**EQUIPMENT AND LEASEHOLD IMPROVEMENTS**

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LEASE AGREEMENT

This Equipment and Leasehold Improvements Lease Agreement (the “Agreement”) is effective [DATE],

**BETWEEN: [YOUR COMPANY NAME]** (the "Lessor"), a company organised and enduring by the rulings of the [State or Province] of [STATE/PROVINCE], with its head office located at:

 [YOUR COMPLETE ADDRESS]

**AND: [COMPANY NAME]** (the "Lessee"), a company organised and enduring by the rulings of the [State or Province] of [STATE/PROVINCE], with its head office located at:

 [LESSEE COMPLETE ADDRESS]

WHEREAS Lessor as the owner and the Lessee as the hirer have entered into the Agreement concurrently herewith (hereinafter, the “Asset Lease Agreement”) pursuant to which the Lessee has hired certain assets of Lessor relating to its [STATE/PROVINCE] Business;

WHEREAS pursuant to the Asset Lease Agreement, Lessor has entered into various leases with the Lessee concurrently herewith and therewith (the “Premises Leases”) pursuant to which Lessor has leased to the Lessee the locations operated by Lessor in the [STATE/PROVINCE] and identified in each of the Premises Leases (the “Locations”);

WHEREAS the Asset Lease Agreement contemplates that Lessor shall, as part of such transaction, lease the equipment and leasehold improvements used by Lessor in the Locations to the Lessee;

**NOW THEREFORE, THE PARTIES HERETO AGREE AS FOLLOWS:**

1. **EQUIPMENT AND LEASEHOLD IMPROVEMENTS**

In each case for each Location, the Lessor hereby leases to the Lessee, and the Lessee hereby rents from Lessor, for the term of this lease, the equipment detailed in Appendix A hereto (hereinafter called the “Equipment”) and the leasehold improvements detailed in Appendix B hereto (hereinafter called the “Improvements”), itemised

1. **LOCATION AND IDENTIFICATION OF EQUIPMENT**

Lessee acknowledges as between Lessor and the Lessee, that the Lessee has fully inspected the Equipment and Improvements and that the Lessee is satisfied with and has accepted the Equipment and Improvements. The taking of possession of the Equipment and Improvements by the Lessee shall be conclusive evidence that they were in good order and condition.

1. **LESSEE’S INSPECTION, CONCLUSIVE PRESUMPTIONS**

When not in active use, the Equipment shall be located at, and its movements shall at all times be controlled from, the address of each Location where it is currently found, as identified in hereto. Neither the Equipment as listed in Appendix A nor the Improvements listed in Appendix B shall be removed from such Location without the prior written consent of Lessor. Neither the Equipment nor the Improvements shall be located in leased premises (other than pursuant to the Premises Leases) unless the owner and any lessor thereof waive any right, title and interest they may have as such in the Equipment and Improvements in favour of Lessor. The Lessee will not change or remove any insignia or lettering which is on the Equipment or Improvements at the time of delivery thereof or which is thereafter placed thereon by Lessor, and at any time during the term of this lease, upon Lessor’s request, Lessee will affix to the Equipment or Improvements (as the case may be), in a prominent place and manner such markings as may be supplied by Lessor.

1. **INSPECTION**

If the Equipment is removed, with the consent of Lessor pursuant to section 3 hereof, from the address specified above outside the ordinary course of the Lessee’s business, or if the Location from which its movements are controlled is changed, the Lessee shall, whenever requested, advise Lessor of its exact location or of the location from which such movements are controlled, as the case may be. Lessor may, for the purpose of inspection, at all reasonable times, enter upon any building or place where the Equipment or Improvements are located and may remove the Equipment or Improvements forthwith, without notice to Lessee, if the Equipment or Improvements are, in Lessor’s opinion, being used beyond their capacity or in any manner improperly cared for or abused.

1. **USE AND MAINTENANCE, ALTERATIONS AND ADDITIONS**

Lessee shall use the Equipment solely in the conduct of the [STATE/PROVINCE] Business and in a careful and proper manner, and shall not part with possession of or enter into any sub-lease with respect to the Equipment or Improvements or any part thereof or assign this lease or its interest hereunder without Lessor’s prior written consent. The Lessee at its own cost and expense shall keep the Equipment and Improvements in good repair, condition and working order and shall furnish any and all parts and labour required for that purpose. The Lessee shall not make any material alterations to the Equipment or Improvements without Lessor’s prior written consent. All accessories, parts and replacements for or which are added to or become attached to the Equipment or Improvements shall immediately become the property of Lessor and shall be deemed incorporated in the Equipment and subject to the terms of this lease as if originally leased hereunder.

1. **INDEMNITY**

Lessee shall indemnify and save Lessor harmless from any and all liability arising out of the ownership, selection, possession, leasing, renting, operation control, use, maintenance, delivery and/or return of the Equipment and Improvements, but shall be credited with any amounts received by Lessor with respect thereto from liability insurance procured by Lessee.

1. **LOSS AND DAMAGE**

Subject to the following, the Lessee hereby assumes and shall bear the entire risk of loss of and damage to the Equipment and Improvements from any and every cause whatsoever, except where such loss or damage occurs while the Equipment or Improvements are leased or have been sold to a third party pursuant to section 5 hereof. No reparable damage to the Equipment or Improvements or any part thereof shall impair any obligation of Lessee under this lease, which shall continue in full force and effect. In the event of damage of any kind whatever to any item of the Equipment or any of the Improvements (unless the same is damaged beyond repair), Lessee shall at its own expense place the same in good repair condition and working order. If the Equipment or Improvements are, or any item thereof is, determined by Lessor to be lost, stolen, destroyed or damaged beyond repair, Lessee shall immediately pay Lessor therefore in cash an amount equal to (i) the depreciated value of the Equipment or Improvements (as the case may be) as of the date of such loss, theft or damage less (ii) any insurance proceeds or salvage value recovered by Lessor *in re*spect of the Equipment or Improvements. Upon such payment, this lease shall terminate with respect to such item of the Equipment or Improvements (as the case may be).

1. **INSURANCE**

Lessee shall keep the Equipment and Improvements insured against all risks of loss or damage from every cause whatsoever for not less than the replacement cost new of the said Equipment or Improvements without consideration for depreciation and shall carry public liability insurance, both personal injury and property damage; covering the Equipment and Improvements; and Lessee shall be liable for all deductible portions of all required insurance.

All insurance policies shall provide that any breach of the conditions for insurance thereunder by the Lessee shall not be opposable to Lessor in its capacity as co-insured under the said policy. All said insurance should be in form and amount and with companies satisfactory to Lessor. All insurance for loss or damage shall provide that losses, if any, shall be payable to Lessor, and all such liability insurance shall be in the joint names of Lessor and Lessee. Lessee shall pay the premiums therefore and deliver to Lessor the policies of insurance or duplicates thereof, or other evidence satisfactory to Lessor of such insurance coverage. Each insurer shall agree by endorsement upon the policy or policies issued by it or by independent instrument furnished to Lessor, that it will give Lessor [NUMBER] days’ prior written notice of the effective date of any alteration or cancellation of such policy. The proceeds of such insurance payable as a result of loss of or damage to the Equipment or Improvements shall be applied, at the option of Lessor, (a) toward the replacement; restoration or repair of the Equipment or Improvements which may be lost, stolen, destroyed or damaged, or (b) toward payment of the obligations of Lessee hereunder. Lessee hereby irrevocably appoints Lessor as Lessee’s attorney-in-fact to make a claim for, receive payment of, and execute and endorse all documents, cheque or draughts received in payment for loss or damage under any said insurance policy.

