INDEMNITY

The Lessor shall indemnify and save harmless the Lessee from and against all claims, actions, causes of action, loss, damage, expense and costs, whatsoever, made by any person, arising out of or resulting directly or indirectly, and whether by reason of negligence or otherwise, from

- (a) the performance by the Lessor of any of its covenants under this Lease,
- (b) any default of the Lessor in the performance of its covenants under this Lease, and
- (c) the remedying of such default by the Lessor, by the Lessee or by any other person.

17. LESSOR'S INSURANCE

(1) During the construction of the Building, or during any alterations, repairs, improvements, and/or renovations in or to the Building during the Term, the Lessor shall at its expense secure and maintain in force insurance coverages on and with respect to the Building which shall include the following:

- (a) Builder's All Risk Insurance for the full reconstruction value of the Building; and
- (a) Business Interruption Insurance following a physical damage incident.

(2) During the Term of the Lease, the Lessor shall at its expense, secure and maintain in force insurance coverage on and with respect to the Building, which coverage shall include the following:

(a) Property "All Risks Insurance" for the full reconstruction value of the Building, excluding Leasehold Improvements;

(a) Loss of Rental Income Insurance coverage on the rental income derived by the Lessor from the Building with a period of indemnity of not less than the period which would be required to rebuild and, if necessary, to re-tenant the Building in the event of the complete destruction thereof;

(a) Boiler and Machinery Insurance: This insurance provided shall have limits of not less than the repair or replacement and rental income, if applicable;

(a) Commercial General Liability Insurance with limits which a prudent Lessor of a similar building would maintain, but in any case with a limit of liability of not less than \$2,000,000.00 per accident or occurrence in or for the Building and the Lands related or adjacent thereto, including the following extensions: owners and contractors protective, limited pollution coverage endorsement, products and completed operations, personal injury; occurrence basis property damage and blanket contractual. The Commercial General Liability Insurance shall include Her Majesty the Queen in right of Canada, as an Additional Insured;

(a) such other insurance coverage which is or may become customary or reasonable for owners of buildings similar to the Building to carry in respect of loss of, or damage to, the Building or liability arising therefrom.

(3) (a) The insurance referred to in Clause 17 shall be carried in the amounts as stipulated therein; and otherwise as determined reasonably by the Lessor, subject to reasonable deductibles, as would a prudent owner of a commercial property similar to the Building.

and those for whom the Lessee is in law responsible with respect to occurrences required to be insured against by the Lessor pursuant to Clause 17.

- (c) If such insurance is not obtainable by the Lessor for any reason, the Lessee shall have the right (but not the obligation) to attempt to obtain such insurance on behalf of and in the name of the Lessor and at the Lessor's sole responsibility. Such responsibility may be discharged, at the Lessee's sole discretion, by deduction from the rent or another amount payable under the Lease by the Lessee to the Lessor.
 - (d) The Lessor shall provide to the Lessee, within a maximum period of thirty (30) days, a certificate of insurance evidencing the insurance coverage to be maintained by the Lessor. The delivery to the Lessee of a certificate of insurance or any review thereof by or on behalf of the Lessee shall not limit the obligation of the Lessor to provide and maintain insurance as required herein.
 - (e) The insurance policies referred to herein shall not be cancelled or materially changed without at least sixty (60) days' prior written notice given to the Lessee.
 - (f) All policies of insurance shall be secured with an insurance company licensed to sell commercial insurance under the laws of the Province or Territory of Canada.
 - (g) The Lessor acknowledges and agrees that, if it fails to obtain and maintain in force any of the insurances required to be obtained by the Lessor, then the Lessor shall indemnify the Lessee in respect of any losses as a consequence of such failure.
- (4) In the event parking spaces are provided:
- (a) the Lessor's Commercial General Liability Insurance Policy shall include a Non-Owned Automobile Liability endorsement;
 - (b) and if the Lessor, or its employees, agents, representatives or contractors either own an indoor garage or they drive, operate or move automobiles belonging to persons utilizing the parking spaces or the area in which the parking spaces are located, the Lessor shall secure and maintain a standard garage automobile policy written in the name of the Lessor on the form known as the "Standard Garage Automobile Policy (S.P.F. No. 4)" with the following minimum limits:
 - (i) Third Party Liability: Not less than \$2,000,000.00 in respect of any one accident or incident;
 - (ii) Collision or upset: Not less than \$100,000.00 in respect of any one accident or incident;
 - (iii) Specified Perils: Not less than \$50,000.00

18. LAWS

The Lessor shall, at its cost, fully comply with and fulfil the provisions and requirements of all applicable Statutes, Regulations, By-laws, Rules, Orders and Instructions relating to the Lands, the Building and the Leased Premises.

19. STANDARDS OF REPAIR

- (1) The Lessor covenants as follows:
- (a) to render the Leased Premises in a good and tenantable state of repair, ready for use and occupancy at the Lease Commencement Date;
 - (b) at all times during the Term, to maintain the Leased Premises in a good and tenantable state of repair, and

- (2) The Lessor covenants that all provisions set forth in the Standards for Leased Accommodation, hereto attached, have been fully complied with and shall continue to be fully complied with throughout the Term.
- (3) Subject to the Lessee's normal security requirements and reasonable prior notice, the Lessee shall permit the Lessor or the Lessor's authorised agent at all reasonable times to enter for the purposes of examining the state of repair of the Leased Premises and making repairs thereto.
- (4) The Lessor shall provide the Lessee's representative with a current list of names, telephone numbers and addresses of the Lessor's employees, servants and agents who may be contacted at any time in the event of emergency or failure of any service to be provided by the Lessor, as herein specified, for the purpose of making repairs as may be required or to restore such service.
- (5) In the event that requests for services are received from the Lessee's National Service Call Centre (NSCC) the Lessor shall, immediately upon completion of the work, report back to the NSCC at 1-800-463-1850 describing the action taken to correct the problem.

20. DATE SENSITIVE COMPLIANCE FOR BUILDING SYSTEMS

The Lessor shall ensure that all building systems are date sensitive compliant including, but not limited to, vertical transportation, environmental controls (HVAC), safety systems, security systems and all other systems in or for the Building as applicable under the Lease. Date sensitive compliant shall mean that neither performance nor functionality of the systems is affected by a change of date.

21. LESSEE'S IMPROVEMENTS

- (1)
 - (a) Subject to the provision of sub-clause (1)(b) hereof, the Lessee shall be entitled, at any time prior to or during the Term, to make, or to have made,
 - (i) by the Lessor, pursuant to sub-clause (2) hereof, and/or
 - (ii) by any independent contractor, pursuant to any agreement which may be entered into by and between the Lessee and such contractor,such improvements in and to the Leased Premises, the appurtenances thereof and facilities therein, as will in the judgment of the Lessee better adapt the Leased Premises to the uses of the Lessee, and if any such improvements are to be made by any independent contractor, the Lessor shall, for such purpose, permit such contractor, the contractor's subcontractors and their respective employees, servants and agents to enter the Lands, the Building and the Leased Premises.
 - (b) No changes, alterations, additions or improvements to any of the heating, air conditioning, electrical and plumbing systems, roof and bearing walls of the Building shall be made without the prior written consent of the Lessor. Such consent shall not be unreasonably withheld.
- (2)
 - (a) If the Lessee elects to have the Lessor carry out Lessee's Improvements to the Leased Premises, the Lessor hereby covenants, in the manner provided in and as set forth in the Schedule entitled "Terms and Conditions Applicable to the Lessee's Improvements" and forming part of this Lease, to undertake and complete the Lessee's Improvements in any part of the Leased Premises as may be required by the Lessee prior to and during the Term of the Lease, and for such purpose to enter into one or more "Sub-agreement(s) for Lessee's Improvements" with the Lessee.
 - (b) Pursuant to sub-clause (2)(a) hereof, the Sub-agreement(s) for Lessee's Improvements shall be prepared by the Lessee at the Lessee's expense and shall be executed by the Lessor and the Lessee.

thereof, the Lessee may elect to remove any or all changes, alterations, additions and improvements incorporated into and made part of the Leased Premises, whether made by the Lessee or made on the Lessee's behalf, or may elect to leave any or all of the said changes, alterations, additions and improvements. In the event that any property belonging to the Lessor is damaged as a result of the Lessee's removal of any or all of the changes, alterations, additions and improvements (including cabling), the Lessee shall either pay to the Lessor such compensation in respect thereto that represents the reasonable cost of repairing such damage, or shall repair the same.

- (2) Upon the expiration of the Term, as the same may have been extended, or upon other termination thereof, the Lessee shall remove any or all chattels installed by the Lessee or on the Lessee's behalf at the Leased Premises including, without limiting the generality of the foregoing, all furniture, equipment, drapes and drape mountings, rugs and decorative items which are hereby deemed to be the Lessee's property and, in the event that any property belonging to the Lessor is damaged as a result of the Lessee's removal of the chattels, the Lessee shall either pay to the Lessor compensation in respect thereto that represents the reasonable cost of repairing the damaged property, or shall repair the same.
- (3) The Lessee shall yield up the Leased Premises at the expiration of the term, as the same may have been extended, or upon other termination thereof, together with such improvements, as the Lessee has elected to leave, in good repair, reasonable wear and tear, damage from fire, storm, tempest and other casualty, removal of alterations excepted, and, subject only to the provisions of subclause (1) and (2) above, the Lessee shall not be liable for any costs, direct or indirect, arising out of, or connected to the restoration or repair of the Leased Premises.

23. SET-OFF

Without restricting any right of set-off given or implied by law, the Lessee may set-off against the rent, or against any other sum payable hereunder by the Lessee to the Lessor, any amount payable by the Lessor to the Lessee hereunder or under any other Lease or contract, and without restricting the generality of the foregoing, the Lessee may, when making payment of the rent or of any other sum, withhold any amount which is then payable to the Lessee by the Lessor under this Lease or which, by virtue of the right of set-off, may be retained by the Lessee.

24. ENVIRONMENTAL REPRESENTATIONS AND WARRANTIES

The Lessor represents and warrants to the Lessee as follows :

- (a) The Building, the Leased Premises and the Lands on which the Leased Premises is located and their existing and prior uses comply and have at all times complied with, and the Lessor is not in violation of and has not violated, in relation to its ownership, use, maintenance or operation and uses related thereto, any applicable federal, provincial, municipal or local laws, regulations, orders or approvals of all governmental authorities relating to environmental matters.
- (b) There are no orders or directions relating to environmental matters related to the Building, the Leased Premises and the Lands on which the Leased Premises is located.
- (c) To the knowledge of the Lessor, no hazardous or toxic materials, substances, pollutants, contaminants or wastes have been discharged into the environment, or deposited, discharged, placed or disposed of at, on or near the Building, the Leased Premises and the Lands on which the Leased Premises is located.
- (d) The Lessor shall indemnify and save harmless the Lessee, the Lessee's employees, servants, agents and contractors, and all those for whom the Lessee may in law be responsible, from and against all claims, demands, losses, costs, damages, actions, suits or proceedings by whosoever made, brought or prosecuted in any manner based upon, arising out of, related to, occasioned by or attributable to the breach of any representation and warranty contained herein.

25. CONTINGENCY FEES

(i) "contingency fee" means any payment or other compensation that is contingent

(ii) "employee" means a person with whom the Lessor has an employer/ employee relationship;

(iii) "person" includes an individual or group of individuals, a corporation, a partnership, an organization or an association and, without restricting the generality of the foregoing, includes any individual who is required to file a return with the registrar pursuant to Section 5 of the Lobbyist Registration Act R.S. 1985 c.44 (4th Supplement) as the same may be amended from time to time;

(iv) "Real Estate Broker" means an agent or intermediary (including a firm or association) who, in the normal course of business negotiates or assists in bringing two or more parties together with the object of their entering into a real estate transaction and is remunerated by a brokerage fee or commission that is normally contingent on success, and holds a licence from the Province in which the agent operates; and includes a practising solicitor in a real estate, bank, loan, trust, insurance company in respect of real estate such company administers.

(b) The Lessor hereby certifies that it has not directly or indirectly paid or agreed to pay and covenants that it will not directly or indirectly pay a contingency fee for the solicitation, negotiation or obtaining of this Lease to any person other than an employee acting in the normal course of the employee's duties, or to a Real Estate Broker acting in the normal course of their profession.

