

LAND TITLE ACT

FORM C

(Section 233(1))

Province of British Columbia

15 APR 2009 12 25

FB259528

GENERAL INSTRUMENT - PART 1 (This area for Land Title Office use)

PAGE 1 of 70 pages

1. APPLICATION: (Name, address, phone number and signature of applicant, applicant's solicitor or agent)
 BROWNE ASSOCIATES, Barristers & Solicitors,
 1633 Hillside Avenue, Victoria, BC V8T 2C4
 Phone: (250) 598-1888
 File Ref. No: V1492

Kelly J. Orr
 Kelly J. Orr, Authorized Agent

2. PARCEL IDENTIFIER(S) AND LEGAL DESCRIPTION(S) OF LAND: *
 (PID) (LEGAL DESCRIPTION)

SEE SCHEDULE

3. NATURE OF INTEREST: * DESCRIPTION	DOCUMENT REFERENCE (page and paragraph)	PERSON ENTITLED TO INTEREST
Sublease (over part) Shown as Area 1 on Plan VIP <u>86543</u>	Entire Instrument	TRANSFeree

4. TERMS: Part 2 of this Instrument consists of (select one only)

(a) Filed Standard Charge Terms	<input type="checkbox"/>	D.F. No.
(b) Express Charge Terms	<input checked="" type="checkbox"/>	Annexed as Part 2
(c) Release	<input type="checkbox"/>	There is no Part 2 of this instrument

A selection of (a) includes any additional or modified terms referred to in Item 7 or in a schedule annexed to this instrument. If (c) is selected, the charge described in Item 3 is released or discharged as a charge on the land described in Item 2.

5. TRANSFEROR(S): *
VICTORIA AIRPORT AUTHORITY
 Victoria International Airport, 201 - 1640 Electra Blvd., Sidney, British Columbia V8L 5V4

6. TRANSFeree(S): (Including occupation(s), postal address(es) and postal code(s)) *
V.F.C. CORPORATE WINGS AVIATION LTD. (Inc. No. BC0057609)
 1216 Lavinia Lane, Victoria, British Columbia V8X 5M5

7. ADDITIONAL OR MODIFIED TERMS: *
 N/A

8. EXECUTION(S): ** This instrument creates, assigns, modifies, enlarges, discharges or governs the priority of the interest(s) described in Item 3 and the Transferor(s) and every other signatory agree to be bound by this instrument, and acknowledge(s) receipt of a true copy of the filed standard charge terms, if any.

Officer Signature(s)

Execution Date

Party(ies) Signature(s)

Bryan W. Scott-Moncrieff
 BRYAN W. SCOTT-MONCRIEFF
 Barrister & Solicitor
 104 - 9710 Second Street
 Sidney, BC V8L 3C4

Y	M	D
2009	01	21

VICTORIA AIRPORT AUTHORITY
 by its authorized signatories

Name: *RICHARD PAQUETTE*

Name:

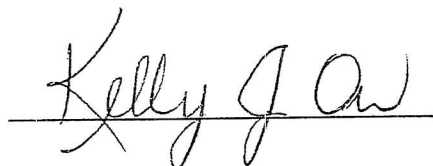
OFFICER CERTIFICATION:

Your signature constitutes a representation that you are a solicitor, notary public or other person authorized by the *Evidence Act*, R.S.B.C. 1996, c. 124, to take affidavits for use in British Columbia and certifies the matters set out in Part 5 of the *Land Title Act* as they pertain to the execution of this instrument.

* If space insufficient, enter "SEE SCHEDULE" and attach schedule in Form E.

** If space insufficient, continue executions on additional page(s) in Form D.

Officer Signature(s)

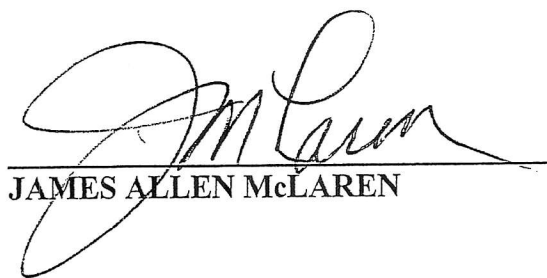


KELLY JANE ORR
Barrister & Solicitor
1633 HILLSIDE AVENUE
VICTORIA, B.C. V8T 2C4

Execution Date		
Y	M	D
2008	11	04

Transferor/Borrower/Party
Signature(s)

V.F.C. CORPORATE WINGS
AVIATION LTD. by its authorized
signatory



JAMES ALLEN McLAREN

OFFICER CERTIFICATION:

Your signature constitutes a representation that you are a solicitor, notary public or other person authorized by the *Evidence Act*, R.S.B.C.1996,c, 124, to take affidavits for use in British Columbia and certifies the matters set out in Part 5 of the *Land Title Act* as they pertain to the execution of this instrument.