In case of the failure of Lessee to procure or maintain said insurance or to comply with any other provision of this lease, Lessor shall have the right, but shall not be obligated, to effect such insurance or compliance on behalf of Lessee. In that event, all monies spent by and expenses of Lessor in effecting such insurance or compliance shall be deemed to be additional rent, and shall be paid by Lessee to Lessor with the next monthly payment of rent.

1. **PAYMENT OF FEES, COMPLIANCE WITH LAWS,**

Lessee shall comply with all laws and regulations relating to, and shall promptly pay when due, all licence fees, registration fees, assessments, charges and taxes, municipal, and state/provincial, excluding, however, any taxes payable *in re*spect to Lessor’s income which may now or hereafter be imposed upon the ownership, possession, leasing, renting operation, control, use, maintenance, delivery and or return of the Equipment and shall save Lessor harmless against actual or asserted violations and pay all costs and expenses of every character in connection therewith or arising therefrom.

1. **RECORDING - TITLE OF LESSOR,**

Title to the Equipment and Improvements shall at all times remain in Lessor, and Lessee at its own cost and expense, shall protect and defend the title of Lessor. Lessee shall at all times keep the Equipment and Improvements free and clear from all levies, attachments, liens, encumbrances and charges or other judicial process of every kind whatsoever, shall give Lessor immediate written notice thereof and shall indemnify and save Lessor harmless from any loss or damage caused thereby. Lessee will cooperate with Lessor and take whatever action may be necessary, to enable Lessor to file, register or record, and refile, re-register or re-record, this lease in such offices as Lessor may determine and wherever required or permitted by law, for the proper protection of Lessor’s title to the Equipment and Improvements. The Equipment and Improvements are and shall remain movable property irrespective of their use, and Lessee will not cause or permit the Equipment or Improvements to be used in such manner that they might become immovable in nature.

1. **DEFAULT, REMEDIES**

**In the event that:**

11.1 Lessee shall default in the payment of any rent or in making any other payment hereunder when due, or

11.2 Lessee shall default in the payment when due of any indebtedness of Lessee to Lessor arising independently of this lease, including without limitation any default by the Lessee under one or more of the Premises Leases or under the licence Agreement to be entered into between Lessor as licensor and the Lessee as licensee concurrently herewith,

11.3 Lessee shall default in the performance of any other covenants herein and such default shall continue for [NUMBER] days after written notice thereof to Lessee by Lessor; or

11.4 Lessee becomes insolvent or makes an assignment for the benefit of creditors, or

11.5 Lessee applies for or consents to the appointment of a receiver, trustee or liquidator of Lessee or of all or a substantial part of the assets of Lessee, or if such receiver, trustee or liquidator is appointed without the application or consent of Lessee, or

11.6 if a petition is filed by or against Lessee under the Bankruptcy and Insolvency Act ([COUNTRY]) or any amendment thereto (including, without limitation, a petition for reorganisation, arrangement or extension) or under any other insolvency law or law providing for the relief of debtors, or

then, if and to the extent permitted by applicable law, Lessor shall have the right, without demand or legal process, to enter into each Location where the Equipment and Improvements may be found and take possession of and remove the same, whereupon all rights of Lessee in the Equipment and Improvements shall terminate absolutely. Lessee shall pay to Lessor, as liquidated damages for the breach of this lease, an amount equal to the depreciated value of the Equipment and Improvements at that time, determined as provided for in Section 8 hereof.

Lessor shall retain all prior payments of rent and may deal with the Equipment and Improvements as it sees fit, sell the Equipment and/or Improvements at public or private sale, with or without notice to Lessee, with or without having the Equipment or Improvements at the sale, at which sale Lessor may purchase all or any of the Equipment and Improvements. The proceeds of such sale, less expenses of retaking, storage, repairing and reselling and reasonable attorneys’ fees incurred by Lessor, shall be applied to the liquidated damages to be paid by the Lessee as hereinabove provided, and Lessor shall retain any surplus.

1. **REMEDIES CUMULATIVE; NO WAIVER**

All remedies of Lessor hereunder are cumulative and may, to the extent permitted by law, be exercised concurrently or separately, and the exercise of any one remedy shall not be deemed to be an election of such remedy or to preclude the exercise of any other remedy. No failure on the part of Lessor to exercise and no delay in exercising any rights or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise by Lessor of any right or remedy hereunder preclude any other or further exercise thereof or the exercise of any other right or remedy.

1. **POSSESSION AND USE**

Lessor covenants to and with Lessee that Lessor is the lawful owner of the Equipment and Improvements, free from all liens, encumbrances, and that, upon Lessee’s paying the rents and performing the promises, terms and conditions hereof, Lessee shall peaceably and quietly hold, possess and use the Equipment and Improvements during the term of this lease without hindrance.

1. **INTEREST AND EXPENSES**

Should Lessee fail to pay any part of the rent here*in re*served or any other sum required to be paid by Lessee to Lessor hereunder, Lessee shall pay Lessor interest at the rate specified in Subsection 3.1 hereof on such delinquent payment from the date when such payment was due until paid, together with all expenses of collection, including reasonable attorneys’ fees.

1. **RE-DELIVERY**

On termination of this lease, Lessee shall, at its own cost and expense, return the Equipment and Improvements to Lessor at an address specified by Lessor in the same condition as received, reasonable wear and tear and normal depreciation excepted.

1. **NOTICES**

All notices relating hereto shall be in writing and delivered in person to an officer of the party to which such notice is being given or mailed by registered mail to such party at the address specified below its signature hereto, or at such other address as may be hereafter specified by like notice by either party to the other.

1. **NO WARRANTIES: ENTIRE AGREEMENT**

Lessee agrees that Lessor has made no representation or warranty of any kind, nature or description, express or implied, with respect to the Equipment or Improvements. This lease contains the entire agreement between the parties with respect to the Equipment and Improvements, save and except for the Premises Leases in the case of the Improvements, and may not be changed, modified, terminated or discharged except by written instrument signed by all parties hereto.

1. **ASSIGNMENT BY LESSOR**

This lease or any Equipment or Improvements or any rent or other sums due or to become due hereunder may be transferred or assigned by Lessor without notice, and in such event Lessor’s transferee or assignee shall have all the rights, powers, privileges and remedies of Lessor hereunder and Lessee’s obligations hereunder shall not be subject to any defence, offset or counterclaim available to Lessee against Lessor.

