

LEASE AGREEMENT

Effective the 1st day of January, 2024.

BETWEEN:

THE CORPORATION OF THE CITY OF KAWARTHA LAKES

as Landlord
(the "LANDLORD")

- and -

15740622 CANADA INC.

as Tenant
(the "TENANT")

RECITALS:

- a) The LANDLORD is the owner of the property municipally known as the City of Kawartha Lakes Municipal Airport, municipally identified as 3187 Highway 35 N., Lindsay, in the geographic Township of Ops, City of Kawartha Lakes and legally described as part of the North half of Lot 23, Concession 3; part of Lot 24, Concession 3; part of the south half of Lot 25, Concession 3; as in VT63568, A12243 & VT63532, City of Kawartha Lakes (the "LANDS");
- b) The TENANT wishes to lease a portion of the LANDS for use as a flight training school and aircraft maintenance operation, described in and displayed as cross-hatched on Schedule A (the "PREMISES").

THIS LEASE IS ENTERED in consideration of the rents, covenants and agreements reserved and contained on the part of the TENANT, to be respectively paid, observed and performed, and for other consideration, the receipt and sufficiency of which are acknowledged, the LANDLORD demises and leases the PREMISES to the TENANT.

ARTICLE 1.00: INTERPRETATION

- 1.01 **Definitions:** Wherever a terms set out below appears in the text of this LEASE in capital letters, the term shall have the meaning set out for it in this Section 1.01. Wherever a term below appears in the text of this LEASE in regular case, it shall be deemed to have the meaning ordinarily attributed to it in the English language.
 - a) **ADDITIONAL RENT** means the amount determined pursuant to Section 2.04 of this LEASE.
 - b) **BASE RENT** means the amount determined pursuant to Section 2.02 of this LEASE.

- c) **BUSINESS** means the TENANT's business of carrying on activities related to the fight training school and aircraft maintenance.
- d) **EVENT OF DEFAULT** means any one or more of the circumstances set out in the following numbered paragraphs.
 - i. The TENANT breaches its covenant to pay RENT. The default occurs whether the LANDLORD has demanded payment or not, if the RENT remains unpaid for a period of thirty (30) days after it is due.
 - ii. The TENANT breaches any of its other covenants in this LEASE. The default occurs if the breach continues for a period of thirty (30) days (or such longer period as may be reasonably necessary to cure the breach) after notice by the LANDLORD to the TENANT specifying the nature of the breach and requiring it to be remedied.
 - iii. In circumstances where the breach set out in the notice given to the TENANT by the LANDLORD pursuant to paragraph (2) above reasonably requires more time to cure than the time period referred to in the notice, but the TENANT has not commenced remedying the breach; or, in the opinion of the LANDLORD, has failed to diligently remedy it within a reasonable time.
 - iv. The PREMISES are vacated by the TENANT or become vacant or remain unoccupied by the TENANT for a period of thirty (30) consecutive days.
- e) **LANDLORD** means the Corporation of the City of Kawartha Lakes, a municipal corporation duly incorporated pursuant to the laws of the Province of Ontario. Where the context permits, the term also includes the LANDLORD's servants, employees, agents and delegated officials.
- f) The **LANDS** are the property located at the City of Kawartha Lakes Municipal Airport, 3187 Highway 35 N., Lindsay, in the geographic Township of Ops, City of Kawartha Lakes.
- g) **LEASE** means this lease agreement, including its recitals and schedules, which form integral parts of it, as amended from time to time in accordance with Section 6.07.

