



# LEASE

between

**Kamloops Airport Ltd.**

(hereinafter called the "**Landlord**")

and

\*\*\*\*\*

(hereinafter called the "**Tenant**").

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<b>Lease No.:</b>	•
<b>Date of Lease:</b>	••, 2023
<b>Description of Permitted Use:</b>	*****, subject to the provisions of this Lease
<b>Commencement Date:</b>	••, 2023, subject to Section 3.3
<b>Length of Term:</b>	*** (*) Years

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## NOTES

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## AMENDMENTS

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Schedule G HEAD LEASE PROVISIONS  
Schedule H [INTENTIONALLY DELETED]

THIS LEASE is dated as of the ●day of ●, 2023

BETWEEN:

**KAMLOOPS AIRPORT LTD**  
(hereinafter called the "Landlord")

- and -

\*\*\*\*\*

(hereinafter called the "Tenant")

WHEREAS by an agreement executed August 27, 1997 between The Kamloops Airport Authority Society (KAAS) and Kamloops Airport Ltd. (KAL), whereas KAL became the manager and operator of Kamloops Airport (the "Airport");

AND WHEREAS the Landlord, a wholly-owned subsidiary of Vantage Airport Group, has been established by Vantage Airport Group to enter into agreements regarding the use and occupancy of the Airport and, as a wholly-owned subsidiary of Vantage Airport Group, is a tenant of the Airport with the authority and capacity to sublease and demise the Premises as contemplated herein;

AND WHEREAS the Landlord and the Tenant have agreed to enter into this Lease as of the date first written above, to be effective as of and from the Commencement Date;

IN CONSIDERATION of the mutual covenants set forth herein, the parties covenant and agree each with the other as follows:

**ARTICLE 1 - BASIC TERMS, SCHEDULES, DEFINITIONS**

**1.1 Basic Terms**

- (a) (i) Landlord: Kamloops Airport Limited
- (a) (ii) Address of Landlord: 101-3035 Airport Road  
Kamloops, BC V2B 7X1
- (b) (i) Tenant: \*\*\*\*\*
- (b) (ii) Address of Tenant: \*\*\*\*\*  
\*\*\*\*\*  
\*\*\*\*\*
- (b) (iii) Operating Name: ●
- (c) Description of Premises: The Premises comprise as part of the Terminal Building as set out and shown on the drawing appended to Schedule A attached hereto
- (d) Floor Area: Approximately ● square metres
- (e) (i) Term: \*\*\* (\*) years commencing on the Commencement Date
- (e) (ii) Commencement Date: ●●, 2023, subject to Section 3.3
- (f) Percentage Rent Rate:

Gross Revenue	RATE
\$0 - \$000	%
\$000 - \$000	%
\$000 - \$000	%
\$000+	%

- (g) Permitted Use of Premises: The permitted use of the Premises, subject to the provisions of this Lease including any limitations or conditions set out in Article 10, shall be the operation of a café outlet for the sale, of the food and beverage items listed in Schedule F-1 hereof and such other merchandise items as may be approved from time to time in writing by the Landlord and for the supply, at retail, of the specified services listed in Schedule F-1 hereof and such other services as may be approved from time to time in writing by the Landlord
- (h) Fixturing Period: ●●, 2023 to and including ●●, 2023

The foregoing Basic Terms are hereby approved by the parties and each reference in this Lease to any of the Basic Terms shall be construed to include the provisions set forth above as well as all of the additional terms and conditions of the applicable Sections of this Lease where such Basic Terms are more fully set forth.

**1.2 Schedules and attachments**

All schedules and attachments are incorporated into and form an integral part of this Lease.

**1.3 Definitions**

Words and phrases used in this Lease have the respective meanings assigned and set forth in Schedule B.

**ARTICLE 2 - GRANT OF LEASE**

**2.1 Demise**

The Landlord, in accordance with and subject to its interest under the Head Lease, does hereby sublease and demise the Premises to the Tenant for the Term upon and subject to the covenants and conditions hereinafter expressed. If this Lease is executed prior to the Landlord having done a final measurement of the Premises, then, upon such final measurement having been done and the actual Floor Area of the Premises having been measured, the Tenant shall be notified of such actual Floor Area as determined by the Landlord and such actual Floor Area shall be substituted for the figure set out in Section 1.1(d), and a revised Schedule A, based on such final measurement, shall be substituted for the original Schedule A hereof.

**2.2 Licence to Use Common Areas**

The Landlord, subject to the Head Lease, grants to the Tenant for the Term as an appurtenant part of this Lease for use by the Tenant and its agents, customers, employees, invitees, licensees and servants, in common with the Landlord and other tenants and licensees of the Landlord and their respective agents, customers, employees, invitees, licensees and servants, the non-exclusive licence to use:

- (a) such parts of the Airport set aside by the Landlord for roadways and designated by the Landlord from time to time, for public access and ingress to and egress from the Terminal Building; and
- (b) such parts of the Common Areas as are designated by the Landlord from time to time for public access for the purposes as provided herein and in particular, without limiting the generality of the foregoing, such licence of use hereby granted to the Tenant shall include:
  - (i) the right of pedestrian passage and repassage through each level and every portion of the Terminal Building designated by the Landlord from time to time for public access for the purposes of gaining access to or from every portion of the Terminal Building open to the public; and
  - (ii) the right to use the public washrooms, corridors, entrances and exits to buildings and all other facilities provided for common use and enjoyment as part of the Common Areas;

all in accordance with good airport practice, and subject to the terms of this Lease, the Rules and Regulations and any limitations from time to time imposed by the Landlord in respect of such use.

### 2.3 Licence to Use Service Access

The Landlord, subject to the Head Lease, grants to the Tenant as an appurtenant part of this Lease for use by the Tenant, its authorized agents, suppliers and employees, in common with the Landlord and other tenants and licensees of the Terminal Building and their respective authorized agents, suppliers and employees, the non-exclusive use of such parts of the Terminal Building, its service entrances, hallways, corridors, exits and private areas, all as are designated by the Landlord from time to time for service access to and from the Terminal Building (the "Service Access") to the extent necessary for the Tenant to conduct its Airport business relating to the Premises and authorized storage areas (if any), such Service Access to be in accordance with good airport practice and subject to the Rules and Regulations which are subject to change. It is hereby acknowledged that any reasonable costs, charges or expenses arising from any Tenant use of such Service Access shall be borne by the Tenant.

## ARTICLE 3 - TERM, COMMENCEMENT

### 3.1 Term

Subject to Section 3.7 below, the Term of this Lease shall be for the period set out in Section 1.1(e)(i), beginning on the Commencement Date. The Tenant's obligations to open for business and to pay Rent shall commence on the Commencement Date. The Tenant shall also be bound by all of the provisions of this Lease during the Fixturing Period.

### 3.2 Construction and Completion of Premises

The Landlord will be responsible for work described as "Landlord's Work" in Schedule C and the Tenant will be responsible for all the work required by the Tenant or necessary to complete the Premises for occupancy, including the work described as "Tenant's Work" in Schedule C. All such work shall be designed, approved, performed and completed in strict compliance with the provisions of Schedule C and design criteria prescribed from time to time by the Landlord. The Tenant agrees that the Fixturing Period is sufficient to permit the Tenant to complete the work to be performed by the Tenant. During the Fixturing Period the Tenant shall be entitled to access to and possession of the Premises for the purpose of carrying out the Tenant's Work and stocking the Premises. During the Fixturing Period, all terms and conditions of this Lease shall apply, except the Tenant shall not be responsible for the payment of Percentage Rent and, for greater certainty, the Tenant shall pay for all electricity, heating, ventilation, and air-conditioning and other utilities and/or services supplied to or used in respect of the Premises during the Fixturing Period. By commencing the Tenant's Work in the Premises, the Tenant shall be deemed to have accepted the Premises and all work done in the Premises by the Landlord. The Tenant acknowledges that during the Fixturing Period the Landlord may continue to conduct some of the Landlord's Work, and the parties agree that they shall cooperate to minimize interference with each other in the completion of their respective works.

Within ninety (90) days following the Commencement Date, the Tenant shall deliver to the Landlord a statement in writing, certified as correct by the senior financial officer of the Tenant, setting forth the Tenant's Initial Capital Cost, together with such evidence as the Landlord may require to support the calculation of the same, all in such form as may be prescribed from time to time by the Landlord.

The Tenant will, before commencement of any business on or from the Premises:

- (a) obtain all municipal and provincial permits required for operation;
- (b) provide the security required under Article 8; and

and the Landlord may require that the Tenant has done so before participating in any opening event or promotion.