1. **CONFLICT WITH APPLICABLE LAW**

If any provisions of this lease are in conflict with any statute or rule of law of any state, province or territory wherein it may be sought to be enforced, then such provisions shall be deemed null and void to the extent that they may conflict therewith, but without invalidating the remaining provisions hereof. This lease shall be governed by and interpreted in accordance with the laws of the [STATE/PROVINCE], and the parties agree that any disputes in connection herewith shall be referred to the Courts of the [STATE/PROVINCE] sitting in the District of [COUNTRY]. This lease shall be binding upon Lessor and Lessee and their respective legal representatives, successors and assigns.

1. **MISCELLANEOUS**

Unless there be something in the subject or the context inconsistent therewith, words importing the singular only shall include the plural and *vice versa* and words importing the masculine gender shall include the feminine gender, and *vice versa* and all references to rands shall mean [COUNTRY] rands. The division of these presents into articles, sections, subsections and paragraphs and the insertion of titles are only meant to be a reference and do not affect the meaning or the interpretation of these presents.

1. **INTENT OF LEASE**

21.1 Intent of Lease - It is the intent of [COMPANY NAME] to this lease (the “Lease”) that it be totally net to Lessor. Lessor shall not be liable for any costs or expenses of any nature whatsoever relating to the Leased Equipment or the Leasehold Improvements (as these terms are hereinafter defined) or the use and occupancy thereof, or the contents thereof, or the business carried on therein, and the Lessee shall be solely responsible for any such costs, charges, expenses and outlays, including taxes, maintenance and repairs. Any obligation which is not expressly declared herein to be that of Lessor shall be deemed to be the obligation of the Lessee to be performed by and/or at the expense of the Lessee.

1. **TERM OF LEASE**

22.1 Commencement Date - The term of the Lease shall commence on the [DATE], (hereinafter referred to as the “Commencement Date”) and shall terminate on the [DATE], unless sooner terminated in the manner hereinafter set forth (the “Term of the Lease”).

22.2 Occupation Before Commencement Date - Should the Lessee enter the Leased Premises before the Commencement Date (having received prior authorisation from Lessor to do so), all terms and conditions of the Lease shall take effect at the time of such occupation.

1. **NET RENT FOR THE LEASEHOLD IMPROVEMENTS**

23.1 Rental - During the Term of the Lease, the Lessee shall pay to Landlord the following Net Rent:

23.1.1 From [DATE] to [DATE], an annual net rent of [AMOUNT] (the “Net Rent”) per year, payable in advance in equal and consecutive monthly instalments of [AMOUNT], on the [NUMBER] day of each month;

23.2 Place of payment - The Rent shall be paid by the Lessee in lawful money of [COUNTRY] to Lessor at the address [ADDRESS] or at any other location indicated by written notice of Lessor to the Lessee, or to any agent or representative of Lessor in the [STATE/PROVINCE], as may be designated from time to time by written notice of Lessor to the Lessee.

23.3 Late Payment - Unless otherwise stipulated herein, should Lessor or the Lessee default in the payment, when due, of any amount whatsoever due under this Agreement, the overdue amount shall bear interest at the prime rate of the bank of Lessor plus [NUMBER] percent [PERCENTAGE %] per annum, calculated from the due date until full payment is made, without prejudice to the other rights of the parties to this Lease.

1. **USE, REPAIR AND MAINTENANCE OF EQUIPMENT AND IMPROVEMENTS**

24.1 Expenses with Respect to Equipment and Improvements - The Lessee shall assume and shall pay all expenses with respect to the use, repair and maintenance of the Equipment and Improvements., of every description, and in good condition the Equipment and Improvements and all alterations, improvements, facilities, additions and any other apparatus or services in use in the Locations. The Lessee undertakes to make use of the Equipment and Improvements as a prudent administrator and to effect, without delay and at the Lessee’s expense, all repairs necessary to keep and maintain the Equipment and Improvements in a good state of repair and in good condition, and at the expiration of this Lease shall surrender the Equipment and Improvements to Lessor in the same condition, except for reasonable wear and tear.

24.2 Default by Lessee - Should the Lessee fail to keep and maintain the Equipment and Improvements in a good state of repair and in good condition, and should the Lessee not conform, within a reasonable period of time in the given circumstances, to a notice to that effect given to the Lessee by Lessor, Lessor, and Lessor’s officers, employees, agents, contractors, workers and other representatives, shall be entitled, without another prior notice, to enter the Locations and to carry out, in the place of the Lessee and at the Lessee’s expenses, any repairs or other necessary action. The amount of such expenses plus a [%] administration fee thereon shall be paid by the Lessee, as Additional Rent, without prejudice to the Lessor’s other rights and recourses hereunder.

The Lessee hereby waives any claim against Lessor, Lessor’s officers, employees, agents, contractors, workers and other representatives, any compensation, indemnification, reduction of the rent or damages resulting directly or indirectly from any act of Lessor or Lessor’s representatives under this Article.

## ALTERATIONS, REPAIRS, IMPROVEMENTS INSTALLATIONS AND ADDITIONS

25.1 Improvements - All improvements in and to the Equipment and Improvements shall be performed at the Lessee’s sole cost and expense.

25.2 Consent of Landlord - The Lessee shall not, without the prior written consent of Lessor carry out any change, repair, improvement, installation or addition to the Equipment or Improvements, either prior to or throughout the Term of the Lease. Any such change, repair, improvement, installation or addition to the Equipment and Improvements shall be made in compliance with the following conditions:

25.2.1 The Lessee shall use mechanical, electrical and plumbing contractors approved by Lessor, which contractors shall be coordinated by Lessor at the expenses of the Lessee.

25.2.2 For any modification requested by the Lessee, including those referred to in Article 25.2.1 which are coordinated by Lessor or are under its supervision, the Lessee shall pay for all costs involved including the fees of any consultant, and shall pay to Lessor an additional amount equal to [%] of the total cost of alteration and changes (which costs comprise professional fees), in order to compensate Lessor for its supervision and coordination of said work.

25.2.3 The Lessee undertakes to pay to Lessor or its representatives for the above-mentioned work, within [NUMBER] days of presentation of invoices therefor.

25.2.4 All plans and specifications must also be approved by the [STATE/PROVINCE] Department of Labour and Manpower where necessary, as well as any other authority having jurisdiction in this matter.

25.3 Insurance and Waiver of Hypothec - Lessor shall demand of any contractor or subcontractor not to commence any work whatsoever in, to or on the Equipment or Improvements before submitting to Lessor a waiver of its legal hypothec. Should such waiver not be furnished as required, Lessor shall be entitled to order the immediate cessation of any work in progress or to be performed by such contractor or subcontractor in, to or on the Equipment or Improvements. Should, however, a legal hypothec be registered against the Equipment or for work done in, to or on the Equipment or Improvements, the Lessee shall without delay obtain the discharge thereof or undertake the necessary steps or procedures to do same.

25.4 Should said legal hypothec not be discharged within [NUMBER] days of its registration, the Lessee shall immediately deposit with Lessor an amount sufficient to cover the payment of such legal hypothec, capital, costs and interest, including costs and expenses incurred by Lessor *in re*spect of the legal hypothec. Should the Lessee fail to deposit the required amount, Lessor may pay to the hypothecary creditor the amount claimed and obtain the discharge of the legal hypothec, notwithstanding any contestation or proceedings undertaken by the Lessee with regard thereto. The Lessee shall then repay to Lessor such payment, capital, costs and interest, upon demand, with interest at the prime lending rate of the banker of Lessor plus [%] per annum, calculated from the date of payment by Lessor. Any deposit made by the Lessee to Lessor as described hereinabove shall be held by Lessor in trust until proof of the total discharge of such legal hypothec has been delivered to Lessor.