- h) The **PREMISES** means the Buildings and the Lands more specifically shown as cross-hatched on Schedule "A" attached hereto.
- i) **PROPERTY MANAGER** means the Manager, Building and Property, for the LANDLORD.
- j) **PROPERTY TAXES** means all taxes, rates, local improvement rates, impost charges, duties, assessments or levies which may be levied, rated, charged or assessed against any form of property, regardless of who is legally responsible for payment. It includes such requirements imposed by federal, provincial, municipal (including the LANDLORD), school board, utility commission or other authority, whether the requirement or the agency is now or in the future in existence.
- k) **RENT** means any and all sums due and payable by the TENANT pursuant to this LEASE. RENT includes the following amounts:
 - i. The BASE RENT;
 - ii. All TAXES; and
 - iii. All other costs, expenses and charges (including interest on overdue payments) incurred in and about the PREMISES required to be paid by the TENANT pursuant to any provision of this LEASE.
- l) The **RENT COMMENCEMENT DATE** is the 1st day of January 2024.
- m) **RENTAL TAXES** means all Harmonized Sales Tax, sales taxes, excise taxes, business transfer taxes, value added taxes, or other taxes, duties, rates, levies or fees levied, rated, charged, assessed or payable with respect to, or calculated or measured in whole or in part in relation to:
 - i. The RENT payable by the TENANT to the LANDLORD under this LEASE; or
 - ii. The PREMISES; or
 - iii. The area of the PREMISES; or
 - iv. The occupancy or leasing of the PREMISES,

and whether by law the responsibility of the LANDLORD or the TENANT or both, and whether imposed by federal, provincial, municipal, school board, utility commission or other authority, and whether now or in the future in existence, and includes any other taxes, rates, duties, assessments, fees or levies which may be imposed on the LANDLORD or the TENANT or anyone else on account or in lieu of it, or of a nature similar to it, and whether recurring

annually, or at other intervals, or on a special or single instance basis only. RENTAL TAXES shall not include any PROPERTY TAXES.

- n) The **TERM** means the entire five (5) year period during which this LEASE is operational, as set out in Article 2.00. In the event that a renewal is engaged, the definition of TERM shall be deemed to be amended by adding the number of years of the renewal period.
- o) **TENANT** means 15740622 Canada Inc., and its successors and assignees, and includes its employees, agents and contractors.

1.02 **Legislation & By-laws:** Each reference to Provincial legislation in this LEASE, unless otherwise specified, is a reference to the Revised Statutes of Ontario, 1990 edition, and, in every case, includes all applicable amendments to the legislation, including successor legislation. Each reference to a By-law in this LEASE, unless otherwise specified, is a reference to a By-law of the LANDLORD, and, in every case, includes all application amendments to the By-law, including successor By-laws.

1.03 **Construing this LEASE:**

- a) The captions, article and section names and numbers appearing in this LEASE are for convenience of reference only and have no effect on its interpretation.
- b) All provisions of this LEASE creating obligations on either party will be construed as covenants.
- c) This LEASE is to be read with all changes of gender or number required by the context.
- d) The words 'include' or 'including' shall not be construed as limiting the words or phrases following them.

1.04 **Reasonableness:** Wherever any consent, agreement or approval of the LANDLORD or the TENANT is required under the terms of this LEASE, then unless otherwise specifically mentioned, the party acting will do so reasonably.

ARTICLE 2.00: DEMISE, TERM, AND RENTAL

2.01 **Demise:** The LANDLORD grants to the TENANT a leasehold interest in the PREMISES to have and to hold for a TERM of five (5) years, to be commence on the 1st day of January 2024, terminating on the 31st day of December 2028.

2.02 **Base Rent:** During each year of the TERM of this LEASE, the BASE RENT for the office space will be Twenty-Two Thousand, Eight Hundred Dollars (\$22,800.00) per annum, or payable in monthly installments of One Thousand, Nine Hundred Dollars (\$1,900.00) plus HST and Consumer Price Index (CPI).

The BASE RENT is calculated at a rate of 2,700 per sq. ft. for \$8.44 sq. ft. for a total of Twenty-Two Thousand, Eight Hundred Dollars (\$22,800.00) per annum.