### 3.3 Commencement Date

The Term shall commence on the Commencement Date determined as the earlier of:

- (a) the date stated in Section 1.1(e)(ii), disregarding the reference to this Section 3.3;
- (b) the day upon which the Tenant opens the Premises or any part thereof for business to the public; and
- (c) the day next following the expiration of the Fixturing Period.

### 3.4 Failure to Open for Business

In addition to any other remedies of the Landlord, should the Tenant fail to open for business on any day during the Term of this Lease, without the Landlord's approval (other than the Tenant's initial opening day for business at the beginning of the Term), unless such failure is caused by unavoidable delay as provided in Section 19.2, the Tenant shall pay, as liquidated damages, and not as a penalty, and in addition to any other amounts payable under this Lease an amount equal to \$300.00 per day for each calendar day the Tenant is not open for business, and the parties agree that this represents a genuine pre-estimate of damages which would be suffered by the Landlord in the event of a late opening or a failure to remain open by the Tenant.

### 3.5 Quiet Enjoyment

If the Tenant duly and punctually pays the Rent when due and at all times complies with and performs the Tenant's obligations under this Lease, then the Tenant shall and may use and possess the Premises in accordance with the provisions of this Lease for the Term without interruption or disturbance by the Landlord, subject to the terms of this Lease including the rights of entry and inspection of the Landlord and the limitations and restrictions set out in this Lease. The Tenant's remedy in connection with the Landlord's covenant for quiet enjoyment shall be limited to a claim for damages only and the Landlord's liability in connection with any such claim will be limited to the Percentage Rent which has been paid by the Tenant during the period of the breach by the Landlord. The Landlord will not be liable for any business, economic or indirect or consequential loss or damage. The Landlord will not be liable for any claim made after expiration or other termination of this Lease. The Landlord will not be liable for any disruption, interference or impact affecting the Tenant not caused directly by the Landlord or its employees.

### 3.6 Relocation

The Landlord shall have the right at any time, upon giving the Tenant not less than 120 days written notice, to provide the Tenant with other space in the Terminal Building in substitution for the Premises, either on a temporary basis or for the remainder of the Term. The Tenant agrees to move to such new space. Payment of the costs of moving the Tenant to the new location will be negotiated between the Landlord and the Tenant during the notice period; provided that the Landlord will not be responsible for any business, economic or indirect or consequential loss or damage of the Tenant of any nature whatsoever and that the maximum liability of the Landlord will be limited to the unamortised amount, as reasonably calculated by the Landlord, of the Initial Capital Cost (assuming straight line amortisation over the period of the initial Term, and the Landlord may at any time elect to pay such maximum liability to the Tenant in full satisfaction of any claim by the Tenant for such costs of moving.

The following will apply:

- (a) Subject to Section 3.6(c) below, effective at 11:59 p.m. on the day (the "Relocation Date") the business of the Tenant in the Premises is required by the Landlord (as specified in the Landlord's written notice) to close to facilitate the move:
  - (i) the Tenant will surrender the Premises to the Landlord in the condition required under Section 14.3;
  - (ii) this Lease will be deemed amended:

- A. by substituting the new space for the Premises, or making the appropriate adjustment in respect of the Premises; and
  - B. if the Floor Area of the Premises is affected, by making the appropriate adjustment in respect of the area stated in Section 1.1(d);
  - (iii) all references in this Lease to the Premises shall thenceforth be deemed to refer to the Premises so revised;
  - (iv) this Lease, as so amended, will continue in full force and effect as a lease of the Premises so revised; and
  - (v) the Tenant shall execute any supplemental agreement prepared by the Landlord which formally provides for such amendments to this Lease.
- (b) Upon receipt of the Landlord's said notice invoking the right of relocation, the Tenant will provide to the Landlord within 30 days a reasonable estimate for the costs of moving the Tenant to the new location, and particulars of the claim by the Tenant against the Landlord for such costs (to the extent recoverable from the Landlord pursuant to this Section 3.6). The Tenant will take all reasonable efforts and measures to minimise all such costs.
- (c) The Landlord may, at any time within 21 days after receipt of the Tenant's reasonable estimate and particulars of claim, elect to withdraw its notice requiring relocation.

If the Premises consist of more than one room or area, and the Landlord exercises its right of relocation only as to one or more of such rooms or areas (and not the entire Premises), then the foregoing will be adapted and applied, as reasonably prescribed by the Landlord, in respect of such one or more rooms or areas only.

### 3.7 Early Termination Rights

Except as otherwise expressly provided for herein, the Tenant may, upon one hundred twenty (120) days' prior written notice to the Landlord, terminate this Lease provided always that the Tenant shall not have the right to terminate this Lease as contemplated in this Section 3.7 in event the Landlord has exercised any remedy available to the Landlord under the provisions of Article 18 or the Tenant is otherwise in default of any provision of this Lease.

## ARTICLE 4 – RENT AND PAYMENTS GENERALLY

### 4.1 Percentage Rent

The Tenant shall pay to the Landlord in and for each Lease Year, Percentage Rent (by monthly payments in accordance with Section 4.2 subject to annual adjustment in accordance with Section 4.3).

### 4.2 Payment of Percentage Rent

Within fifteen (15) days after the end of each month of each Lease Year of the Term, the Tenant shall furnish the Landlord with a written statement substantially in the form annexed as Schedule D-1 hereof or such other form as the Landlord may from time to time designate to the Tenant, signed and certified as correct by the Tenant or the Tenant's duly authorized agent, setting out in all reasonable detail the amount of the Gross Revenue for the immediately preceding month together with payment of Percentage Rent which shall be an amount equal to the sum of the Gross Revenue for such month multiplied by the applicable Percentage Rent rates set out in Section 1.1(f). For greater certainty, Gross Revenue shall be calculated on a cumulative basis month to month for each Lease year of the Term.

### 4.3 Annual Adjustment of Percentage Rent

Within ninety (90) days after the end of each Lease Year the Tenant shall furnish the Landlord with a written statement substantially in the form annexed as Schedule D-2 hereof or such other form as the Landlord may from time to time designate to the Tenant, signed by the Tenant and certified as correct by the auditor of the Tenant (who shall be an independent chartered accountant or other licensed public accountant acceptable to the Landlord) or, if the Tenant does not have an auditor, then the written statement shall be audited by an independent chartered accountant or other licensed public accountant whose attestation is acceptable to the Landlord, setting out in all reasonable detail and in any event by months, the amount of Gross Revenue for the whole of the preceding Lease Year. If the aggregate amount of the Gross Revenue for such Lease Year as reported monthly to the Landlord pursuant to Section 4.2 is less than the annual amount set out in such certified or audited statement and if the result is a deficiency in Percentage Rent due for such Lease Year, then such certified or audited statement shall be accompanied by a payment to the Landlord equal to the amount of such deficiency. If the aggregate amount of the monthly payment on account of Percentage Rent paid by the Tenant during a Lease Year pursuant to Section 4.2 exceeds the Percentage Rent due for such Lease Year, the Landlord shall refund to the Tenant the amount of such excess without interest within thirty (30) days after delivery of the certified or audited statement of Gross Revenue or completion of any audit which has been commenced by the Landlord pursuant to Section 12.3 within thirty (30) days after delivery of such audited statement and which confirms such excess, provided that the Landlord may first deduct from such excess any Rent which is then in arrears.

### 4.4 Payments Generally

All payments by the Tenant to the Landlord of whatsoever nature required or contemplated by this Lease shall be:

- (a) paid to the Landlord by the Tenant in lawful currency of Canada, together with all taxes, rates, duties, levies, fees, charges and assessments applicable including HST;
- (b) made when due under this Lease, without prior demand therefor and without any set-off, abatement (except as expressly stipulated in this Lease) or deduction whatsoever, at the office of the Landlord at the Airport or such other place as the Landlord may designate from time to time in writing to the Tenant;
- (c) applied towards amounts then outstanding under this Lease, in such manner as the Landlord may see fit;
- (d) deemed to be rent, in partial consideration for which this Lease has been entered into, and shall be payable and recoverable as rent, such that the Landlord shall have all rights and remedies against the Tenant for default in making any such payment which may not be expressly said to be rent as the Landlord has for default in payment of Percentage Rent; and
- (e) subject to an overdue charge if any such payment is not made when due, which overdue charge shall be paid by the Tenant as Additional Rent, calculated at the Prime Rate plus twelve percent (12%) per annum, or such lesser rate as the Landlord may from time to time elect to apply, of the overdue amount, payable with the next monthly instalment of Percentage Rent, all without prejudice to any other right or remedy of the Landlord.

### 4.5 Additional Rent

The Tenant shall pay to the Landlord all sums payable as Additional Rent in the amounts and at the times provided for in this Lease.