Lessor shall also be entitled to require that any contractor or subcontractor performing work in the Leased Premises take out an insurance policy covering all public liability and property damage, of at least [AMOUNT] *in re*spect of its activities on the Leased Premises.

25.5 Changes Belonging to Lessor - The Lessee may not remove any alterations, repairs, improvements, installations and additions without the prior written consent of Lessor, at any time during the Term of the Lease. All alterations, repairs, improvements, installations and additions shall form part of the Locations, become the property of Lessor, and be returned by the Lessee along with the premises leased pursuant to the Premises Leases at their expiration, with no compensation or indemnification whatsoever owed by Lessor to the Lessee. However, should Lessor so require, the Lessee shall, at the expiration of the Premises Lease, remove in whole or in part such alterations, repairs, improvements, installations and additions, and the Lessee shall be required to surrender the Locations in the same condition as when they were received except for normal wear and tear.

1. **INSURANCE**

26.1 Lessee’s Insurance - The Lessee shall, at its own expense and throughout the Term of the Lease, keep in force the following insurance policies, the terms and conditions of which must be acceptable to Lessor:

26.1.1 “all risks” insurance covering the full replacement value of the Leased Premises and of the Leasehold Improvements, the Lessee’s property and property for which the Lessee is legally liable, naming Landlord as Co-insured;

26.1.2 public liability insurance covering acts for which the Lessee may be liable, and fire liability coverage for the full value of the Leased Premises and of the Leasehold Improvements, with inclusive limits of not less than [AMOUNT]; and

26.1.3 any other insurance which may be required from time to time by Lessor.

26.2 Increase of Risk - The Lessee shall not commit any act, do anything or keep in or about the Leased Premises anything that may increase the risk of fire or increase premium rate for the Leased Premises.

The Lessee shall observe the rules and conform to the requirements of Lessor’s insurer or of any associations of insurers having jurisdiction, for all insurance covering or related to the Leased Premises and the Leasehold Improvements. In no case may the Lessee bring into or keep in the Leased Premises any flammable materials, except for the normal purposes of the Lessee’s occupancy to the Leased Premises and except for the types and quantities allowed by Lessor’s insurance, or any explosives of any nature whatsoever.

26.3 No Subrogation - All insurance policies taken out by the Lessee shall contain a waiver of any subrogation rights which the Lessee’s insurers may have against Lessor, its employees or agents, and a commitment from his insurers to notify Lessor in writing of any cancellation (including a non-renewal) or of any significant modification in the provisions of the insurance policy at least [NUMBER] days in advance.

26.4 Choice of Insurer - Any insurance required under this Lease shall be established by valid, enforceable insurance policies issued by recognised insurers acceptable to Lessor and holding a permit entitling them to conduct business in the [%].

26.5 Certificates of Insurance - Immediately following their respective issuance, the Lessee shall furnish Lessor with the certificates attesting to the issuance and maintenance in force of all insurance policies required hereunder.

If the Lessee neglects to insure or to furnish Lessor with the said certificates as required hereinabove, Lessor may, after having given the Lessee [NUMBER] days’ notice in writing, itself subscribe for the required policies of insurance, in its own name, in the name of the Lessee, or in the name of both parties, for a period not exceeding the Term of the Lease and all premiums paid by Lessor together with a [%] administration fee thereon shall be reimbursed by the Lessee upon its receipt of an invoice therefore.

1. **ACCESS BY LANDLORD TO LEASED PREMISES**

27.1 Inspection and Repairs - Lessor shall have access to the Locations at any time, without liability toward the Lessee, to examine and verify the Equipment and Improvements for the purpose of making therein any repairs, replacements, alterations or improvements Lessor deems necessary or desirable for the operation and proper maintenance thereof, subject to the provisions of this Lease.

27.2 Visiting the Leased Premises - The Lessee shall permit the Lessor or any other person designated by the Lessor to visit the Locations, during normal business hours. The Lessee shall also permit the Lessor, at any time during normal business hours, to show the Equipment and Improvements to any broker, purchaser or assessor.

1. **DAMAGE AND DESTRUCTION**

28.1 Destruction of Equipment and Improvements - Should the Equipment and Improvements be destroyed or damaged by fire or another casualty insured against by Lessor, then:

28.1.1 if Lessor is of the opinion that the damage or destruction is such that the Equipment and Improvements are rendered wholly unfit for use, or it is impossible or hazardous to use them, and if in either event Lessor is of the opinion (which Lessor shall signify to the Lessee in writing within [NUMBER] days following the damage or destruction) that the damage cannot be repaired with reasonable diligence within one hundred and [NUMBER] days following the giving of such notice, either party may, within [NUMBER] days following the receipt of this notice, terminate the Lease by written notice to that effect, in which case the Lease shall terminate on the day of the damage or destruction, and the rent and all other amounts payable by the Lessee under the Lease shall be calculated and paid in full up to the date of the damage or destruction. In the event that neither Lessor nor the Lessee terminates this Lease, the rent shall abate from the date of the damage until the date on which the Equipment and Improvements have been repaired to the extent of enabling Lessee to use them;

28.1.2 if the damage be such as to render the Equipment and Improvements wholly unfit for use, or if it is impossible or unsafe to use them, or if their utilisation is impossible or hazardous, but if, in either case, Lessor is of the opinion (which Lessor shall signify to the Lessee in writing within wholly unfit for use, or it is days following the damage) that the damage can be repaired with reasonable diligence within [NUMBER] wholly unfit for use, or it is [NUMBER] days following the giving of such notice, the rent shall abate from the date of the damage until the date on which the Equipment and Improvements have been repaired to the extent of enabling Lessee to use them;

28.1.3 if Lessor is of the opinion that the damage can be repaired as described above within [NUMBER] days following the giving of such notice, and that the nature of the damage is such as to render the Equipment and Improvements only partially fit for use for the purpose for which it was leased, the rent shall abate in the proportion that the part of the Equipment and Improvements rendered unfit for occupancy bears to the whole thereof, until the damage has been repaired.

28.2 Proceeds of Insurance - In the event of a termination of this Lease as described above, all proceeds of insurance policies, except for those amounts pertaining to the Lessee’s property, and to the extent that the Lessee owes no debt to Lessor under this Lease, shall be and remain the sole property of Lessor.

28.3 Destruction Caused by Lessee - If any damage or destruction is caused to the Equipment or Improvements, either partial or total, by fire or other casualty is due to the fault or negligence of the Lessee or the Lessee’s officers, agents, employees, servants, visitors or authorised persons, in such case, without prejudice to Lessor’s other rights and recourses or to any subrogation rights of Lessor’s insurer:

28.3.1 the Lessee shall be liable for all costs and damages;

28.3.2 the damages may be repaired by the Lessor, at the Lessee’s expenses;

28.3.3 the Lessee shall forfeit its right to terminate the Lease, as provided for under Article 28.1.1; and

28.3.4 the Lessee shall not be entitled to any abatement or postponement of the rent in virtue of this Article.

