

**HALIFAX REGIONAL MUNICIPALITY
BY-LAW NUMBER T - 1100
RESPECTING TAXATION AGREEMENTS**

BE IT ENACTED by the Council of the Municipality, under the authority of section 92B of the *Halifax Regional Municipality Charter*, 2008 S.N.S. c. 39, as amended, as follows:

WHEREAS, where the Council considers it necessary or advisable, the Municipality may enter into a taxation agreement with the owner of an “eligible industrial property” respecting the taxes payable to the Municipality by the owner;

AND WHEREAS the *Definition of Eligible Industrial Property Regulation, N.S. Reg. 11/2015*, defines “eligible industrial property” for the purposes of section 92B of the *Halifax Regional Municipality Charter*;

AND WHEREAS the Council considers it necessary or advisable to enter into a taxation agreement with the owner of certain eligible industrial properties;

AND WHEREAS, Council is of the opinion that the properties identified in Schedule A of Schedule 1 to this By-law are both used for a specific, unique or complex industrial purpose and have limited resale potential because of this specific, unique or complex usage;

AND WHEREAS a taxation agreement does not take effect until it is approved by By-law;

Short Title

1. This By-law may be cited as the *Taxation Agreement By-law*.

Approved Taxation Agreement

2. The taxation agreement attached hereto as Schedule 1 is approved effective April 1, 2014.

Schedule

3. Schedule 1 attached to this By-law shall form part of this By-law.

Done and passed in Council this 16th day of June, 2015.

Mayor

Municipal Clerk

I, Cathy Mellett, Municipal Clerk for the Halifax Regional Municipality, hereby certify that the above noted by-law was passed at a meeting of Halifax Regional Council held on June 16, 2015.

Cathy Mellett, Municipal Clerk

Notice of Motion:
First Reading:
Notice of Second Reading Publication:
Second Reading:
Effective Date:

May 12, 2015
May 26, 2015
May 30, 2015
June 16, 2015
June 20, 2015

TAXATION AGREEMENT

THIS AGREEMENT is made as of the date on which the last signatory executed this Agreement.

BETWEEN

Halifax Regional Municipality, a Nova Scotia body corporate subsisting under the Halifax Regional Municipality Charter (“HRM”)

- and -

Irving Shipbuilding Inc., a corporation incorporated under the laws of the Province of New Brunswick (“ISI”)

WHEREAS it is in the mutual interest of both HRM and ISI to enter into a long-term agreement in respect of real property taxes and other taxes payable by ISI to HRM in respect of the Property;

AND WHEREAS the parties have entered into the Agreement intending that after April 1, 2014 the amount shown payable at Schedule B for the corresponding Taxation Year (such amount representing a fixed base amount of the Property Taxes that would be payable by ISI but for improvements to the Property after 2012) combined with the FTE for the corresponding Taxation Year (such amount representing a variable amount intended to reflect employment activity on the Property as a proxy for an increase to the value of the Property as a result of such improvements) will determine the Amounts Payable for that Taxation Year;

AND WHEREAS the parties intend that the FTE will, to the extent possible, capture the employment activity on the part of ISI and its affiliates engaged in the Business at the Property;

AND WHEREAS the parties expect that ISI will perform its traditional shipbuilding work for the NSPS as well as ship repair at the Property;

NOW THEREFORE, in consideration of the premises and the agreements herein contained, the parties agree as follows:

1. Definitions.

1.1 In this Agreement, the following terms have the meanings:

“**Agreement**” means this agreement, including its recitals and Schedules.

“**Amounts Payable**” means the aggregate amounts payable by ISI to HRM on or in respect of the Property pursuant to Sections 2.1-2.5 (inclusive) and are in lieu of any Property Taxes that would otherwise be payable by ISI to HRM on or in respect of the Property.

“**AOPS Program**” means the Arctic Offshore Patrol Ships shipbuilding program of the Government of Canada.

“**Background Information**” means:

(a) a document indicating, for the relevant calendar year, the aggregate number of hours worked by Employees whose compensation is based on the number of hours worked;

(b) a document indicating, for the relevant calendar year, (i) the aggregate number of payroll payments made to full time salaried Employees, and (ii) the aggregate number of payroll payment cycles at the Property;

(c) copies of the letters issued by the Halifax Shipyard to Local No.1 Industrial Union of Marine and Shipbuilding Workers of Canada, or its successor, for each period in the relevant calendar year evidencing those hours contracted out in accordance with Article 21.01 of the Collective Agreement; and

(d) a report issued by a national accounting firm specifying the procedures carried out by them to validate the information and methods used by ISI in determining the figures included in any document provided under (a) and (b).

