

AN ADDENDUM TO THE LEASE AGREEMENT

Dated 12th day of October, 2019

B E T W E E N

THE CORPORATION OF THE CITY OF KAWARTHA LAKES

(Hereinafter called the "Landlord")

- and -

2745502 ONTARIO INC

(Hereinafter called the "Tenant")

WHEREAS the Landlord and Tenant have entered into a lease agreement for the construction of hangers as identified in the Original Lease Agreement in Schedule A.

AND WHEREAS the Landlord and the Tenant have conducted pre-construction site visits and the Landlord arranged for preparation of a grading and drainage plan. The Landlord and the Tenant have agreed that certain terms of the Original Lease Agreement require further understanding and stipulation.

NOW THEREFORE for valuable consideration, the receipt and sufficiency of which is acknowledged, the Landlord and the Tenant agree to the following additional terms set out in the Addendum and accept them as modifications to the Original Lease Agreement.

1) GRADING AND DRAINAGE PLAN

The Landlord and the Tenant acknowledge that the Landlord has had the Grading and Drainage Plan of the new hangar site prepared at the Landlord's expense. A copy of that plan was provided to the Tenant by email on July 23, 2020. The Landlord and the Tenant agree that the Grading and Drainage Plan is approved.

2) SETBACK CONSIDERATION

The Landlord has agreed to allow the Tenant to have lessened setbacks to accommodate a larger hanger door. The Tenant agrees to pay the Landlord an additional fee annually to account for the exception in the amount of one hundred, thirty-one dollars and twenty-five cents (\$131.25). This fee can be made in equal monthly installments in the amount of ten dollars and ninety-four cents (\$10.94). The

full amount is due every year before the anniversary of the Original Lease Agreement.

3) DEFINITION OF THE SITE AREA AND COMMON ELEMENTS

For the purposes of the Original Lease Agreement, the Addendum and the calculation of common element fees, the Landlord and the undersigned Tenant agree to the following definitions: **“2020/2021 NEW HANGAR SITE”** shall refer to and be limited to the areas illustrated in the Grading and Drainage plan provided by the Landlord on July 23, 2020.

“ADDENDUM” shall refer to this document.

“DEMISED PREMISES” shall refer to the specific hangar lot 21 leased by the Tenant and illustrated in Schedule “A”.

“COMMON ELEMENTS” shall refer to and be limited to the taxi-way and all other areas within the 2020-2021 New Hanger Site other than the Demised Premises, i.e., all those areas within the 2020-2021 New Hanger Site that are maintained by the Landlord. Common Elements shall not include any areas of the airport outside of the 2020/2021 New Hanger Site.

“COMMON ELEMENT FEES” shall refer to fees established by the Landlord to cover the cost of maintaining the taxi-way and Common Elements within the 2020/2021 New Hanger Site. Common Element Fees shall not include expenses incurred by the Landlord to maintain any areas of the airport outside the 2020/2021 New Hanger Site.

“GRADING AND DRAINAGE PLAN” shall refer to the Grading and Drainage Plan provided by the Engineering Department of the City of Kawartha Lakes.

“ORIGINAL LEASE AGREEMENT” shall refer to the lease agreement dated October 12, 2019 the Landlord and the Tenant entered into for aviation hangar space identified as lot 21 within Schedule “A” of the lease agreement.

4) LANDLORD’S WORK

- a) The Landlord undertakes to tear up, re-grade and re-pave the entire taxi-way within the 2020/2021 New Hanger Site in accordance with the Grading and Drainage Plan.

- b) The Landlord will conduct all necessary grading and drainage works to the Common Elements in accordance with the Grading and Drainage Plan.
- c) The Landlord will have lines painted along the entire edges of the taxi-way within the 2020-2021 New Hanger Site to delineate the boundary between the Demised Premises and the taxi-way.

5) TIMING OF THE LANDLORD'S WORK

- a) The Landlord acknowledges that the construction on some hangar sites has not yet commenced.
- b) Once the new taxiway construction has begun, to avoid delay in construction of the hangers and to avoid damage to the new taxiway, the Landlord will require and facilitate alternative access to the Demised Premises for the use of heavy trucks and construction equipment.
- c) Once the new taxiway is constructed, the Landlord will prohibit heavy construction equipment onto the taxiway.
- d) The timing of the Landlord's grading and drainage works will be conducted in consultation with the Tenant to facilitate and avoid delays in construction on the Demised Premises.
- e) The painting of taxiway edge lines will be conducted after paving of the new taxiway has been completed.