 **29. EXPROPRIATION**

29.1 Termination of Lease - In the event the whole or any part of the Equipment and Improvements shall be expropriated or taken possession of by any competent authority, so that it is no longer feasible for the Lessee to continue to operate in the Locations, Lessor may terminate the Lease from the date of said expropriation or taking of possession, by notifying the Lessee in writing to this effect, and Lessor shall have no liability toward the Lessee for any reason whatsoever.

29.2 No Obligation to Contest - Lessor and the Lessee hereby reserve all their rights to claim future damages against the expropriating authority. The Lessee acknowledges that Lessor shall have no obligation to contest any expropriation proceedings.

1. **INDEMNIFICATION**

30.1 Non-Liability of Landlord - Lessor shall not be liable for any material or bodily damage occurring to the Equipment or Improvements at any time and for any reason whatsoever, except when such damage or injury results directly from the gross fault or negligence of Lessor.

30.2 No Reduction of the Rent - The Lessee acknowledges that it shall not be entitled to any abatement or reduction of the rent, nor to any right to terminate the Lease for any reason whatsoever, save as specifically set out in Article 13 hereto.

30.3 Notice of Defect - The Lessee shall notify Lessor without delay of any accident, defect or fault in the Equipment or Improvements and shall cause same to be repaired or replaced at Lessee’s expense.

1. **COMPLIANCE WITH LAWS AND INDEMNIFICATION**

31.1 Compliance with [YOUR COUNTRY LAW] - The Lessee shall, at its own expense, comply with the requirements of all laws, regulations, ordinances, orders and by-laws in effect for the municipality where the Equipment and Improvements are located, the state/provincial and national governments and each of their respective departments, commissions and agencies, as the case may be, and any other governmental authority having jurisdiction over the Equipment and Improvements, or the use of said Equipment and Improvements by the Lessee. The Lessee shall further waive any claim for reduction of the Rent or for any damage the Lessee may suffer by reason of the application to the Lessee of such legislative or regulatory provisions.

Without limiting the generality of the foregoing, the Lessee shall carry out all alterations or changes to the Equipment, to the Leasehold Improvements or to the Lessee’s utilisation thereof which may be required by the above-mentioned authorities, and prior to effecting such alterations or changes shall submit to Lessor plans and specifications for Lessor’s written approval. Should the Lessee fail to effect within the required time the alterations or changes required by the authorities having jurisdiction, Lessor, following written notice to the Lessee requiring, the Lessee to carry out the required work within a reasonable period of time, may affect said work of alteration or change required by the authorities having jurisdiction and shall immediately be entitled to claim repayment from the Lessee.

31.2 Indemnification of Landlord - The Lessee agrees to indemnify Lessor and to save it harmless against any fine, penalty, indictment or damage whatsoever resulting from any violation by the Lessee or the Lessee’s employees, agents or mandataries of the [YOUR COUNTRY LAW], ordinances or regulations in force. The Lessee also agrees to indemnify Lessor and save it harmless against any damage and/or any expense resulting from any failure by the Lessee or its employees to comply with any of the terms and conditions of the Lease.

1. **SUBLET AND ASSIGNMENT**

32.1 Consent of Landlord - The Lessee shall not at any time have the right to sublet all or any part of the Equipment or Improvements or to assign its rights in the Lease, or allow the Equipment or Improvements or any part thereof to be used by another, nor hypothecate or encumber this Lease or the Equipment or Improvements or any part thereof without prior written consent of Lessor, which consent shall not be unreasonably withheld.

32.2 Presumed Sublet and Assignment - Any of the following shall be deemed to be a sublet or assignment of this Lease:

32.2.1 any transfer, sale or issuance involving, in all, [%] or more of the voting shares of the Lessee’s share capital, where the Lessee is a company whose shares are not listed on any recognised stock exchange;

32.2.2 any transfer, sale or assignment involving, in all [%] or more of the interest in the partnership, where the Lessee is a partnership;

32.2.3 the exercising of a right of occupancy, management or control with respect to the whole or to any part of the Equipment or Improvements, or with respect to the business conducted thereby, by any person other than the Lessee, whether or not said person is directly under the control or supervision of the Lessee; and

32.2.4 the acquisition or exercise of effective control of the Lessee’s business by any other person not having such effective control on the date of signature of the Lease.

32.3 Offer to Landlord - Before assigning this Lease or before subletting the whole or any part of the Leased Premises or the Leasehold Improvements, the Lessee shall fulfil and observe the following conditions:

32.3.1 the Lessee must submit to Lessor a copy of the offer to sublet or assign and inform Lessor of the name and address of the assignee or sub-Lessee proposed; and

32.3.2 the Lessee shall provide Lessor with the nature of business and credit references as well as all information relating to the proposed offeror and/or assignor, which Lessor deems necessary.

Lessor shall have a period of [NUMBER] days following receipt of a notice from the Lessee complying with the conditions stated above, to accept or refuse the offer of assignment or sublet by the Lessee or to cancel this Lease as of the effective commencement date of such offer to sublet or assign. Failure to reply within the stipulated delay shall not be deemed a written consent by Lessor of Lessee’s request pursuant to this Section.

32.4 Time Limit for Sublet and Assignment - Should the Lessee not sublet or assign the Leased Premises or any part of the Leased Premises within [NUMBER] days, after obtaining the authorisation of Lessor, such authorisation shall from that time be considered null and of no further legal effect, and in such case the Lessee may not sublet or assign the Leased Premises without once again complying with all provisions of this Article.

32.5 New Lease - Lessor, rather than give its authorisation for a sublet or an assignment of the Lease within the period of [NUMBER] days described in Section 17.3, shall be entitled to require the proposed sub-Lessee or assignee to sign a new lease according to and on the same terms and conditions as contained in the offer to sublet or assign, and in such case the Lessee agrees and undertakes to guarantee to Lessor the performance of all obligations of such sub-Lessee or assignee under the new lease.

32.6 Joint and Several Liability - Notwithstanding any sublease or assignment, the Lessee shall remain jointly and severally liable with the assignee or sub-Lessee for the performance of all the obligations set out in this Lease without the benefit of division or discussion.

32.7 Approval of Advertising - The Lessee may not advertise or offer to assign or sublet, and may not authorise a real estate broker or other person to do so, without the prior written consent of Lessor. In no event will the rental rate appear in any advertisement.

1. **SUBORDINATION AND ATTORNMENT**

33.1 Assignment by Landlord - In the event of the sale, lease or other transfer of the Leased Premises or the Leasehold Improvements, or the assignment by Lessor of this Lease or any interest of Lessor hereunder, to the extent that the purchaser, Lessee or assignee assumes the obligations of Lessor hereunder, Lessor shall, thereupon and without further agreement, be freed of all liability with respect to such obligations.

