

- (a) **Option to Renew:** Provided that the Tenant is not in default, it shall have the option to renew this Lease for a further period of 5 years at the then current market rental rate for premises of comparable type, age, location and condition, provided that the Tenant first gives the Landlord written notice of its intention to exercise this option not more than 9 months and not later than 6 months prior to the expiry date of the term, failing which this option to renew will become null and void. During the renewal period, all terms and conditions contained in this Lease shall remain in effect, save and except the Basic Rent and this option to renew. If the parties cannot reach agreement as to the Basic Rent during the renewal period within one month of the date of receipt of the notice to renew and provided that the Landlord has dealt with the Tenant in good faith, then this option shall become null and void.

Definitions:

The parties hereto agree that when used in this Lease and in the Schedules and Appendices to this Lease, the following words or expressions have the meaning hereinafter set forth.

Section 1.01 "Additional Rent" means any and all sums of money or charges required to be paid by the Tenant under this Lease (except Basic Rent).

Section 1.02 "Basic Rent" means the annual rent specified in Section 1.00(f).

Section 1.03 "Building" means the buildings, structures, improvements, facilities and parking from time to time located upon the Lands.

Section 1.07 "Commencement Date" means the date specified in Section 1.01(d);

Section 1.08 "Environmental Laws, Orders and Regulations" means all applicable federal, provincial, municipal or local laws, bylaws, statutes or ordinances, relating to the environment, occupational safety, product liability and transportation from time to time in force.

Section 1.09 "Gross Sales" means the sum of the actual selling price of all goods and services sold, whether wholesale or retail, and whether for cash credit, exchange or any other form of consideration, the charges for all services rendered, and the receipts and receivables from all other business conducted on or from the Premises by the Tenant, any concessionaire, or other person conducting business or from the Premises.

Section 1.10 "Hazardous Substance" means any substance that is or is declared to be hazardous, dangerous or toxic under any Environmental Law, Order or Regulation now or hereafter enacted or promulgated by any governmental authority having jurisdiction over the Landlord, the Tenant or the Lands, including part thereof.

Section 1.11 "Indemnifier" means the Person who has agreed to guarantee the obligations of the Tenant in this Lease.

Section 1.12 "Insurable Hazards" means fire and such other perils for which insurance is reasonably and readily available.

Section 1.13 "Landlord" means Build Nova Scotia and includes its duly authorized representatives.

Section 1.14 "Lands" means the lands on which the Building is located and as described in Schedule "A".

Section 1.15 "Lease" means this lease including all schedules and appendices attached hereto and any amendments made hereto from time to time as herein provided for.

Section 1.16 "Lease Year" means a period of twelve (12) consecutive calendar months designated by the Landlord as the lease year. The Landlord may at any time and from time to time, by written notice to the Tenant, designate another Lease year.

Section 1.17 "Mortgagee" means any mortgagee or other encumbrancer of the Landlord's interest in the Land or any part or parts thereof.

Section 1.18 "Municipal Taxes" means the aggregate of all taxes, including all real property taxes, duties and assessments including local improvement taxes, but excluding Tenant's Taxes, that are levied, rated, charged or assessed against the Lands or any part thereof from time to time by any lawful taxing authority at any time.

Section 1.19 "Operating Expenses" shall mean all expenses incurred in connection with the operation, maintenance, administration, management, repair and replacement of the Building and any improvements on the Lands except amounts charged to interest on debt or capital retirement of debt on the Building and Lands, any taxes on the income or profits (other than on rents) of the Landlord to the extent that the same are not imposed in lieu of Municipal Taxes, and costs incurred by the Landlord in leasing the Building. For greater certainty, Operating Expenses includes all snow removal, grass cutting and reasonable landscape maintenance expenses.

Section 1.20 "Person" if the context allows, includes any person, firm, partnership or corporation, or any group of persons, firms, partnerships or corporations or any combination thereof.

Section 1.21 "Premises" means the premises leased to the Tenant as described in Section 1.00(b).

Section 1.22 "Rent" means all Basic Rent and Additional Rent payable pursuant to this Lease.

Section 1.23 "Tenant" means the party identified as such on the first page of this Lease.

Section 1.24 "Tenant's Taxes" means those amounts payable by the Tenant as set out in Section 4.01 hereof.

Section 1.25 "Term" means the period of time referred to in Section 1.00(e).

ARTICLE II Grant and Term

Section 2.01 Premises

In consideration of the rents, covenants and agreements herein contained on the part of the Tenant to be paid, observed and performed, the Landlord leases to the Tenant, and the Tenant leases from the Landlord the Premises. The Tenant shall examine the Premises before taking possession thereof, and the taking of possession shall be conclusive evidence as against the Tenant that at that time the Premises were in good order and satisfactory condition.

The Landlord makes no representations or warranties of any kind whatsoever regarding the condition of Premises, including the environmental condition of the Premises, its conformity with any laws, rules or regulations of any governmental authority whether federal, provincial or municipal, or the fitness of the Premises for any particular use or purpose.

