

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

**IN THE MATTER OF THE NOTICE OF INTENTION  
TO MAKE A PROPOSAL OF  
RGN BRITISH COLUMBIA XXIII LIMITED PARTNERSHIP**

**MOTION RECORD OF  
RGN BRITISH COLUMBIA XXIII LIMITED PARTNERSHIP  
(Returnable December 14, 2020)**

December 8, 2020

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Lawyers for RGN British Columbia XXIII  
Limited Partnership

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

**IN THE MATTER OF THE NOTICE OF INTENTION  
TO MAKE A PROPOSAL OF  
RGN BRITISH COLUMBIA XXIII LIMITED PARTNERSHIP**

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# Tab 1

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

**IN THE MATTER OF THE NOTICE OF INTENTION  
TO MAKE A PROPOSAL OF  
RGN BRITISH COLUMBIA XXIII LIMITED PARTNERSHIP**

**NOTICE OF MOTION  
(Extension of Time to File a Proposal)  
(Returnable December 14, 2020)**

RGN British Columbia XXIII Limited Partnership (the “**NOI Debtor**”) will make a motion to a judge of the Ontario Superior Court of Justice (Commercial List) on December 14, 2020 at 2:15 p.m. via video conference due to the COVID-19 crisis. The videoconference details can be found in Schedule “A” to this Notice of Motion. Please advise Lee Nicholson if you intend to join the hearing of this motion by emailing [leenicholson@stikeman.com](mailto:leenicholson@stikeman.com).

**PROPOSED METHOD OF HEARING:** The motion is to be heard via video conference due to the ongoing COVID-19 pandemic.

**THE MOTION IS FOR:**

1. An Order, substantially in the form attached at Tab 3 of the Motion Record, that extends the time to file a proposal pursuant to subsection 50.4(9) of the *Bankruptcy and Insolvency Act* (the “**BIA**”) for a period of 45 days to and including January 27, 2021.
2. Such further and other relief as this Court deems just.

**THE GROUNDS FOR THE MOTION ARE:**

***Extension of time for filing proposal***

1. The NOI Debtor is a limited partnership established under the *Limited Partnerships Act*, R.S.O. 1990, c. L.16 (Ontario);
2. The NOI Debtor filed a notice of intention to make a proposal to its creditors pursuant to s. 50.4 of the BIA on November 13, 2020 (the “**NOI**”);

3. The NOI Debtor appointed KSV Restructuring Inc. as the Proposal Trustee;
4. On November 19, 2020, the NOI Debtor's landlord delivered a notice to the NOI Debtor purporting to terminate its lease;
5. The NOI Debtor disputes the termination of its lease;
6. The NOI Debtor requires additional time to develop a restructured arrangement with its landlord and a proposal to its creditors;
7. The current deadline by which the NOI Debtor must file a proposal under the BIA is December 13, 2020;
8. This is the first time that the NOI Debtor has sought to extend the time for making a proposal to its creditors;
9. The NOI Debtor has acted, and the NOI Debtor continues to act, in good faith and with due diligence;
10. The NOI Debtor has attempted to engage with its landlord and the extension will provide a further opportunity to continue these efforts;
11. The NOI Debtor will have a further opportunity to continue negotiations with its landlord if the extension is granted;
12. No creditor will be materially prejudiced if the proposed extension is granted;
13. The Proposal Trustee supports the granting of the extension;
14. If the proposed extension request is not granted, the NOI Debtor will be deemed to have made an assignment in bankruptcy, which would eliminate the opportunity for the NOI Debtor to restructure and be to the detriment of its stakeholders;

***General***

15. The provisions of the BIA, including subsection 50.4(9);
16. The provisions of the *Bankruptcy and Insolvency General Rules*, C.R.C., c. 368, including Rules 3, 6 and 11;

17. The provisions of the *Rules of Civil Procedure*, R.R.O. 1990, Reg. 194, including Rules 1.04, 1.05, 2.03, 3.01, 16 and 37; and
18. Such further and other grounds as counsel may advise and this Court may permit.

**THE FOLLOWING DOCUMENTARY EVIDENCE** will be used at the hearing of the motion:

- (a) The affidavit of Joshua Nicosia sworn December 8, 2020;
- (b) The First Report of the proposal trustee, to be filed; and
- (c) Such further and other evidence as counsel may advise and this Court may permit.

December 8, 2020

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**Lawyers for RGN British Columbia XXIII Limited Partnership**

## SCHEDULE "A"

### Zoom Particulars

Join Zoom Meeting

<https://zoom.us/j/94173057682>

Meeting ID: 941 7305 7682

One tap mobile

+13462487799,,94173057682# US (Houston)

+14086380968,,94173057682# US (San Jose)

Dial by your location

+1 346 248 7799 US (Houston)

+1 408 638 0968 US (San Jose)

+1 646 876 9923 US (New York)

+1 669 900 6833 US (San Jose)

+1 253 215 8782 US (Tacoma)

+1 301 715 8592 US (Washington D.C)

+1 312 626 6799 US (Chicago)

Meeting ID: 941 7305 7682

Find your local number: <https://zoom.us/u/adgp82CO2r>



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

Proceeding commenced at Toronto

**NOTICE OF MOTION  
(Returnable December 14, 2020)**

**STIKEMAN ELLIOTT LLP**

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**Lawyers for RGN British Columbia XXIII  
Limited Partnership**

# Tab 2

Court / Estate No.: 31-2688719

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

**IN THE MATTER OF THE NOTICE OF INTENTION  
TO MAKE A PROPOSAL OF  
RGN BRITISH COLUMBIA XXIII LIMITED PARTNERSHIP**

**AFFIDAVIT OF JOSHUA NICOSIA  
(Sworn December 8, 2020)**

I, Joshua Nicosia, of the City of Dallas, Texas, United States of America, **MAKE OATH AND SAY:**

1. I am the General Counsel – North America of Regus Corporation (“**Regus**”), a Delaware corporation that, together with its affiliates (collectively, “**IWG**”), offers a network of on-demand office and co-working spaces, and ancillary services and support, to a variety of clients across a host of industries in over 1,000 locations in the United States and Canada. Regus is an affiliate of RGN British Columbia XXIII Limited Partnership (the “**NOI Debtor**”). In the course of my role with IWG and through discussions with management, outside counsel and financial advisors, I have become familiar with the operations and financial affairs of the NOI Debtor. In a similar manner, I have also become familiar with the operations and financial affairs of the NOI Debtor’s affiliates, including each of the IWG entities (the “**Chapter 11 Debtors**”) that filed voluntary petitions for relief pursuant to Chapter 11 of the U.S. Code, and the IWG entities that commenced proceedings (the “**CCAA Proceedings**”) under the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”). As a result, I have knowledge of the matters to which I hereinafter depose, except where otherwise stated. Where I have relied upon information received from other individuals, I state the source of such information and believe such information to be true.

2. I swear this affidavit in support of the motion by the NOI Debtor for an order extending the time to file a proposal pursuant to s. 50.4(9) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended for a period of 45 days from December 13, 2020 to and including January 27, 2021.

#### **A. Background**

3. The NOI Debtor is part of IWG's corporate group. The facts with respect to IWG's business model, as well as its financial struggles and responses to such difficulties, are more fully set out in the affidavits of James S. Feltman sworn August 22, 2020 in connection with the proceedings commenced by IWG affiliates under Part IV of the CCAA (the "**Recognition Proceedings**"), and August 30, 2020 (the "**Second Feltman Affidavit**") and September 8, 2020 in connection with the CCAA Proceedings, all of which are attached hereto, without exhibits, as **Exhibits "A", "B" and "C"**, respectively. Capitalized terms used herein but not otherwise defined shall have the meanings set forth in the Second Feltman Affidavit.

4. Copies of the other materials filed in connection with the Recognition Proceedings, the CCAA Proceedings and the NOI Proceeding (as defined below) can be found on the Proposal Trustee's (as defined below) and the Monitor's website at <https://www.ksvadvisory.com/insolvency-cases/case/rqn-national-business-centers>.

#### **B. The NOI Debtor**

5. The NOI Debtor is a special purpose limited partnership formed under the *Limited Partnerships Act* (Ontario) between RGN Limited Partner Holdings, Corp., as limited partner, and RGN British Columbia XXIII GP Inc., as general partner. The NOI Debtor was formed for the purpose of entering into a Lease with a Landlord and to hold an individual Lease for a single

Centre in Canada located at 400 West Georgia Street, Vancouver, B.C. (the “**Leased Premises**”). A copy of the Lease is attached hereto as **Exhibit “D”**.

**C. The Leased Premises**

6. The Lease was entered into on August 31, 2018 as part of constructing a new commercial office building in downtown Vancouver. The Leased Premises comprise of approximately 119,316 square feet over eight floors of the building. The final constructed building is expected to have 24 floors and comprise of approximately 370,451 square feet of commercial office space.

7. The NOI Debtor has already arranged for most of the Leased Premises to be licensed to a major Occupant following taking possession of the Leased Premises (the “**Delivery Date**”). In doing so, the NOI Debtor has incurred expenses of approximately \$201,000 associated with the design of the Leased Premises and certain other costs associated with its contract with the Occupant. The value of the contract with the Occupant is potentially in excess of \$30 million.

8. Until the Delivery Date, the NOI Debtor is in a rent-free period under the Lease. Following the Delivery Date, rent for the Leased Premises is over \$5 million per annum for a 15-year term.

9. The NOI Debtor’s Lease is guaranteed by Redox Plc (f/k/a Regus Plc S.A.) (“**Regus Plc**”), a Bailiwick of Jersey entity that is managed and controlled in Luxembourg. The guarantee liability of Regus Plc is capped at \$10 million pursuant to an indemnification agreement dated August 31, 2018 (the “**Indemnity Agreement**”), which was entered into in connection with the Lease.

10. The NOI Debtor has maintained close contact with the Landlord to coordinate the buildout of the Leased Premises on the originally expectation the Delivery Date would occur on or around April 2021. Due to construction delays at the Leased Premises, the Landlord has, so far, sent the NOI Debtor two delay notices setting out revisions to the Delivery Date. The delay notices were sent on July 9, 2020 and August 24, 2020 and are attached hereto as **Exhibits “E”** and “**F**”,

respectively. In each delay notice the Landlord claimed that the Delivery Date was to be extended as a result of “unavoidable delay”. The deadline for the Delivery Date was extended by 156 days under the latest notice and the current Delivery Date is contemplated to be June 21, 2021 for seven floors of the Leased Premises and August 18, 2021 for the remaining floor of the Leased Premises, assuming no further delays.

11. The Landlord also indicated in project management documents that construction of the Leased Premises was not anticipated to commence until January 2021 assuming no further delays. A copy of the latest project timetable provided by the Landlord is attached hereto as **Exhibit “G”**.

#### **D. Events Leading Up to the NOI Proceeding**

12. On September 10, 2020, the Royal Court of Jersey (Samedi Division) (the “**Jersey Court**”) issued a letter of request to the District Court of Luxembourg of Luxembourg City responsible for Commercial Matters (Tribunal d’Arrondissement de et à Luxembourg, siégant en matière commerciale) (the “**Luxembourg Court**”) in respect of Regus Plc for the appointment of a trustee in bankruptcy. The Order granted by the Jersey Court is attached hereto as **Exhibit “H”**. The Luxembourg Court appointed a trustee in bankruptcy in respect of Regus Plc on October 9, 2020.

On September 21, 2020, pursuant to the Order granted by the Jersey Court, Regus Plc sent notice of the Order to the Landlord. Following receipt of that notice, on September 28, 2020, counsel to the Landlord sent the NOI Debtor a notice of default (the “**September 28 Notice**”) pursuant to section 15.1(e) of the Lease alleging that, due to the commencement of insolvency proceedings by Regus Plc, the NOI Debtor will be in default unless it posted a security deposit in cash or by letter of credit to the Landlord for \$10 million being the value equal to the applicable maximum liability under the Indemnity Agreement. A copy of the September 28 Notice is attached hereto as **Exhibit “I”**.

13. Following receipt of the September 28 Notice, the NOI Debtor commenced discussions with the Landlord to identify options that would allow the NOI Debtor's Lease to continue and the Centre to open following completion of construction by the Landlord. The potential arrangements discussed ranged from restructuring the guarantee to restructuring the NOI Debtor's underlying Lease.

14. IWG has been addressing similar situations in connection with a number of Centres due to the bankruptcy of Regus Plc and is attempting to find accommodative solutions in order to permit the survival of the vast majority of Centres with Leases guaranteed by the Regus Plc. I am informed by Ryan Beckwith, counsel to IWG, that under Luxembourg law, the bankruptcy proceedings of Regus Plc will not result in the automatic liquidation of the bankrupt company. Rather, from the date of the adjudication in bankruptcy, a trustee in bankruptcy was appointed by the district court to manage the company's affairs and realise its assets or recapitalize the company with the objective of satisfying creditors and emerging from the proceedings.

#### **E. The NOI Proceeding**

15. On or about November 6, 2020, the good faith negotiations reached an initial impasse and the NOI Debtor came to believe that the Landlord may attempt to terminate the Lease based on its failure to provide a security deposit in cash or by way of a letter of credit to the Landlord. Due to the various ongoing insolvency proceedings involving affiliates of the NOI Debtor as well as liquidity issues arising from the COVID-19 pandemic, as described in the Second Feltman Affidavit, the NOI Debtor could not provide such a deposit or letter of credit. Accordingly, the NOI Debtor filed a Notice of Intention to Make a Proposal (the "**NOI**") on November 13, 2020 (such proceeding, the "**NOI Proceeding**"). KSV Restructuring Inc. was appointed as proposal trustee

of the NOI Debtor (the “**Proposal Trustee**”). A copy of the certificate from the Office of Superintendent of Bankruptcy confirming the filing the NOI is attached as **Exhibit “J”**.

16. Notwithstanding the filing of the NOI, on November 19, 2020, Ian Duke, a representative of the Landlord, sent an email (the “**November 19 Email**”) to Wayne Berger, CEO of IWG North America, purporting to terminate the Lease on the basis of the above-mentioned default event and attached letters setting out the grounds for termination to the November 19 Email. The November 19 Email and accompanying letters are attached hereto as **Exhibits “K”, “L” and “M”**, respectively.

17. On November 26, 2020, counsel for the NOI Debtor sent a letter (the “**November 26 Letter**”) to counsel for the Landlord disputing the validity of the notice of termination given the statutory stay of proceedings afforded to the NOI Debtor upon filing the NOI. A copy of the November 26 Letter is attached hereto as **Exhibit “N”**.

18. On December 4, 2020, Mr. Berger, CEO of IWG North America, sent Mr. Duke, a representative of the Landlord, an email (the “**December 4 Email**”) indicating that the NOI Debtor wished to continue the negotiations to allow the Centre to be opened in a manner mutually beneficial to the Landlord and the NOI Debtor. A copy of the December 4 Email is attached hereto as **Exhibit “O”**. The Landlord responded by email on December 4, 2020 (the “**December 4 Response**”) reiterating its position that the Lease had been terminated and therefore, it was unwilling to engage in any discussions. A copy of the December 4 Response is attached hereto as **Exhibit “P”**.

19. Following a telephone conversation between counsel to the NOI Debtor and counsel to the Landlord on or about November 30, 2020, counsel to the NOI Debtor sent a letter to the Landlord (the “**December 7 Letter**”) setting out further details regarding the NOI Debtor’s position and confirming that the NOI Debtor remained committed to continuing discussions toward a



mutually beneficial compromise that could include revising the terms of the Lease. The December 7 Letter also referenced the NOI Debtor's concerns that the Landlord had been in discussions with the NOI Debtor's Occupant to arrange for it to directly rent and occupy the Leased Premises, effectively attempting to cut-out the NOI Debtor which would materially prejudice the NOI Debtor's stakeholders, including IWG affiliates. I have been informed of these discussions by the IWG representatives working on completion of the Centre with the Landlord, who were themselves informed of these discussions by IWG's real estate broker that arranged the Lease. A copy of the December 7 Letter is attached hereto as **Exhibit "Q"**.

**F. Activities to Date**

20. Since the filing of the NOI, the NOI Debtor has acted and continues to act in good faith and with due diligence to, among other things:

- (a) dispute the Landlord's improper notice of termination as set forth above;
- (b) attempt to reengage in discussions with the Landlord to reach a compromise that will preserve the Lease;
- (c) consider possible restructuring alternatives; and
- (d) prepare these materials to support an extension of the time to file a proposal.

**G. Extension Request**

21. The 30-day period after the filing date of the NOI expires on December 13, 2020. The NOI Debtor is seeking an extension of the time to make a proposal by 45 days to and including January 27, 2021.

22. As discussed above, I believe that at all material times the NOI Debtor has acted and continues to act in good faith and with due diligence.

23. It is the NOI Debtor's view that an extension of the time to file a proposal will place it in a better position to make a viable proposal to its creditors, particularly its Landlord. As set out above, the NOI Debtor has engaged with its Landlord on various occasions. Such discussions are integral to making progress towards a mutually acceptable resolution. The NOI Debtor intends to further engage with the Landlord regarding the NOI Debtor's Lease to determine whether a mutually acceptable agreement can be reached. If an extension is not granted, there will be no further opportunity to continue these negotiations. If the Landlord continues to assert that the Lease has been validly terminated, that issue is more appropriately addressed by the Court as part of the NOI Proceeding and in the NOI Debtor's view, should be determined on a motion brought by the Landlord.

24. As discussed above, I do not believe that the extension would materially prejudice any of the NOI Debtor's creditors. In short, the Landlord will suffer no material prejudice by this extension because the Leased Premises will likely not be available for possession until approximately November or December 2021 at the earliest and the Lease is currently in a rent-free period. Based on my understanding of the status of the buildout, the Landlord has not yet even commenced construction of the Leased Premises that were intended to be delivered to the NOI Debtor. This first 45-day extension will allow the NOI Debtor to engage in further constructive, good faith discussions with the Landlord and will not be materially detrimentally to the Landlord.

25. Due to the various insolvency filings of guarantors and indemnifiers in the United States and Luxembourg, events of default have occurred under Leases of numerous Lease Holders in Canada and around the globe resulting in those entities filing for creditor protection themselves to permit a global restructuring to occur. The alternative to an extension of time to file a proposal would be the deemed bankruptcy of the NOI Debtor, which would eliminate the opportunity for the NOI Debtor to restructure in a manner that maximizes value for its stakeholders and would be detrimental to the overall global restructuring efforts of the IWG corporate group.

I confirm that while connected via video technology, Mr. Joshua Nicosia showed me the front and back of his government-issued photo identity document and that I am reasonably satisfied it is the same person and the document is current and valid.

Sworn before me by video conference from the City of Dallas, in the State of Texas, United States of America, to the Toronto, in the Province of Ontario, Canada, on December 8, 2020.

DocuSigned by:  
*Lee Nicholson*  
82C0CC8E694B4AB...

**LEE NICHOLSON**  
Commissioner for Taking Affidavits  
in the Province of Ontario

DocuSigned by:  
*Joshua Nicosia*  
E3744F2FF3624D6...

**JOSHUA NICOSIA**

This is  
**EXHIBIT "A"**  
referred to in the affidavit of  
**Joshua Nicosia**  
dated December 8, 2020

DocuSigned by:

A blue ink signature of Lee Melanson, written in a cursive style, enclosed within a blue bracket-like shape.

82C0CC8E604B4AB...

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Commissioner for taking affidavits

# Tab A

Court File No. \_\_\_\_\_

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

**IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, C.  
C-36, AS AMENDED**

**AND IN THE MATTER OF H WORK, LLC, RGN-GROUP HOLDINGS, LLC, RGN-NATIONAL  
BUSINESS CENTERS, LLC, RGN-FORT LAUDERDALE III, LLC, RGN-COLUMBUS IV, LLC,  
RGN-CHICAGO XVI, LLC, AND RGN-CHAPEL HILL II, LLC**

**APPLICATION OF RGN-NATIONAL BUSINESS CENTERS, LLC  
UNDER SECTION 46 OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C.  
1985, C. C-36, AS AMENDED**

**(Applicant)**

**AFFIDAVIT OF JAMES S. FELTMAN  
(Sworn August 22, 2020)**

I, James S. Feltman, of the City of Miami, Florida, United States of America, **MAKE OATH  
AND SAY:**

1. I am a managing director of Duff & Phelps, LLC, an advisory firm providing governance, risk and transparency solutions for clients across diverse sectors, including publicly traded and privately held companies, law firms, government entities and investment organizations such as private equity firms and hedge funds. My practice at Duff & Phelps is focused on providing fiduciary, advisory consulting, and expert witness testimony in areas including insolvency, restructuring, accounting, and financial statement reporting. I have served as an appointed fiduciary with a branch of the United States Department of Justice spanning nearly 30 years, have been appointed as an advisor by both U.S. federal (district and bankruptcy) and state courts, have served as an arbitrator and mediator, and have been appointed as a Monitor by the U.S. Federal Trade Commission.

2. Duff & Phelps was retained by each of the above-captioned debtors and debtors in possession (the "**Chapter 11 Debtors**") to provide interim management services. I am the

Responsible Officer for each of the Chapter 11 Debtors, effective as of the dates of their respective filings. In this capacity, I am responsible for assisting in the management of the Chapter 11 Debtors' operations, overseeing their liquidity management, and assisting with their restructuring process. In the course of this engagement and working with the Chapter 11 Debtors' management and outside counsel and financial advisors, I have become familiar with the operations and financial affairs of the Chapter 11 Debtors and their non-debtor affiliates. As a result, I have knowledge of the matters to which I hereinafter depose, except where otherwise stated. Where I have relied upon information received from other individuals, I state the source of such information and believe such information to be true.

3. I swear this affidavit in support of an application by RGN-National Business Centers, LLC ("**RGN-NBC**"), in its capacity as foreign representative (in such capacity, the "**Foreign Representative**") of itself and the other Chapter 11 Debtors that recently filed voluntary petitions for relief pursuant to Chapter 11 of the U.S. Code (the "**Bankruptcy Code**"), seeking, among other things, the following relief:

- (a) recognition of the cases commenced by the Chapter 11 Debtors in the United States (the "**Chapter 11 Cases**") as foreign main proceedings under Part IV of the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**");
- (b) recognition of certain First Day Orders (as defined below) granted by the U.S. Court (as defined below); and
- (c) appointing KSV Kofman Inc. ("**KSV**") as Information Officer (the "**Information Officer**") in respect of these proceedings under the CCAA (the "**CCAA Recognition Proceedings**").

4. Unless otherwise indicated, all monetary amounts in this affidavit are in U.S. dollars.

**A. Background**

5. On August 17, 2020 (the "**Petition Date**"), RGN-NBC, H Work, LLC (f/k/a HQ Global Workplaces LLC) ("**H Work**") and RGN-Group Holdings, LLC ("**Holdings**") (collectively, the "**Guarantor Debtors**") filed voluntary petitions for relief pursuant to Chapter 11 of the Bankruptcy Code with the United States Bankruptcy Court for the District of Delaware (the "**U.S. Court**"). Previously, RGN-Columbus IV, LLC filed a voluntary petition for relief under the Bankruptcy Code on July 30, 2020, RGN-Chapel Hill II, LLC filed its voluntary petition on August 2, 2020, RGN-Chicago XVI, LLC filed its voluntary petition on August 3, 2020, and RGN-Fort Lauderdale III, LLC (collectively with RGN-Columbus IV, LLC, RGN-Chicago XVI, LLC, and RGN-Chapel Hill II, LLC, the "**SPE Debtors**") filed its voluntary petition on August 8, 2020. I am advised by Lee Nicholson of Stikeman Elliott LLP, Canadian counsel to the Chapter 11 Debtors, that copies of the certified petitions filed by each of the Chapter 11 Debtors will be included in a Compendium of Materials Filed in the Chapter 11 Cases (the "**U.S. Compendium**").

6. Each of the Chapter 11 Debtors elected for Subchapter V of the Bankruptcy Code ("**Subchapter V**"), to apply to the Chapter 11 Cases, which is a subsection of the Bankruptcy Code for small business debtors with non-contingent liabilities less than \$7.5 million (excluding debts owed to affiliates or insiders).

7. Capitalized terms used herein but not otherwise defined shall have the meanings set forth in my declaration sworn August 17, 2020 and filed with the U.S. Court in support of the motions filed by the Guarantor Debtors upon the commencement of the Chapter 11 Cases (the "**First Day Motions**"), a copy of which is attached as **Exhibit "A"** (the "**First Day Declaration**").



8. The First Day Declaration provides a comprehensive overview of the Chapter 11 Debtors and the events leading up to the commencement of the Chapter 11 Cases. Consequently, this affidavit provides a more general overview of the Chapter 11 Debtors and focuses on providing this Court with information on the purpose of the CCAA Recognition Proceedings, to support the finding of the centre of main interest (“**COMI**”) for each of the Chapter 11 Debtors and to support the request for recognition of the Chapter 11 Cases as a “foreign main proceeding”, the recognition of certain orders granted by the U.S. Court in connection with the First Day Motions (the “**First Day Orders**”), and an overview of the Lease Notice Procedures Motion (as defined below) which the Foreign Representative expects to seek recognition of pending the outcome of a hearing scheduled before the U.S Court on August 25, 2020.

## **B. The Business**

### **(a) Overview**

9. The Chapter 11 Debtors are direct or indirect subsidiaries of Regus Corporation, a Delaware corporation, that, together with its affiliates (collectively, “**IWG**” or the “**Company**”), offers a network of on-demand office and co-working spaces, and ancillary services and support, to a variety of clients across a host of industries in over 1,000 locations in the United States and Canada.

10. IWG’s business model begins with entry into long-term commercial real property leases (each, a “**Lease**”) with a property owner (each, a “**Landlord**”), that provide the Company with unoccupied office space (the “**Centres**”). IWG develops and engineers each of the Centres to meet the needs of individuals, companies, and organizations who will contract for use of portions of the Centers. IWG markets its Centres under an umbrella of different brand names, each tailored to appeal to different types of clients and those clients’ specialized needs. These clients (the “**Occupants**”) enter into short-term licenses (each, an “**Occupancy Agreement**”) to use portions

of the Centres, which are customizable as to duration, configuration, services, and amenities. When operating successfully, a Centre's Occupants' license payments ("**Occupancy Fees**") will exceed the combined cost of the underlying long-term lease, management cost, and operating expenses of the Centre.

11. Generally, the lessee under each Lease is a special-purpose entity formed for this specific purpose (each, a "**Lease Holder**"). Each of the SPE Debtors is formed this way. In certain cases, the Lease Holder's obligations under the Lease are also partially or fully guaranteed by another IWG entity, such as the Guarantor Debtors.

**(b) The Chapter 11 Debtors**

12. As described above, each of the Chapter 11 Debtors is either a direct or indirect subsidiary of Regus Corporation, a non-debtor Delaware corporation. Regus Corporation is a wholly-owned subsidiary of Regus Group Limited ("**RGL UK**"), a company organized under the laws of the United Kingdom. RGL UK is a wholly-owned subsidiary of IWG Group Holdings Sarl, a company organized under the laws of Luxembourg. IWG Group Holdings Sarl is a wholly-owned subsidiary of IWG Enterprise Sarl, a company also organized under the laws of Luxembourg. IWG Group Enterprise Sarl is a wholly-owned subsidiary of IWC Plc, a company organized under the laws of the Bailiwick of Jersey with a head office in Switzerland.

13. A simplified organizational chart of IWG, including the Chapter 11 Debtors, is attached hereto as **Exhibit "B"**.

14. The First Day Declaration provides an overview of the Chapter 11 Debtors' indebtedness and inter-company arrangements.

(i) **Guarantor Debtors**

15. The Guarantor Debtors are H Work, Holdings and RGN-NBC. A brief description of each of the Guarantor Debtors is set out below:

- (a) *H Work*: H Work is a Delaware company and direct subsidiary of Regus Corporation. H Work recently changed its name from HQ Global Workplaces LLC. H Work is multi-Centre tenant under Leases in the United States and has guaranteed various Leases in Canada and the United States. Its financial position and assets are detailed in the petition filed in the Chapter 11 Cases and included in the U.S. Compendium. The registered head office of H Work is 2711 Centerville Road, Suite 400, Wilmington, Delaware 19808 and its corporate headquarters is located at 3000 Kellway Drive, Suite 140, Carrollton (Dallas), Texas 75006.
- (b) *Holdings*: Holdings is a Delaware company and direct subsidiary of Regus Corporation. As described in the First Day Declaration, Holdings owns the furniture, equipment and other personal property (“**FF&E**”) used in connection with IWG’s business in the United States and leases the FF&E to each applicable Lease Holder. Its financial position and assets are detailed in the petition filed in the Chapter 11 Cases and included in the U.S. Compendium. The registered head office of Holdings is 2711 Centerville Road, Suite 400, Wilmington, Delaware 19808 and its corporate headquarters is located at 3000 Kellway Drive, Suite 140, Carrollton (Dallas), Texas 75006.
- (c) *RGN-NBC*: RGN-NBC is a Delaware company and indirect subsidiary of Regus Corporation. The share capital of RGN-NBC is owned by RGN Holdings, LLC, a non-debtor wholly-owned subsidiary of Regus Corporation.

Similar to H Work, RGN-NBC is multi-Centre tenant under Leases in the United States and has guaranteed various Leases in Canada and the United States. Its financial position and assets are detailed in the petition filed in the Chapter 11 Cases and included in the U.S. Compendium. The registered head office of RGN-NBC is 2711 Centerville Road, Suite 400, Wilmington, Delaware 19808 and its corporate headquarters is located at 3000 Kellway Drive, Suite 140, Carrollton (Dallas), Texas 75006.

16. As described above, The Guarantor Debtors are guarantors under various Leases entered into by various special purpose Lease Holders. As of the Petition Date, the Guarantor Debtors were guarantors, or co-liable as original tenant-assignor, of 653 Leases in total – 84 by Holdings, 379 by RGN-NBC, and 191 by H Work.<sup>1</sup> Of these Leases for which the Guarantor Debtors are liable or partially liable, 85 are in respect of Centres located in Canada - 18 by Holdings, 57 by RGN-NBC, and 10 by H Work. The Guarantor Debtors receive guarantee fees from the Lease Holders, including the Canadian Affiliates (as defined below), in consideration for providing guarantees in respect of their Leases which are paid on a semi-annual basis. The total guarantee fees received by Guarantor Debtors from Lease Holders is approximately \$15 million annually, of which \$1.4 million is from Lease Holders in Canada.

17. Despite guaranteeing various Leases in respect of Canadian Centres, the Guarantor Debtors do not carry on business in Canada, do not have any Canadian assets or property, except for the receivables owing by Canadian Affiliates (as defined below) for the guarantee fees, and they are managed solely from the United States. Their only connection to the Canadian Affiliates is through the provision of these guarantees and/or indemnities in respect of the Leases.

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<sup>1</sup> I understand that there is a Lease in respect of a Centre in the United States guaranteed by both Holdings and RGN-NBC.

**(ii) SPE Debtors**

18. The SPE Debtors are RGN-Fort Lauderdale III, LLC, RGN-Columbus IV, LLC, RGN-Chicago XVI, LLC, and RGN-Chapel Hill II, LLC.

19. Each of the SPE Debtors are Lease Holders as described above and are special purpose entities solely formed to hold a Lease for a Centre in the United States. The SPE Debtors do not have any connection to the Canadian Affiliates. The SPE Debtors do not carry on business in Canada, do not have any Canadian assets or property, are managed solely from the United States and do not have any connection to the Canadian Affiliates (as defined below) other than being related by virtue of having the same ultimate indirect shareholders. Depending on the outcome of negotiations with Landlords in the United States described below, other similarly situated Lease Holders to the current SPE Debtors may file for protection under the Bankruptcy Code and consolidate their case with the current Chapter 11 Cases.

20. Below is a summary of the SPE Debtors' state of incorporation, principal place of business and registered head office:

<b>SPE Debtor</b>	<b>State of Incorporation</b>	<b>Principal Place of Business</b>	<b>Registered Head Office</b>
RGN-Fort Lauderdale III, LLC	Delaware	3000 Kellway Drive, Suite 140, Carrollton (Dallas), Texas 75006	251 Little Falls Drive, Wilmington, Delaware 19808
RGN-Columbus IV, LLC	Delaware	3000 Kellway Drive, Suite 140, Carrollton (Dallas), Texas 75006	251 Little Falls Drive, Wilmington, Delaware 19808
RGN-Chicago XVI, LLC	Delaware	3000 Kellway Drive, Suite 140, Carrollton (Dallas), Texas 75006	2711 Centerville Road, Suite 400, Wilmington, Delaware 19808

RGN-Chapel Hill II, LLC	Delaware	3000 Kellway Drive, Suite 140, Carrollton (Dallas), Texas 75006	251 Little Falls Drive, Wilmington, Delaware 19808
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**(c) Canadian Affiliates**

21. Canadian non-debtor affiliates of the Chapter 11 Debtors (the “**Canadian Affiliates**”) operate IWG’s business in Canada. The Canadian Affiliates are direct or indirect subsidiaries of RGL UK.

22. Generally, the Canadian business has the same structure as described above for IWG’s business. Typically, each Lease Holder in Canada is a special purpose limited partnership (the “**Canadian Tenant LPs**”) formed between RGN Limited Partner Holdings Corp. (“**RGN LP**”), as limited partner, and a different general partner. In a few instances, the Lease Holder in Canada is a special purpose company (together with the Canadian Tenant LPs, the “**Canadian Tenant SPEs**”) rather than a limited partnership. The Canadian Tenant SPEs are specifically formed to enter into individual Leases with various Landlords and to hold an individual Lease for a single Centre in Canada. Typically, the Canadian Tenant SPEs’ only assets are the Leases and any FF&E located within the Centre.

23. Occupants in each Centre enter into Occupancy Agreements with RGN Management Limited Partnership (“**RGN Management LP**”), a limited partnership formed between RGN LP, as limited partner, and RGN Management GP Inc., as general partner. RGN Management LP is also the employer of all employees of the Canadian business.

24. The Canadian Tenant LPs’ general working capital needs are financed by RGN Management LP on a secured basis. Each Canadian Tenant SPE has entered into separate intra-group loan facility agreements and general security agreements with RGN Management LP. The

obligations under the loan agreements are secured by all the present and after acquired property of the Canadian Tenant SPEs, including the FF&E.

25. A simplified organizational chart of the Canadian Affiliates is attached hereto as **Exhibit “C”**. No relief is being sought in respect of the Canadian Affiliates at this time.

**(d) Canadian Centres**

26. IWG, through the Canadian Affiliates, operates 137 Centres in Canada. As set out above, the Leases for 85 of these Centres are guaranteed by the Guarantor Debtors (the “**Guaranteed Canadian Leases**”) and the Guarantor Debtors receive guarantee fees from the Canadian Tenant SPEs in consideration for guaranteeing the Guaranteed Canadian Leases. The Leases in respect of the other Centres are not guaranteed or are guaranteed by other affiliates of IWG which are not debtors in the Chapter 11 Cases. The following chart summarizes the Centres in Canada, which are guaranteed by the Guarantor Debtors, by province:

<b>Province</b>	<b>Canadian Centres</b>	<b>Canadian Centres with Lease guaranteed by the Guarantor Debtors</b>
Ontario	69	43
British Columbia	29	16
Alberta	16	9
Quebec	17	12
Saskatchewan	1	0
Nova Scotia	3	3
Manitoba	2	2
Total	137	85

27. A list of Canadian Tenant SPEs with the Guaranteed Canadian Leases is attached hereto as **Exhibit “D”**.

28. Within the Canadian Centres, there are approximately 15,000 Occupants, each of which typically uses the space in connection with its own business. The Centres with the Canadian Guaranteed Leases house approximately 9,000 of these Occupants. IWG, through RGN Management LP, also employs approximately 190 employees across Canada to operate the Canadian Centres.

### **C. The Chapter 11 Cases and Path Forward**

#### **(a) Events Leading Up to the Chapter 11 Cases**

29. Following a strong first quarter in 2020, the Company experienced significant challenges during the second and third quarters of 2020 as a direct result of the COVID-19 pandemic. The pandemic and associated mandatory shutdowns have severely disrupted business plans and operations for certain locations within IWG's portfolio.

30. Businesses and companies implementing work-from-home policies (either voluntary or government-mandated) has reduced the demand for temporary office space resulting in lower occupancy rates across the IWG portfolio. To attract and retain Occupants in this environment, IWG has had to cut pricing for new sales and renewals, resulting in a reduction of revenue from the space that is occupied. Other Occupants have also been untimely on payment of their Occupancy Fees which has a range of underlying causes, including the effects of the economic downturn on their businesses or as part of emergency cash-conservation measures undertaken by the Occupants.

31. To mitigate the effect of the pandemic, IWG has taken various cash flow and liquidity measures, including the deferral of rent payments and engagement with Landlords to negotiate forbearances, temporary accommodations, and, in certain instances, permanent modifications to Leases. The Company has had various successes in negotiations with Landlords to date.



However, in certain instances, the negotiations have reached an impasse. The break down of any particular negotiation with a Landlord can weaken the entire portfolio, by requiring the immediate deployment of a disproportionate amount of liquidity (e.g., to cure an accumulated Lease arrearage) in order to avoid the potential closure of a Centre and potential loss of business from Occupants at that location.

32. In the case of the SPE Debtors, the breakdown of negotiations led their respective Landlords to issue notices of their intention to lock the SPE Debtors out of their respective Centres leading the SPE Debtors to commence their respective Chapter 11 Case. The Guarantor Debtors commenced their Chapter 11 Cases shortly thereafter, to pre-empt both a potential “run on the bank” by Landlords exercising their rights under the various guarantee agreements and to attempt to restructure their obligations while maintaining the Company’s viable lease portfolio.

**(b) COVID-19 and the Canadian Affiliates**

33. The Canadian Affiliates have likewise been impacted by the COVID-19 pandemic with depressed occupancy rates, Occupants that have, either by necessity or strategically, failed to pay their Occupancy Fees and decreased demand at capital intensive Centres in downtown areas of metro-centres. However, despite the impact that COVID-19 has had on the Canadian business, the Canadian Tenant SPEs in the majority of cases have continued paying rent to the Landlords in respect of the Leases for the Centres in Canada.<sup>2</sup> IWG has also engaged in negotiations with certain Landlords with respect to specific accommodations and in certain cases, adjusted the terms of Leases to reflect new market realities created by the ongoing pandemic. To date, the negotiations have been primarily positive and have not resulted in lock-out notices being issued similar to the SPE Debtors’ situation. However, with the filing of the Guarantor Debtors, IWG has

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<sup>2</sup> I understand from Michael Osborne, Chief Financial Officer of IWG North America, and verily believe there is approximately C\$2.2 million in rent arrears across the entire Canadian portfolio of Leases.

significant concerns that, absent relief granted by the U.S. Court and recognition from this Court, a “run on the bank” scenario could occur in Canada or Landlords may opportunistically take advantage of the technical default discussed below harming the Company’s and Guarantor Debtors’ restructuring efforts.

34. Most of the Guaranteed Canadian Leases contain events of default related to the commencement of insolvency and/or bankruptcy proceedings by any indemnitor or guarantor under the Lease. Subject to the particular terms of the Lease and provincial law, including the current eviction moratoriums in place in certain provinces, the Landlords’ rights and remedies in the case of an event of a default under their respective Guaranteed Canadian Lease may include (a) terminating the applicable Guaranteed Canadian Lease; or (b) “locking-out” the applicable Canadian Tenant SPE, including, by extension, the Occupants, and retaking possession of the Centres. I understand that these rights and remedies may be exercised with limited or no notice to the Lease Holder.

35. If any particular Landlord, relying upon an alleged event of default, purports to terminate a lease or locks out a Canadian Tenant SPE, it will cause significant adverse effects to the Canadian Affiliates, the Occupants located within the Centre, and other creditors of the individual Canadian Tenant LP. Such actions would also likely result in the triggering of various guarantee claims against the Guarantor Debtors, which will be addressed in the Chapter 11 Cases, and will adversely affect the current income that the Guarantor Debtors receive from the Canadian Tenant SPEs. Each such action by a Landlord undermines the financial stability of the Guarantor Debtors and Canadian Affiliates, the cumulative effect of which may encourage other Landlords to take similar actions. Temporarily pausing the ability of the Landlords to take such actions will provide the Chapter 11 Debtors and the Landlords with an opportunity to attempt a consensual resolution, or a resolution as part of the Chapter 11 process.

**(c) Path Forward**

36. As set out above, the SPE Debtors initially commenced their Chapter 11 Cases to protect their respective businesses, the Centres, and the Occupants of each Centre. The Guarantor Debtors filed for Chapter 11 shortly thereafter due to the anticipated demands from the Landlords of the SPE Debtors and potentially others. The Company intends to use the Chapter 11 process to restructure its various contractual obligations in order to stabilize the Company's North American portfolio and emerge in a financially stronger and more viable position. If these restructuring efforts prove unsuccessful, the SPE Debtors, and possibly other Lease Holders that may file for creditor protection, will have to wind down the operation of applicable Centres in an orderly manner and determine the priority of Landlords' and other creditors' claims against the SPE Debtors and/or Guarantor Debtors.

37. In Canada, the Company believes it can maintain the current portfolio of viable Canadian Centres, including where guarantees have been provided by the Guarantor Debtors, through constructive discussions with Landlords that have already begun. The Chapter 11 Debtors believe that in order to maximize the chances of a successful restructuring, the Chapter 11 Debtors require a brief period of time, prior to the Landlords being able to exercise any purported "lock-out" or termination rights, during which they can continue to engage with the Landlords. The Lease Notice Procedures Motion as discussed below is intended to provide that "breathing space". If the Landlords are permitted to terminate the leases or "lock-out" the Canadian Tenant SPEs, it could result in devastating cascading effects on the Company, the Guarantor Debtors and their stakeholders, including the Occupants.

38. To further these discussions and maximize the chance of a successful emergence of the Guarantor Debtors, as described in further detail below, the Chapter 11 Debtors will request that this Court recognize procedures, if approved by the U.S. Court, that require Landlords to give

notice to the Chapter 11 Debtors before exercising any purported termination or “lock-out” right. The Chapter 11 Debtors believe such relief will not only benefit the Chapter 11 Debtors, but will also benefit their stakeholders, including the Landlords under the Guaranteed Canadian Leases and the Occupants. The notice period contemplated by the Lease Notice Procedures Motion will allow for further discussions between the Landlords and the Chapter 11 Debtors (and/or the Canadian Affiliates) and, absent a consensual resolution, an opportunity for the Chapter 11 Debtors to pursue further relief from the U.S. Court or this Court, including the ability of any particular Lease Holder (including the Canadian Tenant SPEs) to seek creditor protection themselves.

**D. Relief Sought**

**(a) Recognition of Foreign Main Proceedings**

39. RGN-NBC, as the Foreign Representative of the Chapter 11 Debtors, is seeking recognition of the Chapter 11 Cases as “foreign main proceedings” pursuant to Part IV of the CCAA.

40. All of the Chapter 11 Debtors are incorporated or formed under United States law, have their registered head offices and corporate headquarters in the United States, carry on all of their business in the United States and all of their property and assets are located in the United States (other than the receivables owed to the Guarantor Debtors from the Canadian Affiliates). The Chapter 11 Debtors only connection to Canada is that the Guarantor Debtors guarantee or partially guarantee the Leases of certain of the Canadian Affiliates.

41. With respect to the requirements of section 46 of the CCAA, I understand that the U.S. Compendium will include:

- (a) a certified copy of the voluntary petitions filed by the Chapter 11 Debtors that commenced the Chapter 11 Cases; and
- (b) a certified copy of the Order of the U.S. Court appointing RGN-NBC as the Foreign Representative on behalf of the estates of the Chapter 11 Debtors and authorizing it to seek recognition of the Chapter 11 Cases in Canada.

42. I am not aware of any foreign insolvency proceedings involving the Chapter 11 Debtors other than the Chapter 11 Cases.

**(b) Appointment of Information Officer**

43. As part of its application, the Chapter 11 Debtors are seeking to appoint KSV as the information officer (the “**Information Officer**”) in the CCAA Recognition Proceedings. I understand from Bobby Kofman that KSV is a licensed insolvency trustee in Canada and its principals have acted as information officer in several previous ancillary recognition proceedings under the CCAA.

44. I understand that KSV has consented to acting as the Information Officer in this proceeding. A copy of KSV’s consent to act as the Information Officer is attached hereto as **Exhibit “E”**.

45. The Information Officer will assist in keeping the Canadian Court and stakeholders, including Landlords under the Canadian Guaranteed Leases, apprised of the status of the Chapter 11 Cases.

**(c) Recognition of First Day Orders**

46. By operation of the Bankruptcy Code, the Chapter 11 Debtors obtained the benefit of a stay of proceedings upon filing the voluntary petitions with the U.S. Court. A stay of proceedings in Canada is essential to preserve the *status quo* and protect the efforts of the Chapter 11 Debtors.

47. On August 17, 2020, the Chapter 11 Debtors filed certain First Day Motions with the U.S. Court, which can be summarized as follows:

- (a) *Debtors' Motion for an Order Authorizing RGN-National Business Centers, LLC to Serve as Foreign Representative on Behalf of the Debtors' Estates*: This motion is for an order authorizing RGN-NBC to act as an "authorized foreign representative" in order to seek the relief sought in this application.
- (b) *Debtor's Motion for Order Authorizing (I) Joint Administration of Chapter 11 Cases and (II) Filing of a Consolidated Creditor Matrix*: This motion is for an order directing the joint administration of the cases of the Chapter 11 Debtors for procedural purposes only.
- (c) *Application of the Debtors for Entry of an Order Appointing Epiq Corporate Restructuring, LLC as Claims and Noticing Agent Effective as of the Petition Date*: This motion seeks an order appointing Epiq Corporate Restructuring, LLC as claims and noticing agent *nunc pro tunc* to the Petition Date.
- (d) *Debtor's Motion for Entry of Interim and Final Orders (I) Authorizing Payment to Utility Companies and (II) Granting Related Relief (the "Utilities Motion")*: This motion seeks interim and final orders authorizing, but not directing, the Chapter 11 Debtors' to pay utilities companies for utilities services provided prior to the Petition Date.

48. Following a hearing by the U.S. Court on August 18, 2020, the U.S. Court granted the First Day Motions, with certain minor modifications to the draft First Day Orders. As of August 21, 2020, the First Day Orders had been entered except the order in respect of the Utilities Motion (the “**Utilities Order**”). I understand that copies of the First Day Motions and the First Day Orders will be included in the U.S. Compendium.

49. I believe the First Day Orders and recognition of them in Canada are appropriate and necessary for the protection of the Chapter 11 Debtors’ property and efficient administration of the Chapter 11 Cases and the CCAA Recognition Proceedings.

**(d) Lease Notice Procedures Motion**

50. In addition to the other First Day Motions, the Chapter 11 Debtors filed the *Debtors’ Motion for Interim and Final Orders Establishing Notification Procedures for Lease Termination* (the “**Lease Notice Procedures Motion**”). A copy of the Lease Notice Procedures Motion is included in the U.S. Compendium. At the hearing on August 18, 2019 before the U.S. Court, the Lease Notice Procedures Motion was adjourned until August 25, 2020. The Foreign Representative expects that it would seek to return to this Court to seek recognition of any relief granted, and possibly ancillary relief, as soon as possible following the hearing by the U.S. Court on the Lease Notice Procedure Motion.

51. The Lease Notice Procedures Motion is important to the CCAA Recognition Proceedings and maintaining the lease portfolio of the Canadian Tenant SPEs while the Company and the Guarantor Debtors restructure. The Lease Notice Procedures Motion proposes a process requiring certain notice procedures (the “**Notice Procedures**”) before any purported termination and/or “lock-out” rights are exercised by the Landlord. The proposed Notice Procedures provide that:

- (a) Not less than fifteen (15) business days prior to taking any of the following actions under a Lease in respect of a Centre guaranteed by a Chapter 11 Debtor (including, for greater certainty, the Guaranteed Canadian Leases) or holding property of a Chapter 11 Debtor<sup>3</sup> (an “**Operating Centre**”), the Landlord shall provide notice to the Chapter 11 Debtors and their legal counsel in a specified form:
- (i) any purported termination of the Lease of an Operating Centre;
  - (ii) any attempt to “lock out” the tenant under the Lease of an Operating Centre; or
  - (iii) any other action to obtain possession or exercise control over FF&E of a Chapter 11 Debtor located in the premises of the Operating Centre;
- (b) Notice provided by the Landlords shall specify the proposed termination action to be taken by the Landlord and legal and factual basis therefor; and
- (c) Any purported exercise of the above rights or remedies not in accordance with the Notice Procedures is void *ab initio* and in violation of the U.S. Court’s equitable powers and the automatic stay under the Bankruptcy Code.

52. The recognition of any approved Notice Procedures would ensure that the Chapter 11 Cases and the CCAA Recognition Proceedings are handled expeditiously, economically and consistently. If a Landlord intends to exercise rights and remedies as against the Lease Holder, the Notice Procedures would provide a brief but meaningful opportunity for negotiation and discussion, and the identification and narrowing of any factual or legal issues, before engaging in

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<sup>3</sup> I am informed by Joshua Nicosia, General Counsel of IWG North America, and verily believe that the Canadian Centres do not hold any property or assets of the Chapter 11 Debtors.



litigation before the U.S. Court or this Court, as appropriate, or an opportunity for the Canadian Tenant SPE to seek creditor protection itself.

**E. Proposed Next Hearings**

53. As noted above, the Foreign Representative intends to seek recognition of any relief granted by the U.S. Court in connection with the Lease Notice Procedures Motion as soon as possible following the hearing of the U.S. Court on August 25, 2020. The Foreign Representative would expect to recognize the Utilities Order at the same time. The Foreign Representative also intends to seek further hearings for recognition of any corresponding “final orders” and any “second day” orders that need to be recognized, if and when entered by the U.S. Court.

**F. Notice**

54. This application has been brought on notice only to the proposed Information Officer. The Landlords under the Guaranteed Canadian Leases were sent notice on August 19, 2020 of the Lease Notice Procedures Motion via e-mail or overnight mail at the last known address or e-mail of such Landlords in the books and records of the Chapter 11 Debtors.

55. The information regarding these proceedings will be provided to the Chapter 11 Debtors' Canadian stakeholders by and through the Information Officer. If the orders sought are granted, the Foreign Representative proposes that a notice of the recognition orders be published once a week for two consecutive weeks in *The Globe and Mail (National Edition)* and *Le Devoir* and be sent to each of the Landlords under the Guaranteed Canadian Leases. Additionally, all Canadian Court materials in these proceedings will be available on the Information Officer's website.

I confirm that while connected via video technology, Mr. James S. Feltman showed me the front and back of his government-issued photo identity document and that I am reasonably satisfied it is the same person and the document is current and valid. I confirm that I have reviewed each page of this affidavit with James S. Feltman and verify that the pages are identical.

Sworn before me by video conference from the City of Miami, in the State of Florida, United States of America, to City of Toronto, in the Province of Ontario, Canada, on August 22, 2020.

DocuSigned by:

*Lee Nicholson*

**LEE NICHOLSON (LSO #664121)**

Commissioner for Taking Affidavits  
in the Province of Ontario

DocuSigned by:

*James Feltman*

**JAMES S. FELTMAN**

# Tab B

This is  
**EXHIBIT "B"**  
referred to in the affidavit of  
**Joshua Nicosia**  
dated December 8, 2020

DocuSigned by:

*Lee Melholson*

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Commissioner for taking affidavits

Court File No. \_\_\_\_\_

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

**IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,  
R.S.C. 1985, C. C-36, AS AMENDED**

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT  
OF GUARDIAN FINANCIAL CORP. AND OTHER ENTITIES LISTED ON  
SCHEDULE "A"**

**(Applicants)**

**AFFIDAVIT OF JAMES S. FELTMAN  
(Sworn August 30, 2020)**

I, James S. Feltman, of the City of Miami, Florida, United States of America, **MAKE OATH AND SAY:**

1. I am a managing director of Duff & Phelps, LLC, an advisory firm providing governance, risk and transparency solutions for clients across diverse sectors, including publicly traded and privately held companies, law firms, government entities and investment organizations such as private equity firms and hedge funds. My practice at Duff & Phelps is focused on providing fiduciary, advisory consulting, and expert witness testimony in areas including insolvency, restructuring, accounting, and financial statement reporting. I have served as an appointed fiduciary with a branch of the United States Department of Justice spanning nearly 30 years, have been appointed as an advisor by both U.S. federal (district and bankruptcy) and state courts, have served as an arbitrator and mediator, and have been appointed as a Monitor by the U.S. Federal Trade Commission.

2. The above captioned Applicants are part of a group of affiliates operating in the United States and Canada as IWG or Regus ("**IWG**" or the "**Company**"). Duff & Phelps was retained by certain affiliates of IWG to provide interim management services. I have been authorized by each of the Applicants to assist with their proceedings under the *Companies' Creditors Arrangement*

*Act*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”) and file this affidavit in support of this application. I am also the Responsible Officer for each of the affiliated companies (the “**Chapter 11 Debtors**”) which recently filed voluntary petitions for relief pursuant to Chapter 11 of the U.S. Code (the “**Bankruptcy Code**”). In this capacity, I am responsible for assisting in the management of their operations, overseeing their liquidity management, and assisting with their restructuring process. In the course of this engagement and working with the Applicants’ and Chapter 11 Debtors’ management and outside counsel and financial advisors, I have become familiar with the operations and financial affairs of the Applicants and Chapter 11 Debtors and their non-debtor affiliates. As a result, I have knowledge of the matters to which I hereinafter depose, except where otherwise stated. Where I have relied upon information received from other individuals, I state the source of such information and believe such information to be true.

3. I swear this affidavit in support of an application by the Applicants for protection from their creditors pursuant to the CCAA.

**A. Background**

4. On August 17, 2020, RGN-National Business Centers, LLC (“**RGN-NBC**”), H Work, LLC (f/k/a HQ Global Workplaces LLC) (“**H Work**”) and RGN-Group Holdings, LLC (“**Holdings**”) (collectively, the “**Guarantor Debtors**”) filed voluntary petitions for relief pursuant to Chapter 11 of the Bankruptcy Code with the United States Bankruptcy Court for the District of Delaware (the “**U.S. Court**”). Previously, RGN-Columbus IV, LLC filed a voluntary petition for relief under the Bankruptcy Code on July 30, 2020, RGN-Chapel Hill II, LLC filed its voluntary petition on August 2, 2020, RGN-Chicago XVI, LLC filed its voluntary petition on August 3, 2020, and RGN-Fort Lauderdale III, LLC (collectively with RGN-Columbus IV, LLC, RGN-Chicago XVI, LLC, and RGN-Chapel Hill II, LLC, the “**U.S. SPE Debtors**”) filed its voluntary petition on August 8, 2020.

5. On August 24, 2020, RGN-NBC, in its capacity as foreign representative (in such capacity, the “**Foreign Representative**”) of itself and the other Chapter 11 Debtors commenced the recognition proceedings (the “**Recognition Proceedings**”) pursuant to Part IV of the CCAA. Following the Part IV application by the Foreign Representative, this Court granted the Initial Recognition Order (Foreign Main Proceeding) and the Supplemental Order (Foreign Main Proceeding), which, among other things:

- (a) recognized the Chapter 11 cases commenced by the Chapter 11 Debtors in Delaware, United States of America (the “**Chapter 11 Cases**”) as foreign main proceedings pursuant to Part IV of the CCAA;
- (b) recognized certain first day orders granted by the U.S. Court; and
- (c) appointed KSV Kofman Inc. (“**KSV**”) as Information Officer (the “**Information Officer**”) in respect of the Recognition Proceedings.

6. I previously swore an affidavit in support of the application to commence the Recognition Proceedings, (the “**Initial Feltman Affidavit**”), a copy of which, without exhibits, is attached hereto as **Exhibit “A”**. Capitalized terms used herein but not otherwise defined shall have the meanings set forth in the Initial Feltman Affidavit.

7. This affidavit provides an overview of the Part IV application and now the need for CCAA protection for the Applicants and the related CCAA LPs (as defined below) (collectively, the “**CCAA Debtors**” and each a “**CCAA Debtor**”).

## **B. The Business**

### **(a) Overview**

8. Both the CCAA Debtors and the Chapter 11 Debtors are part of the IWG multinational corporate group which offers a network of on-demand office and co-working spaces, and ancillary services and support, to a variety of clients across a host of industries, including in over 1,000 locations in the United States and Canada.

9. IWG's business model begins with entry into long-term commercial real property leases (each, a "**Lease**") with a property owner (each, a "**Landlord**"), that provide the Company with unoccupied office space (the "**Centres**"). IWG develops and engineers each of the Centres to meet the needs of individuals, companies, and organizations who will contract for use of portions of the Centres. IWG markets its Centres under an umbrella of different brand names, each tailored to appeal to different types of clients and those clients' specialized needs. These clients (the "**Occupants**") enter into short-term licenses (each, an "**Occupancy Agreement**") to use portions of the Centres, which are customizable as to duration, configuration, services, and amenities. When operating successfully, a Centre's Occupants' license payments ("**Occupancy Fees**") will exceed the combined cost of the underlying long-term lease, management cost, and operating expenses of the Centre.

10. Generally, the lessee under each Lease is a special-purpose entity formed for this specific purpose (each, a "**Lease Holder**"). In certain cases, the Lease Holder's obligations under the Lease are also partially or fully guaranteed by another IWG entity, such as the Guarantor Debtors which commenced the Chapter 11 Cases.



**(b) Canadian Affiliates**

11. The Canadian affiliates of IWG (the “**Canadian Affiliates**”) operate IWG’s business in Canada. The Canadian Affiliates are direct or indirect subsidiaries of Regus Group Limited (“**RGL UK**”), a United Kingdom corporation. RGL UK is also the sole shareholder of Regus Corporation, a Delaware corporation, which is the direct or indirect shareholder of the Chapter 11 Debtors. A simplified organizational chart of IWG, including the Chapter 11 Debtors and the CCAA Debtors, is attached hereto as **Exhibit “B”**.

12. Generally, the Canadian business has the same structure as described above for IWG’s business. Typically, each Lease Holder in Canada is a special purpose limited partnership (the “**Canadian Tenant LPs**”) formed between RGN Limited Partner Holdings Corp. (“**RGN LP**”), as limited partner, and a different general partner (the “**Canadian GPs**”). In a few instances, the Lease Holder in Canada is a special purpose company (together with the Canadian Tenant LPs, the “**Canadian Tenant SPEs**”) rather than a limited partnership. The Canadian Tenant LPs are typically formed under the *Limited Partnerships Act* (Ontario) and the Canadian GPs are formed under the *Business Corporations Act* (Ontario).

13. The Canadian Tenant SPEs are specifically formed to enter into individual Leases with various Landlords and to hold an individual Lease for a single Centre in Canada. Typically, the Canadian Tenant SPEs’ only assets are the Leases and any furniture, fixtures, equipment and other personal property (the “**FF&E**”) located within the Centre.

14. In these proceedings each of the Applicants are Canadian GPs or corporations which are Canadian Tenant SPEs. The Canadian GPs’ sole asset is their minor interest (typically, 0.00001%) in the respective Canadian Tenant LPs. The Canadian GPs’ partnership interest in the Canadian Tenant LPs were each purchased from RGN General Partner Holdings Corp., the former general partner of each of the Canadian Tenant LPs. As part of the application for relief

under the CCAA, the Applicants are seeking to extend the protections granted to their respective Canadian Tenant LPs (the “**CCAA LPs**”). A list of CCAA LPs contemplated to be covered by protections in the proposed Initial Order is attached as **Exhibit “C”**.

15. Occupants in each Centre enter into Occupancy Agreements with RGN Management Limited Partnership (“**RGN Management LP**”), a limited partnership formed between RGN LP, as limited partner, and RGN Management GP Inc., as general partner. RGN Management LP is also the employer of all employees of the Canadian business.

16. RGN Management GP Inc. and RGN Management LP are not CCAA Debtors.

**(c) Canadian Centres**

17. IWG, through the Canadian Affiliates, operates 137 Centres in Canada. Of these Centres, 85 are through Leases that are guaranteed by the Guarantor Debtors (the “**Guaranteed Canadian Leases**”). Of those, 38 are in respect of Centres operated by the CCAA Debtors. Further, there is one CCAA Debtor (RGN Services Limited) that has two Leases where only one is a Canadian Guaranteed Lease. The other Lease is not guaranteed by any IWG affiliate. Therefore, in total, the CCAA Debtors hold 39 Leases.

18. The distinguishing factor between the CCAA Debtors and the other Canadian Affiliates with Guaranteed Canadian Leases is that the Guaranteed Canadian Leases contain events of default related to the commencement of the Chapter 11 Cases by the Guarantor Debtors.

19. The following chart summarizes the Centres in Canada by province:

<b>Province</b>	<b>Canadian Centres</b>	<b>Canadian Centres with Lease Guaranteed by the Guarantor Debtors</b>	<b>Canadian Centres with the CCAA Debtors</b>
Ontario	69	43	22

British Columbia	29	16	5
Alberta	15	8	6
Quebec	17	12	5
Saskatchewan	1	0	0
Nova Scotia	3	3	0
Manitoba	2	2	1
Total	136	84	39

20. Within the Canadian Centres, there are approximately 15,000 Occupants, each of which typically uses the space in connection with its own business. The Centres with the Canadian Guaranteed Leases house approximately 9,000 of these Occupants and the Canadian Centres of the CCAA Debtors house approximately 3,900 Occupants. The discontinuation or interruption of the business of the CCAA Debtors could materially disrupt the business and operations of the Occupants, potentially giving rise to additional claims against the CCAA Debtors and affiliated entities.

21. IWG, through RGN Management LP, also employs approximately 190 employees across Canada to operate the Canadian Centres on behalf of the Canadian Tenant SPEs. The CCAA Debtors do not have any employees of their own.