2.03 **Property Taxes and Utilities:** During the Term of this Lease, the Property Taxes and utilities shall be calculated as follows:

- a) Your portion of the property taxes will be adjusted annually as per MPAC (Municipal Property Assessment Calculation) of the Premises. The current calculation is approximately One Dollar per a sq. ft. your portions of the property tax calculation is One Dollar per a square foot for Two Thousand, Seven Hundred, Fifty square feet (2,750 sq. ft.). The approximate total of Two Thousand, Seven Hundred, Forty-Two Dollars and Forty-Eight Cents (\$2,742.48) per annum, payable in monthly installments of Two Hundred, Twenty-Eight Dollars and Fifty-Four Cents (\$228.54), plus HST; and
- b) The Base Rent does not include utilities (as per section 3.07). The portion of utilities are estimated monthly at approximately Two Hundred, Twenty-Eight Dollars and Fifty-Four Cents (\$228.54) and adjusted annually as per the percentage of square footage.

2.04 **Additional Rent:** During each year of the TERM of this LEASE, the ADDITIONAL RENT will be Nine Thousand, Five Hundred, Ninety-Five Dollars and Twenty Cents (\$9,595.20) per annum, payable in monthly installments of Seven Hundred, Ninety-Nine Dollars and Sixty Cents (\$799.60) plus HST and CPI.

- a) The Additional Rent for the ramp for the office trailer is a total of One Thousand, One Hundred, Ninety-Five Dollars and Twenty Cents (\$1,195.20), per annum, payable in monthly installments of Ninety-Nine Dollars and Sixty Cents (\$99.60), plus HST and CPI;
 - i. For further clarification the Additional Rent for the ramp for an office trailer is calculated at a rate of \$1.66 per a sq. ft. for 720 sq. ft. for a total of One Thousand, One Hundred, Ninety-Five Dollars and Twenty Cents (\$1,195.20), per annum, payable in monthly installments of Ninety-nine Dollars and Sixty Cents (\$99.60), plus HST and CPI;
- b) The Additional Rent for the ten (10) outdoor tie down spots is Eight Thousand, Four Hundred Dollars (\$8,400.00), or payable in monthly installments of Seven Hundred Dollars (\$700.00) per annum, per a spot, plus HST and CPI.
 - i. For further clarification the Additional Rent for outdoor tie down spots is calculated per spot as Eight Hundred, Forty Dollars (\$840.00), per annum, or payable in monthly installments of Seventy Dollars (\$70.00), plus HST and CPI.

2.05 **Payment of RENT:** The RENT is payable as follows:

- a) The BASE RENT shall be calculated at a yearly amount, shall be paid on the RENT COMMENCEMENT DATE;
- b) All applicable PROPERTY TAXES and RENTAL TAXES shall be paid by the TENANT directly as and when due; and
- c) All other costs, expenses and charges (including interest on overdue payments) incurred in and about the PREMISES required to be paid by the TENANT pursuant to any provision of this LEASE, shall be paid upon the TENANT's receipt of invoice or demand thereof.

2.04 **Net Lease:** The TENANT acknowledges that this LEASE is intended to be net and carefree to the LANDLORD, except as otherwise expressly set out. The TENANT agrees to pay or cause to be paid, without limitation, all rates, taxes, fees, levies, development charges, and assessments of whatsoever description, and all other costs in relation to the PREMISES including but not limited to all utility charges, included fuel for heating, propane, hydro, waste removal, and TENANT's leasehold improvements, or other charges that may at any time be lawfully imposed and become due and payable in respect of the PREMISES, or any part of the PREMISES. The TENANT shall pay, or cause to be paid, directly all utility charges, including fuel for heating and air conditioning, hydro, water, hot water, sewage disposal, garbage removal from within the building, and cleaning within the building. The LANDLORD shall pay, or cause to be paid, for snow removal from the sidewalks and steps leading to the PREMISES. The TENANT shall be responsible for all repairs, maintenance, and replacement of any equipment required for the BUSINESS.

ARTICLE 3.00: COVENANTS, WARRANTIES & ACKNOWLEDGEMENTS

3.01 **Covenant to Pay RENT:** The TENANT agrees to pay the RENT at the times and in the manner prescribed in this LEASE, without any abatement or deduction.

