

UNIVERSITY OF WATERLOO

- and -

2129529 ONTARIO INC.

- and -

THE CORA GROUP INC.

**LAND LEASE
Multi-Tenant Building
300 Hagey Blvd., Waterloo**

October 1, 2007

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FORM OF LAND LEASE

THIS INDENTURE OF LEASE made as of the 1st day of October, 2007.

B E T W E E N:

UNIVERSITY OF WATERLOO,

(herein called the "Lessor"),

OF THE FIRST PART,

- and -

2129529 ONTARIO INC.,

(herein called the "Lessee"),

OF THE SECOND PART,

- and -

THE CORA GROUP INC.,

(herein called the "Indemnifier"),

OF THE THIRD PART.

WHEREAS the capitalized terms used herein have the meaning ascribed thereto in Section 1.1 unless the context otherwise requires;

AND WHEREAS the Lessor is the freehold owner of the Project Lands and has agreed to lease the Project Lands to the Lessee for the Term;

AND WHEREAS the Indemnifier has agreed to provide a guarantee and indemnity in respect of the obligations of the Lessee under this Lease;

NOW THEREFORE, in consideration of the mutual covenants and agreements hereinafter contained, the parties hereto do hereby covenant and agree as follows:

ARTICLE 1
INTERPRETATION

1.1 **Definitions**

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

"Additional Rent" means any amount payable by the Lessee under or pursuant to this Lease in addition to Annual Basic Rent and Annual Participation Rent;

"Affiliate" means with respect to any Person, any legal entity which: (i) directly or indirectly Controls or is Controlled by such Person; (ii) is directly or indirectly Controlled by a second Person which directly or indirectly Controls such Person;

"Amenity Services" has the meaning ascribed thereto in Section 6.2(h);

"Annual Basic Rent" has the meaning ascribed thereto in Section 3.1;

"Annual Participation Rent" means, for each Lease Year of the Initial Term commencing after the Fifteenth Anniversary Date, and if the Lessee's renewal rights are exercised in accordance with Section 2.2, for each Lease Year of the Renewal Period, 3% of the Net Revenues for the Lease Year in question;

"Applicable Law" means all mandatory laws, statutes, codes, acts, ordinances, orders, judgments, decrees, injunctions, rules, regulations, permits, licences, authorizations, directions and requirements of all governments, departments, commissions, boards, courts, authorities, agencies, officials and officers of governments, Canadian, provincial and municipal, ordinary or extraordinary which now or at any time hereafter may be applicable to and enforceable against the relevant work in question or any part thereof;

"Assessor" has the meaning ascribed thereto in subsection 13.2(a);

"Authority" means any court or tribunal or governmental, regulatory or administrative body, board, agency, department or authority of any country, province, municipality or other political subdivision thereof having or purporting to have jurisdiction in the relevant circumstances;

"Building" means the three storey multi-tenant office building containing approximately 103,510 square feet as submitted to and approved by the Lessor;

"Business Day" means any day which is not a Saturday, Sunday or a day observed as a statutory or civic holiday under the laws of the Province of Ontario or the federal laws of Canada applicable therein;

"Claims" means all past, present and future claims, suits, proceedings, liabilities, obligations, losses, damages, penalties, judgments, costs, expenses, fines, disbursements, legal fees on a substantial indemnity basis, interest, demands and actions of any nature or any kind whatsoever;

"Collateral" means cash, a certified or official bank cheque of a Canadian chartered bank, a letter of credit of a Canadian chartered bank, a surety bond of an insurer licensed under the *Insurance Act* (Ontario) or other security satisfactory to the party to whom the same is required to be delivered;

"Collateral Agreements" means the additional agreements and leases entered into or to be entered into by the Lessor and/or the Lessee pursuant to this Lease or pursuant to the Project Planning and Design Arrangements to implement the construction and development of the Project including, without limitation, any development, site plan, servicing, landscaping, tunnel, sidewalk improvement, heritage or other agreements entered into with the Lessor or an Authority relating to the construction, development or operation of the Project and not prohibited by or in conflict with the terms hereof and any amendments and/or supplements to such agreements which have been approved by the Lessor;

"Commencement Date" means October 1, 2007;

"Concept Design" means the concept design for the Project, in the form annexed as Schedule 6, as the same may be amended or modified from time to time in accordance with the terms hereof and any other agreements between the Lessor and Lessee respecting same;

