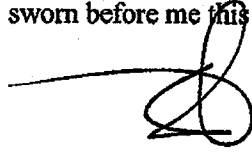


This is Exhibit "D" to the
Affidavit of DOUGLAS E.J. LAMB
sworn before me this 6th day of April, 2010.



Commissioner for Taking Affidavits

LONDON LIFE INSURANCE COMPANY

- and -

SOUTHAM INC.

BUILDING LEASE
EDMONTON JOURNAL BUILDING

April 1, 1991

Davies, Ward & Beck
and
Blake, Cassels and Graydon

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BUILDING LEASE - EDMONTON JOURNAL BUILDING

THIS LEASE made as of the 1st of April, 1991.

B E T W E E N:

LONDON LIFE INSURANCE COMPANY,
(hereinafter called the "Landlord"),

OF THE FIRST PART,

- and -

SOUTHAM INC.,
a corporation incorporated under
the laws of Canada
(hereinafter called the "Tenant"),

OF THE SECOND PART.

WHEREAS the Landlord owns the Building and the Building Strata Parcel and has leased the Ground Strata Lands, the Tower Strata Parcel and the Phase II Lands (collectively the "Adjacent Lands") from Southam Inc. pursuant to the Ground Lease;

AND WHEREAS the Landlord has agreed to sublease its interest in the Adjacent Lands and lease its interest in the Building Strata Parcel and the Building to the Tenant upon the terms and conditions contained herein;

NOW THEREFORE this lease witnesses that in consideration of the premises and mutual covenants, agreements and conditions herein contained, the parties hereto hereby declare, covenant and agree with one another as follows:

ARTICLE 1

DEFINITIONS AND INTERPRETATION

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

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"Accounting Period" means a calendar year or such other accounting period, not exceeding 16 months, as the Landlord may adopt from time to time for the Premises;

"Additional Rent" means all amounts in addition to Minimum Rent payable by the Tenant to the Landlord pursuant to this Lease, including without limitation those amounts set out in Section 4.02;

"Adjacent Lands" has the meaning ascribed thereto in the first recital hereto;

"Affiliate" has the meaning set forth in the Canada Business Corporations Act as now in effect;

"Agreed Casualty Value" means the amount shown in Schedule C as being payable to the Landlord upon termination of this Lease pursuant to Section 11.03; ← *

"Applicable Laws" means all statutes, laws, by-laws, regulations, ordinances, orders and requirements of governmental or other public authorities having jurisdiction, and all amendments thereto, at any time and from time to time in force;

"Approved Plans" means the plans and specifications for the Stage II Building approved by the Landlord, which are listed in Schedule F;

"Associate" has the meaning set forth in the Canada Business Corporations Act as now in effect;

"Building" means collectively the Stage I Building and the Stage II Building together with all other structures, improvements, facilities and appurtenances that have been or are being constructed in the Building Strata Parcel, including or together with the Building Systems, all as may be altered, expanded, reduced or reconstructed from time to time and subject to any and all easements, licences, rights-of-way or other interests from time to time granted to other owners and occupiers of the Development, all as contemplated by Section 5.03;

"Building Strata Parcel" means the strata parcel described in Schedule A-1 within which the Building has been or is being constructed, together with any and all easements, servitudes and rights-of-way for hydro, gas, telephone or other like services provided by any public or private utility to the whole or any part of the Building Strata Parcel and any other easements, servitudes and rights-of-way for the benefit of the whole or any part of the Building Strata Parcel and subject to any easements, servitudes

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and rights-of-way from time to time granted for the benefit of the whole or any part of the Ground Strata Lands or the Tower Strata Parcel;

"Building Systems" means:

- (i) the HVAC System and all other systems, services, installations and facilities from time to time installed in or servicing the Building (or any portion thereof) or the Shared Common Areas and Facilities (or any portion thereof), whether exclusively or in common with other parts of the Development including, but not limited to, the elevators and escalators and the following systems, services, installations and facilities: mechanical (including plumbing, sprinkler, drainage and sewage), electrical and other utilities, lighting, sprinkler, 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; and
- (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;

"Business Day" means any day other than a Saturday, a Sunday or any day on which the banks are closed for business in the Province of Ontario or the Province of Alberta;

"Business Taxes" means all taxes, rates, duties, levies, assessments, licence fees and other charges in respect of the use or occupancy of, or any business carried on, by the Tenant and includes, without limitation, business taxes levied or assessed pursuant to the *Municipal Taxation Act*;

"Cash Collateral" has the meaning ascribed thereto in Section 15.04;

"City" means The City of Edmonton and its successors and assigns;

"City Development Agreement" means the development agreement dated December 2, 1988 between the City and Southam Inc. with respect to the development of the Building, as amended from time to time with the consent of all of the parties hereto;

"Commencement Date" means April 1, 1991;

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"Construction Agreement" means that certain construction contract dated January 3, 1989 between The Edmonton Journal, a division of Southam Inc., and Carlson Constructors, a division of H&K Carlson Constructors Inc., as amended from time to time with the consent of all of the parties hereto;

"Development" means the Premises and all structures, improvements, facilities and appurtenances constructed on such lands from time to time, including the Building, the Tower, the Phase II Parking Facility and the Shared Common Areas and Facilities (including passageways, tunnels or other facilities servicing the Development that may extend or be located beyond the boundaries of such block), all as may be altered, expanded, reduced or reconstructed from time to time;

"Event of Default" means any event specified as such in Section 14.01;

"Expert" means any independent architect, engineer, chartered accountant, quantity surveyor, or other professional consultant, in any case appointed by the Landlord and, in the reasonable opinion of the Landlord, qualified to perform the function for which he or she is retained;

"Fair Market Value" means the most probable price estimated in terms of money which the property in question would bring if exposed for sale in the open market, by a willing seller, allowing for a reasonable period of time to find a buyer, neither seller nor buyer acting under compulsion, both having knowledge of all the uses and purposes to which property in question is adapted and both exercising intelligent judgement, taking into account, without limitation, such matters as the terms (whether favourable or unfavourable) of any existing mortgages or other encumbrances affecting the property in question if the same are to be assumed by the buyer and the amount, if any, of any prepayment bonus or penalty in respect of mortgages or encumbrances not assumed by the buyer, such most probable price being based on the existing permitted use of the property in question at such time (but not any potential uses nor the highest and best use, if different from the permitted use at such time), such use taking into account, if in existence, the separate ownership of the Adjacent Lands, the Purchase Agreement and the Ground Lease and the restrictions imposed by the Purchase Agreement and the Ground Lease.

"Ground Lease" means the lease of the Adjacent Lands made by Southam Inc., as lessor, to London Life Insurance Company, as lessee dated April 1, 1991 as the same may be amended, extended, supplemented or replaced from time to time;

"Ground Strata Lands" means the strata parcel of land described in Schedule A-2, together with any and all easements, servitudes and rights-

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of-way for hydro, gas, telephone or other like services provided by any public or private utility to the whole or any part of the Ground Strata Lands and other easements, servitudes and rights-of-way for the benefit of the whole or any part of the Ground Strata Lands and subject to any easements, servitudes and rights-of-way from time to time granted for the benefit of the whole or any part of the Building Strata Parcel or the Tower Strata Parcel;

"HVAC System" means all interior climate control (including heating, ventilating and air-conditioning) systems, installations, equipment and facilities in or servicing the Building or any part thereof;

"Landlord" means London Life Insurance Company and its successors and assigns;

"Lands" means, collectively, the Building Strata Parcel, the Ground Strata Lands, the Tower Strata Parcel and the Phase II Lands;

"Lease" means this lease as it may be amended from time to time in accordance with the provisions hereof;

"Leasehold Improvements" means all fixtures, improvements, installations, alterations and additions from time to time made, erected or installed in or around the Building, including internal stairways, doors, hardware, partitions (including moveable partitions) and wall-to-wall carpeting with the exception of such carpeting where laid over vinyl, tile or other finished floor and removable without damage to such floor, but excluding trade fixtures, drapes, and furniture and equipment not of the nature of fixtures;

"Lease Year" means, in the case of the first Lease Year, the period beginning on the Commencement Date and ending on March 31, 1992 and, in the case of the second and each subsequent Lease Year, means consecutive periods each of 12 consecutive full months, with the second Lease Year commencing on April 1, 1992;

"Minimum Rent" means the rent payable pursuant to Section 4.01;

"Mortgage" means any mortgage, charge or security instrument (including a deed of trust or mortgage securing bonds) and all extensions, modifications and renewals thereof which may now or hereafter affect the Premises;

"Mortgagee" means any mortgagee, chargee or secured party or trustee for bondholders, as the case may be, who from time to time holds a Mortgage;

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"Municipal Agreements" means collectively (i) any and all agreements made pursuant to the *Planning Act* (Alberta) and any other similar or successor provisions, (ii) development, site plan, landscaping, sidewalk improvement, tunnel, lane closing, building conservation, restoration or heritage agreements including, without limitation, the City Development Agreement and (iii) any other agreements with the City or others (including owners of other real estate projects) relating to the development, construction, or operation of the Development or any part thereof, in each case whether now or hereafter entered into and as the same may be amended from time to time;

"Operating Costs" means those costs, expenses, fees, rentals, disbursements and outlays referred to in Section 7.06;

"Original Term" means the period of 15 years specified in Section 3.01;

"Person", according to the context, includes any person, corporation, firm, partnership or other entity, any group of persons, corporations, firms, partnerships or other entities, or any combination thereof;

"Phase II Lands" means the lands described in Schedule B hereto;

"Phase II Parking Facility" means the parking structure which may be constructed upon the Phase II Lands;

"Premises" means the Lands and the Building;

"Prime Rate" means the annual rate of interest quoted or published from time to time by Citibank Canada as the daily rate of interest used by Citibank Canada as a reference rate in setting rates of interest for commercial demand loans of Canadian dollars and commonly referred to by such bank as its Canadian "prime rate", provided that if Citibank Canada is not at any relevant time quoting or publishing a "prime rate", references in this definition to Citibank Canada shall be deemed to be changed to "Canadian Imperial Bank of Commerce";

"Property Taxes" means all taxes, rates, duties, levies, fees, charges (including local improvement charges) and assessments whatsoever, imposed, assessed, levied, rated or charged against the Premises or any part thereof from time to time by any lawful taxing authority whether school, municipal, regional, provincial, federal, or otherwise 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 at the commencement of the Term and whether of the foregoing character or not and any such taxes levied against the Landlord or any owner on account of its ownership of the Premises or its interest therein or the rents payable to any such Person by tenants or

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other occupants of the Building, but excluding taxes on the capital, income or profits of the Landlord except to the extent that they are levied in lieu of the foregoing;

"Purchase Agreement" means the purchase agreement dated April 1, 1991 hereof between the Landlord, as purchaser and the Tenant as vendor providing for, *inter alia*, the sale of the Building as amended from time to time;

"Renewal Term" has the meaning ascribed thereto in Section 3.02;

"Rent" means all Minimum Rent and Additional Rent payable pursuant to this Lease;

"Residual Value" means an amount equal to the Fair Market Value of the Building and the Building Strata Parcel less the amount of any selling expenses which would normally be incurred in a sale of a building similar to the Building including, without limitation, any sales commissions and legal fees.

"Rules and Regulations" means the rules and regulations, if any, made by the Landlord from time to time pursuant to Section 8.04;

"Sales Taxes" means all sales taxes, value added taxes and other taxes, rates, duties, levies, fees, charges and assessments whatsoever, whether or not in existence at the commencement of the Term, imposed, assessed, levied, rated or charged on the Tenant or the Landlord in respect of the Rent payable by the Tenant to the Landlord or the rental of the Premises or the provision of any goods, services or utilities whatsoever by the Landlord to the Tenant under this Lease including, without limiting the generality of the foregoing, the goods and services tax proposed by the Government of Canada, as the same may ultimately be enacted into law and from time to time thereafter amended, altered, supplemented or replaced;

"Shared Common Areas and Facilities" means: (i) those areas, facilities, improvements, installations and equipment in or around the Development, if any, that (A) are neither rented nor designated or intended by the owners of the Development to be rented, and (B) are provided or designated from time to time by such owners for the benefit or use of the Premises in common with other parts of the Development including, but not limited to, entrances, lobbies, access and service corridors, stairways, indoor and outdoor walkways (both open and enclosed), malls, courts and arcades (both open and enclosed), public seating areas and facilities, furniture, furnishings and fixtures, public sidewalks (to the extent maintained for the benefit of the Development), public washrooms, indoor

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and outdoor landscaping and landscaped areas, lighting, passageways or tunnels leading to any public transportation system and to other buildings or concourses, mailrooms, electrical, telephone, meter, valve, mechanical, storage and janitor rooms, shipping and receiving areas and loading docks, package or passenger pick-up areas, waste disposal or recycling facilities, driveways, laneways and ramps; and (ii) space, facilities and installations that are made available for community service, public or other use pursuant to the Municipal Agreements; all as may be altered, expanded, reduced, reconstructed or relocated from time to time;

"Shared Facilities Agreement" means any agreement or agreements from time to time entered into by the owner of the Building with one or more Persons with an interest or interests in any other part or parts of the Development;

"Stage I Building" means the office building currently located within the northerly portion of the Building Strata Parcel known as the "Edmonton Journal Building", being five storeys above grade and one storey below grade comprising approximately 88,450 gross square feet of space including rooftop mechanical space and approximately 18,500 gross square feet of parking space together with all other structures, improvements, facilities and appurtenances that have been or are being constructed in connection therewith, including or together with the Building Systems servicing the Stage I Building, all as may be altered, expanded, reduced or reconstructed from time to time;

"Stage II Building" means the addition to the Stage I Building being constructed by the Tenant within the southerly portion of the Building Strata Parcel which addition upon completion shall contain five storeys above-grade comprising approximately 81,900 gross square feet of space including rooftop mechanical space, and approximately 18,600 gross square feet of parking space together with all other structures, improvements, facilities and appurtenances that have been or are being constructed in connection therewith, including or together with the Building Systems servicing the Stage II Building, all as may be altered, expanded, reduced or reconstructed from time to time;

"Tenant" means Southam Inc. and its permitted successors and assigns;

"Term" means the period specified in Section 3.01, as it may be extended or renewed by the Tenant pursuant to the option given to the Tenant to extend or renew this Lease;