3.02 **Interest on Overdue RENT:** Without waiving any right of action of the LANDLORD in the EVENT OF DEFAULT of any payments pursuant to this LEASE, in the event that the TENANT is delinquent in payment of any RENT for thirty (30) days or more, the TENANT agrees to pay interest on the arrears of RENT at the rate of one point two eight five (1.285%) per cent per month, compounded, (which equates to a rate of sixteen point five six (16.56%) per cent per annum), retroactive from the date the amount was due and payable, until it is actually paid.

3.03 **Access:** The TENANT agrees to provide the LANDLORD with full and free access (for inspection purposes), during normal business hours, and in the presence of the TENANT, to any and every part of the PREMISES. It is understood and agreed, however, that in cases of emergency, the LANDLORD

shall at all times and for all purposes have full and free access to the PREMISES.

- 3.04 **Quiet Enjoyment:** Subject to the provisions of this LEASE, the LANDLORD agrees that the TENANT shall have quiet possession of the PREMISES.
- 3.05 **Maintenance/Refuse Handling:** The LANDLORD agrees to regularly maintain exterior of the buildings, structures, landscaped and paved areas on the LANDS in good condition. The TENANT agrees to regularly maintain the interior of the PREMISES, and to keep the PREMISES free of debris and neat and tidy at all times. The TENANT acknowledges and agrees that no stockpiling of goods or refuse is permitted on the LANDS. The TENANT agrees to provide complete and proper arrangements for the adequate sanitary handling and disposal of all trash, garbage and other refuse on or in connection with the BUSINESS, all to the satisfaction of the PROPERTY MANAGER. The TENANT covenants not to cause or permit to be located on the PREMISES:
- a) Storage of rubbish, refuse, debris or other objectionable material;
 - b) Storage of inflammable or explosive substances;
 - c) Fuels, other than fuel tanks internal to the stored aircraft; and
 - d) Any fuel or substance related to aircraft repair or maintenance in unapproved containers or in any quantity in excess of 5 gallons.
- 3.06 **Nuisance:** The TENANT covenants that he will not do or permit to be done on the PREMISES anything which may be annoying to the LANDLORD, or which the LANDLORD may deem to be a nuisance.
- 3.07 **Refuel:** No refuelling shall occur within the PREMISES or fuel tanks stored on the LANDS; and any refuelling shall occur outside the PREMISES at a designated area, as determined by the LANDLORD.
- 3.08 **Lawn Care and Snow removal:** The LANDLORD will be responsible for all grass cutting and snow removal to within two feet of PREMISES.
- 3.09 **Toxic Substance and Waste:** Toxic substances are not to be stored on the PREMISES. When the TENANT has Toxic substances:
- a) The TENANT covenants not to bring onto the PREMISES or the Airport any toxic or hazardous materials, except in the quantity permitted by law. The TENANT shall use, store, handle and treat such materials in accordance with applicable law.
 - b) The TENANT shall be responsible for the proper removal and disposal of all hazardous or toxic substances, materials or wastes, pollutants or contaminants, aircraft fluids, petroleum products or by-products.
 - c) The TENANT shall not discharge or cause to be discharged or however pass into the sewer systems, storm drains or surface drainage facilities,

at the Airport, any deleterious material or noxious, contaminated or poisonous substances;

- i. In the event of a discharge or escape of such deleterious materials or noxious, contaminated or poisonous substance in and under the control of the TENANT, the TENANT shall rectify all damage or injury therefrom to the satisfaction of the LANDLORD; and
- ii. The TENANT shall save the LANDLORD harmless against and from any and all liabilities, obligations, damages, penalties, claims, cost including compliance and clean-up costs, charges, expenses and disbursements including, without limitation, legal fees and expenses, fees of expert witnesses, engineers and other consultants which may be imposed upon, incurred by or asserted against the LANDLORD by reason of any environmental contamination of the premises caused by the TENANT or its employees, agents or invitees.

3.10 **Utilities:** The TENANT agrees that they shall be solely responsible to pay for all utilities including, but not limited to, water, hydro, cable, and telephone.