### 4.6 Net Sublease

The Tenant acknowledges and agrees that it is intended that this Lease is an absolutely net and carefree sublease to the Landlord, except as expressly herein set out; that the Landlord is not responsible during the Term for any costs, charges, expenses and outlays of any nature whatsoever arising from or relating to the Premises or the use and occupancy thereof, or the contents thereof, or the business carried on therein, except as expressly herein set out; and the Tenant shall pay all charges, impositions, taxes, costs and expenses of every nature and kind relating to the Premises, except as expressly herein set out.

### 4.7 Rent for Irregular Periods

All Rent shall be deemed to accrue from day to day, and if for some reasons it shall become necessary to calculate Rent for irregular periods of less than one year or one month, as the case may be, an appropriate pro rata adjustment shall be made in order to calculate rent for such irregular period.

## ARTICLE 5 - TAXES

### 5.1 Tenant's Taxes

The Tenant shall pay promptly when due all property, business, sales, machinery, equipment and all other taxes, assessments, charges and rates, as well as any permit or licence fees, attributable to the Premises or the property, business, sales, or income of the Tenant in respect of the business carried on by the Tenant from the Premises.

## 5.2 Property Taxes

The Tenant shall pay during the Term before any fine, penalty, interest or costs accrue for the non-payment thereof (but subject to Section 5.2(a) hereof) all Property Taxes. The Tenant may take advantage of any provisions of law whereby Property Taxes may be paid by instalments or deferred for some portion of the fiscal year to which they relate, provided that no fine, penalty or cost is incurred except accrued interest on the unpaid balance of the taxes. If the Tenant fails to pay any Property Taxes as set out in this Section 5.2, the Tenant shall pay any fine, penalty, interest and expense arising therefrom.

- (a) The Tenant has the right to contest the validity of all Property Taxes. If the Tenant wishes to take advantage of any lawful right to defer payment of any Property Taxes pending the outcome of any proceedings taken by the Tenant to contest the taxes, and if the entire amount (including fines, penalties, interest and costs) for which the Tenant might become liable, if unsuccessful, exceeds Two Thousand Dollars (\$2,000.00), the Tenant shall deposit in the name of the Landlord in a trust account with a trust company as the Landlord may direct in writing, as security for the payment of the Property Taxes, a sum sufficient in the judgement of the Landlord acting reasonably to pay the Property Taxes due by the Tenant under this Section 5.2 together with all fines, penalties, interest and costs in connection therewith and all amounts that might be assessed against or become a charge on the Airport lands or any part thereof as a result of the proceedings being taken by the Tenant, and the Tenant shall prosecute the proceedings with due diligence. Upon termination of the proceedings taken by the Tenant the sums deposited together with interest thereon shall be applied to so much of the Property Taxes (and any fines, penalties, interest and costs relating thereto) as then remain unpaid, and any balance shall be repaid to the Tenant. If the money deposited at any time appears insufficient to the Landlord to pay the Property Taxes for the Premises and all fines, penalties, interest and costs relating thereto, the Tenant shall on five (5) days notice deposit the additional sum as the Landlord requires and if the sum proves insufficient, the Tenant shall forthwith pay any balance. Interest earned by any sum on deposit under this Article 5 shall be added to the sum on deposit.
- (b) If the Tenant is contesting in good faith the amount or validity of any Property Taxes and has complied with the provisions of this Article 5 and if it becomes necessary for the Landlord to join in or consent to the proceedings, the Landlord shall join or consent as required, and the Tenant shall indemnify the Landlord against all expense arising therefrom.

## 5.3 Capital Tax (if any)

The Tenant shall pay to the Landlord, on demand, throughout the Term, as Additional Rent, an amount equal to any Capital Tax payable by the Landlord and attributable to the Premises, as determined from time to time by the Landlord, acting reasonably.

## 5.4 If No Separate Assessment

If a separate assessment for the Premises is, for any reason, not made or levied by the appropriate taxing authority, the Tenant will pay to the Landlord, on demand, throughout the Term, as Additional Rent, an amount determined by the Landlord, acting reasonably, to be equal to the amount of Property Taxes or grants in lieu of Property Taxes payable by the Landlord in respect of the Premises.

## 5.5 Municipal Charges

The Tenant acknowledges that it may be exempt from the payment of various development cost charges, building or development permit fees, inspection fees, licence fees and other municipal charges to the City of Kamloops because the Premises are located on the Airport. The Tenant also acknowledges that, in the future, the Landlord may for reasons that the Landlord believes will benefit the Airport as a whole, agree to pay all or a portion of such charges and fees to the City of Kamloops in respect of the Premises, in which event the Tenant will pay such amounts to the Landlord, on demand, provided that the Tenant shall not be required to pay more (in the aggregate of such charges and fees to the City of Kamloops in respect of the Premises together with the fees payable to the Approving Authority pursuant to the Approving Authority's Land Development and Construction By-Law or Policies) therefor than the total amount that would be payable on account of fees and charges which the Tenant would have been obliged to pay to the City of Kamloops if the Premises were located on other land in the City of Kamloops, all as determined by the Landlord, acting reasonably.

## 5.6 Goods and Services Tax

The Tenant shall pay, at such time or times as the applicable legislation may from time to time require, an amount equal to any and all taxes, rates, duties, levies, fees, charges and assessments whatsoever, whether or not in existence at the Commencement Date, assessed, charged, imposed, levied or rated by any taxing authority, whether federal, provincial, municipal or otherwise, on or against the Landlord or the Tenant, with respect to the Rent payable by the Tenant to the Landlord under this Lease or the rental of space under this Lease or the provision or supply of any goods, services or utilities whatsoever by the Landlord to the Tenant under this Lease, whether any such tax, rate, duty, levy, fee, charge or assessment is called or characterised as a sales, use, consumption, value-added, business transfer or goods and services tax or otherwise.

## ARTICLE 6 - COMMON AREAS

### 6.1 Landlord's Responsibility

The control, general cleanliness, operation and maintenance of the Common Areas shall be the exclusive domain and purview of the Landlord. The manner in which the Common Areas shall be operated, used and maintained and the expenditures therefor shall be at the sole discretion of the Landlord.

### 6.2 Increases in Costs

The Tenant shall not do or omit, or permit to be done or omitted, upon or about the Premises, anything which shall cause the Common Area Costs to be increased. If the Common Area Costs shall be so increased the Tenant shall pay to the Landlord on demand as Additional Rent the amount of such increase, provided that the Tenant shall not be obligated to pay such increase if it was caused by the Tenant using the Premises in the ordinary course of its business and in accordance with the terms of Section 10.1 herein, all as determined by the Landlord, acting reasonably.

### 6.3 Tenant's Use of Common Areas

The non-exclusive licence granted to the Tenant, its agents, customers, employees, invitees, licensees, and servants pursuant to Section 2.2 may be exercised only during the business hours which pertain under this Lease and subject to the Rules and Regulations of the Airport and to the other provisions of this Lease.

### 6.4 No Obstruction

The Tenant shall not, save to the extent permitted by the Landlord during any general promotional event or as may be otherwise specifically allowed by the Landlord in writing, keep or display any merchandise or other goods or chattels on or about the Common Areas or otherwise obstruct the Common Areas. Without limiting the generality of the foregoing, the Tenant shall keep any service corridor leading to and from the Premises free and clear of all obstructions and in the event any governmental authority or other regulatory body having jurisdiction makes a charge against the Landlord, the Tenant, the Airport and the Premises, or any of them, by reason of the Tenant failing to meet the requirements of such authority or body having jurisdiction, the Tenant shall pay such charge and if the Tenant fails to do so upon request, the Landlord may pay the amount of such charge and recover the same from the Tenant as Additional Rent.

### 6.5 Allocation of Common Areas

From time to time, the Landlord may place or permit kiosks or may permit portions of the Common Areas to be used for promotions or exclusively by specified tenants or licensees.

## ARTICLE 7 - UTILITIES AND H.V.A.C. AND SERVICES

### 7.1 Supply of Electricity

The Landlord may purchase in bulk from the utility supplier the aggregate electrical energy requirements of the Terminal Building at the applicable rates determined by one or several meters in the Terminal Building or portions thereof, in which event the Landlord may arrange the supply of unmetered electricity to the Premises for lighting and the mechanical and other general electrical purposes of the Tenant, in the manner and to the electrical capacity generally applicable to the Concession Tenants or to such other electrical capacity as may be agreed between the Landlord and the Tenant from time to time.