"Tower" means the office building which may be constructed within the Tower Strata Parcel and above the Stage II Building, which building upon completion is currently contemplated to comprise 17 stories above the Stage II Building, together with all other structures, improvements, facilities and appurtenances that have been or are being constructed in connection

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therewith, all as may be altered, expanded, reduced or reconstructed from time to time;

"Tower Strata Parcel" means the strata parcel of land described in Schedule A-3 hereto together with any and all easements, servitudes and rights-of-way for hydro, gas, telephone and like services provided by any public or private utility to the whole or any part of the Tower Strata Parcel and any other easements, servitudes and rights-of-way for the benefit of the whole or any part of the Tower Strata Parcel and subject to any easements, servitudes and rights-of-way from time to time granted for the benefit of the whole or any part of the Building Strata Parcel or the Ground Strata Lands;

"Transfer" means an assignment of this Lease in whole or in part, a sublease of all or any part of the Premises, any transaction whereby the rights of the Tenant under this Lease or to the Premises are transferred to another Person, any transaction by which any right of use or occupancy of all or any part of the Premises is conferred upon any Person, any mortgage, charge or encumbrance of this Lease or the Premises or any part thereof or other arrangement under which either this Lease or the Premises become security for any indebtedness or other obligations and includes any transaction or occurrence whatsoever (including, but not limited to, receivership proceedings, seizure by legal process and transfer by operation of law), which has changed or might change the identity of the Person having lawful use or occupancy of any part of the Premises;

"Transferee" means the Person to whom a Transfer is or is to be made;

"Trust Agreement" means the agreement entered into between the Landlord, the Tenant and the Trustee pursuant to Section 15.04 governing the manner in which the Cash Collateral is to be held and utilized;

"Trustee" means The Royal Trust Company or such other nationally recognized trustee as the Landlord may select to act as trustee of the Cash Collateral pursuant to the Trust Agreement;

"Unavoidable Delay" means any cause beyond the control of the party affected thereby which prevents the performance by such party of any obligation hereunder and not caused by its default or act of commission or omission and not avoidable by the exercise of reasonable care, including without limitation strikes, lockouts or other labour disputes, the enactment, amendment or repeal of any Applicable Laws, and shortages or unavailability of labour or materials, but excluding lack of funds or financial inability; and

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"Underlying Agreements" means all present and future agreements to which the Landlord or the Tenant is a party relating to the construction, maintenance or operation of the Premises or any part thereof or to the supply of goods and services to the Premises or any part thereof, including, without limitation, the Municipal Agreements and all revisions, alterations, modifications, amendments, changes, extensions, renewals, replacements or substitutions thereof or therefor which may hereafter be affected or entered into.

1.02 Other Definitions. All capitalized words or phrases used herein and not defined herein which are defined in the Purchase Agreement, herein shall have the same meaning herein as in the Purchase Agreement;

1.03 Number, Gender, Liability. The grammatical changes required to make the provisions of this Lease apply in the plural sense where the Tenant comprises more than one Person and to corporations, firms, partnerships, or individuals, male or female, will be assumed as though in each case fully expressed. If the Tenant consists of more than one Person, the covenants of the Tenant shall be deemed to be joint and several covenants of each such Person. If the Tenant is a partnership each person who is presently a member of such partnership, and each Person who becomes a member of any successor partnership, shall be and continue to be liable jointly and severally for the performance of this Lease, whether or not such Person ceases to be a member of such partnership or successor partnership.

1.04 No Limitation. Whenever a statement or provision in this Lease is followed by words denoting inclusion or example (such as "including" or "such as") and then a list of, or reference to, specific matters or items, such list or reference shall not be read so as to limit or restrict the generality of such statement or provision, even though words such as "without limitation" or "without limiting the generality of the foregoing" do not precede such list or reference.

1.05 Headings and Captions. The table of contents, Article numbers, Article headings, Section numbers and Section headings are inserted for convenience of reference only and are not to be considered when interpreting this Lease.

1.06 Obligations as Covenants. Each obligation of the Landlord or the Tenant expressed in this Lease shall be a covenant for all purposes.

1.07 Entire Agreement. Except for the Purchase Agreement, this Lease contains all the representations, warranties, covenants, agreements, conditions and understandings between the parties concerning the Premises and the subject matter of this Lease and may be amended only by an agreement in writing signed by the Landlord and the Tenant. In the event of any conflict between the provisions of this Lease and the provisions of the Purchase Agreement, the provisions of the Purchase Agreement shall govern.

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1.08 Governing Law. This Lease shall be interpreted under and is governed by the laws of the Province of Alberta.

1.09 Currency. All Rent and other amounts of money in this Lease are expressed in and refer to Canadian dollars and shall be paid in the lawful currency of Canada.

1.10 Severability. If any provision of this Lease is illegal or unenforceable it shall be considered severable from the remaining provisions of this Lease, which shall remain in force.

1.11 Successors and Assigns. This Lease and everything herein contained shall benefit and bind the successors and assigns of the Landlord and the permitted successors and assigns of the Tenant.

1.12 Time of the Essence. Time is of the essence of this Lease and every part thereof.

ARTICLE 2

GRANT OF LEASE

2.01 Demise. The Landlord hereby leases to the Tenant the Premises (by a lease of the Building and the Building Strata Parcel and a sublease of the Adjacent Lands) to have and to hold during the Term. The Tenant takes the Building and the Building Strata Parcel on lease and the Adjacent Lands on sublease 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.

2.02 Examination of Premises. The Tenant shall take possession of the Premises on an "as is" basis. The Tenant agrees that there is no promise, representation, warranty or undertaking by or binding upon the Landlord with respect to the condition or state of repair of the Building or any other part of the Premises or with respect to any alteration, remodelling or decoration of the Building or any other part of the Premises or with respect to the installation of equipment or fixtures in the Building.

2.03 Construction of Stage II Building. The Landlord acknowledges and agrees to the construction by the Tenant in the Building Strata Parcel of the Stage II Building. The Tenant shall use its diligent best efforts to complete such construction in a good and workmanlike manner on or before June 30, 1991. Construction of the Stage II Building shall be performed in accordance with the Approved Plans, all Applicable Laws, the Construction Contract and the Municipal Agreements. The Tenant shall be fully responsible for any and all costs relating to the construction of The Stage II Building and shall keep the Landlord fully indemnified with respect thereto. If, notwithstanding the use of its diligent and reasonable best efforts, as a result of Unavoidable Delay the Tenant is unable to complete construction of the Stage II Building on or before June 30,

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1991, it shall be given a further grace period equal to the number of days the Unavoidable Delay persists, up to 184 days, within which to complete construction of the Stage II Building, provided that the Tenant covenants that the Stage II Building will, in any event, be completed on or before December 31, 1991. The Tenant acknowledges that the Stage II Building is being constructed in the Building Strata Parcel and that title to and ownership of all improvements constructed within the Building Strata Parcel, including the Stage II Building, shall be vested in the Landlord upon their being placed in the Building Strata Parcel, without the need for any further action or delivery of any documentation on the part of the Landlord or the Tenant.

2.04 Recognition of Underlying Agreements. The Tenant acknowledges the existence of the Underlying Agreements and agrees to be bound by the Underlying Agreements to the same extent as the Landlord insofar as they affect the Lands. In particular, the Tenant acknowledges the existence of the Municipal Agreements, including the obligation of the owner of the Lands to grant an easement in favour of the City over a portion of the Lands and the option of the City to purchase a portion of the Lands, each as described in the City Development Agreement. The Tenant agrees to release its interest in the portion of the Lands to be conveyed to the City pursuant to the City Development Agreement forthwith following written notice from the Landlord in order for the Landlord to comply with its obligations pursuant to Section 7.4 of the City Development Agreement. The Tenant agrees not to enter into any amendments to or replacements of the Underlying Agreements without the prior written consent of the Landlord.

ARTICLE 3

TERM

3.01 Term. The Term of this Lease shall commence on April 1, 1991 and, subject to Section 3.02, expire on March 30, 2006, unless terminated earlier pursuant to this Lease.

3.02 Option to Renew. Provided it is not then in default hereunder, the Tenant shall have the right to renew the Lease, at its option, for a period of 35 years (the "Renewal Term") subject to the following terms and conditions:

- (a) the Renewal Term shall commence upon the day following the date of expiration of the Original Term and end on the 35th anniversary of such date of expiration;
- (b) the option to renew this Lease upon the expiry of the Original Term shall be exercised by notice given by the Tenant to the Landlord not less than two years prior to the expiration of the Original Term, provided that such notice shall be validly given only if at the time it is given the Tenant is not in breach of any of its obligations under this Lease;

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- (c) the renewal of the Lease upon the exercise of such option shall be upon the terms and subject to all the provisions of this Lease except that:
- (i) there shall be no further right to renew or extend the Term of this Lease;
 - (ii) the Minimum Rent to be payable by the Tenant during the Renewal Term shall be prepaid during the first five years of the Renewal Term in accordance with Schedule E; and
- (d) if the Landlord is not at the end of the Original Term the owner of the Adjacent Lands or has not at such time obtained a ground lease of the Adjacent Lands from the owner thereof in accordance with the Purchase Agreement and on the terms contained therein or a renewal ground lease of the Adjacent Lands from the owner thereof in accordance with the Ground Lease and on the terms contained therein, the option to renew referred to in this Section 3.02 shall be restricted to the Building and the Building Strata Parcel and throughout the Renewal Term the Premises shall be restricted to the Building and the Building Strata Parcel and the Tenant shall have no interest in the Adjacent Lands during such Renewal Term and this Lease shall be deemed to be amended to take into account such restricted meaning of "Premises". If, pursuant to the provision of Section 6.12 of the Purchase Agreement, the Landlord obtains a ground lease of the Adjacent Lands from the owner thereof the Premises shall, for the balance of the Renewal Term, include the Adjacent Lands so leased to the Landlord and thereafter this lease shall be read using such expanded meaning of "Premises". ○

ARTICLE 4

RENT

4.01 Minimum Rent. The Tenant shall pay to the Landlord, in and for each Lease Year, Minimum Rent in unequal consecutive semi-annual instalments in arrears on the last day of September and March in each Lease Year in the amount set out in Schedule D for such Lease Year.

4.02 Additional Rent. The Tenant shall also pay to the Landlord throughout the Term as Additional Rent:

- (a) such Property Taxes and other taxes as are required to be paid to the Landlord in accordance with Article 7;

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 \$1,500,000 / yr
 + 1,667,400 / yr
 1998

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- (b) all Operating Costs not paid directly by the Tenant, which Operating Costs shall be as specified in Article 7; and
- (c) the aggregate of such other costs, charges, amounts and expenses as are required to be paid by the Tenant to the Landlord under this Lease.

Except as otherwise provided in this Lease, all Additional Rent shall be payable within 15 days of receipt by the Tenant of an invoice, statement or demand therefor from or on behalf of the Landlord.

4.03 Payment of Additional Rent. If the Landlord elects, before the commencement of each Accounting Period the Landlord may notify the Tenant of the estimated amount for such Accounting Period of:

- (a) amounts payable to the Landlord pursuant to Section 4.02; and
- (b) such other items of Additional Rent which are not paid directly by the Tenant as the Landlord may estimate in advance.

The Tenant shall pay such estimated amount in monthly instalments, as notified by the Landlord to the Tenant, in advance on the first day of each month during such Accounting Period. The Landlord may from time to time during an Accounting Period re-estimate any items of Additional Rent and may fix monthly instalments for the then remaining balance of the Accounting Period so that such items will have been entirely paid during such Accounting Period. Within 120 days after the end of such Accounting Period the Landlord shall determine and provide the Tenant with a statement in reasonable detail for the relevant Accounting Period of the Operating Costs, the Property Taxes and such other items of Additional Rent as the Landlord estimated in advance. The Landlord shall provide the Tenant with a certificate of the Landlord's auditor confirming or not confirming the Landlord's determination of Operating Costs, which shall be binding upon the parties. If the total of the monthly instalments paid by the Tenant in respect of estimated Additional Rent for such Accounting Period is less than the amount of Additional Rent payable for such Accounting Period determined as aforesaid, the Tenant shall forthwith pay the difference to the Landlord. If the total of such monthly instalments paid is greater than the amount of the Additional Rent payable for such Accounting Period, determined as aforesaid, the difference shall either, at the option of the Landlord, be forthwith repaid to the Tenant with such statement, be applied in payment of other amounts owing by the Tenant, or be applied in reduction of future payments due under this Lease.

4.04 Accrual of Rent. Rent shall be considered as accruing from day to day hereunder from the Commencement Date and where it becomes necessary for any reason to calculate such Rent for an irregular period during the relevant Lease Year or Accounting Period an appropriate apportionment and adjustment shall be made on a per diem basis based upon the relevant Lease Year or Accounting Period.

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4.05 Payments Generally. All payments by the Tenant to the Landlord of whatsoever nature required or contemplated by this Lease shall:

- (a) be applied towards amounts then outstanding hereunder in such manner as the Landlord determines; and
- (b) bear interest daily from the due date to the date of payment, calculated daily, at the rate per annum which is 3% above Prime Rate, with interest on overdue interest at the same rate.

4.06 Net and Carefree Lease. The Tenant acknowledges and agrees that it is intended that this Lease shall be a completely carefree and triple net lease for the Landlord and that the Landlord shall not be responsible during the Term for any costs, charges, expenses, payments and outlays of any nature whatsoever arising from or relating to the Premises, whether foreseen or unforeseen and whether or not within the contemplation of the parties at the commencement of the Term, so as to provide to the Landlord an absolutely net rent, free and clear of all deductions, compensation, abatement or set-off throughout the Term. It is intended that the Tenant shall pay all costs, charges, expenses, payments and outlays of any nature whatsoever arising from or relating to the Premises, whether foreseen or unforeseen and whether or not within the contemplation of the parties at the commencement of the Term.

4.07 Absolute Obligation. Subject to Section 11.03 the Tenant's obligation to pay Rent and to perform all of its other obligations under this Lease are absolute and unconditional and shall not be affected by any event or circumstances whatsoever including, without limitation:

- (a) any claim, setoff, counterclaim, recoupment, defense or other right which the Tenant may have against the Landlord or anyone else for any reason whatsoever;
- (b) any defect in the title, condition, design, operation or fitness for use of, or any damage to or loss or destruction of, the Premises;
- (c) any interruption or cessation in the use or possession of the Premises or by the Tenant for any reason whatsoever including, without limitation, any Applicable Laws hereinafter enacted;
- (d) the state of completion or non-completion of the Stage II Building or any inability, even if permanent, to complete construction of the Stage II Building;
- (e) any interruption in use, deprivation of quiet enjoyment, nuisance or disturbance caused by construction of any part of the Development including, without limitation, the Tower; and

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- (f) any other circumstances, occurrences or events whatsoever, whether or not similar to the foregoing.