(c) All accounts and records pertaining to payments of fees or other compensation for the solicitation, obtaining or negotiation of the Lease shall be subject to examination and audit by the Lessee.

(d) If the Lessor certifies falsely under this Clause or is in default of the obligations contained therein, the Minister may either terminate the Lease without any compensation or further payments of any kind whatsoever to the Lessor, or recover from the Lessor by way of reduction to the rent or otherwise the full amount of the contingency fee.

26. ENCUMBRANCE HOLDERS

The Lessor hereby agrees to acquire from each and every encumbrance holder registered on title in priority to the Lessee's interest, a nondisturbance agreement in favour of the Lessee's Lease interest as follows:

- (a) consent to the granting of this Lease upon the terms and conditions herein set forth,
- (b) confirm that the Mortgage has not been amended and that there has been no default by the Lessor, as mortgagor under the Mortgage, of any of the covenants and agreements of the mortgagor contained in the Mortgage, and the Mortgagee waives any such default arising prior to the date hereof, and
- (c) agree that in the event of any default by the Lessor as mortgagor under the Mortgage, and the enforcement by the Mortgagee of its rights, or any of them under the Mortgage by reason of such default, the Mortgagee shall recognise this Lease and not disturb the Lessee and the Lessee's rights under this Lease, provided, only, that if, by reason of any such enforcement by the Mortgagee of such rights under the Mortgage, the Mortgagee becomes lawfully entitled to have the Lessee attorn to the Mortgagee, as Lessor, by operation of law, and gives written notice thereof to the Lessee, the Lessee shall so attorn to the Mortgagee.

27. NOTICES

Any notice, demand, request, consent 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 to:

the day upon which it is delivered in person, or, if mailed, then seventy two (72) hours following the date of mailing, as the case may be. Either party may give written notice of any change of address in the manner specified above, and thereafter the new address shall be deemed to be the address of that party for the giving of notices. If the postal service is interrupted or is substantially delayed, any notice, demand, request, consent or other instrument shall be delivered in person.

28. **GENERAL**

(a) The Lessor and the Lessee acknowledge that there are no covenants, representations, warranties, agreements or conditions, expressed or implied, collateral to or otherwise forming part of or in any way affecting or relating to this Lease save as set out in the Lessor's Offer to Lease, the Lessee's Acceptance of the said offer, and this Lease constitutes the entire agreement between the Lessor and the Lessee and shall not be modified except by a subsequent agreement in writing of equal formality executed by the parties.

(b) Upon the Lessee paying the rents and performing the covenants provided herein on Her part to be paid and performed, the Lessee shall and may peaceably and quietly enjoy the Leased Premises during the term without molestation, hindrance or disturbance from or by the Lessor or any person or persons claiming through or under the Lessor.

(c) A waiver by the Lessee of any breach of any of the Lessor's covenants hereunder shall not affect or prejudice the rights of the Lessee in respect of any future or other breach of covenant by the Lessor.

(d) If any dispute or question shall arise between the parties hereto during the term thereof, and any extension, as to any matter arising hereunder which the parties are unable to resolve by agreement, the same shall be determined by a Court of competent jurisdiction.

(e) Time shall in all respects be of the essence for each and every of the terms, covenants and conditions in this Lease.

(f) Whenever in this Lease the context so requires or permits, the singular number shall be read as if the plural was expressed and the masculine gender as if the feminine or neuter, as the case may be, were expressed.

(g) The captions and titles in this Lease are for convenience of reference only, and shall not affect the scope, intent, or interpretation of any provision.

(h) This Lease may be executed in several counterparts, each of which, when so executed shall constitute but one and the same document.

(i) This Lease shall enure to the benefit of and be binding upon the parties hereto, their lawful heirs, executors, administrators, successors and assigns.

(j) The Lessee considers that the pieces of information listed hereunder is the type of government information that is normally available to the general public and therefore, the Lessee reserves the right to make this information available to the general public, that is,

- the address of the Building
- the name and address of the Lessor
- the commencement date of this Lease
- the termination date
- the options to extend and dates thereof
- the area of the Leased Premises

and the Lessor agrees to the disclosure to the public of such information and agrees not to object in any way whatsoever to the disclosure of such information.

remainder of this Lease and 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 law, rules, regulations or enactments from time to time in force.

(l) If at any time there is more than one Lessor or more than one entity constituting the Lessor then their covenants, responsibility and liability shall apply to each and every one of them jointly and severally.

(m) The Lessor must at all times during the term of the Lease, hold a valid Designated Organization Screening (DOS), issued by the Canadian Industrial Security Directorate (CISD) of the Public Works and Government Services Canada (PWGSC).

(n) The Lessor's personnel requiring access to leased premises, assets or protected information, must each hold a valid clearance status issued by the CISD of PWGSC.

(o) The Lessor must ensure that, at all times during the term of the lease, any contractor or sub-contractor holds a valid DOS issued by the CISD of PWGSC.

(p) The Lessor must ensure that any contractor's or sub-contractor's personnel requiring access to leased premises, assets or protected information must each hold a valid clearance status issued by the CISD of PWGSC.

(q) The Lessor and any of his contractors or sub-contractors must not remove any asset or "protected" information from the leased premises, and must ensure that their personnel are made of aware of, and comply with this restriction.

(r) The Lessor and any of his contractors or sub-contractors must comply with the provisions of the Industrial Security Manual (Latest Edition).

(s) The Lessee may at any time during the term of the lease by written notice, modify the security requirements which may require modification to the security clearance.

IN WITNESS WHEREOF the Lessor has signed this lease at _____ on the _____ day of _____ 20____, and the Lessee hereto has signed this Lease at _____ on the _____ day of _____ 20____.

WITNESS +

Name of Lessor: _____

Date

Signature

Name and Title of Signing Officer

Date

Signature

Name and Title of Signing Officer

Her Majesty The Queen In Right of Canada

Date

Signature

Name and Title of Signing Officer

SCHEDULE "A"

LEGAL DESCRIPTION OF LANDS

This Schedule when prepared as part of the Lease for execution will consist of a legal description of lands and floor plan(s) of the Leased Premises.

(New Brunswick: Do not complete - Specimen only)

SCHEDULE "A-1"

FLOOR PLAN(S)

1. GENERAL

- (1) If an outer building wall consists of at least fifty percent (50%) glass (based on a minimum ceiling height of 2600 mm) the measurement shall be taken from the inside surface of the glass.
- (2) If the glass surfaces are sloping or of any other irregular design the measurement shall be taken from the glass surface nearest the inside finish of the outer building wall.
- (3) For office space situated in a retail setting only the space contained within the demising walls is to be considered in the Rentable and Usable area calculations.

2. DEFINITIONS

- (1) Accessory Areas are the common use areas of the floor, along with their enclosing walls (except where such walls abut Building Service Areas), including toilets, janitor closets, slopsinks, electrical closets, tele-communication closets, public corridors and elevator lobbies.
- (2) Building Service Areas are those areas, with their enclosing walls, necessary to the operation of the Building, including main entrance lobby, main floor elevator lobby, public stairs, fire towers, elevator shafts, flues, stacks, pipe shafts, other vertical ducts air conditioning room (including fan rooms on floors), meter room, garbage room, janitorial storage room (serving the whole Building), dumbwaiter, loading docks (serving the whole Building), telecommunications main terminal/equipment room (MT/ER), the tele-communications entrance room that will be used to terminate cables and house equipment of the telecommunications common carriers and concierge/security stations (unless specially required by the Lessee and serving only the Lessee).
- (3) The rentable area of a whole floor shall be the area within the outside walls computed by measuring to the inside finish (or surface of the glass, as appropriate) of permanent outer building walls without deduction for columns or projections necessary to the Building or for enclosures around the periphery of the Building used for the purposes of cooling, heating and ventilating, excluding from such measurement Building Service Areas, but including Accessory Areas within serving only that floor.
- (4) The rentable area of a portion of a floor shall be the areas within the outside walls computed by measuring to the inside finish (or surface of the glass, as appropriate) of permanent outer building walls, to the inside surface of the corridor walls and to the centre of the partitions that separate the portion of the floor from adjoining portions of the floor, without deduction for columns or projections necessary to the Building or for enclosures around the periphery of the Building used for the purposes of cooling, heating and ventilating, excluding from such measurement Building Service Areas, but including a proportionate share of Accessory Areas servicing only that floor.
- (5) The usable area of a floor or of a portion of a floor shall be the areas within the outside walls computed by measuring in the manner described for computing the rentable area, excluding from such measurement Building Service Areas and Accessory Areas (together with the enclosing walls of such Accessory Areas which separate them from usable area on the balance of the floor) and also excluding the area occupied by columns and projections necessary to the Building or by enclosures around the periphery of the Building used for the purposes of cooling, heating and ventilating.

PART 1: GENERAL STANDARDS

1.1 LAWS, ACTS, REGULATIONS, CODES AND STANDARDS

1.1.1 General Requirements

.1 The Building shall, unless otherwise specified herein, be designed, constructed, operated and maintained in a manner which:

.1 Is compliant with all applicable federal, provincial, territorial, municipal or regional laws, acts, regulations and codes.

.2 Facilitates easy circulation, without crowding and provides for barrier-free accessibility within the parts of the *Building* utilized by the Lessee's occupants and visitors.

.3 Provides for safe emergency evacuation of all of the Lessee's occupants including persons with limited mobility.

.4 Minimizes disruption and interference with occupants including the prevention of transmission of noise when demolition or construction work occurs in the building or on the property.

.5 Provides for adherence to all applicable codes and standards and without limiting the generality of the foregoing, shall include the following:

.1 ANSI/ASHRAE 55 - 2004 Thermal Environmental Conditions for Human Occupancy

.2 ANSI/TIA/EIA 569B Commercial Building Standard for Telecommunications Pathways and Spaces

.3 ANSI/TIA/EIA 606 Administration Standard for the Telecommunications Infrastructure Commercial Buildings

.4 ASHRAE 62.1 - 2004 Ventilation for Acceptable Indoor Air Quality

.5 ASHRAE HVAC Applications Handbook 2003

.6 ASHRAE HVAC Fundamentals Handbook - 2005

.7 [Building Owners and Managers Association, BOMA, Go Green Best 1 Certification, http://www.bomagogreen.com/faq_ggc.html.]

.8 CAN/ULC-S524-01 Standard for Installation of Fire Alarm Systems

.9 CAN/CSA-B651-04, Accessible Design for the Built Environment

.10 CAN/CSA-C860-01 Performance of Internally Lighted Exit Signs

	.13	Canada Labour Code
	.14	Canada Occupational Health and Safety Regulations http://laws.justice.gc.ca/en/showdoc/cr/SOR-86-304///en?page=0
	.15	Canadian Drinking Water Standards
Escalators	.16	CSA B44, 2004 Safety Code for Elevators and Escalators
	.17	Federal Identity Program Manual (FIP) http://www.tbs-sct.gc.ca/fip-pcim/man_pdfs_e.asp
	.18	Master Painters Institute (MPI)
	.19	National Building Code of Canada (NBCC 2005) including Structural Commentaries
	.20	National Fire Code (NFC) 2005
	.21	National Plumbing Code (NPC) 2005
	.22	NBC noise criterion curves - ANSI Standard S12.2 1995 (R1999)
Extinguishers	.23	NFPA 10 - Standard for Portable Fire Extinguishers 2002
Sprinkler Systems	.24	NFPA 13 - Standard for the Installation of Sprinkler Systems 2002
Standpipe and Hose Systems	.25	NFPA 14 - Standard for the Installation of Standpipe and Hose Systems 2003
Grounding (Earthing) and Bonding Requirements For Telecommunications	.26	TIA J-STD-607-A Commercial Building Grounding (Earthing) and Bonding Requirements For Telecommunications
Indoor Air Quality in Office Buildings	.27	CAN/CSA B52: Mechanical Refrigeration Code
	.28	CAN/CSA Z204: Guideline for Managing Indoor Air Quality in Office Buildings
Buildings Except Low-Rise Residential Buildings	.29	CAN/CSA B149: Natural Gas & Propane Code
	.30	ASHRAE: Standard 90.1: Energy Standard for Buildings Except Low-Rise Residential Buildings
Equipment	.31	CAN/CSA B139 Installation of Oil Burning Equipment
Balancing?	.32	Z204-99 Requirements for Frequency of Air Balancing?