"Barrington Property" means the property described as such in Schedule A.

"Business" means the shipbuilding and ship repair business of ISI and any work under NSPS, all as of the relevant date of determination.

"Collective Agreement" means the Local 1, Collective Agreement between Local No.1 Industrial Union of Marine and Shipbuilding Workers of Canada, chartered by the CAW/MWF, or its successor and Halifax Shipyard, as amended.

"CPI" means the core consumer price index for Canada as published by The Bank of Canada or any successor thereof.

"CSC Program" means the Canadian Surface Combatant shipbuilding program of the Government of Canada.

"Dispute" has the meaning set out in Section 14.1.

"Effective Date" means April 1, 2014.

"Employees" means:

- (a) employees of ISI located at the Property, and
- (b) employees of JDI or any of its affiliates (excluding ISI) located at the Property who work exclusively in connection with the Business for no less than six months in a calendar year.

"Event of Default" has the meaning set out in Section 7.6.

"Force Majeure Event" means an unforeseeable event or occurrence beyond the reasonable control of ISI and which ISI is unable to prevent or provide against by the exercise of reasonable diligence which shall include, but is not limited to, war, civil war, rebellion, revolution, insurrection and/or other like circumstances whether declared or not; terrorism; third party blockade (or quarantine) which means the politically motivated use of armed force or conflict, or the direct threat thereof; epidemics; natural disasters including extreme weather conditions such as hurricane, storm, hail, tempest, tornado, tsunami, flood or ice; electricity failure; fire, lightning or explosion; aircraft impact or meteor impact; confiscation, seizure, appropriation, expropriation, nationalization, requisition for title or use or willful destruction of the Property or any improvements, structures, equipment, machinery or facilities thereon, by or under the order of a government and/or public authority; or malicious damage (including fire damage and loss of looting following malicious damage) resulting directly from a malicious act caused by anyone, whether or not the aforesaid act is committed during a disturbance of the public peace, including loss caused by sabotage and acts committed by any or all persons who are member(s) of an organization whose aim is or includes the overthrow of any legal or de facto Government by terrorism or violence.

"FTE" means, for a particular Taxation Year, the number of full-time equivalent Employees determined as the sum of: (a) for Employees whose compensation is based on the number of hours worked, such number being calculated by dividing the total labour hours of all such Employees in the immediately preceding calendar year by 1810; (b) for full time salaried Employees, such number being calculated by

dividing the aggregate number of payroll payments to all such Employees in the immediately preceding calendar year by the total payroll payment cycles at the Property in such calendar year; and (c) for work performed by contractors at the Property, such number being calculated by dividing the total labour hours contracted out at the Property in accordance with Article 21.01 of the Collective Agreement or a successor provision, in the immediately preceding calendar year by 1810.

“**JDI**” means J.D. Irving, Limited, its successors or assigns.

“**Notification**” has the meaning set out in Section 3.1.

“**NSPS**” means the Government of Canada's National Shipbuilding Procurement Strategy, including any extension thereof.

“**Percentage Change**” has the meaning set out in Section 2.2.

“**Property**” means, collectively, the Windmill Road Property and the Barrington Property.

“**Property Taxes**” means any and all municipal real property taxes, including municipal rates, area rates, change in use tax, forest property tax, recreational property tax, capital charges, one-time charges, local improvement charges and any special purpose tax payable by ISI to HRM on or in respect of the Property pursuant to the *Halifax Regional Municipality Charter, Municipal Government Act* (Nova Scotia), the *Assessment Act* (Nova Scotia) or any other law in respect of municipal taxation or the equivalent thereof, but excludes rates or fees in respect of water, storm water, wastewater, or fire protection.

“**Province**” means the Province of Nova Scotia.

“**Taxation Year**” means a fiscal period of April 1 to March 31 of each year.

“**Term**” means the initial term beginning the Effective Date and ending March 31, 2039, and any extensions to such initial term pursuant to Section 7.2 or Section 7.3, unless earlier terminated in accordance with Section 7.4 or Section 7.5.