Section 2.02 Use of Additional Areas

The use and occupation by the Tenant of the Premises includes the non-exclusive and non-transferable right or license to use any common areas in common with others entitled thereto, and for the purposes for which they are intended and during such hours as the Building may be open for business, as determined by the Landlord from time to time.

Section 2.03 Commencement and Ending Date of Term

The Tenant shall have and hold the Premises for and during the Term, unless sooner terminated pursuant to the other provisions of this Lease, beginning on the Commencement Date.

ARTICLE III

Rent

Section 3.01 Net Lease

The Tenant acknowledges and agrees that it is intended that this Lease is an absolutely net Lease to the Landlord, except as expressly herein set out, that the Landlord is not responsible during the Term for any costs, charges, expenses and outlays of any nature whatsoever arising from or relating to the Premises, or the use and occupancy thereof, or the contents thereof or the business carried on therein, and the Tenant shall pay all charges, impositions, costs and expenses of every nature and kind relating to the Premises except as expressly herein set out.

Section 3.02 Covenant to Pay

- (a) The Tenant shall pay Basic Rent and Additional Rent as herein provided. The Tenant acknowledges that Basic Rent and the Tenant's Proportionate Share of Additional Rent are calculated based upon the Rentable Area of the Premises as set out in Section 1.00(c) hereof.
- (b) The Tenant shall comply with the reasonable requests of the Landlord to secure payment of the rent reserved under this Lease and any other amounts payable by the Tenant to the Landlord hereunder, including any request by the Landlord that the Tenant provide post-dated cheques.

Section 3.03 Basic Rent

The Tenant shall pay from and after the Commencement Date to the Landlord at the office of the Landlord, or at such other place designated by the Landlord, in lawful money of Canada, without any deduction, abatement, set-off, counterclaim or compensation whatsoever, the Basic Rent specified in Section 1.00(f), payable in equal consecutive monthly installments in the amount set forth in that Section, each in advance of the first day of each calendar month of each Lease Year.

Section 3.04 Additional Rent

In addition to the Basic Rent payable as aforesaid, the Tenant shall pay to the Landlord or such other person as the same may be payable to in the manner and at the times more particularly set out hereinafter in this Lease all other amounts payable hereunder, and, without limitation, the Tenant shall pay to the Landlord the following:

- (a) the Tenant's Proportionate Share of Operating Expenses;
- (b) the Tenant's Proportionate Share of Municipal Taxes;
- (d) an amount equal to any increase in business taxes, insurance costs or Municipal Taxes payable by reason of any installation, fixturing, improvement or alteration made in, upon or to the Premises or by reason of any act, omission or default of the Tenant;
- (e) an amount equal to any increase in any Operating Expenses directly attributable to any installation in or upon the Premises or to the business operations conducted by the Tenant;
- (h) all other amounts payable by the Tenant to the Landlord pursuant to this or any other agreement between the Landlord and the Tenant; and
- (i) an amount equal to __% of the Tenant's Gross Sales conducted from the Premises.

Section 3.05 Payment of the Tenant's Proportionate Share

The amounts payable by the Tenant pursuant to Section 3.04 may be estimated by the Landlord for such period as the Landlord determines from time to time, and the Tenant agrees to pay to the Landlord the Tenant's Proportionate Share as so estimated, of such amounts in monthly

installments in advance during such period as Additional Rent. As soon as bills for all or any portion of the said amounts so estimated are received, the Landlord may bill the Tenant for the Tenant's Proportionate Share thereof and the Tenant shall pay the Landlord the amounts billed (less all amounts previously paid by the Tenant on the basis of the Landlord's estimate as aforesaid) as Additional Rent on demand.

Section 3.06 Rent Past Due

If the Tenant fails to pay, when the same is due and payable, any Basic Rent, Additional Rent or other amount payable by the Tenant under this Lease, such unpaid amounts shall bear interest at an annual rate which, as determined by the Landlord, will be up to five (5) percentage points above the prime bank commercial interest lending rate charged at such time by the Landlord's chartered bank pro-rated from the due date thereof to the date of payment, subject to monthly compounding.

ARTICLE IV Taxes

Section 4.01 Business Taxes and Other Taxes of the Tenant

In addition to the Municipal Taxes payable by the Tenant pursuant to Section 3.04(b), the Tenant shall pay to the lawful taxing authorities, or to the Landlord, as the Landlord may direct, and shall discharge in each Lease Year when the same become due and payable every tax and license fee which is levied, rated, charged or assessed against or in respect of any and every business carried on in the Premises or in respect of the use or occupancy thereof or any other part of the Building by the Tenant and every subtenant and licensee of the Tenant, or against the Landlord on account thereof.