.6 In the event of any conflict between the above noted Standards or between the above noted Standards and other requirements set forth in this Schedule "C", the more stringent provision shall apply.

1.2 REAL PROPERTY ACCESSIBILITY

1.2.1 The Leased space, Lands, Building, facilities and related services provided by the Lessor, shall be Barrier-Free Accessible, in compliance with CSA B651-04, set forth in Treasury Board Policy.

1.3 LIFE SAFETY

1.3.1 The Lessor shall provide to the Lessee a comprehensive emergency evacuation plan, which will set forth the process for evacuation of persons as required under the applicable codes. The Lessor shall also update the required plans to adjust for any changes made to the evacuation route during the term of the lease, and provide such plans freely to the Lessee.

1.3.2 Where physical limitations prevent practical and full application of the current NBCC requirements, High Buildings (as defined in Section 3.2.6 in the NBCC) shall, at the minimum, meet all the following requirements:

.1 Emergency exit routes from the Leased Premises, leading to exterior exits, shall be constructed such that during a period of two hours after the start of a fire in the Building, the entire length of the route will not contain more than 1% by volume of smoke contaminated air.

.2 Every floor comprising Leased Premises above or below the first story shall either be subdivided by fire-separated zones or be provided with a fire-separated area of refuge to accommodate persons with physical disabilities during an emergency.

- 1.3.3 Clear signage, in both English and French, along exit routes from the Leased Premises, leading to exterior exits, shall be provided.
- 1.3.4 In the event a building is not sprinklered in accordance with NBCC requirements, Leased Premises for occupancy by Federal Government Employees shall be restricted to floors at or below 33 metres above the head of the local municipality's fire pumping station.
- 1.3.5 Fire separations between floors comprising Leased Premises shall comply with NBCC requirements, including, without limitation of the generality of the foregoing, fire dampers for HVAC systems, fire stopping at the Building perimeter and all interior floor penetrations.
- .1 If the lowest floor of the Leased Premises is located above the main floor, these fire separation requirements apply to:
- .1 All the floors immediately below the lowest Leased Premises floor, where the lowest Leased Premises floor is the 2nd, 3rd or 4th floor or,
- .2 The three (3) floors immediately below the lowest Leased Premises floor, where the lowest Leased Premises floor is above the 4th floor.

OPTIONAL CLAUSE TO REPLACE LIFE SAFETY 1.3.2, 1.3.3, 1.3.4 and 1.3.5:

The life safety provisions of the building shall comply with the requirements of the latest edition of the National Building Code, the latest edition of the National Fire Code of Canada, or the applicable Municipal / Provincial / Territorial laws, whichever is more stringent.

1.4 ACCESS TO PREMISES

- 1.4.1 The Leased Premises shall be accessible to the Lessee at all times.
- 1.4.2 Vehicular and pedestrian access to and from the Building shall conform to surrounding traffic patterns and shall be adequate in order to accommodate all the required circulation inherent in the type of facility required.
- 1.4.3 All pedestrian and vehicular traffic areas outside of the Building including but not limited to parking spaces, service areas and maneuvering aisles shall be finished using concrete or pavement material capable of sustaining commercial usage.

1.5 LOADING FACILITIES

(To be in accordance with the requirements of the specific project - Refer to Part 1 of this Lease Documentation Package)

A loading facility with convenient access shall be provided

or

The Building shall have a loading area which in the sole opinion of the Lessee is conveniently accessible to the Leased Premises, allowing for easy loading and off-loading of equipment and materials, and transport to and from the Leased Premises.

or

The warehouse space shall be serviced by a pedestrian door, a loading dock and dock levellers complete with cushions, seals and a manual overhead door.

or

The Building shall have a loading dock, complete with dock levellers, able to accommodate the loading/unloading of _____ ton trucks. The loading area shall be demised from any occupied area.

or

or

The Building shall have a loading dock, sealed with dock levellers, dedicated solely to the use of the Lessee, with uninterrupted access in order to accommodate a _____ ton truck.

or

The Building shall have a loading facility with convenient access, meeting the following specifications:

- .1 A separate shipping/receiving area with loading dock equipped with hydraulic dock leveller;
- .2 Dock levellers with nominal dimensions of _____ mm wide by _____ mm long including a _____ mm full width lip;
- .3 Truck positions limited to a minimum of _____ m in length and an additional _____ m available for maneuvering. Each position shall be a minimum of _____ m in width;
- .4 Dock positions equipped with wheel shocks, bumpers and dock seals;
- .5 Dock positions equipped with an insulated overhead door and locking device;
- .6 Overhead door having a clear opening of _____ m high by _____ m wide;
- .7 Dock lights in order to illuminate interior of trucks; and
- .8 Driver access doors.

or

The Building shall have a loading facility at grade level with convenient access with a minimum of one overhead door.

and

Overhead door (s) shall:

- .1 Be at least _____ m wide and _____ m high;
- .2 Have an Automatic door opener on each door; and
- .3 Be insulated of wood or metal construction.

1.6 PARKING

1.6.1 Parking spaces shall be in compliance with all applicable laws, including, without limiting the generality of the foregoing, those relating to the size of the parking spaces and requirements with respect to interactions related to pedestrian and vehicle circulation.

1.6.2 Parking spaces shall be accessible to the Lessee at all times.

1.6.3 The Lessee shall have the right to install Government of Canada signs at the parking spaces reserved for the Lessee.

1.6.4 The Lessor shall:

.1 Provide lighting in accordance with the requirements of Part 5 Electrical Standards of this Schedule C.

.2 Locate and design Barrier free parking in compliance with CSA-B651-04.

1.6.5 If so requested by the Lessee, a mutually acceptable location for bicycle racks, provided by the Lessor and in the care of the Lessor. Bike racks to be of design acceptance to Lessee and specify required capacity (LEED promotes minimum capacity of 5% of anticipated staff).

- 1.7.1 All open site areas on the Lands not utilized for parking or service shall be landscaped within reasonable standards commensurate with landscaping policies and bylaws of the applicable municipality, and in accordance with CSA-B651-04.
- 1.7.2 Appropriate landscaping materials shall include: decorative stone, paving, or planting trees, shrubs, grass, flowers (annuals/perennials).
- 1.7.3 Planting in and around the building and parking area shall not block signs and shall promote visual surveillance for safety and security.
- 1.7.4 Drainage of the Lands, surface parking areas, walkways and entranceways shall be provided in order to prevent gathering of water. The site shall be well drained and free of unintentional standing water, and capable of draining surface run-off and water from any other source.
- 1.7.5 The health of the exterior plantings including lawn care shall be maintained through the implementation of an integrated pest management program that is least hazardous to the environment and persons.
- 1.7.6 The use of pesticides and fertilizers shall be severely restricted. If pesticide use is justified in the sole opinion of the Lessee, the least hazardous treatment option shall be utilized. Lawn care programs that regularly apply pesticides whether or not pests are present shall not be used.
- 1.7.7 In the event pesticide or fertilizer use may be required for landscape maintenance, the Lessee shall be notified in advance and the Lessor shall provide the Lessee Material Safety and Data Sheets (MSDS) of products proposed to be used. Application of any such products shall only be carried out with the approval of the Lessee.
- 1.7.8 Mulch used for landscaping purposes shall be standard organic mulch that would otherwise be wasted material, or visually acceptable recycled products.

1.8 ENTRANCES

- 1.8.1 Entrances to the Building or to the Leased Premises from the exterior shall have high quality walk-off mats or floor grates.
- 1.8.2 Entrance vestibules to the Building and to the Leased Premises from the exterior shall be seasonally heated and enclosed.
- 1.8.3 Entrances and any related vestibule doors shall be fitted with power door operators in compliance with CSA-B651-04.

1.9 COMMON AREAS

- 1.9.1 The type, quality and standard of finishes, fittings and equipment in all areas of the Building to be used by Lessee in common with other tenants shall conform to the best commercial practice and be compatible with the quality and standard of finishes, fittings and equipment to be provided in the Leased Premises.

1.10 STAIRS

- 1.10.1 The stairs shall have welded steel treads or painted concrete with non-slip nosing having the horizontal face in a colour contrasting with the tread and welded pipe handrails and balustrades.

1.11 ELEVATORS

- 1.11.1 Elevators shall be:
 - .1 In compliance with CSA-B651-04.

floor.

.3 Fully automatic, with car locking capabilities.

.4 Approved for operation by the authority having jurisdiction.

1.11.2 Elevator service shall be provided for the loading and movement of large items of furniture.

1.11.3 Elevator operations shall meet industry standards for efficient handling of the Building population under peak load conditions.

OPTIONAL PERFORMANCE CLAUSE

1.11.4 The control system shall be arranged to integrate the movement of cars so that the following is achieved:

- a) 55% of all calls are answered within 20 seconds.
- b) 80% of all calls are answered within 30 seconds.
- c) 90% of all calls are answered within 50 seconds.
- d) 99% of all calls are answered within 90 seconds.
- e) 100% of all calls are answered within 180 seconds.

When loaded to 65%, cars shall be dispatched from the main floor.

Car and landing doors shall fully open or close within 5 seconds.

Independent service shall be provided on each elevator.

1.12 WASHROOMS

1.12.1 In the Accessory Area on each floor of the Leased Premises, provide accessible separate washrooms for men and women or provide separate regular washrooms for men and women, plus one accessible unisex washroom, all in compliance with CSA-B651-04:

.1 Having washroom fixtures, a full range of accessories and toiletry supplies that meet high quality commercial standards and including, as a minimum:

- .1 One toilet paper holder per lavatory or toilet stall,
- .2 One clothes hook per lavatory or toilet stall,
- .3 One feminine hygiene receptacle per female lavatory or toilet stall,
- .4 One soap dispenser per sink,
- .5 One paper towel dispenser per three sinks,
- .6 One waste receptacle per washroom,
- .7 Continuous mirrors over vanities with washbasins.

.2 Having durable, moisture and water resistant finishes and non-slip floors, selected for the ease of maintenance, with materials being ceramic tile, quarry tile, marble or other hard surfaced finish acceptable to the Lessee.

1.13 HARDWARE

1.13.1 Hardware shall meet the best grade, functional class and durability standard requirements of the Canadian General Standards Board (CGSB) and American National Standards Institute (ANSI) as well as the requirements of the CAN-B651 for commercial applications.

1.13.2 All locks shall be keyed differently.

1.13.3 Prior to occupancy, the Lessor shall provide the Lessee with:

- .1 Two (2) master keys for each entrance door,
- .2 Two (2) sub master keys for each floor and
- .3 Two (2) keys for each lock

1.13.4 Keys shall be properly tagged and identified.

- 1.13.6 Doors leading to the Building and to the premises (including storage areas) shall be equipped with non-removable hinge pins and security type lock sets having minimum dead-bolt throw of 25 mm and hardened steel inserts.

1.14 OPERATION OF EQUIPMENT

- 1.14.1 All systems shall be operated at all times by competent and trained personnel.
- 1.14.2 The Lessor shall provide regular servicing and maintenance to all systems in accordance with manufacturers' requirements and relevant codes and standards.

1.15 HAZARDOUS SUBSTANCES, WORKPLACE HAZARDOUS MATERIALS INFORMATION SYSTEMS (WHMIS) COMPLIANCE AND SAFETY

- 1.15.1 The Building shall be free of hazardous friable asbestos material.
- 1.15.2 In the event polychlorinated biphenyls (PCB's), chlorofluorocarbons (CFC's) and Halon gases are in the Building, the Lessor shall provide an inventory of these substances to the Lessee. Removal, storage and disposal / destruction of these hazardous substances shall be in compliance with the requirements of authorities having jurisdiction.
- 1.15.3 The Lessor shall:
- .1 Maintain clean indoor air quality in the Building throughout the lease period and during any demolition and construction activities within the Building.
 - .2 Maintain air quality standards as outlined in Part 4: Mechanic Standards.
- 1.15.4 Materials & Equipment
- .1 All products used within the Building or on the Lands for construction, cleaning, maintenance, and operations shall be classified and labelled according to WHMIS.
 - .2 At time of entry to the Building, the Lessor shall submit to the Lessee a Building material binder with copies of the Material Safety Data Sheets (MSDS) for all products and materials used in the Building and Lands. The binder shall be maintained by the Lessor, kept in the Building and updated when new products are incorporated.