**(d) Financial Position**

22. Unaudited financial statements as of July 31, 2020 for each of the CCAA Debtors are attached hereto as **Exhibit "D"**. Due the urgent nature of the CCAA application as described below, the Company and its advisors have worked quickly to produce the documents required by section 10(2) of the CCAA. As such, the CCAA Debtors, with the assistance of their advisors, continue to review and refine the financial statements attached hereto and expect that further reconciliations and adjustments will be required though such adjustments are not expected to be material.

23. The CCAA Debtors which are Canadian GPs do not have any financial statements since their only assets are minor interests in the CCAA LPs and their liabilities are only “flow through” liabilities of the CCAA LPs.

**(i) Assets**

24. As set out above, in most cases, the Applicants have negligible assets, with their only asset being a minor interest in their respective CCAA LP. The CCAA LPs’ only assets are typically the FF&E located within the Centre, prepaid expenses and intercompany receivables in certain instances. In the case of RGN Services Limited and Guardian Financial Corp., which are the only Applicants that are not Canadian GPs, they each own the FF&E in the Centres directly. RGN Services Limited further previously operated as the management company in respect of the Canadian business and has investments in certain affiliates.

25. Based on my experience, I believe that the realizations generated from the sale of FF&E in an insolvency process would be immaterial.

26. The CCAA Debtors do not have any bank accounts and no cash on hand.

**(ii) Secured Liabilities**

27. The Canadian Tenant SPEs, including the CCAA Debtors, general working capital needs are financed on a secured basis by RGN Management LP as described below. The purchase of FF&E by each Canadian Tenant SPE is also financed by RGN Management LP.

28. Each Canadian Tenant SPE has entered into a separate intra-group loan facility agreement and general security agreement with RGN Management LP. The obligations under the loan agreements are secured by all the present and after acquired property of the Canadian

Tenant SPEs, including the FF&E. An example of the intra-group loan facility agreement and general security agreement are attached hereto as Exhibits “E” and “F”, respectively.

29. The aggregate net amount owing by the CCAA Debtors to RGN Management LP is \$14,384,882.

**(iii) Leases**

30. The CCAA Debtors are also obligated for the amounts owing under the Leases related to their Centres. Liabilities related to the remaining term of the Lease are generally off-balance sheet liabilities and do not appear in the financial statements of the CCAA Debtors.

31. The CCAA LPs each hold a single Lease related to a Centre in Canada. Guardian Financial Corp. also holds a single Lease and RGN Services Limited holds two Leases.

32. In most cases, the CCAA Debtors have continued paying rent to the Landlords despite the liquidity challenges explained below. The below table sets out the only known arrears of the CCAA Debtors owing to Landlords:

<b>CCAA Debtor</b>	<b>Arrears (CAD\$)</b>
RGN Manitoba II Limited Partnership	\$ 213,375
RGN Alberta Limited Partnership	\$ 102,091
RGN Quebec VI Limited Partnership	\$ 249,074
RGN Ontario LV Limited Partnership	\$ 74,646
RGN Ontario XXIX Limited Partnership	\$ 23,280
RGN British Columbia XXIV Limited Partnership	\$ 96,533
RGN Services Limited	\$ 9,100
RGN Alberta XIV Limited Partnership	\$ 851

<b>Total</b>	<b>\$ 768,950</b>
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33. However, as set out below, certain CCAA Debtors may be required by their Lease to post additional security as a result of the Guarantor Debtors commencing the Chapter 11 Cases. In most cases, the CCAA Debtors, do not expect to be a position to immediately post that security and the guarantee claims will be restructured in the Chapter 11 Cases.

**(iv) Inter-Company Relationships and Transactions**

34. The business model employed by the Canadian Affiliates and other IWG affiliates, relies on a series of inter-company relationships more fully described below. As result of these relationships, there are a number reoccurring intercompany transactions necessary to record the operations of the Canadian Affiliates and their business activities. In Canada, RGN Management LP enters in Occupancy Agreements with Occupants and collects the applicable Occupancy Fees on behalf of the applicant Canadian Tenant SPE. RGN Management LP provides the benefit of the Occupancy Fees to the Canadian Tenant SPE by recording a payable owing to the Canadian Tenant SPE after netting applicable expenses and costs paid by RGN Management LP on behalf of the Canadian Tenant SPE. Rent to Landlords is paid by the Canadian Tenant SPEs with advances from RGN Management LP which it makes to a subaccount of the Canadian Tenant SPE before being transferred to the Landlord.

35. If the monthly expenses and costs incurred by RGN Management LP on behalf of the Canadian Tenant SPE in respect of the Centre exceed the Occupancy Fees collected at the Centre, a monthly net deficiency is recorded as an intercompany payable and drawn by the applicant Canadian Tenant SPE from RGN Management LP pursuant to the intra-group loan facility agreements described above. If the monthly Occupancy Fees exceed the expenses and

costs paid by RGN Management LP, the Canadian Tenant SPE books an intercompany receivable owing from RGN Management LP.

36. Management Services: RGN Management LP also performs various management services for the Canadian Tenant SPEs pursuant to a Master Services Management Agreement. In exchange for the services, the Canadian Tenant SPEs pay a management fee to RGN Management LP in an amount equal to 13.5% of revenue generated at the Centre. The services performed by RGN Management LP on behalf of the Canadian Tenant SPEs, including the CCAA Debtors, include, among other things:

- (a) coordinating and obtaining the various services and utilities from the Landlord or the local utility providers for the benefit of the Occupants and the Canadian Tenant SPEs;
- (b) coordinating with the Landlord or property manager for ancillary rights provided under the Lease (such as on-site storage, use of a roof or shared common space, etc.);
- (c) coordinating on behalf of the Canadian Tenant SPEs and in some cases performing the Canadian Tenant SPEs' obligations to the Landlord such as (i) identifying, engaging for services, and paying the obligations of vendors relative to a full range of operating expenses, tax and insurance requirements, (ii) payment for additional services and extra utilities, (iii) payment for parking charges and for other miscellaneous fees;
- (d) marketing to and securing the Occupants for the Centre and, where necessary, paying any broker's commission due related to identifying such Occupants;

- (e) coordinating the performance of any non-structural construction, design, or architectural alterations to a Centre;
- (f) providing various services to each of the Occupants pursuant to the Occupancy Agreements;
- (g) billing and collecting all amounts owed by Occupants as Occupancy Fees for serviced office space and other ancillary services provided;
- (h) securing on behalf of the Canadian Tenant SPEs all insurance policies, including liability, property, and workers compensation, that the Lease Holder is required to obtain under its Lease;
- (i) causing the Landlord to keep the premises in a clean and tidy condition and good operating order;
- (j) preparing and filing all tax returns, including sales and use, personal property and other like returns;
- (k) obtaining business licenses and similar government licenses necessary to run the Centre; and
- (l) hiring, contracting for and retaining employees and staff sufficient to perform the above services.

37. Franchise Fees: Franchise International GmbH, a company incorporated in Switzerland (“**Franchisor**”), is an affiliate of the CCAA Debtors. Franchisor commercializes certain IWG intellectual property and grants franchisees the right to operate an IWG business format in a given location. Pursuant to applicable franchise agreements, Franchisor provides certain services to help Canadian Tenant SPEs establish its IWG business and then provides certain continuing



business support services, advices, and information technology. The Canadian Tenant SPE in turn agrees to pay Franchisor a monthly fee.

38. Guarantee Fees: As set out in the Initial Feltman Affidavit, the Guarantor Debtors also charge applicable Canadian Tenant SPEs fees in exchange for guarantying their Leases equal to 3.44% of the guaranteed amount. The guarantee fees are paid on a semi-annual basis.

### **C. Need for CCAA Protection**

#### **(a) Events Leading Up to the Chapter 11 Cases**

39. Following a strong first quarter in 2020, IWG experienced significant challenges during the second and third quarters of 2020 as a direct result of the COVID-19 pandemic. The pandemic and associated mandatory shutdowns have severely disrupted business plans and operations for certain locations within IWG's portfolio.

40. Businesses and companies implementing work-from-home policies (either voluntary or government-mandated) has reduced the demand for temporary office space resulting in lower occupancy rates across the IWG portfolio. To attract and retain Occupants in this environment, IWG has had to cut pricing for new sales and renewals, resulting in a reduction of revenue from the space that is occupied. Other Occupants have also been untimely on payment of their Occupancy Fees which has a range of underlying causes, including the effects of the economic downturn on their businesses or as part of emergency cash-conservation measures undertaken by the Occupants.

41. To mitigate the effect of the pandemic, IWG has taken various cash flow and liquidity measures, including the deferral of rent payments and engagement with Landlords to negotiate forbearances, temporary accommodations, and, in certain instances, permanent modifications to Leases. The Company has had various successes in negotiations with Landlords to date.

However, in certain instances, the negotiations have reached an impasse. The break down of any particular negotiation with a Landlord can weaken the entire portfolio, by requiring the immediate deployment of a disproportionate amount of liquidity (e.g., to cure an accumulated Lease arrearage) in order to avoid the potential closure of a Centre and potential loss of business from Occupants at that location.

42. The initial event triggering the commencement of the Chapter 11 Cases was the breakdown of negotiations between Landlords and the U.S. SPE Debtors. The breakdown led the respective Landlords to issue notices of their intention to lock the U.S. SPE Debtors out of their respective Centres leading to the U.S. SPE Debtors to commence their respective Chapter 11 Case. The Guarantor Debtors commenced their Chapter 11 Cases shortly thereafter, to pre-empt both a potential “run on the bank” by Landlords exercising their rights under the various guarantee agreements and to attempt to restructure their obligations while maintaining the Company’s viable lease portfolio.

**(b) COVID-19 and the Canadian Affiliates**

43. The Canadian Affiliates have likewise been impacted by the COVID-19 pandemic with depressed occupancy rates, Occupants that have, either by necessity or strategically, failed to pay their Occupancy Fees and decreased demand at capital intensive Centres in downtown areas of metro-centres. However, despite the impact that COVID-19 has had on the Canadian business, as set out above, the Canadian Tenant SPEs in the majority of cases have continued paying rent to the Landlords in respect of the Leases for the Centres in Canada.<sup>1</sup> IWG has also engaged in negotiations with certain Landlords with respect to specific accommodations and in certain cases, adjusted the terms of Leases to reflect new market realities created by the ongoing pandemic. To

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<sup>1</sup> I understand from Michael Osborne, Chief Financial Officer of IWG North America, and verily believe there is approximately CAD\$2.2 million in rent arrears across the entire Canadian portfolio of Leases. As set out above, the rent arrears for the CCAA Debtors is approximately CAD\$850,000.

date, the negotiations have been primarily positive and have not resulted in lock-out notices being issued similar to the U.S. SPE Debtors' situation.

44. However, upon the commencement of the Chapter 11 Cases, IWG had significant concerns that the dynamics could change leading Landlords to terminate various Leases. Under approximately 39 of the Guaranteed Canadian Leases, an event of default is triggered upon the commencement of insolvency and/or bankruptcy proceedings by any indemnitor or guarantor under the Lease. Subject to the particular terms of the Lease and provincial law, the Landlords' rights and remedies in the case of an event of a default under their respective Guaranteed Canadian Lease may include (a) terminating the applicable Guaranteed Canadian Lease; or (b) "locking-out" the applicable Canadian Tenant SPE, including, by extension, the Occupants, and retaking possession of the Centres. Under 19 of these Leases, the rights and remedies upon an insolvency default may be exercised with limited or no notice to the Canadian Tenant SPE.

45. If any particular Landlord, relying upon an alleged event of default, purports to terminate a lease or locks out a Canadian Tenant SPE, it will cause significant adverse effects to the Canadian Affiliates, the Occupants located within the Centre (which total 3,900 in respect of the CCAA Debtors), and other creditors of the individual Canadian Tenant LP. Each such action by a Landlord would undermine the financial stability of the Canadian Affiliates, the Guarantor Debtors, and the Company as a whole, the cumulative effect of which may encourage other Landlords to take similar actions.

**(c) Lease Notice Procedures Motion**

46. In order to address this issue, the Chapter 11 Debtors originally filed the *Debtors' Motion for Interim and Final Orders Establishing Notification Procedures for Lease Termination* (the "**Lease Notice Procedures Motion**") in the Chapter 11 Cases.

47. The Lease Notice Procedures Motion contemplated that any Landlord would be required to provide the Chapter 11 Debtors with fifteen business days' notice prior to terminating a Lease guaranteed by the Guarantor Debtors (including those held by the Canadian Tenant SPEs) or "locking-out" a Lease Holder where the Lease was guaranteed by the Guarantor Debtors. The purpose of the Lease Notice Procedures Motion was to provide "breathing space" during the restructuring given the defaults caused by the commencement of the Chapter 11 Cases and protect various property or business interests of the Chapter 11 Debtors. As explained, there was a significant concern that if the Landlords are permitted to terminate the leases or "lock-out" the Canadian Tenant SPEs without notice, it could result in devastating cascading effects on the Company, the Canadian Tenant SPEs themselves, the Guarantor Debtors and their stakeholders, including the Occupants.

48. The U.S. Court had an initial hearing on the Lease Notice Procedures Motion on August 18, 2020 where it was adjourned until August 25, 2020. Following a hearing on the Lease Notice Procedures Motion on August 25, 2020, the U.S. Court denied the Lease Notice Procedures Motion on an interim basis without prejudice to the Chapter 11 Debtors' ability to seek the relief on a final basis at a later date. A copy of the transcript of the hearing relating to the decision by the U.S. Court on the Lease Notice Procedures Motion is attached hereto as **Exhibit "G"**.

**(d) "At Risk" Leases**

49. As result of the denial of the Leases Procedures Motion, a significant number of Leases of the Canadian Tenant SPEs are at risk of being terminated on the basis of defaults triggered by the commencement of the Chapter 11 Cases. In the case of approximately 39 Leases, either (a) no notice is required in order for the Landlord to terminate the Lease based on an insolvency default by the Guarantor Debtor; (b) the Chapter 11 Debtors are concerned, based on the drafting the Lease, that the Landlords may take the position that they are not required to give advance

notice of their intention to terminate the Leases to the Canadian Tenant SPEs or applicable Guarantor Debtor; or (c) there is a limited notice provision (between five business days and ten calendar days depending on the Lease). Certain of the Leases also contain cure provisions to permit the Canadian Tenant SPE to provide additional security or a replacement indemnifier but due to the liquidity challenges described above, the CCAA Tenants SPEs in many instances will not be in a position to provide that replacement security.

50. The concerns of the Company were heightened when on the morning of August 25, 2020, a Landlord in respect of the Centre in Edmonton posted a Notice of Termination and Notice to Quit at the Premises purporting “to terminate the Lease immediately, without prior notice and without any opportunity to cure the default.” The sole default alleged by the Landlord was commencement of the Chapter 11 Cases by RGN-NBC, the indemnifier under the Lease. In that situation, the doors to the premises were locked and the Canadian Tenant SPE and Occupants were denied access to the premises. Staff located at the premises were forced to set up a table outside the premises in order to explain to Occupants the lock out situation causing significant disruption to the operation of the Company and the Occupants.

51. The Foreign Representative sought emergency relief from this Court and was granted an order declaring the termination of the Lease void and allowing the applicable Canadian Tenant SPE an opportunity to cure the default in accordance with the terms of the Lease. However, other Leases may not permit a cure period and it would be a significant expense and distraction for the Company to be forced to bring a motion to the Court each time a Landlord does not give advance notice to the applicable Canadian Tenant SPE and Guarantor Debtor.

52. After canvassing the various options to obtain an immediate stay of proceedings to preserve the status quo and protect the Canadian business, the Company concluded that an application under the CCAA was the most efficient and practical manner to proceed. To this end,

the Foreign Representative in the Recognition Proceedings brought a motion on August 28, 2020 to temporarily extend the stay of proceedings against the Canadian Tenant SPEs which have Leases that are potentially at risk of being terminated (now the CCAA Debtors), in order to provide an opportunity to prepare an application under the CCAA. A copy of the affidavit of Joshua Nicosia sworn on August 27, 2020 in support of that motion is attached hereto without exhibits as **Exhibit “H”**.

53. On August 28, 2020, the Court denied that motion on the basis that granting the relief would have been inconsistent with the ruling by the U.S. Court on the Lease Notice Procedures Motion. A copy of the endorsement of the Court is attached hereto as **Exhibit “I”**.

54. As a result, without the benefit of a stay of proceedings, the CCAA Debtors may be in default of their obligations under their respective Leases which could be terminated with no or limited notice. If the Lease is terminated and the property of the Centres are liquidated for the benefit of creditors, there is significant destruction to the going concern value of the business and the realization from a liquidation will likely be insufficient to pay creditors, including the other Canadian Affiliates, IWG affiliates and the applicable Landlord.

55. One Canadian Tenant SPE, RGN Ontario II Limited Partnership (the **“NOI Debtor”**), already filed a Notice of Intention to Make a Proposal, immediately following the hearing before this Court on August 28, 2020 due to concerns that the Landlord may terminate its Lease. A copy of the certificate confirming the filing of the NOI is attached hereto as **Exhibit “J”**. The Canadian GP of the NOI Debtor is an Applicant under these CCAA proceedings and the CCAA Debtors will explore possibilities of advancing the proceedings in a coordinate manner or terminating the NOI proceedings in favour of these CCAA proceedings, if possible.

56. Absent relief from the Court under the CCAA, the Leases of the CCAA Debtors will continue to be “at risk” and Centres may be closed involuntarily. The termination of Leases would

cause serious and material prejudice to the CCAA Debtors, as well as the Guarantor Debtors, the Occupants and other stakeholders of the Canadian business.

#### **D. Path Forward**

57. Protection under the CCAA will bring immediate stability to a volatile situation where a significant portion of the Centres could be involuntarily closed on no or limited notice. The CCAA Debtors intend to use the “breathing room” provided by the CCAA to advance their restructuring efforts in a coordinated manner with the Chapter 11 Cases. The restructuring of the Guarantor Debtors is significantly intertwined with the restructuring of the Canadian Tenant SPEs and will need to occur in parallel.

58. The Company will also further evaluate viable Centres and continue the negotiations with Landlords that started prior to the Chapter 11 Cases so their Leases reflect “market realities” following the COVID-19 pandemic. It is possible based on negotiations, and similar to the Chapter 11 Cases, that additional Canadian Tenant SPEs may need to file for protection under the CCAA.

#### **E. Relief Sought**

##### **(a) Stay of Proceedings**

59. For the above reasons, the CCAA Debtors require an immediate stay of proceedings to provide stability to preserve their business and continue to pursue their restructuring efforts. Absent a stay of proceedings, the CCAA Debtors may start to lose Centres due to “lock outs” by Landlords effectively ending their business. If the CCAA Debtors could not operate the Centres and the CCAA Debtors’ property is liquidated in an insolvency process, there would not be sufficient realizations to enable payment of all their liabilities, including potential claims of Landlords and Occupants and debt owing to affiliates.

60. In absence of a stay, there is a potential for material prejudice to a myriad of stakeholders and significant value destruction.

**(b) Appointment of Monitor**

61. As part of Recognition Proceedings, KSV was appointed as Information Officer. Given KSV's familiarity with the CCAA Debtors' business, the Chapter 11 Cases, and the Recognition Proceedings, the Applicants are also seeking to appoint KSV as the Monitor (the "**Monitor**") in the CCAA proceedings. KSV has consented to acting as the Monitor in these CCAA proceedings. A copy of KSV's consent to act as the Monitor is attached hereto as **Exhibit "K"**.

62. KSV is a trustee within the meaning of section 2 of the BIA and is not subject to any of the restrictions on who may be appointed as monitor set out in section 11.7(2) of the CCAA.

**(c) Cash Flow Forecast**

63. The CCAA Debtors, with the assistance of its advisors and the proposed Monitor, have prepared a 90-day cashflow forecast as required by the CCAA (the "**Cash Flow Forecast**"). I understand the Cash Flow Forecast will be appended to the pre-filing report of the proposed Monitor. Due to the urgent nature of this application, the Cash Flow Forecast assumed that the only disbursement by the CCAA Debtors would be payment of rent and service charges to Landlords which are typically the only cash payments made by the Canadian Tenant SPEs. RGN Management LP will continue to advance funds to make those rent payments on a secured basis pursuant to the intra-group loan facility agreements. The CCAA Debtors may seek a charge in favour of RGN Management LP for any post-filing advances at a later date in these CCAA proceedings.

64. The CCAA Debtors, with the assistance of the Monitor, will continue to refine the Cash Flow Forecast before returning to Court on any comeback motion.



**F. Notice**

65. This application has been brought on notice only to the proposed Monitor. If the application is granted, the CCAA Debtors will publish the required notices and provide notice to affected Landlords.

I confirm that while connected via video technology, Mr. James S. Feltman showed me the front and back of his government-issued photo identity document and that I am reasonably satisfied it is the same person and the document is current and valid. I confirm that I have reviewed each page of this affidavit with James S. Feltman and verify that the pages are identical.

Sworn before me by video conference from the City of Miami, in the State of Florida, United States of America, to City of Toronto, in the Province of Ontario, Canada, on August 30, 2020.

*Lee Nicholson*  
02C0CC98F031B14B  
**LEE NICHOLSON (LSO #664121)**  
Commissioner for Taking Affidavits  
in the Province of Ontario

DocuSigned by:  
*James Feltman*  
4AA1B7E83C964A2  
**JAMES S. FELTMAN**

**Schedule "A" – Additional Applicants**

RGN Alberta IV GP Inc.  
RGN Alberta GP Inc.  
RGN Alberta X GP Inc.  
RGN Alberta XIII GP Inc.  
RGN Alberta XIV GP Inc.  
RGN Alberta XVII GP Inc.  
RGN British Columbia XX GP Inc.  
RGN British Columbia XVI GP Inc.  
RGN British Columbia XXV GP Inc.  
RGN British Columbia XXIV GP Inc.  
RGN Manitoba II GP Inc.  
RGN Ontario II GP Inc.  
RGN Ontario L GP Inc.  
RGN Ontario LV GP Inc.  
RGN Ontario LVI GP Inc.  
RGN Ontario LVIII GP Inc.  
RGN Ontario LXII GP Inc.  
RGN Ontario XI GP Inc.  
RGN Ontario XLI GP Inc.  
RGN Ontario XLII GP Inc.  
RGN Ontario XLV GP Inc.  
RGN Ontario XLVI GP Inc.  
RGN Ontario XLVII GP Inc.  
RGN Ontario XLVIII GP Inc.  
RGN Ontario XXI GP Inc.  
RGN Ontario XXIV GP Inc.  
RGN Ontario XXIX GP Inc.  
RGN Ontario XXV GP Inc.  
RGN Ontario XXVIII GP Inc.  
RGN Ontario XXXI GP Inc.  
RGN Ontario XXXII GP Inc.  
RGN Ontario XXXIII GP Inc.  
RGN Quebec V GP Inc.  
RGN Quebec VI GP Inc.  
RGN Quebec XIV GP Inc.  
RGN Quebec XVI GP Inc.  
RGN Services Limited

# Tab C

This is  
**EXHIBIT "C"**  
referred to in the affidavit of  
**Joshua Nicosia**  
dated December 8, 2020

DocuSigned by:

*Lee Melholson*

82C0CC8E694B4AB...

Commissioner for taking affidavits

Court File No. CV-20-00646507-00CL

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

**IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,  
R.S.C. 1985, C. C-36, AS AMENDED**

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT  
OF GUARDIAN FINANCIAL CORP. AND OTHER ENTITIES LISTED ON  
SCHEDULE "A"**

**(Applicants)**

**AFFIDAVIT OF JAMES S. FELTMAN  
(Sworn September 8, 2020)**

I, James S. Feltman, of the City of Miami, Florida, United States of America, **MAKE OATH AND SAY:**

1. I am a managing director of Duff & Phelps, LLC, an advisory firm providing governance, risk and transparency solutions for clients across diverse sectors, including publicly traded and privately held companies, law firms, government entities and investment organizations such as private equity firms and hedge funds. My practice at Duff & Phelps is focused on providing fiduciary, advisory consulting, and expert witness testimony in areas including insolvency, restructuring, accounting, and financial statement reporting. I have served as an appointed fiduciary with a branch of the United States Department of Justice spanning nearly 30 years, have been appointed as an advisor by both U.S. federal (district and bankruptcy) and state courts, have served as an arbitrator and mediator, and have been appointed as a Monitor by the U.S. Federal Trade Commission.

2. The above captioned Applicants are part of a group of affiliates operating in the United States and Canada as IWG or Regus (collectively, "**IWG**" or the "**Company**"). Duff & Phelps was retained by certain affiliates of IWG to provide interim management services. I have been authorized by each of the Applicants to assist with their proceedings under the *Companies'*

*Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”) and file this affidavit in support of this application. I am also the Responsible Officer for each of the affiliated companies (the “**Chapter 11 Debtors**”) which recently filed voluntary petitions for relief pursuant to Chapter 11 of the U.S. Code (the “**Bankruptcy Code**”). In this capacity, I am responsible for assisting in the management of their operations, overseeing their liquidity management, and assisting with their restructuring process. In the course of this engagement and working with the Applicants’ and Chapter 11 Debtors’ management and outside counsel and financial advisors, I have become familiar with the operations and financial affairs of the Applicants and Chapter 11 Debtors and their non-debtor affiliates. As a result, I have knowledge of the matters to which I hereinafter depose, except where otherwise stated. Where I have relied upon information received from other individuals, I state the source of such information and believe such information to be true.

3. I swear this affidavit in support of the motion by the Applicants seeking issuance of an Amended and Restated Initial Order which, among other things, (a) extends the stay of proceedings to November 27, 2020 (the “**Stay Period**”); and (b) adds certain customary provisions to the Initial Order (as defined below).

#### **A. Background**

4. On August 17, 2020, RGN-National Business Centers, LLC (“**RGN-NBC**”), H Work, LLC (f/k/a HQ Global Workplaces LLC) (“**H Work**”) and RGN-Group Holdings, LLC (“**Holdings**”) (collectively, the “**Guarantor Debtors**”) filed voluntary petitions for relief pursuant to Chapter 11 of the Bankruptcy Code with the United States Bankruptcy Court for the District of Delaware (the “**U.S. Court**”). Previously, RGN-Columbus IV, LLC filed a voluntary petition for relief under the Bankruptcy Code on July 30, 2020, RGN-Chapel Hill II, LLC filed its voluntary petition on August 2, 2020, RGN-Chicago XVI, LLC filed its voluntary petition on August 3, 2020, and RGN-Fort Lauderdale III, filed its voluntary petition on August 8, 2020. Additionally, more recently, RGN-

Lehi I, LLC and RGN-Lehi II, LLC filed voluntary petitions for relief under the Bankruptcy Code on August 27, 2020, RGN-Atlanta XXXV, LLC filed a voluntary petition on August 29, 2020, RGN-Arlington VI, LLC filed a voluntary petition on August 30, 2020, and RGN-Chevy Chase I, LLC and RGN-Philadelphia IX, LLC filed voluntary petitions on September 2, 2020.

5. On August 24, 2020, RGN-NBC, in its capacity as foreign representative (in such capacity, the “**Foreign Representative**”) of itself and the other Chapter 11 Debtors commenced the recognition proceedings (the “**Recognition Proceedings**”) pursuant to Part IV of the CCAA. Following the Part IV application by the Foreign Representative, this Court granted the Initial Recognition Order (Foreign Main Proceeding) and the Supplemental Order (Foreign Main Proceeding), which, among other things:

- (a) recognized the Chapter 11 cases commenced by the Chapter 11 Debtors in Delaware, United States of America (the “**Chapter 11 Cases**”) as foreign main proceedings pursuant to Part IV of the CCAA;
- (b) recognized certain first day orders granted by the U.S. Court; and
- (c) appointed KSV Restructuring Inc. (f/k/a/ KSV Kofman Inc) (“**KSV**”) as Information Officer (the “**Information Officer**”) in respect of the Recognition Proceedings.

6. Leases held by the Applicants were guaranteed by the Guarantor Debtors and the commencement of the Chapter 11 Cases by the Guarantor Debtors was an event of default under their Leases. Involuntary termination of any Lease held by a CCAA Debtor (as defined below) would have had a significant detrimental effect on its business given it is depended on access to the premises provided under the Lease.

7. As part of the Chapter 11 Cases, the Chapter 11 Debtors requested the U.S. Court approve certain lease termination notice procedures which would have required Landlords to

provide 15 business days' notice prior to terminating a Lease held by any affiliate of the Chapter 11 Debtors which was guaranteed by a Guarantor Debtor. However, the relief was denied by the U.S. Court. As a result, the Applicants filed for protection under the CCAA on August 31, 2020.

8. On August 31, 2020, this Court granted an Initial Order (the "**Initial Order**") in respect of the Applicants and certain affiliated limited partnerships (the "**CCAA Debtors**" and each a "**CCAA Debtor**") pursuant to the CCAA. KSV was appointed as monitor of the Applicants (the "**Monitor**"). A copy of the Initial Order is attached hereto as **Exhibit "A"** and the endorsement of the Court is attached hereto as **Exhibit "B"**. Copies of the Initial Order and other filings in the Recognition Proceedings or these proceedings under the CCAA (the "**CCAA Proceedings**") are available on the Monitor's website at <https://www.ksvadvisory.com/insolvency-cases/case/rqn-national-business-centers>.

9. I swore an affidavit in support of the application to commence the Recognition Proceedings, (the "**Initial Feltman Affidavit**"), a copy of which, without exhibits, is attached hereto as **Exhibit "C"** and an affidavit in support of the application by the Applicants for protection under the CCAA (the "**Second Feltman Affidavit**"), a copy of which, without exhibits, is attached hereto as **Exhibit "D"**. Capitalized terms used herein but not otherwise defined shall have the meanings set forth in the Second Feltman Affidavit.

10. This affidavit provides an update on the CCAA Proceedings, a brief overview of the contemplated direction of these CCAA Proceedings, and certain additional details regarding the CCAA Debtors.

## **B. Update on the CCAA Proceedings**

11. Since the granting of the Initial Order on August 31, 2020, the CCAA Debtors, with the assistance and oversight of the Monitor, have worked in good faith and with due diligence to



ensure the stability of their business during these CCAA Proceedings and ensure the CCAA Proceedings continue in a coordinated manner with the Chapter 11 Cases and the Recognition Proceedings. The activities of the CCAA Debtors have included the following:

- (a) responding to inquiries from Landlords of Centres of the CCAA Debtors;
- (b) with the assistance of the Monitor, publishing notices to creditors required by the CCAA and sending notices to Landlords of these CCAA Proceedings in accordance with the Initial Order;
- (c) continuing to review the cash flow forecast filed with the application for CCAA protection to ensure the assumptions were reasonable and consistent with the expected operations of the CCAA Debtors during the CCAA Proceedings;
- (d) paying rent for September 2020 for each of the Leases held by the CCAA Debtors;
- (e) reviewing and analyzing the cash management system and intercompany transactions to report further details to the Court as set forth herein;
- (f) coordinating with U.S. counsel to the Chapter 11 Debtors on the activities related to the Chapter 11 Cases; and
- (g) preparing these materials to support an extension of the Stay Period in these CCAA Proceedings.

**C. Path Forward in the CCAA Proceedings**

12. As set out in the Initial Feltman Affidavit, as a result of the impact of COVID-19 on the business in the United States and Canada, the Chapter 11 Debtors were expecting various claims to be asserted against the Guarantor Debtors leading to a “run on the bank” and various cascading

effects across the Lease portfolio. The Guarantor Debtors intend to use the Chapter 11 process to restructure their various contractual obligations in order to stabilize IWG's North American portfolio and emerge in a financially stronger and more viable position.

13. The primary purpose of these CCAA Proceedings was to immediately stabilize a volatile situation. The Leases for the Centres operated by the CCAA Debtors were likely in technical default due to the commencement of the Chapter 11 Cases by the Guarantor Debtors which could have resulted in a significant portion of the Centres being involuntarily closed with no or limited notice. In order to emerge from CCAA protection, the CCAA Debtors will need to be positioned such that their Leases cannot be terminated based on the default by the Guarantor Debtors.

14. Since the guarantee obligations provided by the Guarantor Debtors are the primary obligation that will need to be restructured for both these CCAA Proceedings and the Chapter 11 Cases to be successful, the proceedings will need to be advanced in a coordinated manner. The CCAA Debtors, along with the Chapter 11 Debtors, intend to use the "breathing space" provided by the Chapter 11 Cases and the CCAA Proceedings to pursue discussions with groups of Landlords, including Landlords in the United States, on implementation of a Chapter 11 plan which would restructure the various guaranteed obligations. Implementation of a Chapter 11 plan would allow the Guarantor Debtors to emerge from Chapter 11 protection and for the various Canadian Tenant SPEs and Lease Holders in the United States to continue operating as a going concern in a sustainable manner.

15. The Company also intends to use the CCAA Proceedings to continue evaluating the viability of Centres given the new "market realities" caused by the COVID-19 pandemic. As set out in the Initial Feltman Affidavit, prior to the commencement of the CCAA Proceedings, IWG had engaged in negotiations with certain Landlords with respect to specific accommodations and in certain cases, permanent changes to the terms of their Leases. The CCAA Debtors will continue

those negotiations with Landlords during the CCAA Proceedings in instances where a Centre may no longer be viable without changes to the applicable Lease. If these restructuring efforts and negotiations with the Landlord prove unsuccessful, the CCAA Debtors may have to disclaim the particular Lease in accordance with the CCAA and wind down operation of the applicable Centre in an orderly manner.

16. Further, as set out in the Second Feltman Affidavit, it is possible based on negotiations in the broader portfolio that additional Canadian Tenant SPEs may need to file for protection under the CCAA.

#### **D. Intercompany Transactions**

##### **(a) Cash Management**

17. As set out in the Second Feltman Affidavit, the business model employed by the Canadian Affiliates and other IWG affiliates relies on a series of inter-company relationships. In Canada, RGN Management LP enters into Occupancy Agreements with Occupants and collects the applicable Occupancy Fees on behalf of the applicant Canadian Tenant SPE. If the monthly expenses and costs incurred by RGN Management LP on behalf of the Canadian Tenant SPE and other intercompany amounts owing by the Canadian Tenant SPE exceed the Occupancy Fees collected at the Centre, a monthly net deficiency is recorded as an intercompany payable by the applicable Canadian Tenant SPE owing to RGN Management LP pursuant to the intra-group loan facility agreement. If the monthly Occupancy Fees exceed the expenses and costs paid by RGN Management LP, the Canadian Tenant SPE books an intercompany receivable owing from RGN Management LP.

18. In terms of cash management, the CCAA Debtors share a centralized cash management system with the other Canadian Affiliates. The Second Feltman Affidavit incorrectly stated that

the CCAA Debtors do not have any bank accounts. Following further discussions with the Company and its advisors, I understand that the CCAA Debtors have disbursement accounts with Canadian Imperial Bank of Commerce. These disbursement accounts are used solely in connection with making disbursements to Landlords for rent payable under the applicable Leases. The accounts are notionally pooled with other disbursement accounts of the other Canadian Tenant SPEs and concentration and receipt accounts of RGN Management LP. The pooling arrangement allows for the disbursement accounts to be overdrawn to make applicable rent payments as only the net amount of all pooled accounts is required to be positive. Once a month, the Canadian Affiliates reset the accounts by bringing each of the disbursement accounts to a zero balance and book the applicable intercompany receivables and/or payables.

19. The CCAA Debtors intend to continue using the same cash management system during the CCAA Proceedings. The Monitor will have access to the books and records of the CCAA Debtors and can report on any material changes in the intercompany balances as required.

**(b) Secured Liabilities**

20. As set out in the Second Feltman Affidavit, the Canadian Tenant SPEs', including the CCAA Debtors', general working capital needs are financed on a secured basis by RGN Management LP. The purchase of FF&E by each Canadian Tenant SPE is also financed by RGN Management LP. RGN Management LP is the only secured creditor of each of the CCAA Debtors except RGN Services Limited. In the case of RGN Services Limited, another IWG affiliated entity, Pathway Finance SARL (f/k/a Regus No. 1 Societe a Responsabilite Limitee) is also a secured creditor in addition to RGN Management LP. Search results for each of the CCAA LPs from the applicable personal property security registries are attached hereto as **Exhibit "E"**.

21. I also understand from further discussions with the Company and its advisors that the loan and security agreements for certain of the CCAA Debtors may differ from the form attached to the

Second Feltman Affidavit as an example. I am informed by Joshua Nicosia, General Counsel for IWG North America, that the security documents for certain of the CCAA LPs are located in the Head Office of IWG which is closed due to the COVID-19 pandemic. For certain of the CCAA LPs, the security in favour of RGN Management LP was granted and registered in April, 2020, in consideration for continuing to make advances during their liquidity challenges earlier this year. For the other CCAA LPs, the security in favour of RGN Management LP was granted and registered in or around May or June of 2016.

**E. Conclusion**

22. The CCAA Debtors request the Court extend the Stay Period until November 27, 2020 and grant the other requested relief to allow the CCAA Debtors to pursue their restructuring in a coordinated manner with the Chapter 11 Cases. I do not believe any creditor will be materially prejudiced by an extension of the Stay Period.

I confirm that while connected via video technology, Mr. James S. Feltman showed me the front and back of his government-issued photo identity document and that I am reasonably satisfied it is the same person and the document is current and valid. I confirm that I have reviewed each page of this affidavit with James S. Feltman and verify that the pages are identical.

Sworn before me by video conference from the City of Miami, in the State of Florida, United States of America, to City of Toronto, in the Province of Ontario, Canada, on September 8, 2020.

DocuSigned by:  
*Lee Nicholson*

**LEE NICHOLSON (LSO #664121)**  
Commissioner for Taking Affidavits  
in the Province of Ontario

DocuSigned by:  
*James Feltman*

**JAMES S. FELTMAN**

**Schedule "A" – Additional Applicants**

RGN Alberta IV GP Inc.  
RGN Alberta GP Inc.  
RGN Alberta X GP Inc.  
RGN Alberta XIII GP Inc.  
RGN Alberta XIV GP Inc.  
RGN Alberta XVII GP Inc.  
RGN British Columbia XX GP Inc.  
RGN British Columbia XVI GP Inc.  
RGN British Columbia XXV GP Inc.  
RGN British Columbia XXIV GP Inc.  
RGN Manitoba II GP Inc.  
RGN Ontario II GP Inc.  
RGN Ontario L GP Inc.  
RGN Ontario LV GP Inc.  
RGN Ontario LVI GP Inc.  
RGN Ontario LVIII GP Inc.  
RGN Ontario LXII GP Inc.  
RGN Ontario XI GP Inc.  
RGN Ontario XLI GP Inc.  
RGN Ontario XLII GP Inc.  
RGN Ontario XLV GP Inc.  
RGN Ontario XLVI GP Inc.  
RGN Ontario XLVII GP Inc.  
RGN Ontario XLVIII GP Inc.  
RGN Ontario XXI GP Inc.  
RGN Ontario XXIV GP Inc.  
RGN Ontario XXIX GP Inc.  
RGN Ontario XXV GP Inc.  
RGN Ontario XXVIII GP Inc.  
RGN Ontario XXXI GP Inc.  
RGN Ontario XXXII GP Inc.  
RGN Ontario XXXIII GP Inc.  
RGN Quebec V GP Inc.  
RGN Quebec VI GP Inc.  
RGN Quebec XIV GP Inc.  
RGN Quebec XVI GP Inc.  
RGN Services Limited

# Tab D

This is  
**EXHIBIT "D"**  
referred to in the affidavit of  
**Joshua Nicosia**  
dated December 8, 2020

DocuSigned by:

*Lee Micholson*

92C0CC8E694B4AB...

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Commissioner for taking affidavits



**HOMER STREET OFFICE PROPERTIES INC.**

LANDLORD

-and-

**RGN BRITISH COLUMBIA XXIII LIMITED PARTNERSHIP**

TENANT

-and-

**REGUS PLC**

INDEMNIFIER

**NET OFFICE LEASE**

400 West Georgia Street  
Vancouver, British Columbia

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- SCHEDULE "I" - Form of Architect's Certificate
- SCHEDULE "I" - Depiction of Security Screen

**NET LEASE – 400W GEORGIA STREET, VANCOUVER**

THIS LEASE, dated August 31, 2018 (the “date of this Lease”), is made by the Landlord and the Tenant named in it who, in consideration of the rents, covenants and agreements contained in this Lease, covenant and agree as follows:

**ARTICLE 1**  
**BASIC TERMS**

**1.1 BASIC TERMS**

The following are certain basic lease provisions which are part of, and are referred to in, subsequent provisions of this Lease.

- (a) Landlord: Homer Street Office Properties Inc.
- (b) Tenant: RGN British Columbia XXIII Limited Partnership
- (c) (i) Indemnifier: Regus plc  
(ii) Indemnity Provisions: See SCHEDULE "G"
- (d) Building: 400 West Georgia Street, Vancouver, BC
- (e) Premises: A portion of the ground floor of and all rentable areas of floors 2-9 of the building identified in Section 1.1(d), as more particularly shown and depicted as white areas within the building on the plans attached as SCHEDULE "B"
- (f) Rentable Area of Premises: Approximately 119,316 square feet, subject to final determination under Section 5.3
- (g) (i) Term: Fifteen (15) years, commencing on the Commencement Date  
(ii) Delivery Date: As set out in Section 4.4  
(iii) Commencement Date: As set out in Section 4.4
- (h) Fixturing and Rent-Free Period: The period of nine (9) months commencing on the Delivery Date and ending on the day before the Commencement Date (subject to the provisions of Section 4.4(a))
- (i) Minimum Rent (commencing on the Commencement Date):

Period	Per Square Foot of Rentable Area/Yr	Annual Amount*	Monthly Amount*
--------	-------------------------------------	----------------	-----------------

<b>Period</b>	<b>Per Square Foot of Rentable Area/Yr</b>	<b>Annual Amount*</b>	<b>Monthly Amount*</b>
Years 1 – 5	\$45.00	\$5,369,220.00	\$447,435.00
Years 6 – 10	\$47.50	\$5,667,510.00	\$472,292.50
Years 11 – 15	\$50.00	\$5,965,800.00	\$497,150.00

\*The Annual Amounts and Monthly Amounts assume that the Rentable Area of Premises is 119,316. These dollar amounts will be adjusted by the Landlord and the Tenant after the Rentable Area of Premises is finally determined under Section 5.3.

**ARTICLE 2**  
**SPECIAL PROVISIONS**

**2.1 SPECIAL PROVISIONS**

See SCHEDULE "D".

**ARTICLE 3**  
**DEFINITIONS AND INTERPRETATION**

**3.1 DEFINITIONS**

- (a) **"Additional Rent"** means all amounts in addition to Minimum Rent payable by the Tenant to the Landlord or any other Person pursuant to this Lease, other than Rental Taxes.
- (b) **"Additional Services"** has the meaning set out in Section 7.5.
- (c) **"Affiliate"** with respect to a corporation means an affiliate within the meaning of the *Business Corporations Act* (Canada), and with respect to a limited partnership (referred to in this definition as the **"Principal"**) means: (i) a corporation that is an affiliate, meaning of the *Business Corporations Act* (Canada), of the general partner of the Principal or (ii) a limited partnership whose general partner is an affiliate, within meaning of the *Business Corporations Act* (Canada), of the general partner of the Principal.
- (d) **"Alterations"** has the meaning ascribed to it in Section 9.2.
- (e) **"Applicable Laws"** means all statutes, laws, by-laws, regulations, ordinances, orders and requirements of governmental or other public authorities having jurisdiction in force from time to time, and including but not limited to the Environmental Laws.
- (f) **"Audit Period"** has the meaning set out in Section 6.9.
- (g) **"Authority"** means any municipal, provincial or federal government, or any department, agency, tribunal, board or office thereof.



- (h) **"Building"** means the (i) Lands; (ii) the building identified in Section 1.1(d); (iii) all structures, improvements, facilities, and appurtenances that have been or will be constructed on the Lands (above, at or below grade); (iv) all other areas, facilities, systems, buildings and structures serving the building identified in Section 1.1(d) or having utility in connection therewith, as determined by the Landlord, located on the Lands and includes facilities or installations on city owned property such as landscaping and sidewalks the repair and maintenance of which is the responsibility of the Landlord at its cost, all as may be altered, expanded, reduced, or reconstructed from time to time, which may include, without limitation, the Building Systems, internal malls, passageways, tunnels, concourses, sidewalks and plazas, all entrances and exits, exhibit areas, storage and mechanical areas, janitor rooms, mail rooms, telephone, mechanical and electrical rooms, heating, ventilating and air-conditioning systems, fire prevention, security, communication and music systems, common washrooms, stairways, escalators, elevators, truck and receiving areas, roadways and driveways, parking facilities, loading docks, corridors, any lands, structures, easements, or appurtenances to or in favour of the Lands used as part of or in connection with the building identified in Section 1.1(d), all outside areas, landscaped areas, roadways and driveways, ramps, outside and covered parking areas and walkways, existing or to be constructed from time to time, in, around, under, or upon the Lands.
- (i) **"Building Owners"** means the owner or owners of a freehold or leasehold interest from time to time of the Building (other than the Landlord) including, without limitation, any real estate investment trust or other entity which may have an ownership interest in the Building or any part thereof.
- (j) **"Building Systems"** means at any time: (i) all heating, ventilating and air-conditioning and other climate control systems and other systems, services, installations and facilities installed in or servicing the Building (or any portion thereof), including, without limitation, the following systems, services, installations and facilities: elevators and escalators, mechanical (including HVAC), plumbing, sprinkler, drainage and sewage, electrical and other utilities, lighting, life safety (including fire prevention, communications, security and surveillance), computer (including environmental, security and lighting control), ice and snow melting, refuse removal, window washing and music; (ii) all machinery, appliances, equipment, apparatus, components, computer software and appurtenances forming part of or used for or in connection with any of such systems, services, installations and facilities including, but not limited to, boilers, motors, generators, fans, pumps, pipes, conduits, ducts, valves, wiring, meters and controls, and the structures and shafts housing and enclosing any of them; and (iii) all Landlord owned or controlled telecommunications facilities, pathways, installations and equipment.
- (k) **"Business Day"** means any day which is not a Saturday, Sunday or a day observed as a holiday under the Applicable Laws in the province in which the Building is situated.

- (l) **“Business Hours”** means the normal business hours determined from time to time by the Landlord, for the Building, which shall be not less than all Business Days from 7 a.m. to 6 p.m. and on Saturdays (excluding any Saturday that corresponds to a day that is observed as a holiday under the Applicable Laws in the province in which the Building is situated) from 8 a.m. to 1 p.m.
- (m) **“Business Taxes”** means all taxes, rates, duties, levies, assessments, licence fees and other charges attributable to: (i) the personal property, furnishings, fixtures, equipment or Leasehold Improvements installed in the Premises, or brought into the Premises by the Tenant or other occupant of the Premises; or (ii) the business, income, use, or occupancy by the Tenant or any other occupant of the Premises, or use of any of the common areas and facilities of the Building by the Tenant or other occupant of the Premises (but excluding, however, Realty Taxes).
- (n) **“Café Agreement”** has the meaning as set out in Section 10.1(b).
- (o) **“Capital Tax”** means the amount determined by multiplying each of the “Applicable Rates” by the “Capital” and totalling the products. “Capital” is the amount of capital which the Landlord determines, without duplication, is invested from time to time by the Landlord, the Building Owners, any company related to the Landlord or the Building Owners within the meaning of the *Income Tax Act* (Canada), or all of them, in doing all or any of: acquiring, developing, expanding, redeveloping and improving the Building. Capital will not be increased by any financing or re-financing except to the extent that the proceeds are invested in doing all or any of the foregoing. “Applicable Rate” is the capital tax rate, if any, specified from time to time under any law which imposes a tax in respect of the capital of corporations and for greater certainty includes Large Corporations Tax, if any, levied under the *Income Tax Act* (Canada) as amended from time to time. Each Applicable Rate will be considered to be the rate that would apply if each of the Landlord, the Building Owners and the related companies referred to above were taxable corporations that employed no capital outside the province in which the Building is located.
- (p) **“Carbon Offset Costs”** means and refers to the cost of purchasing tradeable units, denominated in tonnes of carbon dioxide (“CO<sub>2</sub>”), or the CO<sub>2</sub> equivalent using the global warming potential of other Greenhouse Gases, where the purchase of such tradeable units is necessary to ensure compliance of the Building with any required target Greenhouse Gases emission level or energy consumption level as prescribed by Applicable Laws.
- (q) **“Carbon Tax”** means and refers to the aggregate of all taxes, rates, duties, levies, fees, charges and assessments whatsoever, imposed, assessed, levied, confirmed, rated or charged against or in respect of the consumption by the Landlord or the Building Owners in or at the Building of electricity, natural gas, propane or any other fossil fuel used to produce energy, such as heat, light or electricity, for the Building or any part of it or levied in lieu thereof, and levied against the Landlord, the Building Owners, or the Building by any Authority.
- (r) **“Change of Control”** means, in the case of any corporation or partnership (other than a limited partnership), the transfer or issue by sale, assignment, subscription,

transmission on death, mortgage, charge, security interest, operation of law or otherwise, of any shares, voting rights or interest which would result in any change in the effective control of such corporation or partnership, unless such change occurs as a result of trading in the shares of a public corporation listed on a recognized stock exchange in England, Canada or the United States, or, if so determined by the Landlord, on a recognized stock exchange in any other country.

- (s) **“Commencement Date”** means the date set out in Section 4.4(a).
- (t) **“Damage”** shall have the meaning as set out in Section 14.1.
- (u) **“Default Rate”** means the Prime Rate plus ten percent (10%) per annum, calculated and compounded monthly, not in advance.
- (v) **“Delivery Date”** has the meaning set out in Section 4.4(a).
- (w) **“Delivery Deadline”** means November 1, 2021, as that date may be extended pursuant to Section 4.4 of this Lease.
- (x) **“Early Termination”** has the meaning set out in Section 12.3.
- (y) **“Environmental Laws”** shall mean all statutes, laws, by-laws, regulations, codes, orders, environmental penalties, tickets, notices, standards, guidelines, criteria, policies and directives, approvals, licences and permits now or at any time hereafter in effect, made or issued by any Authority regulating, relating to or imposing liability or standard of conduct concerning the natural or human environment (including air, land, surface water, groundwater, waste, real and personal property, moveable and immoveable property, sustainability, building operations, recycling or resource consumption), public or occupational health and safety and the manufacture, importation, handling, use, reuse, recycling, transportation, storage, disposal, elimination and treatment of a substance, hazardous or otherwise.
- (z) **“Environmental Objectives”** has the meaning set out in paragraph 2 of SCHEDULE "D".
- (aa) **“Event of Default”** has the meaning set out in Section 15.1.
- (bb) **“Expert”** means any architect, engineer, land surveyor, environmental consultant, energy auditor, accountant or other professional consultant appointed by the Landlord who, in the reasonable opinion of the Landlord, is qualified to perform the function for which he or she is retained.
- (cc) **“Fiscal Year”** means the fiscal period(s) as designated by the Landlord from time to time. The Landlord may have different Fiscal Years for any one or more of the components of Additional Rent.
- (dd) **“Fixturing and Rent-Free Period”** has the meaning ascribed do it in Section 4.4.
- (ee) **“Greenhouse Gases”** has the meaning set out in paragraph 2(a) of SCHEDULE "D".
- (ff) **“Hazardous Substance”** means (a) any solid, liquid, gaseous or radioactive substance (including radiation) which, when it enters into the Building, exists in

the Building or is present in the water supplied to the Building, or when it is released into the environment from the Building or any part thereof or is entrained from one building to another building, or into the water or the natural environment, is likely to cause, at any time, material harm or degradation to any other property or any part thereof, or to the natural environmental or material risk to human health, and includes, without limitation, any flammables, explosives, radioactive materials, asbestos, lead paint, polychlorinated biphenyls (“PCBs”), fungal contaminants (including, without limitation, and by way of example, stachybotrys chartarum and other moulds), mercury and its compounds, dioxans and furans, chlordane (“DDT”), polychlorinated biphenyls, chlorofluorocarbons (“CFCs”), hydro-chlorofluorocarbons (“HCFCs”), volatile organic compounds (“VOCs”), urea formaldehyde foam insulation, radon gas, chemicals known to cause cancer or reproductive toxicity, pollutants, contaminants, hazardous wastes, toxic or noxious substances or related materials, petroleum and petroleum products, or (b) any substance declared to be hazardous or toxic under any Environmental Laws or that does not meet any prescribed standard or criteria made under any Environmental Laws now or hereafter enacted or promulgated by any Authority, or (c) both (a) and (b).

- (gg) “**Health Emergency**” means a situation in which the Landlord determines, based on advice from a medical professional, or a directive, bulletin, notice or other form of communication from a public health authority, that occupants, tenants, invitees or contractors working in the Building are or may be exposed to imminent danger from a disease, virus or other biological or physical agents that may be detrimental to human health.
- (hh) “**HVAC**” shall mean heating, ventilation and air conditioning equipment.
- (ii) “**Indemnifier**” means the party, if any, named in Section 1.1(b)(i), and who has executed or agreed to execute an indemnity agreement in the form attached to this lease as SCHEDULE "G" (“**Indemnity Agreement**”).
- (jj) “**Landlord**” means the party named in Section 1.1(a).
- (kk) “**Landlord’s Buildout**” means all labour, supervision, materials, fixtures, special facilities, built-ins, equipment, tools, supplies, taxes, occupancy permit and related inspections, and other property and services necessary to properly produce all work, improvements, fixtures, finishes and completed construction required by the Final Plans and Specifications, and all work, services and materials necessary to produce fully connected, complete, operational and functional systems and finishes in the Premises described in the Final Plans and Specifications (by way of clarification and not limitation, Landlord’s Buildout shall include, without limitation, the construction of the kitchenette shown on the Final Plans and Specifications [including, without limitation, the cabinets, counters, sink, appliances and sink plumbing], as well as painting and the installation of millwork, carpet, and coverings and plumbing and electrical work and the purchase and installation of the fixtures, glass or other non-Sheetrock wall systems, kitchen appliances, security system and signage shown in the Final Plans and Specifications).

- (ll) **“Landlord’s Project Work”** means all labour, supervision, materials, fixtures, special facilities, built-ins, equipment, tools, supplies, taxes, occupancy permit and related inspections, and other property and services necessary to properly produce all work, improvements, fixtures, finishes and completed construction required by the Project Plans identified in SCHEDULE "F", as may be amended by the Landlord in accordance with paragraph 3(i) of SCHEDULE “E”, and all work, services and materials necessary to produce fully connected, complete, operational and functional systems and finishes on the Land described in the Project Plans, as may be amended as aforesaid (for sake of clarification, excluding Landlord’s Build-Out). Without limiting the generality of the foregoing, Landlord agrees that Landlord’s Project Work shall include, without limitation, the demising of the portion of the Premises located on the ground floor from the balance of the ground floor through a security screen substantially similar to the screen shown in SCHEDULE “K”. However, the Landlord’s Project Work shall not include the installation of interior walls within the Premises or the installation of equipment and facilities shown on the Final Plans and Specifications for the Landlord’s Build-Out.
- (mm) **“Lands”** means the lands described in SCHEDULE "A".
- (nn) **“Lease”** means this lease, including all Schedules, as it may be amended.
- (oo) **“Lease Year”** means: (i) in the case of the first Lease Year, the period beginning on the Commencement Date and ending on the last day of the twelfth (12<sup>th</sup>) consecutive full month after the expiry of the calendar month in which the Commencement Date occurs (except that if the Commencement Date occurs on the first day of a calendar month, the first Lease Year shall end on the day prior to the first anniversary of the Commencement Date) and; (ii) in the case of each subsequent Lease Year, consecutive twelve (12) month periods, provided that the final Lease Year shall end on the last day of the Term.
- (pp) **“Leasehold Improvements”** means all items generally considered to be leasehold improvements, including, without limitation, all fixtures, equipment, alterations, decoration and additions from time to time made, erected or installed by or on behalf of the Tenant, for the purpose of preparing the Premises for the conduct of the Tenant’s business, except for furniture and trade fixtures and equipment; Leasehold Improvements may include (without limitation):
- (i) the walls constructed within the Premises;
  - (ii) all electrical and telephone wiring, communication cable, plumbing and ventilation distribution constructed within the Premises;
  - (iii) finishes such as paint or wallpaper on demising walls and on walls constructed within the Premises;
  - (iv) floor coverings including but not limited to carpet, tile, marble, granite, and terrazzo within the Premises;
  - (v) ceilings including but not limited to suspended and drywall ceilings within the Premises; and

- (vi) all other improvements permanently attached to the Premises.
- (qq) “**Licensee**” has the meaning set out in Section 10.1(c).
- (rr) “**Measurement Standard**” means the American National Standard ANSI / BOMA Z65.1-1996 standard method as approved by the American National Standards Institute, Inc. on June 7, 1996.
- (ss) “**Minimum Rent**” means the rent payable pursuant to Section 5.2.
- (tt) “**Mortgage**” means any mortgage, charge or security instrument (including a deed of trust or mortgage securing bonds) and all extensions, renewals, modifications, consolidations and replacements of any such item which may now or hereafter affect the Building, or any part of it.
- (uu) “**Mortgagee**” means the mortgagee, chargee or other secured party (including a trustee for bondholders), as the case may be, who from time to time holds a Mortgage.
- (vv) “**Notice**” has the meaning set out in Section 17.7.
- (ww) “**Office Service Agreements**” has the meaning set out in Section 10.1(c).
- (xx) “**Operating Costs**” has the meaning set out in Section 6.5.
- (yy) “**Payment Certifier**” shall have the meaning assigned to it in section 7 of the *Builders Lien Act* (British Columbia).
- (zz) “**Permitted Transferee**” means, an Affiliate of the Tenant or an entity who is a purchaser or acquirer of all of the Tenant's business.
- (aaa) “**Permitted Use**” has the meaning set out in Section 10.1.
- (bbb) “**Person**” means any individual, partnership, corporation, trust, trustee or other entity or any combination of them, and “**Persons**” means more than one Person.
- (ccc) “**Premises**” means all that portion of the Building described in Section 1.1(e), as shown and depicted as white areas on SCHEDULE "B", extending the following boundaries: (i) the interior face of all exterior walls, doors and windows; (ii) the centre line of all interior walls, doors and windows separating the Premises from common areas and common facilities; (iii) the centre line of all interior walls separating the Premises from adjoining leasable premises; and (iv) the top surface of the structural subfloor and the top surface of the suspended or plaster ceiling (or the bottom surface of the structural ceiling if there is no suspended or plaster ceiling). However, in determining the Rentable Area of the Premises in accordance with Section 5.3, the Expert shall not be limited by and shall not consider the boundaries described in this Section 3.1(ccc), which have no application to any provisions in this Lease relating to the Rentable Area of the Premises. If the Measurement Standard includes areas beyond the boundaries specified in this Section 3.1(ccc) as part the Rentable Area of the Premises, such areas will be included in the Rentable Area of the Premises. For greater clarity, notwithstanding that the Premises are defined as being to the interior face of exterior walls, if the Measurement Standard provides that if the exterior walls exceed a specified thickness, premises are measured only to a different specified

thickness, the measurement shall be to the specified thickness of the exterior wall as contained in the Measurement Standard. Any Building Systems located in the Premises do not form part of the Premises; however, this provision shall have no application for the purposes of determining Rentable Area of the Premises pursuant to Section 5.3.

- (ddd) **"Prime Rate"** means the annual rate of interest announced from time to time by the Canadian chartered bank chosen by the Landlord as the daily rate of interest used by such bank as a reference rate in setting rates of interest for Canadian dollar commercial loans and commonly referred to by such bank as its Canadian "prime rate".
- (eee) **"Property Manager"** means Westbank Pacific Realty Corp., or any other Person that the Landlord may engage from time to time.
- (fff) **"Proportionate Share"** means the fraction, the numerator of which is the Rentable Area of the Premises and the denominator of which is the Rentable Area of the Building, in both cases, as finally determined under Section 5.3;
- (ggg) **"Realty Taxes"** means the aggregate of all taxes, rates, duties, levies, fees, charges (including local improvement charges) and assessments whatsoever, imposed, assessed, levied, confirmed, rated or charged against or in respect of the Building or any part thereof or any fixtures, equipment or improvements thereto from time to time by any lawful taxing or assessing authority, whether school, municipal, regional, provincial, federal, parking, utilities or otherwise, including extraordinary and special assessments, and any taxes or other amounts which are imposed in lieu of, or in addition to, any of the foregoing whether or not in existence on the Commencement Date and whether of the foregoing character or not, or against the Landlord or the Building Owners in respect of any of the same or in respect of any rental or other compensation receivable by the Landlord or the Building Owners in respect of the same, and any taxes on real property rents or receipts of such (as opposed to a tax on such rents as part of the income of the Landlord or the Buildings Owners), any taxes based, in whole or in part, upon the value of the Building or any part or parts thereof, any commercial concentration or similar levy in respect of the Building, and all costs and expenses (including legal and other professional fees *excluding, however,* interest and penalties on deferred payments that do not result from a default of the Tenant) incurred by the Landlord in contesting, resisting, or appealing any such taxes, but excluding Capital Tax, taxes on the income or profits of the Landlord or the Building Owners except to the extent that they are levied in lieu of the foregoing and excluded any portion of the taxes that are fairly attributable to Business Taxes, imposed in substitution for or in lieu of Business Taxes, or are fairly attributable to the elimination of or reduction of the Business Taxes. For clarification, Realty Taxes shall not include any taxes personal to the Landlord or the Building Owners such as income tax, inheritance tax, gift tax or estate tax.
- (hhh) **"Rent"** means all Minimum Rent and Additional Rent.
- (iii) **"Rentable Area"** means, in the case of the Premises, the Building, or any other space, means the number of square feet of floor area determined by the

Landlord's Expert, determined in accordance with the Measurement Standard, subject to final determination under Section 5.3.