33.2 Status Statement – Within [NUMBER] days following Lessor’s written request thereof, the Lessee shall execute and deliver to Lessor or to any other person designated by Lessor a statement, in writing, certifying that this Lease is unmodified and in full force and effect, if such is the case, or, if modified, stating the modification and that the same is in full force and effect, as modified, the amount of the Net Rent then being paid under this Lease, whether or not there is any existing default of which it has notice, the particulars and amount of insurance policies and any matter of which the addressee of the statement may reasonably require. Any statement delivered pursuant to the provisions of this Section shall be conclusive of the matters there*in re*ferred.

33.3 Subordination - All of the Lessee’s rights under this Lease shall be subject and subordinate to the rights of any mortgagee or other holder of any real charge against the Leased Premises and/or the Leasehold Improvements or any other assignee of Lessor’s rights under this Lease, and the Lessee shall attorn to any such mortgagee or assignee as if such mortgagee or assignee were Lessor under this Lease, as an essential condition of this Lease. Lessor undertakes to make such reasonable efforts to see that such subordination or attornment shall not have the effect of infringing the Lessee’s right to enjoyment of the Leased Premises and the Leasehold Improvements under this Lease, for as long as the Lessee is not in default hereunder.

33.4 Signature of Documents - The Lessee agrees to execute and sign any act or document deemed necessary or desirable by Lessor in order to subordinate the Lease to any mortgage, trust indenture or other charge, at Lessor’s expenses. The Lessee hereby constitutes and irrevocably appoints Lessor as the Lessee’s authorised agent for the purposes of executing and signing any document under this Article 19 for and on behalf of the Lessee.

1. **DEFAULT AND RECOURSE**

34.1 Events of Default - The Lessee shall be in default hereunder in the following events:

34.1.1 if the Lessee fails to pay to Lessor any amount due under this Lease;

34.1.2 if the Lessee fails to pay any taxes when due or fails to pay to any supplier of services when due;

34.1.3 if the Lessee or any other person using the Equipment or Improvements becomes insolvent in whole or in part, or makes any assignment of property for the benefit of creditors; if the Lessee is placed in bankruptcy or liquidation, or takes the benefit of any legislation relating to bankruptcy or insolvency, or attempts to do so, if a receiver or a sequestrator is appointed for the Lessee’s property or any part of such property, or if a writ of execution or seizure is issued against the Lessee;

34.1.4 if the Lessee’s property is transferred, transmitted or otherwise passed to any other physical person or moral person, by mutual agreement or by the operation of the law, except where such physical person or moral person has, in writing, assumed this Lease toward Lessor and where the conditions described in Article 34 hereinabove have been observed;

34.1.5 if the Lessee fails to take possession of the Equipment or Improvements, or, after taking possession, abandons the Equipment or Improvements for any reason whatsoever, or if said Equipment or Improvements are used by any physical person or moral person not so authorised under this Lease;

34.1.6 if the Lessee alters or modifies the use of the Equipment or Improvements;

34.1.7 if the Lessee is in default under the Premises Leases or under the licence Agreement executed on this date between the Parties to this Lease;

34.1.8 if any application is made or action taken for the winding-up or dissolution or liquidation of the Lessee or the Lessee’s assets;

34.1.9 if the Lessee is in default in fulfilling any other term, condition or obligation of this Lease.

34.2 Termination of Lease - Subject to an event of default described in Article 34.1.3 above, in which event termination of the Lease shall be automatic, in the event of any default by the Lessee as defined in this Article 34, Lessor may give the Lessee written notice of Lessor’s intentions to terminate the Lease, and the Term of the Lease shall end automatically on (i) the [YOUR COUNTRY LAW] day after this notice, in the case of default of any provisions relating to the payment of any amount of money, or (ii) the [YOUR COUNTRY LAW] day after the notice in all other events of default; this termination shall have the same effect and the same force as if it was the date of expiration of the Term of the Lease, without any legal action being required and subject in any case to the Lessee’s obligation to pay to Lessor all amounts due to Lessor and all damages resulting from the default.

The Lessee hereby irrevocably waives his right to repudiate this Lease pursuant to the Bankruptcy and Insolvency Act or any section passed to amend or replace such provisions.

34.3 Lessee’s Right to Cure Default - In all cases, save an event of default described in Article 34.1.3 above, the Lessee may cure the default, following notice from Lessor, provided that the default is cured within the period of time referred in the preceding paragraph.

34.4 Return of Leased Premises - In the event of termination of the Lease under the provisions of this Article 34, the Lessee shall immediately return the Leased Premises and the Leasehold Improvements to Lessor, or, if the Lessee has not yet taken possession thereof, the Lessee shall abandon its rights to possession thereof, and Lessor or Lessor’s agents and employees may immediately or at any time thereafter enter the Leased Premises and evict the Lessee or any other person and all property contained therein, and may padlock the Leased Premises or change the locks therein, without being required to take legal action, and without liability of Lessor or damages to the Lessee.

Should the Lessee leave any property or moveable effects in the Leased Premises, Lessor shall immediately, without any notice to the owner of said property or moveable effects being required, become the owner of such property or moveable effects. The Lessee shall not be entitled to any damages, whether contractual or extracontractual or otherwise, and shall free Lessor of any claims or actions in connection with said property and moveable effects from whomsoever.

34.5 Damages - In the event of termination of the Lease under the provisions of this Article 34, Lessor shall immediately be entitled to payment of all arrears together with the equivalent of the Net Rent payable on a monthly basis for the current month plus the next ensuing [NUMBER] months plus an amount of the Real Estate Taxes not paid during the said ensuing [NUMBER] months; Lessor may claim immediate payment of this amount and of any other amount past due, and any other amount owed by the Lessee to Lessor at that time, subject to Lessor’s rights and recourses. Furthermore, Lessor may claim the cost of any expenses incurred, including legal fees and disbursements, to enforce its rights hereunder.

Should termination of the Lease result from the Lessee’s bankruptcy or insolvency or be based upon such bankruptcy or insolvency, Lessor may, in addition to the other rights and recourses available to it, require payment of all arrears together with the equivalent of [NUMBER] months’ Net Rent and Real Estate Taxes, on a monthly basis, as rent in advance.

34.6 Waiver - Should the Lessee fail to fulfil any of its obligations hereunder, and should Lessor have begun proceedings to cancel or to terminate this Lease or to have the cancellation or the termination of the Lease confirmed, the Lessee hereby irrevocably waives the benefit which may limit or diminish Lessor’s right to terminate this Lease, notwithstanding any law, usage or custom to the contrary, Lessee may not hinder or prevent such cancellation or termination, by curing the default, once said legal proceedings have been taken or measures applied. In particular, the payment after legal proceedings have been instituted shall not entitle the Lessee to avoid the reciliation of the Lease.

34.7 Re-Letting of Equipment and Improvements - If Lessor does not exercise the option to terminate this Lease in accordance with this Article, Lessor may, at its option, without additional notice to the Lessee and without terminating this Lease, as mandatory of the Lessee, take possession of the Equipment and Improvements and of all property contained therein, and sublet all or any part of the Leased Premises and any improvements, fixtures and accessories contained therein, upon such terms and conditions as Lessor deems appropriate. The Lessee shall hereby provide Lessor with an irrevocable mandate to carry out the proceeding. In such case, the Lessee shall continue to be liable for the performance of all of the Lessee’s obligations under this Lease, including payment of the Rent and other amounts payable hereunder. Lessor shall be entitled to apply all of the Lessee’s obligations to the new sub-Lessee, and to collect and receive the Rent and all other amounts payable by said sub-Lessee, and to apply these amounts to any indebtedness of the Lessee to Lessor from time to time. Any deficiencies shall be paid to Lessor upon demand of Lessor.