3.11 **No Damage:** The TENANT agrees that it shall not do (or allow to be done) anything which may damage the PREMISES beyond the damage occasioned by reasonable use. The TENANT further agrees that it shall, at its cost and expense, repair all portions of the PREMISES which may at any time be damaged by the TENANT or its invitees (ordinary wear and tear only excepted). In the event of the failure on the part of the TENANT to repair pursuant to this section, the TENANT agrees to indemnify and save harmless the LANDLORD from all damages, costs and expenses suffered or incurred by the LANDLORD, the public, or any other third parties by reason of the damage to the PREMISES, to the extent that the TENANT is liable for the same in law. The TENANT agrees to make payment forthwith upon receipt of appropriate accounts for these damages.

3.12 **Construction and Removal:** When construction occurs on the Hangar:

- a) The TENANT covenants not to make any changes in surfacing, grade or landscaping, at or on the PREMISES, except in accordance with plans which have been submitted to, and approved in writing by the LANDLORD and to make any such changes expeditiously in a good and workmanlike manner, including proper clean-up to the reasonable satisfaction of the LANDLORD;
- b) The TENANT shall, at the end of the TERM hereof, if so directed by the LANDLORD, remove from the PREMISES, at his own expense, all personal effects, provided that the PREMISES shall be returned to their original condition, to the reasonable satisfaction of the LANDLORD. For

clarity, the TENANT will repair any damage caused to the PREMISES as a result of any removal of any buildings, structures, fixtures, and improvements thereon.

- 3.13 **Compliance with Law and Other Policies:** The TENANT covenants to abide by any code of conduct or other policy regarding use, access and transportation within the airport development areas, including the PREMISES, which may be established by the LANDLORD and any other applicable legislation.
- a) The TENANT agrees to adhere to all Transport Canada and Kawartha Lakes Municipal Airport regulations, as amended from time-to-time; and
 - b) The TENANT further agrees to comply with all federal, provincial and municipal laws, rules and regulations affecting the PREMISES, including, but not limited to the obtaining of all necessary permits and licences, and to save the LANDLORD harmless from any liability or cost suffered by it as a result of failure of the TENANT to do so.
- 3.14 **Fire Prevention:** The TENANT agrees to take all precautions to prevent fire from occurring in or about the PREMISES. The TENANT further agrees to observe and comply with all instructions given from time to time by the PROPERTY MANAGER with respect to prevention and extinguishing of fires.
- 3.15 **Signs:** The LANDLORD agrees that the TENANT, at its own cost, may construct, erect, place or install (outdoors) on or at the PREMISES, any poster, advertising sign or display, electrical or otherwise, after first having obtained the consent, in writing, of the PROPERTY MANAGER.
- 3.16 **Liability Insurance:** The TENANT shall provide and maintain:
- a) Aviation General Liability insurance with limits of not less than Five Million (\$5,000,000.00) dollars per occurrence and with a deductible acceptable to the LANDLORD. Coverage shall include but is not limited to bodily injury including death, property damage including loss of use thereof, personal injury, blanket contractual liability, products and completed operations liability, premises and operations liability non-owned automobile liability and contain a cross liability and severability of interest clause. The policy shall be endorsed to name *The Corporation of the City of Kawartha Lakes* as an additional insured.
 - b) All Risk Property insurance in an amount equal to the full replacement cost of property of every description and kind owned by the TENANT or for which the TENANT is legally responsible, and which is located on or about the PREMISES, including without limitation anything in the

nature of a leasehold improvement. The TENANT acknowledges that such contents or leasehold improvements are not covered under any insurance policies of the LANDLORD. The policy shall not allow subrogation claims by the Insurer against the LANDLORD.