LAND TITLE ACT
FORM E

SCHEDULE

Page 3

Enter the required information in the same order as the information must appear on the freehold transfer form, mortgage form or general document form.

2. **PARCEL IDENTIFIER(S) AND LEGAL DESCRIPTION(S) OF LAND:**

(PID)	(LEGAL DESCRIPTION)
001-013-271	Lot A, of Sections 8, 9, 10, 11, & 12, Range 1 East, and of Sections 7, 8, 9, 10, 11, and 12, Range 2 East, and of Sections 9, 10, 11 and 12, Range 3 East, North Saanich District, Plan 38759.

SCHEDULE "A"

DESCRIPTION OF PREMISES

The Premises are that certain parcel of land comprising an area of 2.56 hectares (25,600 m²) and more particularly shown as Area 1 outlined in heavy black ink and contained within that certain Reference Plan to accompany lease of part of Lot A, Plan 38759, Sections 11 & 12, Range 2 East, North Saanich District, certified correct by Michael Claxton, BC Land Surveyor, and dated December 16, 2008, a copy of which is attached to this Schedule.

TERMS OF INSTRUMENT, PART 2



VICTORIA AIRPORT AUTHORITY

LAND SUBLEASE

AVIATION USE

EXISTING TENANT SURRENDERS TRANSPORT CANADA LAND LEASE

FOR NEW VAA SUBLEASE

ADDITIONAL BUILDINGS TO BE CONSTRUCTED

BY SUBLESSEE

June 12, 2006

VICTORIA AIRPORT AUTHORITY
LAND SUBLEASE
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- Schedule "B" - Term of Sublease
- Schedule "C" - Use of Subpremises
- Schedule "D" - Rent
- Schedule "E" - New Improvements
- Schedule "F" - Environmental Compliance letter
- Schedule "G" - Environmental Assessment Report

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SUBLEASE dated for reference the 20th day of June, 2006.

BETWEEN:

VICTORIA AIRPORT AUTHORITY

Victoria International Airport
201 - 1640 Electra Blvd.
Sidney, BC V8L 5V4

(the "**Sublessor**")

AND

VFC CORPORATE WINGS AVIATION LTD.

1216 Lavinia Lane
Victoria, BC V8X 5M5

(the "**Sublessee**")

WHEREAS:

- A. By lease (the "**Head Lease**") dated for reference the 1st day of April 1997, Her Majesty the Queen in Right of Canada leased to the Sublessor the lands and premises as described therein (the "**Airport Lands**"), encompassing the property known as the Victoria International Airport (the "**Airport**");
- B. The Sublessee sublet the land portion of the Subpremises from Her Majesty pursuant to the terms and conditions of Lease No. 142425 (Pacific 8338) (the "**Original Lease**") which was assigned by Her Majesty to the Sublessor and which has been surrendered by the Sublessee to the Sublessor effective June 30, 2006, and the Sublessee has, prior hereto, executed a Release whereby the Sublessee did release Her Majesty from any and all obligations and liabilities owed by Her Majesty, as Lessor, to VFC Corporate Wings Aviation Ltd., as Lessee, under the Original Lease;
- C. The Sublessor desires to Sublease to the Sublessee and the Sublessee desires to accept such Sublease of a portion of the Airport Lands and premises on the following terms and conditions:

ARTICLE 1 - DEFINITIONS

1.1 DEFINITIONS

In this Sublease:

"Adverse Environmental Condition" means the condition of the Subpremises or adjoining lands or the Environment which is caused or contributed to by:

- i. non-compliance with any Environmental Laws arising from the use or occupancy of the Subpremises or the exercise of the Sublessee's rights under this Sublease or under the Original Lease; or
- ii. any substance imported, manufactured, collected, discharged or existing upon or from the Subpremises, to the extent that such substance may significantly adversely affect the value of the Subpremises or adjoining lands.