If the Tenant fails to pay any taxes or license fees as and when the same are due, the Landlord, after giving reasonable notice in writing, shall be at liberty to pay the same and the amount so paid including penalties, charges and interest in connection therewith, together with interest thereon from the date of payment at the rate identified in Section 3.06 shall thereupon become due and payable as Additional Rent hereunder

Section 4.02 Harmonized Sales Tax ("HST")

Despite any other section or clause of this Lease, the Tenant shall pay to the Landlord upon demand an amount equal to any and all HST, it being the intention of the parties that the Landlord shall be fully reimbursed by the Tenant with respect to any and all HST at the full tax rate applicable from time to time in respect of the Rent payable for the lease of the Premises pursuant to this Lease.

ARTICLE V Building - Control and Payment

Section 5.01 Control of Building by the Landlord

- (a) The Landlord shall operate and maintain the Building in such manner as the Landlord determines from time to time, as would a prudent landlord of a similar commercial development having regard to size, age and location subject, however, to normal wear and tear and to damage other than by Insurable Hazards.
- (b) The Building is at all times subject to the exclusive control and management of the Landlord. The Tenant acknowledges that the Landlord may appoint a manager of the Building. Without limiting the generality of the foregoing, the Landlord has the right to:
 - (i) construct other buildings, structures or improvements on the Lands and in the Building and make alterations and additions thereof, subtractions therefrom, or rearrangements thereof, build additional storeys on any improvements and construct additional buildings or facilities adjoining or proximate to the Building;

- (iii) relocate or rearrange the various components of the Building from those existing at the Commencement Date ;
- (iv) do and perform such other acts in and to the Building as, in the use of good business judgment, the Landlord determines to be advisable for the more efficient and proper operation of the Building.

ARTICLE VI
Utilities and Heating, Ventilating and Air-Conditioning

Section 6.01 Charges for Utilities

The Tenant shall be solely responsible for and shall promptly pay all costs and expenses incurred in the supply of utilities to the Premises including without limitation water, fuel and furnace maintenance, gas, electrical power, telephone, and other utilities used or consumed in or with respect to the Premises.

ARTICLE VII
Use of the Premises

Section 7.01 Use of the Premises

The Tenant shall use the Premises solely for the purpose of conducting the permitted business specified in Section 1.00(h) and the Tenant will not use or permit, or suffer the use of, the Premises or any part thereof for any other business or purpose.

Section 7.02 Observance of Law

The Tenant shall, at its sole cost and expense, promptly:

- (a) observe and comply with all provisions of law now or hereafter in force which pertain to or affect the Premises, the Tenant's use of the Premises or the conduct of any business in the Premises, or the making of any repairs, replacements, alterations, additions, changes, substitutions or improvements of or to the Premises;
- (b) obtain all necessary permits, licenses and approvals relating to the use of the Premises and the conduct of business therein; and
- (c) observe and comply with all requirements of, and pay for all costs and expenses in connection with the controls imposed by governmental authorities for ambient air and environmental standards, and without limiting the generality of the foregoing, the Tenant shall at its own cost and expense comply fully with all Environmental Laws, Order and Regulations from time to time in force relating to Hazardous Substances in, on or upon the Premises.

ARTICLE VIII
Insurance and Indemnity

Section 8.01 Insurance

- (a) The Tenant shall provide at its own expense and keep in force, throughout the Term and any renewal thereof, in the name of the Tenant and the Landlord:

fire and extended coverage (or "All Risk") insurance on all buildings, equipment and other structures forming part of the Premises to their full replacement value;

comprehensive general public liability insurance covering bodily injury, sickness or disease, or death to any person, property damage, personal injury, and Tenant's legal liability for all premises and operations arising from the use and occupancy of the Premises, with extensions where applicable to include:

- (A) contingent liability for subcontractors
- (B) blanket contractual liability
- (C) completed operations liability
- (D) products liability
- (E) broad form property damage liability;

insurance against any such other peril and in such reasonable amount as the Landlord, acting reasonably, may from time to time require.

- (b) The minimum limits of coverage for those risks set out in subsection 8.01(a)(ii) shall be not less than \$5,000,000 with respect to each occurrence or accident and \$5,000,000 annual aggregate, on an occurrence (not claims made) basis.
- (c) The Tenant shall maintain arrangements and pay such assessments as will protect the Tenant and the Landlord from claims under the *Workers Compensation Act*.
- (d) The Tenant shall provide that all insurances will be written in such terms as will fully protect the Tenant and the Landlord as an additional named insured, and will contain cross liability and severability of interest clauses, waiver or waivers of subrogation against the Landlord and shall protect the Landlord in respect of claims by the Tenant as if the Landlord were separately insured.
- (e) The Tenant shall provide that all insurances shall be endorsed to provide a minimum advance written notice to the Landlord of not less than 60 days in the event of cancellation, termination, or reduction in coverage or limits, such notice to be made to the Landlord by the Insurer.
- (f) All insurance required by the Lease shall be placed with one or more insurance companies licensed to do business in Canada and who are ordinarily engaged in the business of insuring against the risks to be covered.
- (g) The Tenant shall not do, omit to do, or permit or suffer anything to be done or omitted to be done on the Premises which will in any way impair or invalidate such policy or policies.
- (h) Prior to or at the time of execution of the Lease, the Tenant shall file with the Landlord a certified copy of each complete insurance policy or certificate of insurance required under this Section.