1.16 ENVIRONMENTAL SUSTAINABILITY

- 1.16.1 The Building shall be BOMA BEST Level One (within 18 months of the commencement of the Lease).

1.17 SIGNAGE

- 1.17.1 The Building's street address and name shall be clearly and appropriately displayed.
- 1.17.2 The Lessor shall provide suitable locations for the Lessee's exterior and interior primary identification signs. Exterior primary signage may consist of either building-mounted or free-standing signage depending on the visibility of the building or space offered, and may be required in more than one location. In the case of building-mounted signage, the Lessor shall provide sufficient room on a prominent exterior wall of the Building to allow the Lessee to place its signage. All proposed signage locations shall be to the satisfaction of the Lessee.
- 1.17.3 Directory boards shall be provided in the ground floor lobby of the Building and in the elevator lobby of each floor of the premises, as such may apply, including suitable identification as from time to time required by the Lessee, in the French and English languages, of the occupants of the premises to the approval of the Lessee.
- 1.17.4 The Federal Identity Program tactile signs shall be installed for doorways to washrooms, exit stairwells and emergency exits at grade.

2.1.1 All Office Space shall be above ground.

2.1.2 Within the *Leased Premises*:

.1 The type, quality and standard of finishes, fittings and equipment shall conform to high quality commercial performance standards for the type of accommodation and the intended use.

.2 All finishes or other materials installed or present such as, but not limited to: flooring, walls, ceilings, doors, hardware, window coverings, washroom fixtures etc. shall be new. In exceptional situations the Lessee, at its sole discretion, may accept any of the above items that are in like-new condition.

.3 All finishes shall present a uniform appearance, provide ease of maintenance and be installed solidly in place.

.4 The quality, colour pattern and textures of the finishes shall be subject to approval by the Lessee prior to their installation. The Lessor shall provide samples when required by the Lessee for approval purposes by the Lessee. If testing is required for a sample product, the testing is at the Lessee's expense.

.5 All finishes, fittings and equipment shall be installed in accordance with the manufacturers' requirements and relevant codes and standards.

2.1.3 Acoustic Requirements

.1 Leased Premises shall be separated from every other space in the Building at wall, floor and ceiling assemblies by providing a Sound Transmission Class (STC) rating of at least 52.

.2 The resultant acoustic requirements on background noise for space usage shall not exceed 40 dBA.

2.2 CEILINGS

2.2.1 For office layouts, suspended ceiling performance requirements are;

.1 Noise reduction coefficient to ASTM C423, NRC - 0.85 minimum and

.2 Light reflectance coefficient to ASTM E1477, LRC - 0.9 minimum.

2.2.2 The required minimum ceiling height shall be 2440 mm, to a maximum of 3050 mm, measured from the top of the finished floor to the underside of the suspended ceiling. The minimum height from the top of the finished floor to the underside of a bulkhead is 2440 mm.

2.2.3 Where the ceiling space is utilized as a return air plenum, there shall be no loose fill or open fibre batt insulation.

2.3 FLOORS

2.3.1 Floors in office areas shall be carpeted.

.1 Where carpeting is not functionally appropriate, flooring in such areas may be commercial resilient products, as approved by the Lessee.

2.3.2 Building floor surfaces shall be sound, smooth and level or rendered so at the Lessor's sole expense prior to the installation of floor coverings or coatings. Acceptance of minor deviations is at the Lessee's sole discretion.

2.3.3 Broadloom carpet shall meet or exceed CGSB Specification 4-GP-129, with the following characteristics:

.1 Pile weight: 881 g/m² (min.).

.2 Pile height: 4.5mm (min.) - 6.0mm (max.) .

.3 Pile density: 11.5-12.5 kilotex/cm².

.4 Inherent anti-microbial: to AATCC 174.

.5 Inherent Static Control: less than 3.0 kilovolts at 21°C and 20% relative humidity.

.6 Delamination to: ASTM D3936 to min 2.5 lbs/in².

2.3.4 Carpet tile shall meet or exceed with the following characteristics:

- .2 Dimensions:
 - .1 Minimum 455 mm x 455 mm and maximum 610 mm x 610 mm.
- .3 Yarn Type:
 - .1 100% branded nylon with permanently conductive fibres to control electrostatic propensity.
- .4 Density:
 - .1 Minimum density: 222 kg/m³ (6,000 oz/yd³).
- .5 Performance:
 - .1 Electrostatic Propensity: maximum 3000 volts to AATCC Test Method 134-91 at 20% RH, 22°C.
 - .2 Delamination: minimum 8.5 N/cm (5.0 lbs/inch) to ASTM D-3936.
 - .3 Dimensional Stability: maximum 0.2% to DIN STD. 54318-AACHEN test.
 - .4 Toxicity: pass CRI / IAQ Testing Program Green Label Plus.
- .6 Certified for flammability to Health Canada regulations under "Hazardous Products (Carpet) Regulations." Part II of the Schedule. Maximum flame spread Rating 300, maximum smoke developed classification 500.
- .7 Recycled Content and/or Recyclability:
 - .1 Definitions:
 - .1 Post-consumer and pre-consumer.
 - .2 Recyclable as defined in FTC Part 260 - Guidelines for the use of Environmental Marketing Claims, Section 260.7(d).
 - .3 Percentage by weight of recovered material, calculated by dividing weight of recovered materials content in one square unit of area of finished carpet (consisting of pile, backing, and attached cushion, if any) by total weight of one square unit of area of finished carpet, and multiplying by 100.
 - .2 Comply with at least one of the following three requirements:
 - .1 Product contains a minimum 5% by weight of post-consumer materials recycled content, except that vinyl-backed and other similar hard-backed products contain 20% by weight of post-consumer materials recycled content.
 - .2 Product contains a minimum 15% by weight of recovered materials, (which includes both pre-consumer and post-consumer materials).
 - .3 Product contains a minimum 25% by weight of recyclable content and a recycling program is in place and operational.

OPTIONAL CLAUSE FOR CARPET TILE

- 2.3.5 Carpet tile shall meet or exceed the following characteristics:
 - .1 Field carpet tile, minimum of 2 coordinating styles in coordinating colours (minimum 12 colours) and patterns varying in scale. Minimum of 2 coordinating styles to be "non-directional" or "random" pattern and installation (installer places carpet on floor without any regard to arrows or patterning).
 - .2 Carpet Tile Dimensions:
 - .1 Minimum 455 mm x 455 mm, maximum 610 mm x 610 mm.
 - .3 Carpet: to CAN/CGSB 4.129 and as follows:
 - .1 Certified for flammability to Health Canada regulations under "Hazardous Products (Carpet) Regulations" Part II of the Schedule.
 - .2 Maximum flame spread rating 300; maximum smoke developed classification 500 when tested to CAN/ULC-S102.2.
 - .3 Certified to Carpet and Rug Institute's and the Canadian Carpet Institute's IAQ requirements.
 - .4 Performance rating to ASTM D 5417.
 - .4 Water Consumption for Final Product:
 - .1 100% Solution Dyed: 0 litre / m².
 - .2 Combination of solution dyed and maximum 30% yarn dyed.

- .1 100% first quality, bulk continuous filament nylon, branded and certified, externally extruded by a fibre producer offering a construction and performance standards testing program for the carpet specified, either: type 6.6 or 6, Trilobal or Square Hollowfill Cross-Section. Fibre shape to have maximum Modification Ratio of 2.5 for soil release capabilities. Fibre identification to AATCC 20. Acceptable suppliers: Invista, Solutia, Universal, Aqaafil, Nylene, Zeftron.
- .8 Tuftbind: ASTM D 1335, minimum 35 N.
- .9 Yarn Ply: combination of two ply and one ply.
- .10 Pile Weight: minimum 576 gm/m² (17 oz / sq yard).
- .11 Pile Density: minimum 5400.
- .12 Pile Height: minimum 2.00 mm, maximum 5.00mm.
- .13 Kilotex Rating: minimum 9.5.
- .14 Yarn Dyed Method: 100% solution dyed or a combination of solution dyed and maximum 30% yarn dyed.
- .15 Total Weight: minimum 4374 gm/m² for carpet tile with fibreglass or nylon reinforced vinyl composite secondary backing and 3700 gm/m² for carpet tile with polyolefin secondary backing.
- .16 Colourization: multiple colour tones.
- .17 Colourfastness to light: CAN/CGSB 4.2 No.18.3, AATCC 16E, minimum L4 after 40 hours.
- .18 Colour Fastness to Atmospheric Fading: to AATCC 129 and AATCC 23.
- .19 Colourfastness to Crocking AATCC 165 > or - than 4.0 wet, dry.
- .20 Primary Backing: non-woven.
- .21 Secondary Backing: fibreglass or nylon reinforced vinyl composite: polyolefin.
 - .1 Density: as per ASTM D 1667.
 - .2 Dimensional Stability: ISO 2551 (Aachner Test), maximum 0.1% change.
 - .3 Delamination: ASTM D3936: minimum 5N/cm.
- .22 Soil Resistance: An average of 3 fluorine analyses AATCC 189 of a single composite sample to be a minimum of 500 ppm fluorine by weight when new and an average of 3 fluorine analyses using AATCC 190 to be a maximum of 400 ppm fluorine by weight after 2 AATCC 171 (HWE) cleanings.
- .23 Stain Resistance: AATCC 171 minimum 2 washings to simulate removal of topical treatments by hot water extraction, followed by: AATCC 175, minimum of 8 using AATCC Red Dye 40 Reference Scale.
- .24 Appearance Retention: Hexapod Drum ASTM D5252 for 12,000 cycles, minimum rating of 3.0 using CRI TM-101 Reference Scales.
- .25 Permanent static control: to AATCC 134, 3500V maximum at 20% RH and 22°C.
- .26 Antimicrobial: To AATCC 138 washed and AATCC 174 Part 2 & 3.
- .27 Recycling
 - .1 New Carpet: Must be eligible for recycling by the supplying mill or fibre producer within an existing program in place; submit program parameters.
- .28 Recycled Content:
 - .1 Total Recycled content: minimum of 40% recycled content.
- .29 Adhesives:
 - .1 Releasable, pressure sensitive adhesive to conform to carpet manufacturers specifications.
 - .2 Acrylic polymer emulsion, resin mixture, latex adhesive.
 - .3 Alternate adhesive method may be required to be used (e.g.: "peel and stick") if agreed on by the Lessor and Lessee.
- .30 Accessories:
 - .1 Seaming tape: types recommended by carpet manufacturer for purpose intended.
 - .2 Seaming sealer adhesive: type recommended by carpet manufacturer for purpose intended.
 - .3 Binder Bars: as recommended by carpet manufacturer.
 - .4 Carpet protection: non-staining heavy-duty Kraft paper.
 - .5 Concrete floor sealer: to CAN/CGSB 25.20, Type 1.
 - .6 Sub floor patching compound: Portland cement base filler, mix with latex and water to form a cementitious paste.

- 2.3.7 Baseboards shall be 100 mm high, of material and colour acceptable to the Lessee.
- 2.3.8 Transition between different flooring materials shall be safe and meet commercial use standards.

2.4 WALLS

- 2.4.1 All walls and all columns shall have paint, or other acceptable finish on gypsum board or plaster.
- 2.4.2 All demising walls of the Leased Premises shall be constructed slab to slab and the construction shall provide a continuous sound seal from the adjacent premises.
- 2.4.3 Paint and quality of work shall conform to Master Painters Institute (MPI), premium grade.
- 2.4.4 Wall finishes shall have a minimum light reflectance of 50% average over each entire wall.