"Air Terminal Building" means any building or part thereof on the Subpremises used for public and commercial passenger service facilities associated with the transfer of commercial passengers and their baggage from the point of interchange between ground transportation and the building to the point of connection with the aircraft, and with the transfer of connecting and in-transit commercial passengers and their baggage between flights, and includes all bridged gates attached to such building.

"Business Days" means any days which are not a Saturday, Sunday or a statutory holiday observed in British Columbia and **"Business Day"** will have a corresponding meaning.

"Claims" means all actions, causes of action, suits, duties, debts, accounts, contracts and covenants (whether express or implied), claims and demands whatsoever for damages, indemnity, costs, interest, loss or injury of every nature and kind in law or in equity.

"Contaminants" means any radioactive materials, asbestos materials, urea formaldehyde, hydrocarbon contaminants, underground or above-ground tanks, pollutants, contaminants,

deleterious substances, dangerous substances or goods, hazardous, corrosive, or toxic substances, special waste or waste of any kind, or any other substance, the storage, manufacture, disposal, treatment, generation, use, transport, remediation, or Release into the Environment of which is now or hereafter prohibited, controlled, or regulated under Environmental Laws.

"Days" means calendar days including Saturday, Sunday and statutory holidays observed in British Columbia and **"Day"** will have a corresponding meaning.

"Environment" includes the air (including all layers of the atmosphere), land (including soil, sediment deposited on land, fill, and lands submerged under water), water (including oceans, lakes, rivers, streams, groundwater, and surface water), structures (including interior and exterior components, foundations and fills) and all other conditions and influences, whether in the indoor or outdoor environments, under which humans, animals and plants live or are developed.

"Environmental Laws" means any and all statutes, laws, regulations, orders, bylaws, standards, guidelines, permits, and other requirements of any federal, provincial, municipal, or other governmental authority and includes orders or directives made by any such governmental authority that has or would have jurisdiction over the Subpremises if they were privately owned and/or subject to provincial law now or hereafter in force with respect in any way to the Environment, habitat protection or enhancement, the protection or improvement of land, air or water, the regulation of discharges, disposal of waste, the manufacture, storage, use and disposal of any hazardous materials or substances, pollution prevention, control, avoidance or regulation, and contaminated site regulation and remediation and the transportation of dangerous goods, including the principles of common law and equity.

"Her Majesty" means Her Majesty the Queen in Right of Canada as represented by the Minister of Transport, and any person authorized in writing by the Minister of Transport to act on his or her behalf, and shall include the successors and assigns of Her Majesty.

"Release" includes any release, spill, leak, pumping, pouring, emission, emptying, discharge, injection, escape, leaching, migration, disposal, or dumping.

"Sublease" means this Sublease including any schedules and attachments, all as may be amended, replaced or supplemented from time to time, and any additional schedules which the parties may agree from time to time are to form part of this Sublease.

"Sublease Year" means each of the consecutive periods of twelve (12) months comprising the Term and any renewal thereof of this Sublease, the first Sublease Year being the period of twelve (12) months commencing on the Commencement Date of the Term and any renewal thereof referred to in Schedule "B" and ending on the Day preceding the first anniversary of the date of commencement and each succeeding Sublease Year being the period of twelve (12) months commencing on the Day following the expiration of the Sublease Year preceding it.

ARTICLE 2 - DEMISE

2.1 DEMISE

In consideration of the rents, covenants, conditions and agreements herein reserved and contained, the Sublessor does hereby demise and Sublease to the Sublessee that certain parcel of land and premises described in Schedule "A" (the "Subpremises"), together with the right of ingress to and egress from the same over that portion of the Airport Lands as approved by the Sublessor. Notwithstanding the grant of ingress and egress to the Sublessee by the Sublessor as more particularly described herein, the Sublessor may, at any time, cancel that right provided alternate means of ingress and egress are granted by the Sublessor to the Sublessee over portions of the Airport Lands as approved by the Sublessor.

ARTICLE 3 - TERM

3.1 TERM

TO HAVE AND TO HOLD the Subpremises for the Term as described in Schedule "B", and subject to the provisions hereinafter contained.

ARTICLE 4 - ALTERATIONS, DAMAGE OR DESTRUCTION, ETC.

4.1 ALTERATIONS

The Sublessee shall not during the Term or any renewal, without the consent in writing of the Sublessor first obtained, make any alterations or additions whatsoever to the Subpremises except in accordance with the terms, conditions and stipulations as contained in this Sublease.