Section 8.02 Loss or Damage

The Landlord shall not be liable for any death or injury arising from or out of any occurrence in, upon, at, or relating to, the Building, or damage to property of the Tenant or of others located on the Premises, nor shall it be responsible for any loss of or damage to any property of the Tenant or others from any cause whatsoever, whether or not any such death, injury, loss or damage results from the negligence of the Landlord, its agents, servants or employees or other Persons for whom it may, in law, be responsible. All property of the Tenant kept or stored on the Premises shall be so kept or stored at the risk of the Tenant only and the Tenant shall indemnify the Landlord and save it harmless from any claims arising out of any damages to the same including, without limitation, any subrogation claims by the Tenant's insurers. The Tenant agrees to look solely to its insurers in the event of a loss whether the insurance coverage is sufficient to fully reimburse the Tenant or not.

Section 8.03 Indemnification of the Landlord

Notwithstanding any other terms, covenants and conditions contained in this Lease, the Tenant shall indemnify the Landlord and save it harmless from and against any and all loss (including loss of all Rent payable by the Tenant pursuant to this Lease), claims, actions, damages, liability and expense in connection with loss of life, personal injury, damage to property or any other loss or injury whatsoever arising from or out of this Lease, or any occurrence in, upon or at the Premises, or the occupancy or use by the Tenant of the Premises, or occasioned wholly or in part by any act or omission of the Tenant or by anyone permitted to be on the Premises by the Tenant. If the Landlord shall, without fault on its part, be made a party to any litigation commenced by or against the Tenant, then the Tenant shall protect, indemnify and hold the Landlord harmless and shall pay all costs, expenses and reasonable legal fees incurred or paid by the Landlord in connection with such litigation. The Tenant shall also pay all costs, expenses and legal fees (on a solicitor and his client basis) that may be incurred or paid by the Landlord in enforcing the terms, covenants and conditions in this Lease, unless a Court shall decide otherwise.

ARTICLE IX Maintenance, Repairs and Alterations

Section 9.01 Maintenance and Repairs by the Tenant

The Tenant shall, at all times during the Term at its sole cost and except for normal wear and tear, maintain and repair, or cause to be maintained and repaired, as would a prudent tenant (which shall include, without limitation, periodic painting and decorating), of similar premises, make all needed repairs and replacements with due diligence and dispatch to:

- (a) the Premises (including, without limitation, entrances, all glass, windows and storefronts);
- (b) all signs (both interior and exterior), partitions, doors, fixtures, and floor and wall coverings located in or upon the Premises; and
- (c) all equipment in and appurtenances of the Premises and improvements to the Premises (including, without limitation, lighting, wiring, plumbing, heating, ventilating and air-conditioning fixtures and systems) if such fixtures, equipment and systems are located within the Premises.

Section 9.02 Landlord's Approval of the Tenant's Repairs

The Tenant shall not make any repairs, alterations, replacements, decorations or improvements to any part of the Premises without first obtaining the Landlord's written approval.

Section 9.03 Maintenance by the Landlord

The Landlord shall, at all times throughout the Term, but subject to Article X, and except for normal wear and tear, maintain and repair, or cause to be maintained and repaired, as would a prudent owner of a reasonably similar commercial development, having regard to size, age and location, the structure of the Building including, without limitation, the foundations, exterior wall assemblies including weather walls, sub-floor, roof, bearing walls, and structural columns and beams of the Building. The cost of such maintenance and repairs shall be included in Section 1.19, unless the Landlord is required, due to the business carried on by the Tenant, to perform such maintenance or make such repairs by reason of the application of laws or ordinances or by reason of any act, omission to act, neglect or default of the Tenant, in which event the Tenant shall be liable and responsible for the total cost of any such maintenance and repairs plus a sum equal to fifteen percent (15%) of the total cost of such repairs.

Section 9.04 Surrender of the Premises

At the expiration or earlier termination of the Term, the Tenant shall peaceably surrender and yield up the Premises to the Landlord in as good condition and repair as the Tenant is required to maintain the Premises throughout the Term. The Tenant's obligation to observe and perform this covenant shall survive the expiration of the Term or earlier termination of this Lease.

Section 9.05 Removal and Restoration by the Tenant

All alterations, decorations, additions and improvements made by the Tenant, or made by the Landlord on the Tenant's behalf (other than the Tenant's trade fixtures), shall immediately become the property of the Landlord upon affixation or installation, without compensation therefor to the Tenant. Such alterations, decorations, additions or improvements shall not be removed from the Premises either during or at the expiration or earlier termination of the Term.