### 7.2 Cost of Electricity

The Tenant shall pay to the Landlord, upon invoice by the Landlord, as Additional Rent a charge for supplying electricity to the Premises as determined by the Landlord on the basis of the Tenant's consumption in a manner generally applicable to Concession Tenants (provided that the Tenant shall not be required to pay more for such electricity

than if the Premises were a separate, free standing building and such electricity were supplied directly to the Tenant and the Tenant's consumption thereof were separately metered).

### **7.3 H.V.A.C. and Other Utilities Costs**

The Landlord shall provide heat, ventilation and air-conditioning to the Premises in the manner and standard generally available from the Landlord to Concession Tenants from time to time and shall operate, maintain and supervise the apparatus for providing heat, ventilation and air-conditioning to the Premises, the premises of other Concession Tenants and the Common Areas. The Tenant shall pay to the Landlord upon invoice from the Landlord as Additional Rent a proportion of the costs of such heat, ventilation and air-conditioning, and (as may be applicable) other utilities, such proportion to be determined from time to time by the Landlord, acting reasonably, or on the basis of a formula prepared by a professional engineer retained by the Landlord for such purpose which formula shall:

- (a) be of general application to Concession Tenants; and
- (b) be based on the Tenant's actual consumption of the aforesaid utilities or the Landlord's reasonable estimation thereof from time to time.

### **7.4 Other Utilities and Services**

The Landlord may arrange the supply of unmetered utilities and services, including gas and water, to the Premises in the manner and to the capacity generally applicable to the Concession Tenants or to such other capacity as may be agreed between the Landlord and the Tenant from time to time. The Tenant shall pay to the Landlord, upon invoice by the Landlord, as Additional Rent a charge for supplying such other utilities and services to the Premises as determined by the Landlord on the basis of the Tenant's consumption in a manner generally applicable to Concession Tenants (provided that the Tenant shall not pay more for such utilities and services than if the Premises were a separate, free standing building and such utilities and services were supplied directly to the Tenant and the Tenant's consumption thereof were separately metered).

### **7.5 Not Guaranteed Supply**

Nothing herein shall be deemed to be an undertaking or guarantee by the Landlord that it shall continue to supply electricity, heating, ventilating, air-conditioning or other utilities and services to the Premises throughout the Term. In the event that the Landlord does not supply or ceases to supply any or all such utilities and services to the Premises and any or all such utilities and services are furnished directly to the Tenant from the supplier utility, the Additional Rent referred to in Sections 7.2, 7.3 and 7.4 shall abate absolutely, with respect to the charges for such utilities as are no longer being supplied by the Landlord.

### **7.6 Tenant's Utilities**

The Tenant shall pay all rates, charges, costs and expenses as may be assessed or levied and at the rates so assessed or levied by all suppliers of utilities directly to the Premises.

### **7.7 Extra Costs**

The Tenant shall pay to the Landlord in a manner determined by the Landlord any and all additional costs and expenses of the Landlord which may arise in respect of extra heating, ventilating and air-conditioning supply, and other utilities and services which are provided to the Tenant over and above those normally provided to Concession Tenants.

### **7.8 Installation of Meters**

The Landlord reserves the right to install meters to check the Tenant's consumption of electricity, water, gas or other utilities and services. The Landlord may charge to the Tenant the reasonable costs of installing such meters, or may require that the Tenant install such meters at the Tenant's expense.

### **7.9 Energy Conservation**

- (a) The Tenant shall co-operate with the Landlord in the conservation of water and all forms of energy in the Terminal Building, including, without limitation, the Premises.
- (b) The Tenant shall comply with all applicable laws, by-laws, regulations and orders relating to the conservation of water and energy and affecting the Premises or the Terminal Building.
- (c) The Tenant shall, at its own cost and expense, comply with all reasonable requests and demands of the Landlord made with a view to such water and energy conservation.
- (d) The Landlord shall not be liable to the Tenant in any way for any loss, costs, damages or expenses whether direct or consequential, paid, suffered or incurred by the Tenant as a result of any reduction in the services provided by the Landlord to the Tenant or to the Terminal Building as a result of the Landlord's compliance with such laws, by-laws, regulations or orders.

## **ARTICLE 8- SECURITY FOR PAYMENT**

### **8.1 Provide Security**

As security for the payment of Rent hereunder and the performance of all of the obligations of the Tenant, the Tenant shall provide the security specified in Sections 8.2 or 8.3.

### **8.2 Form, Content and Amount**

The Tenant shall, within five (5) days after the Tenant has taken possession of the Premises and in any case not later than the Commencement Date, deliver to the Landlord a letter of credit in the amount equal to Fifteen Thousand Dollars (\$15,000.00) by the Tenant, plus GST. The letter of credit shall comply with the requirements for letters of credit from time to time prescribed by the Landlord. The Landlord may from time to time by notice given to the Tenant revise and add to these requirements. As of the date of this Lease, the requirements of the Landlord include the following: (i) the letter of credit shall state that it is subject to the Uniform Customs and Practice for Documentary Credits of the International Chamber of Commerce (latest revision); (ii) the beneficiary shall be the Landlord; (iii) the issuer shall be a financial institution that is a member of the Canadian Payments Association, a credit union or caisse populaire that is a member of a central co-operative credit society having membership in the Canadian Payments Association, or any other financial institution approved by the Landlord; (iv) the letter of credit must be irrevocable until the date of expiry therein or, if extended, any extended date, whichever is the later; (v) the date of expiry shall be a minimum of one year after the date of issuance; (vi) the letter of credit must provide that the stated expiry date and every subsequent expiry date will be automatically extended on an annual basis without any formal amendment, unless at least sixty days prior to expiry (including any future expiry date as automatically extended) the issuer notifies the Landlord in writing that the issuer elects not to extend the letter of credit for any further period; (vii) partial drawings shall be permitted; (viii) the letter of credit shall be in Canadian dollars, or equivalent in U.S. dollars; (ix) the letter of credit shall state that it is unconditional and is available for drawing upon presentation by the Landlord of sight drafts in demand for payment, and state that the issuer shall forthwith pay such demand to the Landlord without: (A) inquiring about the validity or sufficiency of the demand or the right of the Landlord to make the demand; (B) recognizing a claim by any person; (C) any reference to the state of accounts as between the applicant and issuer.

### **8.3 Alternative Security**

The Landlord may elect to accept a cash security deposit as alternative security to a letter of credit.

### **8.4 Drawings**

In the event the Tenant is in default of payment to the Landlord of any Rent or any other sum payable by the Tenant to the Landlord, and such default continues for five (5) days following notice by the Landlord requiring the Tenant to pay the same, the Landlord may, in addition to any other right or remedy, draw on the letter of credit to pay the arrears or deduct the arrears from the security deposit, as the case may be.

### **8.5 Renewal or Replacement**

- (a) The Tenant shall provide the Landlord with a renewal or replacement letter of credit at least sixty (60) days before the date on which any letter of credit expires and shall immediately after any drawing by the Landlord on a letter of credit, deposit an additional letter of credit with the Landlord in the amount paid by the issuer of the letter of credit to the Landlord failing which, in either case, the Landlord may draw the full amount of the letter of credit and hold the funds as a security deposit pursuant to this Article 8;



- (b) The Tenant shall, immediately after the Landlord deducts arrears from the security deposit, deposit an additional security deposit in the amount of such arrears with the Landlord.

## 8.6 Return of Security

At the end of the Term and upon payment by the Tenant to the Landlord of all Percentage Rent and Additional Rent, including all costs and expenses incurred by the Landlord in correcting or satisfying any default or fulfilling any obligation of the Tenant under this Lease, the Landlord shall release the letter of credit or return the security deposit to the Tenant, without interest.