"Construction Contracts" means the General Construction Contract and all other contracts and agreements which provide for services or materials or both for the development and construction of the Project;

"Contaminant" means any radioactive or asbestos materials, urea formaldehyde, hydrocarbons, pollutants, deleterious, poisonous, noxious, dangerous, hazardous, corrosive or toxic substances or goods, special waste or waste of any kind, or any other substance the storage, manufacture, disposal, treatment, generation, use, transport, remediation or Release into the environment of which is now or hereafter prohibited, controlled or regulated under Environmental Laws and "substance" includes any sound, vibration, heat, radiation or other form of energy;

"Control" or **"Controlled"** means the right to direct the management and policies of a Person, whether directly or indirectly, or to elect a majority of the board of directors or the trustees of a Person, whether through the ownership of voting securities or by contract or otherwise;

"CPI" means the Consumer Price Index, All Items, Toronto, 1992=100, published by Statistics Canada or its successor, adjusted for any change in base year, or, if Statistics Canada or its successor no longer publishes such index or is no longer operated by the Government of Canada, such other price index as the Lessor may substitute, acting reasonably; in the case of any such substitution, the Lessor shall be entitled to make all necessary conversions for purposes of comparison;

"Development Agreement" means the development agreement dated November 22, 2004 between the Lessor, as owner, and the Lessee, as developer, and the Indemnifier, as indemnifier, as the same may be amended or modified from time to time;

"Development Guidelines" means the development and design guidelines for the Technology Park prepared for UW by Urban Strategies Inc. dated March, 2002 as the same may be amended from time to time;

"Development Schedule" means the schedule for the construction and development of the Project as established by the Lessee and approved by the Lessor, which is attached as Schedule 7 hereto, as may be amended or modified from time to time in accordance with this Lease and any other agreements between the Lessor and the Lessee respecting the same;

"Eightieth Anniversary Date" has the meaning ascribed thereto in subsection 3.1(q);

"Eighty-fifth Anniversary Date" has the meaning ascribed thereto in subsection 3.1(r);

"Environmental Event" has the meaning ascribed thereto in Section 14.7(a);

"Environmental Laws" means applicable laws, statutes, ordinance, by-laws and regulations, and orders, directives and decisions rendered by, and policies, instructions, guidelines and similar guidance of, any Authority and the common law relating to the protection of the environment, occupational health and safety or the generation, manufacture, processing, distribution, use, treatment, storage, disposal, discharge, packaging, transport, handling, contaminant, clean-up or other remediation or corrective action of or relating to any Contaminant, in each case, as in effect from time to time throughout the Term;

"Event of Default" has the meaning ascribed thereto in Section 12.1;

"Event of Insolvency" means with respect to a Person the occurrence of any one of the following events:

- (a) if such Person shall:
 - (i) be wound up, dissolved, or liquidated, or become subject to the provisions of the *Winding-up Act* (Canada), as amended or re-enacted from time to time, or have its existence terminated or have any resolution passed therefor, unless, in any such case it forms part of a *bona fide* corporate reorganization not forming part of any relief being sought under any present or future law relative to bankruptcy, insolvency or other relief for debtors,
 - (ii) make a general assignment for the benefit of its creditors or a proposal under the *Bankruptcy and Insolvency Act* (Canada) as amended or re-enacted from time to time, or shall be declared bankrupt or insolvent by a court of competent jurisdiction, or

- (iii) propose a compromise or arrangement under the *Companies' Creditors Arrangement Act* (Canada) or any similar legislation, from time to time, or shall file any petition or answer seeking any re-organization, arrangement, composition, re-adjustment, liquidation, dissolution or similar relief for itself under any present or future law relative to bankruptcy, insolvency or other relief for debtors; or
- (iv) if a court of competent jurisdiction shall enter an order, judgment or decree approving a petition filed against any such Person seeking any reorganization, arrangement, composition, re-adjustment, liquidation, dissolution, winding up, termination of existence, declaration of bankruptcy or insolvency or similar relief under any present or future law relating to bankruptcy, insolvency or other relief for or against debtors, and such Person shall acquiesce in the entry of such order, judgment or decree or such order, judgment or decree shall remain unvacated and unstayed for an aggregate of 45 Business Days (whether consecutive or not) from the day of entry thereof; or if any trustee in bankruptcy, receiver or receiver and manager, liquidator or any other officer with similar powers shall be appointed for any such Person, or of all or any substantial part of its property with the consent or acquiescence of such Person, or such appointment shall remain unvacated and unstayed for an aggregate of 45 Business Days (whether or not consecutive);