“**Windmill Road Property**” means the property described as such in Schedule A.

1.2 For the purposes of this Agreement:

(a) one body corporate is affiliated with another body corporate if one of them is the subsidiary of the other or both are subsidiaries of the same body corporate or each of them is controlled by the same person; and

(b) if two bodies corporate are affiliated with the same body corporate at the same time, they are deemed to be affiliated with each other.

2. Calculation of Amounts Payable.

2.1 The Amounts Payable for the Taxation Year beginning April 1, 2014 and ending March 31, 2015, and every subsequent Taxation Year thereafter for the duration of the Term, will be calculated as the sum of:

(a) the amount indicated in Schedule B for the particular Taxation Year, as may be adjusted and replaced in accordance with Section 2.2; and

(b) the product obtained when the amount of \$1,000 is multiplied by the excess of FTE for the particular Taxation Year over 1,000, provided, however, that the product obtained under clause (b) for any particular Taxation Year is capped at \$2,000,000, such that the

Amounts Payable attributable to clause (b) for such Taxation Year cannot exceed \$2,000,000.

- 2.2 In the event the percentage change in CPI calculated from the last month of the immediately preceding Taxation Year to the last month of the applicable Taxation Year is greater than 10 per cent (such percentage change hereinafter referred to as the "**Percentage Change**"), the amount indicated in Schedule B for each Taxation Year following the applicable Taxation Year, will be adjusted and replaced by an amount determined by the formula: $A \times (100\% + (B/2))$ where:

A = the amount indicated in Schedule B, as such amount may have been previously adjusted and replaced by this Section 2.2; and

B = the Percentage Change minus one percent

- 2.3 ISI will pay the Amounts Payable in accordance with this Agreement. The payment of the Amounts Payable by ISI to HRM for any particular Taxation Year will comprise a full and final satisfaction of ISI's liability for Property Taxes to HRM on or in respect of the Property for such Taxation Year.

- 2.4 The parties acknowledge and agree that that Amounts Payable under this Agreement are a first lien on the Property in accordance with the *Halifax Regional Municipality Charter* and that nothing in this Agreement will apply to or derogate from HRM's statutory power to undertake enforcement action against ISI should it fail to pay Amounts Payable in accordance with this Agreement.

- 2.5 In the event that ISI has paid any Property Taxes on the Property for any Taxation Year (or a part of a Taxation Year) and such Property Taxes are greater than the Amounts Payable for such Taxation Year pursuant to this Agreement, HRM will, promptly following a by-law passed by the Halifax Regional Council approving this Agreement coming into force and the provision of the Notification for the related Taxation Year, provide ISI with a refund equal to such amounts, together with interest computed and paid on the same basis as interest on overpayments of property taxes by residents of the Halifax Regional Municipality.

3. Payment of Amounts Payable.

- 3.1 No later than sixty (60) calendar days prior to the beginning of the Taxation Year beginning April 1, 2016 and ending March 31, 2017, and for every subsequent Taxation Year thereafter for the duration of the Term, ISI will notify HRM of the FTE and the Amounts Payable for such Taxation Year and provide related Background Information (the "**Notification**"). ISI represents to HRM that the Notification will be comprised of complete and accurate Background Information and acknowledges that HRM will rely on the Notification in determining the Amounts Payable for such Taxation Year.

- 3.2 No later than sixty (60) calendar days following a by-law passed by the Halifax Regional Council approving this Agreement coming into force ISI will provide HRM with the Notification for the Taxation Year beginning April 1, 2014 and ending March 31, 2015 and the Notification for the Taxation Year beginning April 1, 2015 and ending March 31, 2016, following which HRM will promptly deliver invoices to ISI for Amounts Payable in respect of such Taxation Years.

- 3.3 Starting with the Taxation Year beginning April 1, 2016 and ending March 31, 2017, and for every subsequent Taxation Year thereafter during the Term, HRM will deliver invoices to ISI for Amounts Payable in respect of such Taxation Year based on the Notification, such invoices to be issued in the same manner and on the same schedule as applies under HRM's system for collection of commercial property taxes. In addition to any other remedy available to HRM under

this Agreement, if ISI fails to provide a Notification for a Taxation Year as required by Section 3.1 and as a result (a) HRM is delayed in issuing an invoice for Amounts Payable, and (b) ISI fails to pay such Amounts Payable on the date such amounts would normally be due and payable, interest will accrue on such Amounts Payable from the date such amounts would normally be due and payable until the date such Amounts Payable are paid in full. Interest will be calculated at the rate applied by HRM in respect of outstanding property taxes of residents of the Halifax Regional Municipality.