## ARTICLE 9- INSURANCE

### 9.1 Tenant's Insurance

- (a) The Tenant shall, during the whole of the Term and during such other time as the Tenant occupies the Premises, including, without limitation, the Fixturing Period, take out and maintain the following insurance, in such form and with such companies as the Landlord may reasonably approve:
- (i) comprehensive commercial liability insurance against claims for bodily injury, including death and property damage or loss arising out of the use or occupation of the Premises, or the Tenant's business on or about the Premises or the Airport, and such insurance shall include the Landlord, Vantage Airport Group and the Kamloops Airport Authority Society as additional insureds and shall contain a "cross liability" or "severability of interests" clause so that the Landlord, Vantage Airport Group and the Kamloops Airport Authority Society and the Tenant may be insured in the same manner and to the same extent as if individual policies had been issued to each, and shall be for the amount of not less than Five Million Dollars (\$5,000,000.00) combined single limit or such other amount as may be reasonably required by the Landlord from time to time, and such comprehensive general liability insurance shall, for the Tenant's benefit only, include contractual liability insurance in a form and of a nature broad enough to insure the obligations imposed upon the Tenant under the terms of this Lease;
  - (ii) Tenant's legal liability insurance in an amount equal to the full replacement value of the Tenant's Work in the Premises as determined, in the event of any dispute, by the Landlord's independent insurance advisor;
  - (iii) all risks property insurance upon its merchandise, stock-in-trade, furniture, fixtures and improvements and upon all other property in the Premises owned by the Tenant or for which the Tenant is legally liable, all in an amount equal to the full replacement value thereof;
  - (iv) boiler and machinery insurance on such boilers and pressure vessels as may be installed by, or under the exclusive control of, the Tenant in the Premises; and
  - (v) automobile liability insurance with respect to all motor vehicles operated by the Tenant in connection with the Tenant's business at the Airport.
- (b) The policies of insurance referred to above shall contain the following:
- (i) provisions that the Landlord is protected notwithstanding any act, neglect or misrepresentation of the Tenant which might otherwise result in the avoidance of a claim under such policies and that such policies shall not be affected or invalidated by any act, omission or negligence of any third party which is not within the knowledge or control of the Landlord;
  - (ii) provisions that such policies and the coverage evidenced thereby shall be primary and non-contributing with respect to any policies carried by the Landlord and that any coverage carried by the Landlord shall be excess coverage;
  - (iii) all property and boiler insurance referred to above shall include the Landlord as a loss payee as its interests may appear, and shall provide for waivers of the insurer's rights of subrogation as against the Landlord and those for whom the Landlord is, in law, responsible;
  - (iv) provisions that such policies shall not be cancelled without the insurer providing the Landlord thirty (30) days' prior written notice stating when such cancellation shall be effective.
- (c) The Tenant shall further during the whole of the Term maintain such other insurance in such amounts and upon such terms as the Landlord may reasonably determine from time to time.
- (d) Evidence satisfactory to the Landlord of all such policies of insurance shall be provided to the Landlord upon request.

### 9.2 Increases in Rates

The Tenant shall not do or omit or permit to be done or omitted upon the Premises, anything which shall cause any rate of insurance upon the Airport or any part thereof to be increased or cause such insurance to be cancelled. If any such rate of insurance shall be increased as aforesaid, the Tenant shall pay to the Landlord, on demand, the amount of the increase as Additional Rent. If any insurance policy upon the Airport or any part thereof is cancelled or threatened to be cancelled by reason of the use or occupancy by the Tenant or any act or omission as aforesaid, the Tenant shall forthwith remedy or rectify such use, occupation, act or omission as aforesaid upon being requested to do so in writing by the Landlord, and if the Tenant shall fail to so remedy or rectify, the Landlord may, at its option terminate this Lease forthwith.

## ARTICLE 10 - USE AND OCCUPATION

### 10.1 Permitted Use

Subject to the provisions of this Lease, the Premises shall be used for the purposes set forth in Section 1.1(g) and Schedule F-1, and the Tenant shall not use the Premises for any other purpose unless first approved in writing by the Landlord. The Tenant shall merchandise from the Premises at retail the merchandise items listed in Schedule F-1 and shall not otherwise merchandise from the Premises or at or from the Airport any merchandise items unless first approved in writing by the Landlord. The Tenant shall offer and supply from the Premises at retail the specified services listed in Schedule F-1 and shall not otherwise offer or supply from the Premises or at or from the Airport any services unless first approved in writing by the Landlord.

If from time to time the Tenant sells or supplies products or services or carries on a use or activity beyond that which is expressly permitted as set out in this Lease, based on any claim (whether validated by a Court order or other final and binding award, or not) of proprietary estoppel or other like entitlement or claim, then the Tenant will nevertheless cease doing so upon reasonable notice (and in any case, 90 days notice will be deemed to be sufficient) given by the Landlord to the Tenant.

### 10.2 Operating Name

The Tenant shall carry on business under the operating name set forth in Section 1.1(b)(iii) and under no other name or style whatsoever unless such other name or style is first approved by the Landlord.

### 10.3 Covenant to Operate

The Tenant shall throughout the whole of the Term continuously operate, occupy and utilize the entire Premises and conduct its business therein complying strictly with the provisions of this Article 10. The Tenant acknowledges that the Landlord is executing this Lease in reliance upon the Tenant's covenant herein contained and that such covenant is a material element inducing the Landlord to execute this Lease.

### 10.4 Character of Business / Landlord Price Comparison

- (a) The Tenant shall operate and conduct its business upon the whole of the Premises in an up-to-date first class and reputable manner befitting the character of the Airport and the Terminal Building and shall act diligently and use all proper and reasonable efforts consistent with good business practice to achieve the highest degree of customer satisfaction for service and product choice, quality, and price, and, subject to the foregoing, to maximize the Gross Revenue of the Tenant.
- (b) The Tenant acknowledges that the Tenant and all other tenants in the Airport are to be or have been selected and approved by the Landlord and all leases in the Airport are to be or have been negotiated and executed pursuant to and in accordance with agreements and consent of the Landlord and the mortgagees or other encumbrance holders of the Airport, on the basis of the nature, character and quality of goods and services to be sold or offered from each premises in the Airport, and that no material change in the nature or character of the business carried on by the Tenant in or from the Premises or in the quality of goods and services sold or offered by the Tenant in or from the Premises shall be permitted without the prior consent of the Landlord, and if required, of the mortgagees or other encumbrance holders of the Airport.

- (c) The Tenant shall engage sufficient, suitable and appropriately licensed personnel, equipment and vehicles to provide a standard of service that is safe, prompt, reliable, efficient, friendly and polite, and personnel shall be trained to achieve those ends and shall be properly groomed and attired all to the reasonable satisfaction of the Landlord.
- (d)
  - (i) Within twenty (20) days following the end of the sixth and last month of each Lease Year of the Term, the Tenant shall deliver to the Landlord a written unaudited report (referred to herein as a "Price Comparison Report"), signed by the Tenant setting out the Tenant's ten (10) top-selling items by store concept in terms of number of items sold for the preceding month, the price of each such item during the preceding month (including any price changes made), and the size or weight of each such item. The Price Comparison Report shall also include the "street prices" for items of the same size or weight from the Tenant's land border locations.
  - (ii) The Tenant agrees that its guiding policy will be to sell goods at rates based on "street pricing" and not rates based on "captive" market.
  - (iii) The Tenant hereby authorizes the Landlord and its representatives to enter the Premises from time to time to survey the prices charged by the Tenant. Notwithstanding any other provision of this Subsection 10.4(c), the Landlord may from time to time, if the Landlord so elects, provide to the Tenant a report containing the results of one or more of its own price comparison surveys. The Tenant covenants and agrees that upon receiving a price comparison report from the Landlord the Tenant will forthwith adjust the prices charged by the Tenant, for the goods and services offered by the Tenant from the Premises and the Tenant will observe and comply with any specific instructions or directions reasonably given by the Landlord and reasonable determinations made by the Landlord in connection therewith. The Landlord may from time to time prescribe additional measures (which, upon being so prescribed, will form part of the Rules and Regulations) to give effect to "fair level pricing" at the Airport, as reasonably interpreted and applied from time to time by the Landlord, and the Tenant shall comply therewith.

#### 10.5 Hours of Business

- (a) The Premises shall be open for business with the public a minimum of 1.5 hours prior to any flight departure and remain open until said flights have completed boarding and the departure gates closed, or as specified by the Landlord from time to time.  
  
If the Tenant fails to open for business during the hours specified by the Landlord, the Tenant shall pay, as liquidated damages, and not as a penalty, and in addition to any other amounts payable under this Lease, an amount equal to \$100.00 for each hour the Tenant is not open for business to a maximum of \$300 for any given day, and the parties agree that this represents a genuine pre-estimate of damages which would be suffered by the Landlord in the event of a failure to remain open by the Tenant.
- (b) The Terminal Building shall be open to the public during the general business hours of the Airport but thereafter all or part of the Terminal Building may be locked and the public excluded therefrom.
- (c) The Tenant will post its hours of business, at a location on the storefront approved by the Landlord and in a format approved from time to time by the Landlord, using signage supplied by the Tenant.

#### 10.6 Landlord Identification

The Tenant will promote the name "Kamloops Airport" and all insignias and other identifying names and marks which the Landlord instructs the Tenant to use in connection with such name in the advertising of its business in the Premises. However, the Tenant does not have nor will it acquire any rights in such names, marks or insignias and at the option of the Landlord, the Tenant will promptly abandon or assign to the Landlord any such rights which the Tenant may acquire by operation of law, and will promptly execute such documents as in the Landlord's opinion are or may be necessary to give effect to this Section 10.6.

