## DONALD RIX BUILDING UNIVERSITY OF BRITISH COLUMBIA

#### SUBLEASE RENEWAL AGREEMENT

THIS AGREEMENT is made as of the 16th day of September, 2010,

BETWEEN:

<u>DISCOVERY PARKS INCORPORATED</u>, having an office at Suite 100, 887 Great Northern Way, Vancouver, British Columbia, V5T 4T5 (the "Landlord")

AND:

ZALICUS PHARMACEUTICALS LTD., (formerly NeuroMed Pharmaceuticals Ltd. and before that NeuroMed Technologies Inc.) having an office at 301 – 2389 Health Sciences Mall, Vancouver, BC V6T 1Z3 (the "Tenant")

### WHEREAS:

A. Pursuant to the Head Lease between The University of British Columbia, as lessor, and the Landlord, as lessee, the Landlord leased the Lands.

B. Pursuant to a Sublease made as of the 1st day of August, 2000 (the "Sublease"), between the Landlord and the Tenant, the Landlord demised and subleased to the Tenant certain premises as described in the Sublease being Suite 301 and comprised of 6,697 square feet of Rentable Area (the "Premises") in the building commonly known as the "Donald Rix Building" (the "Building") with a civic address of 2389 Health Sciences Mall, University of British Columbia, Vancouver, British Columbia located on the Lands. The Term of the Sublease commenced on July 24, 2000 for a term of two years.

C. Pursuant to a Renewal and Amendment of Lease dated May 28, 2002, the Tenant exercised its option to renew the Sublease for an additional two year term and the Landlord subleased additional premises to the Tenant, being Suites 302 and 303 of the Building comprised of 5,589 square feet of Rentable Area. The definition of Premises under the Sublease was amended to include such additional premises and for certainty, the Premises then comprised the

entire third floor of the Building and had a total Rentable Area of 12,286 square feet. In addition, the Landlord granted the Tenant an additional two options to renew the Sublease for additional terms of two years each.

- D. Pursuant to an Extension of Lease dated February 25, 2004, the Term of the Sublease was extended for three months.
- E. Pursuant to an Amendment and Extension of Lease dated June 23, 2004, the Term of the Sublease was extended and the Term expires on December 31, 2009.
- F. Pursuant to an Amendment of Lease dated June 12, 2006, the Landlord subleased additional premises to the Tenant, being the entire fourth floor of the Building comprised of 12,286 square feet of Rentable Area. The definition of Premises under the Sublease was amended to include such additional premises and for certainty, the Premises then comprised the entire third floor and entire fourth floor of the Building and had a total Rentable Area of 24,572 square feet. At the time of this amendment, the Tenant had one option to renew the Sublease for an additional term of three years, which had not yet been exercised.
- G. Pursuant to a Sublease Renewal and Amendment Agreement dated November 2, 2009 (the 'November 2009 Agreement'), the Tenant renewed the sublease of the Third Floor Premises (as defined therein) and the Fourth Floor Premises (as defined therein). The sublease of the Fourth Floor Premises expired on March 31, 2010. As set out in Section 2.2 of the November 2009 Agreement, from and after April 1, 2010, the definition of Premises under the Sublease means only the Third Floor Premises, being the entire third floor of the Building with a total Rentable Area of 12,286 square feet.
- H. Pursuant to a Sublease Renewal Agreement dated June 1, 2010 (the 'June 2010 Agreement'), the Tenant renewed the sublease of the Premises for a renewal term of six (6) months expiring on December 31, 2010.
- I. Pursuant to written notice given to the Landlord dated September 10, 2010, the Tenant exercised its option to renew the Sublease for the Premises, being the entire third floor of the Building with a total Rentable Area of 12,286 square feet, under Section 4.0 of the June 2010 Agreement, all on the terms and conditions set out herein.

NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of the covenants and agreements contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the parties, the parties covenant and agree as follows:

### 1.0 <u>Definitions</u>

1.1 Except as otherwise defined herein, all terms used in this Agreement, including in the recitals above, shall have the meanings ascribed to them in the Sublease.

# 2.0 Renewal of Term

2.1 The Landlord and Tenant acknowledge and agree that the Tenant has exercised its option to renew the Sublease for the Premises under Section 4.0 of the June 2010 Agreement, and the Sublease is hereby renewed for one (1) year and expires on December 31, 2011.

#### 3.0 Rent

3.1 The parties agree that the Basic Rent payable for the Premises pursuant to Section 1.1(1) of the Sublease shall be amended from and after January 1, 2011 to the following:

		Basic Rent per square	Basic Rent per	Basic Rent per
	Rentable Area	foot of Rentable Area	annum	month
Ì	12,286 square feet	\$20.00 per square foot	\$245,720.00 plus applicable taxes	\$20,476.67 plus
				applicable taxes

3.2 The parties agree that the Tenant shall continue to pay throughout the Term, as renewed hereunder and as may be further renewed or extended, the Tenant's Proportionate Share of Operating Expenses and Taxes and all other amounts of Rent set out in the Sublease in accordance with the terms and conditions of the Sublease.

#### 4.0 Option to Renew

4.1 The Landlord hereby grants to the Tenant an option to renew the Sublease for the Premises (the **Option**") for an additional term of one (1) year (the **'Renewal Term**") provided the Tenant provides written notice to the Landlord exercising such Option prior to September 30, 2011, and with the exception of the notice period required hereunder, all the terms of Article 27 of the Sublease shall apply to the exercise of the Option including without limitation the determination of Rent payable during the Renewal Term. The parties confirm that the Option granted under this Section 4.1 shall replace any prior options to renew or rights to renew granted under the Sublease.

#### 5.0 No Other Modifications

5.1 Except as otherwise modified herein and except as modified by the agreements described in the Recitals above, the Sublease remains in full force and effect and binding upon the parties.

# 6.0 Enurement

6.1 This Agreement will enure to the benefit of and be binding upon the parties hereto and their respective successors and permitted assigns.

### 7.0 Counterparts; Facsimile and Electronic Transmission

7.1 This Agreement may be executed in counterparts and, when each party has executed a counterpart, each of such counterparts shall be deemed to be an original and all of such counterparts when taken together shall constitute one and the same agreement. This Agreement may be executed by the parties and transmitted by facsimile or by other electronic means (e.g., sent in Portable Document Format (PDF)), and if so executed and transmitted, this Agreement will be for all purposes as effective as if the parties had delivered and executed an original Agreement.

IN WITNESS WHEREOF the parties hereto have executed this Agreement as of the day and year first above written.

# DISCOVERY PARKS INCORPORATED

by its authorized signatory:

Per: /s/ Mark Betteridge

Authorized Signatory
Name: Mark Betteridge

Title: CEO

### ZALICUS PHARMACEUTICALS LTD.

by its authorized signatory(ies):

Per: /s/ Justin A. Renz

Authorized Signatory Justin A. Renz

Name: Justin A. Renz

Title: Sr. VP, CFO & Treasurer

Per: /s/ Jason F. Cole

Authorized Signatory

Name: Jason F. Cole

Title: SVP and General Counsel