"Fair Market Value" means the price in cash, or its equivalent, at which the property in question would be sold as a result of *bona fide* bargaining between a willing buyer and a willing seller, neither being under any compulsion to buy or sell and both having reasonable knowledge of the relevant facts, considering all uses for which the property was permitted to be used on the date as of which such value is to be determined, if offered for sale in the open market on the relevant date;

"Fifteenth Anniversary Date" has the meaning ascribed thereto in subsection 3.1(d);

"Fifth Anniversary Date" has the meaning ascribed thereto in subsection 3.1(b);

"Fiftieth Anniversary Date" has the meaning ascribed thereto in subsection 3.1(k)(ii);

"Fifty-fifth Anniversary Date" has the meaning ascribed thereto in subsection 3.1(l);

"Force Majeure" means any happening, condition or thing beyond the control of a Person which could not reasonably have been anticipated and avoided by such person which delays or prevents such person from performing any of its obligations hereunder, financial inability excepted;

"Fortieth Anniversary Date" has the meaning ascribed thereto in subsection 3.1(i);

"Forty-fifth Anniversary Date" has the meaning ascribed thereto in subsection 3.1(j);

"General Contractor" means Ball Construction Inc. or such other general contractor approved by the Lessor;

"General Construction Contract" means the general construction contract between the Lessee and the General Contractor with respect to the Project, as the same may be amended or replaced from time to time in accordance with the terms of this Lease and any other agreement between the Lessor and the Lessee respecting same;

"Impositions" means all:

- (a) taxes, assessments or levies (including, without limitation, all park levies and all assessments for public or local improvements or benefits);
- (b) rates, charges, excises, levies, imposts, licence fees, permit fees, inspection fees and other authorization fees and other charges in respect of water, sewer, electric or other utilities; and
- (c) other rates and charges, excises, levies, licence fees, permit fees, inspection fees and other authorization fees and other charges;

in each case whether general or special, ordinary or extraordinary, foreseen or unforeseen, of whatever nature and kind, which are from time to time levied, assessed, charged or imposed by any Taxing Authority or any government, municipal or other like body having jurisdiction upon or against the Project Lands or any part thereof, the use or occupation thereof, or upon the owner or occupant in respect thereof or upon the rents or other revenues thereof and which is or may become a lien on any part of the Project or give rise to any rights or remedies of the Taxing Authority against the Project Lands or any interest therein, but excluding any amounts in respect of the income, revenues or place of business of, or otherwise personal to, the Lessor, strictly in its capacity as a land owner, now existing or hereafter enacted including without limitation, franchise, excise, estate, inheritance, succession, capital levy, income or revenue tax, excess profit tax, or any other tax, assessment, charge or levy upon the Rent in the hands of the Lessor to the extent that any such amounts are not levied in lieu or substitution of any of the foregoing;

"Indemnifier" means The Cora Group Inc. and its successors and permitted assigns;

"Initial Term" means the period commencing on the Commencement Date and ending on that date which is the earlier of: (i) the Maturity Date; and (ii) such earlier date upon which this Lease may have been terminated pursuant to or in accordance with the terms of this Lease or by operation of law;

"Insurance Requirements" means:

- (a) all terms of any insurance policy covering or applicable to the Project or any part thereof required to be maintained pursuant to this Lease;
- (b) all requirements of the issuer of any such policy under any such policy; and

- (c) all mandatory orders, rules, regulations and other such requirements of any Canadian or provincial insurance regulatory body applicable to or affecting any insurance policy covering or applicable to the Project or any part thereof or any use or condition of the Project or any part thereof;

"Insurance Trust Agreement" means an agreement substantially in the form annexed hereto as Schedule 4 entered into between an Insurance Trustee, the Lessor and the Lessee (and which may be entered into with any Leasehold Mortgagee) with such changes as the parties mutually agree (including, to accommodate such Leasehold Mortgagee) as the same may be amended from time to time with the approval of the Lessor;

"Insurance Trustee" means (i) the Leasehold Mortgagee, provided that its Leasehold Mortgage is first ranking against the Lessee's interest in the Project and it is not a Related Person to the Lessee; or (ii) if (i) is not applicable or such Leasehold Mortgagee is not prepared to be the Insurance Trustee, the Lessee's principal bank, unless such Leasehold Mortgagee does not approve of the bank as Insurance Trustee, in which case, the Insurance Trustee shall be a duly licensed trust company carrying on business in the Province of Ontario approved by the Lessor, who in any such case has entered into the Insurance Trust Agreement;