ARTICLE 5

CONTROL AND OPERATION OF BUILDING

5.01 Operation of the Premises. Subject to the other provisions of this Lease, the Tenant will operate the Premises in a first class and reputable manner as would a prudent owner of a comparable development of similar age, size and location in the City of Edmonton. The Tenant shall do and perform such other acts and things as are required to be done by the owner of the Premises in accordance with the Shared Facilities Agreement. Any notice from the Landlord to the Tenant of the need or desirability of any such acts or things shall be prima facie evidence of such need or desirability. The Landlord and the Tenant shall enter into any Shared Facilities Agreement necessary to enable the construction, existence and operation of the Tower, provided that the terms of such agreement are in form and substance satisfactory to the Landlord, acting reasonably.

5.02 Control of the Building. The Tenant shall have at all times exclusive control of the Premises and its management, operation and repair, but not so as to deny the Landlord access to the Premises for the purposes of inspecting the Premises or performing any of the obligations of the Tenant hereunder when the Tenant fails to do so in accordance with the provisions of this Lease.

5.03 Alterations. To the extent the Landlord is required to do so pursuant to the Ground Lease or any Shared Facilities Agreement at any time and from time to time, the Landlord may, alone or in conjunction with the owner or owners of any one or more components of the Development:

- (a) dedicate or convey portions thereof to any governmental or public authority or other Person and grant easements, rights-of-way, restrictive covenants or other interests in the Development including, without limitation, such rights-of-way, easements and other interests in, on, through or under the Premises as may be necessary or desirable in connection with the construction, operation or use of the Tower. The Tenant agrees that it shall enter into such agreements or other documents as may be necessary to give effect to the foregoing; and
- (b) permit others to construct in or adjoining the Premises improvements and make alterations or additions to, or change the location of, or expand or reduce any part of any buildings, facilities, improvements and areas from time to time in the Development, including, without limitation, the Shared Common Areas and Facilities provided that in so doing the Landlord shall

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use its reasonable efforts not to interfere or cause interference with the business of the Tenant.

5.04 Agreements and Easements. The Tenant agrees that it will co-operate fully with the Landlord in the development of the Lands and also agrees that it will:

- (a) enter into or consent to, as required by the Landlord, any Shared Facilities Agreement necessary to enable the construction, existence and operation of the Building or the Tower;
- (b) enter into or consent to, as required by the Landlord, any agreement with the City and/or public utilities which may be required in conjunction with the development of the Lands or any part thereof; and
- (c) grant or consent to the granting of one or more easements affecting the Lands for purposes of support and/or access for maintenance to any other part of the Lands in favour of the owner and/or occupant thereof and any mortgagee of any other part of the Lands.

5.05 No Liability. Neither the exercise by the Landlord of its rights under this Article 5 nor any noise, dust, vibration or other consequences of construction, alteration, expansion, reduction or reconstruction from time to time of the various parts of the Development including, without limitation, the Tower and the Phase II Parking Facility, shall entitle the Tenant to any reduction in Rent or abatement of Rent, result in any liability of the Landlord to the Tenant or in any other way affect this Lease or the Tenant's obligations hereunder.

ARTICLE 6

HVAC, UTILITIES AND OTHER SERVICES

6.01 Building Systems. The Tenant shall be solely responsible for all Building Systems. The Landlord shall not be responsible in any way for performance or breakdown of any of the Building Systems whether or not attributable to the inadequacy of the design of the Building Systems.

6.02 Electricity and Other Utilities. The Tenant shall pay all rates and charges relating to the use of electricity, water, gas, sewage disposal and other utility services serving the Premises when the same become due and payable and before any penalty or interest is incurred in respect thereof. The Tenant shall not in any event overload the capacity of any such service.

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6.03 Janitorial Services. The Tenant shall be responsible for all janitorial services to the Premises and shall keep the Premises in a neat and tidy condition at all times and the Landlord shall have no responsibility therefor whatsoever.

6.04 Performance by the Landlord. The Landlord shall have the right, but not the obligation, on behalf of the Tenant to perform any of the obligations of the Tenant under this Lease which the Tenant fails to perform in accordance with this Lease within 10 Business Days (or such longer period of time as may be necessary in the circumstances to perform such obligations provided the Tenant has commenced to perform such obligations within such 10 Business Day period and thereafter proceeds diligently to perform to completion such obligations) after receipt of notice from the Landlord of such failure and the Tenant shall pay to the Landlord on demand the costs of performance by the Landlord or its contractors of any such obligations plus an administration fee equal to 15% of such costs as Additional Rent.

6.05 Services by Other Persons. The Tenant shall be solely responsible for obtaining all services used or consumed in or provided to the Premises, and shall pay all costs related thereto. In no event will the Landlord be responsible for any failure or interruption in the supply of such services.

ARTICLE 7

TAXES AND OPERATING COSTS

7.01 Property Taxes Payable by the Tenant.

- (a) The Tenant shall during the Term pay all the Property Taxes and its equitable portion of all taxes, rates, duties, levies, fees, charges (including local improvement charges) and assessments of the nature included in Property Taxes which relate to the Shared Common Areas and Facilities ("Common Area Taxes") provided, however, that should the law require that any such Property Taxes or Common Area Taxes be paid by the Landlord and not the Tenant, the Tenant shall pay as Additional Rent directly to the Landlord in each Accounting Period during the Term any such Property Taxes and Common Area Taxes as are to be paid by the Landlord. The Tenant shall also pay any penalty and interest validly imposed in connection with any payment or non-payment of any such Property Taxes or Common Area Taxes (save for any penalty or interest occasioned by the failure of the Landlord to remit any payment when due when the Tenant has provided to the Landlord, prior to the date payment of the sum is required to be made to the appropriate authority, sufficient funds to make such payment) and will, from time to time, as requested by the Landlord, produce for inspection by the Landlord receipts or other reasonable evidence of payment of same.

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- (b) If it is necessary for the Landlord to determine the amount of Property Taxes or Common Area Taxes to be allocated to the Premises for the purposes of Subsection 7.01(a), such determination shall be made by the Landlord on an equitable basis having regard, without limitation, to the various uses of the components of the Development, costs of construction, the benefits derived by the relevant components of the Development, assessment values relating to the Development which may be available and any agreements between separate owners of the various components of the Development relating to the allocation of Property Taxes.
- (c) If the Landlord so requests, 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 and shall promptly deliver to the Landlord receipts evidencing payment of such Property Taxes on or before the date such tax bill or assessment sets for the payment of such Property Taxes. The Tenant shall also provide to the Landlord, at its request, any other information necessary for the Landlord to make any allocation contemplated by this Section 7.01.

7.02 Business Taxes and Other Taxes of the Tenant. The Tenant shall pay promptly when due to the taxing authorities or, other than Business Taxes, to the Landlord if it so directs, as Additional Rent, all Sales Taxes and all rates, duties, levies and assessments whatsoever, whether municipal, parliamentary or otherwise, levied, imposed or assessed in respect of the construction of the Building, operations at, occupancy of, or conduct of business in or from the Premises by the Tenant or any other permitted occupant, including the Tenant's Business Taxes. The Tenant shall also pay to the taxing authorities as Additional Rent an amount equal to any or all of the following Property Taxes, and any amounts so paid by the Tenant shall be excluded in the determination of Property Taxes allocated to the Building pursuant to Subsection 7.01(b):

- (a) all Property Taxes charged in respect of Leasehold Improvements; and
- (b) if the Premises, or any part of it, by reason of the act, election or religion of the Tenant or any other occupant shall be assessed for the support of separate schools, the amount by which the Property Taxes so payable exceed those which would have been payable if the Building had been assessed for the support of public schools.

7.03 Appeal of Taxes. The Tenant may appeal, if acting in good faith, the imposition of any Property Taxes or taxes, rates, duties, levies and assessments payable directly by it to the taxing authorities pursuant to Section 7.01 or Section 7.02 and may postpone payment thereof to the extent permitted by law if the Tenant is diligently proceeding with an appeal, provided that (i) such postponement does not render the Premises, or any part thereof, subject to sale or forfeiture and does not render the Landlord liable to prosecution, penalty, fine or other liability, (ii) the Tenant provides such security in

respect of the amount postponed as the Landlord may reasonably require and (iii) upon final determination of such appeal, the Tenant promptly pays the amount determined to be payable.

7.04 Information to Landlord. Whenever requested by the Landlord, the Tenant shall deliver to the Landlord copies of receipts for payment of all Property Taxes, Common Area Taxes and Business Taxes and other taxes, rates, duties, levies and assessments payable by the Tenant under this Article and furnish such other information in connection therewith as the Landlord may reasonably require. The Tenant shall keep the Landlord informed of all discussions and proposed negotiations with all public authorities relating to taxes, rates, duties and assessments, with the intent that the ~~Landlord shall have the right to participate in any discussions and negotiations which might affect its rights or obligations.~~

7.05 Change in Tax Structure. In the event that there shall be any change in the basis upon which any of the taxes, rates, levies, duties or assessments referred to in Article 7 hereof are calculated, levied or assessed, or in the event that any new business transfer taxes, goods and services taxes, sales taxes, value added taxes, ad valorem taxes or any other taxes, rates, levies, duties or assessments imposed on the Landlord with respect to the Rent payable by the Tenant or in respect of the rental of space under this Lease or in whole or in part on the value of the Premises and any licence fee measured by rent payable by occupants of the Premises are created by any federal, provincial or municipal authority, parliamentary or otherwise, then in either or both of such events, all such taxes, rates, levies, duties and assessments shall be paid by the Tenant. It is the intention of the parties hereto that save and except any taxes assessed or levied personally against the Landlord on account of income and capital taxes, all taxes, rates, levies, duties and assessments validly assessed against or in connection with the Premises or the business operations of the Landlord carried out thereupon and therein or the rents and revenues of the Premises, shall be borne by the Tenant. Notwithstanding any other provision of this Lease to the contrary, the amount payable by the Tenant under this section shall be deemed not to be Rent but the Landlord shall have all of the same remedies for and rights of recovery of such amount as it has for recovery of Rent under this Lease.

7.06 Operating Costs. The Tenant shall pay all of the costs, expenses, fees, rentals, disbursements and outlays (in Sections 7.06, 7.07 and 7.08 referred to collectively as "Operating Costs") of every kind paid, payable or incurred by the Tenant or the Landlord or otherwise in the ownership, rental, maintenance, repair, operation, administration and management of the Premises (including any amounts payable under any Shared Facilities Agreement) including, without limiting the generality of the foregoing:

- (a) all salaries, wages, fringe benefits, severance pay and termination payments paid to or for all personnel, including supervisory personnel and managers, and all costs of obtaining such personnel, in connection with the ownership, rental, maintenance, repair, operation, administration or management of the

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Premises or any part thereof or of the Shared Common Areas and Facilities, and amounts paid to professionals and independent contractors, including any management companies, for any services provided in connection with the maintenance, repair, operation, administration or management of the Premises or any part thereof or of the Shared Common Areas and Facilities;

- (b) costs of providing security, supervision, traffic control, janitorial, landscaping, window cleaning, waste collection, disposal and recycling, and snow removal services and the costs of machinery, supplies, tools, equipment and materials used in connection with the Premises or of the Shared Common Areas and Facilities or any rentals thereof;
- (c) costs of providing electric light and power, fuel, heat, processed air, water, telephone, steam, gas, sewage disposal and other utilities and costs of replacing building standard electric light fixtures, ballasts, tubes, starters, lamps, light bulbs and controls;
- (d) costs of all insurance which the Tenant is obligated or permitted to obtain under this Lease;
- (e) sales, value added and excise or other taxes on goods and services provided in connection with the leasing, maintenance, repair, operation, administration or management of the Premises or of the Shared Common Areas and Facilities;
- (f) costs of all maintenance, repairs and replacements (including those required to comply with Applicable Laws or the requirements of the Building's insurers) of every nature and kind whatsoever including, without limitation, repairs and replacements to the footings, foundations, structural columns and beams, structural subfloors, bearing walls, exterior walls and windows, and roofs of the Building;
- (g) management fees or management agent fees and administrative charges of a management company, if any, for the Premises or any part of it or of the Shared Common Areas and Facilities; and
- (h) amounts of every nature and kind whatsoever payable by the Landlord to the lessor under the Ground Lease including, without limitation, all items of rent payable thereunder.

7.07 Reimbursement to Tenant. The following shall be reimbursed by the Landlord to the Tenant:

- (a) net insurance proceeds received by the Landlord to the extent (but only to the extent) that such proceeds reimburse the Tenant for costs of repair and

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replacement which have been paid by the Tenant as Operating Costs in respect of the Premises, all in accordance with Section 11.05; and

- (b) net recoveries, if any, by the Landlord in respect of warranties or guarantees relating to the construction of the Building to the extent (but only to the extent) that the repair costs in respect of the work covered by such warranties or guarantees have been paid by the Tenant as Operating Costs in respect of the Premises.

7.08 Change of Law or Circumstances. If:

- (a) the introduction of or any change in any present or future law, regulation, rule or official directive (whether or not having the force of law) or interpretation thereof by any governmental or regulatory authority charged with the interpretation or administration thereof:
 - (i) subjects the Landlord to any tax with respect to payments of Rent or any portion thereof other than tax on the overall net income or capital of the Landlord; or
 - (ii) changes the basis of taxation of payments to the Landlord in respect of Rent; or
 - (iii) imposes, modifies or deems applicable any reserve and/or special deposit requirement in respect of this Lease; or
 - (iv) directly or indirectly affects the cost to the Landlord of leasing the Premises to the Tenant; and
- (b) the Landlord complies with any request, law, regulation, rule or directive from any applicable fiscal or monetary authority of competent jurisdiction (whether or not having the force of law);

and, as a result of the foregoing,

- (c) the cost to the Landlord of leasing the Premises to the Tenant is increased; or
- (d) the amount receivable by the Landlord or its effective rate of return on or by reference to any amount receivable hereunder is reduced;

then in any such case,

- (e) the Landlord shall notify the Tenant in writing of such event (which notification shall include a certificate of the Landlord setting out the basis for such calculation and the required terms of payment, the Landlord's

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certificate setting out the basis for such calculation being *prime facie* evidence thereof) as soon as possible; and

- (f) the Tenant shall pay to the Landlord on each day when Rent or any portion thereof would otherwise be payable hereunder, in addition to all other amounts payable hereunder, such amount as shall compensate the Landlord for such increased cost, reduction in payment or other reduction in return from the date of such notice.