4.2 DAMAGE OR DESTRUCTION

If and whenever any building or other improvement on the Subpremises (including New Improvements) is damaged or destroyed by fire or other casualty or occurrence, the Sublessee will forthwith commence and diligently proceed to restore, rebuild and repair those improvements to the same or better condition as existed immediately prior to the occurrence of such damage or destruction.

4.3 EXPIRATION OF TERM

At the expiry of the Term or any renewal, the Sublessee shall deliver vacant possession of the Subpremises as required herein and surrender, yield and deliver up any improvements (including New Improvements) which may be on the Subpremises at that time (save such fixtures as are herein specifically excepted) and all the right, title and interest therein of the Sublessee shall cease and vest in the Sublessor, nevertheless the Sublessor shall have the option of requiring the Sublessee upon written notice, to remove such improvements (including New Improvements) and the Sublessee shall be so bound to remove and shall restore the Subpremises to its original condition all at the cost and expense of the Sublessee and without any right on the part of the Sublessee to seek compensation for any reason whatsoever.

4.4 GOOD REPAIR

The Sublessee shall at all times during the Term and any renewal thereof at its own cost keep, according to the standards of a prudent owner, the Subpremises and all fixtures and improvements (including New Improvements) located thereon, including trade or occupant's fixtures, in a clean, neat and tidy condition, clear of all waste and debris and shall make all repairs, and do all maintenance, interior and exterior, structural and non-structural, ordinary as well as extraordinary, foreseen as well as unforeseen, required to

keep all of the same in good order and condition. In particular, without restricting the generality of the foregoing, the Sublessee shall keep all windows and signs in neat and clean condition, and shall replace as necessary all bulbs, tubes and ballasts about the Subpremises or being part of the Sublessee's fixtures or signs. The Sublessee shall promptly notify the Sublessor in writing of any defect or problem with the Subpremises or any improvement thereon which requires repair or remediation of a material nature.

4.5 NEW IMPROVEMENTS

- (a) Any new buildings or improvements (the "New Improvements") to be constructed by the Sublessee on the Subpremises shall be maintained, constructed, or placed thereon in accordance with the terms and provisions of Schedule "E". For such New Improvements and for any other improvements that the Sublessee desires from time to time, there shall not be constructed, placed or painted on the Subpremises any building, sign, fence or other improvement including landscaping, or any addition or alteration thereto, including alteration or change of an exterior finish or colour until proper plans, including a siting plan, with elevations and specifications, setting forth all materials to be used with details as to their quantities and qualities, shall have been first submitted to and approved in writing by the Sublessor or the Sublessor's designated representative, it being the intention of this Subsection that all New Improvements, including buildings and appendages thereto, fences, signs and landscaping are to be controlled as to design, location, height, setback, type of materials used, and exterior colour schemes.
- (b) In addition, the Sublessee shall conform to all rules and regulations from time to time established by the Sublessor relating to demolition, construction and improvement matters including without limitation, the requirement for building and other permits, charges for constructing or upgrading on or off site utilities, services and similar works.
- (c) The Sublessor may also require the Sublessee to provide a performance bond containing terms satisfactory to the Sublessor, so as to ensure timely and proper completion of any New Improvements to be constructed by the Sublessee.

- (d) Notwithstanding the Sublessor's approval of the construction of the New Improvements referred to in Subsection 4.5(a), any work performed by any party, whether or not a contractor, subcontractor, architect, engineer or labourer, in the course of constructing those New Improvements will be done by or on behalf of or for the direct benefit of the Sublessee and at the Sublessee's request and will not be done by or on behalf of or for the direct or indirect benefit of the Sublessor nor will it be done at the Sublessor's request.

4.6 INSPECTION

- (a) The Sublessor or its agent may at any reasonable time during the Term or any renewal thereof, enter upon the Subpremises or any part thereof and view the state and condition thereof and may serve upon the Sublessee notice in writing of any defect or condition for which the Sublessee is responsible requiring the Sublessee, within such time as the Sublessor may reasonably prescribe, to repair or remedy the same and the Sublessee agrees to do so. In connection with this Subsection, the Sublessor may make tests, take samples, and observe operating and other procedures.
- (b) Upon the Sublessor's request, the Sublessee shall make available for inspection and copy all records, reports and other papers or documents relating to the Subpremises and the storage or disposal of materials thereon and therefrom.
- (c) The Sublessee forthwith after receipt, shall send or communicate to the Sublessor copies of any notices or other information received by the Sublessee from third parties relating to defaults by the Sublessee under this Sublease or complaints relating to the Subpremises or Airport Lands generally.
- (d) The Sublessee shall forthwith deliver to Her Majesty and the Sublessor, a copy of any written notice of non-compliance by the Sublessee with any applicable law, received by the Sublessee, unless the Sublessee promptly commences to remedy such non-compliance forthwith upon receipt of notice and thereafter with due diligence continuously prosecutes the remedying of the non-compliance to completion within a reasonable period of time.