#### 10.7 Environmental Matters

- (a) The Tenant shall conduct its business and affairs and operate the Premises in a prudent and responsible manner and with all due care and due diligence with respect to Environmental Matters.
- (b) The Tenant shall take all measures required to remediate and clean-up any parts of the Premises and other affected areas where there has occurred an Environmental Adverse Effect caused or contributed to by the Tenant or its agents, concessionaires, contractors, suppliers, employees, licensees and subtenants, or by activities on the Premises, including where there has been a release of a hazardous substance whether caused by the seeping, spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, migrating, dumping or disposing of toxic, hazardous or special wastes or other chemical substances or dangerous goods, pollutants or contaminants, or otherwise, with all due care and due diligence.
- (c) The Tenant shall implement effective measures to ensure that the design of the Premises and the manner of operating on the Premises address and deal with, in a prudent manner, any Environmental Matters which can be reasonably foreseen and avoid any Environmental Adverse Effect.
- (d) The Tenant shall comply with all Environmental Laws and Regulations.
- (e) The Tenant shall provide all information to the Landlord concerning any failure of the Tenant to comply with any Environmental Laws and Regulations or relative to any pending or threatened investigation or proceeding concerning any Environmental Matter.

#### 10.8 Corporate Sponsors

The Tenant acknowledges that the Landlord plans to enter into contractual arrangements to grant various parties the status of official sponsors, suppliers and advertisers for the Airport and the Tenant agrees that it will take all reasonable steps to co-operate with the Landlord in such a corporate sponsorship program including such steps as may be required by the Landlord regarding limitations on advertising in or about the Premises and giving preference to suppliers designated by the Landlord, provided that in giving such preference to suppliers, the Tenant will not be obligated to breach or infringe its own contractual obligations with its suppliers.

#### 10.9 Airport Security

The Tenant acknowledges that the security obligations of the Landlord and the Tenant are established and governed by the Aeronautics Act of Canada and the Canadian Aviation Security Regulations. The Tenant shall comply with such Act and Regulations and with the Landlord's security measures as provided in the Rules and Regulations, including but not limited to those relating to restricted area passes, personnel identification systems and security clearance procedures, and shall pay to the Landlord on demand all charges levied by the Landlord for those security measures.

#### 10.10 Acknowledgement

The Tenant acknowledges that no exclusive right, pre-emptive right, right of first opportunity, or other similar right, express or implied, is given to or conferred upon the Tenant under or by virtue of or related to this Lease with regard to any use, merchandise or service, or otherwise whatsoever, unless expressly set out in Schedule F-1 of this Lease.

#### 10.11 Official Languages

The Tenant acknowledges that the English and French language obligations of the Landlord and Tenant are established and governed by the Official Languages Act of Canada and the Official Languages (Communications with and Services to the Public) Regulations. The Tenant shall comply with such Act and Regulations and with the Landlord's language policies as provided in the Rules and Regulations pursuant to this Lease.

#### 10.12 Non-Smokers' Health

The Tenant acknowledges that the non-smokers' health obligations of the Landlord and the Tenant are established and governed by the Non-Smokers' Health Act and the Non-Smokers' Health Act Regulations. The Tenant shall comply with such Act and Regulations and with the Landlord's non-smoking policies and procedures as provided in the Rules and Regulations pursuant to this Lease.

#### 10.13 Persons with Disabilities

The Tenant will comply with all federal and provincial regulations regarding service to Persons with Disabilities and participate in training that may be required under the Personnel Training for the Assistance of Persons with Disabilities Regulation, as applicable.

#### 10.14 Public Health

The Tenant shall procure and maintain, at the cost of the Tenant, such, licenses, permits or approvals from federal, provincial, municipal or other government authorities and such private permits as may be necessary to enable the Tenant to furnish the services and conduct the operations provided for in this lease including;

- (i) the Sanitation Code of the Canadian Food Service Industry as published, from time to time, by the Canadian Restaurant Association;
- (ii) all Province of BC Acts and Regulations governing food service operations;
- (iii) all applicable municipal regulations governing food service operations; and
- (iv) all applicable Federal Government Acts and Regulations governing food service operations;

### ARTICLE 11- RULES AND REGULATIONS

#### 11.1 Rules and Regulations

- (a) The Rules and Regulations attached as Schedule E hereof may be amended and added to from time to time by the Landlord acting reasonably upon prior notice to the Tenant and shall be of general application to the Concession Tenants.
- (b) All Rules and Regulations now or hereafter in force shall in all respects be observed and performed by the Tenant and its agents, concessionaires, contractors, suppliers, employees, licensees and subtenants, and the Tenant shall cause such observance and performance.
- (c) For the enforcement of all Rules and Regulations, the Landlord shall have available to it all remedies in this Lease provided for a breach of any provision hereof and all legal rights and remedies available at law and in equity.
- (d) Any Tenant Manual approved, from time to time, by the Landlord and delivered to the Tenant shall be deemed to be part of the Rules and Regulations.
- (e) The Landlord shall not be responsible to the Tenant for the non-observance or violation by any other tenant or person of the Rules and Regulations.

#### 11.2 Signs

The Tenant shall erect, install and maintain signs of a kind and size and in a location, all as first approved by the Landlord, publicizing the Tenant's operating name, as set forth in Section 1.1(b)(iii). All signs as well as the advertising practices of the Tenant shall comply with the applicable Rules and Regulations. The Tenant shall not erect, install or maintain any sign other than in accordance with this Section 11.2.

#### 11.3 General Prohibitions

- (a) The Tenant shall warehouse, stock or store in the Premises only such goods, wares and merchandise as the Tenant intends to offer for sale at retail at, in, from or upon the Premises.
- (b) The Tenant shall not divert to another location business that would normally be transacted from the Premises.
- (c) Anything to the contrary notwithstanding:
  - (i) The Tenant shall not permit the operation of any vending or coin-operated machines on the Premises without the prior consent of the Landlord;
  - (ii) The Tenant shall not permit any business to be operated in or from the Premises or any part thereof by any franchisee, licensee, concessionaire or others (any such person being herein referred to as a "Franchisee") before obtaining the consent of the Landlord for each concession, franchise or licence (herein referred to as a "Franchise"). If the Tenant permits any Franchisee to operate in or from the Premises or any part thereof, that shall be treated as a parting with possession by the Tenant and the terms and conditions of Section 16.1 of this Lease shall apply accordingly. For greater certainty:
    - A. the Franchise and Franchisee shall be subject to the terms, covenants and conditions contained in this Lease;
    - B. in the event of a conflict between the terms of the Franchise and the terms of this Lease, the terms of this Lease shall govern;
    - C. the Tenant shall promptly execute and procure execution by the Franchisee of any documents which the Landlord reasonably stipulates or prescribes, which may include a sublease of the Premises or any part thereof in a form approved by the Landlord and any documents that the Landlord reasonably stipulates or prescribes pursuant to Section 16.1 of this Lease; and
    - D. for any change of the Franchisee, the consent of the Landlord will again be required and the provisions of this Section 11.3(c)(ii) will again apply;
  - (iii) If the Landlord has given or hereafter gives any exclusive right, pre-emptive right, right of first opportunity, or other right similar to any of the foregoing to any one or more persons, then:
    - A. except where Section 11.3(c)(iii)B applies, the Tenant shall not use or permit any part of the Premises to be used for or in connection with any use that would conflict with or infringe upon any such right; and
    - B. if the Tenant is, in compliance with this Lease, using the Premises for a use that conflicts with or infringes upon any such right given by the Landlord after this Lease has been entered into, then to the extent that the Tenant is doing so the Tenant will be permitted to continue to do so provided that if at any time such use is diminished or discontinued thereafter the Tenant shall not recommence the use that was diminished or discontinued;
  - (iv) The Tenant shall not use or permit any part of the Premises to be used for or in connection with:
    - A. car or motor vehicle rental or leasing;
    - B. limousine service;
    - C. the supply or sale of prepaid phone cards or credits of any kind that can be applied towards telephone usage or charges, except with the prior approval in writing of the Landlord;
    - D. the supply or sale of cell phones, pagers and other telecommunications devices, except with the prior approval in writing of the Landlord;
    - E. advertising (other than advertising of merchandise and services that the Tenant is expressly permitted to sell or supply pursuant to the provisions of this Lease); or
    - F. the supply to the public, including the Tenant's customers, whether or not for a charge or a fee, of:
      - I. a pay phone or similar telecommunications device; or
      - II. a terminal or computer for internet access, except:
        - i. with the prior approval in writing of the Landlord; or
        - ii. the supply by the Tenant, subject to restrictions as may from time to time be stipulated by the Landlord, of a terminal or computer to the Tenant's customers, without a fee or charge, in order to enable the Tenant's customers to access a web page or intranet for the purpose of displaying, promoting or selling services (if any) or merchandise (if any) that the Tenant is permitted to sell under this Lease (and, for greater certainty, all revenue from such sales will be included in Gross Revenue);

- (v) Where the Landlord at any time regulates, restricts or licenses any business or activity at the Airport (a "Prescribed Business or Activity"), then the Tenant shall not, in connection with any business or activity carried out by the Tenant at the Airport, engage or deal with or use directly or indirectly any contractor or supplier or service that is not licensed or authorized by the Landlord with respect to that Prescribed Business or Activity, and the Landlord may from time to time prescribe that among those licensed or authorized by the Landlord from time to time with respect to any Prescribed Business or Activity the Tenant will only engage or deal with or use contractors or suppliers or services specified by the Landlord from time to time or that the Tenant adhere to reasonable requirements and conditions prescribed by the Landlord from time to time. See also Section 6(g) of Schedule E.