- (jjj) **"Rental Taxes"** means all goods and services, business transfer, multi-stage sales, sales, use, consumption, value-added or other similar taxes imposed by any federal, provincial or municipal government upon the Landlord, the Building Owners or the Tenant in respect of the Lease which is measured by or based in whole or in part directly upon the Rent payable under this Lease or in respect of the rental or rental value of premises under this Lease or the payments made by Tenant hereunder or the goods and services provided by Landlord hereunder including without limitation, the rental of the Premises and the provision of administrative services to Tenant hereunder, whether existing at the date of this Lease or hereafter imposed by any governmental authority including, without limitation, goods and services tax, harmonized sales tax, value added tax, business transfer tax, sales tax, federal sales tax, excise taxes or duties or any tax similar to the foregoing.
- (kkk) **"Repair Standard"** shall have the meaning as set out in Section 8.4.
- (lll) **"Required Conditions"** means that:
- (i) The Tenant is the original Tenant named in this Lease or a Permitted Transferee;
  - (ii) The Tenant is, following the Commencement Date, conducting its business from at least 50% of the Rentable Area of the Premises, subject, however, to temporary interruptions in such operations to the extent resulting from strikes, lockouts or other labour disputes, the enactment, amendment or repeal of any Applicable Laws, riots, insurrection, sabotage, rebellion, war, acts of terrorism, act of God, Health Emergency or any other similar reason or any other cause beyond the reasonable control of Tenant (excluding, however, any financial inability), or due to reasonable temporary interruptions for repairs or construction; and
  - (iii) No Event of Default has occurred and is then continuing.
- (mmm) **"Rules and Regulations"** means the Rules and Regulations annexed hereto as SCHEDULE "C" together with any amendments, deletions and additions made by the Landlord from time to time pursuant to Section 10.4, all of which shall form part of this Lease.
- (nnn) **"Tenant"** means the party named in Section 1.1(b).
- (ooo) **"Tenant Delay"** means any act or omission to act (where there is a duty to act at law or in equity or pursuant to the terms hereof) by the Tenant, its agents, contractors or any others for whom the Tenant is, in law, responsible, which has the effect of delaying the Landlord's Buildout or the Landlord's Project Work, provided, however, no such acts or omissions shall be a basis for a "Tenant Delay" unless and until such acts or omissions continue for two (2) Business Days after the Tenant's receipt of written Notice thereof (which details the conduct of the Tenant its agents, contractors or any others for whom the Tenant is, in law, responsible, its agents, contractors or any others for whom the Tenant is, in law,



responsible, causing the alleged delay) from Landlord. Tenant Delay may include, without limitation (i) any delay by the Tenant in making a timely determination reasonably required by the Landlord in connection with the Landlord's Buildout, (ii) the Tenant's failure to deliver plans or specifications when reasonably required, (iii) the Tenant's failure to act or respond within a time period or by a deadline as may be expressly required of the Tenant under the terms of this Lease or, if no such time period or deadline is specified, then within a reasonable time; (iv) the Tenant's failure to comply with any other obligation hereunder, or (v) the performance of any work by the Tenant, its agents, contractors or any others for whom the Tenant is, in law, responsible or any delay therein. The Landlord shall give Notice to the Tenant of any Tenant Delay which it becomes aware of, with particulars of the act or omission to act of the Tenant, its agents, contractors or others for whom the Tenant is, in law, responsible, responsible which caused the Tenant Delay, it being hereby agreed that a Tenant Delay shall not be deemed to have occurred unless any of the circumstances which gave rise to the Landlord's notice of such Tenant Delay continue for two (2) Business Days after such Notice is given as set forth above.

- (ppp) **"Tenant's Work"** means the installation of the Tenant's trade fixtures and furnishings that do not form part of the Landlord's Buildout.
- (qqq) **"Term"** means the period of time specified in Section 1.1(g)(i) which commences on the Commencement Date, including extensions or renewals thereof, if any, unless terminated earlier pursuant to the provisions of this Lease.
- (rrr) **"Transfer"** means all or any of the following, whether by conveyance, written agreement or otherwise: (i) an assignment of this Lease in whole or in part; (ii) a sublease of all or any part of the Premises; (iii) the sharing or transfer of any right of use or occupancy of all or any part of the Premises; (iv) any mortgage, charge or encumbrance of this Lease or the Premises or any part of the Premises or other arrangement under which either this Lease or the Premises become security for any indebtedness or other obligation; and (v) a Change of Control, and includes any transaction or occurrence whatsoever (including, but not limited to, expropriation, receivership proceedings, seizure by legal process and transfer by operation of law), which has changed or will change the legal identity of the Tenant or a Transferee (such as due to an amalgamation). **"Transferee"** means the Person to whom a Transfer is or is to be made. Notwithstanding anything to the contrary in this Lease, the following shall not constitute, or be deemed to constitute, and as such are excluded from the definition of, a "Transfer": (1) a Change of Control of the Tenant's ultimate parent, IWG plc; (2) Office Service Agreements; and (3) Café Agreements.
- (sss) **"TSP"** has the meaning set out in Section 7.7(b).
- (ttt) **"Unavoidable Delay"** has the meaning set out in Section 17.5.

### **3.2 ENTIRE AGREEMENT AND WAIVER**

This Lease contains the entire agreement between the parties with respect to the subject matter of this Lease and there are no other agreements, promises or understandings, oral or written,

between the parties in respect of this subject matter. This Lease may be amended only by written agreement between the Landlord and the Tenant. No electronic communications between the parties will have the effect of amending this Lease. No provisions of this Lease shall be deemed to have been waived by the Landlord or the Tenant unless such waiver is in writing and signed by such party. If either the Landlord or the Tenant excuses or condones any default by the other of any obligation under this Lease, no waiver of such obligation shall be implied in respect of any continuing or subsequent default. The Landlord's receipt of Rent with knowledge of a breach shall not be deemed a waiver of any breach.

### **3.3 NO REPRESENTATION BY THE LANDLORD**

The Tenant expressly acknowledges and agrees that the Landlord has not made and is not making, and the Tenant, in executing and delivering this Lease, is not relying upon, any warranties, representations, promises or statements, except to the extent that the same are expressly set forth in this Lease or in any other written agreement that may be made between the parties concurrently with the execution and delivery of this Lease and shall expressly refer to this Lease. The Landlord makes no representation or warranty with respect to whether or not the Tenant's use of the Premises is permitted by all Applicable Laws, except that Landlord, as the developer of the Building, represents and warrants that, as of the Delivery Date, the City of Vancouver zoning bylaws will permit the use of the Premises for general office use.

### **3.4 GENERAL RULES OF INTERPRETATION**

- (a) Obligations as Covenants: Each obligation of the Landlord and the Tenant in this Lease shall be considered a covenant for all purposes. If the Tenant has failed to perform any of its obligations under this Lease, such obligations shall survive the expiration or other termination of this Lease.
- (b) Time: Time is of the essence of this Lease.
- (c) Number, Gender: The grammatical changes required to make the provisions of this Lease apply in the plural sense where the Tenant or any Indemnifier comprises more than one Person and to individuals (male or female), partnerships, corporations, trusts or trustees will be assumed as though in each case fully expressed.
- (d) Liability of Tenant: If the Tenant consists of more than one Person, the covenants of the Tenant shall be joint and several covenants of each such Person. If the Tenant is a partnership and not a limited liability partnership, each Person who is presently a partner of the partnership and each Person who becomes a member of any successor partnership shall be and continue to be bound jointly and severally for the performance of and shall be and continue to be subject to all of the terms, obligations and conditions of this Lease, whether or not such Person ceases to be a member of such partnership or successor partnership and whether or not such partnership continues to exist. If the Tenant is a limited liability partnership, each Person who is presently a general partner of the limited liability partnership and each Person who subsequently becomes a general partner of the limited liability partnership shall be and continue to be bound jointly and severally for the performance of and shall be and continue to be subject to all of the terms,

obligations and conditions of this Lease, whether or not such Person ceases to be a general partner of such limited liability partnership and whether or not such limited liability partnership continues to exist. The Landlord acknowledges that if the Tenant is a limited partnership, no Person who is presently or who in the future becomes a limited partner of the limited partnership shall be bound for the performance of any of the terms, obligations or conditions of this Lease by virtue of its status as a limited partner, except otherwise provided by law; the foregoing, however, shall not relieve a limited partner of any liability that such limited partner may have if the limited partner, on its own and not in its capacity as a limited partner, entered into a direct agreement, such as an indemnity agreement, with the Landlord. The Landlord further acknowledges that RGN British Columbia XXIII Limited Partnership is a limited partnership.

- (e) Governing Law: This Lease shall be governed by and construed under the Applicable Laws of the jurisdiction in which the Building is located and the parties attorn and submit to the jurisdiction of the courts of such jurisdiction.
- (f) Headings: The headings of the Articles and Sections are included for convenience only, and shall have no effect upon the construction or interpretation of this Lease.
- (g) Landlord as Trustee: Any and all exculpatory provisions, releases and indemnities included in this Lease for the benefit of the Landlord are intended also to benefit the Building Owners, the Mortgagees, any owner or lessor with an interest in the Building superior to the interest of the Landlord, any property managers of the Landlord or the Building Owners and the officers, directors, shareholders, employees, agents of each one of them and, for the purposes of such provisions, the Landlord is acting as agent or trustee on behalf of and for the benefit of the Persons mentioned above.
- (h) Severability: Should any provision of this Lease be or become invalid, void, illegal or not enforceable, such provision shall be considered separate and severable from this Lease and the remaining provisions shall remain in force and be binding upon the parties hereto as though such provision had not been included.
- (i) Acknowledgements: The Landlord and the Tenant agree that, notwithstanding any rule of law or equity, presumption, principle of construction, law or statutory enactment to the contrary:
  - (i) in any controversy, dispute, contest, arbitration, mediation or legal proceeding of any kind including an action, lawsuit, motion, application, reference or appeal, regarding the interpretation, validity, or enforcement of this Lease or any of its provisions, there shall be no inference, presumption or conclusion drawn whatsoever against either the Landlord or the Tenant by virtue of that party having drafted this Lease or any portion thereof or by virtue of this Lease being drawn using the Landlord's standard form;

- (ii) any deletion of language or wording from this Lease prior to execution by the Landlord and the Tenant shall not be construed to have any particular meaning or to raise any presumption, construction or implication including, without limitation, any implication that by the deletion of certain language or wording the Landlord and the Tenant intended to state the opposite of the deleted language or wording;
- (iii) the selection or use of any bold, italicized, underlined or coloured print in this Lease shall not be construed to have any particular meaning or to raise any presumption, construction or implication; and
- (iv) this Lease shall be deemed to be executed under seal by all parties to this Lease even if a party does not affix its seal.

### **3.5 SUCCESSORS**

This Lease and everything herein contained shall extend to and bind the successors and assigns of the Landlord and the legal representatives, heirs, executors, administrators, successors and permitted assigns of the Tenant (as the case may be), except as may be specifically excepted herein.

### **3.6 AMENDMENTS**

This Lease shall not be modified or amended except by an instrument in writing of equal formality herewith and signed by the parties hereto or by their successors or permitted assigns.

## **ARTICLE 4** **GRANT AND TERM**

### **4.1 TERM, DEMISE**

The Landlord hereby demises and leases the Premises to the Tenant for the Term (unless terminated earlier pursuant to this Lease) to have and to hold during the Term, subject to the terms and conditions of this Lease. In addition, subject to any Applicable Laws, the Landlord grants to the Tenant a non-exclusive, non-revocable and non-transferable license throughout the Term to the benefit or use (as may be appropriate) of those common areas and facilities that provide access to the Premises or are generally made available to all tenants in the Building in common with other tenants of the Building and with all other persons entitled thereto on the terms and conditions set forth in this Lease and the Rules and Regulations. Except as otherwise provided in this Lease, the Tenant's authorized employees, the Tenant's Licensees and their respective agents, authorized employees, invitees and contractors shall be permitted to have access to the Premises on a twenty-four (24) hours per day, seven (7) days per week basis, subject to compliance with the Landlord's reasonable security requirements which may, without limitation, require the use of an electronic fob, access card or other similar device.

### **4.2 ACCEPTANCE**

The Tenant hereby leases and accepts the Premises from the Landlord and covenants to pay the Rent and to observe and perform all the covenants and obligations to be observed and performed by the Tenant pursuant to this Lease. The Tenant agrees that, except as may be specifically set out in this Lease, the Premises shall be accepted on an "as is" basis on the Delivery Date, subject

to rectification of deficiencies in the Landlord's Buildout pursuant to paragraph 3 of SCHEDULE "D", and except as otherwise provided in this Lease, there is no promise, representation or undertaking binding upon the Landlord with respect to the Landlord's Buildout or any alteration, remodelling or decoration of the Building or the Premises or with respect to the installation of equipment or fixtures in the Building or the Premises.

#### **4.3 QUIET ENJOYMENT**

If the Tenant pays the Rent, fully performs all its obligations under this Lease and there has been no Event of Default beyond any applicable cure period, then the Tenant shall be entitled, subject to the provisions of this Lease and to Applicable Law, to peaceful and quiet enjoyment of the Premises for the Term, subject to the provisions of Section 8.7 and Section 17.5.

#### **4.4 COMMENCEMENT, FIXTURING, AND RENT-FREE PERIOD**

- (a) As used herein, the "Commencement Date" shall mean the date that is nine (9) months from the Delivery Date (as defined below) provided; however, that if the following events have not occurred by the end of such nine-month period, the "Commencement Date" shall be extended, and the "Commencement Date" shall not occur, until the date by which all of the following events have occurred:
  - (i) The substantial completion of the construction of the Landlord's Project Work substantially in accordance with the Project Plans and the terms of this Lease; the Landlord's Project Work will be considered substantially complete when only minor punchlist items are outstanding. Minor punchlist items are those minor items which can be completed without causing unreasonable interruptions to the conduct of the Tenant's business from the Premises or to reasonable access (including, without limitation, via elevator) to the Premises or to the Tenant's Parking Allocation.
  - (ii) The delivery to the Tenant by the Landlord of an architect's certificate in the form attached here to as SCHEDULE "J" signed by the Landlord's architect with respect to the Landlord's Project Work.
- (b) As used herein, the "Delivery Date" means the date by which all of the following have occurred:
  - (i) The substantial completion of the construction of the Landlord's Project Work substantially in accordance with the Project Plans and the terms of this Lease; the Landlord's Project Work will be considered substantially complete, for purposes of this clause (i), when reasonable access (including, without limitation, via elevator) to the Premises is available to the Tenant and the lobby area of the Building is substantially free of construction materials and the Tenant has reasonable access to the Tenant's Parking Allocation.
  - (ii) The substantial completion of the Landlord's Buildout substantially in accordance with the Final Plans and Specifications and this Lease; the Landlord's Buildout will be considered substantially complete when only minor punchlist items are outstanding. Minor punchlist items are those minor items which can be completed without causing unreasonable

- interruptions to any fixturing and construction to be performed by the Tenant, or if the Tenant will not be performing any fixturing and construction, to the conduct of the Tenant's business from the Premises.
- (iii) The delivery to the Tenant by the Landlord of an architect's certificate in the form attached here to as SCHEDULE "J" signed by the Landlord's architect with respect to the Landlord's Buildout.
  - (iv) The delivery to the Tenant by the Landlord of a copy of a certificate of occupancy (or if such certificates are not issued under Applicable Laws, then reasonable proof of its legal equivalent under Applicable Laws, such as a sign-off or inspection report) for the Building; such certificate (or other proof) may be temporary so long as it contains no conditions other than minor conditions which can be completed without causing unreasonable interruptions to any fixturing and construction to be performed by the Tenant, or if the Tenant will not be performing any fixturing and construction, to the conduct of the Tenant's business from the Premises or to Tenant's access to the Premises via elevator or Tenant's use of Tenant's Parking Allocation. If such certificate (or other proof) is temporary, Landlord agrees that Landlord shall cause any conditions to the certificate of occupancy to be promptly satisfied and a final certificate of occupancy (or other proof) issued.
  - (v) The delivery to the Tenant by the Landlord of a copy of a certificate of occupancy (or if such certificates are not issued under Applicable Laws, then reasonable proof of its legal equivalent under Applicable Laws, such as a sign-off or inspection report) for the Premises; such certificate (or other proof) may be temporary so long as it contains no conditions other than minor conditions which can be completed without causing unreasonable interruptions to any fixturing and construction to be performed by the Tenant, or if the Tenant will not be performing any fixturing and construction, to the conduct of the Tenant's business from the Premises. If such certificate (or other proof) is temporary, Landlord agrees that Landlord shall cause any conditions to the certificate of occupancy to be promptly satisfied and a final certificate of occupancy issued.
  - (vi) The delivery of exclusive possession of the Premises to the Tenant, subject to Landlord's right to access for itself and its contractors, subcontractors and employees engaged in the completion of the punchlist items with respect to the Landlord's Buildout, so long as such completion by the Landlord does not materially interfere with the conduct of Tenant's business from the Premises.
- (c) During the period from the Delivery Date to the Commencement Date (the "**Fixturing and Rent-Free Period**"), the Tenant may conduct its business from the Premises and shall be bound by all Applicable Laws as applicable to the conduct of Tenant's activities within the Premises and all of the provisions of this Lease that are applicable to the Tenant during the Term, excluding the

requirement to pay Minimum Rent and the Tenant's Proportionate Share of Operating Costs and Realty Taxes, but including the Tenant's obligation to pay those amounts specified in Article 7 [*HVAC, Utilities and Other Landlord Services*] to the extent such amounts are for the use of utilities or janitorial services within the Premises, plus any Rental Taxes applicable thereto.

- (d) Notwithstanding anything to the contrary in this Lease, if Delivery Date has not occurred by the Delivery Deadline, the Tenant may elect to terminate this Lease, provided that the Tenant gives the Landlord a written Notice of such termination no later than thirty (30) days following the Delivery Deadline, if and as extended by Landlord under Section 4.4(e) below.
- (e) If Unavoidable Delay or Tenant Delay has delayed the Landlord's ability to substantially complete the Landlord's Project Work or the Landlord's Buildout, Landlord shall have the right to extend the Delivery Deadline for a period that is fairly attributable to the delay caused by such Unavoidable Delay or Tenant Delay, as determined by the Landlord, acting reasonably; provided, however, notwithstanding anything to the contrary herein (including, without limitation, the provisions of Section 17.5 below), the Delivery Deadline may not be extended for more than one hundred eighty (180) days, in the aggregate, on account of Unavoidable Delays (other than Tenant Delays, which are uncapped). The Tenant may, by a written Notice to the Landlord given not more than forty-five (45) days prior to the then current Delivery Date, request the Landlord to confirm in writing whether then current Delivery Deadline has been extended. Within five (5) business days of receipt of the Tenant's Notice, the Landlord shall deliver a written Notice to the Tenant setting forth the calendar date of the extended Delivery Deadline and the reasons for such extension.

## **ARTICLE 5** **RENT**

### **5.1 COVENANT TO PAY**

The Tenant shall pay Rent plus all applicable Rental Taxes thereon as herein provided which obligation shall survive the expiration or earlier termination of this Lease.

### **5.2 MINIMUM RENT**

Commencing on the Commencement Date, the Tenant shall pay to the Landlord Minimum Rent in the amount set out in Section 1.1(i), subject to any adjustment pursuant to Section 5.3, for each month during the Term. The Minimum Rent shall be payable in equal, consecutive monthly instalments in advance on the 1st day of each calendar month.

### **5.3 ADJUSTMENT DUE TO MEASUREMENT**

The Landlord shall, prior to the Commencement Date, cause the Rentable Area of the Premises, and Building to be measured by an Expert in accordance with the Measurement Standard and shall deliver a certificate of measurement to the Tenant that contains the certified measurements, in accordance with the Measurement Standard, of the Premises and Building (the "**Landlord's Measurement Certificate**").

Notwithstanding anything to the contrary in Section 17.6, the Tenant shall have the right to confirm such measurements with regard to the Premises in accordance with the procedures set forth herein:

- (a) The Tenant shall have thirty (30) days after its receipt of the Landlord's Measurement Certificate (the "**Confirmation Period**") to confirm the Rentable Area of the Premises. If the Tenant disagrees with the Landlord's Expert's determination of the Rentable Area of the Premises, the Tenant shall give the Landlord written notice of the Tenant's disagreement before the Confirmation Period expires, which notice shall include a report from a surveyor, architect or other professional licensed to certify rentable space in accordance with the Measurement Standard setting out the reasons that the Landlord's Measurement Certificate fails to comply with the Measurement Standard and setting out the Rentable Area of the Premises (the "**Tenant's Measurement Certificate**"). The parties shall diligently attempt in good faith to resolve any disagreement over the Rentable Area of the Premises within fifteen (15) days after the date the Landlord receives notice of the Tenant's disagreement (the "**Resolution Period**"). The Tenant's confirmation right hereunder shall lapse following expiration of the Confirmation Period, and the Landlord's Measurement Certificate shall be binding on the Tenant, if the Tenant shall not have given the Landlord the Tenant's Measurement Certificate before the Confirmation Period expires (provided, however, such lapse shall not relieve the Landlord of its obligation to have caused the measurements of the Premises and Building to be made and determined in accordance with the Measurement Standard).
- (b) If the parties fail to reach agreement on the Rentable Area of the Premises within the Resolution Period, the issue of the Rentable Area of the Premises shall be submitted to arbitration held by a single arbitrator. The arbitrator shall be limited to the sole issue of whether the Landlord's Measurement Certificate or the Tenant's Measurement Certificate is the closest to the actual Rentable Area of the Premises as determined by the arbitrator using the Measurement Standard. Within ten (10) days after expiration of the Resolution Period, the Landlord and the Tenant shall agree upon and appoint one arbitrator. Failing such agreement, the arbitrator may be appointed by a judge of the Supreme Court of British Columbia upon application by either party pursuant to the *Commercial Arbitration Act*, R.S.B.C. 1996, c. 55, as amended. The arbitrator shall have thirty (30) days from his or her appointment to decide whether the Landlord's Measurement Certificate or the Tenant's Measurement Certificate shall be used to determine the Rentable Area of the Premises and to notify the Landlord and the Tenant of his or her decision. The decision of the arbitrator shall be binding on the Landlord and the Tenant. Costs shall be in the discretion of the arbitrator.

Upon all such measurements being finalized as contemplated herein, if necessary as a result of any of such measurements, the annual Minimum Rent and the calculation of Additional Rent (including the Proportionate Share) shall be adjusted by the Landlord and such adjustment shall be confirmed by the parties in a written amendment to this Lease reasonably acceptable in form and substance to the Landlord and the Tenant, which shall be duly and promptly prepared by the



Landlord and executed by both parties. The effective date of any such adjustment shall be the Commencement Date.

If the amount of Rent paid by the Tenant is less than the Rent due as a result of the adjustment, the Tenant shall pay such additional amounts of Rent due with the next monthly payment of Minimum Rent. If the Tenant has paid in excess of Rent as a result of the adjustment, the excess shall be credited against Additional Rent then or in the future owing by the Tenant under this Lease (or if such credit cannot be exhausted at the end of the Term, then the Landlord shall promptly pay the uncredited amount of such excess to the Tenant).

#### **5.4 PAYMENT OF ADDITIONAL RENT**

- (a) Prior to the Commencement Date and at or prior to the beginning of each Fiscal Year thereafter, the Landlord shall compute and deliver to the Tenant a bona fide estimate in respect of such Fiscal Year of the Tenant's Proportionate Share of the Realty Taxes, the Tenant's Proportionate Share of the Operating Costs and such other items of Additional Rent as the Landlord may estimate in advance and the Tenant shall pay to the Landlord in monthly installments one-twelfth of such estimate simultaneously with the Tenant's payments of Minimum Rent. The Landlord may from time to time re-estimate any items of Additional Rent and may fix monthly instalments for the then remaining balance of the Fiscal Year so that such items will be entirely paid during such Fiscal Year. Notwithstanding the foregoing, as soon as bills for all or any portion of the Realty Taxes and Operating Costs are received, the Landlord may bill the Tenant for the Tenant's Proportionate Share thereof and the Tenant shall pay the Landlord such amounts so billed (less all amounts previously paid by the Tenant on the basis of the Landlord's estimate as aforesaid) as Additional Rent within thirty (30) days of receipt of an invoice. Provided that in the event that the Landlord does not provide a new estimate, notwithstanding that the Fiscal Year for which such previous estimate has been given to the Tenant has expired, the Tenant shall continue to pay the amounts due based on the most recent estimate provided by the Landlord until such time as a new estimate is rendered by the Landlord therefor.
- (b) Within one hundred and eighty (180) days after the end of each Fiscal Year, or any shorter or longer period as determined by the Landlord, acting reasonably (such 180-day period being approximate only, and not of the essence), the Landlord shall deliver to the Tenant a written statement or statements (the "**Statement**") setting out in reasonable detail the amount of Realty Taxes, Operating Costs and such other items of Additional Rent as the Landlord estimated in advance for such Fiscal Year. If the Realty Taxes, the Operating Costs and any other items of Additional Rent actually paid by the Tenant to the Landlord during such Fiscal Year differs from the amount of the Tenant's Proportionate Share of the Realty Taxes and Operating Costs and other items of Additional Rent payable for such Fiscal Year, other than by reason of an adjustment to the Rentable Area of the Premises, the Building or any other area made in accordance with Section 5.3 above, an adjustment shall be made between the parties in the following manner: (i) if the Tenant has paid in excess of the

amounts due, the excess shall be credited against Additional Rent then or in the future owing by the Tenant under this Lease (or such credit cannot be exhausted thereby, such as due to the end of the Term, then the Landlord shall promptly pay the uncredited amount of such excess to the Tenant); and (ii) if the amount the Tenant has paid is less than the amounts due, the Tenant shall pay such additional amounts due with the next monthly payment of Minimum Rent. The reconciliation obligations of the parties hereunder shall survive the expiration or earlier termination of this Lease.

- (c) Notwithstanding any questioning or review by the Tenant of amounts charged to the Tenant under this Lease, the Tenant shall promptly make all payments as charged, and the Tenant may not, notwithstanding any provision at law to the contrary, withhold any payment, nor make any deduction or effect any compensation or set-off as pertains to Rent, except as otherwise provided in this Lease. Failure of the Landlord to render any Statement shall not prejudice the Landlord's right to render such Statement thereafter or with respect to any other Fiscal Year. The Landlord may render amended or corrected Statements.
- (d) The Tenant shall not retain any party (except its accountant or solicitor, both being duly licensed to practice by their respective professional or other governing bodies having jurisdiction in the province where the Building is located) to advise it in contesting any calculation of Additional Rent pursuant to such Statement and the Tenant (as well as its afore-mentioned accountant and solicitor) shall keep the Lease, the Additional Rent review documents and reports, and all related material and exchanges (whether written or verbal) strictly confidential with no disclosure to any other party. The Tenant shall, upon request, provide the Landlord with a written document, signed by its afore-mentioned accountant and solicitor and addressed to the Landlord and in a form that shall have been pre-approved by the Landlord (the "**Confidentiality Undertaking**"), confirming the undertaking of the accountant and solicitor to comply with the afore-said confidentiality and non-disclosure obligations. Notwithstanding any provision of this Lease to the contrary, the Landlord shall not be required to provide any documents or information in support of amounts charged to the Tenant prior to the expiry of thirty (30) days following its receipt of the afore-mentioned Confidentiality Undertaking. Moreover, in no event shall the accountant or solicitor retained by the Tenant be compensated based on a percentage of recoveries or other contingency-based fee. This subsection shall survive the expiration or earlier termination of this Lease.
- (e) The Tenant shall not claim a re-adjustment in respect of Operating Costs or Realty Taxes or other items of Additional Rent estimated by the Landlord or the share payable by the Tenant on account thereof for any Fiscal Year except by Notice given to the Landlord within six (6) months after delivery of the relevant Statement, stating the particulars of the error in computation.
- (f) If the Tenant disputes the accuracy of any Statement within the period permitted under Section 5.4(e) above and the Landlord and the Tenant fail to settle the matter within a reasonable period, the matter shall be referred by the Landlord to an Expert for prompt decision. The Tenant shall pay in accordance with the

Statement until such decision is rendered. The Expert's signed determination shall be final and binding on both the Landlord and the Tenant. Any adjustment required to any previous payment by the Tenant or the Landlord by reason of any such determination shall be made within fourteen (14) days thereof, and the party required to pay such adjustment shall bear all costs of the Expert, except that if the amount paid is five percent (5%) or less of the amount in dispute, the Tenant shall pay all such costs.

- (g) Based on the information available to the Landlord as of the date hereof, the estimate for Realty Taxes and Operating Costs for the first year of the Term is twenty-two dollars (\$22.00) per square foot of Rentable Area of the Premises per annum including janitorial services in the Premises but excluding electricity and other utilities, but excluding any management or administration fees to be charged to the Tenant. It is understood that this is a bona fide estimate made by the Landlord as of the date hereof, but that it is not intended by the Landlord to be relied upon by the Tenant and is not binding and does not impose liabilities on the Landlord or affect the Tenant's obligations hereunder.

## **5.5 RENT PAYMENT**

- (a) All Rent and other amounts required to be paid by the Tenant pursuant to this Lease shall be paid to the Landlord, or its payment recipient agent, when due, at the address provided for herein or otherwise directed by the Landlord without prior demand and without any deduction, abatement (except as expressly provided herein), set-off, compensation or claim whatsoever and the Tenant hereby waives the benefit of any statutory or other right in respect of abatement or set-off in its favour at the time hereof or at any future time.
- (b) All payments by the Tenant to the Landlord may be applied towards amounts then outstanding hereunder in such manner as the Landlord determines;
- (c) All payments required to be made by the Tenant pursuant to this Lease shall be deemed to be Rent and shall be payable and recoverable as Rent, and the Landlord shall have all rights against the Tenant for default in any such payment as in the case of arrears of Rent.
- (d) The Tenant shall pay to the Landlord all Rental Taxes applicable from time to time, calculated and payable in accordance with Applicable Laws and the Tenant shall pay such amount at the earlier of: (i) the time provided for by Applicable Laws; and (ii) the time such Rent is required to be paid under this Lease. The amount payable by the Tenant on account of Rental Taxes shall be deemed not to be Rent for the purpose of such calculation but in the event of a failure by the Tenant to pay any amount, the Landlord shall have the same rights and remedies as it has in the event of a failure by the Tenant to pay Rent.
- (e) If the Commencement Date or other date for the commencement of any payment of any item of Rent is other than the first day of a full period in respect of which any item of Rent is calculated (for example, a partial Fiscal Year), or the last day of the Term is other than the last day of a full period, then unless otherwise provided in this Lease, the amount of such item of Rent payable in respect of the

broken period shall be prorated, on a per diem basis, based on a three hundred and sixty-five (365) day year.

**5.6 RENT PAST DUE**

If the Tenant fails to duly pay any Rent or any other amount payable by the Tenant under this Lease, such unpaid amounts shall bear interest at the Default Rate (payable as Additional Rent) from the due date thereof to the date of payment.

**5.7 METHOD OF RENT PAYMENT**

The Tenant undertakes to make its monthly payments of Rent as provided in the Lease, together with Rental Taxes and any other applicable taxes by way of cheque to the Landlord at the address provided in Section 17.7(a) in this Lease.

Any invoice sent by the Landlord to the Tenant pursuant to the provisions of this Lease, other than monthly Rent payments, shall be paid for by way of cheque to the Landlord at the address provided in Section 17.7(a) in this Lease.

**5.8 NET LEASE**

The Tenant acknowledges and agrees that it is intended that this Lease shall be a completely carefree net lease for the Landlord and that the Landlord shall not be responsible for any costs, charges, expenses and outlays of any nature whatsoever arising from or relating to the Premises or the Building during the Term, whether foreseen or unforeseen and whether or not within the contemplation of the parties at the commencement of the Term, except as shall be otherwise expressly provided in this Lease.

**ARTICLE 6**  
**REALTY TAXES AND OPERATING COSTS**

**6.1 REALTY TAXES PAYABLE BY LANDLORD**

The Landlord may postpone payment of any Realty Taxes to the fullest extent permitted by law so long as it pursues in good faith any contest or appeal of any such Realty Taxes with reasonable diligence.

**6.2 REALTY TAXES PAYABLE BY TENANT**

- (a) From and after the Commencement Date, the Tenant shall pay as Additional Rent to the Landlord or the relevant taxing authority, as the Landlord may direct, the Tenant's Proportionate Share of Realty Taxes. In the event that Realty Taxes are separately assessed by applicable Authorities for the Premises, then Tenant's Proportionate Share of Realty Taxes shall be deemed to be the amount of Realty Taxes separately assessed by the applicable Authorities for the Premises.
- (b) The Tenant shall promptly provide the Landlord with a copy of any separate tax bill or separate assessment notice that it receives for the Premises or any part thereof. If, as a result of changes in existing Applicable Laws, in any Fiscal Year the Tenant is prohibited by law from making payments of its Proportionate Share of Realty Taxes directly to the Landlord, then it shall pay to the appropriate taxing

authorities its Proportionate Share of Realty Taxes payable in respect of the Premises and promptly deliver to the Landlord receipts evidencing such payment. In such event, the Landlord and the Tenant will make an adjustment within thirty (30) days after the final tax bills are issued for such Fiscal Year and the Tenant will pay to the Landlord the amount by which its Proportionate Share of Realty Taxes for such Fiscal Year exceeds the amount of Realty Taxes actually paid by the Tenant or the Landlord will credit on account of subsequent payments of Additional Rent due the amount by which the Realty Taxes actually paid by the Tenant exceeds the Tenant's Proportionate Share Realty Taxes for the year (or if such credit cannot be exhausted at the end of the Term, then the Landlord shall promptly pay the uncredited amount of such excess to the Tenant and the obligation to make such payment shall survive the expiration or earlier termination of this Lease), as the case may be.

### **6.3 BUSINESS TAXES AND OTHER TAXES OF TENANT**

The Tenant shall promptly pay before delinquency to the taxing authorities or to the Landlord, if it so directs, as Additional Rent, any taxes, rates, duties, levies and assessments whatsoever, whether municipal, provincial, federal or otherwise, separately levied, imposed or assessed against or in respect of the operations at, occupancy of, or conduct of business in or from the Premises by the Tenant including the Tenant's Business Taxes and any portion of the Realty Taxes that are fairly attributable to Business Taxes, imposed in substitution for or in lieu of Business Taxes, or are fairly attributable to the elimination of or reduction of the Business Taxes, which amounts shall be determined by the Landlord, acting reasonably. Whenever requested by the Landlord, the Tenant shall deliver to the Landlord copies of receipts for payment of all such taxes.

### **6.4 ASSESSMENT APPEALS**

The Tenant shall not appeal any governmental assessment or determination of the value of the Building, or any portion of the Building whether or not the assessment or determination affects the amount of Realty Taxes or other taxes, rates, duties, levies or assessments to be paid by the Tenant. The Landlord shall determine, in a commercially reasonable manner, whether to appeal the imposition of any Realty Taxes, provided that in making such determination it shall have due regard to any information provided by the Tenant which would indicate that such an appeal would be successful. Upon final determination of any such contest where the Landlord is successful it shall make the appropriate adjustment with the Tenant in respect of any refunds or credits issued in respect of the Term by crediting any overpayments by the Tenant on account of subsequent payments of Additional Rent due (or if such credit cannot be exhausted at the end of the Term, then the Landlord shall promptly pay the uncredited amount of such excess to the Tenant and the obligation to make such payment shall survive the expiration or earlier termination of this Lease). If upon final determination of any such contest there is an increase in the amount of the Realty Taxes, the Tenant shall pay its Proportionate Share of any such increase.

### **6.5 OPERATING COSTS**

From and after the Commencement Date, the Tenant shall pay the Tenant's Proportionate Share of Operating Costs for the Fiscal Years (as prorated for any partial periods) occurring during the

Term.

Subject to the exclusions and deductions stipulated in Section 6.6, "**Operating Costs**" means the total, without duplication, of the costs, expenses, fees, rentals, disbursements and outlays (in Sections 6.5, 6.6 and 6.7 referred to collectively as "costs") of every kind, whether direct or indirect, paid, payable or incurred by or on behalf of the Landlord or the Building Owners on an accrual basis (or on a cash basis to the extent that the Landlord determines is reasonable) in the ownership, maintenance, repair, replacement, operation, administration, supervision and management of the Building, together with an administrative fee of fifteen percent (15%) on all such costs, excluding Realty Taxes and utility costs (in the event that multiple provisions of this Lease require an administrative fee or mark-up on the same costs, such fees and mark-ups shall be capped at 15% of the applicable costs); and without limiting the generality of the foregoing Operating Costs shall include:

- (a) costs of providing security, fire alarm and protection, supervision, traffic control, janitorial, landscaping, including costs to maintain exterior and interior plants, plant walls and exterior plant features, and any mechanisms and structures supporting such plant walls and features, window cleaning, waste collection, disposal and recycling and snow removal and elevator services and the costs of machinery, supplies, tools, equipment and materials used in connection with the Building (including rental costs of such items);
- (b) costs of telecommunications and broadband services and facilities (including riser, rooftop, telephone room and wireless management), information technology, telecopier, stationery, office equipment, supplies, signs and directory boards and other services and materials required for management, maintenance and operation (whether on or off-site and whether incurred by the Landlord, the Building Owners or the Property Manager);
- (c) costs of operating management offices (or to the extent there is no on-site management offices, a portion of the operating expenses of the off-site management office bearing responsibility for, inter alia, the Building determined by the Landlord on an equitable basis), including the fair market rental value of any space used by the Landlord and/or its manager in connection with the repair, maintenance, operation or management of the Building;
- (d) costs of providing electricity, fuel, heat, HVAC, water, telephone, gas, sewage disposal and other utilities and services (including all energy management and administration costs) (to the extent such item is charged separately to the Tenant under Section 7.2(b) or 7.3, or charged to other tenants in the Building under provisions substantially similar to Section 7.2(b) or 7.3, then the charges received shall be excluded from Operating Costs);
- (e) costs of:
  - (i) operating, maintaining, replacing, modifying and repairing the Building, including without limitation such costs where incurred by the Landlord or the Building Owners in order to comply with Applicable Laws or future changes to Applicable Laws, in either case coming into force after the Delivery Date, or resulting from normal wear and tear to the Building, or

in order to comply with reasonable requirements of Landlord's insurance carrier as a result of conduct or omissions of the Tenant or its Licensees or in connection with the Tenant or the Licensee's use of the Premises or the Building;

- (ii) providing, installing, modifying and upgrading energy and water conservation equipment and systems, life safety and emergency response systems, materials and procedures and telecommunication and broadband systems and equipment if any;
- (iii) making alterations, replacements or additions to the Building intended to reduce Operating Costs, utility consumption, and/or Greenhouse Gases emissions, improve the operation of the Building and the systems, facilities and equipment serving the Building, or maintain their operation;
- (iv) replacing machinery or equipment which by its nature requires periodic replacement; and
- (v) modifying and operating the Building to achieve the Environmental Objectives (including, without limitation, the costs of data collection, reporting, commissioning and re-commissioning the Building or any part of it);

(the "**Permitted Capital Expenditures**") all to the extent that such costs are fully chargeable in the Fiscal Year in which they are incurred or if not so chargeable in such year, then the amortization of such costs pursuant to Section 6.5(f) below, all in accordance with sound accounting principles or practise as applied by the Landlord;

- (f) the cost of those Permitted Capital Expenditures which are not fully chargeable in the Fiscal Year in which they are incurred in accordance with sound accounting principles or practices as applied by the Landlord shall be amortized over the useful life of the Permitted Capital Expenditure, as reasonably determined by Landlord in accordance with sound accounting principles or practices as applied by the Landlord, together with interest on the unamortized balance of such costs at an annual rate equal to three percent (3%) above the Prime Rate per annum;
- (g) amounts paid to, or reasonably attributable to the remuneration of, all personnel (whether on or off-site and whether employed by the Landlord, the Building Owners or a management company) involved in the maintenance, repair, replacement, operation, administration, supervision and management of the Building, including, without limitation, fringe benefits, severance pay, termination payments and other employment costs;
- (h) auditing, accounting, legal and other professional and consulting fees and disbursements incurred in connection with the maintenance, repair, replacement, operation, administration, supervision and management of the Building, including those incurred in connection with the Environmental Objectives, those incurred with respect to the preparation of the statements required under the provisions of this Lease, and those incurred in administering, minimizing, contesting or appealing assessments of Realty Taxes (whether or not successful);

- (i) costs of all insurance which the Landlord or the Building Owners are obligated or permitted to obtain under this Lease and the amounts of losses incurred or claims paid either below the insurance deductible amounts or as the co-insurance portion of an insured claim;
- (j) the costs of installing and maintaining any interior or exterior signage or directory boards;
- (k) costs incurred to operate and maintain automated blinds;
- (l) Capital Tax, Carbon Tax and Carbon Offset Costs (if any);
- (m) the costs of preparing a pandemic risk assessment and/or a Health Emergency plan, as well as actual costs in dealing with a Health Emergency;
- (n) a management fee in an amount equal to five percent (5%) of the Rent, in addition to any administrative fee charged on Operating Costs;
- (o) sales tax and excise or other taxes on goods and services provided by or on behalf of the Landlord in connection with the maintenance, repair, operation, administration or management of the Building; and
- (p) the costs, other than capital costs that are not Permitted Capital Expenditures, of keeping the Building's structure, Building Systems, and common areas in the Building in compliance with any Applicable Laws; and
- (q) any other costs reasonably attributable to the operation, maintenance, repair, replacement, administration, and supervision of the Building, including costs paid to the Property Manager, or to any Persons, including Affiliates of the Landlord, for providing services in connection with the foregoing.

Those items of Operating Costs which vary with the use and occupancy of rentable premises on the Building shall be adjusted and calculated as if the Building were 100% occupied and operational for the entire period to which those items relate so that those items of Operating Costs (which shall include, without limitation, items such as cleaning costs, garbage removal and utility costs) shall be adjusted to what they would have been in the Landlord's reasonable estimation if the Building were 100% occupied and operational for the entire period to which those items relate, and such adjusted amount shall be included in the Operating Costs.

#### **6.6 LIMITATIONS ON OPERATING COSTS**

Notwithstanding anything to the contrary in this Lease, in determining Operating Costs, the cost (if any) of the following shall be excluded or deducted, as the case may be:

- (a) major repairs to structural components that are required as a result of defective design or construction of such structural components;
- (b) interest on, and the capital retirement of debt or finance charges, except as specifically provided in Section 6.5(f), and ground rent payable to the lessor under any ground or other lease pursuant to which the Landlord has an interest in the Building;
- (c) costs incurred for any item to the extent covered by a manufacturer's, materialmen's, vendor's or contractor's warranty and paid by such manufacturer,



materialman, vendor or contractor, to the extent (but only to the extent) that the costs in respect of the item covered by such warranty claims have been charged as Operating Costs (Landlord shall pursue a breach of warranty claim for items covered by a warranty unless the Landlord determines in its reasonable discretion that such action would not be in the best interest of the tenants of the Building);

- (d) other than those expenses incurred in furtherance of the Environmental Objectives, expenses relating to decorating or redecorating or renovating rentable space in the Building for the exclusive use of a single tenant or occupant of the Building and costs relating to tenant inducements, allowances or similar expenses;
- (e) all leasing expenses, real estate brokers' fees, leasing commissions, advertising and space planners' fees;
- (f) net recoveries by the Landlord in respect of insurance claims to the extent (but only to the extent) that the repair costs in respect of the work covered by such insurance claims have been charged as Operating Costs;
- (g) costs incurred in connection with the sales, mortgaging, selling or change of ownership of the Building, including, without limitation, brokerage commissions, consultants', legal and accountants' fees, closing costs, title insurance premiums, transfer taxes and interest charges;
- (h) reserves for maintenance, repairs and replacements or any other purpose;
- (i) any capital expenditures whatsoever or any cost of a capital nature, including, without limitation, the costs of any capital improvements, alterations or replacements, as determined in accordance with generally accepted accounting principles, consistently applied, other than Permitted Capital Expenditures included in Operating Costs in accordance with Section 6.5(e) and (f);
- (j) the Landlord's income taxes (gross and net), including, without limitation corporate or franchise taxes or inheritance taxes, or gift taxes and interest or penalties for the late payment of such taxes, and the amount of any GST paid or payable by the Landlord on the purchase of goods or services the cost of which is included in Operating Costs or in any other item of Additional Rent, to the extent that a credit or offset for such GST is available to the Landlord under applicable legislation in determining the Landlord's net tax liability or refund on account of GST (note that the taxes described in this subsection shall not be billed to Tenant as Realty Taxes or included in any other charges to Tenant under any other provision of this Lease);
- (k) any "tap fees" or one-time lump sum sewer or water connection fees for the Building payable in connection with the original construction of the Building;
- (l) costs incurred in connection with the original construction of the buildings or any of the Building and costs of repairing, replacing or otherwise correcting defects or deficiencies in the design or construction of the improvements comprising the Building;
- (m) political or charitable contributions; and
- (n) development fees, impost fees and similar development charges.

### **6.7 ADJUSTMENTS OF OPERATING COSTS**

If by reason of the conduct of business on the Premises outside of Business Hours or by reason of the particular use or occupancy of the Premises by the Tenant or its employees, agents or Persons having business with the Tenant, additional costs in the nature of Operating Costs are incurred by the Landlord, such excess costs may be charged to the Tenant as Additional Rent.

### **6.8 REDUCTION OR CONTROL OF OPERATING EXPENSES AND UTILITY CONSUMPTION**

The Tenant shall comply with any practices or procedures that the Landlord, acting reasonably, may from time to time introduce to reduce or control Operating Costs and utility consumption, and shall pay, as Additional Rent, all costs, as determined by the Landlord, that may be incurred by the Landlord as a result of any non-compliance. The Landlord may use an Expert to assist it in making such determination.

### **6.9 AUDIT**

The Tenant may perform a formal audit of the Landlord's Operating Costs for the three year period preceding the date that the Tenant notifies the Landlord of its intention to conduct an audit pursuant to this Section 6.9 (the "**Audit Period**"), provided that at least three (3) years have passed since the end of the most recent Audit Period. The Tenant and Landlord shall adjust for variance identified in the audit in the following manner: (i) if the Tenant has made an overpayment of Operating Costs during the Audit Period, the excess shall be credited against Additional Rent then or in the future owing by the Tenant under this Lease (or such credit cannot be exhausted thereby, such as due to the end of the Term, then the Landlord shall promptly pay the uncredited amount of such excess to the Tenant); and (ii) if Tenant has paid less than its Proportionate Share of Operating Costs due during the Audit Period, the Tenant shall pay the difference in the next monthly payment of Minimum Rent. The party required to pay such adjustment shall bear all costs of the audit (including the costs of the other party in the audit), provided that if the audit identifies an overpayment of Operating Costs by the Tenant of less than three percent (3%), the Tenant shall pay all costs of the audit. This Section shall survive the expiration or earlier termination of this Lease.

## **ARTICLE 7**

### **HVAC, UTILITIES AND OTHER LANDLORD SERVICES.**

#### **7.1 HEATING, VENTILATING, AIR CONDITIONING, AND UTILITY CONSUMPTION**

- (a) The Landlord shall provide HVAC in quantities and at temperatures required to maintain conditions within a temperature range of 68°F to 76°F (20°C to 24.4°C) for normal office use in the Premises during Business Hours.
- (b) The Tenant acknowledges that the initial balancing of the HVAC system may take up to one year after the completion of the Tenant's Work.
- (c) Any rebalancing of the climate control system necessitated by the installation of partitions, equipment or fixtures by the Tenant after the Delivery Date or by any use of the Premises not in accordance with the design standards of such system shall be performed by the Landlord at the Tenant's expense. The Landlord shall not be responsible for inadequate performance of the Building Systems if: (i)

attributable to: (A) any arrangement of partitioning in the Premises or changes therein; (B) the failure to shade windows which are exposed to the sun; (C) the production by the Tenant of smoke, odours or contaminated air which the Building Systems are not designed to accommodate; (D) any use of electrical power by the Tenant which exceeds the required output of electricity to be provided as part of the Landlord's Project Work or Landlord's Buildout; (E) any material deterioration in air quality as a result of any furniture, equipment, materials or improvements located in the Premises or the management practices of the Tenant or any other occupant or Person on the Premises; or (ii) the Tenant does not keep the HVAC vents or air returns free and clear of all obstructions.

## **7.2 ELECTRICITY AND OTHER UTILITIES**

- (a) Throughout the Term, at all times (24 hours per day, seven days per week, 365 days per year), the Landlord will provide and permit the Tenant to use the electricity (of not less than 6.0 watts per square foot of the Rentable Area of the Premises, exclusive of the HVAC service described in Section 7.1(a) and any base building ceiling lighting), domestic water (hot and cold), sewage disposal and other public utility services serving the Building. The Tenant shall not overload the capacity of any such service. The Tenant shall not bring onto the Premises any installations, appliances or business machines which are likely to consume significant amounts of electricity or other utilities or which require special venting without the prior written consent of the Landlord. The Tenant shall not engage any Person to provide any public utility service to the Premises.
- (b) The Tenant shall pay in accordance with this Article 7 and all other provisions of this Lease relating to Additional Rent all charges for public utilities used upon or in respect of the Premises during the Term, including, without limitation, all gas, electricity, water, steam, and heat, and for fittings, machinery, apparatus, meters or other things leased in respect thereof and for all work or services performed by any corporation or commission in connection with such public utilities.
- (c) If the Tenant is billed for the consumption or use of any public utility services directly by the relevant public utility supplier, the Tenant shall pay such billings promptly when due.
- (d) If any one or more of the public utilities used upon or in respect of the Premises are sub-metered and the Tenant is not billed directly by the public utility supplier for such utilities, the Tenant shall pay, as Additional Rent, due at the times specified by the Landlord, a charge for the consumption of such utilities to be determined by the Landlord. This charge will be calculated on a reasonable basis, which shall account for the Tenant's consumption of such utilities relative to the total of cost and consumption of such utilities on the Building, as the Landlord may reasonably determine.
- (e) If any one or more of the public utilities used upon or in respect of the Premises are not separately metered or sub-metered then the Tenant shall pay, as Additional Rent, due at the times specified by the Landlord, the Tenant's Proportionate Share of the cost of such utilities supplied by the Landlord to the Building; provided, however, that in the event that the Tenant's use or consumption of any such

public utility is determined by the Landlord to be greater than such use or consumption by any one or more other tenants or occupants of premises in the Building, the Tenant shall pay the share of such public utilities apportioned to it on the basis of its additional use or consumption, as reasonably determined by the Landlord. Correspondingly, Landlord shall not include in Tenant's share of any utility costs billed hereunder the cost of any excessive use of such utilities by any other tenants or occupants of premises in the Building.

- (f) The Landlord's obligation to provide utilities or other services in accordance with the terms of this Lease may be suspended: (a) in order to comply with an Applicable Law or the order or directive of any governmental authority; (b) pursuant to Section 7.3 below; or (c) in the case of emergency, including a Health Emergency, or if the Landlord is otherwise prevented from doing so by causes beyond its reasonable control.

### **7.3 SPECIAL HVAC SERVICES AND UTILITIES AND EXCESS QUANTITIES**

The Landlord shall have no obligation to provide the Tenant with HVAC, electricity, sewage disposal, water or other utility services in amounts that are in excess of the services that Landlord is obligated to provide under the provisions of this Lease other than this Section 7.3 unless an Expert determines that the provision of such excess services: (a) is within the capacity of the Building Systems; (b) would not affect the operation, aesthetics or structure of the Building; and (c) is otherwise feasible. The Tenant will pay to the Landlord all costs, both non-recurring and recurring, of providing all such services if such costs are not otherwise paid directly by Tenant to the supplier of such service. Such costs shall be determined on the basis of separate water, electricity and natural gas (if applicable) meters or other measuring devices in the Premises or elsewhere in the Building or, if no such meters exist, in any other reasonable manner, as determined by the Landlord.

Upon request by the Tenant (but subject to the other conditions of this Section 7.3), the Landlord shall from time to time, at rates reasonably estimated by the Landlord to reflect its actual costs (currently estimated to be \$60/hour per floor), additional heating, ventilating and air-conditioning outside Business Hours. Upon request by the Tenant, the Landlord may agree from time to time to supply, at rates reasonably estimated by the Landlord to reflect its actual costs, additional utilities and services to the Premises above those normally provided to tenants of the Building or that the Landlord is expressly required to provide under the other provisions of this Lease. Prior to increasing any such estimated rates, the Landlord shall not increase the rates at which such additional services are charged to the Tenant without giving the Tenant thirty (30) days' notice of the intended increase.

### **7.4 OTHER LANDLORD SERVICES**

- (a) The Landlord shall at the Tenant's cost, such cost to be paid by the Tenant to the Landlord as Additional Rent, provide janitorial services to the Premises as are commonly provided in comparable buildings (excluding interior glass areas and areas used exclusively for computer equipment). With the exception of the obligation to cause such work to be done, the Landlord will not be responsible for any act of omission or commission on the part of the persons employed to perform such work. The Tenant shall grant access necessary for the performance

of the janitorial services and shall leave the Premises in a condition that facilitates the performance of such services. Other than as included in janitorial services, all curtains, carpets, rugs and drapes of any kind in the Premises shall be cleaned and maintained by the Tenant. The Tenant shall not engage any Person to provide cleaning or janitorial services to the Premises without the Landlord's written consent. The Landlord's consent shall not be unreasonably withheld, conditioned or delayed, provided that the Tenant promptly provides the Landlord with any information regarding such a Person that the Landlord may reasonably require, and such Person agrees to comply with the Rules and Regulations, including those relating to security and disposal of waste, and any other reasonable terms and conditions that may be imposed by the Landlord.

- (b) The Landlord shall provide elevator service during Business Hours and at all other times (24 hours per day, seven days per week, 365 days per year) throughout the Term, for use by the Tenant in common with others, except when prevented by maintenance, repairs, or other conditions beyond the Landlord's reasonable control.
- (c) The Landlord shall provide necessary supplies (including paper/soap products) in washrooms serving the Premises sufficient for normal use by office tenants.
- (d) The Landlord shall, upon request and as an Additional Service, provide pest control services for the Premises.

#### **7.5 ADDITIONAL SERVICES PROVIDED BY LANDLORD**

Wherever this Lease provides that the Tenant is to pay a cost or expense to the Landlord for a service as an item of Additional Rent (except for Operating Costs or Realty Taxes), the Tenant shall pay, in addition to such cost or expense, the Landlord's administration charge of fifteen percent (15%) of such cost or expense, which cost shall also be an item of Additional Rent. The Tenant shall pay to the Landlord the actual costs of all such services provided at the Tenant's request or otherwise provided for herein and which are not included in Operating Costs ("Additional Services") including, without limitation: (a) construction of any Leasehold Improvements (excluding, however, Landlord's Buildout and Landlord's Project Work), and (b) repairs to the Premises or other work performed at the request of the Tenant. The costs of such Additional Services shall be paid by the Tenant within thirty (30) days of receipt of an invoice from the Landlord to that effect.

#### **7.6 SIGNS AND DIRECTORY BOARD**

- (a) The Tenant shall not erect, affix, install or maintain any signs, lettering, identification or any promotional or other written materials visible from the exterior of the Building.
- (b) From and after the Delivery Date and throughout the Term, the Landlord shall, at Landlord's cost (not chargeable to Tenant) provide and install not more than the greater of five lines per 1,000 rentable square feet of the Rentable Area of the Premises or 200 lines, for the Tenant's trade name and the names of its Licensees on a directory board, which may or may not be an electronic directory board, to be located on the ground floor of the Building.

- (c) The Tenant shall pay a reasonable charge as Additional Rent for any additions or changes to the Landlord's directory boards after the Commencement Date.

#### 7.7 TELECOMMUNICATIONS

- (a) The Landlord shall incur no expense or liability whatsoever with respect to any aspect of the provision of telecommunication services, including, without limitation, the cost of installation, service, materials, repairs, maintenance, interruption or loss of telecommunication service. The Tenant shall be responsible for the costs associated with the supply and installation of telephone, television, computer and other communication equipment and systems and related wiring within the Premises for hook up or other integration with telephone and other communication equipment and systems of a telephone or other communication service provider; provided, however, Landlord agrees that the Landlord's Project Work will include the installation of infrastructure and facilities within the Building for use by at least one Building TSP to provide telecommunications service to the Building and for use by at least one Building cable television service provider to provide cable television service to the Building and the payment of any initial hook-up, connection or similar fees with respect to the bringing of service initially to the Building.
- (b) The Tenant may utilize a telecommunication service provider (a "TSP") of its choice with the Landlord's prior written consent, but:
- (i) the TSP must be registered with the Canadian Radio-television and Telecommunications Commission;
  - (ii) if the TSP is required to provide or install facilities in the Building in order to enable it to provide service to the Tenant, the Landlord must first determine that there is sufficient space in, or on the Building for the installation of the TSP's facilities and that the TSP is acceptable to the Landlord;
  - (iii) if the TSP intends to install, or has installed or purchased facilities situated in the Building for the purpose of providing telecommunication services to the Tenant, the Landlord may require the TSP to execute and deliver the Landlord's standard form of TSP licence agreement;
  - (iv) the Tenant shall be responsible for all costs incurred by the Landlord in enabling usage by the Tenant of its choice of TSP not otherwise paid by such TSP; and
  - (v) the Tenant shall be responsible for the removal of all cabling and wiring serving the Premises by such TSP at the expiry of the Term, if required by the Landlord.
- (c) The parties understand that the Building contains one or more riser rooms containing telecommunications cable distribution systems ("CDS") for use by TSPs and tenants. If the Landlord provides a CDS, the Tenant's TSP or the Tenant, as the case may be, may be required by the Landlord to use the CDS for its communications cabling needs on terms and conditions to be set by the Landlord. These terms and conditions will include obligations for the TSP, or the

Tenant, as the case may be, to pay costs and to contribute to Operating Costs associated with the CDS and a complete release of the Landlord and indemnity from the TSP or the Tenant, as the case may be, in respect of the use of the CDS. A cable television service provider shall be connected to the Building's risers.

- (d) If the Tenant's approved TSP does not have a point of connection in the Premises, the Tenant may be required to install its own cable and facilities or to purchase cable and facilities from the Landlord for installation in the communication pathways and risers of the Building for connection to the Tenant's TSP's facilities in the main terminal room, at the main distribution frame or at other points of connection designated by the Landlord. In such case: (i) the Tenant may be required to pay all costs reasonably incurred by the Landlord; (ii) the Tenant may be required to remove such cable and facilities and restore any damage caused by the removal at the Landlord's option, or to pay the cost of removal and restoration at the end of the service term of that TSP; and (iii) the Tenant may be required to abide by any policies, directions or requirements of any riser manager retained by the Landlord and to pay, in addition, any direct costs invoiced to the Tenant by such riser manager in respect of plan review charges, inspection charges and other services provided by such riser manager to the Tenant.
- (e) If required by the Landlord, the Tenant shall change its TSP if the licence agreement referred to above in Section 7.7(b) is terminated or expires and is not renewed. The Tenant acknowledges that the Landlord has no obligation to ensure continuation of services by the Tenant's TSP or any other TSP in the Building.

## **ARTICLE 8**

### **OPERATION, CONTROL AND MAINTENANCE BY LANDLORD**

#### **8.1 OPERATION OF THE BUILDING BY LANDLORD**

The Landlord shall operate the Building in accordance with all Applicable Laws and with standards from time to time prevailing for similar office buildings in the area in which the Building is located, subject, however, to the limitations occasioned by the design and age of the Building and the capacity of the Building Systems, and the provisions of this Lease. The Landlord's costs of compliance with this Section 8.1 shall be included in Operating Costs, to the extent provided therein, except as otherwise expressly provided in this Lease.

#### **8.2 CONTROL OF THE BUILDING BY LANDLORD**

The Landlord has at all times exclusive control of the Building and its management and operation, but not so as to deny the Tenant access to the Premises and use of utilities in the Building 24/7/365 except in the event of damage or destruction to the Building or an emergency or except as otherwise provided in this Lease. Notwithstanding the foregoing, at any time and from time to time, the Landlord may:

- (a) make repairs, replacements, changes or additions to the structure, systems, facilities and equipment in the Building;

- (b) dedicate or convey portions of the Lands, grant easements, rights-of-way, restrictive covenants or other interests in the Lands and construct additional improvements in or adjoining the Lands;
- (c) retain contractors and employ all personnel, including supervisory personnel and managers, that the Landlord considers necessary for the effective maintenance, repair, operation, management and control of the Building; and
- (d) do and perform such other acts in and to the Building or any of its component parts as the Landlord considers reasonable for the proper and efficient maintenance, repair, operation, management and control of the Building,

provided that in the course of the Landlord's exercise of its rights hereunder, the Landlord shall be deemed not to have re-entered the Premises nor to have breached any obligation of this Lease. In undertaking all such work, the Landlord shall use reasonable commercial efforts to minimize the disruption to the Tenant and shall attempt to schedule such work during non-Business Hours. If any such proposed work will materially and adversely affect the Tenant's business conducted from the Premises, the Landlord shall first provide details of the proposed work to the Tenant except in an emergency.

The Landlord will provide to the Tenant at no expense up to one thousand (1,000) key-cards or fobs permitting access to Premises by elevator and through the entry doors to the Building. Additional access cards or fobs shall be available upon request by the Tenant, and the Landlord may charge a reasonable fee for providing the same.

### **8.3 NAME OF BUILDING**

The Landlord may from time to time designate a name or other identification for the Building. The Tenant shall be responsible for any costs it incurs as a result of any changes in the name or identification (such as changes to its stationery and other material). The Tenant shall have no rights in any such names or identification. Given the nature of Tenant's executive office suites business, Tenant may use the name or logo of the Building, and photographs and renderings of the Building, in connection with or in promoting or advertising the business of Tenant without the consent of Landlord.