"Lease" means this indenture of lease made as of the date set out on page one hereof as amended or modified from time to time in writing by the parties hereto;

"Lease Year" means, with the exception of the first and last Lease Years during the Term, a period during the Term comprising 12 consecutive calendar months commencing on the 1st day of January in each year and ending on the 31st day of December in each year; the first Lease Year shall commence on the Commencement Date and shall end on the 31st day of December of that same year; the last Lease Year shall, subject to prior termination, commence on last January 1 of the Term and shall end on the last day of the Term;

"Leasehold Mortgage" means any *bona fide* mortgage, charge or other security interest granted by the Lessee of or affecting this Lease or the Project issued in compliance with the terms hereof, and not affecting any other interest or property other than the Project and interests of the Lessee arising therefrom and includes any *bona fide* deed of trust and mortgage securing bonds, debentures or notes by any such mortgage, charge or other security, all as amended or supplemented from time to time in compliance with the terms hereof;

"Leasehold Mortgagee" means any mortgagee, chargee or lender under a Leasehold Mortgage and approved by the Lessor, acting reasonably, and includes any trustee for bondholders under a deed of trust and mortgage securing bonds, debentures or notes, provided that such mortgagee, chargee or lender, is in compliance with the provisions of this Lease;

"Leasehold Mortgagee Acknowledgement Agreement" means an agreement in the form annexed hereto as Schedule 5 with such changes as the parties mutually agree (including reasonable amendments to accommodate any Leasehold Mortgagee);

"Lessee" means 2129529 Ontario Inc. and its permitted successors and permitted assigns;

"Lessee's Accountant" means Deloitte & Touche LLP or such other firm of independent chartered accountants as has been approved by the Lessor;

"Leasing Policy" means the leasing policy from time to time developed by the Lessee and approved by the Lessor in connection with the leasing of space to tenants, occupants or licensees on, in or at the Project;

"Lessor" means the University of Waterloo and its successors and assigns, in its capacity as owner of the Project Lands and as lessor hereunder;

"Lessor's Representatives" has the meaning ascribed thereto in Section 4.2

"Maturity Date" means the day immediately prior to the 49th anniversary of the Commencement Date;

"Modification Notice" has the meaning ascribed thereto in Section 4.2

"Net Revenues" means, for any period or with respect to any event, the entire amount of all revenue derived by the Lessee from the Project *less* all applicable Annual Basic Rent, Additional Rent, Impositions, Operating Costs, utilities charges relating to the Project and reasonable allowances for bad debt relating to the Project, all as determined on an accrual basis in accordance with generally accepted accounting principles and, without limiting the generality of the foregoing, including all rentals of space, revenues from parking facilities on or in the Project, all proceeds from coin operated machines and all other receipts or receivables whatsoever of all business activities and events conducted at, in, upon or from the Project for such period, whether for cash, credit, gift, barter or otherwise (without reserve or deduction for inability or failure to pay), by the Lessee (whether directly or indirectly through any Person that is a Related Person to the Lessee) in or from the Project or in respect of such event, as the case may be. In the event that the receipts or receivables were, or are to be, paid by a Related Person to the Lessee and the amount received or receivable is an amount less than the amount which would have been received or receivable if the payor was not a Related Person, for purposes of calculating Net Revenues the Lessee shall be deemed to have received an amount equal to the amount which would have been received or receivable from a non-Related Person;

"Ninetieth Anniversary Date" has the meaning ascribed thereto in subsection 3.1(s);

"Ninety-fifth Anniversary Date" has the meaning ascribed thereto in subsection 3.1(t);

"North Campus Common Facilities" has the meaning ascribed thereto in Section 2.5;

"North Campus Lands" means the lands shown on the sketch annexed hereto as Schedule 3;

"Notice" means any notice or other communication which may or is required to be given pursuant to this Lease, which Notice shall be given in accordance with the provisions of Section 15.1;

"Notice of Election" has the meaning ascribed thereto in Section 2.2;

"Occupant" means a tenant, licensee, concessionaire or other occupant occupying space at the Project pursuant to a Space Lease;