2.5 WINDOWS/NATURAL LIGHT

- 2.5.1 All exterior windows shall be double-glazed.
- 2.5.2 The minimum unobstructed glass area servicing the demised area shall not be less than 5% of the designated office area and no such area shall be more than 12 m from a window.
 - .1 The edge of an open sky-lit atrium will count as glass window area.
- 2.5.3 All exterior windows shall have either horizontal or vertical blinds, conforming to flame spread rating and smoke development class for the occupancy type as per NBCC.
- 2.5.4 Exterior windows in the Leased Premises ground floor or commercial level shall also have reflective glazing.
- 2.5.5 Projecting exterior sunscreens shall be used in addition to interior sun control devices where they are beneficial for building operation and energy conservation.
- 2.5.6 Operable or fixed sun control devices shall be used for ease of maintenance, repair and replacement. Window washing systems used for the facility shall also be compatible with any sunscreens or sun control devices.
- 2.5.7 Glazing, shading devices and sources of illumination shall be analyzed to minimize heat gain and maximize direct natural light into all spaces to produce the best micro-climate for tenants in building perimeter space.
- 2.5.8 Skylights shall have either solar blinds or solar film or equivalent.

2.6 RELATED OFFICE STORAGE

- 2.6.1 The finishes and other requirements such as, but not limited to: hardware, flooring, security, etc. for related office storage space shall be in accordance with the requirements for the office space.

2.7 BASEMENT STORAGE

- 2.7.1 The storage area shall be free of water leakage or seepage.
- 2.7.2 A minimum clear finished ceiling height of 2450 mm shall be available throughout.
- 2.7.3 Storage area shall be enclosed with masonry or concrete walls to the underside of the structural slabs or beams, or with material acceptable to the Lessee.

- 2.7.6 Doors shall be hollow metal with pressed steel frames. Doorways to the storage area shall be 1500 mm minimum width, doors to be equipped with throw-bolts and deadbolts, security locks and automatic door closing mechanisms shall be to the security level acceptable to the Lessee.

2.8 DOORS AND FRAMES

- 2.8.1 All general office door frames shall be pressed steel and shall follow the guidelines of the Canadian Steel Door and Frame Manufacturers' Association (CSAFMA). Doors shall be solid flush wood core with appropriate sound controls for a combined sound rating of 26 STC and shall follow the recommendations of the Canadian Wood Manufacturer Association (CWDMA).

- 2.8.2 Door openings widths and hardware shall be in compliance with CSA-B651-04.

2.9 TELECOMMUNICATIONS ROOMS

- 2.9.1 *Telecommunication room(s)* inside the *Leased Premises* in accordance with 7.11 TIA-569B shall be provided. The floor area served by each room shall not exceed 1000 square metres.

3.1 FLOOR LOADING CAPACITY, VIBRATIONS AND OTHER STRUCTURAL REQUIREMENTS

3.1.1 The following is the minimum requirement for Leased Premises and all related Accessory Areas as outlined in the lease document:

- .1 The existing structural system shall be designed in accordance with the NBCC and the associated Structural Commentaries for the intended occupancies.
- .2 The existing structural system shall identify the location of all heavily loaded areas with the applicable designed live loads and in accordance with the NBCC.

- 4.1.1 The following is a description of the minimum mechanical requirements applicable to the Leased Premises as well as related Accessory Areas of the Building, which provide access to the Leased Premises.
- 4.1.2 The standards referred herein refer generally to office space. For other types of occupancies and for environment conditions not related to human comfort, the premises are to comply with the latest ASHRAE Handbooks.

4.2 THERMAL COMFORT REQUIREMENTS

- 4.2.1 These comfort standards shall be maintained during the occupancy period of the Lessee.
- 4.2.2 The building systems shall provide conditions within the Leased Premises in accordance with ANSI/ASHRAE Standard 55.

4.3 HEATING, VENTILATION AND AIR CONDITIONING (HVAC) SYSTEMS

- 4.3.1 The building and systems and equipment shall meet all requirements of Section 5 of ASHRAE 62.1.
- 4.3.2 The mechanical system shall provide ventilation air and exhaust air in the Leased Premises, Accessory Areas and Common Areas and shall meet all requirements of Section 6 of ASHRAE 62.1.
- 4.3.3 The building's operation and maintenance shall meet all requirements of Section 8 of ASHRAE 62.1, and Section 8 of CSA Z204.
- 4.3.4 In addition to the minimum requirements listed above in the reference Standards, the Leased Premises shall meet the following more stringent requirements;
- .1 25% minimum humidity level at all times in the Leased Premises.

[Note: this clause will challenge the building envelope in severe climates. This clause may need to be modified depending upon the available building inventory in the area.]

OPTIONAL CLAUSE FOR EXISTING BUILDINGS:

The Lessor shall maintain relative humidity between 25% (winter design) and 60% (summer design) at any point in an occupied zone.

- .2 The air supply to the Leased Premises shall be humidified by a central system that meets the water/steam quality requirements of ASHRAE 55 and CSA Z204.

[Note: in mild climate areas where ambient conditions meet the minimum humidity requirements most of the time and where there is not an inventory of suitable buildings, this clause and 4.3.5.1 may need to be deleted.]

- .3 Merv 8 filtration of all central HVAC systems that serve the Leased Premises.

OPTIONAL CLAUSE FOR EXISTING BUILDINGS

Merv 13 filtration of all central HVAC systems that serve the Leased Premises except for roof top units, heat pumps, and fan coils etc. when Merv 8 is considered acceptable to the Lessee.

- .4 Air supply temperature delivered to the space through diffusers or grilles shall not be less than 12°C.

[Note: this clause eliminates use of air heating and cooling equipment such as rooftop units unless provided with an ancillary heating system. This clause may need to be modified or deleted depending upon the available building inventory in the area.]

OPTIONAL CLAUSE FOR EXISTING BUILDINGS

The building's heating, ventilation and air conditioning systems shall:

- .1 be capable of introducing 100% fresh air to permit flushing of the building and using "free cooling" for energy conservation.
- .2 provide systems with the flexibility and capacity required to meet the requirements of the Lessee's intended use of space after the Lessee's improvements have been completed and the leased premises have been occupied.
- .6 Thermostat control shall be provided for each perimeter zone, which shall be no larger, than 15 metres in perimeter length and 4.5 metres in depth.

OPTIONAL CLAUSE FOR EXISTING BUILDINGS

Thermostat control shall be provided for each perimeter zone, which shall not be more than 4.0 metres from the outside wall and shall not exceed 50 square metres. The interior zone shall not exceed 70 square metres per zone for the office areas or a maximum of three (3) offices per zone for enclosed offices. Rooms and exposures that have unique load variations shall have individual zone control.

.7 All thermostats shall be wall mounting type and a single heating/cooling thermostat shall be provided for each individual control zone.

.8 Indoor loading dock and parking areas accessible to the tenant shall not have CO concentrations exceeding 100 ppm at any time.

.9 Telecommunications Room(s)

.1 [Review with the Lessee and determine the base building requirements for providing 24/7/365 cooling and humidification and describe here. Also review the requirements for the base building systems ability to accommodate the Lessee's 24/7/365 cooling equipment and describe here.]

4.4 FIRE PROTECTION

- 4.4.1 Where a building is sprinklered, the Leased Premises and Accessory Areas shall be sprinklered to the requirement of NFPA 13.
- 4.4.2 Where a building is required to have a standpipe system, it will be provided to the requirements of NFPA 14.
- 4.4.3 Fire extinguishers shall be provided in the Leased Premises and Accessory Areas as required by NFPA 10.

4.5 PLUMBING

- 4.5.1 All plumbing in the Leased Premises and Accessory Areas shall meet the requirements of the National Plumbing Code of Canada.
- 4.5.2 Potable water shall be delivered to the Leased Premises and Accessory Areas of the Building meeting the Canadian Drinking Water Standard published under the Minister of Health of Canada and as referenced in the Canada Labour Code; all coolers or fountains shall be in compliance with CSA B651-04.

accordance with the National Plumbing Code of Canada, applicable to the Leased Premises as well as common areas of the Building that provide access to the Leased Premises:

- .1 Complete systems of sanitary and storm drainage shall be provided.
- .2 A complete system of domestic hot and cold water shall be provided to accommodate the Leased Premises including washrooms, janitor rooms, and any future plumbing fixtures.
- .3 The hot water shall be at a constant temperature of 43 °C.
- .4 Water Coolers set to a maximum temperature of 10 °C shall be installed on all floors in the Leased premises. Water coolers shall be bi-level and barrier free accessible to CAN/CSA-B651-04 standard and shall not be situated in washrooms. New coolers shall not utilize CFC - based refrigerants. No coolers to be installed in washrooms.
- .5 For new construction Leases or Leases where major renovations take place, the plumbing system shall utilize resource efficient fixtures and equipment as follows:
 - .1 Lavatory faucets shall have a maximum flow rate of 0.126 l/s or 2 gpm.
 - .2 Shower heads shall have a maximum flow rate of 0.151 l/s or 2.4 gpm.
 - .3 Toilets shall have a maximum flush volume of 6 litres or 1.6 gallons.
 - .4 Where applicable, retrofit existing common flow fixtures such as faucets and shower heads with aerator heads as a water saving measure.
 - .5 Other plumbing fixtures or equipment not previously referenced require confirmation of proven effectiveness for operational use and prior approval by the Lessee.

4.6

MECHANICAL NOISE

Occupied spaces shall conform to the Room Criteria (RC) ranges of octave band sound pressure levels (with neutral balance of high and low frequency energy levels) listed in Table 5.0. The following table is based on:

- .1 Spaces being furnished but unoccupied;
- .2 The HVAC system being in operation with maximum airflow rate into the space.

The table does not apply to spaces containing room air conditioners, etc. which operate for short periods under the occupant's control.

The table does not apply to noise generated by occupant's equipment such as computers and printers.

Table 5.0: Room Criteria Area RC (N) Range (dB re 20 micropascals)

Executive offices	25-30
Private offices	30-35
General offices	35-40
Conference, meeting rooms	25-35
Training rooms	25-35
Computer rooms	40-45
Libraries	30-35
Halls, corridors, cafeteria	40-45
Locker rooms, washrooms	40-45

Noises shall be free from annoying, recognizable characteristics such as rumble, hiss, tones and variability of noise patterns.

- 5.1.1 The following is a description of the minimum electrical requirements applicable to the Leased Premises as well as Common Areas of the Building, which provide access to the Leased Premises.

5.2 POWER DISTRIBUTION SYSTEM

- 5.2.1 120 Volt Branch circuit panels shall be located on the same floor as the Leased Premises.
- 5.2.2 A minimum of 22 watts/square meters is to be provided in each Leased Premises for the Lessee's electrical equipment.
- 5.2.3 The related storage rooms shall have convenience duplex receptacles every 5 meters minimum on the peripheral walls.
- 5.2.4 The Leased Premises shall have a power grid located in the ceiling space or access floor of the office areas for use of Lessee improvements. The grid shall consist of a junction box with three (3) dedicated 120 Volt circuits in the center of every 48 square meters (517 square feet) of useable area. Branch circuit conductors shall be a minimum of #12 with an insulated #12 ground and oversize neutral of #10.
- 5.2.5 Distribution transformers shall be oversized or K rated to protect against overheating caused by harmonics produced by non-linear electronic equipment.
- 5.2.6 Parking Stalls
- .1 A 15-amp, 120 Volt receptacle with spring-loaded cover plate shall be provided for each parking stall located outdoors or in unheated Leased Premises parking space. The receptacles may be energized on an intermittent basis (maximum 30 minute interval). Where the temperature is minus 30 degrees Celsius or colder the receptacles shall be energized on a continuous basis.

5.3 LIGHTING SYSTEMS

- 5.3.1 Interior Lighting
- .1 General interior lighting shall be:
 - .1 Types – Direct fluorescent with minimum #12 pattern acrylic diffuser or deep cell parabolic louvers or indirect fluorescent.
 - .2 Ballasts – Magnetic ballasts for existing fluorescent fixtures are acceptable. New fixtures shall be electronic type. Sound level shall have "A" rating.
 - .3 Lamps - Lamps for new light fixtures to be minimum T-8, 3500K or 4100K with Colour Rendering Index (CRI) of 85.
- 5.3.2 Exterior Lighting
- .1 Exterior lighting shall be located at strategic points including entrance steps, walkways, loading ways, parking areas, exit doors, and those locations where regular evening traffic is expected.
- 5.3.3 Night Lights
- .1 Night-lights shall be provided to light the principal routes between the Leased Premises and the building entrance and exits.
- 5.3.4 Illumination levels
- .1 The following are the minimum illumination levels:

.1	Building entrances and exits	300 lux
.2	Common lobbies and atria	300 lux
.3	Common corridors and stairways	200 lux
.4	Common washrooms	300 lux
.5	Basement and related storage areas	300 lux
.6	Covered parking areas	50 lux

500 lux at 750 mm above finished floor with a uniformity ratio of 3:1 (maximum/minimum). For indirect lighting system, ceiling brightness shall be 8:1 (maximum/minimum).