6) TENANTS' WORK

The Tenant agrees to provide site and building plans for the Demised Premises to the Landlord as soon as possible for the Landlord's review and approval. The building plans will include the plan for a concrete pad on the Demised Premises. All site plans must be in compliance with the grading and drainage plan provided by the Landlord on July 23, 2020. The Landlord and the Tenant agree that the Tenant is not bound by the cladding colour set out in Demised Premises. Prior to commencement of construction the Tenant will provide a written proposal of wall and roof colours to the Landlord for approval. Written or email approval of the cladding colours by the Landlord shall be deemed to constitute compliance with the Original Lease Agreement. The Landlord and the Tenant also agree that the Tenant is not bound by

the hangar size and setbacks set out in the Original Lease Agreement. The Tenant will provide a written proposal of the building's desired size and location on the Demised Premises to the Landlord for approval. Written or email approval from the Landlord of hangar specifications by the Landlord shall be deemed to constitute compliance with the Original Lease Agreement.

7) TIMING OF TENANTS' WORK

The Landlord and the Tenant acknowledge that the Tenant will not meet the construction deadlines set out in the Original Lease Agreement. The Tenant agrees to proceed with construction on the Demised Premises immediately following the execution of the Addendum. It is agreed that the deadline for completion of construction is extended by eight (8) months from October 1st, 2020 and will be concluded by June 1, 2021.

8) COLLABORATION ON PAVING OPERATIONS

The Landlord and the Tenant agree the Landlord's paving works will try to accommodate the Tenant by conducting paving following the completion of the Tenant's use of heavy construction equipment on the Demised Premises.

9) ONE-TIME RENT ADJUSTMENT

The Landlord prevented access to the Demised premise in March 2020 and allowed access to the Demised premise in May 2020 as per the pandemic restrictions. Having regard for the delays to construction in the spring, the Landlord agrees to grant the Tenant a six (6) month rent-free period. The rationale for the rent free period being the Tenant had prepaid rent on the Demised Premises based on the expectation construction could commence spring 2020. However, the necessary approvals to commence construction were delayed. As a result, the Tenant has been paying rent during a period when construction could not commence. The rent free period will be applied to the Tenant rent payable for the last 12-month period of the Original Lease Agreement.

10) COSTS NOT TO BE ADDED TO COMMON ELEMENT FEES

The Landlord and the Tenant agree that the term "COMMON ELEMENT FEES" used in the Original Lease Agreement is intended to refer strictly to the Landlord's expenses within the 2020/2021 New Hanger Site. The Tenant will not be charged Common Element Fees by the Landlord for capital costs incurred.

Accordingly, it is agreed that the following costs incurred by the Landlord will not be deemed to be Common Element Fees:

- a) the cost of the grading and drainage plan and any amendments thereto;
- b) the cost of the Landlord's work described in the Addendum;
- c) the future costs of repairing the taxiway;
- d) any grading and/or drainage works conducted by the Landlord outside the 2020/2021 New Hanger Site even if such works directly or indirectly benefit the site or any individual Demised Premises;
- e) the Landlord's snow-plowing, grass-cutting and property maintenance expenses for any areas of the Airport outside the 2020/2021 New Hanger Site.

11) CONSULTATION WITH TENANTS REGARDING FUTURE WORKS

The Landlord agrees to provide notice to the Tenant of any future construction activities or other changes to the Airport area immediately adjacent to the 2020-2021 New Hanger Site. The purpose of such notice is to provide the Tenants with the opportunity to consider and comment on any future works which could affect the Tenants' use and enjoyment of the Demised Premises and the Common Element Fees. It is acknowledged that such consultation could be mutually beneficial to planning of such works and could avoid duplication of work and/or expenses. Without restricting the Landlord's ability to proceed with any such future works without the consent or approval of the Tenant, the Landlord agrees that it will facilitate reasonable consultation with the Tenant at an early stage of the planning of any such works.

12) NOTICE

All notices required or permitted to be given under the Original Lease Agreement shall be in writing and shall be deemed to be properly given if hand-delivered, sent by confirmed facsimile and by registered mail postage prepaid, return receipt requested, or by courier, to the Parties at their respective addresses as set forth below, or to such other addresses as the Parties may advise by like notice. Such notices if sent by registered mail or courier shall be deemed to have been given when received.

a) If to the Landlord:

The Corporation of the City of Kawartha Lakes
26 Francis Street
P.O. Box 9000
Lindsay, ON K9V 5R8
Attention: Clerk
Fax: 705-324-8110
E-mail: clerks@kawarthalakes.ca

b) If to the Tenant:

Martyn Mini Hoe
159-3626 Egerton Road
Blackstock, On. L0B 1B0

Email: brad.mmh@gmail.com

IN WITNESS WHEREOF the Parties have hereunto set their hands and

seals. Executed at Lindsay on the _____ day of _____, 2021.

**THE CORPORATION OF THE CITY OF
KAWARTHA LAKES**

Per: _____

Name: Any Letham

Title: Mayor

Per: _____

Name: Cathie Ritchie

Title: City Clerk

We have authority to bind the Corporation.

Executed at Lindsay on the _____ day of _____, 2021.

2745502 Ontario Inc.

Per: _____

Name: Bradley Martyn

Title: President

I have authorization to bind the Corporation.

Schedule A



Airport Lease
Agreement - Bradley