"Operating Costs" means all costs, expenses, fees, rentals, disbursements and outlays of every kind, paid, payable or incurred by or on behalf of the Lessee in connection with the operation, maintenance, repair, administration and management of the Project determined in accordance with generally accepted accounting principles;

"Operating Standards" has the meaning ascribed thereto in Section 8.2;

"Parking Facilities" means parking facilities located on the Project Lands (as per the specifications set out in the Project Planning and Design Arrangements) for use by the occupants of the Building;

"Permitted Users" has the meaning ascribed thereto in Section 6.2(h)(iv);

"Person" or **"person"** means any individual, partnership, corporation, joint venture, association, joint stock company, trust, unincorporated organization, university, government or an agency or potential subdivision thereof, and "corporation" shall include "company" and *vice versa*;

"Prime Rate" means the floating annual rate of interest established from time to time by the Canadian Imperial Bank of Commerce as the reference rate it will use to determine rates of interest in Canada on Canadian dollar loans to commercial customers in Canada and designated as its prime rate;

"Project" means, collectively, the Project Lands, the Building and the Parking Facilities;

"Project Architect" means Robertson & Simmons Architects Inc. or such other firm of independent architects as has been approved by the Lessor;

"Project Budget" means the budget for the development of the Project as the same may be amended by the Lessee from time to time;

"Project Lands" means that portion of the Technology Park Lands comprising approximately 4.887 acres located at 300 Hagey Boulevard, Waterloo and more particularly described on Schedule 2 annexed hereto;

"Project Planning and Design Arrangements" means the arrangements with respect to the development of the Project agreed to prior to the date of execution hereof which are consistent with the Development Guidelines, Project Plans, the Site Plan and the Concept Design which form part of the Project Plans all as summarized on Schedule 8 annexed hereto, as they may be amended from time to time in accordance with the terms hereof and any other agreement between the Lessor and the Lessee relating to same;

"Project Plans" means the construction plans and specifications prepared by the Project Architect relating to the construction and development of the Project, as summarized on Schedule 8 annexed hereto, as amended from time to time with the prior written approval of the Lessor;

"Related Person" means "related persons" as defined in subsection 251(2) of the *Income Tax Act* (Canada) as amended as of the date of execution hereof;

"Release" includes to release, spill, leak, spray, inoculate, abandon, deposit, seep, throw, place, exhaust, pump, pour, emit, empty, discharge, inject, escape, leach, migrate, dispose of or dump;

"Renewal Period" means the period of 49 years commencing on the first day following the Initial Term and ending on the 49th anniversary of the Maturity Date;

"Rent" means Annual Basic Rent, Annual Participation Rent and Additional Rent;

"Rent Calculation Example" has the meaning ascribed thereto in subsection 3.1(c);

"Rent Commencement Date" has the meaning ascribed thereto in subsection 3.1(a);

"Replacement Cost" means the cost of repairing, replacing or reinstating any item of property and any cost of upgrading any item of property required by any by-law, regulation, ordinance or law with new materials of like kind and quality on the same or a similar site plus the cost of demolition including demolition of undamaged structures without deduction for physical, accounting, or any other depreciation;

"Restaurant" means any business establishment in which food and/or drink are prepared (whether such preparation is completed at the location of sale or otherwise (i.e. on-site or off-site)) and/or sold for consumption (whether eat-in or take-out), including, without limitation, any establishment which is considered a "restaurant", "restaurant (drive-in)", "restaurant (take-out)" or "coffee shop or tea room" as defined in the applicable then-current municipal by-law for the City of Waterloo;

"Seventieth Anniversary Date" has the meaning ascribed thereto in subsection 3.1(o);

"Seventy-fifth Anniversary Date" has the meaning ascribed thereto in subsection 3.1(p);

"Site Plan" means the site plan (which forms part of the Project Plans) prepared by the Project Architect, as amended from time to time, with the approval of the Lessor, and attached hereto as Schedule 1;

"Sixtieth Anniversary Date" has the meaning ascribed thereto in subsection 3.1(m);

"Sixty-fifth Anniversary Date" has the meaning ascribed thereto in subsection 3.1(n);

"Space Lease" means a sublease, licence, concession agreement or other occupancy agreement, from the Lessee, as landlord, to a tenant, licensee, concessionaire or other occupant for use of premises in the Project and its permitted successors and assigns, subtenants and sublicensees;

"Substantial Completion" means that all work required to achieve "substantial performance" of the Project has been completed, giving to the term "substantial performance" the meaning ascribed thereto in the *Construction Lien Act* (Ontario) as same may be amended, modified, or replaced from time to time;