5.4 LIGHTING CONTROLS

- 5.4.1 The Leased Premises shall have switches at the front entrance and rear exit on each floor where space is offered for lighting control. Panel switching shall not be acceptable. The building electrical system shall provide minimum switching for each 50 square meters.
- 5.4.2 Local switches shall separately control lighting in the related storage rooms.

5.5 EXIT LIGHTING

- 5.5.1 Exit signs shall be provided for exit guidance from the Leased Premises and Common Areas to exterior exits in accordance with NBCC Clause 3.4.5 Exit Signs.
- 5.5.2 Exit lights shall be bilingual (English and French) in accordance with CAN/CSA 860 Performance of Internally Lighted Exit Signs.

5.6 EMERGENCY LIGHTING

- 5.6.1 Emergency lighting shall be provided throughout the Leased Premises and Common Areas to light principal routes for exiting the building in accordance with NBCC Clause 3.2.7 Lighting and Emergency Power Systems.

5.7 TELECOMMUNICATION SYSTEMS

- 5.7.1 The Standards referenced herein use the word "should" to provide reasonable latitude to the designer. However, unless noted otherwise, the word "should" is to be replaced with the word "shall" every place it is used.
- 5.7.2 Provide common telecommunication room(s) or space(s) on the Leased Premises floor in accordance with ANSI/TIA/EIA 569B Commercial Building Standard for Telecommunications Pathways and Spaces. Common telecommunication room(s) shall be located outside the Leased Premises.
- 5.7.3 Provide fit-up of the telecommunication room(s) inside the Leased Premises in accordance with 7.11 TIA-569B. The floor area served by each room shall not exceed 1000 square metres.
- 5.7.4 Provide access provider space and service provider space located outside the Leased Premises for the telecommunications common carriers to deliver their service. Each space shall be a minimum of 3 square metres and maybe located inside the entrance room or adjacent space(s).
- 5.7.5 Provide a minimum of three (3) 103 mm conduits between the entrance room or space and the telecommunications room(s) inside the Leased Premises for Lessee telecommunications cabling.
- 5.7.6 Where the Leased Premises occupy more than one floor, provide a minimum of three (3) 103 mm riser conduits between telecommunications rooms inside the Leased Premises.
- 5.7.7 Provide three (3) 103 mm conduits from the telecommunications room(s) inside the Leased Premises to the nearest common telecommunications room or space on the same floor.
- 5.7.8 The Leased Premises shall have a cable tray system or a zoned conduit system for Lessee telecommunication cabling system.

.1 Located in the ceiling or floor space of the usable areas.

.1 The Leased Premises shall be divided into zones measuring 35 to 82 square meters (365 to 900 square feet) (between four adjacent building columns) with each zone serviced individually and directly from the nearest telecommunications room on the same floor.

.2 Provide a minimum 53 mm conduit from each zone to the nearest telecommunications room(s) on the floor.

.4 Cable tray system

.1 Center-spine or ladder type with maximum 150 mm rung spacing, minimum of 305 mm wide x 103 mm deep.

.2 Cable trays shall be designed to accommodate a maximum calculated fill ratio of 50% to a maximum of 150 mm inside depth. Size tray to allow for a minimum of three (3) 4-pair Category 6 UTP cables for every 7.4 square meters of useable floor space.

.3 Located such that no point within the usable area exceeds a distance of 10 meters from the tray.

.4 Terminating into the nearest telecommunications room on the floor.

5.7.9 The Lessor shall provide Category 3, #24 AWG multi-pair cables from the entrance room or space to one of the common telecommunications room(s) on the floor if they exist outside the Leased Premises or one of the telecommunications room(s) on the floor inside the Leased Premises. Provide a minimum of three (3) pairs per 7.4 square metres of useable floor space. The backbone cabling shall be terminated and clearly labelled at both ends.

5.7.10 Provide grounding and bonding infrastructure including telecommunications grounding bus bar, minimum #3/0 insulated bonding conductors and #3/0 insulated bonding backbone in accordance with TIA J-TD-607-A.

5.7.11 Label pathways and grounding infrastructure in accordance with ANSI/TIA/EIA-606.

OPTIONAL TELECOMMUNICATION CLAUSE FOR EXISTING BUILDINGS

5.7.12 Code approved ceiling distribution systems shall be provided for data communication and electrical power services to accommodate wall outlets, down feed service poles, and electrified screen systems.

A raceway system or conduit system acceptable to the telephone system providers for the distribution of telephone cables from the telephone closets to each workstation area shall be provided. The conduit and raceway system shall conform to all applicable fire codes.

Risers for the data communication cables between floors of the Leased Premises shall be provided. The risers shall be large enough to meet the requirements of the Lessee. A conduit of 50 mm shall also be provided from the communication room on each floor to these risers.

5.8 FIRE ALARM SYSTEMS

5.8.1 Where there is a base building fire alarm system, it shall be capable of accommodating additional devices as required to suit the Lessee's improvements in accordance with NBCC 3.2.4 Fire Alarm and Detection Systems.

5.9 ACCESSIBILITY IN ELECTRICAL COMPONENTS

5.9.1 User activated electrical components such as light switches, outlets, fire alarms, emergency telephones, etc., shall be installed in compliance with CAN CSA B651-04.

	<u>AREA TO BE CLEANED</u>	<u>TYPE OF CLEANING</u>	<u>FREQUENCY</u>
1.	Walls and partitions	Spot cleaned	Daily
2.	Radiators & Grills & Air diffusers	Vacuumed Washed Dusted (radiators)	Once/six Mths Once/three Mths Daily
3.	Notice Boards	Cleaned	Once/month
4.	Hose cabinets	Cleaned & Dusted	Every two Mths
5.	Window sills	Dusted	Daily
6.	Stairs & Landings	Dust & sweep Washed - Basement to 3rd Washed - 3rd & above	Daily Daily Weekly
7.	Floors - linoleum, tile, etc.	Sweep Spray buff Wash & wax Strip & refinish Spot mopped	Twice/week Every two weeks Every two Mths Every two Years Daily
	Floors - terrazzo	Wash & Buff Strip & reseal	Weekly Once/per Year
	Rubber Slab Flooring	As per manufacturers instructions	As per manufacturers
	Floors - carpet	Vacuum Spot Clean Deep Steam Clean or Equivalent	Twice Weekly Daily Every two Years
	Floors - Carpet (High traffic areas only)	Deep Steam Clean or equivalent	Every six months
	Baseboards	Dusted	Daily
8.	Washrooms - fixtures - floors	Clean & disinfect As per 7 above except all floors to be washed Floors Machine Scrubbed Strip & refinish	Daily Daily Monthly Twice/Year
	- walls & partitions	Dust & spot cleaned Wash	Daily Once/month
	- washroom supplies - refuse	Replenish Removed	Daily Daily
9.	Furniture & Counters - desks, acoustical screens, etc.	Dust Polish Vacuum	Daily Monthly Monthly

Potable Water Dispensing Units

11.	Waste receptacles Ash trays	Emptied & Cleaned Emptied & Washed	Daily Daily
12.	Light fixtures	Washed	Once/Year
13.	Windows	Cleaned inside & out	As per Bldg.Standard/
	Glazing - doors, partitions	Cleaned Cleaned Spot Cleaned	Daily Once/4 Mths Daily
14.	Venetian Blinds Drapes	Dust Wash Dry Cleaned	Every 2 Mths Once/Year Every 2 Years
15.	Elevators Floors - resilient - carpet Metalwork Walls	Wash Wax Refinish Spot clean & vacuum Clean & polish Wash Spot clean	Daily Once/4 Mths Once/Year Daily Daily Once/3 Mths Daily
16.	Grounds - debris - sidewalks, steps, landings - parking areas - lawns, flower beds	Remove Sand Removal snow & ice Cut, water, etc.	Daily As required As required As required
17.	Entrances & Lobbies Floors Glazing, metalwork	Washed & buffed Waxed Spray Buffed Strip & Refinish Cleaned	Daily Once/month Weekly Once/Year Daily

Note # 1: Although frequency is defined as daily, Lessor must be prepared to provide cleaning services either during normal working hours or after hours as specified by the Lessee. There is to be no additional charge for daytime cleaning.

Note # 2: Items # 15, 16 and 17 are only applicable where we occupy a full building or have a separate entrance. It is not our intention to provide cleaning standards for common areas of a multi-tenancy building. If we have full occupancy of the building, item # 13 should be amended to read - Windows cleaned inside and out twice per year.

Note # 3: All cleaning and grounds maintenance supplies utilized shall, to the best extent possible, be environmentally friendly in nature and be so certified or approved. Cleaning and washroom supplies shall not contain phosphates and recycled paper products shall be used. All vacuuming equipment used within the premises shall be equipped with HEPA filters.

Note #5: The Lessor shall, at the sole discretion of the Lessee, provide to the Lessee cleaning schedules and plans of all periodics and all cleaning activities with a frequency of one month or more.

Multi-material and Paper Recycling Programs

.1 General

Part 1 - Multi-material Recycling Program

The Lessor shall supply and maintain an adequate number of multi-material recycling stations (a minimum of 1 station per floor in common areas of each floor in the Leased Premises) for source separation of different types of recyclable material. Each multi-material recycling station shall:

- .1 be installed in a well lit, high traffic area acceptable to the Lessee;
- .2 be separated into categories (such as metal; rigid plastics; clear glass; etc) chosen in accordance with the recycling infrastructure available in the community in which the Building is located and as agreed to by the Lessee;
- .3 be equipped with proper bilingual signage;
- .4 be fitted with clear plastic garbage bags, or as may be required by the recyclable material hauler; and
- .5 be maintained in good working order, repaired and cleaned as needed.

Part 2 - Paper Recycling Program

- .1 Recyclable paper and cardboard, unless marked or agreed otherwise, remain the property of the Lessee and shall not be disposed of as garbage.
- .2 All recyclable paper and cardboard shall be collected from the paper recycling containers located at each workstation and throughout the Leased Premises and placed in the storage room designated and provided by the Lessor ("designated area").
- .3 The designated area shall be in a location that is easily accessible by the material hauler and shall be acceptable to the Lessee;
- .4 Cardboard removed from the Leased Premises shall be flattened piled in the designated area.
- .5 Outdated phone books shall be collected and placed in the designated area as required.

.2 Daily

- .1 Collect paper from paper recycling containers in high generation areas (e.g. photocopy rooms).
- .2 Remove surface contamination/garbage from the central paper collection containers and multi-material recycling stations, as applicable.
- .3 Collect overflowing material from multi-material recycling stations, as required, to avoid overfill, bad odour and to maintain sanitary conditions.

.3 Weekly (Tuesday)

- .1 Transfer paper from paper recycling containers at each workstation and throughout the Leased Premises into central paper collection containers and store in the designated area .
- .2 Collect all recyclable material from multi-material recycling stations by replacing the clear plastic storage bag with a new bag..
- .3 Clean the exterior of the multi-material recycling stations.

.4 Monthly (last week of each month)

- .1 Wash and disinfect the interior and exterior of the central paper collection containers and multi-material recycling stations.

THE LESSEE'S IMPROVEMENTS

The Lessor and the Lessee have agreed that, for purposes of setting out the scope of the various projects that will comprise the improvements to be made, the plans and specifications therefor, the commencement date, the completion date and the sum payable for the execution of the Work, the Lessor and the Lessee will enter into sub-agreements, hereinafter referred to as the "Sub-agreement" which shall form a part of the Lease, and to which the terms, conditions and provisions of this Schedule shall apply as if they were fully set out in such Sub-agreement.

1. DEFINITIONS

In this Schedule,

Completion Date means the date set for completion of the Work as specified in a Sub-agreement.