The Landlord and Tenant acknowledge that for the purposes of the foregoing the Building is qualified as a "Class 1" Building under the Draft Amendments to the Regulations under the *Income Tax Act (Canada)* released December 16, 1987. If the Building is not so qualified or the classification is changed, it shall be deemed to be a change in present law for the purposes of the foregoing.

7.09 Joint Elections. The Tenant covenants and agrees to join in or make such joint elections under the *Income Tax Act (Canada)* with the Landlord as the Landlord may from time to time require in order to protect the economic interests of the Landlord under this Lease.

7.10 Environmental Indemnity. The Tenant hereby agrees to indemnify the Landlord, its officers, directors, employees and agents and agrees to save each of them harmless from and against any and all losses, liabilities, damages (including, without limitation, the costs of defending and/or counter-claiming, cross-claiming or claiming over against third parties in respect of any action or matter and any costs, liabilities or damages arising out of a settlement of any action entered into by the Landlord with the consent of the Tenant, which consent shall not be unreasonably withheld or delayed) which at any time or from time to time may be paid, incurred or asserted against any of them for, with respect to, or as a direct or indirect result of the presence on, in or under, or the seepage, leakage or spillage into, through or upon any land, the atmosphere, or any water course, body of water or wetland, of any Hazardous Material except insofar as the losses referred to above are solely attributable to the acts of the Landlord, its officers, its directors, employees, or agents. Furthermore, if the Landlord or its agents or any receiver, manager, receiver-manager, liquidator or similar Person takes possession of the Premises or any part thereof, the Tenant hereby agrees to indemnify and save harmless each such Person in the manner set out above except insofar as the losses referred to above are solely attributable to the acts of such Person or to the Landlord, its officers, directors, employees or agents. The provisions of this Section 7.10 shall continue in full force and effect for so long as the possibility as any such liability, claim or loss exists.

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ARTICLE 8

USE OF PREMISES

8.01 **Permitted Business.** The Tenant shall use the Premises solely as business offices (or any other use lawfully permitted and to which the Landlord has consented which consent shall not be unreasonably withheld) in a first class and reputable manner. The Tenant shall not in any event use or allow the use of the Premises, or any part thereof, for any other purpose without the prior written consent of the Landlord, which consent shall not be unreasonably withheld.

8.02 **Nuisance.** The Tenant shall not carry on any business or do or suffer any act or thing which constitutes a nuisance. For the purposes hereof, the construction of the Stage II Building and the Tower shall be deemed not to be a nuisance, provided the same is carried out in a timely and efficient manner.

8.03 **Compliance with Laws.** The Tenant shall promptly comply with and conform to all Applicable Laws affecting the Premises or the Leasehold Improvements therein and shall construct the Stage II Building in accordance with all Applicable Laws. If any obligation to modify, extend, alter or replace any part of the Premises or any Leasehold Improvements, trade fixtures, furniture or equipment in the Premises is imposed upon the Landlord, the Landlord may at its option either do the necessary work, at the expense of the Tenant, or forthwith give notice to the Tenant to do such work within the requisite period of time and the Tenant shall thereupon do such work within the requisite period of time. The Tenant shall pay to the Landlord the cost of any work done by the Landlord together with an administrative fee equal to 15% of the cost of such work as Additional Rent.

8.04 **Compliance with Rules and Regulations.** The Landlord shall have the right from time to time during the Term to make rules and regulations and amendments, deletions and additions to such rules and regulations in the interests of the Premises or the Development. Such rules and regulations, together with all amendments, deletions and additions made thereto by the Landlord, acting reasonably, and of which notice shall have been given to the Tenant, shall be deemed to be part of this Lease, provided that in the event of a conflict with any other provisions of this Lease the other provisions of this Lease shall govern.

8.05 **Disfiguration, Overloading.** The Tenant shall not commit, do or suffer any waste, damage, disfiguration or injury to the Building and shall not permit or suffer any overloading of the floors thereof or the bringing into any part of the Building, any articles or fixtures that by reason of their weight, use or size might damage or endanger the structure or any of the Building Systems.

8.06 **Remedial Action.** If the Tenant is in breach of any of the provisions of this Article 8, the Landlord may, in addition to any other remedies that it may have

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hereunder, enter upon the Building and take such remedial action as is necessary to remedy the breach and repair any damage caused thereby and the Tenant shall pay forthwith to the Landlord the Landlord's costs incurred in connection therewith as Additional Rent together with interest thereon at the Prime Rate plus 3% per annum calculated daily with interest on overdue interest at the same rate.

ARTICLE 9

INSURANCE, LIABILITY AND INDEMNITY

9.01 Tenant's Insurance. The Tenant shall effect and maintain with insurers of recognized responsibility who have been approved by the Landlord, and shall pay for during the Term:

- (a) "all risks" insurance which shall insure the Premises and Leasehold Improvements for an amount not less than the replacement cost thereof from time to time, against loss or damage by perils now or hereafter from time to time embraced by or defined in a standard all risks insurance policy including fire, explosion, impact by aircraft or vehicles, lightning, riot, vandalism or malicious acts, smoke, leakage from fire protective equipment, windstorm or hail, collapse or earthquake;
- (b) during any period of construction of the Stage II Building and the Leasehold Improvements, builders "all risks" and "general risks" insurance including, without limitation, flood and earthquake with respect to the Development and any on-site and off-site work and materials related thereto protecting the Tenant and the Landlord and all contractors and sub-contractors, in an amount not less than the full replacement cost of the Building and such on-site and off-site work, materials and equipment related thereto in the case of on-site, and with customary limits in the case of off-site, which policy shall make provision for vacancy;
- (c) broad form boiler and machinery insurance on objects defined in a standard broad form boiler and machinery policy including, without limitation, Leasehold Improvements, against accidents as defined therein, with limits of not less than \$10,000,000, which coverage shall include, without limitation, loss or damage of whatsoever kind or nature by reason of explosion or collapse by vacuum or cracking, burning, or bulging of any steam or hot water boilers, pipes and accessories;
- (d) comprehensive general liability insurance against claims for bodily injury (including death), personal injury and property damage in or about the Premises, in amounts from time to time satisfactory to the Landlord, acting reasonably, but in any event in an amount not less than \$1,000,000 per

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occurrence as basic coverage together with an umbrella coverage in an amount of not less than \$10,000,000 per occurrence. All such liability insurance shall also comply with the terms of the Ground Lease, Article Ten of the City Development Agreement and any other applicable Underlying Agreement;

- (e) any other form of insurance that the Landlord or any Mortgagee or any third party which is a party to an agreement with either the Landlord or the Tenant relating to the Premises may reasonably require from time to time in form, amounts and for insurance risks acceptable to the Landlord and any Mortgagee,

with such reasonable deductions and exclusions as the Landlord may from time to time approve, acting reasonably.

9.02 Form of Policies.

- (a) Each policy required pursuant to Section 9.01 shall be in form and with insurers acceptable to the Landlord. The insurance described in Subsections 9.01(a), (c) and (d) shall name as an additional insured the Landlord and anyone else with an interest in the Premises from time to time designated in writing by the Landlord. All property damage and liability insurance shall contain provisions for cross-liability and severability of interests as between the Landlord and the Tenant. Each policy maintained pursuant to Subsections 9.01(a), (c) and (d) shall contain a waiver of any rights of subrogation which the insurer may have against the Landlord and those for whom the Landlord is in law responsible whether the damage is caused by the act, omission or negligence of the Landlord or such other Persons.
- (b) The insurance described in Subsections 9.01(a) and (b) shall provide that any proceeds recoverable in the event of damage to the Building and any proceeds in excess of \$250,000 in respect of damage to Leasehold Improvements shall be payable to the Landlord. The Landlord agrees to make available such proceeds, subject to the holdback requirements of the Builders Lien Act (Alberta), as amended or replaced from time to time, toward repair or replacement of the insured property if this Lease is not terminated pursuant to any other provision of this Lease. All such proceeds shall be held by the Landlord to be applied in instalments from time to time to the cost of repair, restoration, reconstruction or replacement of the Premises against the certificates of the engineer in charge of such repair, restoration, reconstruction or replacement, having first received evidence satisfactory to the Landlord that the Premises are not subject to any construction liens and that the Tenant has borne or can and will bear all costs incurred which are in excess of such proceeds, all in accordance with Section 11.05.

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- (c) Each policy required pursuant to Section 9.01 shall provide that the insurer must notify the Landlord and any Mortgagee in writing at least 30 days prior to any material change, expiry or cancellation thereof and that the policy shall not be invalidated in respect of the interests of the Landlord and any Mortgagee by reason of any breach or violation by the Tenant of any warranties, representations, declarations or conditions contained in such policies, and the policy will be considered as primary insurance and shall not call into contribution any other insurance that may be available to the Landlord.

9.03 Evidence of Policies. The Tenant shall furnish to the Landlord, prior to the commencement of the Term, evidence satisfactory to the Landlord that each policy required by Section 9.01 has been obtained. The Tenant shall provide written evidence of the continuation of such policies not less than 2 Business Days prior to their respective expiry dates.

9.04 Payment of Premiums. The cost or premium for each and every such policy shall be paid by the Tenant. If the Tenant fails to maintain such insurance the Landlord shall have the right, but not the obligation, to do so, and to pay the cost or premium therefor, and in such event the Tenant shall repay to the Landlord, as Additional Rent, forthwith on demand the amount so paid.

9.05 Insurance Risks. The Tenant shall not do, omit to do, or permit to be done or omitted to be done upon the Lands or the Building anything that may contravene or be prohibited by any of the Tenant's insurance policies in force from time to time covering or relevant to any part of the Lands or the Building or which would prevent the Tenant from procuring such policies with companies acceptable to the Landlord.

9.06 Limitation of Landlord's Liability. The Landlord, its agents, officers, employees and other Persons for whom the Landlord is legally responsible shall not be liable for:

- (a) damage to or destruction or loss of (i) any property of the Tenant entrusted to the care or control of the Landlord or (ii) the Premises (including Leasehold Improvements) or any property in or upon the Premises; or
- (b) any bodily injury (including death), personal injury, damages for personal discomfort or illness or consequential injury or damage (including, without limitation, loss of business income) sustained by the Tenant or any of its agents, officers, employees, customers, invitees or licensees or any other Person who may be in or upon the Premises or any other part of the Development;

whether or not caused by (i) the negligence, any act or omission of the Landlord, its agents, officers, employees or other Persons for whom the Landlord is legally responsible

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or (ii) the operation, faulty operation, interruption or breakdown of any of the Building Systems or services including, without limitation, electricity interruption, "brown-outs" or surges.

9.07 General. The Tenant covenants with the Landlord that the Tenant shall indemnify and save harmless the Landlord from any and all manner of actions, causes of action, suits, damages, loss, costs, claims and demands by third parties of any nature whatsoever and howsoever caused ("Claims") or by or on behalf of the Tenant, its agents, officers, directors, shareholders or employees, and relating to or arising by reason of events during the Term out of:

- (i) any breach, violation or nonperformance of any covenant, condition or agreement of this Lease set forth and contained on the part of the Tenant to be fulfilled, kept, observed or performed; or
- (ii) the use or occupation of the Premises by the Tenant or as permitted by the Tenant; or
- (iii) any and all acts performed or omitted to be performed by or on behalf of the Tenant, its agents, officers, directors, shareholders, employees, independent contractors, subcontractors, subtenants and licensees; or
- (iv) any injury to person or persons, including death or damage to property resulting at any time therefrom, occurring in or about the Premises; or
- (v) actions by the Landlord, its servants, agents or contractors.

The obligations of the Tenant to indemnify the Landlord under the provisions of this section with respect to liability by reason of any matter arising prior to the termination of this Lease shall survive any termination of this Lease, anything in this Lease to the contrary notwithstanding. The Tenant shall, in any and every event in which the Landlord is made a party to any action, suit or proceeding in respect of a claim to which the Tenant's obligation to indemnify the Landlord under the provision of this section extends, if so requested by the Landlord, defend such action, suit or proceeding in the name of the Landlord and shall pay all costs, expenses and reasonable legal fees of the Landlord in connection with the litigation, provided that the Tenant may, in any such event, elect to pay and satisfy any such claim. The Tenant hereby releases the Landlord from all liability for loss or damage, however caused, with respect to any loss or damage required to be insured by the Tenant hereunder and agrees that neither the Tenant nor its insurers by subrogation shall have any claim against the Landlord in respect thereto.

9.08 Limitation. Section 9.07 is intended to protect the Landlord against any claims which may be made against the Landlord solely because the Landlord has an interest in

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the Premises. Section 9.07 does not apply to any claims which would have occurred if the Landlord had not had such an interest and, without prejudice to the generality of the foregoing, it does not apply to claims caused by wrongful act or neglect of the Landlord, or material breach by the Landlord of this Lease or other agreement related to the Premises which is not caused by a breach of the obligations on the part of the Tenant or its employees, servants, agents, subcontractors or persons for whom it is responsible.

9.09 Construction Liens. The Tenant shall promptly pay for all materials supplied and work done in respect of the Building so as to ensure that no lien or claim of lien is registered against any portion of the Premises or against the Landlord's or Tenant's interest therein. The Tenant shall not suffer or permit any lien under the *Builders' Lien Act* or any similar statute to be filed or registered against the Landlord's or Tenant's estate or interest in the Premises by reason of work, labour, services or materials supplied to the Tenant or anyone holding any interest in the Premises or any part thereof or under this Lease. If a lien or claim of lien is registered or filed, the Tenant shall discharge it at its expense within 30 days after notice from the Landlord, failing which the Landlord may at its option discharge the lien 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 as Additional Rent. Should the Tenant desire to contest in good faith the amount or validity of any such claim for payment for work or materials supplied to the Premises then the Tenant may do so only by paying into court an amount sufficient to ensure always that neither the Premises nor any part thereof, nor the Landlord's or Tenant's interest therein, shall thereby become subject to any lien or liable to forfeiture or sale. Nothing herein contained shall authorize the Tenant, or imply any consent or agreement on the part of the Landlord, to subject the Landlord's estate and interest in the Premises to any lien.