- 3.4 ISI will pay the invoiced Amounts Payable for each Taxation Year in the same manner and on the same schedule as applies under HRM's system for collection of commercial property taxes.

4. Access.

- 4.1 ISI will, upon the reasonable request from HRM and at no cost to HRM, make the ISI employees and its advisors involved in the preparation of the Notification available to meet with representatives of HRM and its advisors to explain the content of a Notification.

5. Assessments and Improvements.

- 5.1 Under no circumstances will any improvements or changes to the Property affect the Amounts Payable.
- 5.2 This Agreement does not affect the liability of ISI for taxes:
- (a) other than Property Taxes in respect of the Property; and
 - (b) in respect of other properties of ISI.

6. Specific Tax Legislation.

- 6.1 The (a) enactment and proclamation of enabling legislation by the Province and (b) a subsequent by-law passed by Halifax Regional Council approving this Agreement coming into force, are conditions precedent to this Agreement coming into effect and becoming a binding contract enforceable in accordance with its terms.

7. Term and Termination.

- 7.1 This Agreement is effective on the Effective Date and will continue in full force and effect throughout the Term unless (a) terminated earlier in accordance with Section 7.4 or Section 7.5, or (b) the Province repeals the enabling legislation.
- 7.2 In the event NSPS continues beyond March 31, 2039 and ISI has provided HRM with evidence to that effect in form and substance satisfactory to HRM, acting reasonably, ISI may, in its sole discretion, extend the initial Term of this Agreement for five years (termination: March 31, 2044) by providing notice of such extension to HRM at least fourteen (14) calendar days prior to the end of the initial Term.
- 7.3 In the event (a) the NSPS continues beyond March 31, 2044 and ISI has provided HRM with evidence to that effect in form and substance satisfactory to HRM, acting reasonably, and (b) ISI has extended the initial term of this Agreement in accordance with Section 7.2, ISI may, in its sole discretion, further extend the Term of this Agreement for an additional five years (termination: March 31, 2049) by providing notice of such extension to HRM at least fourteen (14) calendar days prior to the end of the Term as extended by Section 7.2.

- 7.4 This Agreement may be terminated by ISI immediately at any time upon providing notice of such termination to HRM, if:
- (a) the Province or HRM implements any change in the system of municipal taxation that results in a shift of the municipal real property taxes from property tax to some other form of tax, duty, import, levy, tariff or charge to which ISI becomes subject in respect of the Property;
 - (b) the Province or HRM enacts legislation that amends or otherwise imposes levies, tariffs, imposts or other charges that may be payable to HRM which has the effect of subjecting ISI to Property Taxes of any kind relative to the Property other than Amounts Payable;
 - (c) the Government of Canada cancels or, in the sole opinion of ISI reasonably held, substantially alters, either the AOPS Program or the CSC Program;
 - (d) the amounts indicated in Schedule B are adjusted and replaced pursuant to Section 2.2 in two or more Taxation Years; or
 - (e) the Property or any improvements, structures, equipment, machinery or facilities thereon are damaged by a Force Majeure Event such that ISI is prevented from operating its Business in the ordinary course for more than six (6) consecutive calendar months.
- 7.5 This Agreement may be terminated by HRM immediately at any time upon providing notice of such termination to ISI, if:
- (a) the Government of Canada cancels NSPS; or
 - (b) there is an uncured Event of Default as is provided for in Section 7.6.
- 7.6 In addition to any other rights and remedies available to HRM under this Agreement, HRM may terminate this Agreement with immediate effect on notice to ISI in the event ISI defaults on any of its material obligations hereunder ("**Event of Default**") and such default is not cured in full within thirty (30) calendar days after HRM gives notice of such default to ISI, provided that if ISI is unable to cure the Event of Default within this period but submits a written plan to HRM that HRM determines, acting reasonably, will cure the Event of Default at the earliest possible date, the period to cure the Event of Default shall be extended to that date.
- 7.7 Any obligation of the parties pursuant to the terms hereof which accrued prior to the termination of the Agreement and was intended to continue after the termination of the Agreement will survive the termination of the Agreement.
- 7.8 In the event that during a Taxation Year (a) this Agreement is terminated in accordance with Section 7.4 or Section 7.5, or (b) the Province repeals the legislation enabling this Agreement, the Amounts Payable for such Taxation Year will continue to be payable in accordance with the terms of this Agreement until the end of such Taxation Year.
- 8. Confidentiality.**
- 8.1 Subject to applicable law, including the *Municipal Government Act, Part XX* (Nova Scotia), during the Term each party agrees to treat as confidential that information given by one party to the other party in confidence including, a Notification. HRM shall, pursuant to s. 481(1) of the *Municipal Government Act* (Nova Scotia), unless ISI otherwise consents, refuse to disclose information (a) that would reveal trade secrets or commercial, financial, labour relations, scientific