#### 11.4 Compliance with Laws

The Tenant shall carry on and conduct its business from the Premises in such manner as to comply with any and all applicable statutes, by-laws, rules and regulations of any federal, provincial, municipal or other competent authority for the time being in force, and shall not do anything upon the Premises in contravention thereof.

#### 11.5 Nuisance

The Tenant shall not do or omit or permit to be done or omitted anything which could damage the Airport or injure or impede the business of the Tenant or of other tenants in the Airport or which shall or might result in any nuisance in or about the Premises, whether to the Landlord, any tenant of the Airport or any other party, the whole as determined by the Landlord, acting reasonably. In any of the foregoing events, the Tenant shall forthwith remedy the same and if such thing or condition shall not be so remedied, the Landlord may, after such notice, if any, as the Landlord may deem appropriate in the circumstances, correct such situation at the expense of the Tenant and the Tenant shall pay such expense, together with an administration fee of twenty percent (20%) of such expense, to the Landlord, on demand, as Additional Rent.

#### 11.6 Competition Act

Each of the Landlord and Tenant acknowledge the Airport is an integral marketing unit and that this Lease and the other leases entered into or to be entered with other tenants of the Airport are intended to establish a variety of merchandising and service facilities within the Airport to enable the Airport and the merchants therein to compete effectively within the trading area served by the Airport. No provision of this Lease is intended to apply or to be enforceable to the extent that it would give rise to any offence under the Competition Act of Canada or any statute that may be substituted therefor, as from time to time amended.

#### 11.7 Access

During any emergency, the Landlord shall at all times and for all purposes have full and free access to the Premises. The Tenant acknowledges that the Landlord may be required at times to break the locks of the door to the Premises or open the door with force in order to gain immediate access to the Premises during an emergency.

### ARTICLE 12 - TENANT'S RECORDS

#### 12.1 Records

- (a) The Tenant shall record all sales, charges, services, refunds, exchanges or other transactions, whether for cash or credit, in the presence of the customer, at the time they are made, in cash registers or other devices, approved by the Landlord (and, without limitation the Tenant shall, if required by the Landlord, purchase or otherwise obtain such cash registers or other devices from suppliers designated by the Landlord) which include, in each case:
- (i) an automatic tape or other storage medium which shall permanently record each sales transaction, complete with any voids and refunds; and
  - (ii) such other reasonable control features as are required and approved by the Landlord, from time to time, including, without limitation, a requirement that all registers and other devices be connected to any central computer network or point of sale system designated by the Landlord.
- (b) For the purposes of this Lease, the Tenant shall prepare and keep, on the Premises or in the Tenant's Corporate Headquarters, for a period of not less than seven (7) years following the end of each Lease Year, original sales records which shall show inventories and receipts of merchandise at the Premises and all pertinent daily receipts from all sales and other transactions on the Premises by the Tenant and any other persons conducting any business upon the Premises, and including but not limited to:
- (i) cash register tapes including tapes from temporary registers;
  - (ii) serially numbered sales slips;
  - (iii) settlement report sheets of transactions with subtenants, assignees, concessionaires and licensees;
  - (iv) original records showing that merchandise returned by customers was purchased at the Premises or other premises operated by the Tenant by such customer;
  - (v) memoranda, receipts or other records of merchandise taken out on approval;
  - (vi) such other sales records, if any, as would normally be examined by an independent chartered accountant pursuant to generally accepted accounting principles in performing an audit of the Tenant's Gross Revenue;
  - (vii) true copies of returns showing payment to the relevant taxing authorities of sales taxes or other taxes, if any, collected from customers on account of sales on or from the Premises; and
  - (viii) the records specified in Sections 12.1(b)(i) to 12.1(b)(vii) above of all subtenants, assignees, concessionaires or licensees of the Premises to be kept pursuant to Section 12.2.

#### 12.2 Subtenant's Records

The Tenant shall require and ensure that all its subtenants, assignees, concessionaires or licensees maintain similar records and furnish similar statements to the Landlord, in like manner to that required of the Tenant pursuant to this Lease, and that they make them available to the Landlord for all purposes set out in this Article 12. The Tenant shall be deemed to warrant the accuracy of records and statements provided by them.

#### 12.3 Rights of Inspection and Audit

- (a) The Landlord shall have the right, upon reasonable notice and during reasonable business hours and in a manner that is not unduly disruptive to the Tenant, to conduct an audit, examination or inspection of the Tenant's original books and records and computerized accounting system relating to the Tenant's operations (including, but not limited to, all of the books and records the Tenant is required to maintain under this Article 12), in order to determine the accuracy of the Percentage Rent paid by the Tenant to the Landlord during any License Year or a period of two (2) years following the expiry of the Lease.
- (b) Tenant will make all books and records as they relate to 12.1 (b) available to the Landlord, at the Tenant's Airport location, the Landlord's office or at the Tenant's corporate head office. If such books and records are maintained outside of the Airport location and cannot be provided to the location or a location within the Kamloops, BC area, the Tenant agrees to reimburse the Landlord for expense incurred in sending representatives to wherever such records are maintained.
- (c) Landlord may audit and take copies of Tenant's books, records, financial statements as well as such other information or documents as may be reasonably necessary to accurately determine or verify the Gross Revenue and electronic data at any time and without prior notice. Such information may include, but is not limited to, business summaries, worksheets or files used to accumulate sales data or calculate sales or commissions owed to the Landlord, bank statements, and any documents and records affecting revenues. If the Landlord requests that Tenant provide any such information, Tenant shall do so within thirty (30) business days, a charge of one hundred dollars (\$100.00) per item, per day for each day the records are late will accrue and be due and payable to the Landlord.
- (d) The Tenant shall, if requested, freely lend assistance in making such audit, examination or inspection, and if such records are maintained in electronic and other machine-readable format, shall provide the Landlord and /or its representative such assistance as may be required to allow complete access to such records within thirty (30) business days, a charge of one hundred dollars (\$100.00) per item per day for each day the records are late will accrue and be due and payable to the Landlord.
- (e) Should any examination, inspection, or audit of Tenant's books and records by Landlord disclose an underpayment by Tenant in excess of three percent (3%) of the total consideration due for any period for Percentage Rent, or three percent (3%) of the total consideration due for any period, Tenant shall promptly reimburse

Landlord for all costs incurred in the conduct of such examination, inspection, or audit in addition to remitting the amount of such underpayment. In the event that Landlord deems it necessary to utilize the services of audit and/or legal counsel in connection with such examination, inspection, or audit, and such examination, inspection, or audit results in reimbursement to Landlord, Tenant shall reimburse Landlord for reasonable auditing, attorney fees and litigation expenses in addition to any deficiencies due.

- (f) In order to facilitate the audit performed by Landlord, Tenant agrees to make suitable arrangements with the Landlord's auditor or accountant (if no auditor), who is responsible for preparing the audit report on behalf of Tenant, to make available to Landlord's representative(s) any and all working papers relevant to the audit performed by such auditor or accountant. Tenant agrees to provide appropriate work space to conduct the audit and free access to copiers, fax machines and other needed office equipment. Tenant shall provide the name and telephone number of Tenant's accounting manager or the like who has a thorough understanding and knowledge of the accounting system as it pertains to this Lease and who will assist the Landlord with its audit. The Tenant will allow interviews of past and present employees who were or are involved in the financial or operational activities of the Tenant.
- (g) Landlord or its representative(s) shall make available to Tenant a copy of the audit report prepared by or on behalf of Landlord. Tenant shall have sixty (60) days from receipt of the audit report from Landlord or its representative(s) to provide a written response to the Landlord regarding the audit report. Tenant agrees that failure of Tenant to submit a written response to the audit report in accordance with the requirements herein shall constitute acceptance of the audit report as issued.
- (h) Without limiting the requirements set out above, the Tenant agrees, upon written request, for the sole purpose of ascertaining Percentage Rent (as defined by the Head Lease) payable by the Landlord to the City under the Head Lease, to open its books and records for inspection or audit, or either, at any time or from time to time by the City and/or by the City's auditors or chartered accountants.