ARTICLE 10

MAINTENANCE, REPAIR AND ALTERATIONS

10.01 Maintenance by Tenant. Subject to Article 11, the Tenant covenants to maintain and repair and replace the Premises and all parts thereof as would a prudent owner of a comparable development of similar size and location in the City of Edmonton in order to maintain the same as a first class building; without limitation, such covenant extends to:

- (a) all parts of the Building, including without limitation the Building Systems and the footings, foundations, structural columns and beams, structural subfloors, bearing walls, exterior walls, windows and roofs of the Building;
- (b) the Leasehold Improvements; and

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- (c) any other improvements or other structures located in, on or around the Lands.

The full cost of such repairs, replacements or alterations shall be paid by the Tenant.

10.02 Landlord's Remedies. The Landlord may enter the Premises at all reasonable times to view its condition and the Tenant shall maintain and repair according to notice in writing from the Landlord. If the Tenant fails to carry out any maintenance, repairs, replacements or work required to be carried out by it under this Lease within five Business Days (or such longer period of time as may be necessary in the circumstances to make or carry out such maintenance, repairs, replacements or other work provided the Tenant has commenced to perform such maintenance, repairs, replacements or other work within such five Business Day period and thereafter proceeds diligently to perform to completion such maintenance, repairs, replacements or other work) after receipt of Notice from the Landlord stipulating such failure to the reasonable satisfaction of the Landlord, the Landlord may (but shall not be obligated to) at its option carry out such maintenance, repairs, replacements or work without any liability for any resulting damage to the Tenant's property or business. The cost of such maintenance, repairs, replacements or work shall be paid by the Tenant to the Landlord together with an amount equal to 15% of the cost of such maintenance, repairs, replacements or work to compensate the Landlord for administrative costs incurred by it in performing the Tenant's obligations hereunder as Additional Rent. At the expiration or earlier termination of the Term, the Tenant shall surrender the Building to the Landlord in as good condition and repair as the Tenant is required to maintain the Building throughout the Term.

10.03 Approval of Tenant's Additions and Alterations.

- (a) The Tenant will not require approval of the Landlord for any alterations, improvements, repairs or replacements to the Building after the commencement of the Term which do not affect the structure of the Building or any of the Building Systems and which do not require a building permit, provided the Tenant has given written notice with reasonable detail of the proposed work to the Landlord in advance. All other alterations, improvements, repairs or replacements after the commencement of the Term will require the Landlord's prior written approval, not to be unreasonably withheld.
- (b) Wherever the Landlord's approval is required pursuant to subsection 10.03(a), the Tenant shall submit to the Landlord details of the proposed work and a reasonable number (as required by the Landlord) of copies of drawings and specifications for such work prepared by qualified architects or engineers. The Tenant shall pay to the Landlord its then current charge and all disbursements incurred by the Landlord for the review of such drawings and specifications. The Landlord shall respond to any request for approval within 30 days of receipt of all required details, drawings and

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specifications and provide details of any changes required. The Tenant shall incorporate such changes into such drawings and specifications and resubmit them for approval. The Tenant shall not apply for a building permit prior to receiving the Landlord's approval of the drawings and specifications.

- (c) All additions, alterations, improvements, repairs and replacements shall be performed:
- (i) at no cost to the Landlord;
 - (ii) in a good and workmanlike manner;
 - (iii) by contractors and workmen approved by the Landlord, acting reasonably (except where the approval of the Landlord is not required as set out in subsection 10.03(a));
 - (iv) in accordance with the drawings and specifications approved by the Landlord (except where the approval of the Landlord is not required as set out in subsection 10.03(a));
 - (v) in accordance with all Applicable Laws and requirements of the Building's insurers;
 - (vi) subject to the reasonable regulation, supervision, control and inspection of the Landlord; and
 - (vii) subject to such indemnification against liens and expenses as the Landlord reasonably requires.
- (d) If the Tenant installs Leasehold Improvements or makes alterations, improvements, repairs or replacements which depart from the standard for the Building, and which restrict access by the Landlord or any Person to whom the Landlord has granted an easement, right-of-way or other interest in the Premises or any part thereof to any of the Building, Building Systems or Shared Common Areas or Facilities, then the Tenant shall be responsible for all costs incurred by the Landlord or any Person to whom the Landlord has granted an easement, right-of-way or other interest in the Premises or any part thereof in obtaining access to the Building, Building Systems or Shared Common Areas and Facilities.
- (e) Upon the request of the Landlord, the Tenant shall assign to the Landlord, as collateral security for the obligations of the Tenant under this Lease, any contract entered into by the Tenant with any Person for the making of any additions, alterations, improvements, repairs and replacements.

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10.04 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 or trade fixtures shall be removed from the Building by the Tenant either during or at the expiry or earlier termination of the Term except that:

- (a) the Tenant may, during the Term, in the usual course of its business, remove its trade fixtures, provided that the Tenant is not in default under this Lease; and
- (b) the Tenant shall, at its sole cost remove such of the Leasehold Improvements and trade fixtures in the Building as the Landlord shall require to be removed, such removal to be completed by the later of (i) the date of expiry or earlier termination of the Term, or (ii) the day which is 30 days after the receipt by the Tenant of written notice from the Landlord of such requirement, such notice to be given no later than 30 days prior to the date of expiry of the Term or, in the case of an earlier termination of the Term, no later than 30 days after the date the Landlord recovers possession of the Building unless the Tenant so exercises its election as set out in Section 15.01.

The Tenant shall at its own expense repair any damage caused to the Building by the Leasehold Improvements or trade fixtures or such removal. If the Tenant does not remove its trade fixtures prior to the expiry or earlier termination of the Term, such trade fixtures shall, at the option of the Landlord, become the property of the Landlord and may be removed from the Building and sold or disposed of by the Landlord in such manner as it deems advisable. If the Tenant fails to complete any work referred to in this Section within the period specified, the Tenant shall pay compensation to the Landlord for each day after the expiry of such period until the completion of such work at a rate equal to \$780,000 per month, which sum is agreed by the parties to be a reasonable estimate of the damages suffered by the Landlord for loss of use of the Building.

10.05 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 or in the Shared Common Areas and Facilities which comes to the attention of the Tenant and shall outline in writing the corrective action which the Tenant proposes to take in respect thereto.

ARTICLE 11

EXPROPRIATION, DAMAGE BY FIRE OR OTHER CASUALTY

11.01 Damage to Building. Subject to Section 11.03, if all or part of the Premises is rendered unfit for use by damage from any cause, the Tenant shall with reasonable diligence repair such damage, including damage to its trade fixtures, furniture, equipment and personal property and to the Leasehold Improvements, or rebuild as necessary. The cost of all such repairs or rebuilding made by the Tenant shall, to the extent not paid out of insurance proceeds received by the Landlord or Tenant pursuant to insurance maintained pursuant hereto, be paid by the Tenant.

11.02 Abatement. Subject to Section 11.03, the destruction or damage of the Premises by fire or any other peril shall not terminate this Lease or entitle the Tenant to surrender possession of the Premises or to demand any abatement or reduction of the Rent under this Lease and this Lease shall continue in full force and effect, any law or statute now or in the future to the contrary notwithstanding.

11.03 Major Damage to Building. Notwithstanding Section 11.01, if any substantial part or parts of the Building required for the proper operation of the Building are damaged or destroyed by any cause to the extent that, in the reasonable opinion of a duly qualified Expert as set out in a certificate of such Expert addressed to the Landlord and the Tenant delivered within 30 Business Days of the occurrence of such damage or destruction, the damage or destruction cannot be repaired within 180 days after the occurrence of such damage or destruction, then the Tenant may at its option, exercisable by notice to the Landlord given within 60 days after the occurrence of such damage or destruction, terminate this Lease. Provided that such termination shall not be effective unless the Tenant pays to the Landlord all accrued but unpaid Rent to the date of termination plus the Agreed Casualty Value shown in Schedule D as being applicable for the Lease Year in which the Lease is so terminated. Upon termination of this Lease the Tenant shall deliver up possession of the Premises to the Landlord.

11.04 Tenant Obligations on Rebuilding. In repairing or rebuilding the Premises the Tenant shall use only such drawings, designs, plans and specifications as are approved by the Landlord, in its sole discretion, provided that the Building as altered or relocated shall be substantially the same size and have substantially the same attributes as the original Building.

11.05 Insurance. The insurance to be maintained by the Tenant pursuant to this Lease shall provide for payment of loss to the Landlord or as it may otherwise direct. The proceeds of all fire damage and other property damage insurance shall, unless the Lease is terminated pursuant to Section 11.03, and subject to the holdback requirements of the Builders Lien Act (Alberta), as amended or replaced from time to time, be made available for repair and rebuilding. The Landlord shall release to the Tenant such proceeds of insurance not more frequently than once per month to reimburse the Tenant

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for expenditures made in connection with such repair or rebuilding provided that the aggregate amount of funds which the Landlord shall be required to release to the Tenant pursuant hereto shall not exceed the cost of repair and rebuilding in place at the time the request for an advance of such funds from the Tenant and provided that in any event the Landlord shall not be obligated to release any portion of such insurance proceeds unless the amount of such insurance proceeds then being held by the Landlord is equal to or greater than the cost to complete the repair or rebuilding, all as certified to the Landlord by the Expert in charge of such repair or rebuilding. In the event that the Lease is terminated pursuant to Section 11.03, all such insurance proceeds shall be used firstly to pay to the Landlord the Agreed Casualty Value plus all accrued and unpaid Rent hereunder and thereafter shall be released to each of the named insureds as their interest may appear.

11.06 Expropriation. If at any time during the Term of this Lease title is taken by the right or exercise of condemnation or expropriation to the whole or such portion of the Building (whether or not including the Premises) which renders the remainder of the Building effectively unusable the Landlord may, at its option, give notice to the Tenant terminating this Lease on the date stated in the said notice. Upon such termination, the Tenant shall immediately surrender the Premises and all its interest therein to the Landlord, and the Rent shall abate and be apportioned to the date of termination and the Tenant shall forthwith pay to the Landlord the apportioned Rent and all other amounts which may be due to the Landlord up to the date of termination. The Tenant shall have no claim upon the Landlord for the value of the unexpired Term of this Lease, but the parties shall each be entitled to separately advance their claims for compensation for the loss of their respective interests in the Premises provided that the Landlord shall be entitled to receive out of any compensation awarded to the Landlord or the Tenant an amount equal to the Agreed Casualty Value and until such time as the Landlord has received such amount, the Tenant shall not be entitled to retain any compensation awarded to it.

ARTICLE 12

TRANSFERS

12.01 Transfers. The Tenant shall be entitled to make any Transfer without the prior written consent of the Landlord, subject to the conditions hereinafter provided. The Tenant shall not make any transfer which does not comply with the conditions hereinafter provided.

12.02 Conditions of Transfer.

- (a) If there is a permitted Transfer by way of an assignment (other than by way of security) or subletting, the Landlord may collect Rent from the Transferee and apply the amount collected to the Rent payable under this Lease but no acceptance by the Landlord of any payments by a Transferee

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shall be deemed to be a waiver of the Tenant's covenants or any acceptance of the Transferee as a tenant or a release of the Tenant from the further performance by the Tenant of its obligations under this Lease. Any permitted Transfer shall be subject to the Tenant and Transferee executing, prior to the Transfer being made, an agreement with the Landlord agreeing that the Transferee will be bound by all of the terms of this Lease, and except in the case of a sublease, that the Transferee will be so bound as if it had originally executed this Lease as tenant.

- (b) Notwithstanding any Transfer permitted pursuant hereto the Tenant shall remain liable under this Lease and shall not be released from performing any of the terms of this Lease unless the Landlord agrees in writing, in its sole discretion to release the Tenant from its covenants hereunder, which agreement shall be subject to credit approval by the Landlord of the sublessee or assignee (which credit approval shall not be unreasonably withheld).
- (c) The minimum and additional rent (of the type contemplated in Section 4.01 and subsections 4.02(a) and 4.02(b) of this Lease) payable by a Transferee which obtains its interest by way of an assignment (other than by way of security) or sub-lease shall not be less than the Minimum Rent and Additional Rent payable by the Tenant pursuant to Section 4.01 and Subsections 4.02(a) and 4.02(b) of this Lease as at the effective date of the Transfer (including any increases provided for in this Lease).
- (d) 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 forthwith pay to the Landlord an amount equivalent to such consideration. The Tenant and the Transferee shall execute any agreement required by the Landlord to give effect to the foregoing terms.
- (e) Notwithstanding the effective date of any permitted Transfer as between the Tenant and the Transferee, all Rent for the sixth-month period 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 sixth-month period from either the Tenant or Transferee.
- (f) The agreements referred to in this Section 12.02 shall be prepared by the Tenant or its solicitors at the Tenant's cost.
- (g) The Tenant shall not assign or otherwise encumber its interest under this lease by way of Security for any indebtedness of the Tenant or any other Person.

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12.03 Assignment by Landlord. Subject to Article 15, the Landlord shall have the unrestricted right to sell, transfer, lease, charge or otherwise dispose of all or any part of its interest in the Premises or the Development or any interest of the Landlord in this Lease. In the event of any sale, transfer, lease, charge or other disposition to the extent that the assignee from the Landlord agrees with the Landlord and the Tenant to assume the obligations of the Landlord under this Lease, the Landlord shall thereupon, and without further agreement, be released of all liability under this Lease save in respect of defaults of the Landlord existing prior to that time.

12.04 Exhibiting Premises. The Landlord and its agents, upon 24 hours prior written notice to the Tenant, may exhibit the Premises during Business Hours to prospective tenants for such space or to prospective purchasers or Mortgagees.

ARTICLE 13

STATUS CERTIFICATES, SUBORDINATION, ATTORNMENT

13.01 Status Certificates. The Landlord and the Tenant shall at any time and from time to time execute and deliver to the other or as the other may direct within 2 days after it is requested a statement in writing, in the form supplied by the requesting party, certifying that this Lease is unmodified and in full force and effect (or if modified, stating the modification and stating that the Lease is in full force and effect as modified), the Commencement Date, the amount of the Minimum Rent and other Rent then being paid hereunder, the dates to which such Rent hereunder has been paid, whether or not there is any existing default on the part of the requesting party of which the other party is aware and any other particulars that the requesting party may reasonably request.