- c) Tenant's Legal Liability insurance in an amount not less than Five Hundred Thousand Dollars (\$500,000.00) representing the actual cash value of the building and structure in the TENANT's care, custody or control, including loss of use thereof. The policy shall not allow subrogation claims by the Insurer against the LANDLORD.
- d) Comprehensive Boiler and Machinery insurance on mechanical equipment on or about the PREMISES controlled by the TENANT. The policy shall not allow subrogation claims by the Insurer against the LANDLORD.
- e) Aircraft Liability Insurance of not less than Two Million Dollars (\$2,000,000.00) inclusive per occurrence. Coverage shall include but is not limited to bodily injury, personal injury, death and damage to property in respect to the use or operation of all aircraft owned, operated or leased by the TENANT.

The TENANT shall provide the LANDLORD, upon execution of this LEASE and annually thereafter, a Certificate of Insurance. All policies shall be with insurers licensed to underwrite insurance in the Province of Ontario. The insurance shall be with insurers acceptable to the LANDLORD and with policies in a form satisfactory to the LANDLORD. All policies shall be endorsed to provide the LANDLORD with not less than thirty (30) days' written notice in advance of any cancellation, change or amendment restricting coverage. All premiums and deductibles under the insurance policies are the sole expense of the TENANT. All policies shall apply as primary and not as excess of any insurance available to the LANDLORD. As determined by the LANDLORD, the TENANT may be required to provide and maintain additional insurance coverage(s) or increased limits, which are related to this LEASE.

- 3.17 **Coverage to be Maintained:** The TENANT agrees that it shall not do anything (nor omit to do anything, nor allow anything to be done or omitted to be done) on the PREMISES which will in any way impair or invalidate the policies provided pursuant to Sections 3.11.
- 3.18 **Objectionable Materials:** The TENANT agrees that it will not, upon or about the PREMISES, bring, keep, sell, store, offer for sale, give away or otherwise use, handle or dispose of any merchandise, goods, materials, effects or things which may by the PROPERTY MANAGER for any reason be deemed objectionable.

- 3.19 **No Claims:** The TENANT shall not have any claim or demand against the LANDLORD for damages of any nature, however caused to the PREMISES, or any person or property, on or about the PREMISES, unless the damage is due to the gross negligence of the LANDLORD (or any of its officials, employees, servants or agents while acting within the scope of his or her duties or employment).
- 3.20 **Construction Lien:** The TENANT shall at all times indemnify and save harmless the LANDLORD from and against any and all claims, demands, loss, costs, charges, actions and other proceedings under the *Construction Lien Act*, R.O.S. 1990, c. C.30, as amended from time to time, in connection with any work done for the TENANT at or on the PREMISES, and shall at its own expense, within 10 days of notice of any such lien, certificate of action, remove from the registered title to the PREMISES, of every claim for lien or certificate of action having to do with such work and in any event within 10 days of being notified in writing by the LANDLORD to do so, failing which the LANDLORD may see to such removal and recover the expense and all attendant costs from the TENANT as rent owing and in arrears.
- 3.21 **Indemnification:** The TENANT agrees that it shall at all times indemnify and save harmless the LANDLORD, its employees, from and against all claims and demands, by whomsoever made, which are occasioned by or attributable to the existence of this LEASE or any action taken or things done or maintained because of this LEASE, or the exercise of rights arising pursuant to this LEASE (excepting claims for damage resulting from the gross negligence of any officer, servant or agent of the LANDLORD while acting within the scope of his or her duties or employment).
- 3.22 **Parking:** The TENANT is restricted from parking on the PREMISES. Short-term parking is available for customers of the TENANT in accordance with Landlord By-Laws.
- 3.23 **Objectionable Materials:** The TENANT agrees that it will not, upon or about the PREMISES, bring, keep, sell, store, offer for sale, give away or otherwise use, handle or dispose of any merchandise, goods, materials, effects or things which may by the Property Manager for any reason be deemed objectionable.