or technical information of ISI, (b) that is supplied, implicitly or explicitly, in confidence; and (c) the disclosure of which could reasonably be expected to (i) harm significantly the competitive position, or interfere significantly with the negotiating position, of ISI, (ii) result in similar information no longer being supplied to the municipality when it is in the public interest that similar information continue to be supplied, (iii) result in undue financial loss or gain to any person or organization, or (iv) reveal information supplied to, or the report of, an arbitrator, mediator, labour relations officer or other person or body appointed to resolve or inquire into a labour relations dispute.

8.2 HRM shall promptly notify ISI in the event it receives a request for disclosure of (a) a Notification, or (b) information that ISI has advised is commercial and financial in nature and that disclosure of such could reasonably be expected to harm significantly the competitive position of ISI, or interfere significantly with the negotiating position of ISI or result in undue financial loss or gain to ISI.

9. Costs.

9.1 Except as otherwise provided in Section 4.1 and Article 14, each party is responsible for its own costs and expenses incurred in connection with this Agreement and any other costs and expenses whatsoever and howsoever incurred.

10. Currency

10.1 All references to currency herein are to the lawful money of Canada.

11. Assignment.

11.1 This Agreement will enure to the benefit of and be binding upon the parties and their respective successors and permitted assigns. ISI may, upon providing HRM with prior notice of not less than thirty (30) calendar days, assign this Agreement to any subsequent owner of the Property that engages in the Business as a going concern and is an assignee of any contracts and other obligations under the NSPS. Any other attempt on the part of ISI to assign this Agreement to a third party will not be permitted without the written consent of HRM, which consent may be withheld in its sole discretion.

12. Amendments.

12.1 The parties may amend this Agreement. No amendment of this Agreement will be valid or binding unless set forth in writing and duly executed by the parties.

13. Governing Law.

13.1 This Agreement is governed by and will be construed in accordance with the laws of the Province of Nova Scotia and the federal laws of Canada applicable therein.

14. Dispute Resolution.

14.1 All disputes, issues or problems arising under this Agreement (a "**Dispute**") will be resolved in accordance with this Article 14. The dispute resolution regime detailed in this Article will not apply to or derogate from HRM's exercise of its statutory authorities, including its enforcement and set-off powers.