13.02 Subordination and Attornment. This Lease and the rights of the Tenant hereunder shall be subject and subordinate to all existing or future Mortgages and to all renewals, modifications, consolidations, replacements and extensions thereof. Whenever requested by the Landlord or a Mortgagee, the Tenant shall, within five (5) days after such request, enter into an agreement with the Mortgagee whereby the Tenant postpones and subordinates this Lease to the interest of any stipulated Mortgagee and agrees that whenever requested by such Mortgagee it shall attorn to and become the Tenant of such Mortgagee, or any purchaser from such Mortgagee in the event of the exercise by the Mortgagee of its power of sale, for the then expired residue of the term upon all the terms and conditions of this Lease provided that such Mortgagee recognizes the Tenant's rights under this Lease and agrees not to disturb the Tenant's occupancy of the Premises so long as the Tenant is not in default under this Lease. In addition, the Tenant shall, upon request of the Landlord or the lessor under the Ground Lease, enter into an agreement with such lessor to the effect that it shall attorn to and become the Tenant of such lessor, or any successor or assign, if the lessor or any successor or assign shall take possession of the Adjacent Lands as a result of a default under the Ground Lease

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for the then unexpired residue of the Term on all the terms and conditions of this Lease and the Ground Lease.

ARTICLE 14

REMEDIES OF LANDLORD

14.01 Events of Default. Any of the following constitutes an Event of Default under this Lease:

- (a) any Rent is in arrears and is not paid within 5 days after written demand by the Landlord;
- (b) the Tenant has breached any of its obligations in this Lease and, if such breach is capable of being remedied and is not otherwise listed in this Section 14.01, after notice in writing from the Landlord:
 - (i) the Tenant fails to remedy such breach within 15 days (or such other period as may be provided in this Lease); or
 - (ii) if such breach cannot reasonably be remedied within 15 days or such other period, the Tenant fails to commence to remedy such breach within such 15 days or other period or thereafter fails to proceed diligently to remedy such breach;
- (c) the Tenant becomes bankrupt or insolvent or takes the benefit of any statute for bankrupt or insolvent debtors or makes any proposal, an assignment or arrangement with its creditors, or any steps are taken or proceedings commenced by any Person for the dissolution, winding-up or other termination of the Tenant's existence or the liquidation of its assets (other than pursuant to a bona fide corporate reorganization permitted hereunder where the successor corporation is subject to all of the obligations of the Tenant hereunder and has the same credit worthiness (in the Landlord's opinion, acting reasonably) as the Tenant prior to reorganization);
- (d) a trustee, receiver, receiver/manager, or a Person acting in a similar capacity is appointed with respect to the business or assets of the Tenant and such appointment is not vacated within 30 days of the making of such appointment;
- (e) the Tenant makes a sale in bulk of all or a substantial portion of its assets other than in conjunction with a Transfer permitted hereby;

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- (f) this Lease or any of the Tenant's assets are taken under a writ of execution and such writ is not stayed or vacated within 15 days after the date of such taking;
- (g) the Tenant makes a Transfer other than in compliance with the provisions of this Lease;
- (h) an event of default, as defined in any material agreement or instrument relating to the borrowing of money by the Tenant, shall have occurred and be continuing and the indebtedness of the Tenant in any aggregate principal amount of not less than \$5,000,000 in Canadian dollars or the equivalent thereof in other currencies under such agreement or instrument shall have been declared or become due and payable prior to its stated maturity in accordance with the terms thereof and the time for payment of such indebtedness shall not have been effectively extended;
- (i) the Tenant is a party to any merger, consolidation, reconstruction or amalgamation, other than such a transaction solely with one or more of its subsidiaries, if, in the opinion of the directors of the Tenant, the ability of the Tenant to pay such term obligations as they become due hereunder would be materially and adversely affected thereby;
- (j) the Tenant abandons or attempts to abandon the Building or the Building becomes vacant or substantially unoccupied for a period of 30 consecutive days or more (after the Tenant has taken occupation thereof) without the consent of the Landlord; and
- (k) any insurance policy covering any part of the Building is, or is threatened to be, cancelled or adversely changed as a result of any action or omission by the Tenant or any Person for whom it is legally responsible.

14.02 Default and Remedies. If and whenever an Event of Default occurs, then without prejudice to any other rights which it has pursuant to this Lease or at law, the Landlord shall have the following rights and remedies, which are cumulative and not alternative:

- (a) to terminate this Lease by notice to the Tenant or to re-enter the Premises and repossess them and, in either case, enjoy them as of its former estate, and 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;
- (b) to complete construction of the Stage II Building and to make all payments in connection therewith and for such purposes the Landlord shall be entitled, but shall not be obligated, to apply the whole or any portion of the unpaid purchase price pursuant to the Purchase Agreement thereto and

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any amount payable by the Landlord to the Tenant pursuant to the Purchase Agreement shall be reduced by any amount so applied;

- (c) to enter the Premises as agent of the Tenant and to relet the Premises for whatever length, and on such terms as the Landlord in its discretion may determine and to receive the rent therefor and as agent of the Tenant to take possession of any property of the Tenant in the Premises to store such property at the expense and risk of the Tenant or to sell or otherwise dispose of such property in such manner as the Landlord sees fit without notice to the Tenant; to make alterations to the Premises to facilitate its reletting; and to 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 in arrears, with the residue to be held by the Landlord and applied to payment of future Rent as it becomes due and payable; provided that the Tenant shall remain liable for any deficiency to the Landlord;
- (d) to remedy or attempt to remedy any default of the Tenant under this Lease for the account of the Tenant and to enter upon the Premises for such purposes; and no notice of the Landlord's intention to remedy or attempt to remedy such default need be given the Tenant unless expressly required by this Lease; and 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 such default and the Tenant shall pay to the Landlord all expenses incurred by the Landlord in connection therewith;
- (e) to recover from the Tenant all damages, costs and expenses incurred by the Landlord as a result of any default by the Tenant including, if the Landlord terminates this Lease, 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;
- (f) to recover from the Tenant the full amount of the Rent for the current semi-annual period, all of which shall accrue on a day to day basis and shall immediately become due and payable as accelerated rent; and
- (g) to recover from the Tenant the amount payable by the Tenant pursuant to Section 15.02.

14.03 Distress. Notwithstanding any provision of this Lease or any provision of applicable legislation, none of the goods and chattels of the Tenant in the Building at any time during the Term shall be exempt from levy by distress for Rent in arrears, 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

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as an estoppel against the Tenant in any action brought to test the right of the Landlord to levy such distress.

14.04 Costs. The Tenant shall pay to the Landlord all damages, costs and expenses (including, without limitation, all legal fees on a solicitor and client basis) incurred by the Landlord in enforcing the terms of this Lease, or with respect to any matter or thing which is the obligation of the Tenant under this Lease, or in respect of which the Tenant has agreed to insure or to indemnify the Landlord.

14.05 Survival of Obligations. The indemnity provisions of this Lease and the Landlord's rights in respect of any failure by the Tenant to perform any of its obligations under this Lease shall remain in full force and effect notwithstanding the expiration or earlier termination of the Term.

14.06 Remedies Cumulative. Notwithstanding any other provision of this Lease, the Landlord may from time to time resort to any or all of the rights and remedies available to it in the event of any default hereunder by the Tenant, either by any provision of this Lease, by statute or common law, all of which rights and remedies are intended to be cumulative and not alternative, and the express provisions hereunder as to certain rights and remedies are not to be interpreted as excluding any other or additional rights and remedies available to the Landlord hereunder, by statute or the general law.

ARTICLE 15

SPECIAL PROVISIONS

15.01 Election re: Title. In the event that the Tenant renews this Lease in accordance with the provisions of Section 3.02 for the Renewal Term then the Tenant may elect within the 30 day period immediately following the end of the 35th year of the Renewal Term to have the interest of the Landlord in the Building and Building Strata Parcel transferred to it on the terms and conditions hereinafter provided. If the Tenant wishes to make the election provided by this Section 15.01, it shall give notice in writing to the Landlord on or before the end of the 30 day period referred to above of such desire whereupon the Tenant shall be bound to accept such transfer and pay the amounts herein provided, provided such notice shall be accompanied by a certified cheque payable to the Landlord in an amount equal to \$390,000. The transfer of the interest of the Landlord in the Building and Building Strata Parcel to the Tenant shall be completed on the 30th Business Day following the receipt by the Landlord of written notice of the election of the Tenant pursuant to this Section 15.01. It shall be a pre-condition to the exercise by the Tenant of its election pursuant to this Section 15.01 that the Tenant pay to the Landlord an amount equal to the Landlord's administrative costs incurred in connection with the maintenance of this Lease, which the Landlord and the Tenant reasonably estimate and agree shall be the amount of \$1,560,000 which amount, less the amount received by the Landlord with the notice from the Tenant referred to

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above, shall be payable by cash or certified cheque on the date set for the transfer to the Tenant of the interest of the Landlord in the Premises as stipulated above. The Tenant shall also be responsible for all costs associated with the transfer of title to the Tenant including, without limitation, legal fees, registration fees and land transfer taxes, if any. In no event shall the Tenant be entitled to a whole or partial refund or abatement of any Rent prepaid in respect of the Renewal Term. In the event that the Landlord is, at the end of the Renewal Term, also the owner of the Adjacent Lands, the Tenant shall have the option, exercisable in the same 30 day period in which it may elect to have title to the Building and Building Strata Parcel transferred to it, of acquiring the Adjacent Lands from the Landlord for an amount equivalent to the Fair Market Value of the Adjacent Lands at such time. For the purposes hereof, the Fair Market Value of the Adjacent Lands at such time shall be the average of two appraisals of the Fair Market Value of the Adjacent Lands prepared by two duly qualified Experts, one selected by the Landlord and one selected by the Tenant. The closing of the sale of the Adjacent Lands shall take place contemporaneously with the closing of the transfer of the Building and Building Strata Parcel as provided above and otherwise on the same terms and conditions as outlined in this Section 15.01.

15.02 Tenant's liability For Failure to Maintain, Repair, Replace and Modify. If the Residual Value of the Building is less than \$15,600,000 on: (i) the date upon which this Lease is terminated by the Landlord pursuant to Section 11.06 or Section 14.02(a) or (ii) on the last day (the "Last Leasing Day") of the Original Term if the Lease is not renewed for the Renewal Term pursuant to Section 3.02, then the Tenant acknowledges that such deficiency shall be deemed to be and is in fact a direct result of and constitutes between the parties absolute and conclusive evidence of a failure by the Tenant in the performance of its obligations under Sections 5.01, 6.01, 6.03, 8.03, 8.05, 10.01, 10.03(c) and 10.04 and as a result of excessive wear and tear inflicted by the Tenant. The Tenant shall, as a consequence of such failure and excessive wear and tear, in the event that the Tenant does not elect to exercise its option to renew this Lease for the Renewal Term as provided in Section 3.02, pay to the Landlord on the Last Leasing Day, or, in the event this Lease is terminated by the Landlord pursuant to Section 11.06 or Section 14.02(a), pay to the Landlord, within five Business Days of the determination of the Residual Value, an amount (which the Landlord and Tenant agree has been calculated as a pre-determination of liquidated damages and not as a penalty) equal to the lesser of:

- (i) \$15,600,000 less the Residual Value of the Building; and
- (ii) \$7,800,000;

For the purposes of the foregoing, the Residual Value of the Building at any time shall be determined by an independent duly qualified appraiser (i) appointed by the Landlord and Tenant jointly within 15 days of the last day upon which the Tenant is entitled to exercise its option to renew for the Renewal Term pursuant to Section 3.02 failing which the Landlord shall appoint the said appraiser, or (ii) in the event this Lease is terminated by the Landlord pursuant to Section 11.06 or Section 14.02(a), appointed by

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the Landlord alone, and in each case the decision of such appraiser as to Residual Value shall be made within 15 days of the appointment of such appraiser and shall, subject to the provisions below dealing with adjustment after sale, be final and binding on both the Landlord and the Tenant. If no appraiser is appointed or if the appraiser appointed as aforesaid is unable to determine Residual Value or fails to deliver his determination of Residual Value within the time period specified above, Residual Value shall, for the purposes of this Section 15.02 but subject to readjustment as hereinafter provided, be deemed to be \$7,800,000. If, upon the completion of a sale of the Building and the Building Strata Parcel by the Landlord, the net proceeds (the "Net Proceeds") received and retained by the Landlord from the sale of the Building and the Building Strata Parcel are less than the Residual Value of the Building determined as aforesaid, ~~the Tenant shall, at the same time the proceeds of sale are distributed in accordance~~ with the Purchase Agreement, pay to the Landlord an amount equivalent to the amount by which the Residual Value of the Building determined as aforesaid exceeds the Net Proceeds received and retained by the Landlord. If, upon the completion of the sale of the Building and the Building Strata Parcel by the Landlord, the Net Proceeds received and retained by the Landlord are greater than the Residual Value of the Building determined as aforesaid, the Landlord shall, at the same time the proceeds of sale are distributed in accordance with the Purchase Agreement, pay to the Tenant an amount equivalent to the amount by which the Net Proceeds received and retained by the Landlord exceed the Residual Value of the Building determined as aforesaid. The payment from the Tenant to the Landlord or from the Landlord to the Tenant, as the case may be, shall be made together with interest at an annual rate equal to the Prime Rate calculated daily and compounded monthly in arrears. In no event shall the amount payable by the Tenant to the Landlord pursuant to this Section 15.02 exceed \$7,800,000 in the aggregate, plus interest as aforesaid.

15.03 Performance of Ground Lease. The Tenant hereby covenants and agrees to perform each and every obligation of the Landlord under the Ground Lease (both monetary and non-monetary) and hereby agrees to indemnify and save harmless the Landlord from any and all manner of loss, cost, damage, liability, claims, demands, suits and actions of every nature and kind whatsoever that the Landlord may suffer, incur or be put unto in connection therewith or the Tenant's failure to perform such obligations. To the extent that the provisions of this Lease and Ground Lease are inconsistent, the Tenant shall perform the more onerous of the obligations contained in this Lease and the Ground Lease.