- (e) At any time, but not more than once per year, the Sublessee shall forthwith on the demand of the Sublessor fully complete and return a Subpremises condition questionnaire in such form as the Sublessor acting reasonably may prescribe.

4.7 SUBLESSOR'S SOLICITOR & CLIENT COSTS

The Sublessee covenants and agrees to pay the Sublessor's solicitor and own client costs relating to the Sublessor's consent to a mortgage or an assignment of this Sublease and any documents relating thereto together with the Sublessor's administrative fee in an amount reasonably determined by the Sublessor.

4.8 USE OF SUBPREMISES

The Subpremises shall be used only for the businesses and purposes as described in Schedule "C".

4.9 UTILITIES

The Sublessee shall pay all telephone, water, electric and other utility or services charges in connection with the Subpremises and to the extent that there is not a separate meter for measuring the consumption of any utility used in the Subpremises (as for example, use of a sanitary sewer system), the Sublessee shall pay to the Sublessor as additional rent by monthly installments a proportionate share of those unmetered utility charges as determined by the Sublessor acting reasonably. In the event that the Sublessee's business requires additional on or off site utility capacity or special facilities, such as road widening, larger intake lines, waste interceptors or clean-out pits, then the Sublessee shall bear all costs of installing, maintaining and removing as necessary such additional facilities.

ARTICLE 5 - ENVIRONMENTAL MATTERS

5.1 ACCESS BY SUBLESSOR

Without relieving the Sublessee of any of its obligations under this Sublease, the Sublessee shall, at such reasonable times as the Sublessor requires, permit the Sublessor to enter and inspect the Subpremises and all improvements thereon and the operations conducted at the Subpremises, to conduct tests and environmental assessments, to remove samples from the Subpremises, to examine and make copies of any documents or records relating

to the Subpremises, to interview the Sublessee's employees, and to take such steps as the Sublessor deems necessary for the safety and preservation of the Subpremises.

5.2 COMPLIANCE WITH ENVIRONMENTAL LAWS

The Sublessee, at its cost, shall promptly and strictly comply, and cause any person for whom it is in law responsible to comply, with all Environmental Laws regarding the use and occupancy of the Subpremises under or pursuant to this Sublease, including without limitation obtaining all required permits or other authorizations. If any action, including any remediation or removal of any Contaminants, is required as a result of Environmental Laws, the Sublessee shall, at its own cost and expense, diligently and with appropriate professional consultation and advice:

- (a) prepare all necessary studies, remediation plans, plans and proposals and submit the same to the Sublessor and the appropriate governmental authority for approval;
- (b) provide all bonds, security insurance or indemnities as may be required by the governmental authority or the Sublessor;
- (c) carry out the action as required;
- (d) meet the criteria specified by the Sublessor and by any appropriate governmental authority or Environmental Laws;
- (e) keep the Sublessor fully informed and provide copies of all relevant data, materials, reports and other documentation with respect to the work.

5.3 CONDITION OF SUBPREMISES

- (a) The Sublessee acknowledges and agrees that the Sublessor has made no representations or warranties with respect to the environmental condition of the Subpremises and is subleasing the Subpremises to the Sublessee under this Sublease on an "as is, where is" basis with respect to their environmental condition. The Sublessee releases the Sublessor and its members, directors, officers, employees, agents, successors and assigns from all Claims, demands, liabilities, obligations and causes of action in connection with or arising out of the condition of

the Subpremises and any Contaminants situated on, in or under the Subpremises and, without limiting the generality of the foregoing, the Sublessee releases the Sublessor and its members, directors, officers, employees, agents, successors and assigns from all liabilities, obligations and responsibilities with respect to remediation of the Subpremises including those which may arise now or in the future out of a governmental, regulatory, administrative, judicial or otherwise determination that the Subpremises are or contain a contaminated site within the meaning of Environmental Laws or that an Adverse Environmental Condition exists or out of a remediation order issued by any minister, director, approving officer, manager or other person of similar authority under Environmental Laws. Prior to taking possession of the Subpremises under this Sublease, the Sublessee will have performed such investigations of the Subpremises as it considers appropriate, and will be satisfied as to the environmental condition of the Subpremises, all such investigations to be consistent with good commercial practice in an effort to determine the condition, contamination and fitness of the Subpremises. The Sublessee hereby waives the requirement, if any, for the Sublessor to provide a site profile for the Subpremises under the *Environment Management Act* of British Columbia or any regulations pursuant thereto.