The Tenant shall, at the expiration of the Term, at its own cost, remove all its trade fixtures and such of its leasehold improvements and fixtures installed in the Premises as the Landlord requires to be removed and shall repair any damages caused during such removal.

If the Tenant does not remove its trade fixtures at the expiration or earlier termination of the Term, the trade fixtures shall, at the option of the Landlord, become the property of the Landlord and may be removed from the Premises and sold or disposed of by the Landlord in such manner as it deems advisable.

Section 9.06 Tenant to Discharge all Liens

The Tenant shall at all times prior to and throughout the Term promptly pay all its contractors, materialmen, suppliers and workmen and all charges incurred by or on behalf of the Tenant for any work, materials or services which may be done, supplied, or performed at any time in respect of the Premises and the Tenant shall do any and all things necessary so as to ensure that no lien or claim is registered against the Building or any part thereof, or against the Tenant's interest in the Premises, and if any such lien or claim is made, filed or registered, the Tenant shall discharge it or cause it to be discharged forthwith at the Tenant's expense.

If the Tenant fails to discharge or cause any such lien or claim to be discharged, then, in addition to any other right or remedy of the Landlord the Landlord may, but it shall not be obligated to, discharge the same by paying the amount claimed to be due into Court or directly to any such lien claimant and the amount, so paid by the Landlord and all costs and expenses including solicitor's fees (on a solicitor and his client basis) incurred as a result of the making, filing or registration of any such lien or claim, including without limitation, for the discharge of such lien or claim shall be immediately due and payable by the Tenant to the Landlord on demand. Such right to reimbursement of the Landlord shall not be affected if the Tenant shall subsequently establish or claim that such lien was without merit or excessive or subject to any abatement, setoff or defence.

Section 9.07 Signs and Advertising

The Tenant shall not paint, affix, display, any sign, notice, lettering or decoration on any part of the exterior of the Premises or on the walls of the Common Areas or elsewhere in the Building without the prior written consent of the Landlord. Any such sign shall remain the property of the Tenant and shall be maintained by the Tenant at its sole cost and expense and the Tenant shall pay for the electricity consumed by such sign. At the expiration or earlier termination of the Term, the Tenant shall remove any such sign from the Premises at the Tenant's expense and shall promptly repair all damage caused by any such removal. The Tenant's obligation to observe and perform this covenant shall survive the expiration of the Term or earlier termination of this Lease.

Section 9.08 Storage, Removal and Disposal of Waste

The Tenant shall, at its own expense throughout the Term, store, remove and dispose of all wastes and refuse of any kind whatsoever in a timely and responsible manner.

ARTICLE X Damage and Destruction and Expropriation

Section 10.01 Destruction of the Premises

If the Premises are at any time destroyed or damaged (including, without limitation, smoke and water damage) as a result of Insurable Hazards required to be insured against by the Landlord pursuant to Section 8.03, and if as a result of such occurrence:

- (i) the Premises are rendered untenable only in part, this Lease shall continue in full force and effect and the Landlord shall, subject to Section 10.02(a) hereof, commence diligently to reconstruct, rebuild or repair the Premises to the extent of the Landlord's actual insurance recoveries and so long as the damage or destruction is not caused by the Tenant, Basic Rent only (but not Additional Rent or Percentage Rent) shall abate proportionately to the portion of the Premises rendered untenable from the date of the destruction or damage and until the Premises have been restored and rendered tenable by the Landlord to the extent set out in this Section;
- (ii) the Premises are rendered wholly untenable, the Landlord shall, subject to Section 10.02(a) hereof, commence diligently to reconstruct, rebuild or repair the Premises to the extent of the Landlord's actual insurance recoveries and so long as the damage or destruction is not caused by the Tenant, Basic Rent only (but not Additional Rent or Percentage Rent) shall abate entirely from the date of the destruction or damage and until the Premises have been restored and rendered tenable in whole or in part by the Landlord to the extent set out in this Section 10.01;
- (iii) the Premises are not rendered untenable in whole or in part, this Lease shall continue in full force and effect, the Rent and other amounts payable by the Tenant shall not terminate, be reduced or abate and the Landlord shall, subject to Section 10.02(a) hereof, commence diligently to reconstruct, rebuild or repair the Premises to the extent of the Landlord's actual insurance recoveries.

Nothing in this Section 10.01 requires the Landlord to rebuild the Premises in the same condition and state that existed before any such event.