ARTICLE 4.00: IMPROVEMENTS

- 4.01 **Condition of the Lands:** The TENANT accepts the PREMISES in an "as is" condition without any obligation on the part of the LANDLORD to make the PREMISES suitable for the BUSINESS except as otherwise noted in this LEASE.
- 4.02 **Alterations:** The TENANT agrees that it will not make alterations to the PREMISES, until plans showing the design and nature of the proposed alterations to the PREMISES have been approved by the LANDLORD. It is understood and agreed that any approved alterations to the PREMISES must be completed and then maintained by the TENANT to the satisfaction of the

LANDLORD and/or the PROPERTY MANAGER. The LANDLORD and the TENANT agree to execute an agreement addressing the timing and maintenance of the TENANT's improvements to the PREMISES. The TENANT acknowledges that its development on the LANDS may be subject to site plan control.

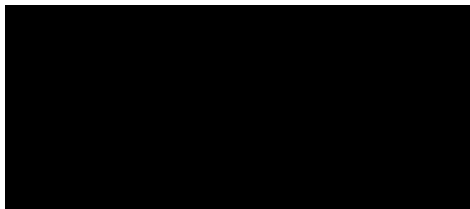
ARTICLE 5.00: TERMINATION

- 5.01 **Termination without Cause:** Either party has the right to terminate this LEASE upon ninety (90) days' notice in writing to the other party.
- 5.02 **Surrender:** At the expiration or sooner determination of the TERM of this LEASE, the TENANT shall peaceably surrender and yield to the LANDLORD, the PREMISES in a well-maintained, fully operating condition with all related facilities, buildings, structures and improvements (excepting those removed pursuant to Section 5.03) in a good state of repair (reasonable wear and tear excepted). At the expiration of this LEASE, the LANDLORD will have and enjoy absolute title to all of the PREMISES without compensation to the TENANT, and free of any claim or encumbrance. In the event that this LEASE is terminated due to an EVENT OF DEFAULT, no goods, materials or chattels of any sort may be removed by the TENANT without the LANDLORD's express consent.
- 5.03 **Removal of Improvements:** Notwithstanding Section 5.02, and provided the TENANT is not in default of its obligations pursuant to this LEASE, at the expiration of the TERM or any renewal period, or upon earlier determination of the TERM, the LANDLORD shall have the first right of refusal to purchase some or all of the TENANT's leasehold improvements at its then market value. In the event that the TENANT and the LANDLORD cannot agree on terms of purchase, the TENANT shall remove, at its sole cost, all improvements on the PREMISES which the LANDLORD does not require. The TENANT agrees to restore the PREMISES upon which the removed improvements were located, to a state of repair satisfactory to the LANDLORD within six (6) months of the date of the termination of the TERM.
- 5.04 **Default:** Upon the occurrence of an EVENT OF DEFAULT, at the option of the LANDLORD, the TERM shall become forfeited and void, and the LANDLORD may, without notice or any form of legal process whatsoever, forthwith re-enter upon the PREMISES and repossess and enjoy the same as of its former estate, anything contained in any statute or law to the contrary notwithstanding, and the provisions of Section 5.02 shall apply.
- 5.05 **Landlord's Performance:** Nothing in this LEASE prevents the LANDLORD, in the circumstances of an EVENT OF DEFAULT, from entering upon the PREMISES and performing the TENANT's obligations. This work shall be completed at the sole cost and expense of the TENANT and in addition, the LANDLORD may levy any charge as may then be applicable, in accordance with the policies of the LANDLORD for administration and overhead. It is expressly understood and agreed that the LANDLORD is not under any obligation to perform any of the TENANT's covenants.

5.06 **Other Remedies:** Forfeiture of this LEASE by the TENANT shall be wholly without prejudice to the right of the LANDLORD to recover arrears of RENT or damages for any antecedent breach of covenant on the part of the TENANT. Notwithstanding any forfeiture, the LANDLORD may subsequently recover from the TENANT damages for loss of RENT suffered by reason of the TENANT having been determined prior to the end of the TERM as set out in this LEASE. This clause and the right under it shall survive the termination of this LEASE whether by act of the parties or by operation of law.

