

CONSENT TO SUB-SUBLEASE

THIS CONSENT TO SUB-SUBLEASE (the "Consent") dated for reference this ____ day of _____, 20____

BETWEEN:

CITY OF KELOWNA, 1435 Water Street, Kelowna, BC, V1Y 1J4

(the "Landlord")

AND:

REGENCY AERO LEASE INC., 5655 Airport Road, Kelowna, BC, V1V1S1

(the "Tenant")

AND:

KELOWNA FLIGHTCRAFT LTD., 5655 Airport Road, Kelowna, BC, V1V1S1

(the "Subtenant")

WHEREAS

- A. The Subtenant entered into a sublease with the Landlord dated September 1, 1981 as amended from time to time pursuant to supplemental agreements including, without limitation, agreements dated November 25, 1986, March 8, 1990, March 9, 1995, May 14, 1997, February 14, 2002, November 15, 2002, May 17, 2005, and February 27, 2015 (collectively called "the Sublease") with respect to the Land (as defined in the Sublease);
- B. The Subtenant entered into a lease with the Landlord dated May 16, 2005, as amended from time to time pursuant to supplemental agreements including, without limitation, agreements dated December 5, 2007 and July 24, 2009 (collectively called "the Lease") with respect to the Leased Area (as defined in the Lease);
- C. The Subtenant entered into a lease with the Landlord dated May 14, 1997, as amended from time to time pursuant to supplemental agreements including, without limitation, agreements dated February 14, 2002, August 13, 2002, December 5, 2007, July 29, 2009 and December 17, 2013 (collectively the Parking Lot Lease) with respect to the Lands (as defined in the Parking Lot Lease);
- D. By three separate Consent of Assignment agreements dated July 29, 2009 between the Landlord, the Subtenant, and Kelowna Flightcraft Leasing Ltd. (now the Tenant), all of the Subtenant's rights and obligations under the Sublease, the Lease and the Parking Lot Lease (collectively called the "Original Lease") were assigned to the Tenant with the consent of the Landlord.
- E. The Tenant wishes to sub-sublease (the "Sub-sublease") to the Subtenant the Premises for a period of 10 years commencing January 1, 2015 and renewing on an annual basis until the expiry of the term of the Original Lease and any renewal thereafter (the "Sub-subleased Term");

- F. The Subtenant is willing to undertake the obligations for the Land, the Lands and the Leased Area, as those terms are defined in the Sublease, the Lease and the Parking Lot Lease (together, the "Premises"), for the Sub-subleased Term.

IN CONSIDERATION OF the Landlord consenting to the Sub-sublease, the parties agree to keep, perform and fulfill the promises, conditions and agreements below:

INTERPRETATION

1. All terms defined in the Original Lease and used herein will have the respective meanings ascribed to them in the Original Lease unless the context otherwise requires or unless otherwise stated herein.

USE OF PREMISES

2. Except as otherwise provided in this Consent, the Subtenant and the agents and employees of the Subtenant will only use the Premises for purposes consistent with the permitted use allowed in the Original Lease. Further, the Subtenant agrees to comply with all other applicable provisions of the Original Lease and will not do anything that would constitute a violation of any part or condition of the Original Lease.

SUBLEASE

3. The Landlord consents to the Sub-sublease in the form and containing the content attached to this Agreement as Schedule A.
4. The Landlord's consent to the Sub-sublease will not be deemed to be a consent to
 - a. the terms of the Sub-sublease;
 - b. any further subleasing of the Premises or portion of the Premises; or
 - c. the subleasing of any portion of the Premises to any other subtenant or any other or different terms than those stated in the Sub-sublease.
5. If there is any conflict between the terms of the Sub-sublease and any of the provisions of the Original Lease or of this Agreement where the Landlord's rights are affected, the provisions of the Original Lease or of this Agreement, as the case may be, shall prevail.
6. With respect to the Premises and the contents thereof, the Landlord shall have all the same rights as against the Subtenant which the Landlord has under the Original Lease against the Tenant.
7. The Tenant will provide the Landlord with a fully executed copy of the Sub-sublease promptly after execution.

CONTINUING LIABILITY

8. The Tenant acknowledges that
 - a. The Tenant will remain primarily liable for, and will not be released from the full and faithful performance of all the terms and conditions of the Original Lease, notwithstanding the existence of, and Landlord's consent, to the Sub-sublease, or any breach committed by the Subtenant under the Sub-sublease; and
 - b. The Landlord will be entitled to pursue all remedies available in the event of the Tenant's breach of the Original Lease without regard to the performance or non-performance of the terms of the Sub-sublease by the Subtenant.

ASSUMPTION BY SUBTENANT

9. The Subtenant agrees to assume all of the applicable obligations and responsibilities of the Tenant under the Original Lease with respect to the Premises for the duration of the Sub-sublease and any extension or renewal thereof.

ASSIGNMENT AND SUBLETTING

10. The Subtenant will not assign, transfer or further sublet the Premises or any part of the Premises without the prior written consent of both the Tenant and the Landlord.

ADDITIONAL TERMS

11. The Landlord may, at its sole option, on demand in writing delivered to the Subtenant, elect to collect the rent payable by the Subtenant to the Tenant under the Sub-sublease directly from the Subtenant and then apply the net amount collected from the Subtenant, or the necessary portions thereof, to any unpaid Rent under the Original Lease.

TERMINATION OF THE LEASE

12. If, at any time prior to the expiration of the Sub-sublease, the Original Lease will terminate or be terminated for any reason, the Sub-sublease will also simultaneously terminate.

NOTICES

13. Any notice, request, demand or other communication under this agreement shall be in writing and shall be delivered by hand or sent by registered mail or electronic transmission to the applicable address below:

To Landlord:

City of Kelowna
Kelowna International Airport
1-5533 Airport Way
Kelowna, BC V1V 1S1
Attention: Airport Corporate Services Manager
Email: ylwadmin@kelowna.ca

As evidence of their agreement to be bound by the above terms, the Landlord, the Tenant, and the Subtenant have each executed this Consent on the respective dates written below:

LANDLORD:

City of Kelowna

By: _____

Title: _____

Date: _____

TENANT:

Regency Aero Lease Inc.

By: [Signature]

Title: Chief Operating Officer

Date: January 5, 2022

SUBTENANT:

Kelowna Flightcraft Ltd.

By: [Signature]

Title: CHIEF CORPORATE SERVICES OFFICER

Date: JANUARY 5, 2022

Gregg