Section 10.02 Destruction of the Building and Lands

Notwithstanding anything contained in this Lease and specifically notwithstanding the provisions of Section 10.01 hereof, if:

- (i) the Building or any part thereof is at any time destroyed or damaged and, in the opinion of the Landlord such damage or destruction cannot reasonably be expected to be repaired within 180 days of such damage or destruction; or
- (ii) any other portion of the Building is damaged or destroyed to such extent that, in the opinion of the Landlord, vacant possession of the Premises will be required in order to carry out any required repair or restoration work in connection with the damaged or destroyed portions of the Building; or
- (iii) the estimated cost (as estimated by the Landlord) of repairing, restoring or rebuilding the Building shall exceed the proceeds of insurance available to the Landlord for that purpose,

then and so often as any such events occur, the Landlord may, at its option (to be exercised by written notice to the Tenant within sixty (60) days following any such occurrence), elect to terminate this Lease. In the case of such election, the Term and the tenancy hereby created shall expire upon the thirtieth (30th) day after such notice is given, without indemnity or penalty payable or any other recourse by the Tenant against the Landlord and the Tenant shall, within such thirty (30) day period, vacate the Premises and surrender them to the Landlord with the Landlord having the right to re-enter and repossess the Premises discharged of this Lease and to expel all Persons and remove all property. Basic Rent and Additional Rent shall be due and payable without reduction or abatement subsequent to the destruction or damage and until the date of termination, unless the Premises

shall have been destroyed or damaged as well, in which event Section 10.01 shall apply.

If all or any part of the Building is at any time destroyed or damaged as set out in Section 10.02, and the Landlord does not elect to terminate this Lease in accordance with the rights granted, the Landlord shall, following such destruction or damage, commence diligently to reconstruct, rebuild or repair, if necessary, that part of the Building immediately adjacent to the Premises, but only to the extent of the Landlord's responsibilities pursuant to the terms of the various leases for the premises in the Building and exclusive of any tenant's responsibilities set out. If the Landlord elects to repair, reconstruct or rebuild the Building or any part thereof, the Landlord may use plans and specifications and working drawings other than those used in the original construction of the Building or any part thereof.

Section 10.03 Expropriation

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

ARTICLE XI Assignment and Subletting

Section 11.01 Consent Required

The Tenant may not assign this Lease in whole or in part, nor sublet all or any part of the Premises (a "Transfer") without the prior written consent of the Landlord which consent shall not be unreasonably withheld or delayed. The consent by the Landlord to any Transfer, if granted, shall not constitute a waiver of the necessity for such consent to any subsequent Transfer. This prohibition against a Transfer shall be construed so as to include a prohibition against any Transfer by operation of law.

No assignment shall be valid unless each of the Tenant and the proposed assignee execute and deliver to the Landlord, a form of assignment and assumption agreement containing terms and conditions satisfactory to the Landlord, the Landlord shall be satisfied as to the financial condition of the proposed assignee and its intended use of the Premises and the Tenant shall have paid all of the Landlord's costs and expenses in connection therewith.

Section 11.02 Corporate Ownership

If the Tenant is a corporation, any transfer or issue of the corporate shares of the Tenant which results in any change in the present effective voting control of the Tenant by the Person holding such voting control at the date of execution of this Lease shall require the prior written consent of the Landlord, which consent may not be unreasonably withheld or delayed.

Section 11.03 Assignment by the Landlord

In the event of the sale, lease or disposition by the Landlord of the Lands or any part thereof, or the assignment by the Landlord of this Lease or any interest of the Landlord hereunder, and to the extent that the purchaser or assignee thereof assumes the covenants and obligations of the Landlord hereunder, the Landlord shall thereupon and without further agreement, be freed and relieved of all liability with respect to such covenants and obligations.

ARTICLE XII
Access and Alterations

Section 12.01 Right of Entry

The Landlord and its agents have the right to enter the Premises at all times to examine and to make such repairs, alterations, changes, adjustments, improvements or additions to the Premises or the Lands or any part thereof or any adjacent property as the Landlord considers necessary or desirable. The Landlord shall not be liable for any damage, injury or death caused to any Person, or to the property of the Tenant or of others located on the Premises as a result of such entry. The Landlord and its agents have the right to enter the Premises at all times to show them to prospective purchasers, Tenants or mortgagees and during the twelve (12) months prior to the expiration of the Term. If the Tenant is not personally present to open and permit an entry into the Premises at any time when for any reason an entry is necessary or permissible as a result of an emergency, real or apprehended, the Landlord or its agents may forcibly enter, without rendering the Landlord or such agents liable, and without in any manner affecting the obligations and covenants of this Lease. The Tenant agrees that any entry by the Landlord upon the Premises in accordance with this Section 12.01 is not a re-entry or a breach of any covenant for quiet enjoyment contained in this Lease or implied by law.

Section 12.02 Keys and Codes

The Tenant shall provide the Landlord with copies of keys and access codes to enable the Landlord to access the premises in accordance with the provisions of Section 12.01. The Landlord undertakes not to make any copies of the keys or access codes, nor to provide them to any other party other than its authorized employees in order to effect access in accordance with Section 12.01 hereof.

ARTICLE XIII
Attornment and Subordination

Section 13.01 Subordination and Attornment

It is a condition of this Lease and the Tenant's rights granted hereunder, that this Lease and all of the rights of the Tenant hereunder are, and shall at all times be, subject and subordinate to any present or future underlying or ground leases, mortgages, trust deeds and the charge or lien resulting from, or any instruments of, any financing, refinancing, or collateral financing and any renewals or extensions from time to time in existence against the lands, buildings and improvements forming the Premises, the Building or any part thereof. Upon request, the Tenant shall subordinate this Lease and all of its rights hereunder, in such form as the Landlord requires.