ARTICLE 6.00: MISCELLANEOUS

6.01 **Notice:** Any notice to be given under this LEASE shall be sufficiently given if delivered by hand, facsimile, or e-mail, or if sent by prepaid first class mail and addressed to the TENANT at:



or to the LANDLORD at:

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

Receipt of notice shall be deemed on (whichever of the above is applicable):

- a) The date of actual delivery of a hand delivered document; or
- b) The business day next following the date of facsimile transmission; or
- c) Five (5) days following the date of mailing of the notice

Notwithstanding Section 6.07, either party may change its address for notice by giving notice of change of address pursuant to this Section.

6.02 **Force Majeure:** Notwithstanding anything in this LEASE, neither party shall be in default with respect to the performance of any of the terms of this LEASE if any non-performance is due to any force majeure, strike, lock-out, labour dispute, civil commotion, war or similar event, invasion, the exercise of military power, act of God, government regulations or controls, inability to obtain any material or

service, or any cause beyond the reasonable control of the party (unless such lack of control results from a deficiency in financial resources) . Otherwise, time shall be of the essence of this LEASE and all the obligations contained herein.

- 6.03 **Successors:** The rights and liabilities of the parties shall ensure to the benefit of and be binding upon the parties and their respective successors and approved assignees. Neither party shall assign this LEASE without the written consent of the other party.
- 6.04 **Entire Agreement:** This LEASE constitutes the entire agreement between the parties and it is agreed that there is no covenant, promise, agreement, condition precedent or subsequent, warranty or representation or understanding, whether oral or written, other than as set forth in this LEASE and this LEASE fully replaces and supersedes any letter, letter of intent, or other contractual arrangement between the parties related to the LANDS in existence at the time of execution and delivery of this LEASE.
- 6.05 **Partial Invalidity:** If any article, section, subsection, paragraph, clause or sub-clause or any of the words contained in this LEASE shall be held wholly or partially illegal, invalid or unenforceable by any court of competent jurisdiction, the LANDLORD and the TENANT agree that the remainder of this LEASE shall not be affected by the judicial holding, but shall remain in full force and effect. The provisions of this LEASE shall have effect, notwithstanding any statute to the contrary.
- 6.06 **Relationship of Parties:** Nothing in this LEASE shall create any relationship between the parties other than that of landlord and tenant. It is specifically agreed that neither party is a partner, joint venture, agent or trustee of the other.
- 6.07 **Amendments:** No supplement, amendment or waiver of or under this LEASE (apart from amendments to notice provisions of Section 6.01) shall be binding unless executed in writing by the party to be bound. No waiver by a party of any provision of this LEASE shall be deemed to be a waiver of any other provision unless otherwise expressly provided.
- 6.08 **Governing Law:** This agreement shall be construed in accordance with and governed by the laws of the Province of Ontario.
- 6.09 **Freedom of Information:** The TENANT acknowledges that this LEASE is a public document.
- 6.08 **Governing Law:** This agreement shall be construed in accordance with and governed by the laws of the Province of Ontario.
- 6.09 **Freedom of Information:** The TENANT acknowledges that this LEASE is a public document.

6.10 **Independent Legal Advice:** The TENANT acknowledges that it has either received or waived the benefit of its own legal advice with respect to the execution of this LEASE.

6.11 **Electronic Signature:** This Agreement may be executed and delivered by facsimile or other electronic means, which electronic copies shall be deemed to be original.

By so executing this LEASE, the officers warrant and certify that the corporations for which they are signing are in good standing and duly incorporated and organized under the laws of the jurisdiction in which they are incorporated, and that the officers are authorized and empowered to bind the corporations to the terms of this LEASE by their signatures.

Dated at Lindsay, this _____ day of _____, 2023.

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

PER: _____
Name: Doug Elmslie
Title: Mayor

PER: _____
Name: Cathie Ritchie
Title: City Clerk

I/We have authorization to bind the corporation

Dated at _____, this _____ day of _____, 2023.

15740622 CANADA INC.

PER: _____
Name: Yi Xiong Dai
Title: President

I/We have authorization to bind the corporation

SCHEDULE A

LINDSAY AIRPORT
 HIGHWAY 35 NORTH
 KAWARTHA LAKES,

M 62
 NTAB AC