15.04 Supplemental Security. The Tenant hereby covenants and agrees to deposit with the Trustee, as collateral security for the obligations of the Tenant to the Landlord pursuant to this Lease, cash collateral (the "Cash Collateral") in the amount stipulated below upon the occurrence of any one or more of the following events:

- (a) the credit rating of any of the Tenant's debt provided by Dominion Bond Rating Service ("DBRS") is reduced to BBB (low) or lower; or

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- (b) a credit watch in respect of any of the Tenant's debt is instituted by DBRS when the credit rating of any of the Tenant's debt is BBB or lower; or
- (c) in the event that:
 - (i) DBRS no longer provides a credit rating of any of the Tenant's debt; or
 - (ii) DBRS is no longer in existence,

the credit rating system utilized by such other independent, nationally recognized credit rating service agreed to by the Landlord and the Tenant, both acting reasonably shall be substituted for that of DBRS for the purpose of this Section 15.04 utilizing credit rating categories deemed by such other credit rating service to be equivalent to the categories utilized by DBRS or

- (iii) failing such agreement; or
- (iv) if there is no independent credit rating service providing a credit rating of any of the debt of the Tenant,

the Landlord determines, acting reasonably, that the creditworthiness of the Tenant is at a level which, if any of the debt of the Tenant was being rated by DBRS, would result in DBRS issuing a credit rating for any of the debt of the Tenant of BBB (low) or lower or issuing a credit watch in respect of any of the debt of the Tenant with a credit rating of BBB or lower; or

- (d) the Fair Market Value of the Building and the Building Strata Parcel is at any time determined to be less than \$7,800,000 and for the purposes of calculating the same, the Landlord shall be entitled to cause from time to time (but not more frequently than once per year) appraisals of the Building and Building Strata Parcel to be prepared, at the Tenant's expense, by duly qualified Experts.

Upon the occurrence of any of the events referred to in subsections (a) to (c) above, the amount of the Cash Collateral shall be an amount equal to the amount by which \$20,800,000 exceeds the Fair Market Value at such time of the Building and Building Strata Parcel provided that in no event shall the amount of Cash Collateral exceed \$15,600,000. Upon the occurrence of the event referred to in subsection (d) above, the amount of the Cash Collateral deposited with the Trustee shall be \$7,800,000.

Notwithstanding that more than one of the events in subsection (a) to (c) above occur and continue at the same time, in no event shall the Tenant be obligated to have on deposit with the Trustee Cash Collateral in excess of the amount provided above.

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In the event that any one of the events in subsections (a) to (c) above occurs and the event in paragraph (d) also occurs at such time, the Tenant shall be required to deposit with the Trustee Cash Collateral in the amount specified for events listed in subsections (a) to (c) above.

In the event that the Fair Market Value of the Building and Building Strata Parcel changes from the Fair Market Value of the Building and Building Strata Parcel at the time of the most recent determination of the amount of the Cash Collateral required to be held by the Trustee, the Tenant shall deposit with the Trustee additional Cash Collateral or the Trustee shall release to the Tenant sufficient Cash Collateral to reflect such change in Fair Market Value. The Trustee shall, not less frequently than annually, release to the Tenant all interest which has accrued on the Cash Collateral which has not, prior to that date, been released to the Tenant provided that to the extent the Tenant is required to deposit with the Trustee additional Cash Collateral as hereinbefore provided, the Trustee may apply such interest to satisfy such obligation of the Tenant. The Fair Market Value of the Building and Building Strata Parcel shall be reviewed not less frequently than annually following the initial deposit of Cash Collateral with the Trustee to determine the adequacy of the amount of the Cash Collateral then being held by the Trustee.

The Cash Collateral held by the Trustee may be drawn on by the Landlord upon the occurrence of any Event of Default by the Tenant hereunder or, notwithstanding the absence of an Event of Default, in the event that the Tenant does not exercise its option to renew the Lease for the Renewal Term pursuant to Section 3.02 of this Lease. If the Tenant has failed to exercise its right to renew the Lease for the Renewal Term pursuant to Section 3.02 of this Lease and the Landlord wishes to draw upon the Cash Collateral on or before the last day of the Original Term, the Landlord shall give notice to the Tenant advising the Tenant that the Lease has not been renewed and that the Landlord wishes to draw upon the Cash Collateral. The Tenant shall thereafter have a period of five (5) Business Days following receipt of such notice within which to renew the Lease notwithstanding that the last date for doing so has passed, provided that the Tenant shall not be permitted to renew the Lease if the Original Term has expired. If the Tenant has failed to exercise its right to renew the Lease for the Renewal Term pursuant to Section 3.02 of this Lease, the Landlord shall not be permitted to draw upon the Cash Collateral on or before the last day of the Original Term unless it complies with the provisions of this paragraph. Any amount of the Cash Collateral so drawn by the Landlord may be applied to any outstanding obligations of the Tenant under this Lease including the obligation of the Tenant to make payment to the Landlord of the amount provided in Section 15.02.

The Trust Agreement shall be terminated following payment of the final instalment of the capital rent payments required to be made during the Renewal Term as set out in Schedule E, provided that at such time no Event of Default or no event, which, with the giving of notice or lapse of time, or both, would constitute an Event of Default, has occurred which is continuing.

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The Landlord, the Tenant and the Trustee shall enter into the Trust Agreement on or prior to the time of the initial deposit of Cash Collateral with the Trustee as herein provided.

ARTICLE 16

MISCELLANEOUS

16.01 Notices. Any notice, demand, statement or request (in this Section referred to as "notice") herein required or permitted to be given under this Lease shall be in writing and shall be deemed to have been sufficiently and effectively given if signed by or on behalf of the party giving the notice and personally delivered or mailed by registered prepaid post or sent by telecopy:

(a) in the case of notice to the Landlord, to it at:

London Life Insurance Company
255 Dufferin Avenue
London, Ontario
N6A 4K1

Attention: Vice-President, Private Placements
Telecopy No. (519) 432-9035; and

(b) in the case of notice to the Tenant, to it at:

the Building

Attention: Business Manager, Edmonton Journal
Telecopy No. (403) 429-5130

with a copy to the Tenant's Toronto office at:

150 Bloor Street West
Suite 900
Toronto, Ontario
M5S 2Y8

Attention: Vice-President and Treasurer
Telecopy No. (416) 927-8741

Any such notice given as aforesaid shall be deemed to have been given, if delivered, on the date of such delivery or, if mailed, on the fifth day following the date of such mailing or, if telecopied, on the Business Day next following the date of transmission of

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such notice. The Landlord may from time to time by notice change the address to which notices to it are to be given. Notwithstanding the foregoing, during any interruption, threatened interruption or substantial delay in postal services, any notice shall be personally delivered or sent by telecopy. If a copy of any notice to the Tenant is to be sent to a second address or to another Person other than the Tenant, the failure to give any such copy shall not vitiate the delivery of the notice to the Tenant.

16.02 Registration of Lease. Neither the Tenant nor anyone on the Tenant's behalf or claiming under the Tenant shall register this Lease or any other instrument pertaining to this Lease against the Lands. The Landlord may, in its discretion, register a copy of this Lease against the Lands and the Tenant, upon request of the Landlord, shall join in the execution of a notice of this Lease solely for the purpose of supporting an application for registration of this Lease or any subsequent dealing therewith.

16.03 Overholding - No Tacit Renewal. If the Tenant remains in possession of the Premises or any part thereof after the end of the Term with 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, and the Tenant shall be deemed to be occupying the Premises as a tenant from month to month at a monthly Minimum Rent payable in advance on the first day of each month equal to one-twelfth of an amount equal to 150% of the Annual Minimum Rent paid in the last year of the Term or Renewal Term, as the case may be, and otherwise upon the same terms, covenants and conditions as are set forth in this Lease insofar as these are applicable to a monthly tenancy but, for greater certainty, including liability for all Additional Rent. In the event that the Tenant has title to the Building Strata Parcel and the Building transferred to it in accordance with Section 15.01, the requirement that the Tenant pay Minimum Rent pursuant to this Section 16.03 shall be waived.

16.04 Unavoidable Delay. If and to the extent that either the Landlord or the Tenant shall be prevented, delayed or restricted by reason of Unavoidable Delay in the fulfilment of any obligation hereunder, then either the Landlord or the Tenant, as the case may be, shall be deemed not to be in default in the performance of such covenant or obligation and any period for the performance of such obligation shall be extended accordingly and the other party to this Lease shall not be entitled to compensation for any loss, inconvenience, nuisance or discomfort thereby occasioned, provided that in no event will the Tenant be relieved of its obligation to pay Rent as it becomes due. Notwithstanding the foregoing, the date on which the Tenant is obligated to complete construction of the Stage II Building shall not in any event be extended beyond December 31, 1991.

16.05 Waiver. If either the Landlord or Tenant excuses or condones any default of the other of any obligation under this Lease, no waiver of such obligation shall be implied as a result of any continuing or subsequent default.

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16.06 Partial Payment of Rent. Acceptance by the Landlord of a lesser amount than the monthly payment of Rent herein stipulated and any endorsement or statement on any cheque or documentation accompanying any payment of Rent shall not be deemed an acknowledgement of full payment or an accord and satisfaction, and the Landlord may accept such payment without prejudice to the Landlord's right to recover the balance of such Rent or to pursue any other remedy provided in this Lease.

16.07 Planning Act. This Lease is expressly conditional upon compliance with the *Planning Act* (Alberta) and any amendments thereto.

16.08 Decision of Expert. The decision of any Expert whenever provided for under this Lease and any certificate related thereto shall be final and binding on the parties hereto and there shall be no further right of dispute or appeal.

16.09 Quiet Enjoyment. If the Tenant pays the Rent, fully performs all its obligations under this Lease and there has been no Event of Default which is continuing, then the Tenant shall be entitled, subject to the provisions of this Lease to peaceful and quiet enjoyment of the Premises for the Term without interruption or interference by the Landlord or any Person claiming through the Landlord.

16.10 Survival. The obligations of the Tenant under this Lease shall survive the termination or permitted assignment or partial assignment of this Lease.

16.11 Interest on Overdue Obligations. Each of the Landlord and the Tenant agree that, to the extent not otherwise provided herein, any amounts payable by one to the other pursuant to the provisions of this Lease shall bear interest at a rate per annum equal to the Prime Rate plus 2%, calculated daily and compounded monthly in arrears, from and after the date any such payment was due to and including the date upon which such payment is ultimately made, with interest on overdue interest at the same rate, both before and after demand, default and judgment.

16.12 Governing Law. This lease shall be governed by the laws of the Province of Alberta and the federal laws of Canada applicable therein.

IN WITNESS WHEREOF the parties hereto have executed this Lease under seal.

LONDON LIFE INSURANCE COMPANY

by T. O. Chapman
Attorney in Fact C.S.

SOUTHAM INC.

by John
Brian L. Gallon C.S.

SCHEDULE A-1
BUILDING STRATA PARCEL

STRATA BLOCK A
PLAN 9023628, EDMONTON

RESERVING THEREOUT ALL MINES AND MINERALS

SCHEDULE A-2
GROUND STRATA LANDS

LOT A, BLOCK 1
PLAN 9023625, EDMONTON
EXCEPTING THEREOUT STRATA BLOCKS A AND B AS SHOWN ON
STRATA PLAN 9023628
(HUDSON'S BAY RESERVE)
RESERVING THEREOUT ALL MINES AND MINERALS

SCHEDULE A-3

TOWER STRATA PARCEL

STRATA BLOCK B
PLAN 9023628, EDMONTON

RESERVING THEREOUT ALL MINES AND MINERALS

SCHEDULE B
PHASE II LANDS

LOTS 73 AND 74
BLOCK 1, PLAN B, EDMONTON
(HUDSON'S BAY RESERVE)

RESERVING THEREOUT ALL MINES AND MINERALS

SCHEDULE C
AGREED CASUALTY VALUE

LEASE YEAR**CASUALTY VALUE**

1	\$16,141,000
2	16,375,000
3	16,597,000
4	16,810,000
5	17,010,000
6	17,200,000
7	17,375,000
8	17,440,000
9	17,370,000
10	17,265,000
11	17,140,000
12	16,985,000
13	16,800,000
14	16,565,000
15	16,105,000

April 1/03
 - March 31/04
 April 1/04
 - March 31/05
 April 1/05
 - March 31/06

SCHEDULE D

Minimum Rent

<u>Rental Payment Payment Date</u>	<u>Minimum Rent Payment For Building</u>	<u>Minimum Rent Payment For Land</u>	<u>Aggregate Minimum Rent Payment</u>
September 30, 1991	\$834,700	\$75,000	\$ 909,700
March 31, 1992	834,700	75,000	909,700
September 30, 1992	834,700	75,000	909,700
March 31, 1993	834,700	75,000	909,700
September 30, 1993	834,700	75,000	909,700
March 31, 1994	834,700	75,000	909,700
September 30, 1994	834,700	75,000	909,700
March 31, 1995	834,700	75,000	909,700
September 30, 1995	834,700	75,000	909,700
March 31, 1996	834,700	75,000	909,700
September 30, 1996	834,700	75,000	909,700
March 31, 1997	834,700	75,000	909,700
September 30, 1997	834,700	75,000	909,700
March 31, 1998	834,700	75,000	909,700
September 30, 1998	959,905	75,000	1,034,905
March 31, 1999	959,905	75,000	1,034,905
September 30, 1999	959,905	75,000	1,034,905
March 31, 2000	959,905	75,000	1,034,905
September 30, 2000	959,905	75,000	1,034,905
March 31, 2001	959,905	75,000	1,034,905
September 30, 2001	959,905	75,000	1,034,905
March 31, 2002	959,905	75,000	1,034,905
September 30, 2002	959,905	75,000	1,034,905
March 31, 2003	959,905	75,000	1,034,905
September 30, 2003	959,905	75,000	1,034,905
March 31, 2004	959,905	75,000	1,034,905
September 30, 2004	959,905	75,000	1,034,905
March 31, 2005	959,905	75,000	1,034,905
September 30, 2005	959,905	75,000	1,034,905
March 30, 2006	959,905	75,000	1,034,905

MINIMUM RENT

Note: Confirm that the foregoing Minimum Rent includes the following:

- I. Ground Lease Rent;
- II. Rent referable to purchase price paid for Stage I;
- III. Rent referable to purchase price paid for Stage II (factored in commencing with the June 30, 1991 rental payment).