ARTICLE XIV
Default

Section 14.01 Right to Re-Enter

If and whenever:

- (a) the Tenant fails to pay any Rent or other sums due hereunder on the day or dates appointed for the payment thereof; or
- (b) the Tenant fails to observe or perform any other of the terms, covenants or conditions of this Lease to be observed or performed by the Tenant (other than the terms, covenants or conditions set out below in subparagraphs (c) to (i), inclusive, for which no notice shall be required) provided the Landlord first gives the Tenant ten (10) days, or such shorter period of time as is otherwise provided herein, written notice of any such failure to perform and the Tenant within such period of ten (10) days fails to commence diligently and thereafter to proceed diligently to cure any such failure to perform; or

- (c) the Tenant or any Indemnifier of this Lease or any Person occupying the Premises or any part thereof or any licensee, concessionaire or franchisee operating business in the Premises becomes bankrupt or insolvent or takes benefit of any act now or hereafter in force for bankrupt or insolvent debtors or files any proposal or makes any assignment for the benefit of creditors or any arrangement or compromise; or
- (d) a receiver or a receiver and manager is appointed for all or a portion of the Tenant's property or any such Indemnifier's, occupant's, licensee's, concessionaire's or franchisee's property; or
- (e) any steps are taken or any action or proceedings are instituted by the Tenant or by any other party including, without limitation, any court or governmental body of competent jurisdiction for the dissolution, winding-up or liquidation of the Tenant or its assets; or
- (f) the Tenant makes a sale of all or substantially all of its assets or any other sale of its assets out of the ordinary course of the Tenant's business wherever such assets are situated (other than a sale made to an assignee or subTenant pursuant to a permitted assignment or subletting hereunder and pursuant to any applicable legislation); or
- (g) the Tenant abandons or attempts to abandon the Premises, or sells or disposes of the goods and chattels of the Tenant or removes them from the Premises; or
- (h) the Premises become and remain vacant for a period of five (5) consecutive days or are used by any Persons other than such as are entitled to use them hereunder; or
- (i) the Tenant assigns, transfers, encumbers, sublets or permits the occupation or use or the parting with or sharing possession of all or any part of the Premises by anyone except in a manner permitted by this Lease,

then and in every such case the Landlord, in addition to any other rights or remedies it has pursuant to this Lease or by law, has the immediate right of re-entry upon the Premises and it may repossess the Premises and enjoy them as of its former estate, and it may expel all Persons and remove all property from the Premises and such property may be removed and sold or disposed of by the Landlord as it deems advisable or may be stored in a public warehouse or elsewhere at the cost and for the account of the Tenant, all without service of notice or resort to legal process and without the Landlord being considered guilty of trespass or becoming liable for any loss or damage which may be occasioned thereby.

Section 14.02 Expenses

If legal action is brought for recovery of possession of the Premises, for the recovery of Rent or any other amount due under this Lease, or because of the breach of any other terms, covenants or conditions herein contained on the part of the Tenant to be kept or performed, and a breach is established, the Tenant shall pay to the Landlord all expenses incurred therefor, including a solicitor's fee (on a full indemnity basis), unless a court shall otherwise award.

Section 14.03 Remedies Generally

Mention in this Lease of any particular remedy of the Landlord in respect of the default by the Tenant does not preclude the Landlord from any other remedy in respect thereof, whether available at law or in equity or by statute or expressly provided for in this Lease. Whenever the Tenant seeks a remedy in order to enforce the observance or performance of one of the terms, covenants and conditions contained in this Lease on the part of the Landlord to be observed or performed, the Tenant's only remedy shall be for such damages as the Tenant shall be able to prove in a court of competent jurisdiction that it has suffered as a result of a breach (if established) by the Landlord in the observance or performance of any of the terms, covenants and conditions contained in this Lease on the part of the Landlord to be observed or performed.

Section 14.04 Performance by Landlord

If the Tenant shall fail to perform any of its covenants or obligations under or in respect of this Lease, after reasonable notice in writing, the Landlord may from time to time, in its discretion, perform or cause to be performed any of such covenants or obligations, or any part thereof and for such purpose may do such things as may be requisite, including without limiting the foregoing may enter upon the Premises and do such things upon or in respect of the Premises or any part thereof as the Landlord may consider requisite or necessary. All expenses properly incurred and made by or on behalf of the Landlord under this covenant shall be forthwith paid by the Tenant and if not so paid shall bear interest at a rate of 15% per annum from the date the same were incurred or made;

Section 14.05 Security Deposit

The Tenant has deposited with the Landlord, the sum specified in Section 1.00(l) (the "Security Deposit"), receipt of which is hereby acknowledged by the Landlord. The Security Deposit shall be held by the Landlord, without liability for interest, as security for the faithful performance by the Tenant of all of the terms, covenants and conditions of this Lease by the Tenant to be kept, observed and performed. The Landlord may deliver the Security Deposit to any purchaser of the Landlord's interest in the Premises or the Lands, and if such interest is sold, the Landlord is discharged from any further liability with respect to the Security Deposit.