- (b) It is acknowledged that the Sublessee takes the Subpremises in an "as is" condition with any fixed or other improvements thereon, and, subject to any defects, conditions or problems that may exist.
- (c) The Sublessee acknowledges that:
 - i. the Sublessor has undertaken an investigation of the soils and ground water on a portion of the Subpremises only, which investigation has disclosed no detectable levels of Extractable Petroleum Hydrocarbons (EPHs) and that the soil and ground water samples tested for metals did not indicate elevated concentrations greater than the levels permitted for residential or commercial land use standards for soils and ground water as defined by the British Columbia Contaminated Sites Regulations pursuant to the *Waste Management Act*, R.S.B.C. 1996 c. 290;

- ii. the results of the investigation are contained in a report from Bethell Associates Ltd. dated June 8, 2006, which has been disclosed and delivered to the Sublessor and Sublessee (the "**Bethell Report**"), a copy of which is attached to this Sublease as Schedule "G";
- iii. the Sublessor makes no further or other warranty or representation with regard to the condition of the soils or ground water, or with respect to the subsurface conditions of the Subpremises, and the Sublessee will sublease the Subpremises on an "as is" basis and has the right to undertake its own independent investigation and examination of the Subpremises;
- iv. the Sublessor makes no warranty or representation with respect to the accuracy or correctness or the quality of the Bethell Report, and assumes no liability or responsibility in respect of reliance by any person on the Bethell Report; and

the Sublessor warrants that it has not received any pollution abatement

5.4 INDEMNITY

The Sublessee shall indemnify, defend and save harmless the Sublessor and its members, directors, officers, employees, agents, successors, and assigns from any and all liabilities, actions, damages, Claims, remediation costs, recovery Claims, losses, costs, orders, fines, penalties, and expenses whatsoever (including without limitation any and all environmental or statutory liability for remediation, the full amount of all legal fees and expenses on a solicitor/own client basis, the full amount of all consultant fees and expenses and the cost of removal, treatment, storage and disposal of Contaminants and remediation of the Subpremises and any adjacent property) which may be paid by, incurred by, or asserted against the Sublessor or its members, directors, officers, employees, agents, successors, or assigns, during or after the Term or any renewal thereof, arising from or in connection with any breach of or non-compliance with the provisions of this Article 5 by the Sublessee or arising from or in connection with:

- (a) any legal or administrative action, proceeding, investigation, demand, Claim, or notice of any third party, including without limitation any governmental authority, against any one or more of them pursuant to or under Environmental Laws; or
- (b) any Release or alleged Release of any Contaminants at or from the Subpremises into the Environment, related to or as a result of the use and occupation of the Subpremises by the Sublessee prior to or during the Term, but subject to Section 5.15, and any renewal thereof or those for whom it is in law responsible or any act or omission of the Sublessee or any person for whom it is in law responsible.

5.5 INVESTIGATION AND REPORT

- (a) The Sublessee shall, at the Sublessor's request, but not more than once in each year, subject always to Subsection (c) and Subsection (e), provide the Sublessor with a written assurance or other documents required by the Sublessor certifying and confirming in the form attached hereto as Schedule "F" that the Sublessee is in compliance with all Environmental Laws and no Adverse Environmental Condition exists.
- (b) If at any time the Sublessee is not in compliance with all Environmental Laws or if an event occurs which causes an Adverse Environmental Condition, the Sublessee shall forthwith notify the Sublessor of the details of such event and the Sublessee shall forthwith provide reports, documents, and other certifications as required by the Sublessor certifying and confirming those facts and setting out a plan for remediation, and the Sublessee shall forthwith take all appropriate steps to obtain approval for the remediation plans from the appropriate governmental authority and shall comply with all Environmental Laws that arise as a result of the Adverse Environmental Condition.
- (c) If the Sublessee, in accordance with Subsection (a), provides anything other than confirmation of the absence of any Adverse Environmental Condition, and the Sublessee, in the opinion of the Sublessor, is not taking action required under this Sublease to remediate such Adverse Environmental Condition, then the Sublessor may require the Sublessee to obtain, at its own cost and expense, a qualified independent environmental consultant to investigate the Adverse

Environmental Condition, prepare all necessary studies, remediation or other action plan or proposal and to verify the Sublessee's complete and proper compliance with all Environmental Laws.