### **8.4 MAINTENANCE AND REPAIRS BY LANDLORD**

The Landlord shall keep or cause to be kept in good repair to the standards from time to time prevailing for similar office buildings in the area in which the Building is located subject, however, to the limitations occasioned by the design and age of the Building and the capacity of the Building Systems and to reasonable wear and tear not inconsistent with such standard and in a condition that complies with Applicable Law (the "**Repair Standard**"); the footings, foundations, structural columns and beams, structural subfloors, bearing walls, exterior walls, windows, roofs, landscaping, parking areas, access drives, exterior areas, common area hallways, restrooms and lobbies, the Building Systems of the Building, and other portions of the Building (excluding tenant spaces), provided that:

- (a) if all or part of Building Systems require repair, replacement, maintenance or inspections in order to comply with the Repair Standard, the Landlord shall have a reasonable time in which to complete such work, and during such time shall only



be required to maintain such services as are reasonably possible in the circumstances;

- (b) no reduction or discontinuance of such services or loss of use of the Premises shall be construed as an eviction of the Tenant or (except as specifically provided in this Lease) release the Tenant from any obligation under this Lease; and
- (c) the Repair Standard may be suspended from time to time due to a Health Emergency or Unavoidable Delay.

In performing such obligations, the Landlord shall use commercially reasonable efforts to minimize interruptions to the Tenant's business and to schedule any repair work which may cause material disruption to the Tenant's business outside Business Hours. If any such proposed repair work will materially and adversely affect the Tenant's business conducted from the Premises, the Landlord shall first provide details of the proposed work to the Tenant except in an emergency.

#### **8.5 ACCESS BY LANDLORD**

- (a) The Landlord and its agents have the right to enter the Premises on reasonable notice, at all reasonable times (except in the case of emergencies where no such notice or required time shall be applicable) to examine the same and to make such repairs, alterations, changes, adjustments, or improvements to the Premises or the Building or any part thereof or any adjacent property as the Landlord considers necessary or desirable, or for any other purpose necessary to enable the Landlord to perform its obligations or exercise its rights under this Lease, without this constituting a re-entry or breach of any covenant for quiet enjoyment contained in this Lease or implied by law. The Rent shall not abate or be reduced while any such repairs, alterations, changes, adjustments, improvements or additions are being made due to loss or interruption of business of the Tenant, inconvenience or otherwise, and the Landlord shall not be liable to the Tenant for any injury or death caused to any Person or for any loss or damage to the property of the Tenant or of others located on the Premises as a result of such entry, but the Landlord shall use commercially reasonable efforts to minimize interruptions to the Tenant's business and to schedule any work which may cause material disruption to the Tenant's business outside Business Hours.
- (b) The Landlord and its agents have the right to enter the Premises on reasonable notice, at all reasonable times, to show the Premises to prospective purchasers, insurers, prospective insurers, Mortgagees or prospective Mortgagees. During the twelve (12) months prior to the expiration of the Term (or the expiration of any renewal or extension period, if any) the Landlord may show the Premises to prospective tenants and may place upon the Premises the usual "For Rent" notices. The Tenant shall permit all such notices to remain thereon without molestation or complaint.
- (c) If the Tenant is not personally present to open and permit an entry into the Premises by the Landlord in accordance with the provisions hereof, the Landlord or its agents may enter the same using reasonable force in the circumstances without rendering the Landlord or such agents liable therefor and without in any

manner affecting the obligations and covenants of this Lease. The Tenant agrees that no entry into the Premises or anything done in, to or for the Premises by the Landlord pursuant to a right granted by this Lease shall constitute a breach of any covenant for quiet enjoyment or (except where expressed by the Landlord in writing) shall constitute a re-entry or forfeiture or an actual or constructive eviction, and the Landlord shall not be liable to the Tenant for any injury or death to any Person or for any loss or damage to any property of the Tenant or of others as a result of any such entry or thing done.

#### **8.6 BLINDS**

The Landlord may install and maintain automated mechanical blinds in the Premises, which will raise and lower to control the uniform appearance of the Building and depending on parameters to be set by the Landlord, including the time of day and the temperature of the Premises and the Building.

#### **8.7 HEALTH EMERGENCY**

If a Health Emergency exists, the Landlord may amend, supplement or otherwise enforce any existing Health Emergency rules or regulations in existence, may impose additional Rules and Regulations, and may impose restrictions to mitigate or minimize the effects of the Health Emergency. Without limiting the generality of the foregoing:

- (a) during a Health Emergency, the Landlord shall be entitled to restrict or limit access to the Building to employees of the Tenant only, and/or to prohibit entry by visitors or invitees for a reasonable period of time during such event;
- (b) the Landlord shall have the right during a Health Emergency to require the Tenant to decontaminate all or any part of the Premises, failing which the Landlord shall be entitled to enter the Premises and do so at the Tenant's expense. Any steps that the Landlord may choose to take are in its sole and unfettered discretion and nothing herein shall obligate the Landlord to effect any such decontamination; and
- (c) the Landlord shall be entitled during a Health Emergency to close all or any part of the Building if it determines that it is not safe to continue to operate the Building or certain parts of the Building.

#### **8.8 ABATEMENT FOR INTERRUPTIONS**

If the Tenant is unable to and does not use a portion of the Premises for its business purposes as a direct result of a breach or default by Landlord of its maintenance obligations under this Lease or an interruption in any material service or access which Landlord is obligated to provide under this Lease due to causes within Landlord's reasonable control or which Landlord is able to rectify (regardless of the cause of the interruption), and such event continues for seventy-two (72) hours after the Tenant's written notice thereof to the Landlord (or five (5) or more non-consecutive Business Days of which the Tenant has, in each case, given the Landlord written notice, in any period of thirty (30) consecutive calendar days or less), then the Tenant shall be entitled to an abatement of Rent, which abatement shall commence as of the second day after the occurrence of such event (i.e., after the expiration of said seventy-two (72) hour period or

after the expiration of said fifth (5th) Business Day of interruption in the case of non-consecutive Business Days of interruption occurring during any period of thirty (30) consecutive days or less) and shall be based on the extent of Tenant's inability to use the Premises for its business purposes.

## ARTICLE 9 MAINTENANCE AND ALTERATIONS BY TENANT

### 9.1 MAINTENANCE AND REPAIR BY TENANT

From and after the Delivery Date, the Tenant shall during the Term, at its sole cost, and with due diligence and dispatch, manage, maintain, operate and repair the Premises and all Leasehold Improvements, and all facilities and equipment exclusively serving the Premises (no matter where such facilities and equipment may be located), in good order and condition (including periodic painting and decorating) to the standards from time to time prevailing for similar office buildings in the area in which the Building is located subject to reasonable wear and tear not inconsistent with such standard and with the exception only of those repairs which are the obligation of the Landlord under this Lease and subject to Section 9.2 and Article 14. The Tenant shall not place any debris, garbage, trash or refuse or permit same to be placed or left in or upon any part of the Building outside of the Premises, other than in a location provided by the Landlord specifically for such purposes, and the Tenant shall not allow any undue accumulation of any debris, garbage, trash or refuse in or outside of the Premises. If the Tenant uses perishable articles or generates wet garbage, the Tenant shall provide refrigerated storage facilities suitable therefor to the Landlord's satisfaction, acting reasonably.

### 9.2 ALTERATIONS BY TENANT

The Tenant may from time to time at its own expense install Leasehold Improvements, and repair, alter and replace existing Leasehold Improvements (such installation, repairs, replacements and alterations and any repairs by the Tenant of the Premises being referred to herein as "**Alterations**") provided that:

- (a) all Alterations shall require the prior review and written approval of the Landlord, save and except for:
  - (i) any Alterations or series of Alterations constituting a single project, involving only painting and re-carpeting any area of Premises not located on the ground floor of the Building; and
  - (ii) minor Alterations to Leasehold Improvements which do not affect the structure of the Building, any exterior walls, windows or roof, any of the mechanical systems, electrical systems or other Building Systems, or the aesthetics of the Building not performed on the ground floor of the Building, and which do not require a building permit, provided that the value of such Alterations or series of Alterations constituting a single project, does not exceed such One Hundred and Fifty Thousand Dollars (\$150,000.00);
- (b) the Tenant must provide the Landlord with reasonable detail of any Alterations that do not require the Landlord's review and approval at least sixty (60) days

prior to the commencement of such Alterations, and must otherwise comply with all requirements of this Article 9;

- (c) for Alterations which require the Landlord's review and approval, the Tenant shall furnish the Landlord with two complete sets of professionally prepared working drawings (which shall include any architectural, structural, electrical, mechanical, computer system wiring and telecommunication plans) of the proposed Alterations. The Tenant shall retain the Landlord's base building mechanical, electrical, environmental and structural engineering consultants to ensure compatibility of such Alterations with the Building Systems. If the Tenant uses other consultants for the preparation of the Tenant's working drawings, then the Landlord may elect to retain architects, environmental consultants and engineers to review such working drawings for the purpose of approving the proposed Alterations (it being understood that notwithstanding such approval, the Landlord shall have no responsibility with respect to the adequacy of such working drawings). The Tenant shall pay to the Landlord, on demand, the costs of the examination of such drawings by either the Landlord or an outside consultant plus an administration fee of fifteen percent (15%) of such costs;
- (d) all Alterations shall be subject to the reasonable regulations, supervision, control and inspection by the Landlord and, in addition to any other payment contained in this Article 9, for Alterations which require the Landlord's review and approval, the Tenant shall pay to the Landlord, on demand, the costs and expenses of the Landlord in connection with the foregoing, which shall be fifteen percent (15%) of the total construction cost of the Alterations;
- (e) the Tenant shall provide, prior to the commencement of any Alterations, evidence of required workers' compensation coverage and proof of owner and contractors protective liability insurance coverage, with the Landlord, any Property Manager and any Mortgagee as required by the Landlord, to be named as additional insureds, in amounts, with insurers, and in a form reasonably satisfactory to the Landlord, which shall remain in effect during the entire period in which the Alterations will be carried out. In addition, if reasonably requested by the Landlord, the Tenant shall provide proof of performance and payment bonds being in place;
- (f) the Tenant will deliver a list identifying every contractor and subcontractor, accompanied by an up-to-date valid clearance certificate for each of them issued by the appropriate workers' compensation, safety and insurance authority and the Landlord shall have approved, prior to commencement of any Alterations, such contractors and subcontractors and their respective labour affiliations. The Tenant will not use any contractor or permit the use of any sub-contractor that is not identified on the list;
- (g) if any proposed Alterations could affect the structure or the exterior walls or the Building Systems, the Landlord may require that any such Alterations be performed by either the Landlord or its contractors in which case the Tenant shall pay the Landlord's cost (which shall be based on competitive bids for such work) plus an administration fee of fifteen percent (15%);

- (h) the Tenant shall have provided to the Landlord a copy of the contract for all Alterations and evidence satisfactory to the Landlord as to the existence of all necessary permits;
- (i) the Tenant shall perform all Alterations or cause such Alterations to be performed: (i) in accordance with any construction methods and procedures manual for the Building; (ii) in accordance with the plans and specifications submitted to and approved by the Landlord; (iii) in accordance with any conditions, regulations, procedures or rules imposed by the Landlord; (iv) in compliance with all Applicable Laws; and (v) in a good and workmanlike and expeditious manner;
- (j) the Tenant specifically undertakes not to paint, coat, cover or deface in any way the exposed brick or wood surfaces in the Premises, including the hardwood floors located therein;
- (k) the Tenant shall ensure that all cabling installed in the Building in connection with Tenant's business in or use of the Premises is appropriately labelled. For greater certainty, installation of flammable cabling shall be strictly prohibited;
- (l) the Landlord may inspect construction as it proceeds;
- (m) upon completion of any Alterations, the Tenant shall provide the Landlord with a complete set of "as built" CAD drawings for the Alterations, and a satisfactory air balancing report; and
- (n) if the Tenant fails to observe any of the requirements of this Article 9, the Landlord may require that construction stop and, at the Landlord's option, that the Premises be restored to their prior condition failing which the Landlord may do so and the Tenant shall pay the Landlord's cost plus an administration fee of fifteen percent (15%).

The Tenant acknowledges, agrees and accepts that any review or approval by Landlord of Tenant's repairs or of any plans and/or specifications with respect thereto in the Premises or any review or approval of any work performed in connection therewith is solely for Landlord's benefit, and without any representation or warranty whatsoever to Tenant with respect to the adequacy, compliance, correctness or efficiency thereof or otherwise all of which are the Tenant's sole responsibility.

### **9.3 REMOVAL OF IMPROVEMENTS AND FIXTURES**

All Leasehold Improvements shall immediately upon their placement become the Landlord's property without compensation to the Tenant. Except as otherwise agreed by the Landlord in writing, no Leasehold Improvements shall be removed from the Premises by the Tenant either during or at the expiry or earlier termination of the Term except that:

- (a) the Tenant may, in the ordinary course of the Tenant's business and so long as the Tenant is not in default hereunder, during the Term, remove any of its trade fixtures that are no longer required for the operation of the business or are in the course of being replaced, provided that if any of such trade fixtures were installed by the Landlord as part of the Landlord's Buildout (excluding, however, any trade fixtures like signage that have the brand name used by Tenant at the Premises),

then the Tenant will not remove such trade fixtures from the Premises without the prior written consent of the Landlord; and

- (b) at the end of the Term the Tenant shall, at its sole cost, if required by the Landlord, remove all of its trade fixtures. The Tenant shall not be required to remove its Leasehold Improvements but the Landlord may require that the Tenant remove at its expense any Leasehold Improvements that Landlord did not approve under the foregoing provisions of this Article 9 and to restore the Building to the condition which existed prior to the installation of such Leasehold Improvements all as the Landlord shall require by Notice; provided, however, notwithstanding the foregoing, in no event shall Tenant be required to remove any Leasehold Improvements installed or made as part of Landlord's Buildout or Landlord's Project Work. If required by the Landlord, the Tenant shall pay all costs incurred to close any floor slab openings made by the Tenant or on its behalf, excluding, however, any such openings made as part of Landlord's Buildout or Landlord's Project Work. Such removal and restoration shall be completed by the later of: (A) the end of the Term; and (B) fifteen (15) days after the Landlord's Notice, provided that in the event of termination of this Lease prior to the expiry of the Term, such removal and restoration shall be completed no later than fifteen (15) days after the date the Landlord recovers possession of the Premises.

The Tenant shall at its own expense repair any damage caused to the Building by the Leasehold Improvements, trade fixtures or wiring, cables and related devices and equipment and/or such installation, removal and restoration, excluding, however, any damage to the Building done by any Leasehold Improvements installed by Landlord or its employees, contractors or subcontractors (which shall be Landlord's responsibility to repair). If the Tenant does not remove its trade fixtures, or wiring, cables and related devices prior to the expiry or earlier termination of the Term, such trade fixtures, wiring, cables and related devices shall, at the option of the Landlord, be deemed abandoned and become the property of the Landlord and may be removed from the Premises and sold or disposed of by the Landlord in such manner as it deems advisable and the Tenant shall pay to the Landlord on demand all costs incurred by the Landlord in connection therewith, plus an administration fee of fifteen percent (15%) of the costs. If the Tenant fails to complete any work referred to in this Section 9.3 within the period specified, the Tenant shall pay compensation to the Landlord for damages suffered by the Landlord for loss of use of the Premises.

#### **9.4 LIENS**

The Tenant shall pay before delinquency for all materials supplied and work done in respect of the Premises so as to ensure that no lien or claim of lien is registered against any portion of the Lands in respect of materials supplied to or work done for the Tenant in respect of the Premises or against the Landlord's or Tenant's interest in the Lands (excluding, however, any lien or claim of lien in connection with Landlord's Buildout or Landlord's Project Work, which shall be Landlord's responsibility to pay without recourse or claim against Tenant for such amounts). If a lien or claim of lien is registered or filed, the Tenant shall discharge it at its expense within five (5) Business Days after Notice from the Landlord (or sooner if such lien or claim is delaying a financing or sale of all or any part of the Lands), failing which the Landlord may at its option, as Additional Services, discharge the lien (but not by payment to the lien claimant directly) or claim

of lien by paying the amount claimed to be due into court and the amount so paid and all expenses of the Landlord including legal fees (on a solicitor and client basis) shall be paid by the Tenant to the Landlord, together with the Landlord's administration fee of fifteen percent (15%) of such amount and expenses, as Additional Rent. The Tenant shall not mortgage, charge, grant a security interest in or otherwise encumber any Leasehold Improvements.

#### **9.5 NOTICE BY TENANT**

The Tenant shall promptly notify the Landlord of any accident, defect, damage or deficiency which occurs or exists in any part of the Premises, the Building Systems within the Premises and which comes to the attention of the Tenant.

#### **9.6 REPAIR WHERE TENANT AT FAULT**

Notwithstanding any other provisions of this Lease but subject to Section 11.7, if any part of the Building or Building Systems is damaged or destroyed or requires repair, replacement or alteration as a result of the act or omission (where there is a duty to act at law or in equity) of the Tenant, its employees, agents, contractors, invitees, licensees or other Person for whom it is in law responsible, the resulting repairs or alterations shall constitute Additional Services and the cost thereof, together with the Landlord's administration charge of fifteen percent (15%) of such cost, shall be paid by the Tenant to the Landlord, as Additional Rent.

### **ARTICLE 10** **USE OF PREMISES**

#### **10.1 PERMITTED USES**

- (a) The Tenant shall use the Premises only for: (i) general office purposes, (ii) operating a café or deli from that portion of the Premises situate in the manner specified out in Section 10.1(b), and (iii) operating a flexible workplace center with executive suites, shared workspaces, open seating areas and co-working areas, together with refreshment, business supply and printing stations and offering office-related services such as meeting facilities, administrative and concierge services, telecommunications services and furniture (the "**Permitted Use**"), which shall be operated in a first-class, reputable manner befitting the reputation and image of the Building, and for no other purpose. The café will be designed in keeping with the caliber and aesthetic of the Building. Tenant shall not allow use of the Premises by any financial institution to the extent open to the public on a walk-in basis at the Premises.
- (b) Subject to the foregoing and compliance by the Tenant with all Applicable Laws, the Tenant will be allowed to have, within the Premises (other than the ground floor), a café and/or deli which will offer food and beverages, including, without limitation, alcohol, for sale to the Tenant's Licensees and other clients and their respective visitors (but such café and/or deli shall not be open to public and shall not be on the ground floor of the Premises). The Tenant shall be permitted to enter into a sublease, license agreement or concession agreement with a third party operator to operate such café and/or deli (a "**Café Agreement**") after first obtaining the written consent of the Landlord which consent will not be

unreasonably withheld (it being agreed that the Café Agreement shall not constitute a “**Transfer**” and will not be subject to Section 12.2). Notwithstanding the aforesaid, before operating from the Premises a café or deli, whether itself or through a third party Café Agreement, (i) the Tenant shall first provide written notice to the Landlord and the Landlord and Tenant, each acting reasonably, agree in writing on: (A) any alterations or improvements intended to be made to or installed for the purposes of the café/deli use, including equipment for the exhausting of food/cooking odours and containment of grease or other waste and (B) the method for handling and disposal of refuse, (ii) the Tenant first obtains, at its expense, all necessary permits and approvals for such use(s), including the service of alcohol, from all applicable municipal and other governmental authorities and regulators, (iii) the Tenant shall, upon the request, provide the Landlord with a copy of the Café Agreement if applicable, (iv) the conditions specified in Section 12.3(b)-(d), (f), and (h)-(j) shall apply in the case of any sublease (with Landlord agreeing to act reasonably with respect thereto), and (v) the Tenant shall be responsible for any conduct of licensee or concessionaire, and its clients, agents, contractors, and employees within the Building, and any action or omissions by such persons that would be a breach of the provisions of this Lease shall be deemed to be a breach by the Tenant, and any damage, injury, or loss sustained by the Landlord from the actions or omissions of such persons, shall be deemed to have been caused by the Tenant.

- (c) Notwithstanding anything else contained in this Lease to the contrary, so long as: (a) the Tenant named in this Lease or a Permitted Transferee is operating a flexible workplace center in at least 50% of the Rentable Area of the Premises as permitted by this Lease, subject, however, to interruptions in such operations to the extent resulting from resulting from strikes, lockouts or other labour disputes, the enactment, amendment or repeal of any Applicable Laws, riots, insurrection, sabotage, rebellion, war, acts of terrorism, act of God, Health Emergency or any other similar reason or any other cause beyond the reasonable control of Tenant (excluding, however, any financial inability), or due to reasonable interruptions for repairs or construction, and (b) no Event of Default has occurred and is then continuing (provided that the rights of Tenant in this paragraph shall be held in abeyance while any Event of Default is continuing and shall resume when such Event of Default is cured), the Tenant shall be permitted to enter into agreements (“**Office Service Agreements**”) with its clients (the “**Licensees**”) with respect to the use or occupancy of portions of the Premises without the requirement to first obtain the Landlord’s consent (it being agreed that Office Service Agreements shall not constitute “**Transfers**”). In addition, the Tenant agrees that: (i) no Office Service Agreement shall grant to the Licensee thereunder a sublease or any form of leasehold interest in the Premises or any portion thereof; (ii) such Office Service Agreement shall not afford to such Licensees any rights which are inconsistent with the terms of this Lease; (iii) each individual Licensee’s rights to occupy any part of the Premises will be terminated upon the expiration of the Term of this Lease or upon earlier termination of this Lease; (iv) the individual Licensees shall not be permitted to use the Premises other than for general office purposes, operating in a first-class, reputable manner befitting the reputation and



image of the Building, and for no other purpose, and (v) if any such Licensee causes the Tenant to be in breach of the terms of this Lease, the Tenant shall immediately take such steps as may be required to remedy such breach.

- (d) Attached hereto as SCHEDULE "I" and incorporated herein by this reference is the Tenant's current standard form of Office Service Agreement; the form is subject to updates and changes made from time to time by the Tenant and to any modifications as may be made by the Tenant to complete the form or to otherwise accommodate any particular Licensee. Each such Office Service Agreement shall comply with the provisions of Section 10.1(c).
- (e) Within thirty (30) days after the Landlord's request (but in no event more than two (2) times in any calendar year), the Tenant shall provide the Landlord with (i) a current list of the Tenant's Licensees occupying space at the Premises, and (ii) copies of the Office Service Agreements with those Licensees with financial information redacted. The Landlord shall treat the information provided pursuant to this Section 10.1(d) and copies of the Licence Agreements which the Tenant provides to the Landlord as confidential and shall not disclose the same, including any information contained therein (collectively, "**Confidential Information**") to anyone other than persons within the Landlord's organization or advisors who have a need to know in the course of the performance of their duties analyzing or evaluating the Confidential Information, and the Landlord shall cause persons in its organization or advisors to keep same in strict confidence. This paragraph does not apply to Confidential Information that (i) was in the public domain at the time of communication to the Landlord; (ii) becomes known to the Landlord through disclosure by sources other than the Tenant having the legal right to disclose such Confidential Information; (iii) is independently acquired or developed by the Landlord; or (iv) is required to be disclosed by the Landlord to comply with applicable laws or regulations; provided that the Landlord provides prior written Notice to the Tenant and takes reasonable actions to minimize the extent of disclosure. The Landlord's obligations under this Section 10.1(d) shall survive expiration or earlier termination of this Lease.
- (f) All Office Service Agreements shall be subordinate in all respects to the Lease, and no Office Service Agreement shall be deemed to amend, modify or waive any provision of this Lease or release Tenant from any obligations under this Lease.
- (g) The Tenant shall be responsible for the conduct of the Licensees and their respective clients, agents, contractors, and employees within the Building, which conduct shall be deemed to be the conduct of the Tenant.

## **10.2 COMPLIANCE WITH LAWS**

The Tenant shall use and occupy and shall cause the Premises to be used and occupied in compliance with all Applicable Laws and in a safe, careful and proper manner. It is the Tenant's responsibility to ensure that its use from time to time is permitted by all Applicable Laws, and the Landlord makes no representation or warranty to the Tenant in this regard, the Tenant hereby acknowledging that it has satisfied itself that such use is permitted. At the Landlord's request the Tenant shall use and occupy the Premises in accordance with any directive, policy or request of any governmental or quasi-governmental authority or any other reasonable request of the

Landlord, in respect of any energy conservation, water conservation, waste management, health, safety, security or other matter relating to the operation of the Building. If, in the Landlord's reasonable opinion, the Tenant's particular use of the Premises (as opposed to use or occupancy by tenants in general) requires improvements or changes in order to comply with any Applicable Laws or with any such directive, policy or request or with the requirements of insurance carriers, the Landlord shall forthwith give Notice to the Tenant to do such work within the requisite period of time and the Tenant shall then do such work within the requisite period of time or, at Tenant's option, Tenant may cease the particular use that is giving rise to the need for such improvements or changes. If the Tenant fails to perform such work in accordance with the Notice or fails to cease the particular use, the Landlord may perform such work, and the Tenant shall pay to the Landlord the costs of any such work done by the Landlord, together with an administrative charge equal to fifteen percent (15%) of the cost of such work.

### **10.3 NUISANCE, INTERFERENCE, WASTE, OVERLOADING**

- (a) The Tenant shall not bring into the Premises any Hazardous Substance or other contaminant without the written consent of the Landlord, which may be arbitrarily withheld, except that Tenant shall be entitled to use Hazardous Substances in quantities, and for purposes, that are typical in general business offices, provided that same are used, handled, stored, transported and disposed of by or on behalf of the Tenant in strict compliance with all Environmental Laws.
- (b) The Tenant shall not cause or allow any act or thing which constitutes waste, a nuisance or which is dangerous, or which constitutes a health hazard to, or which interferes with the operation of any Building Systems or with the computer equipment, telecommunication equipment or other technological equipment of the Landlord, or any service providers. The Tenant shall keep the Premises free of debris and other items that might attract rodents or vermin and free of anything of a dangerous or noxious nature or which could create a fire, environmental, health or other hazard (including any electromagnetic fields or other forms of radiation) or undue vibration, heat or noise. The Tenant shall not cause or allow any overloading of the floors of the Building or the bringing into any part of the Building, including the Premises, of any articles or fixtures that by reason of their weight, use, energy consumption, water consumption or size might damage or endanger the structure or any of the Building Systems. The Tenant shall take reasonable steps to ensure minimal transmission of electromagnetic radiation from the Premises in respect of any particular equipment located within the Premises or elsewhere within, upon or beside the Building but used solely by the Tenant including, without limitation, any rooftop antenna(e).

### **10.4 RULES AND REGULATIONS**

The Tenant shall comply and cause every Person over whom it has control, including all Licensees, to comply with the Rules and Regulations. The Landlord shall have the right from time to time to make reasonable amendments, deletions and additions to such Rules and Regulations, including, without, additional rules concerning the operation of any café and/or deli such as with respect to the handling of refuse. If the Rules and Regulations conflict with any other provisions of this Lease, the other provisions of this Lease shall govern. The Landlord shall

not be obligated to enforce the Rules and Regulations and shall not be responsible to the Tenant for failure of any Person to comply with the Rules and Regulations. Such Rules and Regulations may differentiate between different types of businesses in the Building, however, the Landlord agrees that it will not enforce the Rules and Regulations in a manner that is discriminatory to the Tenant. Notwithstanding anything to the contrary in this Lease or in the Rules and Regulations, (a) the Tenant shall be permitted to do any and all of the following, without the prior written consent of the Landlord: (i) install, maintain and operate vending machines, sinks, ice makers, refrigerators, microwave ovens and dishwashers within the Premises (except on the ground floor where such items will require the prior written consent of Landlord, which consent will not be unreasonably withheld, conditioned or delayed), for use by those working in or visiting the Premises, including, without limitation, the Tenant's clients and Licensees; (ii) provide food, beverage and catering service to its clients and Licensees within the Premises; and (iii) hang pictures, wall-hangings, decorations and light-weight shelving within the Premises; and (b) the Rules and Regulations (now or in the future) shall not prohibit office-related uses by specific companies or lines of business.

#### **10.5 SURRENDER OF PREMISES**

At the expiration or earlier termination of this Lease the Tenant shall, at its expense: (a) peaceably surrender and yield up vacant possession of the Premises to the Landlord in a clean, broom-swept and tidy state, and (except where this Lease is terminated as a consequence of Damage to the Premises in accordance with Article 14) in as good condition and repair as the Tenant is required to maintain the Premises throughout the Term; (b) surrender all keys for the Premises; (c) comply with the provisions of Section 9.3 hereof, and (d) in the event that the Tenant has filed or registered against title of the Building lands or any part thereof a caveat, notice, caution or other document or instrument giving notice of this Lease, promptly cause the same to be discharged.

#### **10.6 OCCUPANCY OF THE PREMISES**

- (a) Notwithstanding that the Tenant is not required to continuously operate any business from the Premises, the Tenant shall not vacate or abandon the Premises prior to the expiry of the Term except in accordance with the provisions of Section 10.6(b), below.
- (b) Provided no Event of Default has occurred which is continuing, the Tenant shall have the right to vacate the whole or any part or parts of the Premises ("**Vacate**") on and subject to the following terms:
  - (i) the Tenant shall give the Landlord not less than ninety (90) days prior written notice of its intention to Vacate, which notice (the "**Vacating Notice**") shall clearly indicate whether the Vacating Notice applies to the whole of the Premises or to part or parts thereof, as set out in such Vacating Notice (the "**Premises Vacated**");
  - (ii) the Tenant shall be responsible to pay any additional or increased insurance costs resulting from the Tenant's election to Vacate;

- (iii) the Tenant shall take all such steps as may be reasonably necessary or required by the Landlord to maintain security in respect of the Premises Vacated;
- (iv) the Tenant shall continue to pay the Rent and perform all other obligations under this Lease notwithstanding that the Tenant is no longer occupying the Premises Vacated;
- (v) the Landlord shall have the right to access the Premises Vacated at any time, without having to provide notice, notwithstanding any provision in this Lease requiring notice to be provided prior to access by Landlord, to inspect same or show same to prospective lenders and/or tenants and same shall not constitute a breach of the Tenant's quiet enjoyment or entitle the Tenant to terminate this Lease or to any damages, nor in any way limit or affect the Tenant's obligations hereunder; and
- (vi) at the Landlord's option, the Tenant shall have an employee or other person approved by the Landlord attend at the Premises Vacated regularly to inspect same and effect such maintenance, repairs or replacements as may be required under this Lease.

#### **10.7 FITNESS CENTRE AND END OF TRIP FACILITIES**

The Tenant, its employees and Licensees shall have the right (but not the obligation) to use any gym, fitness center, lockers, showers and end of trip facilities (such as bike storage) at the Building that have been designated by the Landlord for use in common with other office tenants in the Building, and which are not located within the premises of any other tenant in the Building for primarily for the use of such tenant's employees and invitees; provided, however, that Landlord, or if operated by a third party operator or tenant, such operator or tenant, shall have the right to charge any user of such amenities a reasonable, competitive market fee to be determined by the Landlord or the applicable tenant or operator.

#### **10.8 AMENITY FLOOR**

The Tenant shall permit other tenants of the Building to use its boardrooms and meeting rooms, provided that (1) such use is subject to availability and Tenant's standard operating procedures concerning the reservation of such areas by its Licensees, (2) the other tenants shall comply with all of Tenant's rules, regulations and requirements of general application (including, without limitation, that any such tenant using such rooms execute a license agreement pertaining to such use) and (3) such other tenants shall pay a fee for such use which Tenant agrees will not exceed its then standard hourly rates for such access. If any such other tenant fails to comply with the foregoing in any material respect or engages in conduct that violates any terms of this Lease, then the Tenant may (but will not be obligated to) prohibit any subsequent use of such rooms by the applicable tenant. Such other tenants and their respective agents, employees, contractors and visitors who access the Premises hereunder shall not be deemed to be Tenant's Licensees, invitees or visitors, for purposes of this Lease (including, without limitation, under Sections 10.1(g) and 11.8), during any time when any of them are not actually within the Premises.

**10.9 BALCONY ACCESS**

Subject to any restrictions imposed by Applicable Laws, the Landlord shall grant the Tenant and its invitees (including its Licensees) an exclusive license to use, throughout the Term, balcony areas that are directly accessible from the Premises, provided that the Tenant and its Licensees comply strictly the Landlord's reasonable Rules and Regulations pertaining to such areas, as may be adopted and amended from time to time.

**10.10 CAFÉ**

Throughout the Term, and except where prevented by a reason outside of the Landlord's reasonable control, or by reason of vacancy and the Landlord is making reasonable efforts to secure a tenant for the space, the space is under construction, or where the Landlord has entered into an agreement with a tenant to lease the space, but tenant has not commenced conducting its café business from the space. Landlord shall operate or lease or license to a third party a café on the ground floor of the Building, in an area adjacent to an interconnecting stairway between the ground floor and the second floor. The café will be designed in keeping with the caliber and aesthetic of the Building.

**ARTICLE 11**  
**INSURANCE AND INDEMNITY****11.1 TENANT'S INSURANCE**

The Tenant shall effect and maintain during the Term at its sole cost and expense:

- (a) Property insurance, including business interruption coverage, equivalent to (or better than) the coverage afforded under policies using ISO Special Causes of Loss Form (CP 10 30) or on an All Risk or Special Perils form, with coverage for broad form water damage (including earthquake and the perils of flood) upon all Tenant's property in the Premises, including equipment, furniture, trade fixtures, and Leasehold Improvements in amounts sufficient to fully cover, on a replacement cost basis without deduction for depreciation;
- (b) commercial general liability insurance equivalent to (or better than) the coverage afforded under policies using ISO occurrence form, CG 00 01 04-13, not less than Five Million Dollars (\$5,000,000.00) in respect of each occurrence, which shall include:
  - (i) Blanket contractual liability coverage; and
  - (ii) Standard Non-Owned Automobile exposure with a limit of \$1,000,000 where vehicles are hired for 30 days or less for business purposes; and
- (c) any other form of insurance that the Landlord or any Mortgagee may reasonably require from time to time in form, amounts and for insurance risks acceptable to the Landlord and any Mortgagee, provided that any such insurance should be subject to a commercially reasonable standard or a standard that requires that such change not be inconsistent with the prevailing requirements in comparable or Class A buildings in the same market in which the Building is located.

Should the Tenant fail to maintain any of the insurance required pursuant to this Section 11.1 and should such default continue for two (2) Business Days after Notice to the Tenant, then in addition to any other rights and remedies, the Landlord may, but shall have no obligation to, elect to obtain the required insurance and the Tenant shall upon demand pay to the Landlord, as Additional Rent, the Landlord's cost of obtaining such insurance.

### **11.2 FORM OF TENANT POLICIES**

Each policy required pursuant to Section 11.1 shall have reasonable deductibles, and: (a) the insurance described in Sections 11.1(a) shall include, as additional insureds (but without liability for premiums) as their interests may appear, the Landlord, the Building Owners, any Mortgagee and other Persons with an interest in the Building from time to time designated in writing by the Landlord provided in each such case there is an insurable interest, (b) the insurance described in Section 11.1(b) shall include as additional insureds (but without liability for premiums) the Landlord, any Mortgagee, any other Persons with an interest in the Building from time to time designated in writing by the Landlord and the Property Manager or any other Property Manager or facilities manager retained by the Landlord in respect of the Building; (c) the insurance described in Sections 11.1(a) contains a "separation of insureds" provision or "severability of interest" clause (which, if such a clause were not in the policy, would have the same effect as having a "cross liability endorsement" to that policy); (d) the coverage afforded by the insurance described in Section 11.1(b) applies separately to each insured who is seeking coverage or against whom a claim or suit is brought; (e) the insurance described in Sections 11.1(a) contains a "blanket" waiver of subrogation, which will extend to the Landlord, the Building Owners, and any Mortgagee, which endorsement, in substance, provides that the insurance is not invalidated if the insured is contractually obligated to waive rights to recovery against any part of the loss occurring to the insured property; and (f) the insurance described in Sections 11.1(a) and Section 11.1(b) shall contain a provision that the Tenant's insurance shall be primary, not contributing with, and not in excess of, coverage the Landlord may carry.

### **11.3 CERTIFICATES AND NOTICE TO LANDLORD**

The Tenant shall provide to the Landlord, prior to the Commencement Date, certificates of insurance to confirm that the Tenant has obtained all insurance policies required by this Lease and shall provide written evidence of the continuation of such policies not less than ten (10) days prior to their respective expiry dates. Each policy required pursuant to Section 11.1 shall provide for 30 days' prior written notice by the insurance carrier to the first named insured prior to cancellation, nonrenewal, or substantial modification, except that the notice period is only 10 days for cancellations resulting from the non-payment of a premium. Tenant or its insurance broker will send a copy of any notice of cancellation to Landlord, the Building Owners and any Mortgagee who are additional insureds of record.

### **11.4 LANDLORD'S INSURANCE**

The Landlord shall maintain during the Term such types of insurance coverage on the Building in such amounts and with such deductibles as are carried by prudent owners of similar properties in Vancouver, British Columbia having regard to the age, nature, location and character of the Building. All such property damage insurance (including boiler and machinery insurance) shall contain provisions whereby the insurer waives any right of subrogation against the Tenant,

except to the extent the damage is caused by the gross negligence or wilful misconduct of the Tenant or those for whom it is responsible for at law. The Tenant agrees that notwithstanding the Tenant contributes to the cost of the Landlord's insurance with respect to the Building, the Tenant shall not have any insurable interest in, or any right to recover any proceeds under any of the Landlord's insurance policies. Without limiting the generality of the foregoing, the Landlord shall be entitled to effect and maintain during the Term, property and business interruption insurance that would provide for, to the extent available on commercially reasonable terms, environmental or other building accreditation recertification costs, sustainable re-engineering or sustainability design costs incurred after a loss, the incremental costs of debris removal and recycling after a loss, and any additional reconstruction costs associated with reconstruction of the Building to a leading energy conservation and/or sustainability standard such as LEED Existing Buildings: Operations & Maintenance ("EBOM") or BOMA Building Environmental Standards ("BEST") (top quartile or equivalent), including enhanced external vegetation replacement requirements and the creation or reconstruction of a "green" (vegetative) or "white" (reflective) roof or roofs. In addition, the Landlord may place boiler and machinery breakdown insurance that would permit the replacement of damaged equipment with equipment that increases the building efficiency or enhances safety.

#### **11.5 INSURANCE RISK**

From and after the Commencement Date, the Tenant shall not do, omit to do, or permit to be done or omitted to be done upon the Premises, and the Tenant shall not do or permit to be done upon any other portion of the Building, anything that may contravene or be prohibited by any of the Landlord's or the Building Owners' insurance policies in force from time to time covering or relevant to any part of the Building or which would prevent the Landlord or the Building Owners from procuring such policies with companies acceptable to them. If the occupancy of the Premises, the conduct of business in the Premises or any acts or omissions of the Tenant in the Premises or any acts of the Tenant in any other portion of the Building causes or results in any increase in premiums for any of the Landlord's or the Building Owners' insurance policies, then, without limiting any other rights or remedies of the Landlord, the Tenant shall pay any such increase as Additional Rent forthwith upon receipt of the invoices of the Landlord for such additional premiums. A written report by an Expert concerning the cause of any increase in premiums will be accepted as conclusive evidence of the cause for the purposes of determining the Tenant's liability to pay for increases as Additional Rent.

#### **11.6 RELEASE OF LANDLORD**

- (a) Notwithstanding any other term or provision of this Lease, but except only to the extent caused by the gross negligence or wilful misconduct of the Landlord or those for whom it is responsible for at law, the Landlord shall not be liable for and the Tenant hereby releases the Landlord and its agents, officers and employees, and any other Person for whom the Landlord is legally responsible, from any and all claims, actions, causes of action, damages, demands for damages and other liabilities, howsoever arising, that may be made by the Tenant against the Landlord under the provisions of this Lease to the extent of all insurance proceeds paid under the policies of insurance maintained by the Tenant or which would have been paid if the Tenant had maintained the insurance required under this Lease and had diligently processed any claims thereunder.

- (b) In addition, and without limitation, the Tenant agrees that, except as expressly provided in this Lease, the Landlord shall not be liable for and hereby releases the Landlord from:
- (i) any and all claims, actions, causes of action, damages, demands for damages and other liabilities:
    - (A) for or related to any bodily injury, personal injury, illness or discomfort to or death of the Tenant or any of its agents, officers, contractors, employees, invitees, Licensees and any other Person for whom the Tenant is legally responsible in or about the Building or the Premises including those that may arise due to a Health Emergency or the Landlord's response to it;
    - (B) for or related to any loss or damage to property owned by the Tenant or by others and for which property the Tenant is responsible in or about the Building or the Premises, and, without limiting the foregoing, the Landlord shall not be liable for any damage caused by steam, water, rain or snow which may leak into, issue or flow from part of the Building, including the Premises, or from the pipes or plumbing works thereof, or from any other place or for any damage caused by or attributable to the condition or arrangement of any electric or other wiring;
    - (C) for or related to any closure, quarantine order or decontamination, or environmental investigation and/or remediation (if carried out by the Landlord) whether in contract, tort or on any other basis of liability, statutory or otherwise.
  - (ii) any loss or damage caused as a result of any damage, destruction, construction, alteration, expansion, expropriation, reduction, repair or reconstruction from time to time of the Building, any parts or components of the Building or of improvements on adjoining properties or by anything done or omitted to be done by any other tenant or occupant;
  - (iii) any act or omission (including theft, malfeasance or negligence) on the part of any agent, contractor or person from time to time employed by Landlord to perform janitorial services, security services, supervision or any other work in or about the Premises or the Building;
  - (iv) any loss or damage, however caused, to books of account, records, files, money, securities, negotiable instruments, papers, computer disks, tapes, software, data and other electronic files and their storage media of any kind or to other valuables of the Tenant including art, artworks, statuary, antiques, gems and precious metals of the Tenant and of others;
  - (v) any loss or damage arising from obstruction of deliveries to or from the Premises or interruption, cessation, faulty operation, breakdown or failure of any Building Systems, including but not limited to, the supply of any utilities, telecommunication services (whether controlled or owned by the Landlord or the Building Owners or not) or other services in, to or serving



the Building or the Premises, whether they are supplied by the Landlord or by others;

- (vi) for the non-observance or violation of any provision of any of the Rules and Regulations of the Landlord in effect from time to time or of any lease by another tenant of premises in the Building or any concessionaire, employee, licensee, agent, customer, officer, contractor, or other invitee of any of them, or by anyone else, excluding any Rules and Regulations prohibiting those uses specified in paragraph 9 of SCHEDULE "D"; or
- (vii) any indirect or consequential damages including, but not limited to, loss of profit.

#### **11.7 RELEASE OF TENANT**

Notwithstanding any other term or provision of this Lease, but only except only to the extent caused by the gross negligence or wilful misconduct of the Tenant or those for whom it is responsible for at law, the Tenant shall not be liable for and the Landlord hereby releases the Tenant, and its agents, officers and employees, and any other Person for whom the Tenant is legally responsible, from any and all claims, actions, causes of action, damages, demands for damages and other liabilities, howsoever arising, that may be made by the Landlord against the Tenant under the provisions of this Lease to the extent of all insurance proceeds paid under the policies of insurance maintained by the Landlord or which would have been paid if the Landlord had maintained the insurance required under this Lease and had diligently processed any claims thereunder. This release shall be operative only if it is not prohibited by the Landlord's or the Building Owners' insurance policies and would not place the Landlord or the Building Owners in breach of such policies or expose the Landlord or the Building Owners to additional costs under or in connection with such policies; provided, however, if this release is not operative under the foregoing, then the release in Section 11.6(a) will not be operative as well.

#### **11.8 INDEMNITY BY TENANT**

Subject to Section 11.7, the Tenant shall defend, indemnify and save harmless the Landlord from and against any and all claims, actions, causes of action, damages, demands for damages, losses and other liabilities and expenses (including, without limitation, those in connection with bodily injury (including death), personal injury, illness or discomfort or damage to property including environmental injury, harm and contamination and legal fees on a solicitor and client basis) by or on behalf of any Person or governmental authority (collectively, "Claims"): (i) due to or arising from or out of any occurrence in, on or at the Premises during the Term or the occupancy or use by the Tenant or any Licensee of the Premises or any other part of the Building, (ii) occasioned wholly or in part by any act or omission (where there is a duty to act) of the Tenant, any Licensee, any Person (excluding the Landlord and those for whom the Landlord is at law responsible) permitted by the Tenant or a Licensee to be on the Premises or the Building, or their respective officers, employees, agents, contractors, invitees, or (iii) due to or arising out of any breach by the Tenant or a Licensee of this Lease; provided, however, in no event shall the Tenant's indemnification, defense or hold harmless obligations in this Lease be construed as requiring Tenant to indemnify, defend or save harmless the Landlord for any Claims to the extent caused by the gross negligence or willful misconduct of Landlord or the Property Manager or their respective employees, contractors or agents. This Section shall survive the expiry or termination of this Lease. The Landlord may, at its option, participate in or assume carriage of

any litigation or settlement discussions relating to the foregoing, or any other matter for which the Tenant is required to indemnify the Landlord under this Lease. Alternatively, the Landlord may require the Tenant to assume carriage of and responsibility for all or any part of such litigation or discussions. Notwithstanding the foregoing, in no event shall Tenant and those persons for whom Tenant is responsible in law be liable for consequential injury or damage sustained by the Landlord or any of its agents, officers, employees, or licensees, invitees or any other Person claiming by, through or under Landlord.

**ARTICLE 12**  
**ASSIGNMENT, SUBLETTING AND OTHER TRANSFERS**

**12.1 TRANSFERS**

The Tenant shall not enter into, effect, consent to, or permit any Transfer without the prior written consent of the Landlord, which consent shall not be unreasonably withheld but shall be subject to the Landlord's rights under Section 12.2. The Tenant shall pay to the Landlord its then current reasonable charge and all costs incurred (including legal fees and disbursements) in respect of the proposed Transfer. Notwithstanding any statutory provision to the contrary, it shall not be considered unreasonable for the Landlord to withhold its consent if, without limiting any other factors or circumstances which the Landlord may reasonably take into account:

- (a) an Event of Default on the part of the Tenant hereunder has occurred and is continuing;
- (b) in the Landlord's reasonable opinion:
  - (i) either the financial background or the business history and capability of the proposed Transferee is not satisfactory;
  - (ii) the nature or character of the proposed business of the proposed Transferee is such that it might harm the Landlord's business or reputation or reflect unfavourably on the Building, the Landlord, the Building Owners or the image of any of them, or is unethical, immoral or illegal;
  - (iii) the use of the Premises by the proposed Transferee could result in excessive demands being placed on the Building Systems;
  - (iv) the use of the Premises by the Transferee would violate any covenant contained in any other lease of space or agreement affecting the Building; or
  - (v) if the Transfer affects less than all of the Premises, the portion affected or the portion remaining are not acceptable in respect of size, access or configuration.
- (c) the use of the Premises by the proposed Transferee:
  - (i) would violate any law, bylaw, or regulation; or
  - (ii) would be other than for a Permitted Use;
- (d) the proposed Transferee or any principal of the proposed Transferee or any principal shareholder of the proposed Transferee has a history of defaults under

- other commercial leases, does not have a satisfactory history of compliance with laws, or is engaged in litigation with the Landlord;
- (e) the Landlord at the time has, or will have in the next ensuing three (3) month period, other premises on the Building suitable for leasing to the proposed Transferee;
  - (f) the proposed Transfer will create a vacancy elsewhere on the Building;
  - (g) the Tenant is in default of any obligation of the Tenant under this Lease or has been in default under this Lease on two or more occasions during the 12 months preceding the date that the Tenant requests consent;
  - (h) the proposed Transfer is to: (i) an existing tenant or occupant of any other building owned or managed by the Landlord, the Building Owners or any of their Affiliates within the same market area; or (ii) a consulate, embassy, trade commission or other representative of a foreign government; or (iii) a government, quasi-government or public agency, service or office which is open to the public; or
  - (i) the Landlord does not receive sufficient financial, business or other information from the Tenant or the Transferee to enable the Landlord to make a determination as to whether or not it should give its consent.

Any consent by the Landlord to a Transfer shall not constitute a waiver of the necessity for such consent to any subsequent Transfer.

## **12.2 TENANT'S NOTICE, LANDLORD'S RIGHT TO TERMINATE**

If the Tenant intends to effect a Transfer, the Tenant shall give prior Notice to the Landlord of such intent specifying the identity of the Transferee, the type of Transfer contemplated, the part of the Premises affected and the financial and other terms of the Transfer, and shall provide such financial, business or other information relating to the proposed Transferee and its principals as the Landlord or any Mortgagee reasonably requires, together with copies of all documents which record the particulars of the proposed Transfer. The Landlord shall, within thirty (30) days after having received such Notice and all requested information, notify the Tenant either that:

- (a) it consents or does not consent to the Transfer in accordance with the provisions of this Lease;
- (b) it elects to terminate this Lease as to the part of the Premises affected by the proposed Transfer, or as to the whole Lease and Premises if the proposed Transfer affects all of the Premises; or
- (c) it elects to take a Transfer from the Tenant upon the terms and conditions of the proposed Transfer for which the Tenant requests the Landlord's consent, it being understood that the Landlord shall at all times under such Transfer have the rights and option to make a further Transfer of the interest so acquired by the Landlord or any part thereof without obtaining the Tenant's consent and without sharing any of the economic consideration received by the Landlord thereunder.

If the Landlord elects to terminate this Lease it shall stipulate in its Notice the termination date of this Lease, which date shall be the date of possession contemplated under the proposed Transfer

(provided that if such date is less than thirty (30) days following the giving of Notice of such election, the Landlord may elect to have the termination date thirty (30) days following the giving of Notice). If the Landlord elects to terminate this Lease, the Tenant may notify the Landlord within ten (10) days following receipt of such Notice of the Tenant's intention to refrain from such Transfer and, if the Tenant provides such Notice within such time period, then the Landlord's election to terminate this Lease shall become void. If the Tenant fails to deliver such Notice within such time period, then this Lease shall, as to the whole or affected part of the Premises, as the case may be, be terminated on the date of termination stipulated by the Landlord in its Notice of election to terminate. If the Tenant is required to deliver possession of a part only of the Premises, the Tenant shall pay all costs incurred in connection with rendering that part functionally separate and suitable for separate use and occupancy, including partitioning and providing entrances and services. If this Lease is terminated with respect to part only of the Premises then the parties shall execute an agreement to be prepared by the Landlord whereby this Lease is amended as reasonably determined by the Landlord to reflect that the Tenant is no longer the tenant of all of the Rentable Area of the Premises.

### **12.3 CONDITIONS OF TRANSFER**

The following terms and conditions apply in respect of a Transfer (but this shall not imply consent by the Landlord to any Transfer), as applicable:

- (a) the Tenant will effect the Transfer only upon the terms set out in the request submitted to the Landlord pursuant to Section 12.2 and not otherwise;
- (b) the Tenant and the Transferee shall execute, prior to the Transfer being made, an agreement with the Landlord in the Landlord's form including the Transferee's covenant to be bound by all of the terms of this Lease (as they relate to the space transferred) as if the Transferee had originally executed this Lease as the Tenant, and amending this Lease to incorporate any conditions imposed by the Landlord in its consent;
- (c) at the Landlord's option, any document effecting or evidencing the Transfer shall be prepared by the Landlord or its solicitors, and the Landlord's costs shall be paid by the Tenant as Additional Rent;
- (d) notwithstanding any Transfer, the Tenant shall remain liable under this Lease and shall not be released from performing any of the terms of this Lease, and if the Transfer is an assignment of this Lease, the liability of the Tenant and the Transferee shall be joint and several. The Tenant's liability shall continue notwithstanding any amendment of this Lease throughout the Term and any exercise of any renewal or extension of the Term provided for herein, regardless of whether or when an amendment of this Lease is made (however the original Tenant's liability will not be increased by any amendment that it is not a party to) and notwithstanding that the Landlord may collect Rent from the Transferee;
- (e) if the Minimum Rent and Additional Rent (net of reasonable out of pocket costs for commissions, for cash allowances and for Alterations required by and made for the Transferee by the Tenant, amortized on a straight line basis over the term of the Transfer) per square foot per annum to be paid by the Transferee under such Transfer exceeds the Minimum Rent and Additional Rent payable by the

Tenant for the space transferred hereunder, the amount of such excess shall be paid by the Tenant to the Landlord. If the Tenant receives from any Transferee, either directly or indirectly, any consideration other than Minimum Rent or Additional Rent for such Transfer, either in the form of cash, goods or services, the Tenant shall immediately pay to the Landlord an amount equivalent to such consideration;

- (f) if the Transfer is a sublease, the Transferee will agree to waive any statutory or other right to apply to a court or to otherwise elect to: (i) retain the unexpired term of the Lease or the unexpired term of the sublease; (ii) obtain any right to enter into any lease or other agreement directly with the Landlord; or (iii) otherwise remain in possession of any portion of the Premises, in any case where the Lease is terminated, surrendered or otherwise cancelled, including, without limitation, any disclaimer, repudiation, surrender or other termination (each of these transactions being referred to as an “**Early Termination**”) by any trustee in bankruptcy of the Tenant or a Transferee, by any court appointed officer, or by the Tenant or a Transferee in connection with any insolvency proceedings;
- (g) if there is an Early Termination, the Tenant and any Transferee (except the bankrupt or insolvent Tenant or Transferee) to whom the Landlord gives Notice within sixty (60) days after the Early Termination, shall be considered to have entered into a lease with the Landlord on the same terms and conditions as are contained in this Lease except that the term of the lease shall commence on the date of the Early Termination and shall expire on the date this Lease would have expired but for the Early Termination;
- (h) notwithstanding the effective date of any Permitted Transfer as between the Tenant and the Transferee, all Rent for the month in which such effective date occurs shall be paid in advance by the Tenant so that the Landlord will not be required to accept partial payments of Rent for such month from either the Tenant or the Transferee;
- (i) unless the Transferee is a sub-tenant of the Tenant, the transferor shall retain no rights under this Lease in respect of obligations to be performed by the Landlord or in respect of the use or occupation of the Premises after the Transfer; and
- (j) any documents relating to a Transfer or relating to the Landlord’s consent will, at the Landlord’s option, be prepared by the Landlord or its solicitors and all of the reasonable legal costs of the Landlord with respect thereto together with a reasonable administration charge for the Landlord shall be paid by the Tenant to the Landlord on demand as Additional Rent.

#### **12.4 PERMITTED TRANSFERS**

Notwithstanding Section 12.1, the Tenant shall have the right on not less than thirty (30) days prior Notice to the Landlord, but without being required to obtain the Landlord’s consent and without being subject to Section 12.2, to effect a Transfer (a “**Permitted Transfer**”) in favour of a Permitted Transferee, but only for so long as:

- (a) there continues to be and remain a continuity of the business practices and policies and mode and style of operation of the business of the Tenant by the Permitted Transferee notwithstanding such Permitted Transfer; and
- (b) the Permitted Transferee (or the Tenant, following a Change of Control) shall (i) if the Transfer results in the Tenant no longer being an Affiliate of the original Tenant who signed this Lease, have a net worth (as computed in accordance with generally accepted accounting principles, consistently applied) as of the date of the Permitted Transfer that is equal to or greater than the net worth of the Tenant as of the date of this Lease, and (ii) carry on only the same Permitted Use as permitted to be carried on by the Tenant pursuant to this Lease,

provided that a Permitted Transfer shall be void and shall constitute a default entitling the Landlord to terminate this Lease if: (i) the Required Conditions are not satisfied at the time of the Permitted Transfer occurs, and (ii) the Permitted Transfer has not occurred in accordance with and the terms and conditions of Section 12.3(b) – (d) and (f)-(j).

A Permitted Transfer will not release or relieve the Tenant from any of its obligations under this Lease.

The Landlord's right to terminate as provided in Section 12.2 shall not apply to a Permitted Transfer.

#### **12.5 NO ADVERTISING**

The Tenant shall not advertise that the whole or any part of the Premises are available for a Transfer and shall not permit any broker or other Person to do so unless the text and format of such advertisement is approved in writing by the Landlord. No such advertisement shall contain any reference to the rental rate of the Premises. The foregoing shall not be deemed to prohibit advertising to the prospective Licensees of the Tenant's business contemplated by Section 10.1(c) or to secure a third party operator for a Café Agreement.

#### **12.6 SALES OR DISPOSITIONS BY LANDLORD**

The Landlord and the Building Owners shall have the unrestricted right to sell, transfer, lease, license, charge or otherwise dispose of all or any part of their interest in the Building, or any interest of the Landlord or the Building Owners in this Lease. In the event of any sale, transfer, lease or other disposition the Landlord shall thereupon, and without further agreement, be released of all liability under this Lease arising from and after such disposition, but only to the extent that the assignee of the Landlord assumes the obligations of the Landlord under this Lease. If required by the Landlord in connection with any sale, transfer, charge or other disposition the Tenant shall, within ten (10) Business Days of request, provide to the Landlord, the Building Owners, prospective purchasers and Mortgagees and their respective agents and consultants, copies of the most recent audited or certified (but unaudited) annual financial statements of the Tenant and any Indemnifier (unless audited financial statements are publicly available on the Indemnifier's website, in which event, Landlord will obtain copies from the website), subject to the execution of a mutually acceptable confidentiality agreement. If the Tenant or its parent is listed on a recognized stock exchange in England, Canada or the United States, the Tenant agrees to provide instead copies of the Tenant's annual reports, quarterly reports and all other publicly distributed reporting materials.

**ARTICLE 13**  
**LANDLORD FINANCING AND STATUS CERTIFICATES**

**13.1 SUBORDINATION AND POSTPONEMENT**

- (a) Subject to the provisions of this Section, this Lease and the rights of the Tenant in this Lease are, and shall at all times be, subject and subordinate to any and all Mortgages and to all advances made at any time upon the security thereof, and the Tenant, on request by and without cost to the Landlord, shall, within five (5) Business Days after such request, execute and deliver any and all instruments required by the Landlord to evidence such subordination. Upon request by the Tenant at the time of any request for confirmation of subordination (and as a precondition to any subordination), the Landlord shall make reasonable commercial efforts to obtain from any Mortgagee who has, or may in the future have, priority over the Tenant's leasehold interest in the Building, an acknowledgement and assurance in writing addressed to the Tenant, whereby such Mortgagee acknowledges that, in the event of any such Mortgagee realizing upon the security, it will not disturb the Tenant and will permit the Tenant to remain in possession under this Lease in accordance with its terms, so long as the Tenant is not in default beyond any applicable cure periods. Notwithstanding the foregoing, the Tenant shall not be required to postpone or subordinate this Lease to any future Mortgage or ground lease unless the Mortgagee or ground lessor first enters into a subordination, non-disturbance and attornment agreement with the Tenant as aforesaid on commercially reasonable terms. All reasonable costs incurred by the Landlord in connection with obtaining or seeking to obtain any such acknowledgement and assurance shall be paid by the Tenant as Additional Rent. The Landlord confirms that at the date of this Lease there is no Mortgage or ground lease affecting the Building.
- (b) The Landlord, as to any Mortgage, and a Mortgagee, as to any Mortgage held by it, may, by Notice to the Tenant, elect that this Lease and the rights of the Tenant hereunder shall be prior to such Mortgage(s) and the Tenant, on request by and without cost to the Landlord, shall, within ten (10) Business Days after such request, execute and deliver any and all instruments reasonably required by the Landlord or the Mortgagee, as the case may be, to confirm priority to this Lease over the Mortgage(s), subject to the receipt of an acknowledgement as described in paragraph (a) above.

**13.2 ATTORNMENT**

At any time after any of the following has occurred:

- (a) if a Mortgagee delivers a Notice of attornment;
- (b) if a Mortgagee shall take possession of the Building or the Premises; or
- (c) if the interest of the Landlord or the Building Owners is transferred to any Person (in this Article 13 referred to as a "Purchaser") by reason of foreclosure or other proceedings for enforcement of any Mortgage, or by delivery of a conveyance,

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

### **13.3 STATUS CERTIFICATES**

The Tenant shall at any time and from time to time execute and deliver to the Landlord, or as the Landlord, a Mortgagee or a Purchaser may reasonably direct, within ten (10) Business Days after it is requested, a certificate of the Tenant, in the form supplied, addressed to the Landlord, the Mortgagee or the Purchaser, as the case may be, and/or any prospective Purchaser, lessor or Mortgagee, certifying such particulars, information and other matters in respect of the Tenant, the Premises and this Lease that the Landlord, the Mortgagee or the Purchaser, as the case may be, may reasonably request, including without limitation:

- (a) that this Lease is unmodified and in full force and effect (or if there have been modifications, that this Lease is in full force and effect as modified and identifying the modification agreements), or if this Lease is not in full force and effect, the certificate shall so state;
- (b) the Commencement Date (if it has occurred);
- (c) the date to which Rent has been paid under this Lease;
- (d) whether or not there is any existing default by the Tenant in the payment of any Rent or other sum of money under this Lease, and whether or not Tenant knows of any other existing or alleged default by either party under this Lease and, if there is any such known default, specifying the nature and extent thereof; and
- (e) whether there are any known set-offs, defences or counter claims against enforcement of the obligations to be performed by the Tenant under this Lease.

### **13.4 RELIANCE**

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

## **ARTICLE 14** **DAMAGE, DESTRUCTION AND EXPROPRIATION**

### **14.1 DAMAGE TO PREMISES**

If there is damage, destruction or contamination by the presence of a Hazardous Substance or otherwise (collectively "**Damage**") to all or any material part of the Premises such that the



Premises are rendered untenable or inaccessible, then:

- (a) if in the reasonable opinion of an Expert, the Damage can be substantially repaired under Applicable Laws within one hundred and eighty (180) days from the date of such Damage (employing normal construction methods without overtime or other premium), the Landlord shall forthwith repair such Damage other than Damage to Leasehold Improvements and any other property that is not the responsibility of or is not owned by Landlord; and
- (b) if in the reasonable opinion of an Expert, the Damage cannot be substantially repaired under Applicable Laws within one hundred and eighty (180) days from the date of such Damage (employing normal construction methods without overtime or other premium), then the Landlord may elect to terminate this Lease as of the date of such casualty by Notice delivered to the Tenant not more than sixty (60) days after receipt of the Expert's opinion, failing which the Landlord shall forthwith repair such Damage other than Damage to Leasehold Improvements or property that is not the responsibility of or is not owned by Landlord.