34.8 Indemnity - Should Lessor be required to retain the services of legal counsel in order to demand the performance by the Lessee of any of the Lessee’s obligations under this Lease, the Lessee shall pay to Lessor, upon demand, in addition to the reasonable legal costs for which the Lessee would otherwise be indebted, whether or not legal action is taken, an indemnity equal to [%] of the amount for which the Lessee would otherwise be indebted to Lessor, and this amount shall serve to defray the additional administrative expenses incurred by Lessor in obtaining the performance of the Lessee’s obligations hereunder.

34.9 Landlord’s Right to Cure Default - Should the Lessee default in the performance of any of the obligations under this Lease, Lessor may perform such obligation on behalf of the Lessee, and, if necessary, enter the Leased Premises without notifying the Lessee. The Lessee shall pay to Lessor, upon demand, the amount of all reasonable costs and expenses incurred by Lessor with regard to the default or in curing or attempting to cure the default, together with a [%] administration fee thereon.

34.10 Absence of Waiver - No indulgence or oversight on the part of either of the parties with respect to a default by the other party in the performance of any of its obligations under this Lease shall be considered to be a waiver of Lessor’s rights or of the Lessee’s rights hereunder with regard to the default or to any subsequent default; neither shall it affect nor modify in any manner whatsoever Lessor’s rights or the Lessee’s rights hereunder with regard to the subsequent default; and no waiver may be inferred from any act or omission by Lessor or by the Lessee, unless the waiver is in writing.

34.11 Remedies Generally - Mention in this Lease of any particular remedy or remedies of Lessor *in re*spect of any default by the Lessee shall not preclude Lessor from any other remedy *in re*spect thereof, whether provided herein or available in [COUNTRY] law. No remedy shall be exclusive or dependent upon any other remedy, and Lessor may from time to time exercise any one or more of such remedies separately or in combination, such remedies being cumulative and not alternative.

1. **NOTICE**

35.1 Procedure and Addresses - Any notice which is required to be given under this Lease or in connection therewith shall be deemed to have been legally given if it is delivered in person or sent by registered mail or transmitted electronically (in which case, any notice thus transmitted shall be confirmed in writing and sent by registered mail or delivered in person) to the following addresses:

35.1.1 If to Lessor:

[YOUR COMPLETE ADDRESS]

Attention: Director of Leasing

35.1.2 If to the Lessee:

[COMPLETE ADDRESS], Attn: [NAME]

or such other place as either of the parties may designate to the other party, by written notice given as described above.

Any notice sent by mail shall be deemed to take effect on the [NUMBER] business day following the date of mailing. Any notice sent electronically should be presumed to have been given and received on the day following the date of transmission. If the day following the date of transmission is not a business day, the notice shall be presumed to have been given and received on the following business day.

35.2 Election of Domicile - The Lessee selects domicile in the Leased Premises for the purposes of delivery of any procedure or any other document of a legal nature in connection with any action of any nature whatsoever taken by Lessor for the purpose of enforcing Lessor’s rights hereunder.

1. **TERMINATION OF LEASE**

36.1 Termination of Lease - The Lease shall terminate without further consideration and without notice on the date stipulated herein, and occupation of the Leased Premises by the Lessee after that date shall not have the effect of extending the Term of the Lease or of renewing the Lease, for any period of time, by tacit agreement or otherwise. In such event, Lessor may, at its option, elect to treat the Lessee as one who is occupying the Leased Premises against the wishes of Lessor, and Lessor may exercise all recourses available in [COUNTRY] law to evict the Lessee and claim damages from the Lessee, or Lessor may elect, at its option, to construe such holding over as a tenancy from month to month, subject to all terms and conditions of this Lease, save as to its duration and save that the monthly rental payable pursuant to Article 4 hereof shall be [NUMBER] times the monthly rental payable pursuant to the said Article in the preceding year.

1. **UNAVOIDABLE DELAY**

37.1 Unavoidable Delay - Except for the payment of an amount of money, each time that the Lease provides for the performance of an obligation, the obligation shall be performed subject to any delay caused by an act of God, superior force, strike, lockout, labour conflict, inability to procure materials, restrictive government restrictions or orders, bankruptcy of a contractor or any other condition of a like nature or not (except for the financial situation of either parties, which is reasonably beyond the control of Lessor or the Lessee, as the case may be (an “Unavoidable Delay”)).

37.2 The Lessee and Lessor shall be deemed not to be in default in the performance of any obligation under this Lease if they are prevented from so doing by Unavoidable Delay, and any period of time for the performance of such obligation shall be extended accordingly. The Lessee and Lessor shall notify each other respectively without delay at the outset of the cause, the duration and the effect, to their knowledge, of any Unavoidable Delay.

1. **OPTION TO PURCHASE**

38.1 In consideration of the sum of [AMOUNT], Lessor grants to the Lessee the option to purchase the Equipment and Improvements *in re*spect of any one or more Locations under the terms and conditions set out hereafter;

38.2 The option hereby granted may be exercised by the Lessee up to the last day of the Term of this Lease by notice given by the Lessee to Lessor together with the Deposit described in paragraph 38.3.6 (a).

38.3 The Purchase Price for the Equipment and Improvements *in re*spect of any Location shall be:

38.3.1 [AMOUNT], if exercised during the [NUMBER] year of the Term of this Lease;

38.3.2 [AMOUNT], if exercised during the [NUMBER] year of the Term of this Lease;

38.3.3 [AMOUNT], if exercised during the [NUMBER] year of the Term of this Lease;

38.3.4 [AMOUNT], if exercised during the [NUMBER] year of the Term of this Lease;

38.3.5 [AMOUNT], if exercised during the [NUMBER] year of the Term of this Lease;

38.3.6 [AMOUNT], if exercised during the [NUMBER] year of the Term of this Lease;

38.3.7 Payable as follows:

38.3.7.1 an amount equal to [%] of the Purchase Price (the “Deposit”) by certified cheque to the order of Lessor to be applied on account of the Purchase Price at Closing (as hereinafter defined) or otherwise dealt with as hereinafter provided, which sum shall be invested in a Certificate of Deposit with a Chartered Bank until Closing. All interest on the Deposit shall, except as herein provided to the contrary, be payable to the Purchaser; and

38.3.7.2 the balance to be paid by Bank draught at Closing together with any amounts then owing to Lessor under the terms of this Lease.

38.4 The Agreement of Purchase and Sale shall be executed on the [NUMBER] day after the date of the exercise of the Option (the “Closing Date”) or at such other time as may be mutually agreed upon between Lessor and the Lessee. The Equipment and Improvements shall be sold to the Lessee without any legal warranty whatsoever by Lessor. The Lessee shall be responsible for and shall pay all costs related to the Agreement of Purchase and Sale and its registration together with a copy for Lessor.