- (d) The Sublessee hereby authorizes and consents to the Sublessor making inquiries of any governmental agency with respect to the Sublessee's compliance with Environmental Laws pertaining to the Subpremises or any business conducted on or from the Subpremises, or with respect to any repair, remediation or other works being undertaken in compliance with Environmental Laws on the Subpremises or adjacent to the Subpremises.
- (e) If the Sublessor is of the opinion that the Sublessee is not in compliance with all Environmental Laws and is of the opinion that an Adverse Environmental Condition exists relative to the Subpremises the Sublessee shall, at its cost, at the Sublessor's request, obtain from an qualified independent environmental consultant approved by the Sublessor an environmental site investigation of the Subpremises or an environmental audit of the operations at the Subpremises, the scope of which shall be satisfactory to the Sublessor and shall include any additional investigations as the environmental consultant may recommend, and any remediation or removal recommended by that consultant shall be done by the Sublessee at its cost.

5.6 JURISDICTION WITH RESPECT TO ENVIRONMENTAL LAWS

At the option of the Sublessor, any or all of the Sublessee's obligations with respect to this Article 5 shall be governed in accordance with Environmental Laws as if the Subpremises were subject to the jurisdiction of provincial and municipal laws and the Sublessor may require compliance with Environmental Laws whether or not, as a matter of law, those Environmental Laws apply to the Subpremises. The Sublessor may enter into such agreements or arrangements with any governmental authority with respect to the application or enforcement of Environmental Laws and the Sublessee shall attorn to the jurisdiction of such governmental authority in accordance with any such agreements or arrangements.

5.7 NOTICES

The Sublessee shall promptly notify the Sublessor in writing of:

- (a) any Release of a Contaminant or any other occurrence or condition at the Subpremises or any adjacent property which could subject the Sublessor, the Sublessee, or the Subpremises to any fines, penalties, orders, or proceedings under Environmental Laws;
- (b) any charge, order, investigation, or notice of violation or non-compliance issued against the Sublessee or relating to the operations at the Subpremises under any Environmental Laws; and
- (c) any notice, Claim, action, or other proceeding by any third party against the Sublessee or in respect of the Subpremises concerning the Release or alleged Release of Contaminants at or from the Subpremises.

The Sublessee shall notify the appropriate regulatory authorities of any Release of any Contaminants at or from the Subpremises in accordance with Environmental Laws, and failure by the Sublessee to do so shall authorize, but not obligate, the Sublessor to notify the regulatory authorities.

5.8 OWNERSHIP OF CONTAMINANTS

Notwithstanding any rule of law to the contrary, any Contaminants or subleasehold improvements or goods containing Contaminants brought onto, used at, or Released from the Subpremises by the Sublessee or any person for whom it is in law responsible shall be and remain the sole and exclusive property of the Sublessee and shall not become the property of the Sublessor, notwithstanding the degree of their affixation to the Subpremises and notwithstanding the expiry or earlier termination of this Sublease. This Section supersedes any other provision of this Sublease to the contrary.

5.9 RECORDS

The Sublessee shall maintain at the Subpremises all environmental and operating documents and records including permits, licences, orders, approvals, certificates, authorizations, registrations, and other such records relating to the operations at the

Subpremises, which may be reviewed by the Sublessor at any time during the Term or any renewal on two (2) Business Days' prior written notice, except in the case of an emergency, when no prior notice shall be required.