Nothing in this Section 14.2 shall require the Landlord to rebuild the Premises in the condition which existed before any such damage or destruction so long as the Premises as rebuilt will have reasonably similar facilities to those in the Premises prior to such damage or destruction, having regard, however, to the age of the Building at such time and being substantially similar in size, finish and arrangement and capable of being afforded substantially similar utility and Building system services, except as otherwise may be approved by Tenant with such approval not to be unreasonably withheld.

#### **14.2 ABATEMENT**

If the Landlord is required to repair Damage to the Premises under Section 14.1 the Minimum Rent payable by the Tenant shall be proportionately reduced to the extent that the Premises are rendered untenable or inaccessible, from the date of the Damage until thirty (30) days after substantial completion by the Landlord of the repairs to the Premises or until the Tenant again uses the Premises (or the part thereof rendered untenable), whichever first occurs.

The Tenant shall effect its own repairs and replacements and fully restore the Premises (including without limitation all Leasehold Improvements) for business as soon as possible after completion of the Landlord's repairs in accordance with its obligations under this Lease and, in the event that the Premises have been closed for business, shall reopen for business within thirty (30) days after substantial completion by the Landlord of its repairs to the Premises. Notwithstanding the foregoing, there shall be no abatement or reduction of Minimum Rent where the Landlord's repairs to the Premises take less than ten (10) days to complete after the Damage occurs.

#### **14.3 TERMINATION RIGHTS**

Notwithstanding anything else contained in this Lease, if: (a) there is Damage within or to the Building so as to affect twenty-five percent (25%) or more of the Rentable Area of the Building, or to any part or parts of the Building Systems required for the proper operation of the Building, whether or not the Premises are affected by such Damage; or (b) in the reasonable opinion of an

Expert the Building is unsafe or access or services are affected and, in either case, cannot be substantially repaired under Applicable Laws within one hundred and eighty (180) days from the date of such Damage (employing normal construction methods without overtime or other premium); or (c) the proceeds of insurance are substantially insufficient to pay for the costs of repair or rebuilding or are not payable to or received by the Landlord; or (d) Damage is caused by an occurrence against which the Landlord is not insured or beyond the extent to which the Landlord is required to insure under this Lease; or (e) any Mortgagee(s) or other Person entitled to the insurance proceeds shall not consent to the repair and rebuilding; or (f) the Landlord, acting reasonably, is of the opinion that it is not economically feasible to repair, reconstruct or rebuild the Building or that it is advisable to demolish or substantially renovate the Building or any part thereof, then the Landlord may terminate this Lease by giving to the Tenant Notice of such termination within sixty (60) days of the Damage, in which event the Term shall cease and be at an end as of the date of such Damage and the Rent and all other payments for which the Tenant is liable under the terms of this Lease shall be apportioned and paid in full to the date of termination (subject to any abatement under Section 14.2).

In the case of election to terminate this Lease being made by the Landlord pursuant to either of Section 14.1(b) or this Section 14.3, the Term and the tenancy hereby created shall expire on the thirtieth (30<sup>th</sup>) day after such Notice of termination is given, without indemnity or penalty payable or any other recourse by one party to or against the other. Within such thirty (30) day period, the Tenant shall vacate the Premises and surrender them to the Landlord with the Landlord having the right to re-enter and repossess the Premises discharged of this Lease and to expel all persons and remove all property therefrom.

#### **14.4 LANDLORD'S RIGHTS ON REBUILDING**

In the event of Damage to the Building and if this Lease is not terminated in accordance with Sections 14.1 or 14.3, the Landlord shall forthwith repair such Damage, but only to the extent of the Landlord's obligations under the terms of the various leases for premises in the Building (including this Lease) and exclusive of any tenant's responsibilities with respect to such repair. In repairing or rebuilding the Building or the Premises the Landlord may use drawings, designs, plans and specifications other than those used in the original construction and may alter or relocate the Building on the Lands, or any part thereof, and may modify or alter the Premises, provided that the Building as repaired or rebuilt is in compliance with all Applicable Laws and is of at least a similar standard, and the Premises as modified or altered shall be as close as practically possible in area as the area of the original Premises and be of the same standard as the original Premises.

#### **14.5 EXPROPRIATION**

Both the Landlord and the Tenant agree to cooperate with each other in respect of any expropriation of all or any part of the Premises or any other part of the Building so that each may receive the maximum award in the case of any expropriation to which they are respectively entitled at law. If and to the extent that any portion of the Building other than the Premises is expropriated, then the full proceeds accruing therefrom or awarded as a result thereof shall belong solely to the Landlord and the Tenant shall abandon or assign to the Landlord any rights which the Tenant may have or acquire by operation of law to such proceeds or award and promptly execute such documents as in the opinion of the Landlord are or may be necessary to

give effect to this intention.

**ARTICLE 15**  
**DEFAULT AND LANDLORD'S REMEDIES**

**15.1 DEFAULT**

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

- (a) any Rent or Rental Taxes is in arrears and is not paid within five (5) days after written Notice from the Landlord;
- (b) the Tenant has breached any of its obligations in this Lease and, if such breach is not otherwise listed in this Section 15.1, after Notice from the Landlord:
  - (i) the Tenant fails to remedy such breach within ten (10) days; or
  - (ii) if such breach cannot reasonably be remedied within ten (10) days or such shorter period, the Tenant fails to commence to remedy such breach within such ten (10) days or shorter period or thereafter fails to proceed diligently and continuously to remedy such breach;
- (c) the Lease or any goods, chattels or equipment of the Tenant is seized, taken or eligible in execution or in attachment or under any chattel mortgage, charge, debenture or other security instrument, or if a writ of execution or enforcement is issued against the Tenant and such writ is not stayed or vacated within ten (10) days after the date of such issue;
- (d) the Tenant becomes insolvent or commits an act of bankruptcy or takes the benefit of any statute for bankrupt or insolvent debtors or makes any proposal, assignment, compromise or arrangement with its creditors, or if a trustee, receiver, receiver/manager, agent for a secured creditor, or a Person acting in a similar capacity is appointed for all or part of the business, property, affairs or revenues of the Tenant;
- (e) the Indemnifier becomes insolvent or commits an act of bankruptcy or takes the benefit of any statute for bankrupt or insolvent debtors or makes any proposal, assignment, compromise or arrangement with its creditors, or if a trustee, receiver, receiver/manager, agent for a secured creditor, or a Person acting in a similar capacity is appointed for all or part of the business, property, affairs or revenues of the Indemnifier, provided, however, that no event contemplated in this Section 15.1(e) shall constitute an Event of Default hereunder unless the Tenant has (i) first received written Notice from the Landlord of the insolvency, bankruptcy, or related event with respect to the Indemnifier and (ii) failed within ten (10) days to post a security deposit (whether in form of cash or letter of credit in a form satisfactory to the Landlord, acting reasonably) of value equal to the then-applicable maximum liability of the Indemnifier; for greater certainty, in the event that the Tenant posts a security deposit as aforesaid, there shall be no Event of Default under this Section 15.1(e).

- (f) any steps are taken or any action or proceedings are instituted by the Tenant or by any other party, including, without limitation, any court or governmental body of competent jurisdiction for the dissolution, winding-up or liquidation of the Tenant or its assets, or any Indemnifier or its assets, other than pursuant to a corporate reorganization;
- (g) the Tenant makes a bulk sale of any of its assets, wherever situated (other than in conjunction with a Transfer approved by the Landlord) or moves or commences, attempts or threatens to move any of its goods, chattels and equipment out of the Premises (other than in the normal course of its business);
- (h) the Tenant Vacates the Premises in a manner that violates Section 10.6(b) and the Tenant fails to remedy such breach within ten (10) days after Notice from the Landlord;
- (i) If any insurance policy upon the Premises or the Building shall be threatened to be cancelled by the insurer by reason of the use and occupation of the Premises by the Tenant, a Transferee, anyone permitted by the Tenant to be upon the Premises, except for any use that is a Permitted Use, and if the Tenant does not remedy the cause of such threatened cancellation within the time allowed by the insurer after written Notice from the Landlord, or if any such insurance policy is cancelled by the insurer for any reason as aforesaid and the Tenant does not remedy the cause of such cancellation immediately upon written Notice from the Landlord;
- (j) an Event of Default as defined in this paragraph occurs with respect to any lease or agreement under which the Tenant occupies other premises on the Building;
- (k) the Tenant is a corporation or limited partnership and at any time during the Term, the Tenant or its general partner, if any, does not remain in good standing with the Office of the Registrar of Companies in British Columbia or in the jurisdiction in which the Tenant has been incorporated or formed and such failure is not remedied within ten (10) days after written Notice from the Landlord; or
- (l) the Tenant effects or purports to effect a Transfer other than in compliance with the provisions of this Lease.

## **15.2 REMEDIES**

If and whenever an Event of Default occurs, and without limiting the Landlord's claims for damages that the Landlord may seek at law, the Landlord shall have the following rights and remedies, exercisable immediately and without further Notice and at any time:

- (a) to terminate this Lease and re-enter the Premises. The Landlord may remove all Persons and property from the Premises and store such property at the expense and risk of the Tenant or sell or dispose of such property in such manner as the Landlord sees fit without notice to the Tenant. Notwithstanding any termination of this Lease, the Landlord shall be entitled to receive Rent and all Rental Taxes up to the time of termination plus accelerated Rent and Rental Taxes as provided in this Lease and damages including, without limitation: (i) damages for the loss of Rent suffered by reason of this Lease having been prematurely terminated; (ii)

costs of reclaiming, repairing and re-leasing the Premises; and (iii) legal fees and disbursements on a substantial indemnity basis;

- (b) to enter the Premises without terminating this Lease and as agent of the Tenant and to relet the Premises for whatever length of time and on such terms as the Landlord in its discretion may determine including, without limitation the right to: (i) take possession of any property of the Tenant on the Premises; (ii) store such property at the expense and risk of the Tenant; (iii) sell or otherwise dispose of such property in such manner as the Landlord sees fit; and (iv) make alterations to the Premises to facilitate the reletting. The Landlord shall receive the rent and proceeds of sale as agent of the Tenant and shall apply the proceeds of any such sale or reletting first, to the payment of any expenses incurred by the Landlord with respect to any such reletting or sale, second, to the payment of any indebtedness of the Tenant to the Landlord other than Rent and third, to the payment of Rent and Rental Taxes in arrears, with the residue to be held by the Landlord and applied to payment of future Rent and Rental Taxes as it becomes due and payable. The Tenant shall remain liable for any deficiency to the Landlord. Notwithstanding any such reletting without termination the Landlord may at any time thereafter elect to terminate this Lease for such previous breach;
- (c) to remedy or attempt to remedy the Event of Default for the account of the Tenant and to enter upon the Premises for such purposes. The Landlord shall not be liable to the Tenant for any loss, injury or damages caused by acts of the Landlord in remedying or attempting to remedy the Event of Default. The Tenant shall pay to the Landlord, on demand, all expenses incurred by the Landlord in remedying the Event of Default, together with an administration fee of fifteen percent (15%) and interest at the Default Rate from the date such expense was incurred by Landlord;
- (d) to recover from the Tenant all damages, costs and expenses incurred by the Landlord as a result of the Event of Default including any deficiency between those amounts which would have been payable by the Tenant for the portion of the Term following such termination and the net amounts actually received by the Landlord during such period of time with respect to the Premises;
- (e) to recover from the Tenant the full amount of the current month's Rent together with the next three (3) months' instalments of Rent, which shall immediately become due and payable as accelerated rent, together with Rental Taxes on such Rent; and
- (f) suspend or cease to supply any utilities, services, heating, ventilation, air conditioning and humidity control to the Premises, all without liability of Landlord for any damages, including indirect or consequential damages, caused thereby.

### **15.3 DISTRESS**

The Tenant hereby waives and renounces the benefit of any present or future laws purporting to limit or qualify the Landlord's right to distrain. Notwithstanding any provision of this Lease or any provision of any present or future Applicable Laws, none of the goods, chattels or trade fixtures on the Premises at any time during the Term shall be exempt from levy by distress for

arrears of Rent or other sums provided in this Lease to be paid by the Tenant, and the Tenant waives any such exemption. If the Landlord makes any claim against the goods and chattels of the Tenant by way of distress this provision may be pleaded as an estoppel against the Tenant in any action brought to test the right of the Landlord to levy such distress.

#### **15.4 INTEREST AND COST**

The Tenant shall pay to the Landlord upon demand: (a) interest at the Default Rate on all Rent and all other amounts required to be paid by the Tenant hereunder from the due date for payment until fully paid and satisfied; and (b) the Landlord's then current reasonable administration charge for each Notice of default given by the Landlord to the Tenant under this Lease.

#### **15.5 EXPENSES**

In the event that legal action is brought for recovery of possession of the Premises, for the recovery of Rent or any other amount due under this Lease, or because of the breach of any other terms, covenants or conditions herein contained on the part of the Tenant to be kept or performed, and a breach is established, the Tenant shall pay to the Landlord as Additional Rent upon demand all costs and expenses incurred therefor, including, without limitation, any professional, consultant and legal fees (on a substantial indemnity basis), unless a court shall otherwise award.

#### **15.6 REMEDIES CUMULATIVE**

No reference to or exercise of any specific right or remedy by the Landlord shall prejudice or preclude the Landlord from exercising or invoking any other remedy, whether allowed under this Lease or generally at law or in equity, and the express provisions of this Lease as to certain rights and remedies are not to be interpreted as excluding any other or additional rights and remedies available to the Landlord generally at law or in equity; provided, however, for avoidance of doubt, notwithstanding anything to the contrary in this Lease, Landlord shall not have the right to terminate this Lease or Tenant's possession thereof with respect to any breach or default by Tenant unless such breach or default becomes an Event of Default under Section 15.1. The Tenant irrevocably waives the benefit of any present or future laws which in any way may limit or diminish the Landlord's rights and remedies as set forth in this Lease.

### **ARTICLE 16** **ENVIRONMENTAL OBLIGATIONS**

#### **16.1 ENVIRONMENTAL COMPLIANCE**

- (a) The Tenant shall conduct all of its operations on the Premises in strict compliance with all Environmental Laws and shall not cause or permit to be caused by any act, practice or omission (where there is a duty to act) or by negligence or otherwise any adverse effect, as such terms may be defined or applied under Environmental Laws from time to time. Without limiting the generality of the foregoing, the Tenant shall obtain all licences, permits, registrations, certificates of approvals and approvals required under all Environmental Laws for its operations on the Premises.

- (b) The Tenant shall not cause or allow any Hazardous Substances to be present, used, generated, stored or disposed of, in, on, under or about or transported from the Premises, except in strict compliance with all Environmental Laws, and only in such amounts as are reasonably necessary in connection with the Permitted Use and using all necessary and appropriate precautions with respect to such Hazardous Substances; provided, however, nothing herein shall require the Tenant to be responsible for remediating, removing or otherwise addressing any Hazardous Substances that were not first brought onto the Building or Premises by Tenant or its Licensees. The Tenant shall obtain all licences, permits, certificates of approval, approvals and generator registrations required under Environmental Laws with respect to all such Hazardous Substances.
- (c) The Tenant shall provide copies to the Landlord of all licences, permits, certificates of approval, approvals and generator registrations required hereunder within ten (10) days of demand therefor by the Landlord, provided that receipt or review of same by the Landlord shall not obligate the Landlord to take any action hereunder with respect to any conditions on the Premises.
- (d) The Tenant shall notify the Landlord promptly of any event or occurrence that has given, or is likely to give, rise to a report, order, inquiry investigation under Environmental Laws or a violation of Environmental Laws, including any release, spill, emission, leaking, pumping, injection, deposit, disposal, discharge, dispersal, leaching or migration of a Hazardous Substance into, on, under, from or about the Premises or the Building, upon Tenant learning of same.
- (e) The Tenant shall not permit any waste to accumulate at the Premises and shall ensure all such waste is removed by a licenced hauler in compliance with all Environmental Laws.

## **16.2 REMEDICATION**

The Tenant shall, on thirty (30) days' notice, if reasonably required by the Landlord, at its expense, cause an environmental, industrial hygiene or human health site assessment (the "ESA") of the Premises to be conducted by an environmental or human health consultant, as the case may be (the "Consultant") selected by the Landlord which may include, as required by the Landlord, acting reasonably, inspection of the Premises and the operations of the Tenant, drilling bore holes, and testing samples therefrom, reviewing records maintained by the Ministry of the Environment, the Technical Standards and Safety Authority or Ministry of Labour, reviewing records maintained by the Tenant and interviewing the Tenant's employees. The Tenant shall forthwith perform all remediation and decommissioning recommended by the ESA to restore the Premises to the condition which existed on the Commencement Date if and only if such remediation and decommissioning is with respect to Hazardous Substances that were first brought onto the Building or Premises by Tenant or its Licensees. The decision of the Consultant as to whether any environmental damage or condition arose on the site during the Term or any renewal or whether it was caused by the operations of the Tenant shall be conclusive. The ESA shall be addressed to both the Landlord and the Tenant. Landlord shall pay for the ESA if the ESA does not disclose any breach by Tenant of the provisions of this Article 16.

**16.3 ENVIRONMENTAL INDEMNITY**

The Tenant shall indemnify and save harmless the Landlord from and against any and all losses, claims, actions, damages, liabilities, penalties and expenses (including consultants' fees and legal fees on a solicitor and client basis) in connection with loss of life, personal injury, damage to property, remediation required, compliance with government orders or Environmental Laws, or any other loss or injury (collectively, "**Environmental Claims**") to the extent arising from a breach of the Tenant of its obligations hereunder; provided, however, in no event shall the Tenant's indemnification or hold harmless obligations in this Lease be construed as requiring Tenant to indemnify or save harmless the Landlord for any Environmental Claims to the extent caused by the gross negligence or willful misconduct of Landlord or the Property Manager or their respective employees, contractors or agents. This indemnity shall survive the expiry or termination of this Lease.

**ARTICLE 17**  
**MISCELLANEOUS****17.1 RELATIONSHIP OF PARTIES**

Nothing contained in this Lease shall create any relationship between the parties other than that of landlord and tenant, and, without limitation, nothing in this Lease shall be construed to constitute the Landlord and the Tenant as partners, joint venturers or members of a joint or common enterprise.

**17.2 CONSENT NOT TO BE UNREASONABLY WITHHELD**

Except as otherwise specifically provided in this Lease, the Landlord and the Tenant, and each Person acting for them, in granting a consent or approval or making a determination, designation, calculation, estimate, conversion or allocation under this Lease, will act reasonably and in good faith and each Expert or other professional Person employed or retained by the Landlord will act in accordance with the applicable principles and standards of such Person's profession. The Tenant's sole remedy against the Landlord in respect of any breach or alleged breach of this Section 17.2 shall be an action for specific performance and, without limitation, the Landlord shall not be liable for damages and the Tenant shall not be entitled to any other rights or remedies. If either party withholds any consent or approval where it is required to act reasonably, such party shall, on written request, deliver to the other party a written statement giving the reasons for withholding the consent or approval.

**17.3 OVERHOLDING**

The Tenant has no right to remain in possession of the Premises after the end of the Term. If the Tenant remains in possession of the Premises after the end of the Term with or without the consent of the Landlord but has not executed and delivered a new lease, there shall be no tacit renewal of this Lease or the Term, notwithstanding any statutory provisions or legal presumption to the contrary. If the Tenant remains in possession of the Premises after the end of the Term without the written consent of the Landlord, the Tenant's continued occupancy will be deemed a tenancy at will which the Landlord may terminate at any time on twenty-four (24) hours' written Notice. If the Tenant remains in possession of the Premises after the end of the Term with the Landlord's written consent but without entering into a new lease or other agreement, the Tenant



shall be deemed to be occupying the Premises as a tenant from month to month. In either event, the Tenant shall pay to the Landlord, in advance on the first day of each month, a monthly Minimum Rent equal to two hundred percent (200%) of the monthly amount of Minimum Rent payable during the last month of the Term and shall otherwise occupy the Premises upon the same terms, covenants and conditions as are set forth in this Lease, mutatis mutandis, including, for greater certainty, liability for all Additional Rent.

#### **17.4 REGISTRATION**

The Tenant agrees that the Landlord will not be obliged to deliver this Lease in form registrable under the *Land Title Act*, R.S.B.C. 1996, c. 250, as such legislation may be amended or substituted from time to time and covenants and agrees with the Landlord not to register this Lease, provided that the Tenant shall, if the Landlord requires, register a short form of this Lease in a form to be determined by the Landlord, acting reasonably.

#### **17.5 UNAVOIDABLE DELAY**

If any party is bona fide delayed, or hindered in or prevented from the performance of any term, covenant or act required by this Lease, excluding the obligation to pay Rent, by reason of any cause beyond the control of the party affected including, without limitation, strikes, lockouts or other labour disputes, the enactment, amendment or repeal of any Applicable Laws, the failure of any existing tenant or occupant to vacate the Premises, shortages or unavailability of labour or materials, riots, insurrection, sabotage, rebellion, war, acts of terrorism, act of God, Health Emergency or any other similar reason ("**Unavoidable Delay**"), then performance of such term, covenant or act is excused for the period of the delay and the party so delayed, hindered or prevented shall be entitled to perform such term, covenant or act within the appropriate time period after the expiration of the period of such delay. However, the provisions of this Section 17.5 do not operate to excuse the Tenant from the prompt payment of Rent and any other payments required by this Lease and Unavoidable Delay shall not include any delay caused by the parties' default or act or omission, any delay avoidable by the exercise of reasonable care by such party or any delay caused by lack of funds of such party. The Landlord and Tenant shall also be excused from the performance of any term, covenant or act required hereunder if the performance of such item would be in conflict with any directive or policy of any governmental or quasi-governmental authority having jurisdiction over the Building in respect of any energy, conservation, health, safety or security matter.

#### **17.6 DECISIONS OF EXPERTS**

Except as otherwise set forth in this Lease, the decision of any Expert whenever provided for under this Lease and any certificate of an Expert in each case addressed to both parties shall be final and binding on the parties and there shall be no further right of dispute or appeal.

#### **17.7 NOTICES**

Any notice, demand, statement or request ("**Notice**") required or permitted to be given under this Lease shall be in writing and shall be deemed to have been duly given if personally delivered, delivered by courier or mailed by registered prepaid post and shall be addressed:

(a) if to the Landlord:

Homer Street Office Properties Inc.  
6<sup>th</sup> Floor – 1067 West Cordova Street  
Vancouver, B.C. V6C 1C7  
Attention: Property Manager

with a copy to:

Kornfeld LLP  
1100 One Bentall Centre  
505 Burrard Street  
Vancouver, British Columbia V7X 1M5  
Attention: E. Neil Kornfeld, Q.C.

with a copy to such other Person or at such other address as the Landlord designates by written Notice; and

(b) if to the Tenant:

FOR NOTICES OF DEFAULT ONLY:  
RGN British Columbia XXIII Limited Partnership  
c/o Regus Corporation  
15305 N. Dallas Parkway, Suite 400  
Addison, TX 75001  
USA  
Attention: Legal Department

With a copy to:  
RGN British Columbia XXIII Limited Partnership  
c/o Regus Corporation  
15305 N. Dallas Parkway, Suite 400  
Addison, TX 75001  
USA  
Attention: Chief Financial Officer

FOR ALL OTHER NOTICES:  
RGN British Columbia XXIII Limited Partnership  
c/o Regus Corporation  
15305 N. Dallas Parkway, Suite 400  
Addison, TX 75001  
USA  
Attention: Lease Administrator

With a copy to:  
RGN British Columbia XXIII Limited Partnership  
c/o Regus Corporation  
One Alliance Center, Suite 1500  
3500 Lenox Road  
Atlanta GA 30346  
USA  
Attention: Michael Berretta

Any such notice, demand, request or other instrument will be conclusively deemed to have been given or made on the day upon which it is delivered if mailed, then seventy-two (72) hours following the date of mailing, as the case may be, and the time period referred to in the notice commences to run from the time of delivery or seventy-two (72) hours following the date of mailing. Any party may at any time give notice in writing to the others of any change of address of the party giving such notice, and from and after the giving of such notice, the address therein specified is deemed to be the address of such party for the giving of notices hereunder. If the postal service is interrupted or is substantially delayed, any notice, demand, request or other instrument shall only be delivered in Person.

#### **17.8 CONFIDENTIALITY, PERSONAL INFORMATION**

The Tenant shall keep confidential all financial information in respect of this Lease, provided that it may disclose such information to its solicitors, accountants, auditors, consultants and other professional advisors so long as Tenant is responsible for causing them to keep such information confidential. Any Tenant or Indemnifier that is an individual person consents to the collection and use of their personal information, as provided directly or collected from third parties, for the purposes of the Landlord considering the Tenant's offer to lease (preceding this Lease), any right under this Lease, any renewal, extension or early surrender of this Lease, and determining the suitability of the Tenant or Indemnifier, as applicable, (both initially and on an on-going basis), including the disclosure of such information to existing and potential lenders, investors and purchasers.

#### **17.9 POWER, CAPACITY AND AUTHORITY**

The Landlord and the Tenant covenant, represent and warrant to each other that they have the power, capacity and authority to enter into this Lease and to perform its obligations hereunder and that there are no covenants, restrictions or commitments given by it which would prevent or inhibit it from entering into this Lease.

#### **17.10 LIABILITY OF LANDLORD**

Any liability of the Landlord under this Lease shall be limited to its interest in the Building from time to time. If the Landlord consists of more than one Person, the liability of each such Person shall be several and be limited to its percentage interest in the Building. If the Landlord is a partnership, joint venture or co-tenancy, the Tenant shall look solely to the assets of such partnership or joint venture or the co-tenants' interest in the Building, whichever shall be the case, for the collection or satisfaction of any money or judgment which the Tenant may recover against the Landlord, and the Tenant shall not look for the collection or satisfaction of any such

money or judgment to the personal assets or any Person who shall at any time be a partner joint venturer or co-tenant in or under such partnership, joint venture or co-tenancy.

#### **17.11 EXECUTION**

This Lease may be executed and delivered in several counterparts and by means of facsimile, or other means of electronic transmission, and all such executed counterparts, when taken together, shall constitute the same Lease, effective as of the date first above written. The parties undertake to promptly deliver to one another original copies of all such counterparts which are executed and delivered by means of facsimile or other electronic transmission.

#### **17.12 INDEMNIFIER**

In consideration of the Landlord's execution of this Lease, the Tenant covenants to cause the Indemnifier to execute and deliver an Indemnity Agreement in the form set out in SCHEDULE "G" for the purpose of giving further effect to this provision contemporaneously with the execution and delivery by the Tenant of this Lease.

#### **17.13 LANDLORD AGENT**

This Lease may be executed on its behalf by, and the Landlord may perform any or all of its obligations hereunder by or through, such Property Manager or other agent as the Landlord may from time to time determine. Notwithstanding the foregoing or anything else contained in this Lease, the Property Manager shall not have obligations or liabilities under this Lease, and all obligations and liabilities of the Landlord hereunder shall be those of the Landlord alone, and the Tenant hereby releases every the Property Manager from any and all claims, actions, causes of action, damages, demands for damages and other liabilities however arising that may be made, asserted or claimed by the Tenant against the Landlord with respect to this Lease and the covenants and obligations of the Landlord herein.

#### **17.14 SCHEDULES**

The following Schedules form a part of this Lease:

- SCHEDULE "A" - Lands
- SCHEDULE "B" - Sketch Showing Location of Premises
- SCHEDULE "C" - Rules and Regulations
- SCHEDULE "D" - Special Provisions
- SCHEDULE "E" - Tenant Requirements for the Landlord's Buildout
- SCHEDULE "F" - Approved Project Plans
- SCHEDULE "G" - Indemnity Agreement
- SCHEDULE "H" - Approved Test-Fit Plan
- SCHEDULE "I" - Standard Form of Licence Agreement
- SCHEDULE "T" - Form of Certificate of Substantial Completion

*[Signature page follows]*

**IN WITNESS WHEREOF**, the parties have executed this Lease as of the date hereof.

**HOMER STREET OFFICE PROPERTIES INC.**

(Landlord)

Per: \_\_\_\_\_



Name: **JUDY LEUNG**

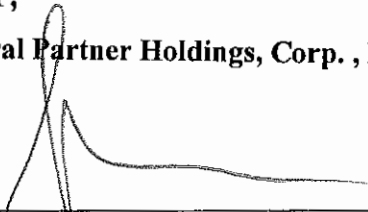
Title: **Authorized Signatory**

I have authority to bind the Corporation.

**RGN BRITISH COLUMBIA XXIII LIMITED PARTNERSHIP,**

by **RGN General Partner Holdings, Corp. , Its General Partner**  
(Tenant)

Per: \_\_\_\_\_



Name: **Michael J. Osburn**

Title: **Vice President**

I/we have authority to bind the Partnership.

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**SCHEDULE "A"  
LANDS**

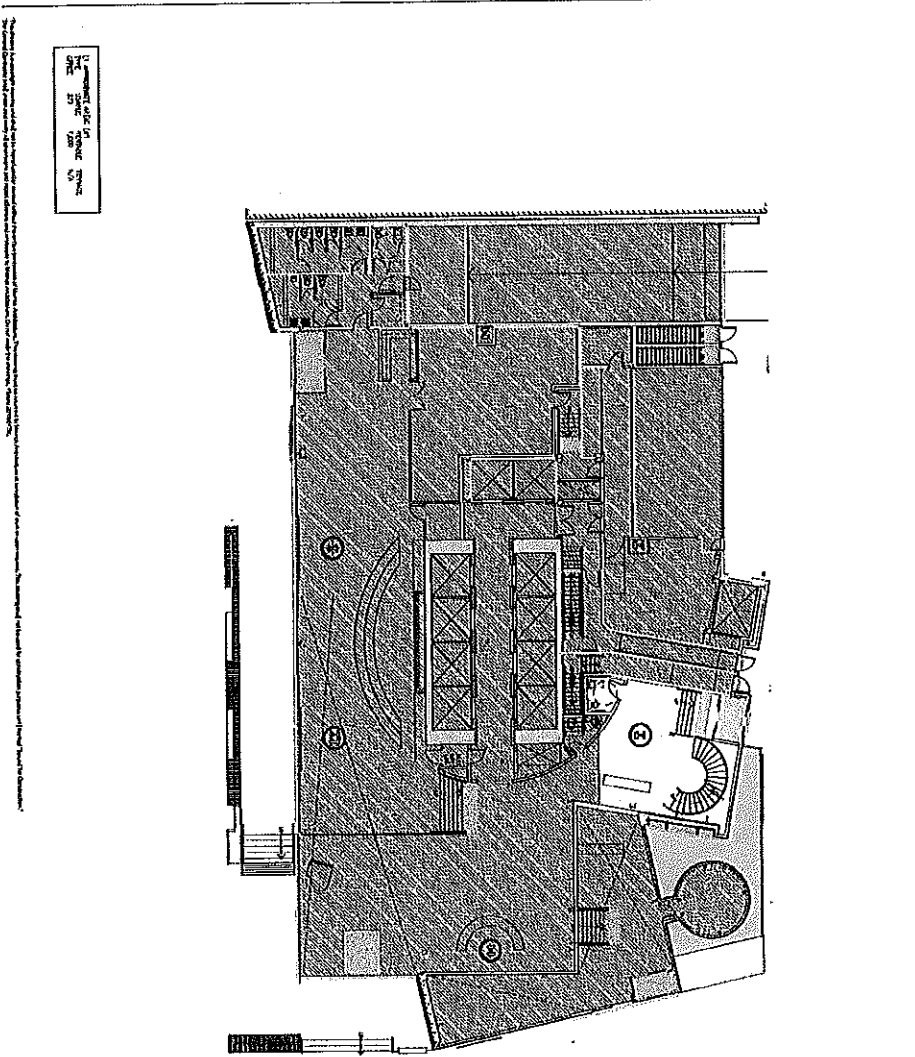
Legal Description:

**PID: 030-317-304**

**LOT A BLOCK 55 DISTRICT LOT 541 GROUP 1 NWD PLAN EPP75095**

### SCHEDULE "B" SKETCH SHOWING LOCATION OF PREMISES

Note: The purpose of this plan is solely to indicate the approximate location and configuration of the Premises. The actual location and configuration of the Premises may differ from that shown on such plan.



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**MERRICK**  
ARCHITECTS

1000 Peachtree Street, N.E.  
 Atlanta, Georgia 30309  
 Telephone: (404) 525-8800  
 Fax: (404) 525-8801  
 Website: www.merrick.com

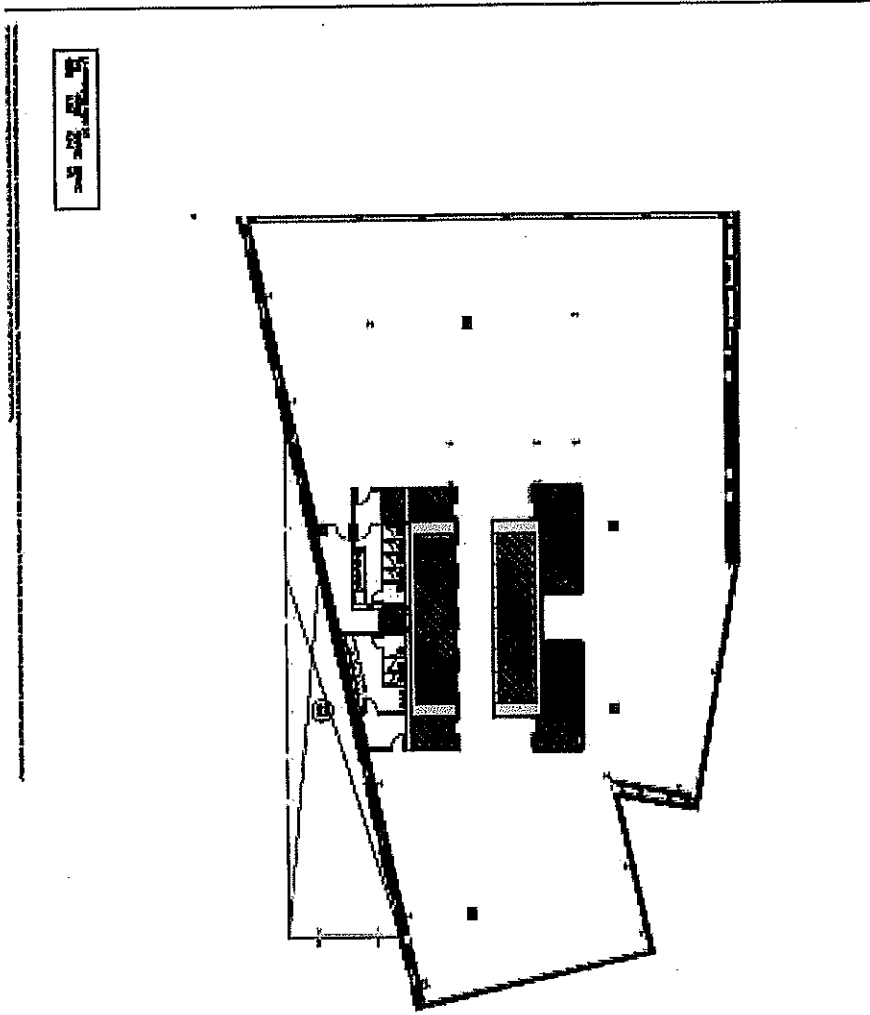
400 West Georgia  
 Northpark  
 Level - 1 PLUM ISOLATED  
 R.0000

Date: 08/20/08  
 Drawn by: AS/MS/CS  
 Checked by:

**A2.070**







400 West Georgia  
Atlanta, GA 30334  
Tel: 404.525.1234  
Fax: 404.525.1235  
www.400westgeorgia.com

Architectural details and notes:

- 1. All dimensions are in feet and inches.
- 2. All work shall conform to the latest editions of the International Building Code (IBC) and the International Mechanical Code (IMC).
- 3. The contractor shall be responsible for obtaining all necessary permits and approvals from the local authorities.
- 4. The contractor shall maintain access to all existing utilities and structures on the site.
- 5. The contractor shall protect all existing structures and utilities that are not to be removed or altered.
- 6. The contractor shall be responsible for the safety of all workers and the public during the construction process.
- 7. The contractor shall provide a detailed schedule of work and a list of subcontractors to the architect.
- 8. The contractor shall provide a list of all materials and equipment to be used in the construction.
- 9. The contractor shall provide a list of all laborers and trades to be used in the construction.
- 10. The contractor shall provide a list of all subcontractors to be used in the construction.

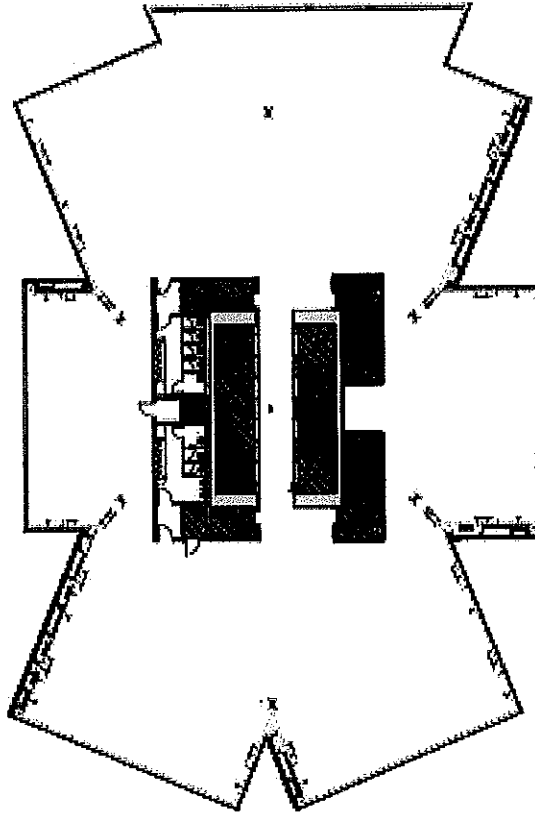
Scale: 1/8" = 1'-0"

North Arrow

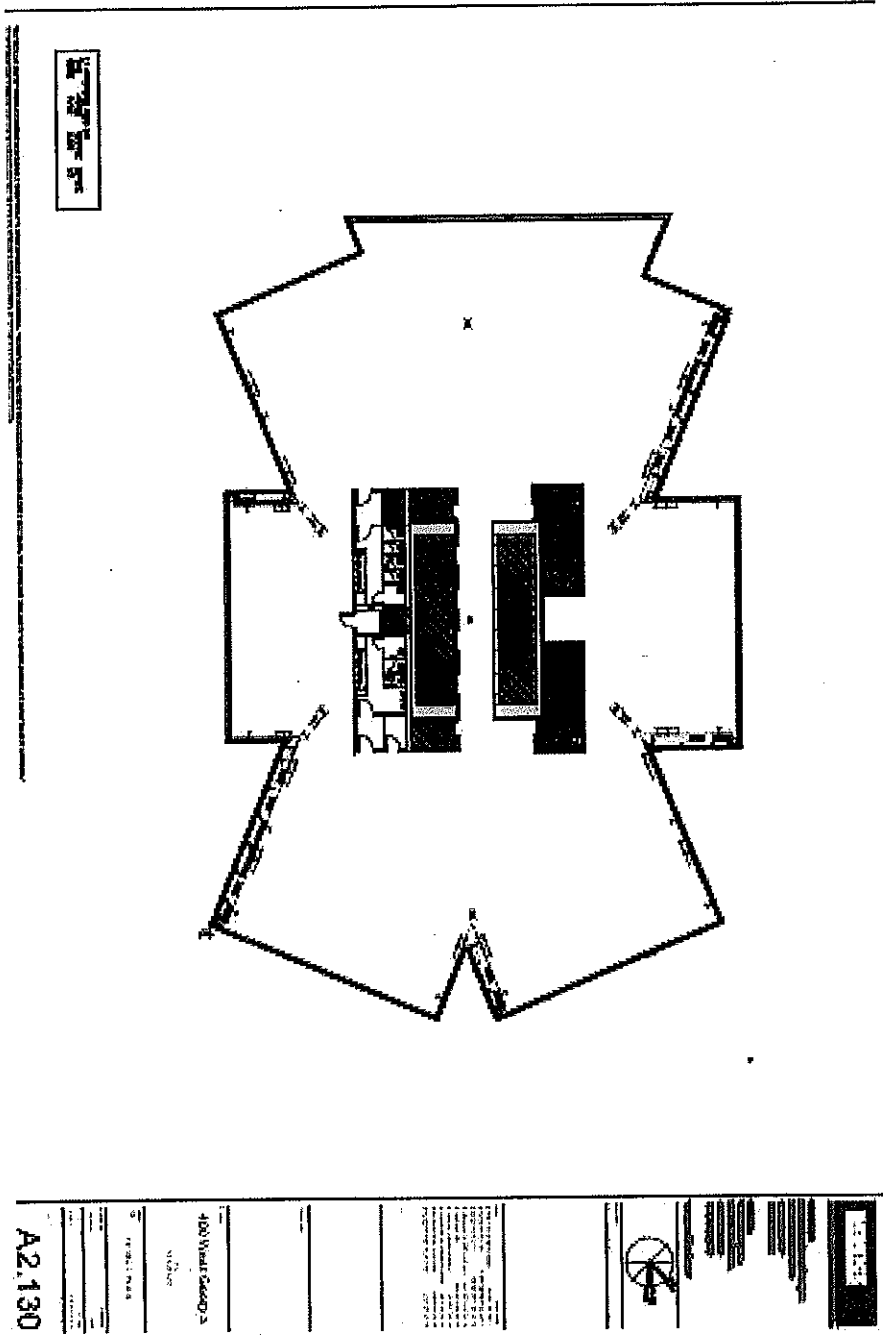
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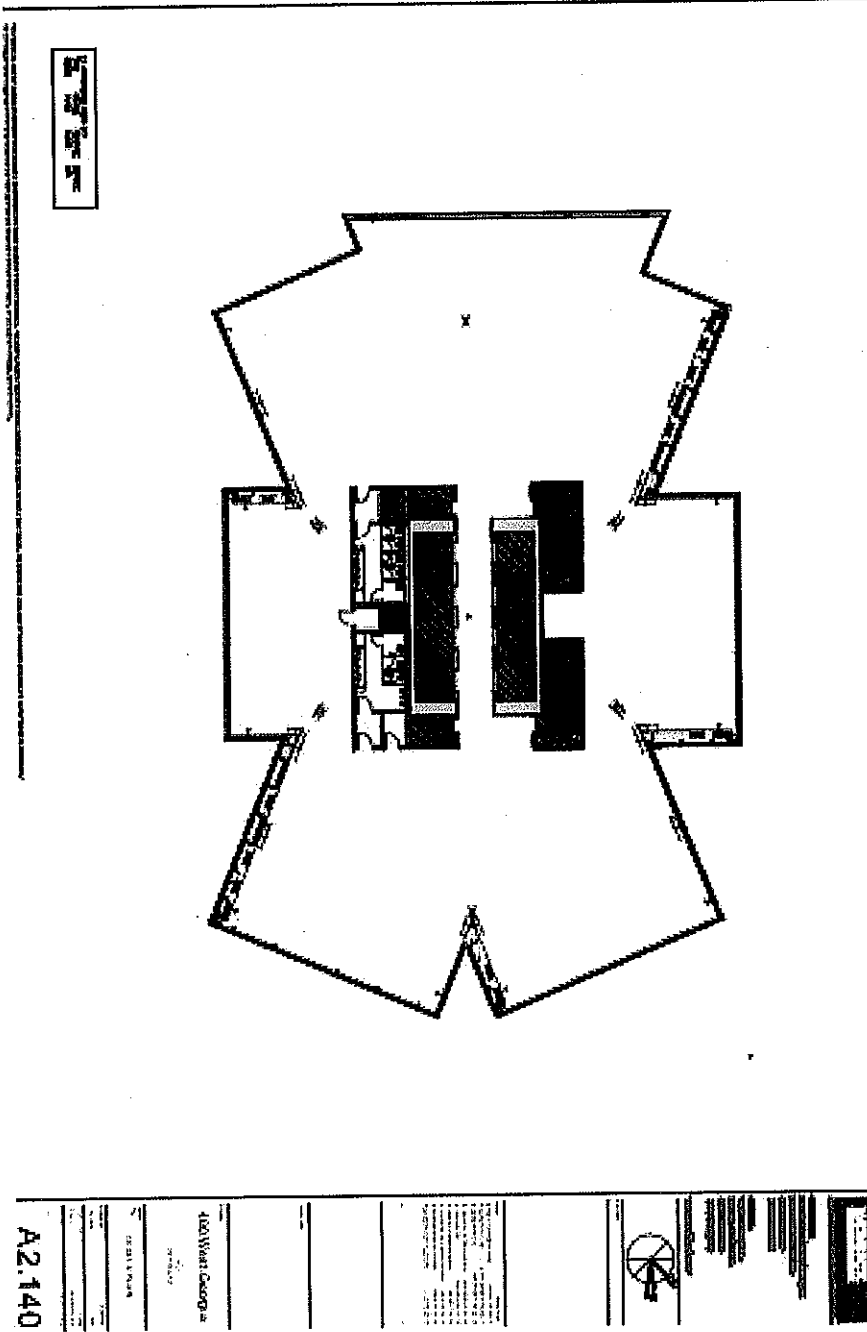


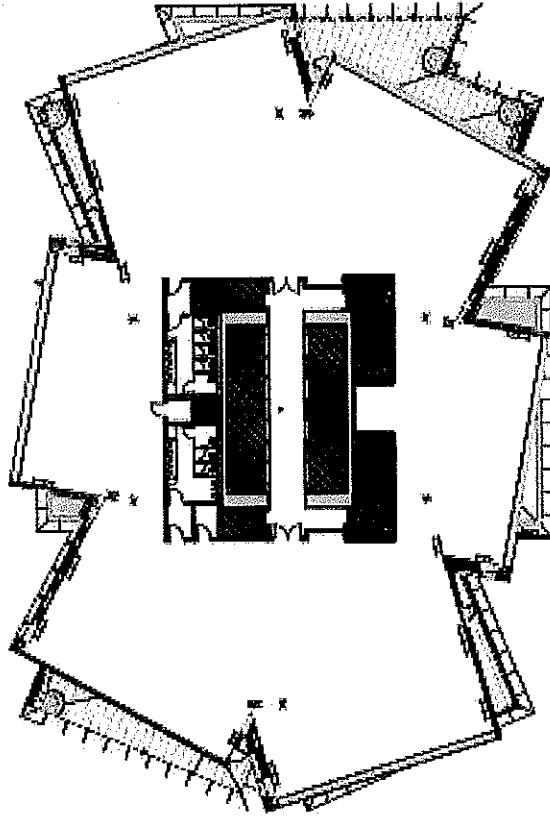




Architectural drawing details including a north arrow, a scale bar, and a title block. The title block contains the text "A2.120" and "100' Visual Diagram".







<p>400 West Georgia Atlanta, Georgia 404.525.1100</p>	<p>A2.150</p>

**SCHEDULE "C"**  
**RULES AND REGULATIONS**

**1. Security and Safety**

- (a) The Landlord may from time to time adopt appropriate systems and procedures for the security and safety of the Building and the tenants and occupants and contents thereof, and the Tenant shall comply with the Landlord's reasonable requirements in respect of such systems and procedures.
- (b) The Tenant shall participate in fire drills and evacuations of the Building as directed by the Landlord. In the event of an emergency, the Tenant shall vacate the Building if the Landlord or any public authority so directs in the manner prescribed by the Landlord or such public authority.
- (c) The Tenant shall not keep any inflammable oils or other inflammable, dangerous, corrosive or explosive materials in the Premises or the Building, save and except for incidental amounts used in the Tenant's business operations and kept and used in accordance with all Applicable Laws.
- (d) The Tenant shall not bring any weapons, including firearms, knives (except normal kitchen utensils and office equipment such as scissors), fireworks or other similar implements, into the Premises or the Building at any time.
- (e) The Tenant shall use and encourage the use of alcohol based waterless hand sanitizers in all washroom and food preparation facilities within the Premises.
- (f) For safety and security purposes, the number of occupants of the Premises shall, at all times, not exceed the population density permitted by the National Building Code of Canada, as determined by the Tenant's architect.

**2. Use of Premises**

- (a) The Tenant shall not use or permit the Premises to be used for residential, lodging or sleeping purposes, or for the storage of personal effects or articles not required for business purposes.

**3. Operation of Premises**

- (a) The Tenant shall place all refuse and recyclables in the receptacles provided by the Tenant in the Premises or in the receptacles (if any) provided by the Landlord for the Building, and shall otherwise keep the Lands and the Building and the sidewalks and driveways outside the Building free of all refuse.
- (b) The Tenant shall participate in all reasonable Building recycling, energy reduction and water conservation programs as may be determined by the Landlord from time to time.



- (c) The Tenant shall neither obstruct nor use the entrances, passages, escalators, elevators and staircases of the Building or the sidewalks and driveways outside the Building for any purpose other than ingress to and egress from the Premises and the Building.
- (d) The Landlord shall be entitled to refuse to collect refuse and recyclables if not properly sorted into the appropriate recyclable container, and the Landlord shall be entitled to charge the Tenant for any costs it incurs as a result of the Tenant's failure to comply with the Building recycling program.

**4. Repair, Maintenance, Alterations and Improvements**

The Tenant shall carry out the Tenant's repairs, maintenance, Alterations and improvements in the Premises consistent with the Lease.

**5. Articles**

- (a) All appliances used to move articles in or out of the Premises shall be equipped with rubber tires, slide guards and any other safeguards required by the Landlord.
- (b) The Tenant shall not place in or move about the Premises any heavy machinery or equipment or anything liable to injure or destroy any part of the Premises or the Building without the prior written consent of the Landlord, such consent not to be unreasonably withheld, conditioned or delayed.
- (c) The Tenant may be required to report to the Building manager as to whether items of equipment purchased by the Tenant for use within the Premises are Energy Star, EcoLogo<sup>M</sup>, Green Seal<sup>TM</sup> or otherwise approved by a credible authority (as determined by the Landlord acting reasonably) as environmentally friendly.
- (d) The Tenant shall not permit the use of, within its Premises, any stand alone energy intensive equipment designed to modify indoor air temperature or humidity, such as portable air conditioners, space heaters, humidifiers or dehumidifiers.

**6. Windows**

If the Building has operable windows, the Tenant will keep such windows closed during any smog alert days.

**7. Washrooms and Water Fixtures**

The Tenant shall not use the washrooms or other water fixtures for any purposes other than those for which they were intended, and no sweepings, rubbish, rags, ashes or other substances shall be thrown into them.

## 8. Locks and Security Systems

The Tenant shall not place or cause to be placed any additional locks or security systems on entrances to the Premises without the prior written consent of the Landlord. At the end of the Term, the Tenant shall return to the Landlord all keys and other entry devices for the Premises and the Building which are in the possession of the Tenant. If without the Landlord's consent, the Tenant installs lock(s) incompatible with the Building master locking system or to which Tenant fails to provide Landlord with a master key:

- (a) The Landlord, without abatement of Rent, shall be relieved of any obligation under the Lease to provide any service to the affected areas which require access thereto;
- (b) The Tenant shall indemnify the Landlord against any expense incurred in order to force entry thereto which may be required in an emergency or to remove any such locks; and
- (c) The Landlord may at any time remove such lock(s) at the Tenant's expense.

## 9. Bicycles and Vehicles

The Tenant shall not bring any bicycles or other vehicles within any part of the Lands or Building except in such area or areas designated by the Landlord from time to time; provided, however, Landlord agrees to permit the Tenant to have branded bicycles stored within its Premises, the location and number of which shall be subject to Landlord's prior reasonable approval.

## 10. Living Creatures

The Tenant shall not bring any living creatures, including animals (except dogs assisting the disabled), reptiles, insects, birds or fish within any part of the Lands or Building without the consent of the Landlord, such consent not to be unreasonably withheld, conditioned or delayed.

## 11. Indoor Plants and Vegetation, and Pest Control

The Tenant shall ensure that no pesticides or herbicides are used within the Premises. The Tenant shall maintain any indoor plants and vegetation within the Premises in a healthy state, provided that any fertilizers used shall meet EcoLogo<sup>M</sup>, Green Seal<sup>TM</sup> or equivalent standards.

## 12. Antennae, Satellite Dish

The Tenant shall not install any radio or television antenna or satellite dish on any part of the Lands or Building without the prior written consent of the Landlord.

## 13. Smoking

The Tenant shall not permit smoking in any part of the Building, including the Premises.

**14. Employees, Agents and Invitees**

In these Rules and Regulations, "Tenant" includes the employees, agents, invitees and Licensees of the Tenant and others permitted by the Tenant to use or occupy the Premises.

**15. Health Screening**

The Landlord shall be entitled, during such time as there is a Health Emergency or a Health Emergency Plan is in effect, to require all occupants to comply with reasonable measures imposed in respect thereof by the Landlord, including health screening, the use of hand washing and other sanitation products directly related to the management of the health threat, attendance at mandatory training sessions, and the use of additional protective clothing by all occupants, invitees and tenants such as protective barriers, gloves and masks.

**16. Access During Health Emergency**

During a Health Emergency, the Landlord shall also be entitled to specify specific modes of ingress and egress from and to the Building for tenants generally, or for specific tenants, occupants or invitees who may have a heightened risk of either exposure to a health threat or a heightened risk of transfer of unhealthy condition to other tenants, invitees or visitors in the Building.

**17. Disclosure by Tenant**

The Tenant shall, immediately upon becoming aware of same, inform the Landlord of any outbreak of an infectious disease amongst its employees where such outbreak may impact the health and/or safety of other tenants in the Building or lead to a Health Emergency.

**18. Health Emergency Drills**

The Tenant shall participate in any Health Emergency drill that the Landlord shall choose to implement acting reasonably, in preparation for a Health Emergency.

**19. Smoking**

The Tenant acknowledges and agrees that no smoking is permitted within or about the Building, including the Premises.

**SCHEDULE "D"**  
**SPECIAL PROVISIONS**

With reference to the Lease to which this Schedule is attached, made between Homer Street Office Properties Inc., as Landlord, and RGN British Columbia XXIII Limited Partnership, as Tenant, pertaining to the Premises at the Building, and with specific reference to Section 2.1, therein, the following Special Provisions shall be a part of the Lease:

**1. General to all Clauses**

Where any provision of any paragraph contained in this SCHEDULE "D" is inconsistent with any provision or provisions of this Lease, the provision of the paragraph in this SCHEDULE "D" shall govern and the inconsistent provision or provisions of this Lease shall be of no effect.

**2. Environmental Objectives**

- (a) "Greenhouse Gases" shall mean any or all of CO<sub>2</sub>, methane (CH<sub>4</sub>), nitrous oxide (N<sub>2</sub>O), Sulphur Hexafluoride (SF<sub>6</sub>), Perfluoromethane (CF<sub>4</sub>), Perfluoroethane (C<sub>2</sub>F<sub>6</sub>), Hydrofluorocarbons (HFC's)<sup>1</sup>, any substance designated as a greenhouse gas by Applicable Laws or any other substance that is the subject of reporting obligations under the Government of Canada's notice with respect to reporting of greenhouse gases released under the *Canadian Environmental Protection Act*, 1999 on February 16, 2008 in the Canada Gazette, vol. 142, no. 7, as updated from time to time, or a successor obligation or any equivalent notice published by any provincial government, and "Greenhouse Gas" means any one of them.
- (b) The Tenant acknowledges the Landlord's intention to operate the Building so as to provide for:
- (i) a comfortable, productive and healthy indoor environment;
  - (ii) reduced energy use and reduced production, both direct and indirect, of Greenhouse Gases;
  - (iii) reduced use of potable water and the use of recycled water where appropriate;
  - (iv) the effective diversion of construction, demolition, and land-clearing waste from landfill and incineration disposal, and the recycling of tenant waste streams;
  - (v) the use of cleaning products certified in accordance with EcoLogo<sup>M</sup> (Canada), Green Seal<sup>TM</sup> (United States) or equivalent standards;

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<sup>1</sup> Including: HFC-23, HFC-32, HFC-41, HFC-43, HFC-125, HFC-134, HFC-134A, HFC-143, HFC-143A, HFC-152, HFC-227EA, HFC-236FA and HFC-245CA.

- (vi) the facilitation of alternate transportation options for individuals attending at the Building;
- (vii) and the avoidance of high-VOC emitting materials, furniture and improvements within the Building and individual tenant premises;

(collectively, the “**Environmental Objectives**”).

- (c) The Tenant covenants with the Landlord, at the Landlord’s option, that the Tenant will co-operate with the Landlord, as commercially reasonable, in the conservation of all forms of energy in the Premises, and that the Tenant will comply with all laws, bylaws, regulations and requirements relating to the conservation of energy and effecting the Premises and/or the Building as may be applicable to the conduct of Tenant’s business within the Premises.

### 3. **Completion of Premises**

- (a) The Landlord and the Tenant each acknowledge their approval of (1) the test-fit plan for the Landlord’s Buildout attached hereto as SCHEDULE "H" (the “**Approved Test-Fit Plan**”), (2) the requirements for the Landlord’s Buildout set forth in, or incorporated by reference in, as the case may be, SCHEDULE "E" (the “**Tenant Requirements for the Landlord’s Buildout**”) (which Landlord recognizes are propriety to Tenant and agrees to keep the same confidential, and to cause its architect to keep the same confidential), and (3) the architectural and engineering plans and specifications for the Landlord’s Project Work (the “**Project Plans**”) identified on SCHEDULE "F", as may be amended by the Landlord in accordance with subparagraph SCHEDULE "D"3(h) SCHEDULE "D"3(i) below.

Landlord shall cause MERRICK ARCHITECTURE – BOROWSKI SAKUMOTO FLIGG MCINTYRE LTD. (the local architectural firm) and O-S-O ARCHITECTS (the Japanese firm), who are the Landlord’s architect, to, in consultation with Tenant, prepare architectural and engineering plans and specifications for the Landlord’s Buildout in conformity with the Approved Test-Fit Plan and the Tenant Requirements for the Landlord’s Buildout (the “**Draft Plans**”) and the Landlord will submit the Draft Plans to the Tenant, for its review and approval, which approval by the Tenant shall not be unreasonably withheld, conditioned, or delayed; provided, however, it shall be reasonable for the Tenant to withhold its approval of any aspects of the Draft Plans, or any revisions thereto, that are not consistent with (A) the Approved Test-Fit Plan and (B) the Tenant Requirements for the Landlord’s Buildout as modified by the Tenant as part of the consultative process for development of the Draft Plans (the “**Criteria**”). The Tenant, acting in accordance with the applicable standard for Tenant’s approval set forth above, shall advise the Landlord within thirty (30) days after receipt of the Draft Plans of its approval or its disapproval thereof, and, if it does not approve any of the Draft Plans, of the changes required in the same so that they will meet with the Tenant’s approval. If the Tenant disapproves the Draft Plans,

the Landlord shall cause the Landlord's architect to deliver to the Landlord and the Tenant, revised Draft Plans, which respond to Tenant's requests for changes. The Tenant shall advise the Landlord within ten (10) Business Days (or such other day as the Landlord and Tenant may agree in writing) after receipt of any revised Draft Plans of its approval or disapproval thereof, and, if it does not approve any of the revised Draft Plans, of the changes required in the same so that they will meet its approval. This iterative process shall continue until the Landlord and the Tenant mutually agree upon the Draft Plans for the Landlord's Buildout. If the Tenant fails to respond in writing with its approval or disapproval of any such Draft Plans within any such 30-day or 10-Business Day period, then the applicable Draft Plans shall be deemed approved by the Tenant. The Draft Plans, as revised (if revised), once they have been approved or deemed approved by the Tenant, are hereinafter referred to as the "**Final Plans and Specifications.**" The Landlord and the Tenant shall work in good faith with the goal of developing and approving the Final Plans and Specifications by that date which is 60 days following delivery by the Landlord of the initial Draft Plans. If the Tenant fails to approve the Draft Plans by such latter date mentioned, then the matter of settlement of the Final Plans and Specifications may be referred to arbitration by either the Landlord or the Tenant in accordance with paragraph SCHEDULE "D"11 of this Schedule.

The Tenant agrees to promptly respond to any requests of the architects or the Landlord for information or direction in connection with the preparation of the Draft Plans and the consultative process in relation thereto.

The Tenant's approval of the plans and specifications or other documents prepared by the Landlord's architect or its other consultants or the Landlord's other consultants shall not be deemed a warranty or assurance of any kind as to the quality or adequacy of such plans, specifications and documents or of such design's compliance with Applicable Laws.

- (b) The Landlord shall reimburse the Tenant for fees charged by the Tenant's architect for reviewing and approving the detailed plans and specifications, to a maximum amount equal to the number of square feet comprising the Rentable Area of the Premises multiplied by \$0.20 which amount shall be included in Actual Construction Cost as herein defined. The Tenant's application for reimbursement shall include invoices received from its architect, together with a statement of fees received to date. Payment on any such application shall be due within thirty (30) days of Landlord's receipt of same.
- (c) The Landlord shall, at its own cost, design and construct the Landlord's Buildout in accordance with the Final Plans and Specifications. Landlord shall perform, or cause to be performed, Landlord's Buildout and Landlord's Project Work, at Landlord's expense (and no such cost and expense shall be charged to Tenant or includable in Operating Costs or other Additional Rent) in accordance with the terms of this Lease and in accordance with all Applicable Laws and applicable professional standards of skill and care and in a good and workmanlike manner,

promptly and with all due diligence. Landlord hereby covenants that when completed, Landlord's Buildout shall be free from liens of material suppliers, contractors, subcontractors, laborers, and all other builder liens. In addition, Landlord represents and warrants that Landlord's Buildout shall have been completed using first quality workmanship and materials of good quality and new, shall be free from defects and deficiencies in materials and workmanship and are guaranteed for one year from the Delivery Date against all defects and deficiencies and not to fail under ordinary usage for that year period. Any breach of the foregoing representations, warranties and covenants (including, without limitation, any failure of Landlord's Buildout or Landlord's Project Work to comply with Applicable Laws) shall be promptly corrected and/or replaced, as the case may be, and fully remedied by Landlord, at Landlord's cost (and no such cost and expense shall be charged to Tenant or includable in Operating Costs or other Additional Rent).