Latent Defect means a defect in the Work which would not ordinarily be observed during a walk-through inspection.

Lessee's Representative means the person(s) identified by the Lessee, from time to time, as its representative(s) to act for the Lessee in matters associated with any Sub-agreements.

Lessor's Representative means the person identified by the Lessor, from time to time, as its representative to act for the Lessor in matters associated with any Sub-agreements.

Management Fee means an amount calculated by applying a percentage, as specified in Clause 6 of this Schedule, to the cost of the Work and which percentage is chargeable by the Lessor with respect to the carrying out of its obligations as set forth in Clause 2 of this Schedule.

Sub-agreement means individual supplemental agreements or contracts substantially in the form attached hereto as Appendix 1 and made between the parties hereto related to the Work to be performed from time to time and to which the terms, conditions and provisions of this Schedule apply.

Sub-contractor means any architect, engineer, consultant, construction firm or other contractor engaged by the Lessor in connection with the completion of the Work.

Work means all of the work set forth in the Statement of Work which shall form part of Sub-agreement(s) entered into from time to time between the Lessor and the Lessee and which may include, but is not limited to, the development of the required plans, drawings and estimates, including supporting architectural and engineering studies, required permits, and the construction work necessary to alter or improve the Leased Premises and building systems, all of which shall be performed in a careful and workmanlike manner and to the satisfaction of the Lessee.

2. MANAGEMENT BY LESSOR

The Lessor shall

- (1) subject to the prior approval of the Lessee, invite bids from qualified sub-contractors in a number acceptable to the Lessee and who are deemed qualified in the Lessee's opinion;
- (2) subject to the Lessee's prior approval, issue Addenda to all potential bidders to modify and/or clarify the plans and specifications as and when required prior to the date and time set for receipt of the bids in accordance with good business practice;
- (3) reserve the right to accept any bid whether it is the lowest or not, or to reject any or all bids, at the Lessor's discretion in consultation with the Lessee;
- (4) ensure that all bids provide a detailed breakdown of all component costs to the extent considered necessary by the Lessee for purposes of evaluation and include, when requested by the Lessee, Unit Price Tables in a format agreed to by the Lessee;

- (6) submit such bids to the Lessee for review prior to the selection of all Sub-contractors to be engaged by the Lessor for the development and/or completion of the Work;
- (7) maintain control of the worksite and be responsible for the co-ordination of all activities performed on the worksite including, but not limited to, any third party contracts which the Lessee may enter into that require access to the worksite;
- (8) provide that any Sub-contractors engaged by the Lessor with respect to the performance of the Work shall comply with the terms and conditions of this Schedule which can reasonably be applied to any of the sub-contracts and undertakings;
- (9) co-ordinate all Sub-contractors, labour and material acquisitions necessary for the development, full execution, completion and delivery, ready for use, of the Work.
- (10) ensure that any municipal approvals or permits required are obtained prior to start of construction;
- (11) conduct walk-through inspections, as required, to prepare lists and estimated costs of items needing additional or remedial work and complete such additional or remedial work in a manner and time frame satisfactory to the Lessee;
- (12) upon partial or total completion of the Work, provide to the Lessee an Interim or a Final Certificate of Completion, as applicable, signed and sealed in the manner set forth herein;
- (13) upon total completion of the Work, and upon request by the Lessee's Representative, provide the Lessee with a Workplace Safety and Insurance Board clearance certificate from each Sub-contractor and provide the Lessee with the Lessor's Statutory Declaration in the format to be supplied by the Lessee;
- (14) within thirty (30) days following the date of issuance of the Final Certificate of Completion, provide the Lessee with as-built drawings setting forth a record of the Work (if it is expressly requested in the Statement of Work appended to and forming part of the Sub-agreement, the as-built drawings shall also be provided in the electronic format specified by the Lessee).

3. CHANGES

- (1) The Lessee may, at any time before the completion of the Work, make changes to the Work by written instructions to the Lessor.
- (2) If the change requested by the Lessee causes an increase to the cost of the Work, prior to commencing any such change, the Lessor shall obtain and deliver to the Lessee a quotation of the total cost of such change excluding any Management Fee. Upon receipt of the Lessee's written authorization to proceed with the change, the Lessor shall incorporate any such change into the Work as if the same had appeared in and been part of the Sub-agreement and the amount of the Work payable pursuant to the Sub-agreement shall be increased by the cost of such change.
- (3) If the change requested by the Lessee causes a decrease to the cost of the Work, the amount to be paid pursuant to the Sub-agreement shall be decreased by an amount agreed upon by the Lessor and the Lessee.

4. COMPLETION

- (1) Upon the full completion of the Work, the Lessor shall, at the Lessor's expense, deliver to the Lessee for the Lessee's approval a Final Certificate of Completion (in the format set forth at Appendix 2 hereto) which Certificate shall be signed and sealed by the Lessor's Architect and Engineers certifying that the Work has been satisfactorily completed and is in full compliance with provisions of the said Certificate. Further, the Certificate of Completion shall be countersigned by the Lessor's representative certifying that, the Leased Premises together with the Lessee's Improvements thereto are in full compliance with the provisions, requirements and standards of the Lease.

the portions of the Work, along with their monetary value, which have yet to be completed by the Lessor. The Interim Certificate of Completion shall be signed and sealed in accordance with the provisions of sub-clause (1) hereof for the portion of the Work which is completed.

- (3) For any Certificate issued by the Lessor pursuant to subclauses (1) and (2) of this Clause, if the Lessee's Representative is of the opinion that the Work is not substantially completed as described in the said Interim or Final Certificate of Completion, the Lessee's Representative may notify the Lessor in writing (hereinafter referred to as the Lessee's Notice) to rectify any other portions of the Work not completed to the satisfaction of the Lessee Representative. Upon receipt of the Lessee's Notice, the Lessor shall complete such Work to the satisfaction of the Lessee.
- (4) The Lessee's acceptance of the Lessor's Interim and/or Final Certificate of Completion shall not be construed as nor shall it have the effect of a waiver or release of any of the obligations of the Lessor.

5. **EXTENSION FOR COMPLETION OF THE WORK**

The Lessee may, on the application of the Lessor made in writing before the date fixed for completion of the Work extend the time for completion of the Work by fixing a new completion date if, in the opinion of the Lessee, one of the following applies:

(a) (i) causes beyond the control of the Lessor and not within the control of the Lessee have delayed its completion, and,

(ii) in the event that the Work being performed by the Lessor consists of the Lessee's Improvements to be completed prior to the Lease Commencement Date the Lessor agrees that the rent reserved under the Lease shall abate for the period of extension;

(b) (i) causes within the control of the Lessee have delayed the completion of the Work, and

(ii) in the event that the Work being performed by the Lessor consists of the Lessee's Improvements to be completed prior to the Lease Commencement Date the Lessee agrees that there shall be no abatement of the rent reserved under the Lease.

6. **PAYMENT BY LESSEE**

(1) As consideration for the execution of the Work and subject to the provisions hereof, the Lessee shall pay to the Lessor, as Additional Rent under this Lease, the amount specified in the Sub-agreement.

(2) The amount specified in the Sub-agreement shall include the applicable Management Fee and the aggregate of all the sums payable by the Lessor to Sub-contractors pursuant to the low bid or bids received in respect of the Work, or any other amount agreed to by the Lessee, and shall be subject to adjustment as follows:

(a) the amount shall be increased by a sum equal to the total cost of all increases in the cost of the Work, if any, approved by the Lessee and determined in accordance with the provisions of this Schedule; and

(b) the amount shall be decreased by a sum equal to the total cost of all decreases in the cost of the Work, if any, determined in accordance with the provisions of this Schedule.

(3) Unless specifically agreed otherwise in the Sub-agreement, the Management Fee shall be calculated as follows:

(a) for soft cost portions of the Work not covered in subclause (3)(b) hereunder, the Management Fee shall be 5%, (for the purposes of this subclause, soft costs shall

- (b) for the construction portion of the Work:
- (i) if the total construction value is up to \$30,000 : 15% Mgt. Fee
 - (ii) from \$30,000 to \$45,000: \$4,500.00
 - (iii) if the total construction value exceeds \$45,000 : 10% Mgt. Fee
- (4) During the implementation of the Work, the Lessor may submit Progress Claims to the Lessee's Representative each of which clearly sets forth the amount being claimed for Work satisfactorily performed to that date plus the applicable Management Fee. Subject to verification by the Lessee's Representative, payment by the Lessee shall be made no later than 30 days after receipt of such Progress Claim. If, within 15 days of receipt of a Progress Claim, additional information is required by the Lessee's Representative, the 30-day period shall commence upon receipt of the requested information. Payment of any amount claimed may, at the discretion of the Lessee's Representative, be subject to a 5% holdback on the construction portion of the Work which shall be released to the Lessor with the final payment in accordance with sub-clause (5)(b) herein. There shall be no holdback on Progress Claims for soft costs.
- (5) The payment by the Lessee to the Lessor of the Additional Rent hereinbefore specified shall be made in the following manner :
- (a) not later than 60 days after the date of acceptance by the Lessee of an Interim Certificate of Completion pursuant to this Schedule, the Lessee shall pay to the Lessor an amount not to exceed 95% of the amount described in the Sub-agreement less an amount equal to the cost, as determined by the Lessee's Representative, of completing the items and doing the things described in the said Interim Certificate, and less any progress payment made pursuant to subclause (4) of this Clause.
 - (b) not later than 60 days after the date of acceptance by the Lessee of a Final Certificate of Completion pursuant to this Schedule the Lessee shall pay to the Lessor the amount described in this Clause less any payments made pursuant to subclause (4) and subclause (5)(a) of this Clause.

7. **INDEMNITY**

The Lessor shall indemnify and save harmless the Lessee from and against all claims, demands, losses, costs, damages, actions, suits or proceedings by whomsoever made, brought or prosecuted in any manner based upon, arising out of, related to, occasioned by or attributable to the execution of the Work **unless caused by the neglect or fault of the Lessee.**

8. **DEFAULT**

- (1) (a) In the event that the Lessor has made default or delayed in commencing or in diligently executing the Work or any portion thereof and the Lessee gives written notice thereof to the Lessor and has by such notice required the Lessor to put an end to such default or delay, and such default or delay is not corrected by the Lessor in the time frame specified in the Lessee's notice, the Lessee's Representative may, without any other authorization, take all or any part of the Work out of the Lessor's hands and may employ such means as the Lessee's Representative may see fit to complete the Work.
- (b) If the Work or any portion thereof is taken out of the Lessor's hands under paragraph (a), the Lessee may, notwithstanding anything to the contrary, deduct, set off and hold back to the Lessee's own use forever any amount payable or becoming payable pursuant to the provisions of this Schedule and under the Lease equal to the amount expended by the Lessee in completing the Work, as well as an amount equal to all expenses and damages incurred or sustained by the Lessee as a result of the Work not being completed by the date fixed for its completion.
- (c) The taking of the Work or any portion thereof out of the Lessor's hands under paragraph (a) shall not operate so as to relieve or discharge the Lessor from any obligation set forth herein or imposed upon the Lessor by law except the obligation to complete the physical execution of that part of the Work so taken out of the Lessor's hands.

(i) an amount equal to all expenses and damages incurred or sustained by the Lessee during the period of delay, including all salaries, wages and travelling expenses paid by the Lessee to persons superintending the Work during the period of delay, as a result of the Work not being completed by the date fixed for its completion, and,

(ii) where the Lessor has an obligation to complete the Work prior to the Lease Commencement Date, an amount equal to the rent payable under the Lease during the period of delay for the Leased Premises or any part thereof which, in the opinion of the Lessee, cannot be occupied and used by the Lessee for the Lessee's purposes under the Lease by the date fixed for completion of the Work.

The Lessee may, notwithstanding anything to the contrary, deduct, set off and hold back to the Lessee's own use forever any amount payable or becoming payable pursuant to the provisions of this Schedule and under the Lease equal to the amount payable to the Lessee under this subclause (2).

(b) For the purposes of this subclause (2), "period of delay" means the period commencing on the day fixed by a Sub-agreement for completion of the Work and ending on the day the Lessee's Representative determines that the Work has been fully completed.