ARTICLE XV Miscellaneous

Section 15.01 Captions and Section Numbers

The captions, section numbers, and article numbers appearing in this Lease are inserted only as a matter of convenience and in no way define, limit, construe or describe the scope or intent of such sections or articles of this Lease nor in any way affect this Lease.

Section 15.02 Partial Invalidity

If for any reason whatsoever any term, covenant or condition of this Lease, or the application thereof to any Person or circumstance, is to any extent held or rendered invalid, unenforceable or illegal, then such term, covenant or condition is deemed to be independent of the remainder of the Lease and to be severable and divisible therefrom, and its invalidity, unenforceability or illegality does not affect, impair or invalidate the remainder of the Lease or any part thereof.

Section 15.03 Entire Agreement

This Lease sets forth all the covenants, promises, agreements, conditions and understanding between the Landlord and the Tenant concerning the Premises and there are no covenants, promises, agreements, conditions or understandings other than are herein set forth. Except as otherwise provided, no subsequent alteration, amendment, change or addition to this Lease shall be binding upon the Landlord or the Tenant unless in writing and signed by the Tenant and the Landlord.

Section 15.04 Governing Law

This Lease is being executed and delivered, and shall be performed in the Province of Nova Scotia, and the laws of such Province shall govern the validity, construction, enforcement and interpretation of this Lease.

Section 15.05 Time of the Essence

Time is of the essence of this Lease and of every part hereof.

Section 15.06 Overholding - No Tacit Renewal

If the Tenant remains in possession of the Premises after the end of the Term with the consent of the Landlord but without having executed and delivered a new lease, there is no tacit renewal of this Lease and the Tenant shall be deemed to be occupying the Premises as a Tenant from month to month at a monthly Basic Rent payable in advance on the first day of each month equal to the monthly amount of Basic Rent payable during the last month of the Term plus 20% and otherwise, upon the same terms, covenants and conditions as are set forth in this Lease.

Section 15.07 Successors

All rights and liabilities herein granted to, or imposed upon the respective parties hereto, extend to and bind the successors and assigns of the Landlord and the heirs, executors, administrators and permitted successors and assigns of the Tenant, as the case may be.

Section 15.08 Waiver

The waiver by the Landlord of any breach of any term, covenant or condition herein contained is not deemed to be a waiver of such term, covenant or condition or of any subsequent breach of the same or of any other term, covenant or condition herein contained. The subsequent acceptance of Rent hereunder by the Landlord is not deemed to be a waiver of any preceding breach by the Tenant of any term, covenant or condition of this Lease, regardless of the Landlord's knowledge of such preceding breach at the time of acceptance of such Rent. No term, covenant or condition of this Lease is deemed to have been waived by the Landlord unless such waiver is in writing by the Landlord.

Section 15.09 No Partnership or Agency

The Landlord does not in any way or for any purpose become a partner of the Tenant in the conduct of its business, or otherwise, or a joint venturer or a member of a joint enterprise with the Tenant, nor is the relationship of principal and agent created.

Section 15.10 Force Majeure

Notwithstanding anything to the contrary contained in this Lease, if either party is delayed or hindered in or prevented from the performance of any term, covenant or act required by reason of strikes, labour troubles; inability to procure materials or services; power failure; restrictive governmental laws or regulations; riots; insurrection; sabotage; rebellion; war; act of God; or other reason whether of a like nature or not which is not the fault of the party delayed in performing work or doing acts required under the terms of this Lease, then performance of such term, covenant or act is excused for the period of the delay and the party. However, the provisions of this Section 1510 do not operate to excuse the Tenant from the prompt payment of Basic Rent, Additional Rent or any other payments required by this Lease.

Section 15.11 Notices

Any notice, demand, request or other instrument which may be or is required to be given under this Lease shall be delivered in person or sent by facsimile copy or electronically as follows:

(a) if to the Landlord:

Halifax, NS

(b) if to the Tenant:

Section 15.12 Quiet Enjoyment

If the Tenant pays the Rent and other sums herein provided, and observes and performs all the terms, covenants and conditions on the Tenant's part to be observed and performed, the Tenant is entitled to peaceably and quietly hold and enjoy the Premises for the Term without interruption by the Landlord or any other Person lawfully claiming by, through or under the Landlord subject, nevertheless, to the terms, covenants and conditions of this Lease.

IN WITNESS WHEREOF, the Landlord, the Tenant and the Indemnifier have signed and sealed this Lease.

SIGNED, SEALED and DELIVERED
in the presence of:

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SCHEDULE "A"

LANDS

SCHEDULE "B"

PREMISES