38.5 In the event that the Lessee not proceed to the sale of the Equipment and Improvements as provided herein on the Closing Date, the Deposit and all interests earned thereon shall be forfeited to Lessor as liquidated damages and, at the option of Lessor, this Lease shall continue in full force and effect or the Lessee shall be deemed to be in default hereunder and the provisions of Article 34 shall prevail.

38.6 In the event that the Lessee has acquired the premises under any particular Premises Lease and should sell same prior to [DATE] at a price greater than the purchase price *in re*spect thereof paid by the Lessee to Lessor, the Lessee shall remit to Lessor a sum equal to [%] per cent of the excess over such purchase price and Lessor shall apply such sum against the last rental payment or payments owing hereunder or against the purchase option payment or payments owing hereunder, as the case may be.

1. **MODIFICATION OF LEASE AND PERFORMANCE BY THIRD PARTY**

39.1 Modification of Lease - Any alteration, waiver or modification of the terms and conditions of the Lease shall be valid only if expressly provided in writing.

39.2 Performance by Third Party - The Lessee, including any person claiming to be a sub-Lessee or assignee of the Lessee, agrees that the payment of rent or the performance of any obligation by any person other than the Lessee shall not constitute an acknowledgement of rights other than those expressly granted hereunder or a waiver of any of Lessor’s rights and recourses.

Lessor may at any time accept the Rent from the Lessee or from any physical person or moral person using the Equipment and Improvements, without in any way waiving any of Lessor’s rights and recourses under this Lease.

1. **MISCELLANEOUS**

40.1 Successors and Assignees - This Lease shall bind the successors and assignees of Lessor and those of the Lessee.

40.2 The Lessee waives any rights which it may have or enjoy at any time pursuant to Articles herein or any successor legislation to the same or similar effect.

40.3 Publication - This Lease shall be published by notice in the Register of Movable and Personal Real Rights, as well as, *in re*spect of the Improvements only, a short form of lease to be executed at the time of the Premises Leases as provided for therein.

At the expiration of the Term of the Lease or sooner termination of this Lease, Lessee shall cause discharge of the publication of the notice of this lease to be effected at its expense, failing which Landlord shall have the right to do so at Lessee’s expense. This obligation shall survive the expiration of the Term or sooner termination of this Lease.

40.4 No Partnership - parties to this Lease expressly declare that no provision of this Lease and no act on their part shall be intended or shall be interpreted as establishing between them a relationship other than that of lessor and lessee.

40.5 Cancellation of Previous Agreements - Save and except for the provisions of the Premises Leases dealing with the Improvements, this Lease contains all of the mutual commitments and obligations of the parties with respect to the leasing of the Leased Premises, and cancels, for all legal purposes, any previous representations, negotiations or agreements of any nature whatsoever.

40.6 Solidarity Liability - Should this Lease be signed by more than one person as Lessee and/or Guarantor, each of them shall be solidarily liable to Lessor for payment of rent and the performance and observance of the terms and conditions of this Lease, without the benefit of division, discussion and subrogation.

40.7 Brokerage Commission - Any brokerage commission with respect to this transaction, including the Option to Purchase (including any offer or agreement preceding this Lease) shall be borne exclusively by the Lessee, and the Lessee shall indemnify Lessor against any claim with respect thereto, except in the case where Lessor has given specific written authorisation to a broker or an agent with respect to this transaction.

40.8 Governing Laws - This Lease shall be interpreted according to the laws of [STATE/PROVINCE].

40.9 Headings and numbers - The headings, captions, article numbers, section numbers, subsection numbers, and table of contents appearing in this Lease are inserted only as a matter of convenience, and in no way define, limit, construe or describe the scope of intent of the parties to this Lease nor in any way affect this Lease.

40.10 Interpretation - The words “hereinabove”, “herein”, “above-mentioned”, “hereunder” and similar expressions used in any article, section or subsection of this Lease refer to the whole of the Lease and not to that article, section or subsection only, unless otherwise stipulated. Where required by the context hereof, the singular shall include the plural and the neuter gender the masculine and feminine.

1. **GUARANTOR**

41.1 Guarantee - We, [NAME] and [NAME], personally, the undersigned (collectively referred to as the “Guarantor”), hereby directly and unconditionally guarantees to and covenants with Lessor that the Lessee shall duly perform and observe each and every term and condition of this Lease on the part of the Lessee, including the payment of rent and all other sums and payments agreed to be paid or payable under the Lease on the days and at the times and in the manner specified, and that any default by the Lessee, whether in payment of any rent or other sums from time to time falling due hereunder as and when the same become due and payable or in the performance or observance any of the said terms and conditions of this Lease are to be performed or observed by the Lessee, the Guarantor shall forthwith pay to Lessor on demand the said rent and all other sums *in re*spect of which such default shall have occurred and all damages that may arise in consequence of the non-observance or non-performance of any of the said terms and conditions of this Lease.

The Guarantor covenants with Lessor that the Guarantor is solidarily bound with the Lessee for the fulfilment of all obligations of the Lessee under the Lease. In the enforcement of its rights hereunder Lessor may proceed against the Guarantor as if the Guarantor was the Lessee hereunder. The Guarantor hereby renounces and waives the benefits of discussion and division with the Lessee.

The Guarantor hereby waives any right to require Lessor to proceed against the Lessee or to exhaust any security held from the Lessee or to pursue any other remedy whatsoever which may be available to Lessor before proceeding against the Guarantor.

Any neglect or forbearance of Lessor in endeavouring to obtain payment of the rent reserved herein and/or other payments required to be made under the provisions of the Lease as and when the same becomes due or the delay of Lessor in taking any steps to enforce performance or observance of the terms or conditions of this Lease to be performed or observed by the Lessee and any extensions of time which may be given by Lessor from time to time to the Lessee or any other act or failure to act by Lessor shall not release the Guarantor or in any way lessen or affect the obligations of the Guarantor under the suretyship contained in this Article.

If the Lessee, during the Term, makes any assignment for the benefit of its creditors or should he become bankrupt or insolvent, or take advantage of any act or statute which may be in force for bankrupt or insolvent debtors, or if the Lessee shall be wound up, the Guarantor shall ipso facto be deemed by these presents and without novation to have entered into a lease with Lessor for the Leased Premises for a term equal to the unexpired portion of the Term commencing at the date of notice from Lessor to the Guarantor that the Guarantor has become the Lessee hereunder. Such lease shall be deemed to contain all Lessor’s and Lessee’s obligations and all the covenants, provisions, agreements and conditions as are contained in this Lease.

The Guarantor’s suretyship shall extend to any extension or renewal of this Lease.

The Guarantor hereby irrevocably waives his right to terminate this suretyship pursuant to the law of [STATE/PROVINCE].

# GUARANTOR

Authorised Signature

Print Name and Title

IN WITNESS WHEREOF, each party to this agreement has caused it to be executed at [PLACE OF EXECUTION] on the date indicated above.

# LESSOR LESSEE

Authorised Signature Authorised Signature

Print Name and Title Print Name and Title

**APPENDIX A**

**LOCATION AND IDENTIFICATION OF EQUIPMENT**

**APPENDIX B**

**LOCATION AND IDENTIFICATION OF IMPROVEMENTS**