- (d) Prior to the substantial completion of the Landlord's Buildout, the Tenant shall be entitled to conduct a site-inspection.
- (e) From time to time within one year following the Delivery Date, the Tenant shall provide the Landlord with a list of deficiencies (the "**Deficiency List**") in the Landlord's Buildout, and the Landlord shall rectify all actual deficiencies specified on the Deficiency List within ninety (90) days of receiving the same. If the Landlord fails to rectify such deficiencies within ninety (90) days, the Tenant shall rectify such deficiencies and the Landlord shall credit on account of future Rent due the Tenant's reasonable out-of-pocket costs for rectifying such deficiencies.
- (f) The Landlord shall not be responsible for any deficiencies other than actual deficiencies specified in any Deficiency List within the aforementioned one-year period, and subject to the rectification of those specified deficiencies, the Tenant shall accept the Premises and the Landlord's Buildout on an "as-is" basis.
- (g) The Landlord expects that the cost of designing and constructing the Landlord's Buildout will exceed \$100.00 per square foot of Rentable Area of the Premises, as finally determined under Section 5.3 of the Lease (the "**Expected Construction Cost**"). The Landlord shall credit on account of future Rent due the amount, if any, by which the Expected Construction Cost exceeds the Landlord's actual, out-of-pocket costs of designing and constructing the Landlord's Buildout, including construction management fees that are paid to an Affiliate of the Landlord (provided that any such fees among related parties are commercially reasonable) and any costs of rectifying deficiencies (the "**Actual Construction Costs**"). Within ninety (90) days following the Delivery Date, Landlord shall provide Tenant with a written statement reconciling and showing the Actual Construction Costs and all components thereof in reasonable detail and a certification from Landlord concerning whether, and by how much, the Actual Construction Costs were less than the Expected Construction Cost.

- (h) Final Plans and Specifications may be amended by the Landlord and the Tenant, each acting reasonably (except as set forth below), as follows:
- (i) The Landlord shall submit, or cause its architect to submit, the proposed amendments to the Final Plans and Specifications same to the Tenant for approval by the Tenant, which may be withheld in Tenant's sole discretion, except that Tenant agrees that it will not unreasonably withhold, condition, or delay its approval of any changes as may be required by reason of any one or more of the following: (A) by any governmental authority having jurisdiction, (B) to ensure compliance with Applicable Laws, (C) to correct architectural or consultants errors or omissions, (D) to correct construction defects or hazardous conditions and (E) any changes to replace any materials shown in the Final Plans and Specifications with a reasonable equivalent if the materials being replaced are no longer available or cannot be obtained within a commercially reasonable period of time at commercially reasonable expense.
  - (ii) The Tenant shall advise the Landlord within seven (7) Business Days after receipt of the Landlord's proposed amendments of the Tenant's approval or disapproval thereof, and, if the Tenant does not approve any of the amendments, the Tenant will advise the Landlord of the reasons for such disapproval and changes required in the same so that they will meet the Tenant's approval, acting in accordance with the applicable standard for Tenant's approval under paragraph 3(h)(i) above.
  - (iii) If the Tenant disapproves any proposed amendment to the Final Plans and Specifications, the Landlord shall deliver, or cause the Landlord's architect to deliver to the Tenant, revised Final Plans and Specifications, which respond to the Tenant's requests for changes or alternative changes proposed by the Landlord.
  - (iv) The Tenant shall advise the Landlord within seven (7) Business Days after receipt of any revisions of its approval or disapproval thereof, acting in accordance with the applicable standard for Tenant's approval under paragraph 3(h)(i) above, and, if the Tenant does not approve any of the revised Final Plans and Specifications, the Tenant will advise the Landlord of the changes required in the same so that they will meet the Tenant's approval, acting in accordance with the applicable standard for Tenant's approval under paragraph 3(h)(i) above.
  - (v) This iterative process shall continue until the Landlord and the Tenant mutually agree upon the amendments to the Final Plans and Specifications.
  - (vi) The Tenant may request elective changes to the Landlord's Buildout following the approval of the Final Plans and Specifications, subject to the Landlord's approval, not to be unreasonably withheld, conditioned or delayed; provided, however, it shall be reasonable for the Landlord to disapprove such changes if such changes (A) are not in compliance with



Applicable Laws, (B) are not permitted by governmental authority, (C) would negatively impact the buildout or fixturing of any other tenants in the Building or the timing thereof, (D) are reasonably anticipated to delay the date by which the Landlord's Buildout is scheduled to be substantially completed or (E) if the changes are otherwise in compliance with the aforesaid and the Tenant fails to approve the cost of such changes in accordance with paragraph 3(h)(vii) below. The Landlord shall advise the Tenant within ten (10) Business Days after receipt of the Tenant's proposed changes to the Landlord's approval or disapproval thereof, and, if the Landlord does not approve any of the changes, the Landlord will advise the Tenant of the reasons for such disapproval and the modifications required in the same so that they will meet the Landlord's approval. If the Landlord disapproves any proposed changes to the Final Plans and Specifications, the Tenant shall deliver, revised proposed changes to the Final Plans and Specifications, which respond to the Landlord's requests for modifications, if any. The Landlord shall advise the Tenant within seven (7) Business Days after receipt of any revisions of its approval or disapproval thereof, and, if the Landlord does not approve any of the revised changes to the Final Plans and Specifications, the Landlord will advise the Tenant of the modifications required in the same so that they will meet the Landlord's approval if there is a modification possible that would allow for such changes. If the Landlord advises the Tenant that the changes are possible with modifications to meet the Landlord's requirements as set out above in this subsection, this iterative process shall continue until the Landlord and the Tenant mutually agree upon changes to the Final Plans and Specifications or until Tenant elects not to pursue such changes to the Final Plans and Specifications or the Landlord advises that no changes to the Final Plans and Specifications can be made without delaying the substantial completion date of the Landlord's Buildout.

- (vii) If the Tenant does request any elective changes to the Landlord's Buildout following the approval of the Final Plans and Specifications, and the Landlord approves of such change in accordance with subsection (vi) then within ten (10) Business Days after the Landlord's approval, the Landlord shall submit to the Tenant a statement of the estimated cost of such changes, if any. Upon written notice to the Landlord within five (5) Business Days after the Tenant receives such statement, the Tenant shall have the right to discuss the cost directly (but in the presence of the Landlord's representative) with the Landlord's the general contractor or construction manager as applicable or the relevant subcontractor. If the cost of said change(s) increases the total cost of construction of the Landlord's Buildout (as documented by the Landlord in reasonable detail) and the Tenant approves of such cost in writing within five (5) Business Days of the Tenant's receipt of same (a failure to timely approve such cost in writing by the Tenant shall be construed as the Tenant's decision to withdraw its request for the changes and the Landlord agrees that it shall

not implement any requested elective changes by the Tenant unless and until the Tenant approves the cost thereof in writing in accordance with these provisions, if such changes are still reasonably possible without delaying the date by which the Landlord's Buildout is scheduled to be substantially completed), the Tenant shall pay to the Landlord within thirty (30) days after completion of said change order, the amount required to cover the additional cost of construction of the Landlord's Buildout resulting from such changes approved by the Tenant; provided, however, that to the extent the change orders (if any) requested by the Tenant should result in a decrease in (or no change in) the total cost of the Landlord's Buildout, the Tenant shall not be required to pay the cost of such change orders other than soft costs, or, as the case may, will only be responsible for the increase, in the aggregate, in the total cost of construction of the Landlord's Buildout, including soft costs, resulting from such change orders.

- (i) The Landlord will have the right to amend the Project Plans as may be required by any one or more of the following: (A) as may be required by any governmental authority having jurisdiction, (B) as may be required to ensure compliance with Applicable Laws (C) as may be required to correct architectural or consultants errors or omissions, (D) as may be required to correct construction defects or hazardous conditions, (E) to make changes resulting from site conditions, (F) to change the finishing materials and fixtures to be used in the common areas with replacements of equal or higher quality than those shown on the Project Plans, (G) to reconfigure or make other changes to the tenant floors on which the Premises are not located and on the floors of the Premises which do not materially change the area thereof, (H) to reconfigure the ground floor areas, excluding, however, any material change to the portion of the Premises located on the ground floor, and (I) changes to exterior landscaping, exterior pathways, and similar exterior improvements so long as such changes do not diminish the quality or design of the Project from that as shown in the Project Plans.

#### 4. Exterior Signage

Subject to (i) the Landlord's prior design approval, not to be unreasonably withheld conditioned or delayed [so long as the design is in keeping with the design and aesthetic of the Building signage as developed by the Landlord (Landlord agrees to consider, in good faith, design suggestions submitted by Tenant to Landlord for such signage), (ii) compliance with all Applicable Laws, and (iii) the Required Conditions then being met as applicable (it being understood that the failure to meet a Required Condition will hold the signage rights in abeyance, and such signage shall resume if and when the Required Conditions thereafter are met), the Tenant has the right to have its trade name, or the trade name of an Affiliate, including, without limitation, the trade name of "Spaces," displayed in the following locations:

- (a) On a monument sign for the Building located on West Georgia Street, which shall be constructed by the Landlord at the Landlord's cost on or before the

Commencement Date (one entry blade on both sides of the monument, if the monument is double-sided).

- (b) On temporary hoarding erected during the construction of the Building. The design of such temporary signage shall be designed by the Landlord and the design and location of such signage shall be subject to the approval of the Tenant, acting reasonably.
- (c) In a prominent location reasonably approved by the Landlord and the Tenant at the base of the staircase in the lobby of the Building, leading up to the second floor of the Building.
- (d) On one prominently displayed exterior sign and on a second exterior Building directional sign, both at Tenant's option.

All such signs will be installed and maintained by the Landlord and the Tenant shall pay reasonable costs thereof incurred the Landlord. The Tenant's lettering and artwork to be displayed on all such signs shall be designed by the Tenant, at its own cost, and shall be subject to the approval of the Landlord, acting reasonably. The Landlord acknowledges that the Tenant desires to have its signage installed as soon as reasonably feasible during construction, and so Landlord and Tenant agree to work together in good faith to achieve that desired timing.

#### 5. **Option to Extend**

The Tenant shall have the option to extend the initial Term of this Lease (the "**Initial Term**") with respect to the whole of the Premises (the "**Extension Option**") for two (2) further periods of five (5) years (the "**Extension Terms**" and each an "**Extension Term**"), provided that all of the Required Conditions are met at the time that the Tenant exercises its options and provided further than Regus plc signs an acknowledgment that the Indemnity Agreement will continue at the then current Guaranteed Amount (as defined in the Indemnity Agreement) for the applicable Extension Term. The Extension Options shall only be exercised by the Tenant delivering a written Notice to the Landlord not earlier than eighteen (18) months and no later than fifteen (15) months prior to the expiration of the Initial Term or the first Extension Term in the case of the exercise of the Tenant's second Extension Option. If the Tenant exercises either Extension Option as aforesaid, the Initial Term or the first Extension Term, as the case may be, shall be extended on the same terms as this Lease, except that: (i) there shall be no Landlord's work, fixturing or rent-free period, improvement allowance, early access or rent-free period, or other inducements payable to the Tenant, (ii) the amount of Minimum Rent payable during such Extension Term shall be the fair market minimum rent ("**FMMR**") for the Premises, determined as at the date on which the Extension Option is exercised by the Tenant, and (iii) after the exercise if the Tenant's second Extension Option, there shall be no further rights or options to extend the Term or renew this Lease.

In addition, if:

- (a) there are no remaining Extension Options to be exercised or the Tenant has elected not to exercise an available Extension Option,

- (b) the Landlord receives a *bona fide* offer (in this paragraph 5, an “Offer”) to lease the Premises from the operator of a flexible workspace centre following the Term, and provided that:
- (c) the Landlord is prepared to accept such the Offer,
- (d) the Offer is received not less than twelve (12) months, prior to the end of the Term, and
- (e) at the time that the Offer is received, all the Required Conditions have been met by the Tenant,

the Tenant shall have a right of first refusal to enter into a new lease of the Premises following the end of the Term as follows:

- (a) the Landlord shall deliver a copy of the Offer to the Tenant, provided that the Tenant is prepared to enter into a confidentiality agreement with respect to the contents of such offer on reasonable terms to be mutually agreed upon and the Tenant has executed such confidentiality agreement;
- (b) the Tenant shall have thirty (30) Business Days after delivery to the Tenant of the copy of the Offer to deliver a written Notice to the Landlord exercising the Tenant’s right of first refusal; and
- (c) if the Tenant delivers such a written Notice within the applicable time period, there shall be a binding agreement to lease the Premises upon the conditions of this Lease for the term set out in the Offer. Rent payable under the new lease shall be the greater of the rent payable under the Offer and the FMMR for the Premises, determined as at the date on which the Tenant exercises this right of first refusal.

FMMR for the purposes of this SCHEDULE "D" shall be defined as the minimum rent which an arm’s-length tenant would pay under a renewal of a lease for space in the Building and in buildings of comparable size, quality, efficiency/utility and location in the downtown Vancouver area, and taking into account the length of the Extension Term, all Leasehold Improvements, rent abatements and other tenant inducements, and all relevant leasing factors being considered. In the event that the Landlord and Tenant cannot agree on the disputed FMMR within sixty (60) days after the Tenant’s exercise of the Extension Option, the determination of the FMMR shall be determined as follows:

A. The Landlord and the Tenant, within fifteen (15) days after the expiration of said 60-day period, shall each simultaneously submit to the other, in a sealed envelope, its good faith estimate of the FMMR for the Premises during the applicable Extension Term (collectively referred to as the “Estimates”). If the higher of such Estimates is not more than 102% of the lower of such Estimates, then the FMMR shall be the average of the two Estimates. If the FMMR is not resolved by the exchange of Estimates, then, within seven (7) days after the exchange of Estimates, the Landlord and the Tenant shall each select an appraiser to determine which of the two Estimates most closely reflects the FMMR for the Premises during the

Extension Term. Each appraiser so selected shall have had at least ten (10) years' experience within the previous fifteen (15) years as a real estate appraiser working in the Vancouver area, with working knowledge of current rental rates and practices.

C. Upon selection, the Landlord's and the Tenant's appraisers shall work together in good faith to agree upon which of the two Estimates most closely reflects the FMMR for the Premises. The Estimate chosen by such appraisers shall be binding on both the Landlord and the Tenant as the FMMR for the Premises for use in the calculation of the Minimum Rent during the applicable Extension Term, in accordance with paragraph 5 of this Schedule. If either the Landlord or the Tenant fails to appoint an appraiser within the 7-day period referred to above, the appraiser appointed by the other party shall be the sole appraiser for the purposes hereof. If the two appraisers cannot agree upon which of the two Estimates most closely reflects the FMMR within twenty (20) days after their appointment, then, within ten (10) days after the expiration of such 20-day period, the two appraisers shall select a third appraiser meeting the aforementioned criteria. Failing such agreement, the third appraiser may be appointed by a judge of the Supreme Court of British Columbia upon application by either party pursuant to the *Commercial Arbitration Act*, R.S.B.C. 1996, c. 55, as amended. Once the third appraiser (i.e., arbitrator) has been selected as provided for above, then, as soon thereafter as practicable but in any case within fourteen (14) days, the arbitrator shall make his determination of which of the two Estimates most closely reflects the FMMR for the Premises and such Estimate shall be binding on both Landlord and Tenant for use in the calculation of the Minimum Rent rate during the applicable Extension Term, in accordance with the provisions above. The parties shall share equally in the costs of the third arbitrator. Any fees of any appraiser, counsel or experts engaged directly by the Landlord or the Tenant, however, shall be borne by the party retaining such appraiser, counsel or expert.

D. If the FMMR has not been determined by the commencement date of the Extension Term, Tenant shall pay Minimum Rent upon the terms and conditions in effect during the last month of the Term for the Premises until such time as the FMMR has been determined. Upon such determination, the Minimum Rent for the Premises shall be retroactively adjusted to the commencement of the Extension Term for the Premises to account for any adjustment in the Minimum Rent rate. If such adjustment results in an underpayment of Minimum Rent by Tenant, the Tenant shall pay the Landlord the amount of such underpayment within thirty (30) days after the determination thereof. If such adjustment results in an overpayment of Minimum Rent by the Tenant, the Landlord shall credit such overpayment against the next installment of Minimum Rent due under the Lease and, to the extent necessary, any subsequent installments, until the entire amount of such overpayment has been credited against Minimum Rent.

## 6. **Parking**

On and after the Delivery Date and throughout the Term, the Landlord shall make available, or cause to be made available, to the Tenant and its employees, Licensees, and invitees exclusive use of at least one parking stall located in the Building for every 2,200 square feet of Rentable Area of the Premises as herein provided (the amount of such parking stalls being the "**Tenant's Parking Allocation**"). At least sixty (60) days prior to the Delivery Date, the Tenant will give the Landlord written notice of the number of parking stalls it wishes to initially rent in the parking facility; if Tenant fails to provide any such notice, then Tenant shall be deemed to have

elected to take all of the Tenant's Parking Allocation. Thereafter, from time to time, Tenant may give back or increase, as the case may be, its use of parking stalls upon not less than 2 full calendar months' prior written notice to Landlord; provided, however, (1) in no event shall Tenant have the right to exceed the Tenant's Parking Allocation and (2) if Tenant gives back any portion of Tenant's Parking Allocation, then any subsequent requested increase in parking stalls by Tenant shall be subject to availability. The Tenant and its Licensees shall comply with all Rules and Regulations of the Landlord as they relate to the parking facilities and shall comply with the reasonable Rules and Regulations of the operator or owner of the in parking facilities located in the Building, including the payment of the then current monthly parking rates as amended from time to time commensurate with market rates in the vicinity of the Building for similar type parking. Access to such parking shall be 24 hours per day, 7 days per week, 365 days per year, unless the Landlord is prevented from making the parking space available for reasons outside of the Landlord's reasonable control. The Tenant will have the right to increase (subject to availability) or decrease the number of parking spaces on thirty (30) days' prior written Notice to the Landlord.

#### 7. Option to Terminate

The Tenant shall have the one-time option to terminate this Lease effective on the tenth (10<sup>th</sup>) anniversary of the Commencement Date, provided the Tenant shall have given the Landlord written Notice of the exercise by it of such option to terminate not less than twelve (12) months prior to the tenth (10<sup>th</sup>) anniversary of the Commencement Date (the "**Termination Notice**"), and further provided that all Required Conditions are met at the time the Tenant gives the Notice required pursuant to this paragraph 7. If the Tenant exercises such option to terminate this Lease, then as consideration therefore the Tenant shall pay to the Landlord a termination fee in an amount equal to nine million (\$9,000,000) dollars, which shall be paid as follows:

- (a) \$2,250,000 concurrently with delivery of the Termination Notice to the Landlord;
- (b) \$4,500,000 on or before the date that is six months prior to the tenth (10<sup>th</sup>) anniversary of the Commencement Date; and
- (c) \$2,250,000 on or before the tenth (10<sup>th</sup>) anniversary of the Commencement Date.

The provisions of this paragraph 7 shall survive the termination of this Lease.

#### 8. Right of First Refusal

Provided that the Required Conditions, excluding the requirement for the Tenant to be conducting its business from the Premises, are then being met (provided that Tenant's right of first refusal in this paragraph shall be held in abeyance and shall not be enforceable while any applicable Required Conditions are not met and shall resume when such Required Conditions, as applicable, are met), the Tenant shall have a right of first refusal (the "**Right of First Refusal**") to lease the premises consisting of the 10<sup>th</sup> floor of the Building (the "**Additional Premises**"), comprising approximately 15,248 square feet, upon the following terms and conditions:

- (a) if the Landlord receives and is prepared to accept a bona fide offer to lease (in this paragraph 8, an "**Offer**") from a third party in respect of Additional Premises, the

Landlord shall provide the Tenant with a true copy of the Offer;

- (b) the Tenant shall have five (5) Business Days after the Tenant's receipt (or deemed receipt under Section 17.7 of the Lease) of the copy of the Offer to deliver a written Notice (the "**Acceptance Notice**") to the Landlord exercising the Tenant's Right of First Refusal in respect of the Additional Premises;
- (c) if the Tenant delivers the Acceptance Notice to the Landlord within the applicable time period, there shall be a binding agreement to amend this Lease by expanding the Premises to include the Additional Premises, provided that if the amount of minimum and additional rent payable under the Offer is greater than the amount of Rent payable under the Lease, this Lease shall additionally be amended such that the minimum and additional rent in respect of the Additional Premises shall be the minimum and additional rent payable under the Offer; and
- (d) within a reasonable time following delivery of the Acceptance Notice, the Landlord and Tenant shall enter into a lease amending agreement on the terms set out immediately above.

The Right of First Refusal shall not apply, and the Landlord shall not be required to present an Offer to the Tenant, in respect of:

- (a) an Offer to lease the Additional Premises by a prospective multi-floor tenant; or
- (b) an Offer to lease the Additional Premises made to the Landlord after June 1, 2019.

#### 9. **Restrictive Covenant**

Provided that all of the Required Conditions are then being met (provided that the Covenants in this paragraph shall be held in abeyance and shall not be enforceable while any applicable Required Conditions are not met and shall resume when such Required Conditions, as applicable, are met), then from and after the date of this Lease and thereafter during the Initial Term of this Lease, and any extensions thereof (including, without limitation, the Extended Terms, if occurring), the Landlord shall not:

- (a) lease or permit the use of any premises (other than the Premises) in the Building for the primary business of operating a flexible office workspace centre as a commercial business, with or without individual offices and ancillary services ("**Competing Use**"); or
- (b) lease or license any premises (other than commercial retail units for retail uses) that are located in the Building, that have a total Rentable Area of less than 750 square feet.

If the Tenant gives the Landlord Notice of the violation of any of the foregoing restrictive covenants (the "**Covenants**" or individual a "**Covenant**") by any tenant, subtenant, licensee, Landlord or its affiliate, agent or contractor (the "**Violating Tenant**"), the Landlord shall make reasonable commercial efforts to cause the Violating Tenant to comply with the terms of the

Covenant. Landlord shall have one hundred and eighty (180) days to cure the violation of the Covenant following Tenant's Notice, provided, however, that Landlord commences such cure efforts within the first thirty (30) days of said 180-day period and thereafter proceeds diligently to remedy the violation and provides regular process updates of such continuing efforts (Landlord's cure period herein being the "Cure Period"). If the Violating Tenant remains in violation of the Covenant following the expiration of the applicable Cure Period, then until such Violating Tenant ceases to be in violation of the Covenant:

- (i) if the violation is in respect of the Covenant in paragraph 9(b), the Minimum Rent and Additional Rent payable under this Lease shall abate by 30% and, in addition, the Tenant shall have all other remedies allowed by Applicable Laws; and
- (ii) if the violation is in respect of the Covenant in paragraph 9(b), Minimum Rent and Additional Rent payable under this Lease for a portion of the Premises equal in Rentable Area to the Rentable Area of the space leased or licensed in violation of the Covenant in paragraph 9(b) shall abate by 50%,

provided however, that Minimum Rent shall not abate and the Landlord shall not be obliged to enforce the Covenant, if the appropriate Authorities have indicated to Landlord in writing Landlord's enforcement of such Covenant against the Violating Tenant would constitute an offence under any applicable legislation of any relevant governmental authority in Canada enforced from time to time pertaining to competition or any statute that may be substituted therefor or may be enacted for similar intent, as from time to time amended. The Landlord shall promptly provide the Tenant with a copy of any notice to Landlord given by any such Authority and a copy of the complaint or similar document regarding legal proceedings alleging a violation of any such legislation. No reference to or exercise of any specific right or remedy by the Landlord shall prejudice or preclude the Landlord from exercising or invoking any other remedy, whether allowed under this Lease or generally at law or in equity, and the express provisions of this Lease as to certain rights and remedies are not to be interpreted as excluding any other or additional rights and remedies available to the Landlord generally at law or in equity.

The Tenant acknowledges and agrees that the Covenant in paragraph 9(a) has been granted solely at the request of the Tenant, and Landlord acknowledges and agrees that Landlord is willing to agree to the Covenant in order to induce Tenant to sign the Lease.

#### 10. **Asbestos**

Landlord represents, warrants, covenants and agrees that Landlord shall not use any asbestos-containing materials in the construction of Landlord's Building or Landlord's Project Work. Landlord shall promptly remove, at Landlord's expense (and no such cost and expense shall be charged to Tenant or includable in Operating Costs or other Additional Rent) any asbestos discovered in the Premises or the floor on which the Premises are located (excluding, however, any asbestos brought onto the Premises by Tenant or its agents, contractors, employees or Licensees).

#### 11. **Arbitration**

If any provision of this Schedule D expressly provides for arbitration, the following shall apply:



- (a) the arbitration shall be conducted by a single arbitrator mutually agreed upon by the Landlord and Tenant within 5 Business Days of the receipt by either the Landlord or the Tenant's notice to the other of its request for arbitration. If the Landlord and Tenant fail to agree upon an arbitrator within the said 5 Business Day period, then the arbitrator shall be appointed by a judge of the Supreme Court of British Columbia upon application of the either the Landlord or the Tenant;
- (b) the arbitrator shall be an architect or engineer licensed to practice in the Province of British Columbia and who has at least 10 years of experience in the design and construction of high rise office buildings in North America;
- (c) except as expressly provided herein, the rules of the arbitration shall be as set out by the arbitrator in consultation with the Landlord and the Tenant which shall be established by the arbitrator following a meeting (the "**Meeting**") with representatives of the Landlord and the Tenant which must be held within 5 Business Days of the arbitrator's appointment;
- (d) the arbitration shall be heard within 5 days of the Meeting and the arbitrator shall be instructed and required to issue his or her award within 5 days of the conclusion of the arbitration;
- (e) each of the Landlord and the Tenant shall submit to the arbitrator its respective position on the matter in issue and the arbitrator will select as his or her award the position as submitted by either the Landlord or the Tenant without any variation as the arbitrator determines is the best solution to the matter in issue (in determining whether each party is acting reasonably in its respective position, the arbitrator may consider all relevant factors, including, without limitation, constructions costs, operational concerns and functionality); and
- (f) the determination of the arbitrator shall be final and binding on the Landlord and the Tenant and shall not be subject to review or appeal.

**SCHEDULE "E"**  
**TENANT REQUIREMENTS FOR THE LANDLORD'S BUILDOUT**

- A. The Regus Design Book/Instructions to Designers v. 4 dated 10 July 2018, consisting of 99 pages.
- B. The Space's Design Guide consisting of all documents and multiple files accessible through the following link, including, without limitations, all files and documents located within the file folders shown in the dropbox accessible through such link:

<https://www.dropbox.com/sh/nn7zot70hs5kedn/AAAkJp6yeye6TF8qEX1u2D37a?dl=0>

- C. The following additional requirements:
1. Based on the Approved Test-Fit Plan, the Landlord's architect will work with Tenant to develop construction documents that align with the Spaces Brand ideology, spatial allocations, sound attenuation requirements, material guidelines and aesthetics.
  2. The mutually agreed MEP plan will accommodate Space's Café/Prep Room use, corresponding equipment needs and meet all applicable AHJ requirements for all lighting design, Life Safety, IT and HVAC. Specifically, HVAC design will accommodate Tenant's need for client environmental control due to the highly cellularized nature of our office layouts with regard to HVAC zoning/controls. IT and electrical design will align with the above-referenced Regus Design Book/Instructions to Designers Instruction to Designers layout criteria.
  3. The Landlord confirms that there are no zoning, waivers or variances accepted/applied for with regard to the base building construction, that will negatively impact design, construction, usage or they that would impede installing Tenant's brand specific design elements or exterior signage.
  4. Tenant defines FF&E as the following: Furniture, moveable fixtures, art, accessories, exterior/interior signage, electronic equipment (computers), above counter café/coffee equipment, and audio/visual equipment. All other items, assemblies, equipment, cabling, construction materials are to be provided by the Landlord under the terms of this Lease.

**SCHEDULE "F"**  
**APPROVED PROJECT PLANS**

**400 West Georgia  
Vancouver, BC**

**List of Drawings**

<b>Architectural Drawing</b>		<b>Glotman Simpson</b>	
<b>No.</b>	<b>Description</b>	<b>Revision</b>	<b>Date</b>
S100.1	TITLE SHEET	Progress Set	June 8, 2018
S100.2	3D VIEWS	Progress Set	June 8, 2018
S101	GENERAL NOTES	Progress Set	June 8, 2018
S102	GENERAL NOTES	Progress Set	June 8, 2018
S103	GENERAL NOTES	Progress Set	June 8, 2018
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S105	GENERAL NOTES	Progress Set	June 8, 2018
S111	LEGENDS AND ABBREVIATIONS	Progress Set	June 8, 2018
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S122	SCHEDULES	Progress Set	June 8, 2018
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S201.2	LEVEL P6/FDN PLAN- REINFORCING	Progress Set	June 8, 2018
S201.3	LEVEL P6/FDN PLAN- STIRRUPS	Progress Set	June 8, 2018
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**400 West Georgia  
Vancouver, BC**

<b>Architectural</b>		<b>List of Drawings</b>	
<b>Drawing No.</b>	<b>Description</b>	<b>Glotman Simpson</b>	<b>Revision</b>
			<b>Date</b>
S100.1	TITLE SHEET	Progress Set	June 8, 2018
S100.2	3D VIEWS	Progress Set	June 8, 2018
S101	GENERAL NOTES	Progress Set	June 8, 2018
S102	GENERAL NOTES	Progress Set	June 8, 2018
S103	GENERAL NOTES	Progress Set	June 8, 2018
S104	GENERAL NOTES	Progress Set	June 8, 2018
S105	GENERAL NOTES	Progress Set	June 8, 2018
S111	LEGENDS AND ABBREVIATIONS	Progress Set	June 8, 2018
S121	SCHEDULES	Progress Set	June 8, 2018
S122	SCHEDULES	Progress Set	June 8, 2018
S201.1	LEVEL P6/FDN PLAN- CONCRETE OUTLINE	Progress Set	June 8, 2018
S201.2	LEVEL P6/FDN PLAN- REINFORCING	Progress Set	June 8, 2018
S201.3	LEVEL P6/FDN PLAN- STIRRUPS	Progress Set	June 8, 2018
S202.1	LEVEL P5 PLAN- CONCRETE OUTLINE	Progress Set	June 8, 2018
S202.2	LEVEL P5 PLAN- REINFORCING	Progress Set	June 8, 2018
S203.1	LEVEL P4 PLAN- CONCRETE OUTLINE	Progress Set	June 8, 2018
S203.2	LEVEL P4 PLAN- REINFORCING	Progress Set	June 8, 2018
S204.1	LEVEL P3 PLAN- CONCRETE OUTLINE	Progress Set	June 8, 2018
S204.2	LEVEL P3 PLAN- REINFORCING	Progress Set	June 8, 2018
S205.1	LEVEL P2 PLAN- CONCRETE OUTLINE	Progress Set	June 8, 2018
S205.2	LEVEL P2 PLAN- REINFORCING	Progress Set	June 8, 2018
S206.1	LEVEL P1 PLAN- CONCRETE OUTLINE	Progress Set	June 8, 2018
S206.2	LEVEL P1 PLAN- REINFORCING	Progress Set	June 8, 2018
S207.1	LEVEL 01 PLAN- CONCRETE OUTLINE	Progress Set	June 8, 2018
S208.1	LEVEL 02 PLAN- STEEL FRAMING LAYOUT	Progress Set	June 8, 2018
S208.2	LEVEL 02 PLAN- REINFORCING AND STEEL FRAMING	Progress Set	June 8, 2018
S208.3	LEVEL 02 PART PLAN- CANOPY STEEL FRAMING	Progress Set	June 8, 2018
S209.1	LEVEL 03 PLAN- STEEL FRAMING LAYOUT	Progress Set	June 8, 2018
S209.2	LEVEL 03 PLAN- REINFORCING AND STEEL FRAMING	Progress Set	June 8, 2018
S210.1	LEVEL 04 PLAN- STEEL FRAMING LAYOUT	Progress Set	June 8, 2018
S210.2	LEVEL 04 PLAN- REINFORCING AND STEEL FRAMING	Progress Set	June 8, 2018
S211.1	LEVEL 05 PLAN- STEEL FRAMING LAYOUT	Progress Set	June 8, 2018
S211.2	LEVEL 05 PLAN- REINFORCING AND STEEL FRAMING	Progress Set	June 8, 2018
S212.1	LEVELS 06-07 PLAN- STEEL FRAMING LAYOUT	Progress Set	June 8, 2018
S212.2	LEVELS 06-07 PLAN- REINFORCING AND STEEL FRAMING	Progress Set	June 8, 2018
S213.1	LEVEL 08 PLAN- STEEL FRAMING LAYOUT	Progress Set	June 8, 2018
S213.2	LEVEL 08 PLAN- REINFORCING AND STEEL FRAMING	Progress Set	June 8, 2018
S214.1	LEVEL 09 PLAN- STEEL FRAMING LAYOUT	Progress Set	June 8, 2018
S214.2	LEVEL 09 PLAN- REINFORCING AND STEEL FRAMING	Progress Set	June 8, 2018
S215.1	LEVELS 10-11 PLAN- STEEL FRAMING LAYOUT	Progress Set	June 8, 2018

S215.2	LEVELS 10-11 PLAN- REINFORCING AND STEEL FRAMING	Progress Set	June 8, 2018
S216.1	LEVEL 12 PLAN- STEEL FRAMING LAYOUT	Progress Set	June 8, 2018
S216.2	LEVEL 12 PLAN- REINFORCING AND STEEL FRAMING	Progress Set	June 8, 2018
S217.1	LEVEL 13 PLAN- STEEL FRAMING LAYOUT	Progress Set	June 8, 2018
S217.2	LEVEL 13 PLAN- REINFORCING AND STEEL FRAMING	Progress Set	June 8, 2018
S218.1	LEVEL 14-15 PLAN- STEEL FRAMING LAYOUT	Progress Set	June 8, 2018
S218.2	LEVELS 14-15 PLAN- REINFORCING AND STEEL FRAMING	Progress Set	June 8, 2018
S219.1	LEVEL 16 PLAN- STEEL FRAMING LAYOUT	Progress Set	June 8, 2018
S219.2	LEVEL 16 PLAN- REINFORCING AND STEEL FRAMING	Progress Set	June 8, 2018
S220.1	LEVEL 17 PLAN- STEEL FRAMING LAYOUT	Progress Set	June 8, 2018
S220.2	LEVEL 17 PLAN- REINFORCING AND STEEL FRAMING	Progress Set	June 8, 2018
S221.1	LEVELS 18-19 PLAN- STEEL FRAMING LAYOUT	Progress Set	June 8, 2018
S221.2	LEVEL 18-19 PLAN- REINFORCING AND STEEL FRAMING	Progress Set	June 8, 2018
S222.1	LEVEL 20 PLAN- STEEL FRAMING LAYOUT	Progress Set	June 8, 2018
S222.2	LEVEL 20 PLAN- REINFORCING AND STEEL FRAMING	Progress Set	June 8, 2018
S223.1	LEVEL 21 PLAN- STEEL FRAMING LAYOUT	Progress Set	June 8, 2018
S223.2	LEVEL 21 PLAN- REINFORCING AND STEEL FRAMING	Progress Set	June 8, 2018
S224.1	LEVEL 22 PLAN- STEEL FRAMING LAYOUT	Progress Set	June 8, 2018
S224.2	LEVEL 22 PLAN- REINFORCING AND STEEL FRAMING	Progress Set	June 8, 2018
S225.1	LEVEL 23 PLAN- STEEL FRAMING LAYOUT	Progress Set	June 8, 2018
S225.2	LEVEL 23 PLAN- REINFORCING AND STEEL FRAMING	Progress Set	June 8, 2018
S226.1	LEVEL 24 PLAN- STEEL FRAMING LAYOUT	Progress Set	June 8, 2018
S226.2	LEVEL 24 PLAN- REINFORCING AND STEEL FRAMING	Progress Set	June 8, 2018
S227.1	LEVEL 25/ROOF PLAN- STEEL FRAMING LAYOUT	Progress Set	June 8, 2018
S227.2	LEVEL 25/ROOF PLAN- STEEL FRAMING	Progress Set	June 8, 2018
S228	LEVEL 26/MECH ROOF PLAN - STEEL FRAMING	Progress Set	June 8, 2018
S301	COLUMN KEYPLAN AND TYP DETAILS	Progress Set	June 8, 2018
S302	COLUMN SCHEDULE	Progress Set	June 8, 2018
S401	SHEARWALL KEYPLAN AND TYP DETAILS	Progress Set	June 8, 2018
S402	SHEARWALL SCHEDULE	Progress Set	June 8, 2018
S403	ZONE SCHEDULE	Progress Set	June 8, 2018
S406	HEADER SCHEDULE AND DETIALS	Progress Set	June 8, 2018
S501	BASEMENT WALL DETAILS	Progress Set	June 8, 2018
S502	BASEMENT WALL ELEVATION	Progress Set	June 8, 2018
S503	BASEMENT WALL ELEVATION	Progress Set	June 8, 2018
S504	BASEMENT WALL ELEVATION	Progress Set	June 8, 2018
S505	COREWALL ELEVATIONS	Progress Set	June 8, 2018
S506	COREWALL ELEVATIONS	Progress Set	June 8, 2018
S507	WALL ELEVATIONS	Progress Set	June 8, 2018
S508	WALL ELEVATIONS	Progress Set	June 8, 2018
S601	STRIP AND SPREAD FOUNDATION DETAILS	Progress Set	June 8, 2018
S602	FLAT SLAB DETAILS	Progress Set	June 8, 2018
S603	FLAT SLAB DETAILS	Progress Set	June 8, 2018
S604	SLAB STEP DETAILS	Progress Set	June 8, 2018

S605	SPECIALTY AND STAIR DETAILS	Progress Set	June 8, 2018
S606	BUILT-UP STRUCTURE AND STAIR DETAILS	Progress Set	June 8, 2018
S607	ELEVATOR DETAILS	Progress Set	June 8, 2018
S611	TYPICAL FLOOR FRAMING DETAILS	Progress Set	June 8, 2018
S612	TYPICAL FLOOR FRAMING DETAILS	Progress Set	June 8, 2018
S613	TYPICAL STEEL DETAILS	Progress Set	June 8, 2018
S614	TYPICAL STEEL DETAILS	Progress Set	June 8, 2018
S615	STEEL MISCELLANEOUS AND STAIRS	Progress Set	June 8, 2018
S620	TOWER COLUMN DETAILS AND SCHEDULE	Progress Set	June 8, 2018
S621	TOWER COLUMN DETAILS	Progress Set	June 8, 2018
S801	TRUSS ELEVATIONS - LEVEL 05-09	Progress Set	June 8, 2018
S802	TRUSS ELEVATIONS - LEVEL 05-09	Progress Set	June 8, 2018
S803	TRUSS ELEVATIONS - LEVEL 09-13	Progress Set	June 8, 2018
S804	TRUSS ELEVATIONS - LEVEL 09-13	Progress Set	June 8, 2018
S805	TRUSS ELEVATIONS - LEVEL 13-17	Progress Set	June 8, 2018
S806	TRUSS ELEVATIONS - LEVEL 13-17	Progress Set	June 8, 2018
S807	TRUSS ELEVATIONS - LEVEL 17-21	Progress Set	June 8, 2018
S808	TRUSS ELEVATIONS - LEVEL 17-21	Progress Set	June 8, 2018
S809	TRUSS ELEVATIONS - LEVEL 21-25	Progress Set	June 8, 2018
S810	TRUSS ELEVATIONS - LEVEL 21-25	Progress Set	June 8, 2018
S820	TRUSS CONNECTION DETAILS	Progress Set	June 8, 2018
S821	TRUSS CONNECTION DETAILS	Progress Set	June 8, 2018
S830	TRUSS CONNECTION DETAILS	Progress Set	June 8, 2018
S831	TRUSS CONNECTION DETAILS	Progress Set	June 8, 2018
S832	TRUSS CONNECTION DETAILS	Progress Set	June 8, 2018
S901	TRANSITION PLATE CONNECTION DETAILS	Progress Set	June 8, 2018
S902	LEVEL 05 TRANSITION PLATE DETAILS	Progress Set	June 8, 2018
S903	LEVEL 09 TRANSITION PLATE DETAILS	Progress Set	June 8, 2018
S904	LEVEL 13 TRANSITION PLATE DETAILS	Progress Set	June 8, 2018
S905	LEVEL 17 TRANSITION PLATE DETAILS	Progress Set	June 8, 2018
S906	LEVEL 21 TRANSITION PLATE DETAILS	Progress Set	June 8, 2018
S907	LEVEL 24 TRANSITION PLATE DETAILS	Progress Set	June 8, 2018



**400 West Georgia****Vancouver, BC****List of Drawings****Architectural****Merrick Architecture**

## Drawing

No.	Description	Revision	Date
A0.030	DRAWING LIST	IFC 80%	June 15, 2018
A0.020	CODE COMPLIANCE SUMMARY	IFC 80%	June 15, 2018
A0.010	COVER SHEET & CONSULTANT LIST	IFC 80%	June 15, 2018
A0.060	ELEVATOR DIAGRAM	IFC 80%	June 15, 2018
A0.070	DOOR SCHEDULE	IFC 80%	June 15, 2018
A0.090	CONSTRUCTION ASSEMBLIES	IFC 80%	June 15, 2018
A0.080	DOOR SCHEDULE	IFC 80%	June 15, 2018
A1.010	SITE PLAN	IFC 80%	June 15, 2018
A2.010	PARKING LEVEL P6 PLAN	IFC 80%	June 15, 2018
A2.020	PARKING LEVEL P5 PLAN	IFC 80%	June 15, 2018
A2.030	PARKING LEVEL P4 PLAN	IFC 80%	June 15, 2018
A2.040	PARKING LEVEL P3 PLAN	IFC 80%	June 15, 2018
A2.050	PARKING LEVEL P2 PLAN	IFC 80%	June 15, 2018
A2.060	PARKING LEVEL P1 PLAN	IFC 80%	June 15, 2018
A2.070	LEVEL 1 PLAN (GROUND FLOOR)	IFC 80%	June 15, 2018
A2.080	LEVEL 2 PLAN	IFC 80%	June 15, 2018
A2.090	LEVEL 3 PLAN	IFC 80%	June 15, 2018
A2.100	LEVEL 4 PLAN	IFC 80%	June 15, 2018
A2.110	LEVEL 5 PLAN	IFC 80%	June 15, 2018
A2.120	LEVEL 6 PLAN	IFC 80%	June 15, 2018
A2.130	LEVEL 7 PLAN	IFC 80%	June 15, 2018
A2.140	LEVEL 8 PLAN	IFC 80%	June 15, 2018
A2.150	LEVEL 9 PLAN	IFC 80%	June 15, 2018
A2.160	LEVEL 10 PLAN	IFC 80%	June 15, 2018
A2.170	LEVEL 11 PLAN	IFC 80%	June 15, 2018
A2.180	LEVEL 12 PLAN	IFC 80%	June 15, 2018
A2.190	LEVEL 13 PLAN	IFC 80%	June 15, 2018
A2.200	LEVEL 14 PLAN	IFC 80%	June 15, 2018
A2.210	LEVEL 15 PLAN	IFC 80%	June 15, 2018
A2.220	LEVEL 16 PLAN	IFC 80%	June 15, 2018
A2.230	LEVEL 17 PLAN	IFC 80%	June 15, 2018
A2.240	LEVEL 18 PLAN	IFC 80%	June 15, 2018
A2.250	LEVEL 19 PLAN	IFC 80%	June 15, 2018
A2.260	LEVEL 20 PLAN	IFC 80%	June 15, 2018
A2.270	LEVEL 21 PLAN	IFC 80%	June 15, 2018
A2.280	LEVEL 22 PLAN	IFC 80%	June 15, 2018
A2.290	LEVEL 23 PLAN	IFC 80%	June 15, 2018
A2.300	LEVEL 24 PLAN	IFC 80%	June 15, 2018

A2.310	LEVEL 25 PLAN	IFC 80%	June 15, 2018
A2.320	LEVEL 26 (ROOF PLAN) PLAN	IFC 80%	June 15, 2018
A2.390	LEVEL 1 SLAB EDGE & STEEL DIMENSIONING	IFC 80%	June 15, 2018
A2.400	LEVEL 2 SLAB EDGE & STEEL DIMENSIONING	IFC 80%	June 15, 2018
A2.410	LEVEL 3 & 4 SLAB EDGE & STEEL DIMENSIONING	IFC 80%	June 15, 2018
A2.430	LEVEL 5 SLAB EDGE & STEEL DIMENSIONING	IFC 80%	June 15, 2018
A2.440	LEVEL 6-8 SLAB EDGE & STEEL DIMENSIONING	IFC 80%	June 15, 2018
A2.470	LEVEL 9 SLAB EDGE & STEEL DIMENSIONING	IFC 80%	June 15, 2018
A2.480	LEVEL 10-12 SLAB EDGE & STEEL DIMENSIONING	IFC 80%	June 15, 2018
A2.510	LEVEL 13 SLAB EDGE & STEEL DIMENSIONING	IFC 80%	June 15, 2018
A2.520	LEVEL 14-16 SLAB EDGE & STEEL DIMENSIONING	IFC 80%	June 15, 2018
A2.550	LEVEL 17 SLAB EDGE & STEEL DIMENSIONING	IFC 80%	June 15, 2018
A2.560	LEVEL 18-20 SLAB EDGE & STEEL DIMENSIONING	IFC 80%	June 15, 2018
A2.590	LEVEL 21 SLAB EDGE & STEEL DIMENSIONING	IFC 80%	June 15, 2018
A2.600	LEVEL 22 SLAB EDGE & STEEL DIMENSIONING	IFC 80%	June 15, 2018
A2.610	LEVEL 23 SLAB EDGE & STEEL DIMENSIONING	IFC 80%	June 15, 2018
A2.620	LEVEL 24 SLAB EDGE & STEEL DIMENSIONING	IFC 80%	June 15, 2018
A2.630	LEVEL 25 SLAB EDGE & STEEL DIMENSIONING	IFC 80%	June 15, 2018
A3.010	PARKING LEVEL P6 RCP LAYOUT	IFC 80%	June 15, 2018
A3.020	PARKING LEVEL P5 RCP LAYOUT	IFC 80%	June 15, 2018
A3.030	PARKING LEVEL P4 RCP LAYOUT	IFC 80%	June 15, 2018
A3.040	PARKING LEVEL P3 RCP LAYOUT	IFC 80%	June 15, 2018
A3.050	PARKING LEVEL P2 RCP LAYOUT	IFC 80%	June 15, 2018
A3.060	PARKING LEVEL P1 RCP LAYOUT	IFC 80%	June 15, 2018
A3.070	LEVEL 1 RCP LAYOUT	IFC 80%	June 15, 2018
A3.080	LEVEL 2 RCP LAYOUT	IFC 80%	June 15, 2018
A3.090	LEVEL 3 RCP LAYOUT	IFC 80%	June 15, 2018
A3.100	LEVEL 4 RCP LAYOUT	IFC 80%	June 15, 2018
A3.110	LEVEL 5 RCP LAYOUT	IFC 80%	June 15, 2018
A3.120	LEVEL 6 RCP LAYOUT	IFC 80%	June 15, 2018
A3.130	LEVEL 7 RCP LAYOUT	IFC 80%	June 15, 2018
A3.140	LEVEL 8 RCP LAYOUT	IFC 80%	June 15, 2018
A3.150	LEVEL 9 RCP LAYOUT	IFC 80%	June 15, 2018
A3.160	LEVEL 10 RCP LAYOUT	IFC 80%	June 15, 2018
A3.170	LEVEL 11 RCP LAYOUT	IFC 80%	June 15, 2018
A3.180	LEVEL 12 RCP LAYOUT	IFC 80%	June 15, 2018
A3.190	LEVEL 13 RCP LAYOUT	IFC 80%	June 15, 2018
A3.200	LEVEL 14 RCP LAYOUT	IFC 80%	June 15, 2018
A3.210	LEVEL 15 RCP LAYOUT	IFC 80%	June 15, 2018
A3.220	LEVEL 16 RCP LAYOUT	IFC 80%	June 15, 2018
A3.230	LEVEL 17 RCP LAYOUT	IFC 80%	June 15, 2018
A3.240	LEVEL 18 RCP LAYOUT	IFC 80%	June 15, 2018
A3.250	LEVEL 19 RCP LAYOUT	IFC 80%	June 15, 2018

A3.260	LEVEL 20 RCP LAYOUT	IFC 80%	June 15, 2018
A3.270	LEVEL 21 RCP LAYOUT	IFC 80%	June 15, 2018
A3.280	LEVEL 22 RCP LAYOUT	IFC 80%	June 15, 2018
A3.290	LEVEL 23 RCP LAYOUT	IFC 80%	June 15, 2018
A3.300	LEVEL 24 RCP LAYOUT	IFC 80%	June 15, 2018
A3.310	LEVEL 25 RCP LAYOUT	IFC 80%	June 15, 2018
A5.010	SECTION A - TRANSVERSE	IFC 80%	June 15, 2018
A5.020	SECTION B - LONGITUDINAL	IFC 80%	June 15, 2018
A5.030	PARKADE SECTION 1	IFC 80%	June 15, 2018
A5.040	PARKADE SECTION 2	IFC 80%	June 15, 2018
A5.050	PARKADE SECTION 3	IFC 80%	June 15, 2018
A5.060	PARKADE SECTION 4	IFC 80%	June 15, 2018
A5.070	PARKADE SECTION 5	IFC 80%	June 15, 2018
A5.110	ATRIUM SECTIONS	IFC 80%	June 15, 2018
A6.240	LEVEL 18 ENLARGED CORE PLAN	IFC 80%	June 15, 2018
A6.250	LEVEL 19 ENLARGED CORE PLAN	IFC 80%	June 15, 2018
A6.260	LEVEL 20 ENLARGED CORE PLAN	IFC 80%	June 15, 2018
A6.270	LEVEL 21 ENLARGED CORE PLAN	IFC 80%	June 15, 2018
A6.280	LEVEL 22 ENLARGED CORE PLAN	IFC 80%	June 15, 2018
A6.290	LEVEL 23 ENLARGED CORE PLAN	IFC 80%	June 15, 2018
A6.300	LEVEL 24 ENLARGED CORE PLAN	IFC 80%	June 15, 2018
A6.310	LEVEL 25 ENLARGED CORE PLAN	IFC 80%	June 15, 2018
A8.110	W01 & W02 ENLARGED ELEVATIONS	IFC 80%	June 15, 2018
A8.200	LEVEL 01-04 ENLARGED ELEVATIONS	IFC 80%	June 15, 2018
A8.201	LEVEL 01-04 ENLARGED ELEVATIONS	IFC 80%	June 15, 2018
A8.210	LEVEL 05-08 ENLARGED ELEVATIONS	IFC 80%	June 15, 2018
A8.220	LEVEL 09-12 ENLARGED ELEVATIONS	IFC 80%	June 15, 2018
A8.230	LEVEL 13-16 ENLARGED ELEVATIONS	IFC 80%	June 15, 2018
A8.240	LEVEL 17-20 ENLARGED ELEVATIONS	IFC 80%	June 15, 2018
A8.250	LEVEL 21-24 ENLARGED ELEVATIONS	IFC 80%	June 15, 2018
A8.260	LEVEL 25 ENLARGED ELEVATIONS	IFC 80%	June 15, 2018
A9.010	BUILDING DETAILS	IFC 80%	June 15, 2018
A9.020	FIRE CURTAIN DETAILS	IFC 80%	June 15, 2018
A9.030	FIRE CURTAIN DETAILS	IFC 80%	June 15, 2018

**400 West Georgia  
Vancouver, BC**

**List of Drawings**

**Architectural**

**Merrick Architecture**

Drawing No.	Description	Revision	Date
E1.01	SITE PLAN	IFC 80%	June 15, 2018
E1.02	SCHEDULES	IFC 80%	June 15, 2018
E1.03	FA ZONE & LUMINAIRE SCHEDULES	IFC 80%	June 15, 2018
E1.04	PANEL SCHEDULES	IFC 80%	June 15, 2018
E1.05	PANEL SCHEDULES	IFC 80%	June 15, 2018
E1.06	PANEL SCHEDULES	IFC 80%	June 15, 2018
E1.07	SERVICE ROOMS	IFC 80%	June 15, 2018
E1.08	SERVICE ROOMS	IFC 80%	June 15, 2018
E1.09	SERVICE ROOMS	IFC 80%	June 15, 2018
E1.10	BC HYDRO/VISTA SWITCH DETAIL	IFC 80%	June 15, 2018
E2.00	ONE LINE DIAGRAM	IFC 80%	June 15, 2018
E2.01	ONE LINE DIAGRAM	IFC 80%	June 15, 2018
E2.02	ONE LINE DIAGRAM	IFC 80%	June 15, 2018
E3.01	POWER RISER DIAGRAM	IFC 80%	June 15, 2018
E3.02	COMMUNICATION RISER DIAGRAM	IFC 80%	June 15, 2018
E3.03	BMS RISER DIAGRAM	IFC 80%	June 15, 2018
E3.04	FIRE ALARM RISER DIAGRAM	IFC 80%	June 15, 2018
E4.01	MECHANICAL SCHEDULES	IFC 80%	June 15, 2018
E5.01	PARKING LEVEL P6	IFC 80%	June 15, 2018
E5.02	PARKING LEVEL P5	IFC 80%	June 15, 2018
E5.03	PARKING LEVEL P4	IFC 80%	June 15, 2018
E5.04	PARKING LEVEL P3	IFC 80%	June 15, 2018
E5.05	PARKING LEVEL P2	IFC 80%	June 15, 2018
E5.06	PARKING LEVEL P1	IFC 80%	June 15, 2018
E6.01	LEVEL 1 LIGHTING AND LIFE SAFETY PLAN	IFC 80%	June 15, 2018
E6.02	LEVEL 1 POWER AND MECHANICAL PLAN	IFC 80%	June 15, 2018
E6.03	LEVEL 2 PLAN LIGHTING AND LIFE SAFETY LAYOUT	IFC 80%	June 15, 2018
E6.04	LEVEL 2 POWER AND MECHANICAL PLAN	IFC 80%	June 15, 2018
E6.05	LEVEL 3 LIGHTING AND LIFE SAFETY PLAN	IFC 80%	June 15, 2018
E6.06	LEVEL 3 POWER AND MECHANICAL PLAN	IFC 80%	June 15, 2018
E6.07	LEVEL 4 LIGHTING AND LIFE SAFETY PLAN	IFC 80%	June 15, 2018
E6.08	LEVEL 4 POWER AND MECHANICAL PLAN	IFC 80%	June 15, 2018
E6.09	LEVEL 5 LIGHTING AND LIFE SAFETY PLAN	IFC 80%	June 15, 2018
E6.10	LEVEL 5 POWER AND MECHANICAL PLAN	IFC 80%	June 15, 2018
E6.11	LEVEL 6 LIGHTING AND LIFE SAFETY PLAN	IFC 80%	June 15, 2018
E6.12	LEVEL 6 POWER AND MECHANICAL PLAN	IFC 80%	June 15, 2018

E6.13	LEVEL 7 LIGHTING AND LIFE SAFETY PLAN	IFC 80%	June 15, 2018
E6.14	LEVEL 7 POWER AND MECHANICAL PLAN	IFC 80%	June 15, 2018
E6.15	LEVEL 8 LIGHTING AND LIFE SAFETY PLAN	IFC 80%	June 15, 2018
E6.16	LEVEL 8 POWER AND MECHANICAL PLAN	IFC 80%	June 15, 2018
E6.17	LEVEL 9 LIGHTING AND LIFE SAFETY PLAN	IFC 80%	June 15, 2018
E6.18	LEVEL 9 POWER AND MECHANICAL PLAN	IFC 80%	June 15, 2018
E6.19	LEVEL 10 LIGHTING AND LIFE SAFETY PLAN	IFC 80%	June 15, 2018
E6.20	LEVEL 10 POWER AND MECHANICAL PLAN	IFC 80%	June 15, 2018
E6.21	LEVEL 11 LIGHTING AND LIFE SAFETY PLAN	IFC 80%	June 15, 2018
E6.22	LEVEL 11 POWER AND MECHANICAL PLAN	IFC 80%	June 15, 2018
E6.23	LEVEL 12 LIGHTING AND LIFE SAFETY PLAN	IFC 80%	June 15, 2018
E6.24	LEVEL 12 POWER AND MECHANICAL PLAN	IFC 80%	June 15, 2018
E6.25	LEVEL 13 LIGHTING AND LIFE SAFETY PLAN	IFC 80%	June 15, 2018
E6.26	LEVEL 13 POWER AND MECHANICAL PLAN	IFC 80%	June 15, 2018
E6.27	LEVEL 14 LIGHTING AND LIFE SAFETY PLAN	IFC 80%	June 15, 2018
E6.28	LEVEL 14 POWER AND MECHANICAL PLAN	IFC 80%	June 15, 2018
E6.29	LEVEL 15 LIGHTING AND LIFE SAFETY PLAN	IFC 80%	June 15, 2018
E6.30	LEVEL 15 POWER AND MECHANICAL PLAN	IFC 80%	June 15, 2018
E6.31	LEVEL 16 LIGHTING AND LIFE SAFETY PLAN	IFC 80%	June 15, 2018
E6.32	LEVEL 16 POWER AND MECHANICAL PLAN	IFC 80%	June 15, 2018
E6.33	LEVEL 17 LIGHTING AND LIFE SAFETY PLAN	IFC 80%	June 15, 2018
E6.34	LEVEL 17 POWER AND MECHANICAL PLAN	IFC 80%	June 15, 2018
E6.35	LEVEL 18 LIGHTING AND LIFE SAFETY PLAN	IFC 80%	June 15, 2018
E6.36	LEVEL 18 POWER AND MECHANICAL PLAN	IFC 80%	June 15, 2018
E6.37	LEVEL 19 LIGHTING AND LIFE SAFETY PLAN	IFC 80%	June 15, 2018
E6.38	LEVEL 19 POWER AND MECHANICAL PLAN	IFC 80%	June 15, 2018
E6.39	LEVEL 20 LIGHTING AND LIFE SAFETY PLAN	IFC 80%	June 15, 2018
E6.40	LEVEL 20 POWER AND MECHANICAL PLAN	IFC 80%	June 15, 2018
E6.41	LEVEL 21 LIGHTING AND LIFE SAFETY PLAN	IFC 80%	June 15, 2018
E6.42	LEVEL 21 POWER AND MECHANICAL PLAN	IFC 80%	June 15, 2018
E6.43	LEVEL 22 LIGHTING AND LIFE SAFETY PLAN	IFC 80%	June 15, 2018
E6.44	LEVEL 22 POWER AND MECHANICAL PLAN	IFC 80%	June 15, 2018
E6.45	LEVEL 23 LIGHTING AND LIFE SAFETY PLAN	IFC 80%	June 15, 2018
E6.46	LEVEL 23 POWER AND MECHANICAL PLAN	IFC 80%	June 15, 2018
E6.47	LEVEL 24 LIGHTING AND LIFE SAFETY PLAN	IFC 80%	June 15, 2018
E6.48	LEVEL 24 POWER AND MECHANICAL PLAN	IFC 80%	June 15, 2018
E6.49	LEVEL 25 ROOF PATIO LIGHT AND LIFE SAFETY PLAN	IFC 80%	June 15, 2018
E6.50	LEVEL 25 ROOF PATIO POWER AND MECHANICAL PLAN	IFC 80%	June 15, 2018
E6.51	ROOF PLAN	IFC 80%	June 15, 2018
E7.01	NOTES	IFC 80%	June 15, 2018
E7.02	DETAILS	IFC 80%	June 15, 2018
E7.03	LIFE AND SAFETY NOTES AND DETAILS	IFC 80%	June 15, 2018
E8.00	SECURITY DETAILS	IFC 80%	June 15, 2018

E8.01	SECURITY RISER DIAGRAM	IFC 80%	June 15, 2018
E8.02	SECURITY PLAN PARKING LEVEL 6	IFC 80%	June 15, 2018
E8.03	SECURITY PLAN- PARKING LEVEL 5	IFC 80%	June 15, 2018
E8.04	SECURITY PLAN- PARKING LEVEL 4	IFC 80%	June 15, 2018
E8.05	SECURITY PLAN- PARKING LEVEL 3	IFC 80%	June 15, 2018
E8.06	SECURITY PLAN- PARKING LEVEL 2	IFC 80%	June 15, 2018
E8.07	SECURITY PLAN- PARKING LEVEL 1	IFC 80%	June 15, 2018
E8.08	SECURITY PLAN- LEVEL 1	IFC 80%	June 15, 2018
E8.09	TYPICAL OFFICE LEVELS SECURITY PLAN	IFC 80%	June 15, 2018
E8.10	SECURITY PLAN- LEVEL 24 POWER AND MECHANICAL PLAN	IFC 80%	June 15, 2018
E8.11	SECURITY PLAN- LEVEL 25 ROOF PATIO POWER AND MECHANICAL PLAN	IFC 80%	June 15, 2018