- (3) In the event that any contractor, subcontractor, worker or supplier of material is found to be unpaid at any time in respect of the completion of the Work, the Lessee may pay any amount that is lawfully due and payable by the Lessor to such subcontractor, worker or supplier, and deduct from and set off the amount expended by the Lessee from any amount payable pursuant to the provisions of this Schedule and under the Lease, which payment shall be a discharge of the Lessee's obligation to pay such amounts.

9. DEFECTS

- (1) Without restricting any warranty or guarantee implied or stipulated by law the Lessor shall, at the Lessor's expense **rectify and make good any defect**, fault, or latent defect however caused, that appears in the Work within twelve (12) months from the date of issuance of the Final Certificate of Completion.
- (2) If any defect, fault, or latent defect appears in the Work and the Lessee is of the opinion that it is one which the Lessor is obligated to remedy and make good, the Lessee may direct the Lessor to remedy and make good the defect, fault, or latent defect by giving notice to the Lessor, hereinafter called the Lessee's Notice, of the existence of the defect, fault, or latent defect and specifying the time within which the defect, fault, or latent defect is to be rectified and made good.
- (3) The Lessor shall promptly rectify and make good the defect, fault, or latent defect described in the Lessee's Notice. Upon failure of the Lessor to do so, the Lessee shall be entitled to rectify and make good such defect, fault, or latent defect and deduct and set off the amount expended by the Lessee from the Rent or Additional Rent payable under the Lease, which payment shall be a discharge of the Lessee's obligation to pay such Rent or Additional Rent.

10. PERMITS AND BY-LAWS

The Lessor shall comply and shall ensure that its contracts with all sub-contractors oblige them to comply with all laws and regulations relating to, or applicable to the Work.

11. GENERAL

- (1) The provisions of this Schedule are collateral to certain provisions of the Lease and to the extent that any provisions of the Lease have a direct bearing on any provisions of this Schedule or the performance of the Work, they are incorporated herein by reference and form part hereof, provided however, that if any provision of the Lease and any provision of this Schedule are in conflict with respect to the execution of the Work, the provision of this Schedule shall prevail.

- (a) The Lessor shall be responsible for any loss or damage to any property of the Lessee arising out of the performance of the Work unless such loss or damage arises from causes beyond the control of the Lessor, its sub-contractors or its suppliers.
- (b) The Lessor shall remove from the Leased Premises, from time to time and as directed by the Lessee's Representative, all building rubbish or debris connected to the Work.
- (c) The Lessor shall not erect or permit the erection of any sign or advertising at the site of the Work.
- (d) The Lessor shall perform the Work with minimum disturbance to employees of the Lessee and the general public and shall obtain the approval of the Lessee's Representative for the hours during which the Work shall be performed.
- (e) The Lessor shall repair and make good all parts of the existing Lessee's Improvements damaged by the execution of the Work.
- (f) Unless specified otherwise by the Lessee, all Work shall be equal in kind, quality and finish set forth in the Standards for Leased Accommodation which forms part of the Lease.
- (g) The Lessor shall ensure continuity of building services and necessary access for employees of the Lessee and the general public.
- (h) The Lessor shall remove and replace forthwith any superintendent or worker not acceptable to the Lessee's Representative due to unacceptable workmanship or improper conduct.
- (i) The Lessor shall provide, and cause all persons employed in the leased premises to provide personal data for security clearance purposes; on occasion, fingerprint verification may be required. The Lessee's representative shall have the right to have any individual removed from the leased premises for security reasons, notwithstanding the results or status of any security screening.

Attachments : **Appendix-1 - Specimen Sub-agreement for the Lessee's Improvements**
Appendix-2 - Specimen Final Certificate of Completion of Lessee's Improvements
Appendix-3 - Specimen Interim Certificate of Completion of Lessee's Improvements

- (a) subject to the provisions of the Crown Liability Act, the Lessee will indemnify the Lessor and save it harmless from and against any and all claims, actions, causes of action, loss, damage, expenses and costs, in connection with any personal injury, loss of life, or damage to property, arising out of the installation or use by the Lessee of the Equipment, occasioned wholly or in part by a negligent act or omission of the Lessee, Her officers, agents, contractors, employees or servants, EXCEPT where such injury, loss of life or damage to property has been caused wholly or in part by the negligent act or omission of the Lessor, it's officers, agents, contractors, or employees;
- (b) the Lessee shall be responsible for all related installation costs and at the termination of Lease must, at its own expense, remove the Equipment. In the event that any property belonging to the Lessor is damaged as a result of such removal, the Lessee shall either pay to the Lessor such compensation in respect thereto as represents the reasonable cost of repairing such damage or repair the same;
- (c) the Lessee shall be responsible for the cost of all services (excepting electricity for currently installed Equipment) and maintenance relating to the operation of the Equipment and, in the event that structural damage to the Building is occasioned as a direct result of the installation of said Equipment, the Lessee shall either pay to the Lessor such compensation in respect thereto as represents the reasonable cost of repairing such damage or repair the same;
- (d) the Lessor shall at all times permit the Lessee reasonable access to the roof of the Building and said Equipment and to this effect provide the Lessee, at its own expense, with one (1) copy of each of the keys to the penthouse and door leading to the roof area. The Lessee hereby agrees not to make additional copies of said keys without the written consent of the Lessor and to return same to the Lessor upon termination of the Lease. (The provision of access by the Lessor shall not be interpreted as meaning the provision of snow and ice removal from the roof area); and
- (e) the Lessor shall not install or permit to be installed on the roof of the building any installations (signage to be installed in compliance with existing lease agreements excluded) which may interfere with the Lessee's proposed operation of the Equipment without the prior written consent of the Lessee. Such consent not to be unreasonably withheld.

APPENDIX 1

**SPECIMEN SUB-AGREEMENT FOR
THE LESSEE'S IMPROVEMENTS**

THIS SUB-AGREEMENT No. dated, 20.....,

BETWEEN: -----, hereinafter called the "Lessor",

- AND -

HER MAJESTY THE QUEEN in right of Canada, represented by the Minister of Public Works and Government Services, hereinafter called the "Lessee"

WHEREAS the Lessor and the Lessee, under date of the _____ day of _____, 20___, have entered into a Lease No. _____, hereinafter called the "Lease" pursuant to which the Lessor has agreed to make Lessee's Improvements to the Leased Premises demised under the Lease from the Lessor to the Lessee

AND WHEREAS the Lessor and the Lessee, pursuant to the Schedule of the Lease, entitled "Terms and Conditions Applicable to the Lessee's Improvements" and hereinafter called the "Schedule", have agreed to enter in this Sub-agreement.

NOW THEREFORE, the parties hereto agree as follows:

1. TERMS AND CONDITIONS

All terms, conditions and provisions of the Schedule are made by reference a part hereof and all such terms, conditions and provisions, unless specifically modified herein, shall apply hereto as though they were expressly written, incorporated and included herein.

2. PERFORMANCE

On or before the _____ day of _____, 20___, the Lessor shall promptly undertake and commence the Work and on or before the _____ day of _____, 20___, the Lessor shall complete the incorporation into the Leased Premises of all the Work, set forth and described in the Statement of Work attached hereto, in a careful and workmanlike manner and to the satisfaction of the Lessee.

..... (\$.....) plus appropriate taxes, broken down as follows :

- (a) the amount of (\$.....), subject to adjustment as provided in the Schedule for the construction portion of the Work; and
- (b) the amount of (\$.....), subject to adjustment as provided in the Schedule for the soft cost portion of the Work, and
- (c) the amount of (\$.....) representing the Management Fee based on the aforesaid amount and calculated in the manner provided in the Schedule.

4. REPRESENTATIVES

For the purpose of this Sub-agreement:

- (1) all inquiries, requests, instructions, authorizations and other communications with respect to matters covered in this Sub-agreement shall be made to the Lessor's Representative or the Lessee's Representative(s), as the case may be;
- (2) the Lessee's Representative who can authorize any changes to this Sub-agreement is _____ and the Lessor is not to perform work in addition to or outside the scope of this Sub-agreement based on verbal or written requests or instructions from any representative of the Lessee other than the aforementioned Lessee's Representative or his/her replacement;
- (3) the Lessee's Representative who will inspect and accept the Work performed under this Sub-agreement is _____, or his/her replacement; and
- (4) the Lessor's Representative is _____.

5. GENERAL

- (1) This Sub-agreement may not be assigned without the written consent of the Lessee.
- (2) This Sub-agreement shall enure to the benefit of and be binding upon the parties hereto, their lawful heirs, executors, administrators, successors and assigns.

EXECUTED IN THE PRESENCE)
of:)
)

)
)
)

(Print name of Signatory and Title)
(Duly authorized officer of the Lessor)

HER MAJESTY THE QUEEN in right of
Canada, as represented by the Minister of Public
Works and Government Services

(Lessee's Signatory)

This Statement of Work when prepared as part of the Sub-agreement for Lessee's Improvements for the execution of the Work will consist of any or all of the following:

- Description of the Work
- Floor Layouts
 - Plans and Specifications (to be identified in this Appendix as separate documents being part of the Statement of Work)
- Unit Price Table (if applicable)
- Electronic format in which the as-built drawings shall be provided by the Lessor.

APPENDIX 2

SPECIMEN FINAL CERTIFICATE OF

COMPLETION OF LESSEE'S IMPROVEMENTS

PART A

Leased Premises and Lease Number: _____
Name of Lessor: _____
Sub-agreement No.: _____

Interim Certificate of Acceptance Dated: _____
Date of Final Inspection: _____

Signed on behalf of the Lessor by: _____
Dated: _____

PART B

This Certificate of Completion constitutes the Lessor's confirmation to the Lessee that all Work described in the said Sub-agreement has been satisfactorily completed and that the Leased Premises together with the Lessee's Improvements thereto are ready for use by the Lessee and are in full compliance with the plans and specifications No. _____ and dated _____.

All signatories hereto acknowledge that the acceptance of this Certificate of Completion by the Lessee shall not be construed as nor shall it have the effect of a waiver or release of any of the obligations of the signatories.

ARCHITECTURAL Name of Company: _____ Name of Signatory: _____	Signature: _____ Date: _____ c/s
ELECTRICAL Name of Company: _____ Name of Signatory: _____	Signature: _____ Date: _____ c/s
MECHANICAL Name of Company: _____ Name of Signatory: _____	Signature: _____ Date: _____ c/s
FIRE PROTECTION Name of Company: _____ Name of Signatory: _____	Signature: _____ Date: _____ c/s

APPENDIX 3

**SPECIMEN INTERIM CERTIFICATE OF
COMPLETION OF LESSEE'S IMPROVEMENTS**

PART A

Leased Premises and Lease Number: _____
Name of Lessor: _____
Sub-agreement No.: _____

Interim Certificate of Completion No.: _____
Date of Interim Inspection: _____

Signed on behalf of the Lessor by: _____
Dated: _____

PART B

This Interim Certificate of Completion constitutes the Lessor's confirmation to the Lessee that all Work described in the said Sub-agreement, except for the portions of the Work listed under Part C hereto, has been satisfactorily completed per the Plans and Specifications No. _____ dated _____.

All signatories hereto acknowledge that the acceptance of this Interim Certificate of Completion by the Lessee shall not be construed as nor shall it have the effect of a waiver or release of any of the obligations of the signatories.

ARCHITECTURAL Name of Company: _____ Name of Signatory: _____	Signature: _____ Date: _____ c/s
ELECTRICAL Name of Company: _____ Name of Signatory: _____	Signature: _____ Date: _____ c/s
MECHANICAL Name of Company: _____ Name of Signatory: _____	Signature: _____ Date: _____ c/s
FIRE PROTECTION Name of Company: _____ Name of Signatory: _____	Signature: _____ Date: _____ c/s

Defects, Faults, Incomplete Work, etc.		
Description of Defect, Fault or Incomplete Work	Estimated Cost for correction or completion	
	Defects or Faults	Incomplete Work
Sub-totals		
Grand Total		

Lessor Certification (if applicable)

The work noted in Part C above will be rectified on or before the ____ day of _____ 20__.

Lessor's Signature

Appendix 2 Part 3 is not applicable in the EN portion, this document had to be created to match the FR number of Parts 1, 2 and 3.

BLANK See part 1 and part 2 for full information.