"Substantial Completion Date" means the date upon which Substantial Completion has occurred, as evidenced by a certificate issued by the Project Architect pursuant to the *Construction Lien Act* (Ontario) as same may be amended, modified, or replaced from time to time;

"Taxing Authority" means any duly constituted public authority whether federal, provincial, municipal, school or otherwise, legally empowered to impose, or which has by agreement the right to receive payments in lieu of Impositions;

"Technology Park" means, in the aggregate, the Technology Park Lands and the Technology Park complex to be developed on the Technology Park Lands;

"Technology Park Lands" means that portion of the North Campus Lands constituting approximately 120 acres upon which the Technology Park is being developed as shown cross-hatched in Schedule 3 annexed hereto as the same may be modified from time to time;

"Technology Park Lands Permitted Uses" means those uses as may be legally permitted from time to time on the Technology Park Lands which, as of the date of execution hereof, means, use primarily for the construction and leasing of building space wherein research based high technology companies will occupy office premises, conduct research and development activities and use advanced technology for certain light manufacturing related to such research and development activities, as well as for certain ancillary activities, such as retail shops which would service the space tenants in the Technology Park;

"TechTown Lease" means the land lease made as of August 1, 2006 between the Lessor, as lessor, and Columbia Developments LP, as lessee, with respect to those lands municipally described as 340 Hagey Boulevard, Waterloo, Ontario and legally described as Part of Block 1, Plan 58M-272 designated as Parts 1 and 2 on Reference Plan 58R-15373, notice of which was registered on title to the foregoing lands on September 27, 2006 as Instrument No. WR248033 (as the same may be amended, modified, renewed, extended, replaced, supplemented or restated from time to time);

"Tenth Anniversary Date" has the meaning ascribed thereto in subsection 3.1(c);

"Term" means the Initial Term and, if the Lessee exercises its rights in accordance with Section 2.2, the Renewal Period;

"Thirtieth Anniversary Date" has the meaning ascribed thereto in subsection 3.1(g);

"Thirty-fifth Anniversary Date" has the meaning ascribed thereto in subsection 3.1(h);

"Total Completion" means full and total completion of the Project in compliance with the Project Plans, the Project Planning and Design Arrangements and the applicable provisions, if any, of the Collateral Agreements, including without limitation, expiry of all construction lien periods arising under the General Construction Contract and the Construction Contracts without there being any outstanding lien claims registered against title to the Project Lands as the same has been certified by the Project Architect;

"Transfer" means an assignment, sale, conveyance, disposition, sublease, pledge, hypothecation, mortgage, charge, security interest or other encumbrance of this Lease or the Project or any part thereof, or any other arrangement under which the interest of the Lessee in and to this Lease or the Project becomes security for any indebtedness or other obligation; any transaction or occurrence whereby the rights of the Lessee under this Lease or to the Project, or to any part thereof, are transferred or otherwise disposed of; any transaction or occurrence by which any right of use or occupancy of all or any part of the Project is conferred on any person other than the Lessee; any transaction or occurrence (including, without limitation, expropriation and transfer by operation of law) which changes or may change the identity of the person having lawful use or occupancy of all or any part of the Project; a parting with or sharing of possession of all or part of the Project; and a transfer or issue by sale, assignment, request, inheritance, transmission on death, mortgage, charge, security interest, consolidation, subscription, operation of law or other disposition, or by liquidation, merger or amalgamation, of all or any of the shares of or interest in the Lessee, or any agreement or arrangement, or any other act, as a result of which the Lessee becomes controlled, directly or indirectly in any manner whatever (within the meaning of the expression of "controlled" or "controlled, directly or indirectly, in any manner whatever" set forth in section 256 of the *Income Tax Act* (Canada), read without reference to subsections (3), (6), (7) thereof, and any amendments thereto or successor legislation for the time being in force and from time to time in force) by a different person or persons from the person or persons that controlled the Lessee, directly or indirectly in any manner whatever, immediately before any such transaction or occurrence;

"Twentieth Anniversary Date" has the meaning ascribed thereto in subsection 3.1(e);

"Twenty-fifth Anniversary Date" has the meaning ascribed thereto in subsection 3.1(f);

"UW Lands" means the lands shown in the sketch annexed in Schedule 9;

"UW Security" means the mortgage, charge and security interest of, on and in the Lessee's interest in the Project, in all personal property of the Lessee relating to the Project and all rights of the Lessee under all Collateral Agreements and Construction Contracts given to the Lessor on even date herewith for the Lessee's obligations under this Lease through to Total Completion, a copy of which is annexed hereto as Schedule 10; and

"Yield" means, at any point in time, 1% plus the then current 30 day average yield on Government of Canada bonds having a term to maturity of 10 years.