SCHEDULE E

Minimum Rent - Renewal Term

<u>Rental Payment Date</u>	<u>Capital Rent Payments</u>	<u>Outstanding Balance of Capital</u>	<u>Minimum Rent Payment</u>
--	--	\$15,600,000	See below*
September 30, 2006	1,240,200	14,359,800	
March 31, 2007	1,302,288	13,057,512	
September 30, 2007	1,367,340	11,690,172	
March 31, 2008	1,435,824	10,254,348	
September 30, 2008	1,507,584	8,746,764	
March 31, 2009	1,582,932	7,163,832	
September 30, 2009	1,662,024	5,501,808	
March 31, 2010	1,745,172	3,756,636	
September 30, 2010	1,832,376	1,924,260	
March 31, 2011	1,924,260	--	
And September 30 and March 31 of each year thereafter for the balance of the Renewal Term	---	---	

* The semi-annual Minimum Rent payments to be made during the Renewal Term shall be equal to the sum of:

- (a) an amount equivalent to the semi-annual capital rent payments to be made on the relevant rental payment date as outlined above; plus
- (b) an amount equal to the Rate of Return (as hereinafter defined) on the outstanding balance of the capital invested by the Landlord at the commencement of the semi-annual period in respect of which such minimum rent payment is being made as outlined above; plus
- (c) if the Landlord is the owner, a lessee or a sub-lessee of the Adjacent Lands, an amount equivalent to the then fair market rental, as agreed upon between the Landlord and the Tenant, for the Adjacent Lands, whether the Landlord is at such time the owner of the Adjacent Lands or is merely a lessee or sub-lessee of the Adjacent Lands. If the Landlord and the Tenant are unable to agree upon the fair market semi-annual rental for the Adjacent Lands, the fair market semi-annual rental for the Adjacent Lands shall be deemed to be the amount stipulated by the Landlord as such.

For the purposes of determining Minimum Rent, the "Rate of Return" shall mean the average of the two highest of three quotes obtained by the Tenant from recognized independent Canadian investment dealers selected by the Tenant of the annualized yield to maturity at which such investment dealers would be prepared to advance to the Tenant, for a term of 5 years, an amount equivalent to the cost to the

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Landlord of the Building and the Building Strata Parcel including, without limitation, any land transfer or other taxes, royalty fees and commissions paid or payable by the Landlord in connection with the acquisition by it of the Building and the Building Strata Parcel plus one-eighth of one percent.

SCHEDULE F

The following is a complete list of the documents prepared by the firm of Schmidt, Feldberg, Croll, Henderson, (Architects and Engineers), dated 88/05/20:

- (i) Existing Context Plan and Issues;
- (ii) Proposed Public Improvements;
- (iii) Landscape and Legal Plot Plan;
- (iv) Parking Level 1 and Parking Level 2;
- (v) First Floor Plan;
- (vi) Second Floor Plan;
- (vii) Third Floor Plan;
- (viii) Fourth Floor Plan;
- (ix) Fifth Floor Plan;
- (x) Penthouse/Roof Plan;
- (xi) Typical Floor Plan/Future Office Tower;
- (xii) Section A-A;
- (xiii) Section B-B;
- (xiv) Section C-C;
- (xv) McDonald Drive South Elevation;
- (xvi) 101 Street East Elevation;
- (xvii) Lane North Elevation and Lane West Elevation;
- (xviii) Project Phasing (Phases 1, 2, 3 and 4); and
- (xix) Plan (showing topographical & detailed survey of lots 84 to 88 inclusive, in block 1, Plan B).

The following is a complete list of the documents prepared by the firm of Schmidt, Feldberg, Croll, Henderson, (Architects and Engineers), dated 88/03/21:

- (i) Level 1;
- (ii) Level 2;
- (iii) Level 3;
- (iv) Level 4;
- (v) Level 5;
- (vi) Ground Floor Plan;
- (vii) Second Floor Plan;
- (viii) First Basement;
- (ix) Plans Showing Straight Modifications and Improvements on 101 and 102 Streets and McDonald Drive;
- (x) Landscape Plan;
- (xi) Third Floor Plan;
- (xii) Site Plan;
- (xiii) Photograph of Model;
- (xiv) Level 1 (at Phases 1 and 2);
- (xv) Level 2;
- (xvi) Level 3;
- (xvii) Level 4;
- (xviii) Level 5.

The following is a complete list of the Project specifications compiled by the Schmidt, Feldberg, Croll, Henderson (Architects and Engineers), including an addendum thereto:

- (i) Instructions to Bidders;
- (ii) Tender Security;
- (iii) Stipulated Price Tender Form;
- (iv) List of Subcontractors and Cost Breakdown;
- (v) General Conditions of the Contract;
- (vi) Supplementary General Conditions;
- (vii) List of Drawings;
- (viii) Summary of Work;
- (ix) PC Sums/Contingencies;
- (x) Co-ordination;
- (xi) Field Engineering;
- (xii) Regulatory Requirements;
- (xiii) General Instructions;
- (xiv) Submittals;
- (xv) Quality Control;
- (xvi) Construction Facilities;
- (xvii) Protection of Work;
- (xviii) Material and Equipment;
- (xix) Contract Closeout;
- (xx) Take-Over Procedures;
- (xxi) Foundation Report;
- (xxii) Site Preparation;
- (xxiii) Selective Demolition;
- (xxiv) Excavation and Backfill;
- (xxv) Site Grading;
- (xxvi) Subgrade Preparation;
- (xxvii) Granular Base;
- (xxviii) Cast-In-Place Concrete Piles;
- (xxix) Asphalt Paving (Repairs);
- (xxx) Concrete Paving;
- (xxxi) Cast-In-Place Concrete;
- (xxxii) Concrete Finishes;
- (xxxiii) Unit Masonry;
- (xxxiv) Granite;
- (xxxv) Structural Steel;
- (xxxvi) Metal Decking;
- (xxxvii) Custom Steel Fabrications;
- (xxxviii) Rough Carpentry;
- (xxxix) Finish Carpentry;
- (xl) Cast Filled Acrylic Fabrication;
- (xli) Damproofing & Waterproofing;

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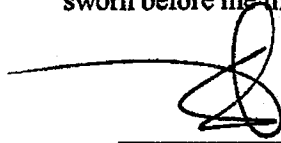
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32

(xlii)	Insulation;	
(xliii)	Metal Cladding;	
(xliv)	Roofing;	29
(xlv)	Metal Flashings;	
(xlvi)	Sealants;	30
(xlvii)	Hollow Metal Frames;	
(xlviii)	Hollow Metal Doors	
(xlix)	Aluminum Doors, Sidelights and Screens;	31
(l)	Special Doors;	
(li)	Finish Hardware;	31
(lii)	Glass and Glazing;	
(liii)	Curtain Wall, Windows and Awnings;	
(liv)	Door Schedule;	
(lv)	Gypsum Wallboard;	
(lvi)	Ceramic Tile;	
(lvii)	Acoustic Unit Ceilings;	
(lviii)	Interior Granite;	
(lix)	Resilient Flooring;	
(lx)	Carpet;	
(lxi)	Site Painting and Finishing;	
(lxii)	Finish Schedule;	
(lxiii)	Fabric Wall Covering;	
(lxiv)	Vinyl Wall Covering;	
(lxv)	Metal Washroom Partitions and Screens;	
(lxvi)	Access Flooring;	
(lxvii)	Accordion Doors;	
(lxviii)	Washroom Accessories;	
(lxix)	Miscellaneous Specialties;	
(lxx)	Window Washing Davits;	
(lxxi)	Parkade Equipment;	
(lxxii)	Venetian Blinds and Window Blinds;	
(lxxiii)	Sound Isolation Control;	
(lxxiv)	Elevators;	
(lxxv)	Alternative Equipment and Suppliers;	
(lxxvi)	Unit Prices;	
(lxxvii)	General Mechanical Provisions;	
(lxxviii)	Mechanical Identification;	
(lxxix)	Documentation;	
(lxxx)	Mechanical Spare Parts & Maintenance Materials;	
(lxxx)	Motors;	
(lxxxii)	Testing;	
(lxxxiii)	Mechanical Systems Balancing;	
(lxxxiv)	Chemical Treatment and Procedures;	
(lxxxv)	Pipe and Pipe Fittings;	
(lxxxvi)	Pipe and Duct Penetrations;	
(lxxxvii)	Ceiling and Wall Penetrations;	

oviii)	Pipe and Equipment Supports;	
xxxix)	Valves	
(xc)	Pressure Gauges and Thermometers;	29
(xci)	Meters;	30
(xcii)	Pumps;	
(xciii)	Reciprocating Air Compressors & Accessories;	
(xciv)	Expansion Compensation;	31
(xcv)	Tanks;	
(xcvi)	Mechanical Vibration Control;	32
(xcvii)	Piping and Equipment Insulation;	
xcviii)	Ductwork and Breeching Insulation;	33
(xcix)	Plumbing Specialties;	
(c)	Plumbing Fixtures and Trim;	3
(ci)	Wet Pipe Sprinkler Systems;	
(cii)	Standpipe and Hose Systems;	
(ciii)	Hand Held Fire Extinguishers;	
(civ)	Hot Water Packaged Water Tube Boilers;	
(cv)	Direct Expansion Refrigeration Systems;	
(cvi)	Centrifugal Chillers;	
(cvii)	Packaged Induced Draft Cooling Tower;	
(cviii)	Glycol System;	
(cx)	Hydronic Systems Specialties;	
(cx)	Shell and Tube Heat Exchangers;	
(cxi)	Terminal Heat Transfer Units;	
(cxii)	Coils;	
(cxiii)	Air Handling Units;	
(cxiv)	Single Duct Air Terminal Units;	
(cxv)	Packaged Terminal Air Conditioning Units;	
(cxvi)	Computer Room Air Conditioning Units (Larger than 17 kW);	
(cxvii)	Evaporative Media Humidifier;	
(cxviii)	Direct Gas Fired Air Units;	
(cxix)	Fans;	
(cxx)	Ductwork;	
(cxxi)	Breeching and Chimneys;	
(cxxii)	Duct Accessories;	
(cxxiii)	Air Outlets and Inlets;	
(cxxiv)	Air Filters;	
(cxxv)	Silencers;	
(cxxvi)	Controls;	
(cxxvii)	BMCS General Provisions;	
cxviii)	Field Instrumentation;	
(cxxix)	Remote Processing Unit;	
(cxxx)	Input/Output Communication Devices; and	
(cxxxi)	Point Schedules and Control Sequences.	

This is Exhibit "E" to the
Affidavit of DOUGLAS E.J. LAMB
sworn before me this 6th day of April, 2010.



Commissioner for Taking Affidavits



Canwest™

March 30, 2010

BY COURIER & Fax: 780-701-1103

Richard Knibbs
 Director, Asset Management
 GWL Realty Advisors Inc.
 Commerce Place
 10155 – 102nd Street, Suite 2595
 Edmonton, AB T5J 4G8

**Re: Edmonton Journal Building Lease with London Life
 10006-101 Street, Edmonton, Alberta (the "Property")**

Dear Mr. Knibbs,

In accordance with the renewal terms of the above mentioned lease, the next Minimum Rent payment is due to be paid March 31, 2010. Schedule E of the lease calls for the Minimum Rent payment to include

"an amount equal to the Rate of Return on the outstanding balance of the capital invested by the Landlord at the commencement of the semi-annual period in respect of which such minimum rent payment is being made"

Schedule E further defines the Rate of Return to be:

"the average of the two highest of three quotes obtained by the Tenant from recognized independent Canadian investments dealers selected by the Tenant of the annualized yield to maturity at which such investment dealers would be prepared to advance to the Tenant, for a term of 5 years, an amount equivalent to the cost to the Landlord of the Building and the Building Strata Parcel"

In accordance with this schedule, we have obtained the following three quotes from Canadian Investment dealers of Canwest Limited Partnership's current five year fixed financing rate, being the current five year fixed Canadian swap rate:

Institution	Date of quote	Rate
TD Securities	March 24, 2010	4.454%
CIBC	March 24, 2010	4.439%
Scotia Capital	March 24, 2010	4.48%
<i>Average of the two highest quotes</i>		<i>4.467%</i>

1450 Don Mills Road
 Don Mills, ON M3B 2X7
 t. 416.383.2300 f. 416.442.2077

canwest.com

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Based on that information, the total Minimum Rent payment for March 31, 2010 has been calculated as follows:

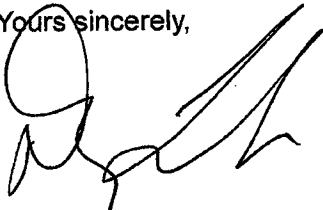
Capital Rent	\$1,745,172
Additional Rent (at 4.467%)	\$83,904
Total Minimum Rent payment	\$1,829,076

As you are aware, Canwest Publications Inc./Publications Canwest Inc. and certain other companies and partnerships (collectively, the "LP Entities") obtained protection under the *Companies' Creditors Arrangement Act* (the "CCAA") on January 8, 2010. The initial order obtained under the CCAA (the "Initial Order") permits the LP Entities to pay rent for the period commencing January 8, 2010, but contains a general prohibition, subject to further court order, on making payments on account of amounts attributable to the period prior to January 8, 2010. The Initial Order also contains a comprehensive stay in favour of the LP Entities, precluding among other things the exercise of any contractual rights against the LP Entities, and prohibiting the alteration or termination of any right, contract or renewal right in favour of the LP Entities.

As a result of the terms of the Initial Order, Canwest is currently prohibited from paying the Minimum Rent in full. We have calculated the portion of the Minimum Rent attributable to the period on and after January 8, 2010 to be \$834,139.05, which will be paid on or prior to March 31. We are making arrangements to ensure that the balance of the Minimum Rent is paid prior to or on CCAA emergence. We will provide you with copies of any court material we may file in connection with obtaining the authorization to do so.

Please feel free to contact me if you wish to discuss this matter.

Yours sincerely,



Doug Lamb

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 CANWEST
PUBLISHING INC./PUBLICATIONS CANWEST INC., CANWEST BOOKS INC. AND
CANWEST (CANADA) INC.

Court File No: CV-10-8533-00CL

APPLICANTS

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

Proceeding commenced at Toronto

**AFFIDAVIT OF DOUGLAS E.J. LAMB
(Sworn April 6, 2010)**

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Lawyers for the Applicants