

CONSENT TO SUB-SUB-SUBLEASE

THIS CONSENT TO SUB-SUB-SUBLEASE (the "Consent") dated for reference this ____ day of _____, 2021

BETWEEN:

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

(the "Sublandlord")

AND:

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

(the "Sub-subtenant")

AND:

OKANAGAN MOUNTAIN HELICOPTERS FTU LTD., Hangar 4, 5655 Airport Way, Kelowna, BC, V1V1S1

AND:

OKANAGAN MOUNTAIN HELICOPTERS LTD., Hangar 4, 5655 Airport Way, Kelowna, BC, V1V1S1

(Okanagan Mountain Helicopters Ltd. and Okanagan Mountain Helicopters FTU Ltd. collectively referred to as the "Sub-sub-subtenant")

WHEREAS

- A. WHEREAS by a lease dated the 19th day of December, 1979, and registered in the Legal Registry of Transport Canada as No. 109806 (the "Head Lease"), Her Majesty did lease those lands and premises described therein to the City, which lease was amended by the following supplemental agreements: "Supplemental Agreement #1" dated November 8, 1983, "Supplemental Agreement #2" dated January 15, 1985, "Supplemental Agreement #3" dated October 31, 1996, "Supplemental Agreement #4" dated November 15, 1989, "Supplemental Agreement #5" dated September 1, 1990, "Supplemental Agreement #6" dated June 14, 1994, "Supplemental Agreement #7" dated May 26, 1994, "Supplemental Agreement #8" dated February 16, 1996, "Supplemental Agreement #9" dated June 24, 2015, and "Supplemental Agreement #10" dated March 25, 2021;
- B. The Sublandlord entered into a sublease with the Kelowna Flightcraft Ltd. 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) which forms part of the premises leased to the City under the Head Lease;
- C. By a Consent of Assignment agreements dated July 29, 2009 between the City of Kelowna, Kelowna Flightcraft Ltd., and Kelowna Flightcraft Lease Ltd. (now Regency Aero Lease Inc.), all of Kelowna Flightcraft Ltd.'s rights and obligations under the Sublease were assigned to Regency Aero Lease Inc. with consent of the City of Kelowna;

- D. By a Sub-sublease dated January 31, 2020 (the "Sub-sublease"), Regency Aero Lease Inc. sub-subleased to the Sub-subtenant the Land;
- E. The Sub-subtenant wishes to sub-sub-sublease (the "Sub-sub-sublease") to the Sub-sub-subtenant a portion of the Land (the "Premises") for a period of three (3) years commencing October 1, 2019 with one option to extend the Sub-sub-sublease for an additional period of two (2) years (the "Sub-sub-subleased Term");
- F. The Sub-sub-subtenant is willing to undertake the obligations for the Premises for the Sub-sub-subleased Term.

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

INTERPRETATION

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

USE OF PREMISES

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

SUB-SUB-SUBLEASE

- 3. The Sublandlord consents to the Sub-sub-sublease and the transactions contemplated by the Sub-sub-sublease.
- 4. The Sublandlord's consent to the Sub-sub-sublease will not be deemed to be a consent to
 - a. the terms of the Sub-sub-sublease;
 - b. any assignment of the Sub-sub-sublease or further subleasing of the Premises or portion of the Premises; or
 - c. the subleasing of any portion of the Premises to any other person 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-sub-sublease and any of the provisions of the Sublease or of this Agreement where the Sublandlord's rights are affected, the provisions of the Sublease or of this Agreement, as the case may be, shall prevail.
- 6. With respect to the Premises and the contents thereof, the Sublandlord shall have all the same rights as against the Sub-sub-subtenant which the Sublandlord has under the Sublease against the Subtenant.

7. The Sub-subtenant will provide the Sublandlord with a fully executed copy of the Sub-sub-lease promptly after execution.

CONTINUING LIABILITY

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

ASSUMPTION BY SUB-SUB-SUBTENANT

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

ASSIGNMENT AND SUBLETTING

10. The Sub-sub-subtenant will not assign, transfer or further sublet the Premises or any part of the Premises without the prior written consent of both the Sub-subtenant and the Sublandlord.

ADDITIONAL TERMS

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

TERMINATION OF THE SUB-SUBLEASE

12. If, at any time prior to the expiration of the Sub-sub-sublease, the Sub-sublease will terminate or be terminated for any reason, the Sub-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 Sublandlord:

City of Kelowna
Kelowna International Airport
1-5533 Airport Way
Kelowna, BC V1V 1S1

Attention: Airport Director
Email: ylwadmin@kelowna.ca

To Sub-subtenant: Kelowna Flightcraft Ltd.
5655 Airport Way
Kelowna, British Columbia, V1V 1S1
Attention: Chief Financial Officer
Email: Legal@kfaero.ca

To Sub-sub-subtenant: Okanagan Mountain Helicopters FTU Ltd.
Okanagan Mountain Helicopters Ltd.
Hangar 4, 5655 Airport Way
Kelowna, British Columbia, V1V 1S1
Attention: President
Email: george.cann@okheli.ca

Any such notice, request, demand or other communication will be deemed to have been delivered

- a. If delivered by hand, upon receipt;
- b. If sent by electronic transmission, twenty-four (24) hours after the time of confirmed transmission, excluding from the calculation weekends and statutory holidays;
- c. If sent by registered mail, four (4) days after the mailing thereof, provided that if there is a postal strike or other disruption, such notice will be delivered by hand or electronic transmission.

Any party may change their respective addresses for delivery by delivering notice of change as provided hereunder.

SEVERANCE

14. If any portion of this Consent is held invalid by a court of competent jurisdiction, the invalid portion shall be severed and the decision that it is invalid shall not affect the validity of the remainder of the Consent.

LAW OF BRITISH COLUMBIA

15. This Consent shall be construed according to the laws of the Province of British Columbia.

SUCCESSORS

16. This Agreement shall be binding upon and shall enure to the benefit of the parties hereto and their respective successors and assigns.

COUNTERPARTS

17. This Consent may be executed in counterparts and when each party has executed a counterpart each of the counterparts will be deemed to be an original and all of the counterparts when taken together will constitute one and the same agreement.

18. This Consent or a counterpart thereof may be executed by a party and transmitted by electronic transmission and if so executed and transmitted this Consent will be for all purposes as effective and binding upon the party as if the party had delivered an originally executed document.

As evidence of their agreement to be bound by the above terms, the Sublandlord, the Sub-subtenant and the Sub-sub-subtenant have each executed this Consent on the respective dates written below:

SUBLANDLORD:

City of Kelowna

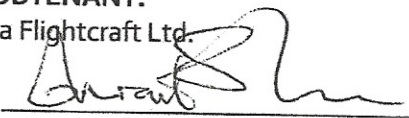
By: _____

Title: _____

Date: _____

SUB-SUBTENANT:

Kelowna Flightcraft Ltd.

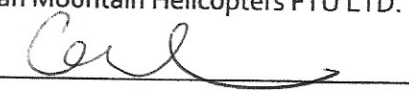
By:  _____

Title: CHIEF CORPORATE SERVICES OFFICER

Date: JAN 5, 2022

SUB-SUB-SUBTENANT:

Okanagan Mountain Helicopters FTU LTD.

By:  _____

Title: PRESIDENT

Date: JAN 24 2022

Okanagan Mountain Helicopters Ltd.

By:  _____

Title: PRESIDENT

Date: JAN 24 2022