1.2 Currency

All references to money herein are references to lawful money of Canada.

1.3 Index and Headings

The table of contents hereto and the headings of any Article, Section or part thereof are inserted for purposes of convenience only and do not form part hereof.

1.4 Applicable Law

This Lease shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

1.5 Schedules

The following Schedules are attached hereto and are incorporated in and are deemed to be an integral part of this Lease:

Schedule 1:	Site Plan
Schedule 2:	Legal Description of Project Lands
Schedule 3:	Sketch of North Campus
Schedule 4:	Form of Insurance Trust Agreement
Schedule 5:	Form of Leasehold Mortgage Acknowledgement
Schedule 6:	Concept Design
Schedule 7:	Development Schedule
Schedule 8:	Summary of Project Planning and Design Arrangements
Schedule 9:	Sketch of UW Lands
Schedule 10:	Form of UW Security
Schedule 11:	Lessor's Representatives
Schedule 12:	Rent Calculation Example
Schedule 13:	Form of Non-Disturbance and Attornment Agreement
Schedule 14:	Sign By-Law

**ARTICLE 2
LEASE**

2.1 Demise

The Lessor hereby demises and leases the Project Lands to the Lessee for and during the Initial Term, subject as herein provided, for the purposes of construction and development of the Project in accordance with the Project Plans and the operation of the Project in accordance with the terms hereof.

2.2 Renewal Right

Provided that the Lessee is not then in default hereunder, the Lessee may elect to renew the Initial Term of this Lease for the Renewal Period by providing the Lessor with notice of such election (the "Notice of Election") pursuant to Section 15.1 not sooner than the 40th anniversary of the Commencement Date and not later than the 45th anniversary of the Commencement Date, in which event this Lease shall continue throughout the Renewal Period provided that the Annual Basic Rent during the Renewal Period shall be as set out in Subsections 3.1(l) through 3.13.1(u), inclusive, and that there shall be no further right of renewal or extension. If Lessee fails to give the appropriate notice within the time limits set out herein for renewing the Initial Term, then this Section 2.2 shall be null and void and of no further force or effect. Lessor's acceptance of any future Rent from Lessee for the Renewal Period shall in no way be deemed a waiver of Lessee's requirement to give the Notice of Election for renewing the term of this Lease in accordance with the terms hereof.

2.3 End of Term; Surrender of Project

At the end of the Term, whether by forfeiture, termination, effluxion of time or otherwise, the Lessee shall surrender the Project to the Lessor in the condition in which it is required to be kept by the Lessee under the provisions of this Lease, except as herein otherwise expressly provided. At the end of the Term the parties will prorate, adjust, apportion and allow between themselves all items of Rent to the intent and purpose that the Lessee shall bear the burden thereof until it shall deliver up possession of the Project Lands.

2.4 Overholding

If at the end of the Term the Lessor permits the Lessee to remain in possession of the Project Lands and accepts Rent in respect thereof, a tenancy from year to year or otherwise shall not be created by implication of law. In such event the Lessee shall be deemed to be a monthly tenant at the same rate of Basic Annual Rent as paid during the last year of the Term provided that the Lessee shall continue to pay Additional Rent and Annual Participation Rent when and as required by this Lease or by law.

2.5 Use of North Campus Common Facilities Lands

Subject to the terms of this Lease, the Lessor grants to the Lessee, its agent, invitees, servants, employees, licensees and customers, the free, uninterrupted, non-exclusive benefit and right, by way of licence, in common with the Lessor, other tenants or occupants of the North Campus Lands their respective agents, invitees, servants, employees, licensees and customers, and all others entitled thereto, to use for their intended purpose, and subject to such rules and regulations as UW may establish from time to time, all the entrances, exits, driveways, laneways, roads, ramps, passageways, walkways, sidewalks, landscaped areas, utilities connections and storm water management facilities (the "North Campus Common Facilities") now or hereafter constructed, created or developed on the North Campus Lands, all as may be altered, relocated, expanded, reduced or reconstructed from time to time.