- 14.2 Disputes will be resolved primarily at the appropriate management or governmental level, as applicable, by executives who have the authority to settle such Dispute and engage in open, transparent discussions and sharing of information as part of negotiation in good faith, consistent with the intent of (including that set out in the recitals) and accepted principles and practice within the Agreement.
- 14.3 Failure of the appropriate management team or governmental team, or any appropriate individual, to resolve a Dispute will result in the following escalation:
- Level 1: The President for ISI and the Chief Administrative Officer for HRM will address the issue within thirty (30) calendar days of receiving notification of (a) a Dispute, and (b) failure to resolve such Dispute in accordance with Section 14.2, from the other party.
- Level 2: If the Dispute remains unresolved or the parties do not otherwise address the issue within the Level 1 timeframe, the parties will submit to an arbitration process in accordance with Section 14.4 as quickly as reasonably practicable.
- 14.4 Arbitration will be in accordance with the *Commercial Arbitration Act* (Nova Scotia), before a single, commercially-experienced arbitrator sitting at Halifax, Nova Scotia as follows:
- (a) one party may provide notice to the other party that it wishes to appoint an arbitrator. If the receiving party fails to consent to the appointment of an arbitrator in writing within 15 calendar days of receipt of such notice, then either party may apply to the Supreme Court of Nova Scotia for an appointment of an arbitrator in accordance with the *Commercial Arbitration Act* (Nova Scotia);
 - (b) except and to the extent that disclosure is required by applicable law, the arbitration will be confidential, and thus neither party nor their employees or representatives acting on their behalf will issue a press release, hold a press conference, make affirmative statements to the media or otherwise disclose to a third party information made known and documents produced in the arbitration not otherwise in the public domain, and all evidence and materials created for the purpose of the arbitration, will be kept confidential unless the disclosure of same is required to protect or pursue a legal right or is required to enforce or challenge an award in legal proceedings before a court or other competent judicial authority;
 - (c) a hearing will be commenced no later than sixty (60) calendar days of appointment of the arbitrator or at such time as the arbitrator may determine is necessary to provide for the disclosure of the documents and the scheduling of discovery examinations as is contemplated under section 14.4(e);
 - (d) the arbitration will be completed within ninety (90) calendar days of appointment of the arbitrator;
 - (e) the arbitrator will have the authority to compel each party to disclose to the other information and documents related to the Dispute and may order discovery examinations where, and to the extent, discovery is necessary to effectuate resolution of the Dispute;
 - (f) within fifteen (15) calendar days of the appointment of the arbitrator, each party will provide the arbitrator with a written submission that states, for each unresolved Dispute, a narrative description of such dispute and an explanation of the rationale for such party's position. Upon the request of the arbitrator, the parties will provide or make available all working papers, documents and information as are reasonably required by the arbitrator to make his or her determination. Neither party will disclose to the arbitrator nor will the arbitrator consider for any purpose, any settlement discussions or settlement offer made by the parties with respect to the Dispute subject to the arbitration, unless otherwise

agreed in writing by the parties. In resolving the Dispute subject to the arbitration, the arbitrator will be limited to selecting the position of one party or the other;

- (g) the arbitrator's award will be accompanied by a written reasoned opinion;
- (h) the arbitrator may award remedies available at law, in equity or under this Agreement and will have the authority to deal with the apportionment of costs, which may be assessed against either or both Parties, up to and including ordering the losing Party to pay to the winning Party's solicitor and client costs and/or the costs of the arbitration hearing;
- (i) the timelines set out in this Section 14.4 are subject to the arbitrator's availability; and
- (j) the decision of the arbitrator will be final and binding upon the parties, may be entered and enforced in any court of competent jurisdiction and will not be appealable to any court of law, other than where a party alleges fraud, bias or other inappropriate actions on the part of the arbitrator.

15. Notice.

- 15.1 Any request, notice, consent or other communication to be given in connection with this Agreement must be given in writing and will be given by personal delivery or by electronic means of communication addressed to the recipient as follows:

To HRM:

City Hall
1841 Argyle Street, Main Floor
PO Box 1749
Halifax, NS B3J 3A5
Attention: Municipal Clerk
Fax: 902-490-4208

With a copy to:

Chief Financial Officer
Finance and Information Technology
5251 Duke St., 3rd Floor
PO Box 1749
Halifax, NS B3J 3A5
Attention: Chief Financial Officer
Fax: 902-490-8778

With a further copy to:

Legal Services Department, Halifax Regional Municipality
5251 Duke St., 3rd Floor
PO Box 1749
Halifax, NS B3J 3A5
Attention: Director, HRM Legal Services
Fax: 902-490-4232

To ISI:

300 Union Street
P.O. Box 5777
Saint John, NB E2L 4M3
Attention: Co-Chief Executive Officer
Facsimile: 506-632-6451

With a copy to:
3099 Barrington Street
P.O. Box 9110
Halifax, NS B3K 5M7
Attention: President
Facsimile: 902-422-5253

With a further copy to:
300 Union Street
P.O. Box 5888
Saint John, NB E2L 4L4
Attention: Secretary
Facsimile: 506-658-0517

or to such other street address, individual or electronic communication number or address as may be designated by notice given by either party to the other. Any request, notice or other communication given by personal delivery will be conclusively deemed to have been given on the day of actual delivery thereof and, if given by electronic communication, on the day of transmittal thereof if given during the normal business hours of the recipient and on the day during which such normal business hours next occur if not given during such hours on any day.