**400 West Georgia  
Vancouver, BC**

**List of Drawings**

<b>Architectural Drawing</b>		<b>HAPA</b>	
<b>No.</b>	<b>Description</b>	<b>Revision</b>	<b>Date</b>
L-	COVER SHEET	IFS 80%	June 15, 2018
L1.00	LANDSCAPE DESIGN RATIONALE	IFS 80%	June 15, 2018
L1.01	TREE MANAGEMENT PLAN	IFS 80%	June 15, 2018
L1.11	LAYOUT, MATERIALS. AND GRADING PLAN- GROUND FLOOR	IFS 80%	June 15, 2018
L1.12	LAYOUT, MATERIALS. AND GRADING PLAN- LEVEL 5	IFS 80%	June 15, 2018
L1.13	LAYOUT, MATERIALS. AND GRADING PLAN- LEVEL 9	IFS 80%	June 15, 2018
L1.14	LAYOUT, MATERIALS. AND GRADING PLAN- LEVEL 13	IFS 80%	June 15, 2018
L1.15	LAYOUT, MATERIALS. AND GRADING PLAN- LEVEL 17	IFS 80%	June 15, 2018
L1.16	LAYOUT, MATERIALS. AND GRADING PLAN- LEVEL 21	IFS 80%	June 15, 2018
L1.17	LAYOUT, MATERIALS. AND GRADING PLAN- LEVEL 24	IFS 80%	June 15, 2018
L1.18	LAYOUT, MATERIALS. AND GRADING PLAN- ROOF LEVEL	IFS 80%	June 15, 2018
L1.21	PLANTING PLAN- GROUND FLOOR	IFS 80%	June 15, 2018
L1.22	PLANTING PLAN- LEVEL 5	IFS 80%	June 15, 2018
L1.23	PLANTING PLAN- LEVEL 9	IFS 80%	June 15, 2018
L1.24	PLANTING PLAN- LEVEL 13	IFS 80%	June 15, 2018
L1.25	PLANTING PLAN- LEVEL 17	IFS 80%	June 15, 2018
L1.26	PLANTING PLAN- LEVEL 21	IFS 80%	June 15, 2018
L1.28	PLANTING PLAN- ROOF LEVEL	IFS 80%	June 15, 2018
L2.01	LANDSCAPE ELEVATIONS	IFS 80%	June 15, 2018
L3.01	LANDSCAPE SECTIONS HOMER STREET	IFS 80%	June 15, 2018
L3.02	LANDSCAPE SECTIONS GEORGIA STREET & ROOF	IFS 80%	June 15, 2018
L4.11	DETAILS- PAVING	IFS 80%	June 15, 2018
L4.21	DETAILS- PLANTING	IFS 80%	June 15, 2018
L4.31	DETAILS- SITE FURNISHING	IFS 80%	June 15, 2018

**400 West Georgia****Vancouver, BC****List of Drawings****Architectural****Merrick Architecture****Drawing**

<b>No.</b>	<b>Description</b>	<b>Revision</b>	<b>Date</b>
M-01	PARKING LEVEL P6 MECHANICAL	IFC 80%	June 15, 2018
M-02	PARKING LEVEL P5 MECHANICAL	IFC 80%	June 15, 2018
M-03	PARKING LEVEL P4 MECHANICAL	IFC 80%	June 15, 2018
M-04	PARKING LEVEL P3 MECHANICAL	IFC 80%	June 15, 2018
M-05	PARKING LEVEL P2 MECHANICAL	IFC 80%	June 15, 2018
M-06A	PARKING LEVEL P1 MECHANICAL	IFC 80%	June 15, 2018
M-06B	PARKING LEVEL P1 MECHANICAL	IFC 80%	June 15, 2018
M-07	LEVEL 01 FLOOR PLAN MECHANICAL	IFC 80%	June 15, 2018
M-08	LEVEL 02 FLOOR PLAN MECHANICAL	IFC 80%	June 15, 2018
M-09	LEVEL 03 FLOOR PLAN MECHANICAL	IFC 80%	June 15, 2018
M-10	LEVEL 04 FLOOR PLAN MECHANICAL	IFC 80%	June 15, 2018
M-11	LEVEL 05 FLOOR PLAN MECHANICAL	IFC 80%	June 15, 2018
M-12	LEVEL 06 FLOOR PLAN MECHANICAL	IFC 80%	June 15, 2018
M-13	LEVEL 07 FLOOR PLAN MECHANICAL	IFC 80%	June 15, 2018
M-14	LEVEL 08 FLOOR PLAN MECHANICAL	IFC 80%	June 15, 2018
M-15	LEVEL 09 FLOOR PLAN MECHANICAL	IFC 80%	June 15, 2018
M-16	LEVEL 10 FLOOR PLAN MECHANICAL	IFC 80%	June 15, 2018
M-17	LEVEL 11 FLOOR PLAN MECHANICAL	IFC 80%	June 15, 2018
M-18	LEVEL 12 FLOOR PLAN MECHANICAL	IFC 80%	June 15, 2018
M-19	LEVEL 13 FLOOR PLAN MECHANICAL	IFC 80%	June 15, 2018
M-20	LEVEL 14 FLOOR PLAN MECHANICAL	IFC 80%	June 15, 2018
M-21	LEVEL 15 FLOOR PLAN MECHANICAL	IFC 80%	June 15, 2018
M-22	LEVEL 16 FLOOR PLAN MECHANICAL	IFC 80%	June 15, 2018
M-23	LEVEL 17 FLOOR PLAN MECHANICAL	IFC 80%	June 15, 2018
M-24	LEVEL 18 FLOOR PLAN MECHANICAL	IFC 80%	June 15, 2018
M-25	LEVEL 19 FLOOR PLAN MECHANICAL	IFC 80%	June 15, 2018
M-26	LEVEL 20 FLOOR PLAN MECHANICAL	IFC 80%	June 15, 2018
M-27	LEVEL 21 FLOOR PLAN MECHANICAL	IFC 80%	June 15, 2018
M-28	LEVEL 22 FLOOR PLAN MECHANICAL	IFC 80%	June 15, 2018
M-29	LEVEL 23 FLOOR PLAN MECHANICAL	IFC 80%	June 15, 2018
M-30	LEVEL 24 FLOOR PLAN MECHANICAL	IFC 80%	June 15, 2018
M-31	LEVEL 25 FLOOR PLAN MECHANICAL	IFC 80%	June 15, 2018
M-33A	WATER RISER DIAGRAM MECHANICAL	IFC 80%	June 15, 2018
M-33B	WATER RISER DIAGRAM MECHANICAL	IFC 80%	June 15, 2018
M-33C	WATER RISER DIAGRAM MECHANICAL	IFC 80%	June 15, 2018
M-33D	WATER RISER DIAGRAM MECHANICAL	IFC 80%	June 15, 2018
M-34B	SCHEMATIC MECHANICAL	IFC 80%	June 15, 2018
M-35A	SCHEDULE MECHANICAL	IFC 80%	June 15, 2018



M-35B	SCHEDULE MECHANICAL	IFC 80%	June 15, 2018
M-35C	SCHEDULE MECHANICAL	IFC 80%	June 15, 2018
M-36A	DETAILS MECHANICAL	IFC 80%	June 15, 2018
M-36B	DETAILS MECHANICAL	IFC 80%	June 15, 2018
P-01	SITE PLAN PLUMBING	IFC 80%	June 15, 2018
P-02	FOUNDATION PLAN PLUMBING	IFC 80%	June 15, 2018
P-03	PARKING LEVEL P6 PLUMBING	IFC 80%	June 15, 2018
P-04	PARKING LEVEL P5 PLUMBING	IFC 80%	June 15, 2018
P-05	PARKING LEVEL P4 PLUMBING	IFC 80%	June 15, 2018
P-06	PARKING LEVEL P3 PLUMBING	IFC 80%	June 15, 2018
P-07	PARKING LEVEL P2 PLUMBING	IFC 80%	June 15, 2018
P-08	PARKING LEVEL P1 PLUMBING	IFC 80%	June 15, 2018
P-09	LEVEL 01 FLOOR PLAN PLUMBING	IFC 80%	June 15, 2018
P-10	LEVEL 02 FLOOR PLAN PLUMBING	IFC 80%	June 15, 2018
P-11	LEVEL 03 & 04 TYPICAL FLOOR PLAN PLUMBING	IFC 80%	June 15, 2018
P-12	LEVEL 04 FLOOR PLAN PLUMBING	IFC 80%	June 15, 2018
P-13	LEVEL 05 FLOOR PLAN PLUMBING	IFC 80%	June 15, 2018
P-14	LEVEL 06 FLOOR PLAN PLUMBING	IFC 80%	June 15, 2018
P-15	LEVEL 07 FLOOR PLAN PLUMBING	IFC 80%	June 15, 2018
P-16	LEVEL 08 FLOOR PLAN PLUMBING	IFC 80%	June 15, 2018
P-17	LEVEL 09 FLOOR PLAN PLUMBING	IFC 80%	June 15, 2018
P-18	LEVEL 10 FLOOR PLAN PLUMBING	IFC 80%	June 15, 2018
P-19	LEVEL 11 FLOOR PLAN PLUMBING	IFC 80%	June 15, 2018
P-20	LEVEL 12 FLOOR PLAN PLUMBING	IFC 80%	June 15, 2018
P-21	LEVEL 13 FLOOR PLAN PLUMBING	IFC 80%	June 15, 2018
P-22	LEVEL 14 FLOOR PLAN PLUMBING	IFC 80%	June 15, 2018
P-23	LEVEL 15 FLOOR PLAN PLUMBING	IFC 80%	June 15, 2018
P-24	LEVEL 16 FLOOR PLAN PLUMBING	IFC 80%	June 15, 2018
P-25	LEVEL 17 FLOOR PLAN PLUMBING	IFC 80%	June 15, 2018
P-26	LEVEL 18 FLOOR PLAN PLUMBING	IFC 80%	June 15, 2018
P-27	LEVEL 19 FLOOR PLAN PLUMBING	IFC 80%	June 15, 2018
P-28	LEVEL 20 FLOOR PLAN PLUMBING	IFC 80%	June 15, 2018
P-29	LEVEL 21 FLOOR PLAN PLUMBING	IFC 80%	June 15, 2018
P-30	LEVEL 22 FLOOR PLAN PLUMBING	IFC 80%	June 15, 2018
P-31	LEVEL 23 FLOOR PLAN PLUMBING	IFC 80%	June 15, 2018
P-32	LEVEL 24 FLOOR PLAN PLUMBING	IFC 80%	June 15, 2018
P-33	LEVEL 25 FLOOR PLAN PLUMBING	IFC 80%	June 15, 2018

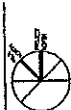


**MERRICK  
ARCHITECTURE**  
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www.merrick.com



Project Name: \_\_\_\_\_  
Project Number: \_\_\_\_\_  
Date: \_\_\_\_\_

Item	Description	Start Date	End Date
1	PRELIMINARY DESIGN	APRIL 2017	
2	SCHEMATIC DESIGN	APRIL 2017	
3	DESIGN DEVELOPMENT	MAY 2017	
4	CONCEPT DEVELOPMENT	MAY 2017	
5	PRELIMINARY DESIGN	MAY 2017	
6	SCHEMATIC DESIGN	MAY 2017	
7	DESIGN DEVELOPMENT	MAY 2017	
8	CONCEPT DEVELOPMENT	MAY 2017	
9	PRELIMINARY DESIGN	MAY 2017	
10	SCHEMATIC DESIGN	MAY 2017	
11	DESIGN DEVELOPMENT	MAY 2017	
12	CONCEPT DEVELOPMENT	MAY 2017	

Company: \_\_\_\_\_

Project:  
**400 West Georgia**  
WESTTANK

**CODE COMPLIANCE  
SUMMARY**

Code	Version	Adopted
IFC	2015	2015
ASCE	7-16	2016
IBC	2015	2015

**A0.020**

The drawings in this set of documents are prepared or revised under the supervision of a licensed professional engineer. The drawings are not to be used for construction purposes and shall remain the property of Merrick Architecture. The drawings are not to be used for construction purposes and shall remain the property of Merrick Architecture. The drawings are not to be used for construction purposes and shall remain the property of Merrick Architecture.

# 400 WEST GEORGIA

BP APPLICATION  
2018

**GENERAL INFORMATION**  
 Project Name: 400 West Georgia  
 Project Address: 400 West Georgia, Atlanta, GA 30303  
 Project Description: New construction of a 10-story office building.  
 Project Start Date: 2018-01-01  
 Project End Date: 2018-12-31  
 Project Manager: [Name]  
 Project Engineer: [Name]

**PROJECT INFORMATION**  
 Project No: [Number]  
 Revision: [Number]  
 Issue Date: [Date]

Item No.	Description	Quantity	Unit	Material	Notes
1	Concrete	1000	cu yd	4000 psi	For foundation and ground floor slab.
2	Rebar	10000	lb	#4	For foundation and ground floor slab.
3	Formwork	1000	sq ft	18" x 18"	For foundation and ground floor slab.
4	Steel Decking	1000	sq ft	36" x 60"	For ground floor slab.
5	Structural Steel	1000	lb	A36	For columns and beams.
6	Concrete	1000	cu yd	4000 psi	For upper floors.
7	Rebar	10000	lb	#4	For upper floors.
8	Formwork	1000	sq ft	18" x 18"	For upper floors.
9	Structural Steel	1000	lb	A36	For upper floors.
10	Concrete	1000	cu yd	4000 psi	For roof slab.
11	Rebar	10000	lb	#4	For roof slab.
12	Formwork	1000	sq ft	18" x 18"	For roof slab.
13	Structural Steel	1000	lb	A36	For roof slab.

**400 West Georgia**  
 COVER SHEET & CONSULTANT LIST  
 Project No: [Number]  
 Revision: [Number]  
 Issue Date: [Date]  
 A0.010

**MERRICK MEMORIAL**  
 400 West Georgia  
 Atlanta, GA 30303  
 Project No: [Number]  
 Revision: [Number]  
 Issue Date: [Date]

**SCHEDULE "G"  
INDEMNITY AGREEMENT**

**[REGUS PLC HEADED PAPER]**

Homer Street Office Properties Inc.  
501 – 1067 West Cordova Street  
Vancouver, B.C. V6C 1C7  
For the attention of: Property Manager

\_\_\_\_\_, 2018

Dear Sirs,

**Indemnification Agreement**

We refer to the lease agreement (the "**Lease Agreement**") dated on or about the date first written above entered into between (1) Homer Street Office Properties Inc. (the "**Landlord**"), having an office at 501 – 1067 West Cordova Street, Vancouver, B.C. V6C 1C7; and (2) RGN British Columbia XXIII Limited Partnership, by RGN General Partner Holdings, Corp., its General Partner (the "**Tenant**"), having an office at of c/o Regus Corporation, 15305 N. Dallas Parkway, Suite 400, Addison, TX 75001, in respect of premises located on a portion of the main floor and on the 2<sup>nd</sup> through 9<sup>th</sup> floors of the building to be located at 400 West Georgia Street, Vancouver, British Columbia, Canada (the "**Premises**"). In this letter definitions used in the Lease Agreement shall apply to this letter where the context so permits.

1. Regus plc (société anonyme) is a company incorporated in Jersey having its registered office at 22 Grenville Street, St. Helier, Jersey JE4 8PX, Channel Islands and having its place of central administration (head office) in Luxembourg at 26 Boulevard Royal, Luxembourg L-2449 Luxembourg ("**Regus plc**"). Regus plc is a public limited company and is the parent company of the Tenant.
2. Regus plc hereby unconditionally and irrevocably agrees that it will, within 5 business days of a written demand from the Landlord made in accordance with the terms of this Indemnity Agreement:
  - (a) pay to the Landlord any Rent (as defined in the Lease Agreement) and other charges or amounts required to be paid by Tenant pursuant to the express terms of the Lease Agreement, including but not limited to any loss, damages, costs and expenses suffered or incurred by the Landlord resulting from any Event of Default (as defined in the Lease) by the Tenant in respect of any of the Tenant's obligations, monetary or non-monetary, under the Lease Agreement (collectively, the "**Lease Liabilities**"), up to a maximum liability amount, in the aggregate, of Ten Million and 00/100 CAN Dollars (\$10,000,000.00 CAN) (the "**Cap Amount**"); provided, however, that so long as no Event of Default is continuing under the Lease Agreement as of any of the dates described below and as at such date the Landlord has recovered all losses, damages, costs and expenses suffered or incurred by the Landlord by reason of the occurrence of such Event of Default (the "**Landlord's Loss**") from the Tenant or from Regus plc pursuant to any payment made by Regus plc under this Indemnity Agreement

to the Landlord (it being agreed that if an Event of Default is continuing on such date or if the Landlord has not then recovered the Landlord's Loss, the Cap Amount will not reduce on such date): (i) the Cap Amount shall reduce automatically on the first (1<sup>st</sup>) anniversary of the Commencement Date (as defined in the Lease Agreement) to Nine Million and 00/100 CAN Dollars (\$9,000,000.00 CAN), (ii) the Cap Amount shall reduce automatically on the second (2<sup>nd</sup>) anniversary of the Commencement Date to Eight Million and 00/100 CAN Dollars (\$8,000,000.00 CAN), (iii) the Cap Amount shall reduce automatically on the third (3<sup>rd</sup>) anniversary of the Commencement Date to Seven Million and 00/100 CAN Dollars (\$7,000,000.00 CAN), (iv) the Cap Amount shall reduce automatically on the fourth (4<sup>th</sup>) anniversary of the Commencement Date to Six Million and 00/100 CAN Dollars (\$6,000,000.00 CAN) (v) the Cap Amount shall reduce automatically on the fifth (5<sup>th</sup>) anniversary of the Commencement Date to Five Million and 00/100 CAN Dollars (\$5,000,000.00 CAN), (vi) the Cap Amount shall reduce automatically on the sixth (6<sup>th</sup>) anniversary of the Commencement Date to Four Million and 00/100 CAN Dollars (\$4,000,000.00 CAN), (vii) the Cap Amount shall reduce automatically on the seventh (7<sup>th</sup>) anniversary of the Commencement Date to Three Million and 00/100 CAN Dollars (\$3,000,000.00 CAN), (viii) the Cap Amount shall reduce automatically on the eighth (8<sup>th</sup>) anniversary of the Commencement Date to Two Million and 00/100 CAN Dollars (\$2,000,000.00 CAN), (ix) the Cap Amount shall reduce automatically on the ninth (9<sup>th</sup>) anniversary of the Commencement Date to One Million and 00/100 CAN Dollars (\$1,000,000.00 CAN), (x) the Cap Amount shall reduce automatically on the eleventh (11<sup>th</sup>) anniversary of the Commencement Date to Eight Hundred Thousand and 00/100 CAN Dollars (\$800,000.00 CAN), and (xi) the Cap Amount shall reduce automatically on the thirteenth (13<sup>th</sup>) anniversary of the Commencement Date to Six Hundred Thousand and 00/100 CAN Dollars (\$600,000.00 CAN); and

- (b) if any amount or obligation which would otherwise have formed part of the Lease Liabilities is or becomes unenforceable, illegal or invalid, indemnify the Landlord against any cost, loss or liability it incurs as a result of the Tenant not paying any amount which would, but for such unenforceability, illegality or invalidity, have been payable by it. The amount payable under these paragraphs (a) and (b) will not exceed, in the aggregate, the Cap Amount (if and as reduced under the foregoing provisions); and
  - (c) pay to the Landlord any Enforcement Costs (as defined below) that Regus plc may become obligated to pay pursuant to the terms of Paragraph 16 of this Indemnity Agreement, which shall be in addition to, and not included as part of nor limited by, the Cap Amount.
3. From and after the date first written above, Regus plc will honour all demands with respect to the Lease Liabilities made by the Landlord in accordance with the terms of this Indemnity Agreement up to, in the aggregate, the Cap Amount and Enforcement Costs. Regus plc's obligations under this Indemnity Agreement shall expire at 5:00pm (Luxembourg time) on the date (the "**Expiry Date**") that is one hundred eighty (180) days after the earlier of (i) the date on which the Initial Term (as defined in the Lease Agreement) of the Lease Agreement expires or (ii) the date on which the Lease Agreement earlier terminates or, if occurring, in accordance with the express terms of the Lease Agreement; provided, however, this Indemnity Agreement shall remain in full force and effect in respect of any demand delivered to the address specified in Paragraph 4 below before 5:00 pm (Luxembourg time) on the Expiry Date. Upon expiry, the Landlord shall return the original of this Indemnity Agreement to Regus plc.

4. Any demand for payment must (i) be made in writing sent to The Company Secretary, Regus plc at 26 Boulevard Royal, Luxembourg L-2449 Luxembourg (which address may be updated from time to time hereafter by Regus plc giving the Landlord written notice of the new address of Regus plc in accordance with the applicable notice provisions set forth in the Lease Agreement); (ii) refer to the date of this Indemnity Agreement and the Landlord and the Tenant, and enclose a copy of this Indemnity Agreement; (iii) state the amount for which payment is demanded; (iv) state the reason for which payment is demanded; (v) state the name of the bank and account number to which payment is to be made; and (vi) be duly signed by an authorized representative of the Landlord. Notices to Regus plc shall be in writing and given to the address for payment demands set forth above and in a manner that conforms with the notice provisions set forth in the Lease Agreement. Notices to the Tenant shall be in writing and given to the address(es) and in a manner that conforms with the notice provisions set forth in the Lease Agreement (as such notice address may be updated from time to time by the Tenant in accordance with the applicable notice provisions set forth in the Lease Agreement). Notices to Regus plc shall be in writing and given to the address for payment demands set forth above and in a manner that conforms with the notice provisions set forth in the Lease Agreement. Landlord may send any demand for payment or other notice to Regus plc to the Tenant simultaneously, or after, such demand or notice is sent to Regus plc at its address set forth in this Paragraph; in so doing, in the event that delivery of such demand or notice on Regus plc is attempted at its address set forth in this Paragraph but is not accepted or is otherwise discovered to be undeliverable to Regus plc at such address, then the demand for notice made on the Tenant will be with like effect as if the same were made upon Regus plc in accordance with in this Paragraph. Any notice or other communication to be given to the Landlord hereunder shall be in writing and sent in accordance with the notice provisions of the Lease Agreement. If either parties' respective notice or payment addresses change, then such party shall give the other written notice thereof in a manner that conforms with the notice provisions set forth in the Lease Agreement.
5. This Indemnity Agreement constitutes an absolute, continuing and irrevocable obligation of Regus plc and may not be avoided, affected or discharged by reason of (and Regus plc waives and agrees not to assert any right that it may have to avoid its obligations under this Indemnity Agreement by reason of) any one or more of the following:
  - (a) any irregularity, unenforceability, illegality or invalidity of any obligation in the Lease Agreement;
  - (b) the bankruptcy or insolvency of the Tenant or other similar proceedings;
  - (c) the Landlord granting any time, extension of time, release, waiver, adjustment, indulgence or concession to the Tenant in respect of the Lease Liabilities or any neglect of the Landlord in enforcing the Lease Liabilities (any such granting or neglect by Landlord may be made without notice to or the consent or knowledge of Regus plc);
  - (d) any variation, amendment or modification to the Lease Agreement by agreement between the Landlord and the Tenant, including, without limitation, any extension or renewal of the term of the Lease Agreement and any change in the Rent (any such change, amendment or modification to the Lease Agreement may be made without notice to or the consent or knowledge of Regus plc);

- (e) any surrender by the Tenant of part of the Premises (any such surrender may be made without notice to or the consent or knowledge of Regus plc);
- (f) any assignment(s) of the Lease Agreement, any subletting(s) of the Premises by the Tenant, or any other event constituting a Transfer (as defined in the Lease Agreement), including, without limitation, any Permitted Transfers (as defined in the Lease Agreement) (any such assignment or subletting or Permitted Transfer may be made without notice to or the consent or knowledge of Regus plc);
- (g) the incapacity, lack of authority, death or disability of the Tenant;
- (h) any neglect or forbearance by the Landlord in obtaining payment of Minimum Rent, Additional Rent (as defined in the Lease Agreement) or other amounts or of enforcing the provisions of the Lease Agreement or the obligations of the Tenant or any waiver or failure to enforce any provision of this Indemnity Agreement by the Landlord;
- (i) any other act or failure to act by the Landlord which would release, discharge or affect the obligations of Regus plc if it were a mere surety; and
- (j) the absence, impairment, modification, or limitation (in bankruptcy, by election of remedies or otherwise) of the liability of Tenant under the Lease Agreement or the rejection of the Lease Agreement in bankruptcy.

The obligations of Regus plc under this Lease Agreement shall not be released, discharged or affected by the bankruptcy or insolvency of the Tenant or any proposal made by it to its creditors or any repudiation of the Lease Agreement pursuant to the Bankruptcy and Insolvency Act, S.C. 1992, or any successor or similar legislation, or any disclaimer by any trustee in bankruptcy of the Tenant or by the Tenant ceasing to exist (whether by winding-up, forfeiture, cancellation or surrender of charter, or any other circumstance) or, subject to the terms and conditions herein, by any event terminating the Lease Agreement including a re-entry or termination. Nothing in this paragraph or elsewhere in this Indemnity Agreement shall confer any rights on Regus plc, and Regus plc hereby waives any rights it may otherwise have to occupy or use the Premises or to claim any interest or rights in the Premises or the Lease Agreement.

6. The maintenance of any action or proceeding by the Landlord to recover any sum or sums that may be or become due under the Lease Agreement and to secure the performance of any of the other terms, covenants and conditions of the Lease Agreement shall not preclude the Landlord from thereafter instituting and maintaining subsequent actions or proceedings for any subsequent default or defaults of the Tenant under the Lease Agreement. In the event of a default by the Tenant of any of the Lease Liabilities, the Landlord may proceed either against the Tenant or may make demand for payment from Regus plc hereunder without first prosecuting or exhausting any remedy or claim against the Tenant or may pursue both courses simultaneously and Regus plc hereby waives and agrees not to assert any right to require the Landlord to proceed against the Tenant, or any other guarantor or person or to pursue any other security or remedy, before proceeding against Regus plc. Regus plc waives and agrees not to assert or take advantage of any right to any security or collateral held by Landlord.
7. Regus plc hereby waives and agrees not to assert any right or defense based on the absence of any or all presentments, demands (including demands for performance), notices (including



notices of any adverse change in the financial status of the Tenant, notices of any other facts which increase the risk to the undersigned, notices of non-performance, non-payment or non-observance on the part of the Tenant of the terms, covenants and conditions in the Lease Agreement and notices of acceptance of this Indemnity Agreement) and protests of each and every kind, except that the foregoing shall not waive any requirements expressly set forth in this Indemnity Agreement as to the timing and presentment of a written demand hereunder in accordance with the terms hereof.

8. Until the earlier of the Expiry Date, the date that all the Tenant's obligations under the Lease Agreement are fully performed and the date that all of Regus plc's payment obligations under this Indemnity Agreement are fully performed, Regus plc shall not have rights based on suretyship (nor any rights to otherwise stand in the place of Landlord so as to compete with Landlord as a creditor of Tenant), nor any right of subrogation or reimbursement against the Tenant by reason of any payments or acts of performance by Regus plc under this Indemnity Agreement.
9. This Indemnity Agreement represents the entire understanding between the parties hereto as to the matters addressed herein and the provisions of this Indemnity Agreement cannot be modified, waived or cancelled, except by a written instrument signed by Regus plc and the Landlord. All prior understandings and agreements as to the matters addressed herein, oral or written, express or implied, are hereby merged herein.
10. The provisions of this Indemnity Agreement shall apply to, bind and inure to the benefit of Regus plc and the Landlord and their respective heirs, legal representatives, administrators, successors and assigns. As used herein, the term "Tenant" means the Tenant specifically named in the Lease Agreement and also its successors and assigns, including, without limitation, any assignee of the Tenant's right, title or interest (in whole or in part) in the Lease Agreement, including, without limitation, any trustee in bankruptcy and any bankruptcy estate of the Tenant or its successors and assigns. The Landlord may assign the benefit of this Agreement to any subsequent owner of the Building.
11. Notwithstanding anything to the contrary contained in this Indemnity Agreement, Regus plc's obligations under this Indemnity Agreement shall expire on the Expiry Date, other than in respect of any demand delivered before 5:00 pm (Luxembourg time) on the Expiry Date.
12. Notwithstanding anything contained in this Indemnity Agreement to the contrary, the maximum liability, in the aggregate, that Regus plc shall be subject to under this Indemnity Agreement shall be the Cap Amount, plus Enforcement Costs.
13. Regus plc acknowledges that additional consideration giving this Indemnity Agreement to Landlord is the fact that Regus plc is the indirect parent company of the Tenant and that Regus plc is issuing this Indemnity Agreement to induce the Landlord to enter into the Lease Agreement with the Tenant. Regus plc further acknowledges that it is providing this letter to the Landlord and is irrevocably committing to the matters herein contained, including without limitation, the indemnity herein provided, in consideration of the Landlord agreeing to enter into the Lease Agreement with the Tenant, and in consideration of the payment by the Landlord to Regus plc of the amount of ten dollars Canadian (\$10.00 CAD) and other good and valuable consideration, the receipt and sufficiency whereof Regus plc hereby acknowledges.
14. This Indemnity Agreement and any obligations arising out of or in connection with it are governed

by and interpreted in accordance with the laws of the Province of British Columbia and Canada.

15. The courts of the Province of British Columbia shall have exclusive jurisdiction to settle any dispute including a dispute relating to any non-contractual obligation arising out of or in connection with this Indemnity Agreement. For the limited purpose of resolving any dispute under this Indemnity Agreement and enforcing this Indemnity Agreement (including, without limitation, any action by Landlord to collect on any judgment obtained in connection with this Indemnity Agreement), Regus plc submits to the jurisdiction of the courts of said Province, provided always that the Landlord may at its option elect to commence action in any court having jurisdiction over Regus plc or its assets for enforcement of any judgement obtained against Regus plc.
16. If Regus plc is indebted to the Landlord pursuant to the terms of this Indemnity Agreement and the Landlord retains counsel to enforce this Indemnity Agreement or any covenants or obligations of Regus plc hereunder, then Regus plc shall pay to the Landlord, upon demand, all reasonable attorneys' fees on a solicitor and own client basis, costs and expenses, including, without limitation, court costs and filing fees (all of which are referred to herein as "**Enforcement Costs**") suffered or incurred by the Landlord.
17. If any term or provision of this Indemnity Agreement or the application thereof to any person or circumstances shall, to any extent, be invalid or unenforceable, the remainder of this Indemnity Agreement, or the application of such term or provision to persons or circumstances other than those to which it is held invalid or unenforceable, shall not be affected thereby and all other terms and provisions of this indemnity Agreement shall be valid and enforced to the fullest extent permitted by law; provided, however, in such event, the parties shall use their respective best endeavours to negotiate and agree a substitute term or provision which is valid and enforceable and achieves to the greatest extent possible the economic, legal and commercial objectives of such illegal, void, invalid, prohibited or unenforceable term, condition, stipulation, provision, covenant or undertaking.
18. Regus plc represents and warrants that (a) it is a sophisticated party having such knowledge and experience in financial and business matters as is necessary to evaluate the merits and risks of this Indemnity Agreement and protect its own interests in connection with the terms of this Indemnity Agreement, (b) it understands the terms of this Indemnity Agreement and (c) in negotiating the terms of this Indemnity Agreement, has been represented by independent legal counsel, or has had the opportunity to be represented by independent legal counsel selected of its own free will, and has had the opportunity to discuss the content and import of this Indemnity Agreement with such counsel. Each individual executing this Indemnity Agreement on behalf of Regus plc represents and warrants that he is duly authorized to execute and deliver this Indemnity Agreement on behalf of said company, in accordance with a duly adopted resolution of the Board of Directors of said company or in accordance with the by-laws of said company.
19. Regus plc represents and warrants to the Landlord as follows:
  - (a) No consent of any other person, including, without limitation, any creditors of Regus plc, and no license, permit, approval or authorization of, exemption by, notice or report to, or registration, filing or declaration with, any governmental authority is required by Regus plc in connection with this Indemnity Agreement or the execution, delivery,

performance, validity or enforceability of this Indemnity Agreement and all obligations required hereunder, other than consents that have been obtained;

- (b) This Indemnity Agreement has been duly executed and delivered by Regus plc, and constitutes the legally valid and binding obligation of Regus plc enforceable against Regus plc in accordance with its terms except as such enforcement may be limited by bankruptcy, insolvency or other similar laws affecting the enforcement of creditors' rights generally insofar as such laws apply in the case of the bankruptcy or insolvency of Regus plc; and
- (c) The execution, delivery and performance of this Indemnity Agreement will not violate any provision of any existing law or regulation binding on Regus plc, or any order, judgment, award or decree of any court, arbitrator or governmental authority binding on Regus plc, or of any mortgage, indenture, lease, contract or other agreement, instrument or undertaking to which Regus plc is a party or by which Regus plc or any of Regus plc's assets may be bound.
- (d) Regus plc is duly constituted and validly existing under the laws of the Channel Islands and has the power and authority to own its assets and to conduct its business, and has full corporate power and authority to execute and deliver this Indemnity Agreement and to perform its obligations hereunder.

Yours faithfully,

**REGUS plc**

.....  
Tim Regan, Company Secretary  
For and on behalf of **Regus plc**  
I have authority to bind the corporation.

I, \_\_\_\_\_, Notary Public, of \_\_\_\_\_  
\_\_\_\_\_, England, by Royal Authority duly Admitted and Sworn and Practising in  
the aforesaid Town,

DO HEREBY CERTIFY AND ATTEST

That on the \_\_\_\_ day of \_\_\_\_\_ in the year 2018 before me, the undersigned, a  
Notary Public in and for the aforesaid Town, personally appeared \_\_\_\_\_  
who is personally known to me or proved to me on the basis of satisfactory evidence to be the individual  
whose name is subscribed to the within instrument and acknowledged to me that he executed the same  
in his capacity, and that by his signature on the instrument, the individual, or the person or entity upon  
behalf of which the individual acted, executed the instrument, and I so certify.

In Testimony whereof, I have hereunto set my hand and affixed my Seal of Office in the aforesaid Town,  
England on the aforesaid date.

\_\_\_\_\_

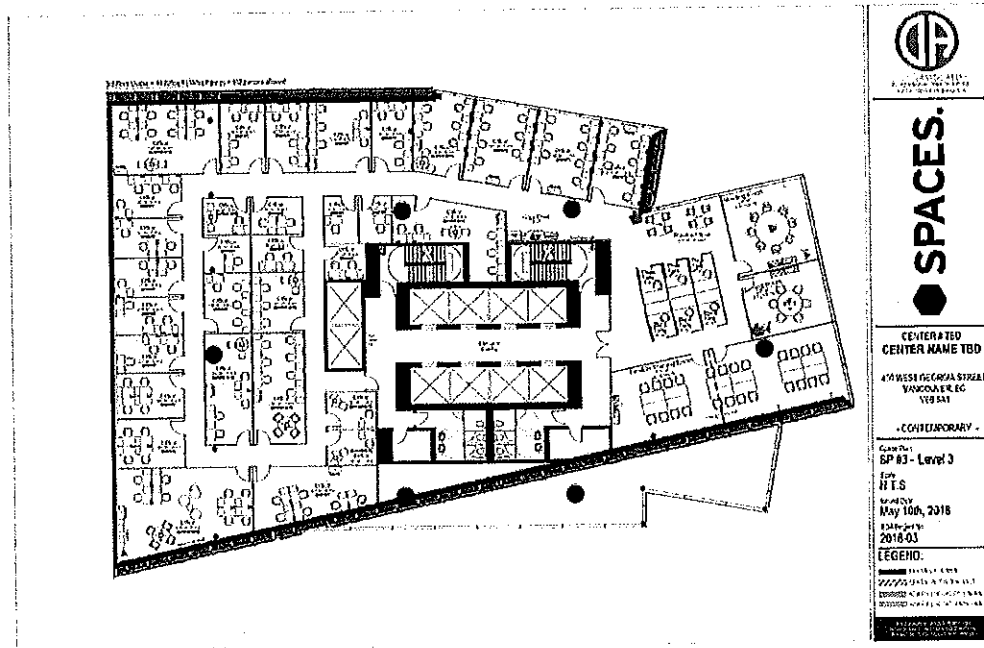
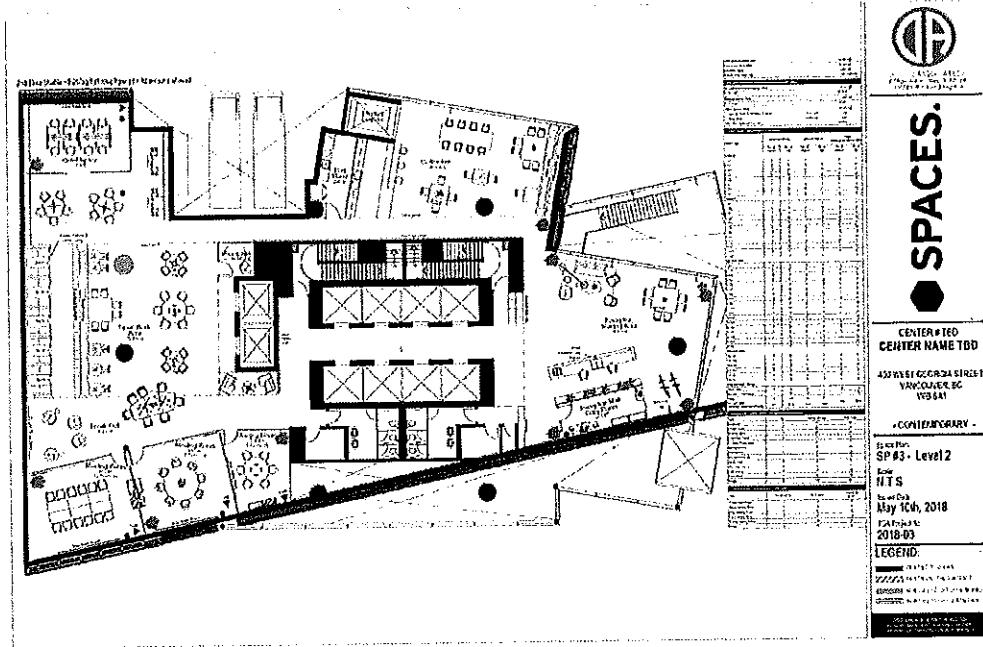
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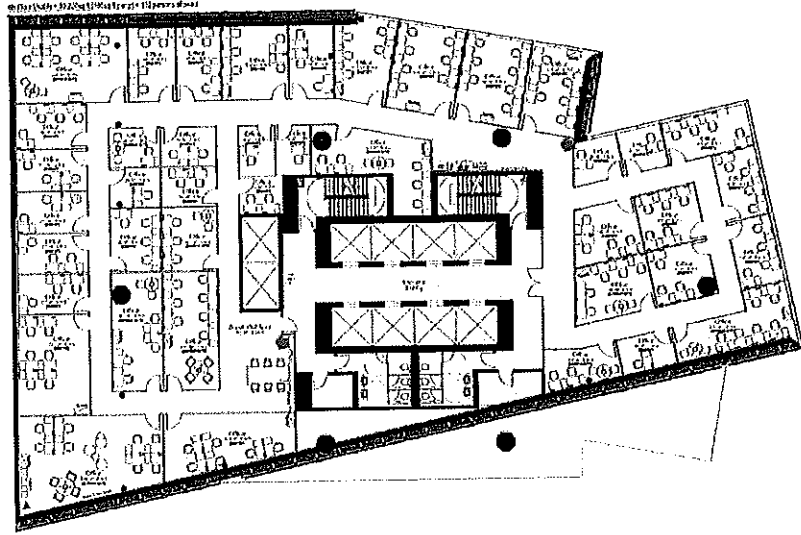
Notary Public

\_\_\_\_\_, England

SEAL

### SCHEDULE "H" APPROVED TEST-FIT PLAN



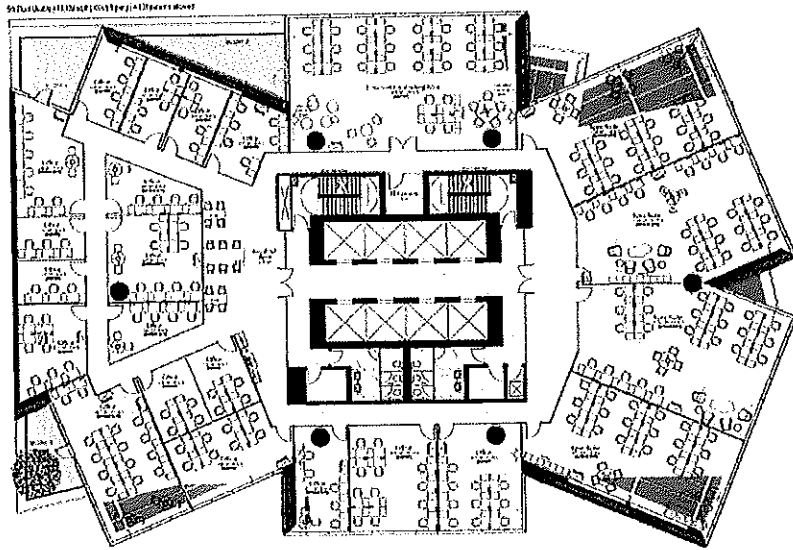


  
**SPACES.**

CENTER TBD  
 CENTER NAME TBD  
 43 WEST GEORGIA STREET  
 VANCOUVER, BC  
 V6B 5A1  
 -CONTEMPORARY-

SP #3 - Level 4  
 by  
 H.T.S  
 dated  
 May 10th, 2018  
 2018-03

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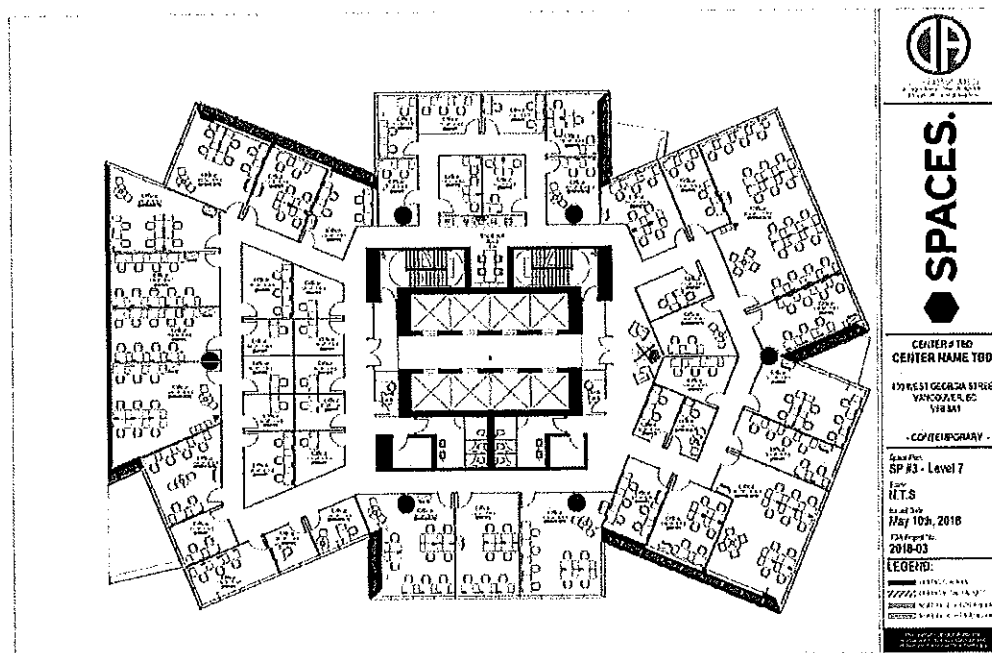
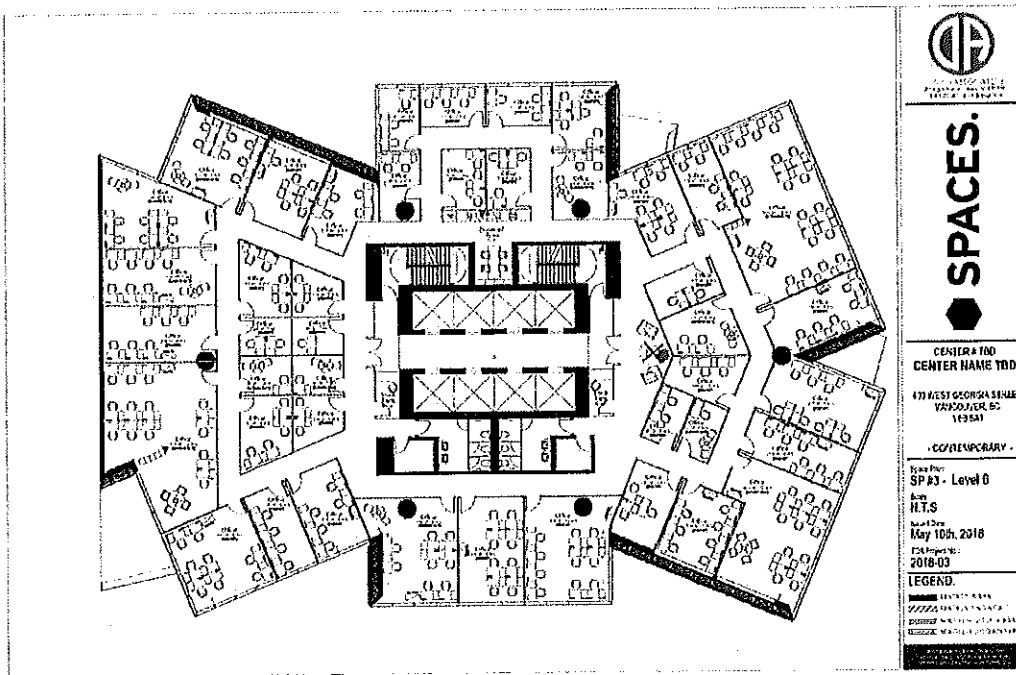


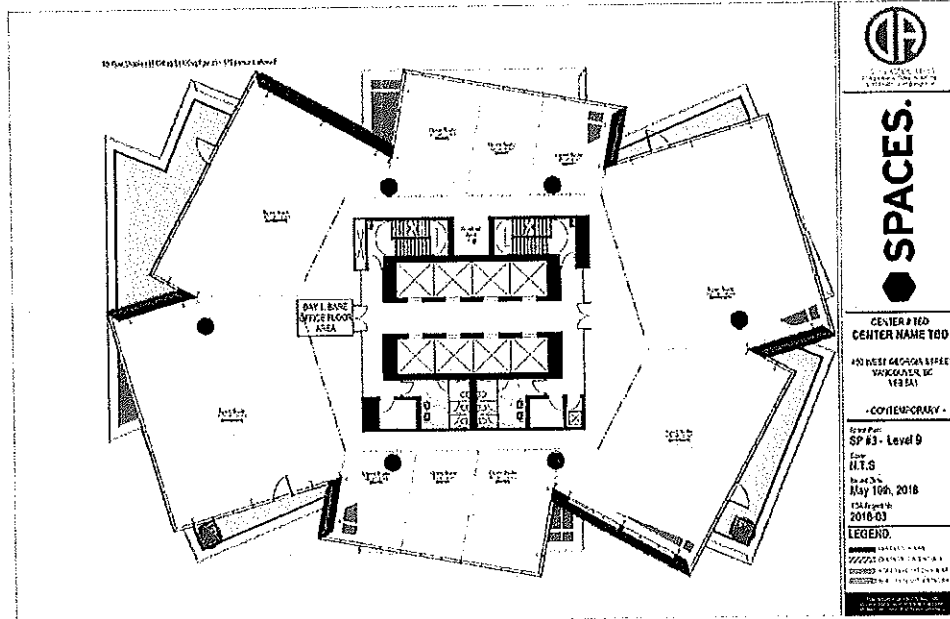
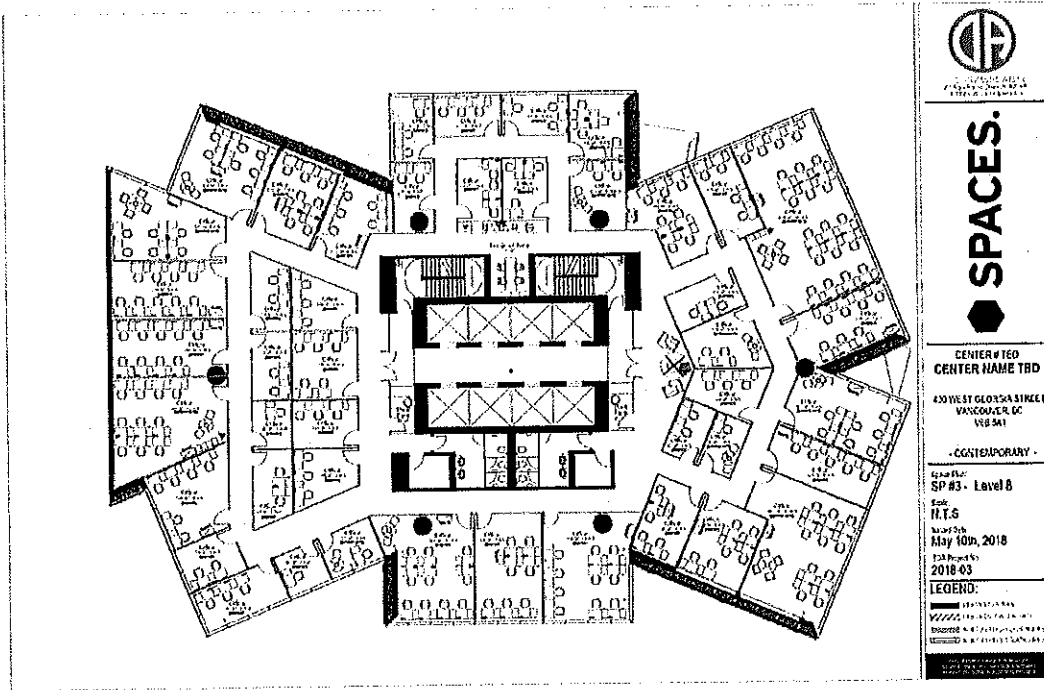
  
**SPACES.**

CENTER TBD  
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 43 WEST GEORGIA STREET  
 VANCOUVER, BC  
 V6B 5A1  
 -CONTEMPORARY-

SP #3 - Level 5  
 by  
 H.T.S  
 dated  
 May 10th, 2018  
 2018-03

**LEGEND:**  
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## TERMS AND CONDITIONS

### 1. This Agreement

1.1 Nature of this agreement: This agreement is the commercial equivalent of an agreement for accommodation(s) in a hotel. The whole of the Centre remains in the Provider's possession and control. THE CLIENT ACCEPTS THAT THIS AGREEMENT CREATES NO TENANCY INTEREST, LEASEHOLD ESTATE OR OTHER REAL PROPERTY INTEREST IN THE CLIENT'S FAVOUR WITH RESPECT TO THE ACCOMMODATION(S). The Provider is giving the Client the right to share with the Provider the use of the Centre on these terms and conditions, as supplemented by the House Rules, so that the Provider can provide the services to the Client. This Agreement is personal to the Client and cannot be transferred to anyone else without prior consent from the Provider unless such transfer is required by law. The Provider will not unreasonably withhold its consent to assignment to a parent, subsidiary or affiliate of Client provided that Client and assignee execute the Provider's form of Assignment of License Agreement which will require assignee to assume all Client obligations and will not release the Client. This agreement is composed of the front page describing the accommodation(s), the present terms and conditions, the House Rules and the Service Price Guide (where available).

1.2 Comply with House Rules: The Client must comply with any House Rules which the Provider imposes generally on users of the Centre. The House Rules vary from country to country and from Centre to Centre and these can be requested locally.

1.3 AUTOMATIC RENEWAL: THIS AGREEMENT LASTS FOR THE PERIOD STATED IN IT AND THEN WILL BE EXTENDED AUTOMATICALLY FOR SUCCESSIVE PERIODS EQUAL TO THE CURRENT TERM BUT NO LESS THAN 3 MONTHS (UNLESS LEGAL RENEWAL TERM LIMITS APPLY) UNTIL TERMINATED BY THE CLIENT OR BY THE PROVIDER PURSUANT TO SECTION 1.4. ALL PERIODS SHALL RUN TO THE LAST DAY OF THE MONTH IN WHICH THEY WOULD OTHERWISE EXPIRE. THE FEES ON ANY RENEWAL WILL BE AT THE THEN PREVAILING MARKET RATE. THIS CLAUSE DOES NOT APPLY TO MONTH TO MONTH AGREEMENTS.

1.4 CANCELLATION: EITHER THE PROVIDER OR THE CLIENT CAN TERMINATE THIS AGREEMENT AT THE END DATE STATED IN IT, OR AT THE END OF ANY EXTENSION OR RENEWAL PERIOD, BY GIVING AT LEAST THREE MONTHS WRITTEN NOTICE TO THE OTHER. HOWEVER, IF THIS AGREEMENT, EXTENSION OR RENEWAL IS FOR THREE MONTHS OR LESS AND EITHER THE PROVIDER OR THE CLIENT WISHES TO TERMINATE IT, THE NOTICE PERIOD IS TWO MONTHS IF THIS AGREEMENT, EXTENSION OR RENEWAL IS FOR TWO MONTHS OR LESS, NOTICE MUST BE GIVEN WITHIN ONE WEEK OF THE START DATE OF THE CURRENT TERM. IF THE CLIENT IS ON A MONTH TO MONTH AGREEMENT EITHER PARTY MAY TERMINATE THIS AGREEMENT BY GIVING NO LESS THAN ONE MONTH'S NOTICE TO THE OTHER (EFFECTIVE FROM THE START OF ANY CALENDAR MONTH).

1.5 Ending this agreement immediately: To the maximum extent permitted by applicable law, the Provider may put an end to this agreement immediately by giving the Client notice and without need to follow any additional procedure if (a) the Client becomes insolvent, bankrupt, goes into liquidation or becomes unable to pay its debts as they fall due, or (b) the Client is in breach of one of its obligations which cannot be put right or which the Provider has given the Client notice to put right and which the Client has failed to put right within fourteen (14) days of that notice, or (c) its conduct, or that of someone at the Centre with its permission or invitation, is incompatible with ordinary office use and (i) such conduct is repeated despite the Client having been given a warning or (ii) such conduct is material enough (in the Provider's opinion) to warrant immediate termination.

If the Provider puts an end to this agreement for any of these reasons it does not put an end to any outstanding obligations, including additional services used, requested or required under the agreement and the monthly office fee for the remainder of the period for which this agreement would have lasted if the Provider had not ended it.

1.6 If the Centre is no longer available: In the event that the Provider is permanently unable to provide the services and accommodation(s) at the Centre stated in this agreement then this agreement will end and the Client will only have to pay monthly office fees up to the date it ends and for the additional services the Client has used. The Provider will try to find suitable alternative accommodation(s) for the Client at another Provider Centre.

1.7 When this agreement ends the Client is to vacate the accommodation(s) immediately, leaving the accommodation(s) in the same condition as it was when the Client took it. Upon the Client's departure or if the Client, at its option, chooses to relocate to different rooms within the Centre, the Provider will charge an Office Restoration Service fee to cover normal cleaning and testing and to return the accommodation(s) to its original state. This fee will differ by country and is listed in the House Rules. The Provider reserves the

right to charge additional reasonable fees for any repairs needed above and beyond normal wear and tear. If the Client leaves any property in the Centre the Provider may dispose of it at the Client's cost in any way the Provider chooses without owing the Client any responsibility for it or any proceeds of sale. If the Client continues to use the accommodation(s) when this agreement has ended the Client is responsible for any loss, claim or liability the Provider incurs as a result of the Client's failure to vacate on time. The Provider may, at its discretion, permit the Client an extension subject to a surcharge on the monthly office fee.

1.8 Employees: While this agreement is in force and for a period of six months after it ends, neither the Provider nor the Client may knowingly solicit or offer employment to any of the other's staff employed in the Centre. This obligation applies to any employee employed at the Centre up to that employee's termination of employment, and for three months thereafter. It is stipulated that the breaching party shall pay the non-breaching party the equivalent of six months' salary for any employee concerned. Nothing in this clause shall prevent either party from employing an individual who responds in good faith and independently to an advertisement which is made to the public at large.

1.9 Notices: All formal notices must be in writing, which may include by email, to the address first written above.

1.10 Confidentiality: The terms of this agreement are confidential. Neither the Provider nor the Client must disclose them without the other's consent unless required to do so by law or an official authority. This obligation continues for a period of 3 years after this agreement ends.

1.11 Applicable law: This agreement is interpreted and enforced in accordance with the law of the place where the relevant Centre is located. All dispute resolution proceedings will be conducted in the country, state or province where the Centre is located. If any provision of these terms and conditions is held void or unenforceable under the applicable law, the other provisions shall remain in force. In the case of Japan all agreements will be interpreted and enforced by the Tokyo District Court, and in the case of France, any dispute regarding this agreement will be settled by the relevant courts of the Paris jurisdiction.

### 2. Services and Obligations

2.1 Office accommodation(s): The Provider is to provide the number of serviced office accommodation(s) for which the Client has agreed to pay in the Centre stated in this agreement. This agreement lists the accommodation(s) the Provider has initially allocated for the Client's use. The Client will have a non-exclusive right to the rooms allocated to it. Occasionally the Provider may need to allocate different accommodation(s), but these accommodation(s) will be of reasonably equivalent size and the Provider will notify the Client with respect to such different accommodation(s) in advance.

2.2 Office Services: The Provider is to provide during normal opening hours the services, if requested, described in the relevant service description (which is available on request). If the Provider decides that a request for any particular service is excessive, it reserves the right to charge an additional fee.

2.3 THE PROVIDER'S IT: WHILST THE PROVIDER HAS INTERNET SECURITY PROTOCOLS, THE PROVIDER DOES NOT MAKE ANY REPRESENTATIONS AS TO THE SECURITY OF THE PROVIDER'S NETWORK (OR THE INTERNET) OR OF ANY INFORMATION THAT THE CLIENT PLACES ON IT. The Client should adopt whatever security measures (such as encryption) it believes are appropriate to its circumstances. The Provider cannot guarantee that a particular degree of availability will be attained in connection with the Client's use of the Provider's network (or the internet). The Client's sole and exclusive remedy shall be the remedy of such failure by the Provider within a reasonable time after written notice.

### 3. Providing the Services

3.1 Access to the accommodation(s): The Provider may need to enter the Client's accommodation(s) and may do so at any time. However, unless there is an emergency or the Client has given notice to terminate, the Provider will attempt to notify the Client verbally or electronically in advance when the Provider needs access to carry out testing, repair or works other than routine inspection, cleaning and maintenance. The Provider will also endeavour to respect reasonable security procedures to protect the confidentiality of the Client's business.

3.2 Availability at the start of this agreement: If for any reason the Provider cannot provide the accommodation(s) stated in this agreement by the date when this agreement is due to start it has no liability to the Client for any loss or damages but the Client may cancel this agreement without penalty. The Provider will not charge the Client the monthly office fee for accommodation(s) the Client cannot use until it becomes available. The Provider may delay the start date of this agreement provided it provides to the Client alternative accommodation(s) that shall be at least of equivalent size to the accommodation(s) stated in this agreement.

#### 4. Accommodation(s)

4.1 The Client must not alter any part of its accommodation and must take good care of all parts of the centre, its equipment, fixtures, fittings and furnishings which the Client uses. The Client is liable for any damage caused by it or those in the Centre with the Client's permission or at the Client's invitation whether express or implied, including but not limited to all employees, contractors, agents or other persons present on the premises.

4.2 Office equipment: The Client must not install any cabling, IT or telecom connections without the Provider's consent, which the Provider may refuse at its absolute discretion.

As a condition to the Provider's consent, the Client must permit the Provider to oversee any installations (for example IT or electrical systems) and to verify that such installations do not interfere with the use of the accommodation(s) by other Clients or the Provider or any landlord of the building.

4.3 Insurance: It is the Client's responsibility to arrange insurance for its own property which it brings in to the Centre and for its own liability to its employees and to third parties. The Provider strongly recommends that the Client put such insurance in place.

#### 5. Use

5.1 The Client must only use the accommodation(s) for office purposes. Office use of a "retail" or "medical" nature, involving frequent visits by members of the public, is not permitted.

5.2 The Client must not carry on a business that competes with the Provider's business of providing serviced office accommodation(s) or its ancillary services.

5.3 The Client's name and address: The Client may only carry on that business in its name or some other name that the Provider previously agrees.

5.4 Use of the Centre Address: The Client may use the Centre address as its business address. Any other uses are prohibited without the Provider's prior written consent.

#### 6. Compliance

6.1 Comply with the law: The Client and the Provider must comply with all relevant laws and regulations in the conduct of its business in relation to this agreement. The Client must do nothing illegal in connection with its use of the Business Centre. The Client must not do anything that may interfere with the use of the Centre by the Provider or by others, (including but not limited to political campaigning or immoral activity), cause any nuisance or annoyance, increase the insurance premiums the Provider has to pay, or cause loss or damage to the Provider (including damage to reputation) or to the owner of any interest in the building which contains the Centre the Client is using. Both the Client and the Provider shall comply at all times with all relevant anti-bribery and anti-corruption laws. The Provider confirms that in providing the services it has not employed or used any labour in contravention of the requirements of any anti-slavery laws.

6.2 If the Provider has been advised by any government authority or other legislative body that it has reasonable suspicion that the Client is conducting criminal activities from the Centre then the Provider shall be entitled to terminate this agreement with immediate effect.

6.3 The Client acknowledges that (a) the terms of this clause are a material inducement in the Provider's execution of this agreement and (b) any violation by the Client of this clause shall constitute a material default by the Client hereunder, entitling the Provider to terminate this agreement, without further notice or procedure.

6.4 The Provider may collect and process personal data from and of the Client to administer contractual relationship, ensure compliance with applicable laws and regulations, and enable the Provider to provide its services and to manage its business. The Client acknowledges and accepts that such personal data may be transferred or made accessible to all entities of the Provider's group, wherever located, for the purposes of providing the services herein.

#### 7. The Provider's Liability

7.1 The extent of the Provider's liability: To the maximum extent permitted by applicable law, the Provider is not liable to the Client in respect of any loss or damage the Client suffers in connection with this agreement, with the services or with the Client's accommodation(s) unless the Provider has acted deliberately or negligently in causing that loss or damage. The Provider is not liable for any loss as a result of the Provider's failure to provide a service as a result of mechanical breakdown, strike, termination of the Provider's interest in the building containing the Centre or otherwise unless the Provider does so deliberately or is negligent. In no event shall the Provider be liable for any loss or damage until the Client provides the Provider written notice and gives the Provider a reasonable time to put it right. If the Provider is liable for failing to provide the Client with any service under this agreement then subject to the exclusions and limits set out immediately below the Provider will pay any actual and reasonable expenses the Client has incurred in obtaining that service from an alternative source. If the Client believes the Provider has failed to deliver a service consistent with these terms and conditions the Client shall provide the Provider written notice of such failure and give the Provider a reasonable period to put it right.