5.10 REMOVAL OF CONTAMINANTS

On the expiry or earlier termination of this Sublease, or at any time if required by the Sublessor or required by any governmental authority pursuant to Environmental Laws, the Sublessee shall, promptly at its own cost and in accordance with Environmental Laws, remediate or remove any Adverse Environmental Condition and remove from the Subpremises any and all Contaminants, and remediate any contamination of the Subpremises or any adjacent property resulting from Contaminants, in all cases brought onto, used at, or Released from the Subpremises by the Sublessee or any person for whom it is in law responsible. For greater certainty, the foregoing obligations of the Sublessee shall include, without limitation, the treatment of water (including surface and groundwater) and the remediation by removal of any soils containing Contaminants at levels exceeding the standards set as acceptable at the time of remediation by the applicable governmental authority, being, with respect to soils, the standard applicable to property used for commercial/industrial purposes and with respect to water, as determined by the governmental authority given the character and use of water in the area of the Subpremises. Any soil so removed shall be promptly replaced by soil free of Contaminants at concentrations above the standard described in the preceding sentence. The Sublessee shall provide to the Sublessor full information with respect to any remedial work performed pursuant to this Section and shall comply with the Sublessor's requirements with respect to such work. The Sublessee shall use a qualified independent environmental consultant approved by the Sublessor to perform the remediation or removal and shall obtain the written agreement of the consultant to the Sublessee relying on its reports. The Sublessee shall, at its own cost, obtain such approvals and certificates as may be required by applicable governmental authorities in respect of the remediation or removal as is required under Environmental Laws or by the Sublessee including, without limitation, a certificate of compliance evidencing completion of the remediation or removal satisfactory to all governmental authorities and the Sublessor.

5.11 SUBLESSEE TO UNDERTAKE ENVIRONMENTAL WORKS

If the Sublessee fails to comply with any Environmental Laws the Sublessor may, after written notice to the Sublessee, elect to perform the work in which event the Sublessor, its employees, contractors, subcontractors and consultants:

- (a) shall have uninterrupted and unimpeded access to the Subpremises, provided that it shall give written notice to the Sublessee of all times and manner of access;
- (b) may enter onto the Subpremises by or with or without machinery and equipment;
- (c) may perform any such work at the cost and expense of the Sublessee as is required hereunder; and
- (d) shall not thereby surrender any of its rights, protections, indemnities, or the allocation of responsibility and liability hereunder, and all costs and expenses relating to the performance of the environmental work by the Sublessor shall be additional rent due from the Sublessee to the Sublessor and shall be paid by the Sublessee to the Sublessor forthwith upon request by the Sublessor for payment, and failure to pay such amount shall constitute a breach of this Sublease by the Sublessee.

5.12 SUBLESSEE'S REPRESENTATIONS AND WARRANTIES

The Sublessee represents and warrants to the Sublessor, and acknowledges that the Sublessor is relying on such representations and warranties in entering into this Sublease, that as of the date of this Sublease:

- (a) except as disclosed to and approved in writing by the Sublessor, the Sublessee is not, and has never been, subject to any charge, conviction, notice of defect or non-compliance, work order, pollution abatement order, remediation order, or any other order or proceeding under any Environmental Laws; and
- (b) except as disclosed to and approved in writing by the Sublessor, the Sublessee's business at the Subpremises does not involve the sale, storage, manufacture,

disposal, treatment, generation, use, transport, refinement, processing, production, remediation, Release into the Environment of, or any other dealing with, any Contaminants.

If any of the representations and warranties contained in this Section are untrue or incorrect in any material respect, the same shall constitute a breach of this Sublease by the Sublessee.

5.13 SURVIVAL OF SUBLESSEE'S OBLIGATIONS

The obligations of the Sublessee under this Article 5 (including without limitation the Sublessee's indemnity, its obligation to remove and remediate Contaminants, and its covenant of confidentiality) shall survive the expiry or earlier termination of this Sublease. The obligations of the Sublessee under this Article 5 are in addition to and shall not limit the obligations of the Sublessee contained in other provisions of this Sublease.

5.14 USE OF CONTAMINANTS

Except in accordance with Environmental Laws, the Sublessee shall not use or permit to be used all or any part of the Subpremises for the sale, storage, manufacture, disposal, treatment, generation, use, transport, refinement, processing, production, remediation, Release into the Environment of, or any other dealing with, any Contaminants, without the prior written consent of the Sublessor. The Sublessee shall, in no event, and does not plan or intend to use the Subpremises to dispose of, handle, treat or Release a Contaminant in the manner that, in whole or in part, causes the Subpremises or an adjacent property to become a contaminated site under Environmental Laws or creates an Adverse Environmental Condition.

5.15 LIMIT OF SUBLESSEE'S LIABILITY

Notwithstanding anything contained in this Article 5, the Sublessee shall not be responsible for any Adverse Environmental Conditions or the presence of Contaminants in the Subpremises that occurred prior to January 1, 1993, (the commencement date of the term of the Original Lease), provided the Adverse Environmental Conditions or the presence of Contaminants in the Subpremises were not caused by the Sublessee or those for whom it is in law responsible.