16. Interpretation.

- 16.1 In this Agreement, unless something in the subject matter or context is inconsistent therewith or unless otherwise herein provided, a reference to any statute, agreement, document or section thereof is a reference to such statute, agreement, document or section as amended, modified or supplemented (including any successor section and, with regard to statutes, any regulations made thereunder) and in effect from time to time.
- 16.2 In this Agreement words importing the singular number include the plural and vice versa.
- 16.3 The term “including” means “including without limiting the generality of the foregoing”.
- 16.4 The division of this Agreement into Articles and Sections is for convenience of reference only and do not affect the construction or interpretation of this Agreement. The terms “hereof”, “hereunder”, “herein”, “hereby” and similar expressions refer to this Agreement as a whole and not to any particular Article, Section or other portion hereof unless otherwise indicated. Unless something in the subject matter or context is inconsistent therewith, references herein to Articles, Sections and Schedules are to Articles, Sections of and Schedules to this Agreement.
- 16.5 Delivery of an executed Agreement by any party by electronic transmission will be as effective as delivery of a manually executed copy of this Agreement by such party.

[the remainder of this page left intentionally blank]

IN WITNESS WHEREOF the parties have executed this Agreement.

HALIFAX REGIONAL MUNICIPALITY

Per: _____
Name:
Title:
Date:

Per: _____
Name:
Title:
Date:

IRVING SHIPBUILDING INC.

Per: _____
Name:
Title:
Date:

Per: _____
Name:
Title:
Date:

SCHEDULE A

Barrington Property

PID: 00061960 / ANN: 01850911
PID: 40060378 / ANN: 10569524
PID: 41392051 / ANN: 10535824

Windmill Road Property

PID: 00098889 / ANN: 03031179
PID: 00098897 / ANN: 09125981
PID: 40172439 / ANN: 04261976

SCHEDULE B

Initial Term

Taxation Year	Amount
April 1, 2014 to March 31, 2015	\$563,000.00
April 1, 2015 to March 31, 2016	\$563,000.00
April 1, 2016 to March 31, 2017	\$569,000.00
April 1, 2017 to March 31, 2018	\$574,690.00
April 1, 2018 to March 31, 2019	\$580,436.90
April 1, 2019 to March 31, 2020	\$586,241.27
April 1, 2020 to March 31, 2021	\$592,103.68
April 1, 2021 to March 31, 2022	\$598,024.72
April 1, 2022 to March 31, 2023	\$604,004.97
April 1, 2023 to March 31, 2024	\$610,045.02
April 1, 2024 to March 31, 2025	\$616,145.47
April 1, 2025 to March 31, 2026	\$622,306.92
April 1, 2026 to March 31, 2027	\$628,529.99
April 1, 2027 to March 31, 2028	\$634,815.29
April 1, 2028 to March 31, 2029	\$641,163.44
April 1, 2029 to March 31, 2030	\$647,575.08
April 1, 2030 to March 31, 2031	\$654,050.83
April 1, 2031 to March 31, 2032	\$660,591.34
April 1, 2032 to March 31, 2033	\$667,197.25
April 1, 2033 to March 31, 2034	\$673,869.22
April 1, 2034 to March 31, 2035	\$680,607.91
April 1, 2035 to March 31, 2036	\$687,413.99
April 1, 2036 to March 31, 2037	\$694,288.13
April 1, 2037 to March 31, 2038	\$701,231.01
April 1, 2038 to March 31, 2039	\$708,243.32

First Extension (if applicable)

Taxation Year	Amount
April 1, 2039 to March 31, 2040	\$715,325.76
April 1, 2040 to March 31, 2041	\$722,479.02
April 1, 2041 to March 31, 2042	\$729,703.81
April 1, 2042 to March 31, 2043	\$737,000.84
April 1, 2043 to March 31, 2044	\$744,370.85

Second Extension (if applicable)

Taxation Year	Amount
April 1, 2044 to March 31, 2045	\$751,814.56
April 1, 2045 to March 31, 2046	\$759,332.71
April 1, 2046 to March 31, 2047	\$766,926.03
April 1, 2047 to March 31, 2048	\$774,595.29
April 1, 2048 to March 31, 2049	\$782,341.25