**7.2. EXCLUSION OF CONSEQUENTIAL LOSSES, ETC.: THE PROVIDER WILL NOT IN ANY CIRCUMSTANCES HAVE ANY LIABILITY FOR LOSS OF BUSINESS, LOSS OF PROFITS, LOSS OF ANTICIPATED SAVINGS, LOSS OF OR DAMAGE TO DATA, THIRD PARTY CLAIMS OR ANY CONSEQUENTIAL LOSS UNLESS THE PROVIDER OTHERWISE AGREES IN WRITING. THE PROVIDER STRONGLY ADVISES THE CLIENT TO INSURE AGAINST ALL SUCH POTENTIAL LOSS, DAMAGE, EXPENSE OR LIABILITY.**

7.3. Financial limits to the Provider's liability: In all cases, the Provider's liability to the Client is subject to the following limits:

- Without limit for personal injury or death;
- Up to a maximum of £1 million / USD\$2 million / €1.3 million (or local equivalent) for any one event or series of connected events for damage to the Client's personal property;
- Up to a maximum equal to 125% of the total fees paid between the date the Client moved into its accommodation(s) and the date on which the claim in question arises or £50,000 / USD\$100,000 / €66,000 (or local equivalent) whichever is the higher, in respect of any other loss or damage.

#### 8. Fees

8.1 Taxes and duty charges: The Client agrees to pay promptly (i) all sales, use, excise, consumption and any other taxes and license fees which it is required to pay to any governmental authority (and, at the Provider's request, will provide to the Provider evidence of such payment) and (ii) any taxes paid by the Provider to any governmental authority that are attributable to the accommodation(s), including, without limitation, any gross receipts, rent and occupancy taxes, tangible personal property taxes, stamp tax or other documentary taxes and fees.

8.2 Service Retainer/Deposit: The Client will be required to pay a service retainer/deposit equivalent to two months' of its monthly office fee (plus VAT/Tax where applicable) upon entering into this agreement unless a different amount is specified on the front of this agreement. This will be held by the Provider without generating interest as security for performance of all the Client's obligations under this agreement. The service retainer/deposit or any balance will be returned to the Client when the Client has settled its account which includes deducting outstanding fees and other costs due to the Provider.

8.3 The Provider may require the Client to pay an increased retainer if outstanding fees exceed the service retainer/deposit held and/or the Client frequently fails to pay the Provider when due.

8.4 Payment: The Provider is continually striving to reduce its environmental impact and supports its clients in doing the same. Therefore the Provider will send all invoices electronically (where allowed by law) and the Client will make payments via an automated method such as Direct Debit or Credit Card, wherever local banking systems permit unless another form of payment is offered to the Client as a qualified and current Key Account.

8.5 Late payment: If the Client does not pay fees when due, a fee will be charged on all overdue balances. This fee will differ by country and is listed in the House Rules. If the Client disputes any part of an

Invoice the Client must pay the amount not in dispute by the due date or be subject to late fees. The Provider also reserves the right to withhold services (including for the avoidance of doubt, denying the Client access to its accommodation(s)) while there are any outstanding fees and/or interest or the Client is in breach of this agreement.

8.6 Insufficient Funds: The Client will pay a fee for any returned cheque or any other declined payments due to insufficient funds. This fee will differ by country and is listed in the House Rules.

8.7 If this agreement is for a term of more than 12 months, the Provider will increase the monthly office fee on each anniversary of the start date. This increase will be by the local Consumer Price Index or such other broadly equivalent index where a consumer price index is not available locally. If there is a negative index rate, prices will not be decreased. Renewals are calculated separately from annual indexation increases. Month to Month agreements will use the above stated index or the current month to month office price, whichever is the greater.

8.8 Standard services: The monthly office fee and any recurring services requested by the Client are payable monthly in advance. Unless otherwise agreed in writing, these recurring services will be provided by the Provider at the specified rates for the duration of this Agreement (including any renewal). Specific due dates will differ by country and are listed in the House Rules. Where a daily rate applies, the charge for any such month will be 30 times the daily fee. For a period of less than a month the fee will be applied on a daily basis.

8.9 Pay-as-you-use and Additional Variable Services: Fees for pay-as-you-use services, plus applicable taxes, in accordance with the Provider's published rates which may change from time to time, are invoiced in arrears and payable the month following the calendar month in which the additional services were provided. Specific due dates will differ by country and are listed in the House Rules.

8.10 Discounts, Promotions and Offers: If the Client benefited from a special discount, promotion or offer, the Provider may discontinue that discount, promotion or offer without notice if the Client materially breaches these terms and conditions.

*Global Terms & Conditions, Iyeger, Jan-17*

**SCHEDULE "J"**  
**FORM OF ARCHITECT'S CERTIFICATE**

The [Landlord's Project Work/Landlord's Buildout] has been reviewed and found, to the Architect's best knowledge, information and belief, to be substantially complete. Substantial Completion is the stage in the progress of the [Landlord's Project Work/Landlord's Buildout] when the work is sufficiently complete in accordance with the [Project Plans/Final Plans and Specifications] so that [Landlord/Tenant] can occupy or utilize the [Landlord's Project Work/Landlord's Buildout] for its intended use.

DATE OF ISSUANCE: \_\_\_\_\_

\_\_\_\_\_ By: \_\_\_\_\_  
Architect

**SCHEDULE "K"**  
**DEPICTION OF SECURITY SCREEN**



# Tab E

This is  
**EXHIBIT "E"**  
referred to in the affidavit of  
**Joshua Nicosia**  
dated December 8, 2020

DocuSigned by:

*Lee Micholson*

82C0CC8E694B4AB

---

Commissioner for taking affidavits





westbank

July 9, 2020

RGN British Columbia XXIII Limited Partnership  
c/o Regus Corporation  
15305 N. Dallas Parkway, Suite 400  
Addison, TX 75001 USA

**Attention: Lease Administrator**

**Re: Notice of Unavoidable Delay pursuant to a lease dated August 31, 2018 (the "Lease") between Homer Street Office Properties Inc. ("Landlord") and RGN British Columbia XXIII Limited Partnership ("Tenant") at the certain premises located at 400 West Georgia, Vancouver, B.C. (the "Premises")**

Any capitalized terms referenced in this letter which are not defined herein shall have the meaning ascribed thereto in the Lease.

This letter is to provide you with notice that pursuant to sections 4.4(e) and 17.5 of the Lease, the Landlord has been delayed by reason of Unavoidable Delay in the fulfilment of certain obligations under the Lease as a result of the ongoing COVID-19 pandemic. More particularly, this Unavoidable Delay has caused delays to the Landlord's ability to substantially complete the Landlord's Project Work and the Landlord's Buildout.

The Landlord has determined that the Unavoidable Delay resulting from the COVID-19 pandemic has delayed the completion of the Landlord's Project Work and the Landlord's Buildout, and as a result the Landlord is extending the Delivery Date and Delivery Deadline as outlined below, pursuant to section 4.4(e) the Lease.

	<u>Floors 2 to 8</u>	<u>Floor 9</u>
Delivery Date	November 4, 2020 (156 days delay)	March 2, 2021 (274 days delay)
Delivery Deadline	April 30, 2022 (cap of 180 days)	

We will keep you apprised of any further delays.

If you have any concern, please do not hesitate to contact us.

Yours truly,

  
Stanley Chan

Property Management, Westbank

Per: Homer Street Office Properties Inc.

by its authorized agent Westbank Pacific Realty Corp.

SC/RM/gl



# Tab F

This is  
**EXHIBIT "F"**  
referred to in the affidavit of  
**Joshua Nicosia**  
dated December 8, 2020

DocuSigned by:

*Lee Nicholson*

82C0CC8E694B4AB

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Commissioner for taking affidavits



August 24, 2020

RGN British Columbia XXIII Limited Partnership  
 c/o Regus Corporation  
 15305 N. Dallas Parkway, Suite 400  
 Addison, TX 75001 USA

**Attention: Lease Administrator**

**Re:** *Notice of Unavoidable Delay pursuant to a lease dated August 31, 2018 (the "Lease") between Homer Street Office Properties Inc. ("Landlord") and RGN British Columbia XXIII Limited Partnership ("Tenant") at the certain premises located at 400 West Georgia, Vancouver, B.C. (the "Premises")*

Any capitalized terms referenced in this letter which are not defined herein shall have the meaning ascribed thereto in the Lease.

This letter is to provide you with notice that pursuant to sections 4.4(e) and 17.5 of the Lease, the Landlord has been delayed by reason of Unavoidable Delay in the fulfilment of certain obligations under the Lease as a result of the ongoing COVID-19 pandemic. More particularly, this Unavoidable Delay has caused delays to the Landlord's ability to substantially complete the Landlord's Project Work and the Landlord's Buildout.

Further to our Notice of Unavoidable Delay dated July 9, 2020, the Landlord has clarified and determined that the Unavoidable Delay resulting from the COVID-19 pandemic has delayed the completion of the Landlord's Project Work and the Landlord's Buildout, and as a result the Landlord is extending the Delivery Date and Delivery Deadline as outlined below for your update, pursuant to section 4.4(e) the Lease.

	<u>Floors 2 to 8</u>	<u>Floor 9</u>
<b>Delivery Date Estimate</b>	June 21, 2021	August 18, 2021
<b>Delivery Deadline</b>	April 6, 2022 (156 Days of Unavoidable Delay)	

The Landlord confirms the Delivery Date will be prior to the Delivery Deadline. Should the Tenant take possession of the Premises on a staggered basis, the Landlord and the Tenant shall amend the Lease so that each tranche of the Premises preserves its allocated Fixturing and Rent-Free Period.



We will keep you apprised of any further delays.

If you have any concern, please do not hesitate to contact us.

Yours truly



Stanley Chan

Property Management, Westbank

Per: Homer Street Office Properties Inc.

by its authorized agent Westbank Pacific Realty Corp.

SC/RM/gl



# Tab G

This is  
**EXHIBIT "G"**  
referred to in the affidavit of  
**Joshua Nicosia**  
dated December 8, 2020

DocuSigned by:

*Lee Melanson*

82C0CC8E694B4AB...

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Commissioner for taking affidavits



SPACES  
410 West Georgia Street  
Vancouver BC  
Project Schedule



ID	Task Name	Duration	Start	Finish	July 2020		October 1			January 2021			July 2021			
					July 1 6/14	7/26	9/6	10/18	11/29	January 1 1/10	2/21	April 1 4/4	5/16	July 1 6/27	8/8	October 1 9/19
1	<b>SPACES</b>	<b>366 days</b>	<b>Tue 3/31/20</b>	<b>Mon 9/20/21</b>												
2	<b>KEY MILESTONES</b>	<b>340 days</b>	<b>Tue 3/31/20</b>	<b>Fri 8/13/21</b>												
3	Excecute GMP Contract	0 days	Mon 10/19/20	Mon 10/19/20	◆ 10/19											
4	Issue for Tender Documents	0 days	Fri 10/23/20	Fri 10/23/20	◆ 10/23											
5	Tender Budget Approval	0 days	Thu 12/10/20	Thu 12/10/20	◆ 12/10											
6	Issue for Construction Documents	0 days	Tue 12/29/20	Tue 12/29/20	◆ 12/29											
7	Level 2,3,4,5 hand over for TI work	0 days	Fri 1/15/21	Fri 1/15/21	◆ 1/15											
8	Level 6,7,8 hand over for TI work	0 days	Fri 1/29/21	Fri 1/29/21	◆ 1/29											
9	Level 9 hand over for TI work	0 days	Tue 4/6/21	Tue 4/6/21	◆ 4/6											
10	Base Building Substantial Completion	0 days	Tue 6/15/21	Tue 6/15/21	◆ 6/15											
11	Phase 1 - Level 2,3,4,5 Handover for Amazon FF&E	0 days	Mon 6/21/21	Mon 6/21/21	◆ 6/21											
12	Phase 1 - Level 2,3,4,5 Substantial Completion - To be verified with Amazon FFE															
13	Phase 1 - Level 6,7,8 Handover for Amazon FF&E	0 days	Mon 7/5/21	Mon 7/5/21	◆ 7/5											
14	Phase 1 - Level 6,7,8 Substantial Completion To be verified with Amazon FFE															
15	Phase 2 - Level 9 Handover for Amazon FF&E	0 days	Fri 8/13/21	Fri 8/13/21	◆ 8/13											
16	Phase 2 - Level 9 Substantial Completion - To be verified with Amazon FFE															
17	<b>PRE-CONSTRUCTION</b>	<b>207 days</b>	<b>Mon 7/13/20</b>	<b>Thu 5/13/21</b>												
18	<b>PRECONSTRUCTION</b>	<b>207 days</b>	<b>Mon 7/13/20</b>	<b>Thu 5/13/21</b>												
19	VE List	48 days	Mon 7/13/20	Fri 9/18/20												
20	Class B Budget	11 days	Mon 7/13/20	Mon 7/27/20												
21	Steel Stairs IFT	1 day	Fri 7/24/20	Fri 7/24/20												
22	75% CD document review	15 days	Fri 9/18/20	Thu 10/8/20												
23	Class A Budget & Construction Schedule	15 days	Mon 9/21/20	Fri 10/9/20												
24	Execute GMP contract	5 days	Tue 10/13/20	Mon 10/19/20												
25	IFT document	10 days	Fri 10/9/20	Fri 10/23/20												
26	<b>Early Procurement</b>	<b>147 days</b>	<b>Mon 7/27/20</b>	<b>Wed 3/3/21</b>												
27	<b>Pricing</b>	<b>67 days</b>	<b>Mon 7/27/20</b>	<b>Fri 10/30/20</b>												
28	Door Frames + Hardware	15 days	Fri 10/9/20	Fri 10/30/20												
29	Lighting + Lighting Control	15 days	Fri 10/9/20	Fri 10/30/20												
30	CRAC units	15 days	Fri 10/9/20	Fri 10/30/20												
31	Steel Stairs	7 days	Mon 7/27/20	Wed 8/5/20												
32	Sprinklers	15 days	Fri 9/18/20	Thu 10/8/20												
33	<b>Approval PO</b>	<b>25 days</b>	<b>Fri 10/9/20</b>	<b>Mon 11/16/20</b>												
34	Door Frames + Hardware	10 days	Mon 11/2/20	Mon 11/16/20												





SPACES  
410 West Georgia Street  
Vancouver BC  
Project Schedule



ID	Task Name	Duration	Start	Finish	July 2020		October 1			January 2021		April 1		July 2021		October 1	
					July 1 6/14	7/26	9/6	10/18	11/29	January 1 1/10	2/21	4/4	5/16	July 1 6/27	8/8	9/19	
35	Lighting + Lighting Control	10 days	Mon 11/2/20	Mon 11/16/20													
36	CRAC units	10 days	Mon 11/2/20	Mon 11/16/20													
37	Steel Stairs	1 day	Fri 10/23/20	Fri 10/23/20													
38	Sprinklers	10 days	Fri 10/9/20	Fri 10/23/20													
39	<b>Submittals</b>	<b>40 days</b>	<b>Mon 10/26/20</b>	<b>Mon 12/21/20</b>													
40	Door Frames + Hardware	5 wks	Tue 11/17/20	Mon 12/21/20													
41	Lighting + Lighting Control	5 wks	Tue 11/17/20	Mon 12/21/20													
42	CRAC units	3 wks	Tue 11/17/20	Mon 12/7/20													
43	Steel Stairs	2 wks	Mon 10/26/20	Fri 11/6/20													
44	Sprinklers	4 wks	Mon 10/26/20	Mon 11/23/20													
45	<b>Lead Time</b>	<b>75 days</b>	<b>Mon 11/9/20</b>	<b>Wed 3/3/21</b>													
46	Door Frames + Hardware	9 wks	Tue 12/22/20	Wed 3/3/21													
47	Lighting + Lighting Control	8 wks	Tue 12/22/20	Wed 2/24/21													
48	CRAC units	10 wks	Tue 12/8/20	Wed 2/24/21													
49	Steel Stairs	3 wks	Mon 11/9/20	Mon 11/30/20													
50	Sprinklers Permit	5 wks	Tue 11/24/20	Tue 1/5/21													
51	<b>Tendering Process</b>	<b>133 days</b>	<b>Mon 10/26/20</b>	<b>Tue 5/11/21</b>													
52	Project Tender	4 wks	Mon 10/26/20	Mon 11/23/20													
53	Bid Leveling	2 wks	Tue 11/24/20	Mon 12/7/20													
54	Budget review & approval	3 days	Tue 12/8/20	Thu 12/10/20													
55	Trade Contract Award	3 wks	Fri 12/11/20	Fri 1/8/21													
56	<b>Long Lead Items</b>	<b>85 days</b>	<b>Mon 1/11/21</b>	<b>Tue 5/11/21</b>													
57	<b>Submittals</b>	<b>36 days</b>	<b>Mon 1/11/21</b>	<b>Tue 3/2/21</b>													
58	Aluminum Door Frames	4 wks	Fri 1/15/21	Thu 2/11/21													
59	Wood Doors	3 wks	Thu 1/21/21	Wed 2/10/21													
60	Door Hardware	5 wks	Tue 1/19/21	Tue 2/23/21													
61	Metal Ceiling	4 wks	Fri 1/15/21	Thu 2/11/21													
62	Lighting	4 wks	Fri 1/15/21	Thu 2/11/21													
63	CRAC units	3 wks	Fri 1/15/21	Thu 2/4/21													
64	UPS	3 wks	Fri 1/15/21	Thu 2/4/21													
65	Steel Stairs	3 wks	Fri 1/15/21	Thu 2/4/21													
66	Sprinklers	4 wks	Fri 1/15/21	Thu 2/11/21													
67	Level 2 & 3 Millwork	6 wks	Tue 1/19/21	Tue 3/2/21													
68	Level 4-9 Millwork	5 wks	Tue 1/19/21	Tue 2/23/21													
69	Plumbing Fixtures	2 wks	Thu 1/21/21	Wed 2/3/21													
70	Operable Walls	3 wks	Mon 1/11/21	Fri 1/29/21													
71	Kitchen Equipment	3 wks	Mon 1/11/21	Fri 1/29/21													



SPACES  
410 West Georgia Street  
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Project Schedule



ID	Task Name	Duration	Start	Finish	July 2020					January 2021				July 2021			
					July 1 6/14	7/26	9/6	October 1 10/18	11/29	January 1 1/10	2/21	April 1 4/4	5/16	July 1 6/27	8/8	October 1 9/19	
72	Metal wall panels	3 wks	Tue 1/19/21	Mon 2/8/21													
73	Carpet	3 wks	Mon 1/11/21	Fri 1/29/21													
74	Terrazo Tile	3 wks	Mon 1/11/21	Fri 1/29/21													
75	Linoleum Flooring	2 wks	Mon 1/11/21	Fri 1/22/21													
76	<b>Lead Time</b>	<b>75 days</b>	<b>Mon 1/25/21</b>	<b>Tue 5/11/21</b>													
77	Aluminum Door Frames	5 wks	Fri 2/12/21	Fri 3/19/21													
78	Wood Doors	3 wks	Thu 2/11/21	Thu 3/4/21													
79	Door Hardware	9 wks	Wed 2/24/21	Wed 4/28/21													
80	Metal Ceiling	10 wks	Fri 2/12/21	Mon 4/26/21													
81	Lighting	8 wks	Fri 2/12/21	Mon 4/12/21													
82	CRAC units	10 wks	Fri 2/5/21	Mon 4/19/21													
83	UPS	8 wks	Fri 2/5/21	Mon 4/5/21													
84	Steel Stairs	3 wks	Fri 2/5/21	Fri 2/26/21													
85	Sprinklers Permit	6 wks	Fri 2/12/21	Fri 3/26/21													
86	Level 2 & 3 Millwork	7 wks	Wed 3/3/21	Wed 4/21/21													
87	Level 4-9 Millwork	6 wks	Wed 2/24/21	Wed 4/7/21													
88	Plumbing Fixtures	4 wks	Thu 2/4/21	Thu 3/4/21													
89	Operable Walls	8 wks	Mon 2/1/21	Mon 3/29/21													
90	Kitchen Equipment	8 wks	Mon 2/1/21	Mon 3/29/21													
91	Metal wall panels	8 wks	Tue 2/9/21	Wed 4/7/21													
92	Carpet	6 wks	Mon 2/1/21	Mon 3/15/21													
93	Terrazo Tile	14 wks	Mon 2/1/21	Tue 5/11/21													
94	Linoleum Flooring	4 wks	Mon 1/25/21	Mon 2/22/21													
95	Site Inspection and Premobilization	15 days	Fri 12/11/20	Fri 1/8/21													
96	<b>CONSTRUCTION</b>	<b>180 days</b>	<b>Mon 1/4/21</b>	<b>Mon 9/20/21</b>													
97	<b>PHASE 1</b>	<b>179 days</b>	<b>Mon 1/4/21</b>	<b>Fri 9/17/21</b>													
98	<b>L2, L3, L4 and L5</b>	<b>175 days</b>	<b>Mon 1/4/21</b>	<b>Mon 9/13/21</b>													
99	Layout walls	5 days	Mon 1/4/21	Fri 1/8/21													
100	Selective demo	3 days	Mon 1/4/21	Wed 1/6/21													
101	Layout M&E	10 days	Mon 1/11/21	Fri 1/22/21													
102	X-ray and core	5 days	Mon 1/25/21	Fri 1/29/21													
103	Selective demo of cementitious fireproofing	7 days	Mon 1/25/21	Tue 2/2/21													
104	Install all hangers (ceiling, M&E, Z girts etc.)	10 days	Wed 2/3/21	Wed 2/17/21													
105	Repair cementitious fireproofing	7 days	Thu 2/18/21	Fri 2/26/21													
106	Deliver wall studs	1 day	Fri 2/26/21	Fri 2/26/21													
107	Frame walls	5 days	Mon 3/1/21	Fri 3/5/21													
108	Rough-in above ceiling	10 days	Mon 3/1/21	Fri 3/12/21													



SPACES  
410 West Georgia Street  
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ID	Task Name	Duration	Start	Finish	July 2020					January 2021			July 2021			October 1 9/19	
					July 1 6/14	7/26	9/6	October 1 10/18	11/29	January 1 1/10	2/21	April 1 4/4	5/16	July 1 6/27	8/8		
109	Rough-in walls	10 days	Fri 3/5/21	Thu 3/18/21													
110	Deliver ceiling steel stud	1 day	Fri 3/5/21	Fri 3/5/21													
111	Wall backing	5 days	Wed 3/17/21	Tue 3/23/21													
112	Partial inspections electrical, plumbing and framing	2 days	Fri 3/19/21	Mon 3/22/21													
113	Board, insulate, tape and caulk from ceiling height to Q-deck, (board, tape and fill inside of IDF rooms)	10 days	Tue 3/23/21	Tue 4/6/21													
114	Frame ceilings	10 days	Mon 4/5/21	Fri 4/16/21													
115	Rough-in ceiling framing	10 days	Wed 4/14/21	Tue 4/27/21													
116	Ceiling backing and wall bracing	5 days	Fri 4/23/21	Thu 4/29/21													
117	Fire stop slab penetrations	1 day	Wed 4/28/21	Wed 4/28/21													
118	Wall and ceiling rough-in inspections	2 days	Thu 4/29/21	Fri 4/30/21													
119	Load board	1 day	Thu 4/29/21	Thu 4/29/21													
120	Pipe insulation	1 day	Mon 5/3/21	Mon 5/3/21													
121	Board, insulate, tape and fill walls and ceilings	20 days	Mon 5/3/21	Mon 5/31/21													
122	Prime plus one	5 days	Thu 5/27/21	Wed 6/2/21													
123	M&E finishes	15 days	Thu 6/3/21	Wed 6/23/21													
124	Fire alarm verification	10 days	Thu 6/24/21	Thu 7/8/21													
125	Cast and install lobby wall panels	10 days	Thu 6/3/21	Wed 6/16/21													
126	Install door frames and glazing extrusions	10 days	Mon 5/31/21	Fri 6/11/21													
127	Measure glass	2 days	Mon 6/14/21	Tue 6/15/21													
128	Final paint	10 days	Wed 6/2/21	Tue 6/15/21													
129	Topping and flooring	11 days	Fri 6/4/21	Fri 6/18/21													
130	Millwork and wall panelling	20 days	Thu 6/10/21	Thu 7/8/21													
131	Amazon FF&E and AV -duration to be coordinated with Amazon	25 days	Mon 6/21/21	Mon 7/26/21													
132	Glass	10 days	Mon 6/21/21	Mon 7/5/21													
133	Doors and hardware	10 days	Tue 7/27/21	Tue 8/10/21													
134	Balancing and commissioning	25 days	Thu 6/24/21	Thu 7/29/21													
135	Punch walk	4 days	Wed 8/11/21	Mon 8/16/21													
136	Consultant and city inspections	5 days	Wed 8/11/21	Tue 8/17/21													
137	Correct deficiencies	10 days	Tue 8/17/21	Mon 8/30/21													
138	<b>L6, L7 and L8</b>	<b>164 days</b>	<b>Mon 1/18/21</b>	<b>Fri 9/10/21</b>													
139	Layout walls	5 days	Mon 1/18/21	Fri 1/22/21													
140	Selective demo	3 days	Mon 1/18/21	Wed 1/20/21													
141	Layout M&E	10 days	Mon 1/25/21	Fri 2/5/21													
142	X-ray and core	5 days	Mon 2/8/21	Fri 2/12/21													
143	Selective demo of cementitious fireproofing	7 days	Mon 2/8/21	Wed 2/17/21													



SPACES  
410 West Georgia Street  
Vancouver BC  
Project Schedule



ID	Task Name	Duration	Start	Finish	July 2020					January 2021				July 2021				
					July 1 6/14	7/26	9/6	October 1 10/18	11/29	January 1 1/10	2/21	April 1 4/4	5/16	July 1 6/27	8/8	October 1 9/19		
144	Install all hangers (ceiling, M&E, Z girts etc.)	10 days	Thu 2/18/21	Wed 3/3/21														
145	Repair cementitious fireproofing	7 days	Thu 3/4/21	Fri 3/12/21														
146	Deliver wall studs	1 day	Fri 3/12/21	Fri 3/12/21														
147	Frame walls	5 days	Mon 3/15/21	Fri 3/19/21														
148	Rough-in above ceiling	10 days	Mon 3/15/21	Fri 3/26/21														
149	Rough-in walls	10 days	Fri 3/19/21	Thu 4/1/21														
150	Deliver ceiling steel stud	1 day	Fri 3/19/21	Fri 3/19/21														
151	Wall backing	5 days	Wed 3/31/21	Wed 4/7/21														
152	Partial inspections electrical, plumbing and framing	2 days	Mon 4/5/21	Tue 4/6/21														
153	Board, insulate, tape and caulk from ceiling height to Q-deck (board, tape and fill inside of IDF rooms)	10 days	Wed 4/7/21	Tue 4/20/21														
154	Frame ceilings	10 days	Mon 4/19/21	Fri 4/30/21														
155	Rough-in ceiling framing	10 days	Wed 4/28/21	Tue 5/11/21														
156	Ceiling backing and wall bracing	5 days	Fri 5/7/21	Thu 5/13/21														
157	Fire stop slab penetrations	1 day	Wed 5/12/21	Wed 5/12/21														
158	Wall and ceiling rough-in inspections	2 days	Thu 5/13/21	Fri 5/14/21														
159	Load board	1 day	Thu 5/13/21	Thu 5/13/21														
160	Pipe insulation	1 day	Mon 5/17/21	Mon 5/17/21														
161	Board, insulate, tape and fill walls and ceilings	20 days	Mon 5/17/21	Mon 6/14/21														
162	Prime plus one	5 days	Thu 6/10/21	Wed 6/16/21														
163	M&E finishes	15 days	Thu 6/17/21	Thu 7/8/21														
164	Fire alarm verification	10 days	Fri 7/9/21	Thu 7/22/21														
165	Cast and install lobby wall panels	10 days	Thu 6/17/21	Wed 6/30/21														
166	Install door frames and glazing extrusions	10 days	Mon 6/14/21	Fri 6/25/21														
167	Measure glass	2 days	Mon 6/28/21	Tue 6/29/21														
168	Final paint	10 days	Wed 6/16/21	Tue 6/29/21														
169	Flooring	10 days	Fri 6/18/21	Fri 7/2/21														
170	Millwork and wall panelling	15 days	Thu 6/24/21	Thu 7/15/21														
171	Amazon FF&E and AV -duration to be coordinated with Amazon	20 days	Mon 7/5/21	Fri 7/30/21														
172	Glass	10 days	Thu 7/8/21	Wed 7/21/21														
173	Doors and hardware	10 days	Mon 8/2/21	Mon 8/16/21														
174	Balancing and commissioning	25 days	Fri 7/9/21	Fri 8/13/21														
175	Punch walk	3 days	Tue 8/17/21	Thu 8/19/21														
176	Consultant and city inspections	5 days	Tue 8/17/21	Mon 8/23/21														
177	Correct deficiencies	10 days	Fri 8/20/21	Thu 9/2/21														
178	<b>Phase 2</b>	<b>121 days</b>	<b>Mon 3/29/21</b>	<b>Mon 9/20/21</b>														





SPACES  
 410 West Georgia Street  
 Vancouver BC  
 Project Schedule



ID	Task Name	Duration	Start	Finish	July 2020					January 2021			July 2021				
					July 1 6/14	7/26	9/6	October 1 10/18	11/29	January 1 1/10	2/21	April 1 4/4	5/16	July 1 6/27	8/8	October 1 9/19	
214	Doors and hardware	7 days	Wed 8/25/21	Thu 9/2/21													
215	Balancing and commissioning	10 days	Mon 8/16/21	Fri 8/27/21													
216	Punch walk	1 day	Fri 9/3/21	Fri 9/3/21													
217	Consultant and city inspections	3 days	Fri 9/3/21	Wed 9/8/21													
218	Correct deficiencies	10 days	Tue 9/7/21	Mon 9/20/21													

# Tab H

This is  
**EXHIBIT "H"**  
referred to in the affidavit of  
**Joshua Nicosia**  
dated December 8, 2020

DocuSigned by:

*Lee Melholson*

82C0CC8E694B4AB

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Commissioner for taking affidavits



# *In the Royal Court of Jersey*

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Samedi Division

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2020/141

**In the year two thousand and twenty, the tenth day of September.**

Before Robert James MacRae, Esquire, Deputy Bailiff of Jersey, assisted by Jurats Anthony John Olsen and Charles Richard Blampied.

IN THE MATTER OF THE REPRESENTATION OF REGUS PLC

AND IN THE MATTER OF THE INHERENT JURISDICTION OF THE COURT

AND IN THE MATTER OF AN APPLICATION TO ISSUE A LETTER OF REQUEST TO THE DISTRICT COURT OF LUXEMBOURG CITY RESPONSIBLE FOR COMMERCIAL MATTERS (*TRIBUNAL D'ARRONDISSEMENT DE ET À LUXEMBOURG, SIÉGEANT EN MATIÈRE COMMERCIALE*) IN RESPECT OF REGUS PLC FOR THE APPOINTMENT OF A TRUSTEE IN BANKRUPTCY

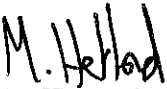
Regus plc, a company incorporated in Jersey, with its registered office at 22 Grenville Street, St. Helier, Jersey JE4 8PX (hereinafter “the Representor” and “the Company”) presented to the Court a Representation dated the 25<sup>th</sup> August, 2020.

And whereas on the 1<sup>st</sup> September, 2020, upon reading the said Representation and upon hearing the advocate on behalf of the Representor, the Court adjourned the further consideration of the said Representation to a date to be fixed.

Now this day, upon hearing the advocate for the Representor and the Viscount, the Court, for the reasons to be set out in a judgment to be delivered at a later date:

1. ordered that a Letter of Request be issued to The District Court of Luxembourg of Luxembourg City responsible for Commercial Matters (Tribunal d'Arrondissement de et à Luxembourg, siégant en matière commerciale) (the Luxembourg Commercial Court) substantially in the form annexed hereto;
2. ordered that the documents contained within the Confidential Exhibit TR1 to the First Affidavit and Confidential Exhibit TR2 to the Second Affidavit of Timothy Sean James Donovan Regan be kept confidential to the Court;
3. granted liberty to apply to the creditors (in particular the recipients of guarantees given by the Representor) to set aside this Order; and

4. ordered that this Order and the annexed Letter of Request be served within fourteen days by letter or email upon the said recipients of guarantees given by the Representor.

  
Greffier Substitute

Ogier (RJM)

ANNEX

IN THE ROYAL COURT OF THE ISLAND OF JERSEY

(Samedi Division)

IN THE MATTER OF THE REPRESENTATION OF REGUS PLC

AND

IN THE MATTER OF THE INHERENT JURISDICTION OF THE COURT

AND

IN THE MATTER OF AN APPLICATION TO ISSUE A LETTER OF REQUEST TO THE  
DISTRICT COURT OF LUXEMBOURG CITY RESPONSIBLE FOR COMMERCIAL  
MATTERS (*TRIBUNAL D'ARRONDISSEMENT DE ET À LUXEMBOURG, SIÉGEANT EN  
MATIÈRE COMMERCIALE*) IN RESPECT OF

REGUS PLC

FOR THE APPOINTMENT OF A TRUSTEE IN BANKRUPTCY

REQUEST FOR ASSISTANCE FROM THE ROYAL COURT OF JERSEY TO THE  
DISTRICT COURT OF LUXEMBOURG CITY RESPONSIBLE FOR COMMERCIAL  
MATTERS (*TRIBUNAL D'ARRONDISSEMENT DE ET À LUXEMBOURG, SIÉGEANT EN  
MATIÈRE COMMERCIALE*) ]

TO: The District Court of Luxembourg of Luxembourg City responsible for Commercial  
Matters (Tribunal d'Arrondissement de et à Luxembourg, siégant en matière commerciale)  
(the Luxembourg Commercial Court)

WHEREAS the Royal Court of Jersey (the Royal Court) is a court exercising jurisdiction in  
relation to, *inter alia*, insolvency matters in Jersey;

AND WHEREAS Regus plc (Regus) is incorporated in Jersey, it is managed and controlled  
in Luxembourg and resident for tax purposes in Luxembourg;

AND WHEREAS the Royal Court has reached the conclusion that it would be in the best  
interests of the creditors of Regus to make this request for the assistance of the Luxembourg  
Commercial Court;

AND WHEREAS Regus has shown to the satisfaction of the Royal Court that it is just and  
convenient that this Letter of Request should be issued;

THE ROYAL COURT HEREBY RESPECTFULLY REQUESTS that the Luxembourg  
Commercial Court do consider this request for assistance and exercise its jurisdiction  
pursuant to the Luxembourg Regulation and the Luxembourg Commercial Code and/or  
otherwise and as a matter of comity to assist and act in aid of and be auxiliary to this Court in  
these proceedings by :

1. Applying to Regus the Luxembourg Regulation and the Luxembourg Commercial Code;
2. Making a Bankruptcy Order pursuant to the Luxembourg Commercial Code substantially in the form of the Order set out below if and insofar as the Luxembourg Commercial Court considers it just and appropriate that such Order be made (the Bankruptcy Application), namely that:
  - (a) the Luxembourg Commercial Court make a Bankruptcy Order in relation to Regus and that it appoint a Trustee in Bankruptcy of Regus (Bankruptcy Trustee);
  - (b) the costs of the Representor's application to the Royal Court, the Bankruptcy Application, supporting Affidavits and the statements (including the legal costs thereof and all costs incurred in connection with the appointment of the Bankruptcy Trustee to Regus) shall be paid as an expense of the Bankruptcy;
  - (c) the Bankruptcy Trustee shall within 7 days following their appointment advertise such appointment in the Jersey Gazette: such notice must (i) require each creditor to file with the Bankruptcy Trustee a statement that contains full particulars of a creditor's claim; and (ii) specify the date by which and address to which claims are to be filed, being a date not less than 40 days and not more than 60 days after the date of the Bankruptcy Order;
  - (d) the Bankruptcy Trustee shall accord creditors who would have a priority status under Articles 32(1)(b) and (c) of the Bankruptcy (Désastre) (Jersey) Law 1990 (as amended) (the Désastre Law) if Regus had been placed en désastre in Jersey to have the same priority status in the Luxembourg Bankruptcy as if they were priority creditors under the Désastre Law;
  - (e) upon the commencement of the appointment and at the conclusion of the Bankruptcy, the Bankruptcy Trustee shall as soon as practicable thereafter send notification of the same to the Jersey Registrar of Companies; and
  - (f) the Luxembourg Commercial Court shall make such orders as to costs as shall seem to it appropriate;
3. Applying to Regus and its affairs the Luxembourg law of insolvency as would apply to a Luxembourg company which had been declared bankrupt as aforesaid; and
4. Conferring on the Bankruptcy Trustee such powers as would be enjoyed by a Bankruptcy Trustee of such company.

# Tab I

This is  
**EXHIBIT "I"**  
referred to in the affidavit of  
**Joshua Nicosia**  
dated December 8, 2020

DocuSigned by:

*Lee Nicholson*

82C0CC8E694B4AB

---

Commissioner for taking affidavits



1100 ONE BENTALL CENTRE T: 604.331.8300  
505 BURRARD STREET, BOX 11 F: 604.683.0570  
VANCOUVER, B.C., CANADA V7X 1M5 WWW.KORNFELDLLP.COM  
E. Neil Kornfeld, Q.C.  
nkornfeld@kornfeldllp.com d: 604-331-8301

File No.HOM002LEA181

September 28, 2020

**BY COURIER**

RGN British Columbia XXIII Limited Partnership  
c/o Regus Corporation  
229 Yonge St., Suite 400  
Toronto, ON  
Canada M5B 1N9

**Attention: Wayne Berger**

Dear Sirs/Mesdames:

**Re: *Lease Dated August 31, 2018 (the "Lease") between Homer Street Office Properties Inc. (the "Landlord") and RGN British Columbia XXIII Limited Partnership (the "Tenant") in respect of premises at 400 West Georgia Street, Vancouver, B.C. as more particularly defined in the Lease***

We are the lawyers for the Landlord in respect of the above referenced matter. Regus plc ("**Regus**") is the indemnifier in favour of the Landlord of the Tenant's obligations under the Lease pursuant to an Indemnity Agreement dated the same day as the Lease, August 31, 2018. Regus is named as the Indemnifier in the Lease. The Landlord has provided to us a copy of correspondence from Regus (Redox plc) dated September 21, 2020 which included an order made by the Royal Court of Jersey at the request of Regus. A copy of that correspondence is enclosed for your convenience.

As you can see, and presumably are aware, the Order deals with the issuance, at the request of Regus, of a request by the Jersey Court to the Luxembourg Commercial Court for an order of bankruptcy against Regus and the appointment of a Trustee in Bankruptcy in respect of Regus.

Pursuant to the terms of the Lease (s. 15.1(e)), the Landlord does hereby give you Notice of the Indemnifier's becoming insolvent or committing an act of bankruptcy or taking the benefit of any statute for bankrupt or insolvent debtors. If you fail, within 10 days of delivery of this notice to you, to post a security deposit either in cash or by letter of credit in a form satisfactory to the Landlord, in the amount of Ten Million Dollars (\$10,000,000.00), being the value equal to the applicable maximum liability of Regus pursuant to the Indemnity Agreement, the Tenant will be in default under the Lease and the Landlord may without further notice to you exercise such of its remedies as the Landlord may elect, as provided in the Lease attendant upon there having occurred an Event of Default as defined in the Lease.

We trust you will govern yourselves accordingly.

**KORNFELD LLP**

September 28, 2020

Page 2

Please contact the undersigned should you wish to discuss the form of security to be provided and mechanics of its delivery to the Landlord.

Yours truly,

**KORNFELD LLP**

Per:

*per*  E. Neil Kornfeld, Q.C.\*

\*Law Corporation

ENK: hep

cc:

RGN British Columbia XXIII Limited Partnership

c/o Regus Corporation

3000 Kellway Drive

Suite 140

Carrollton, TX 75006

Attention: Legal Department

cc Client attention Roz McQueen

Enclosure: Letter of 21 September, 2020



# Tab J

This is  
**EXHIBIT "J"**  
referred to in the affidavit of  
**Joshua Nicosia**  
dated December 8, 2020

DocuSigned by:

*Lee Melanson*

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Commissioner for taking affidavits



Industry Canada

Office of the Superintendent  
of Bankruptcy Canada

Industrie Canada

Bureau du surintendant  
des faillites Canada

District of Ontario  
Division No. 09 - Toronto  
Court No. 31-2688719  
Estate No. 31-2688719

In the Matter of the Notice of Intention to make a  
proposal of:

**RGN British Columbia XXIII Limited Partnership**  
Insolvent Person

**KSV RESTRUCTURING INC.**  
Licensed Insolvency Trustee

---

Date of the Notice of Intention: November 13, 2020

---

CERTIFICATE OF FILING OF A NOTICE OF INTENTION TO MAKE A PROPOSAL  
Subsection 50.4 (1)

I, the undersigned, Official Receiver in and for this bankruptcy district, do hereby certify that the aforementioned insolvent person filed a Notice of Intention to Make a Proposal under subsection 50.4 (1) of the *Bankruptcy and Insolvency Act*.

Pursuant to subsection 69(1) of the Act, all proceedings against the aforementioned insolvent person are stayed as of the date of filing of the Notice of Intention.

Date: November 13, 2020, 11:46

E-File/Dépôt Electronique

Official Receiver

151 Yonge Street, 4th Floor, Toronto, Ontario, Canada, M5C2W7, (877)376-9902

**Canada**

# Tab K

This is  
**EXHIBIT "K"**  
referred to in the affidavit of  
**Joshua Nicosia**  
dated December 8, 2020

DocuSigned by:

*Lee Nicholson*

82C0CC8E694B4AB

---

Commissioner for taking affidavits

**From:** Ian Duke <[iduke@westbankcorp.com](mailto:iduke@westbankcorp.com)>  
**Sent:** Thursday, November 19, 2020 8:38:19 PM  
**To:** Wayne Berger <[Wayne.Berger@iwgplc.com](mailto:Wayne.Berger@iwgplc.com)>  
**Cc:** Roz McQueen <[roz@westbankcorp.com](mailto:roz@westbankcorp.com)>; Parvinder Hardwick <[parvinder@westbankcorp.com](mailto:parvinder@westbankcorp.com)>  
**Subject:** Spaces @ 400 West Georgia, Vancouver

Wayne,

Despite our good faith efforts to come to an alternate arrangement, the process has become overly prolonged and there remains a lack of clarity around how matters could be satisfactorily resolved.

In consideration of the above and the fact that the Tenant failed to remedy the Event of Default, we are hereby terminating the lease effective today. The attached letters have been couriered to the respective addresses.

While not the outcome any of us wanted at the start of these discussions in September and October, in consultation with our partner Allied we have determined that the project's interests are at this critical point best served by the Landlord regaining control of the premises.

Ian Duke  
Westbank

The information contained in this e-mail (including any attachments) is intended only for the personal and confidential use of the recipient(s) named above. If you are not an intended recipient of this message, please notify the sender by replying to this message and then delete the message and any copies from your system. Any use, dissemination, distribution, or reproduction of this message by unintended recipients, is not authorised and may be unlawful.

# Tab L

This is  
**EXHIBIT "L"**  
referred to in the affidavit of  
**Joshua Nicosia**  
dated December 8, 2020

DocuSigned by:

*Lee Nicholson*

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---

Commissioner for taking affidavits





1100 ONE BENTALL CENTRE T: 604.331.8300  
505 BURRARD STREET, BOX 11 F: 604.683.0570  
VANCOUVER, B.C., CANADA V7X 1M5 WWW.KORNFELDLLP.COM  
E. Neil Kornfeld, Q.C.  
nkornfeld@kornfeldllp.com d: 604-331-8301

File No.HOM002LEA181

November 19, 2020

**BY COURIER**

RGN British Columbia XXIII Limited Partnership  
c/o Regus Corporation  
3000 Kellway Drive  
Carrollton, TX 75006  
USA  
Attention: Lease Administration

Dear Sirs/Mesdames:

**Re: *Lease Dated August 31, 2018 (the "Lease") between Homer Street Office Properties Inc. (the "Landlord") and RGN British Columbia XXIII Limited Partnership (the "Tenant") in respect of premises at 400 West Georgia Street, Vancouver, B.C. as more particularly defined in the Lease***

We are the lawyers for the Landlord in respect of the above referenced matter and we write further to our letter of September 28, 2020, a copy of which is attached.

The Tenant has failed to remedy the Event of Default as defined in the Lease and as set out in our previous letter attached. Specifically, the Tenant has failed to post a security deposit either in cash or by letter of credit in a form satisfactory to the Landlord, in the amount of Ten Million Dollars (\$10,000,000.00), being the value equal to the applicable maximum liability of Regus plc pursuant to the Indemnity Agreement annexed to the Lease. In fact, the Tenant has advised that will not be providing such security. Accordingly, we, on behalf of the Landlord, do hereby give you notice of the Landlord's termination of the Lease effective immediately and the Landlord's re-entry into the leased Premises.

The termination of the Lease is made without prejudice to the Landlord's rights and remedies available to it under the Lease and at law arising from the Tenant's default and the early

**KORNFELD LLP**

November 19, 2020

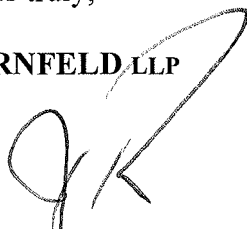
Page 2

determination of the term, including recovery of all damages, costs and expenses suffered or incurred by the Landlord arising from the Tenant's default.

Yours truly,

**KORNFELD LLP**

Per:



For

E. Neil Kornfeld, Q.C.\*

\*Law Corporation

ENK: hep

cc:

RGN British Columbia XXIII Limited Partnership  
229 Yonge St., Suite 400  
Toronto, ON  
Canada M5B 1N9  
Attention: Sr. Director of RE & Development

RGN British Columbia XXIII Limited Partnership  
c/o Regus Corporation  
229 Yonge St., Suite 400  
Toronto, ON  
Canada M5B 1N9  
Attention: Wayne Berger

cc Client attention Roz McQueen

Enclosure: Letter of September 28, 2020

# Tab M

This is  
**EXHIBIT "M"**  
referred to in the affidavit of  
**Joshua Nicosia**  
dated December 8, 2020

DocuSigned by:

*Lee Nicholson*

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---

Commissioner for taking affidavits



1100 ONE BENTALL CENTRE T: 604.331.8300  
505 BURRARD STREET, BOX 11 F: 604.683.0570  
VANCOUVER, B.C., CANADA V7X 1M5 WWW.KORNFELDLLP.COM  
E. Neil Kornfeld, Q.C.  
nkornfeld@kornfeldllp.com d: 604-331-8301

File No.HOM002LEA181

November 19, 2020

**BY COURIER**

RGN British Columbia XXIII Limited Partnership  
c/o Regus Corporation  
3000 Kellway Drive  
Suite 140  
Carrollton, TX 75006  
USA

**Attention: Legal Department**

Dear Sirs/Mesdames:

***Re: Lease Dated August 31, 2018 (the "Lease") between Homer Street Office Properties Inc. (the "Landlord") and RGN British Columbia XXIII Limited Partnership (the "Tenant") in respect of premises at 400 West Georgia Street, Vancouver, B.C. as more particularly defined in the Lease***

As you are aware we are the lawyers for the Landlord in respect of the above referenced matter and we write further to our letter of September 28, 2020, a copy of which is attached.

The Tenant has failed to remedy the Event of Default as defined in the Lease and as set out in our previous letter attached. Specifically, the Tenant has failed to post a security deposit either in cash or by letter of credit in a form satisfactory to the Landlord, in the amount of Ten Million Dollars (\$10,000,000.00), being the value equal to the applicable maximum liability of Regus plc pursuant to the Indemnity Agreement. In fact, the Tenant has advised that will not be providing such security. Accordingly, we, on behalf of the Landlord, do hereby give you notice of the Landlord's termination of the Lease effective immediately and the Landlord's re-entry into the leased Premises.

The termination of the Lease is made without prejudice to the Landlord's rights and remedies available to it under the Lease and at law arising from the Tenant's default and the early determination of the term, including recovery of all damages, costs and expenses suffered or incurred by the Landlord arising from the Tenant's default.

**KORNFELD LLP**

November 19, 2020

Page 2

By a copy of this letter to the Indemnifier under the Lease, we are advising the Indemnifier of the termination of the Lease and are putting it on notice of the Landlord's reservation of its rights and remedies against the Indemnifier.

Yours truly,

**KORNFELD LLP**

Per:

A handwritten signature in black ink, appearing to be 'E. Neil Kornfeld', written over the printed name below.

E. Neil Kornfeld, Q.C.\*

\*Law Corporation

ENK: hep

cc:

RGN British Columbia XXIII Limited Partnership  
c/o Regus Corporation  
229 Yonge St., Suite 400  
Toronto, ON  
Canada M5B 1N9  
**Attention: Wayne Berger**

cc Client attention Roz McQueen

Enclosure: Letter of September 28, 2020

# Tab N

This is  
**EXHIBIT "N"**  
referred to in the affidavit of  
**Joshua Nicosia**  
dated December 8, 2020

DocuSigned by:

*Lee Melanson*

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Commissioner for taking affidavits



# Stikeman Elliott

Stikeman Elliott LLP  
Barristers & Solicitors  
5300 Commerce Court West  
199 Bay Street  
Toronto, ON Canada M5L 1B9

Main: 416 869 5500  
Fax: 416 947 0866  
www.stikeman.com

Lee Nicholson  
Direct: (416) 869-5604  
leenicholson@stikeman.com

November 26, 2020

**By E-mail**

Kornfeld LLP  
1100 One Bentall Centre  
505 Burrard Street, Box 11  
Vancouver, B.C. V7X 1M5  
Attention: E. Neil Kornfeld, Q.C.

Dear Mr. Kornfeld:

**Re: Lease dated August 31, 2018 (the "Lease") between Homer Street Office Properties Inc. (the "Landlord") and RGN British Columbia XXIII Limited Partnership (the "Tenant") in respect of premises at 400 West Georgia Street, Vancouver, B.C. (the "Leased Premises")**

We are counsel to RGN British Columbia XXIII Limited Partnership (the "**Tenant**"). We write in response to a notice of default dated September 28, 2020 and notice of termination dated November 19, 2020 issued by the Landlord purporting to terminate the Lease in respect of the Leased Premises.

On November 13, 2020, the Tenant filed a Notice of Intention to Make a Proposal (the "**NOI**") under section 50.4 of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "**BIA**"). A copy of the certificate confirming the filing is enclosed. KSV Restructuring Inc. was appointed as proposal trustee in respect of the Tenant (the "**Proposal Trustee**"). Notice of the NOI filing was mailed to your client.

Pursuant to section 69 of the BIA, there is a stay of proceedings in respect of the Tenant prohibiting creditors, including the Landlord, from exercising any rights and remedies against the Tenant during the NOI proceedings. Section 65.1 of the BIA further provides that no person is entitled to terminate any agreement of the insolvent person by reason only that the insolvent person is insolvent or a NOI has been filed in respect of the insolvent person. Accordingly, the Landlord acted in violation of the stay of proceedings and the purported termination of the Lease is null and void in all respects.

The Tenant remains willing to continue the ongoing discussions between the parties to find a mutually acceptable resolution for the benefit of the Landlord and the Tenant as part of the NOI proceedings. Given Landlord's actions and desire to terminate the Lease, the Tenant would be willing consider a full and final surrender of the Lease upon execution of mutual releases in favour of the parties, including the Tenant, the Landlord and the Indemnitor. Please let us know within the next five (5) days if this is of interest to your client.

If the parties are unable to reach a resolution, the Tenant reserves all rights to continue its efforts to develop a proposal for the benefit of its stakeholders, which, may, among other things, disclaim or assign the Lease in accordance with the BIA.

# Stikeman Elliott

2

Yours truly,

A handwritten signature in black ink, appearing to read "Lee Nicholson". The signature is fluid and cursive, with the first name "Lee" and last name "Nicholson" clearly distinguishable.

Lee Nicholson

cc. A. Taylor, Stikeman Elliott LLP  
R. Kofman and M. Vininsky, KSV Restructuring Inc.  
S. Zweig, Bennett Jones LLP

# Tab O

This is  
**EXHIBIT "O"**  
referred to in the affidavit of  
**Joshua Nicosia**  
dated December 8, 2020

DocuSigned by:

*Lee Micholson*

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---

Commissioner for taking affidavits

**From:** Wayne Berger <[Wayne.Berger@iwgplc.com](mailto:Wayne.Berger@iwgplc.com)>  
**Sent:** December 4, 2020 11:26 AM  
**To:** Ian Duke <[iduke@westbankcorp.com](mailto:iduke@westbankcorp.com)>  
**Cc:** Roz McQueen <[roz@westbankcorp.com](mailto:roz@westbankcorp.com)>; Parvinder Hardwick <[parvinder@westbankcorp.com](mailto:parvinder@westbankcorp.com)>  
**Subject:** RE: Spaces @ 400 West Georgia, Vancouver

Ian,

Thank you for your email. We are disappointed that Westbank has attempted to take this action as up until this point we have been working together in good faith to reach an appropriate resolution to your request of a replacement guarantor. We have together mapped out potential strategies that offers satisfactory support for our client, Amazon, while you, Westbank, can achieve significant financial profitability, and we, IWG and Westbank, together can partner as originally committed to at Spaces Green Lamp. I believe our counsel has also been in contact with your counsel on our position with respect to the letter regarding the termination given the intervening insolvency filing.

We are still amenable to finding a resolution to your request for an alternative guarantor in replacement of Regus PLC, if this is our only means of satisfying your request.

It would make sense for us to schedule a call together at your earliest convenience to discuss options to keep our commitments moving forward at 400 West Georgia. I had requested an opportunity to speak live together in partnership as recently as November 18 (see attached email correspondence), of which you agreed to but yet did not happen. I also tried to contact you via your mobile but your voicemail was full with no ability to leave a voice message (also attached). We were then served with your termination notification on November 19.

As per my repeated requests, I would welcome an opportunity to discuss with you alternative guarantor replacement options.

Please advise on your schedule, perhaps Monday?

Thank you,

Wayne

Wayne Berger  
CEO  
The Americas

229 Yonge St, Suite 400  
Toronto, ON, Canada  
M5B 1N9

[iwgplc.com](http://iwgplc.com)

**Mobile** 416-605-3568  
**Direct** 647-256-1344

**Email** [wayne.berger@iwgplc.com](mailto:wayne.berger@iwgplc.com)



Regus • SPACES. HQ Signature No 18

# Tab P

This is  
**EXHIBIT "P"**  
referred to in the affidavit of  
**Joshua Nicosia**  
dated December 8, 2020

DocuSigned by:

*Lee Melholson*

82C0CC8E694B4AB...

---

Commissioner for taking affidavits

**From:** Ian Duke <[iduke@westbankcorp.com](mailto:iduke@westbankcorp.com)>  
**Sent:** Friday, December 4, 2020 8:27 PM  
**To:** Wayne Berger  
**Cc:** Roz McQueen; Parvinder Hardwick  
**Subject:** RE: Spaces @ 400 West Georgia, Vancouver

Wayne,

As per my email of November 19, we have terminated the lease so there is really nothing further for us to discuss in relation to 400 West Georgia. I'll reiterate that, rather than terminate the lease immediately upon default, we spent two months working in good faith to explore options to resolve these matters in a manner that would work to everyone's benefit and be in the interest of the project. During that period we were not offered replacement security to cure the default and were not provided with requested information in respect of the proposal you tabled to be able to properly assess its viability. Our repeated requests to be connected directly with Amazon went unfulfilled. You also failed to notify us of your intention, during our negotiations, to file a Notice of Intention to Proceed with respect to the tenant entity and we have yet to receive notice of that beyond what was communicated in the letter from your lawyer.

We reaffirmed on numerous occasions that we were reserving our rights under the lease to terminate in the absence of a timely resolution to our satisfaction. We regret that this transaction ended in this manner, but you'll appreciate that we have a duty to mitigate our damages which requires that we be free to pursue other opportunities.

Regards,

Ian Duke  
Westbank



# Tab Q

This is  
**EXHIBIT "Q"**  
referred to in the affidavit of  
**Joshua Nicosia**  
dated December 8, 2020

DocuSigned by:

*Lee Nicholson*

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Commissioner for taking affidavits

# Stikeman Elliott

Stikeman Elliott LLP  
Barristers & Solicitors  
5300 Commerce Court West  
199 Bay Street  
Toronto, ON Canada M5L 1B9

Main: 416 869 5500  
Fax: 416 947 0866  
www.stikeman.com

Lee Nicholson  
Direct: (416) 869-5604  
leenicholson@stikeman.com

December 7, 2020

**By E-mail**

Kornfeld LLP  
1100 One Bentall Centre  
505 Burrard Street, Box 11  
Vancouver, B.C. V7X 1M5  
Attention: E. Neil Kornfeld, Q.C.

Dear Mr. Kornfeld:

**Re: Lease dated August 31, 2018 (the “Lease”) between Homer Street Office Properties Inc. (the “Landlord”) and RGN British Columbia XXIII Limited Partnership (the “Tenant”) in respect of premises at 400 West Georgia Street, Vancouver, B.C. (the “Leased Premises”)**

We are counsel to RGN British Columbia XXIII Limited Partnership. Capitalized terms not otherwise defined have the meaning set out in our letter dated November 26, 2020.

Further to our telephone conversation, we disagree with the Landlord’s position that the Lease was validly terminated following the filing of the NOI. We refer you to the decision of the Ontario Court of Appeal in *Crystalline Investments Ltd. v. Domgroup Ltd.* which sets out that upon filing of a NOI “the landlord’s rights against the insolvent tenant are suspended subject to the right to collect rent on a day-to-day basis following the date of the notice or proposal”. We also note that section 65.1(2) applies to cases where the debtor has failed to pay “rent, royalties... or other payments of a similar nature...” There have been numerous cases where the stay of proceedings provided in sections 65.1 and 69 of the BIA have been applied to prevent the termination of an agreement such as in this instance. For examples, please see *Nautical Data International Inc., (Re)* and *Cosgrove-Moore Bindery Services Ltd., (Re)*.

The decision in *Canadian Petcetera Ltd. Partnership v. 2876 R. Holdings Ltd.* (“*Petcetera*”) referred to in our conversation is not applicable to this situation as it solely addressed instances of post-filing defaults and payments, which is not the case in this situation. In any event, *Petcetera* is not the law in Ontario and we refer you to the decision in *Emergency Door Service Inc., (Re)*.

The Tenant will vigorously contest any effort by the Landlord to seek a declaration that the Lease has been validly terminated from the Ontario Superior Court of Justice (Commercial List) (the “**Court**”), which is overseeing the NOI proceedings.

As set out in our last letter, the Tenant wishes to continue the good faith discussions that were ongoing prior to the filing of the NOI and the purported termination of the Lease in order to develop a consensual resolution for the mutual benefit of the Tenant and the Landlord. It should be possible to develop a restructured replacement indemnity to replace the guarantee of Redox Plc., however, due to the various creditor protection proceedings involving Regus affiliates, a full letter of credit replacement is not possible in the current circumstances. If the Landlord remains unwilling to discuss a proposal that involves the Tenant continuing with the project, we would also consider options on a surrender of the Lease. Currently, we have concerns that the Landlord has taken advantage of the filing of Redox Plc to terminate the Lease and begin discussions with clients of the Tenant and its affiliates regarding their direct

# Stikeman Elliott

2

occupation of the Leased Premises without the involvement of the Tenant. If the Landlord takes steps to interfere with pre-existing arrangements between the Tenant and its clients, the Tenant reserves all of its rights and claims against the Landlord with respect thereto.

Lastly, the Tenant will be bringing a motion to extend the time for it to file a proposal in the NOI proceedings for another 45 days. We have reserved time before the Court on Monday, December 14, 2020 at 2:15 p.m. to seek such an extension. We will serve you with our materials when they are available.

Yours truly,

A handwritten signature in black ink, appearing to read "L. Nicholson". The signature is fluid and cursive, with the first name "L." and the last name "Nicholson" clearly distinguishable.

Lee Nicholson

cc. A. Taylor, *Stikeman Elliott LLP*  
R. Kofman and M. Vininsky, *KSV Restructuring Inc.*  
S. Zweig, *Bennett Jones LLP*

**IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF RGN  
BRITISH COLUMBIA XXIII LIMITED PARTNERSHIP**

Court / Estate No.: 31-2672741

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

Proceeding commenced at Toronto

**AFFIDAVIT OF JOSHUA NICOSIA  
SWORN DECEMBER 8, 2020**

**STIKEMAN ELLIOTT LLP**

Barristers & Solicitors  
5300 Commerce Court West  
199 Bay Street  
Toronto, Canada M5L 1B9

**Ashley Taylor LSO#: 39932E**

Tel: (416) 869-5236  
Email: [ataylor@stikeman.com](mailto:ataylor@stikeman.com)

**Lee Nicholson LSO#: 66412I**

Tel: (416) 869-5604  
Email: [leenicholson@stikeman.com](mailto:leenicholson@stikeman.com)

**Ben Muller LSO#: 80842N**

Tel: (416) 869-5543  
Email: [bmuller@stikeman.com](mailto:bmuller@stikeman.com)  
Fax: (416) 947-0866

**Lawyers for RGN British Columbia XXIII  
Limited Partnership**

# Tab 3



## GENERAL

3. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States, to give effect to this Order and to assist the NOI Debtor, the Proposal Trustee and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the NOI Debtor and to the Proposal Trustee, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the NOI Debtor and the Proposal Trustee in any foreign proceeding, or to assist the NOI Debtor and the Proposal Trustee and their respective agents in carrying out the terms of this Order.

4. **THIS COURT ORDERS** that this Order and all its provisions are effective on the date it is made without any need for entry and filing.

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

Proceeding commenced at Toronto

**ORDER**

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

Proceeding commenced at Toronto

**MOTION RECORD  
(Returnable December 14, 2020)**

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