#### 12.4 No Prejudice

The acceptance by the Landlord of payments of Rent shall be without prejudice to the Landlord's rights under this Article 12 to determine or verify the Tenant's Gross Revenue and without prejudice to the right to collect any additional Rent found to be due thereby.

#### 12.5 Gross Revenue Statement

Within fifteen (15) days (or such longer period as the Landlord may from time to time approve or prescribe) after the end of each month during the Term, the Tenant shall deliver to the Landlord a written unaudited statement in the form attached as Schedule F-2 hereof or such other form as the Landlord may from time to time prescribe, signed or certified by the Tenant in such manner as the Landlord may from time to time prescribe, of the Tenant's Gross Revenue for the immediately preceding month, broken down by product category and individual concession outlet as set out in Schedule F-2 or as otherwise prescribed from time to time by the Landlord, and including or accompanied by additional reporting as to sales and demographics and particulars as from time to time prescribed by the Landlord. The Landlord may require that the Tenant deliver such statement and additional reporting both electronically, in such manner as the Landlord may from time to time direct, and with a hard copy accompanying the payment of Rent. The Landlord may use and distribute the information in such reports for the Landlord's purposes (including future leasing and licensing of concessions).

### ARTICLE 13- CLEANING, REPAIR

#### 13.1 Cleaning

- (a) The Tenant shall keep the Premises, and without limitation, the inside and outside of all glass, windows and doors of the Premises (except the outside of windows on restricted areas of the Terminal Building) and all exterior surfaces of the Premises, in a neat, clean and sanitary condition and shall not allow any refuse, garbage, grease or other loose or objectionable or waste material to accumulate in or about the Premises but rather shall dispose of the same in accordance with the Rules and Regulations.
- (b) The Tenant shall, immediately before the expiration of the Term, wash the floors, windows, doors, walls and woodwork of the Premises and shall not, upon such expiration, leave upon the Premises any refuse, garbage or waste material.
- (c) In the event the Tenant fails to clean the Premises in accordance with this Section 13.1 upon notice so to do from the Landlord, the Landlord may clean the same and the Tenant shall pay to the Landlord, on demand, as Additional Rent the cost thereof together with an administration fee of twenty percent (20%) of such cost.

#### 13.2 Tenant's Repairs

- (a) The Tenant shall repair the Premises excepting only reasonable wear and tear and Structural Repairs but including any damage to or breakage of glass, mouldings, signs, doors, hardware, lighting, improvements, partitions, walls, fixtures, thresholds and all trade fixtures and furnishings of the Tenant or otherwise in or for the Premises and shall redecorate as required and maintain in good condition, subject to reasonable wear and tear, the interior of the Premises, any appurtenances thereto, any improvements now or hereafter erected or installed therein and any apparatus or equipment of the Tenant therein.
- (b) The Tenant shall keep well-painted and finished at all times the interior of the Premises in accordance with the reasonable requests of the Landlord, using colours and finishes approved by the Landlord, shall keep all plumbing facilities within the Premises and all drains therefrom in good repair and working order. The Tenant shall not enter, nor shall it cause, suffer or permit entry on to any roof of the Terminal Building, without being accompanied by an authorized representative of the Landlord and shall not make any opening in the roof without the prior written consent of the Landlord.
- (c) The Tenant, its employees or agents shall not mark, drill or in any way deface any walls, ceilings, partitions, floors, wood, stone or ironwork without the approval of the Landlord.

#### 13.3 View Repairs

The Landlord may enter the Premises at any reasonable time during business hours and at any time during any emergency to view the state of repair and the Tenant shall repair according to notice in writing from the Landlord so to do, subject to the exceptions contained in this Article 13 and subject to the terms and conditions of this Lease.

#### 13.4 Landlord May Repair

If the Tenant fails to repair or is not proceeding diligently to repair according to the terms and conditions of this Lease and upon notice from the Landlord within fourteen (14) days of receipt thereof, or forthwith in the event of an emergency, the Landlord may make such repairs without liability to the Tenant for any loss or damage that may occur to the Tenant's merchandise, fixtures or other property, or to the Tenant's business by reason thereof unless such loss or damage is caused by the negligence of the Landlord, its agents, employees, contractors or those or whom it is in law responsible, and upon completion thereof, the Tenant shall pay, on demand, as Additional Rent the Landlord's costs of making such repairs together with an administration fee of twenty percent (20%) of such costs.

### ARTICLE 14 - ALTERATIONS, FIXTURES

#### 14.1 Tenant's Alterations

- (a) The Tenant shall not make or cause to be made any alterations, additions or improvements or erect or cause to be erected any partitions or install or cause to be installed any trade fixtures, exterior signs, floor covering, interior or exterior lighting, plumbing fixtures, shades, awnings, exterior decorations or make any changes in respect of the Premises without first obtaining the Landlord's consent and a Facility Permit.
- (b) All fixtures installed by the Tenant shall be new, provided that the Tenant may install its usual trade fixtures in a reasonable manner so long as such installation has first been approved by the Landlord and by the issuance of a Facility Permit and does not damage the structure of the Terminal Building.
- (c) The Tenant shall not install in or for the Premises any special locks, safes, or apparatus for air conditioning, cooling, heating, illuminating, refrigerating or ventilating the Premises without first obtaining the Landlord's approval.
- (d) When seeking a Facility Permit as required by this Section 14.1, the Tenant shall present to the Approving Authority plans and specifications of the proposed work with the applicable fees designated by the Approving Authority from time to time in application for a Facility Permit and may not commence work until the Tenant has received a Facility Permit from the Approving Authority.
- (e) The Tenant shall promptly pay all contractors, material suppliers and workers so as to minimize the possibility of a lien attaching to the Premises or the Airport and should any claim of lien be made or filed the Tenant shall remove and discharge the same in accordance with Section 17.3.

- (f) The Tenant shall post and keep posted all notices in connection with any work to be performed by or on behalf of the Tenant in the Premises in order to prevent any lien or claim of lien being noted or filed or otherwise constituting an encumbrance on any tenure or title of the Landlord or the City of Kamloops.
- (g) All work to be performed by or on behalf of the Tenant in the Premises shall be performed in accordance with the requirements, terms and conditions specified in the appropriate Facility Permit issued by the Approving Authority and in any consent given by the Landlord, by competent contractors and subcontractors of whom the Landlord shall have first approved in its sole and absolute discretion. The Tenant shall require its contractors and subcontractors to perform their respective work in a manner which avoids labour disputes between themselves and their respective employees and between any other employees and their employers.
- (h) The Tenant shall, in all respects, fully comply with the Approving Authority's Land Development and Construction By-Law or Policies.
- (i) The Tenant shall ensure that:
  - (i) no claim of builders lien is filed against the Tenant's leasehold interest under this Lease, or against any real property or interest therein held by the Landlord, in connection with any work, alterations, additions or improvements. If any builders lien is filed, then the Tenant shall remove and discharge the same in accordance with Section 17.3; and
  - (ii) every contractor and sub-contractor supplying services, labour or materials in connection with any work in the Terminal Building shall present evidence, satisfactory to the Landlord, that such contractor's or sub-contractor's employees are not represented by a trade union or, if represented by a trade union, that the trade union and the contractor or sub-contractor have agreed that there shall be no strike by or a lockout of employees employed at the Airport.
- (j) The Tenant shall obtain and deliver to the Landlord an assignment and irrevocable licence of the copyright of the drawings, plans and specifications relating to any work performed by or on behalf of the Tenant in favour of the Landlord and the City of Kamloops, from the person creating such drawings, plans or specifications, and the assignment and licence shall expressly state that neither the Landlord nor Her Majesty shall be liable for any costs or expenses incurred or to be incurred in connection with the preparation of such drawings, plans or specifications or their subsequent use by either the Landlord or Her Majesty, and that each of the Landlord and Her Majesty are entitled to use such drawings, plans and specifications for any purpose or purposes relating to the Premises whatsoever at any time without any further consent and without any payment.
- (k) The Tenant shall supply the Landlord with one complete and accurate copy in such form as prescribed from time to time by the Landlord (which may include computer diskette) of the as-built drawings of any work performed by or on behalf of the Tenant no later than thirty (30) days following the completion of such work.

#### 14.2 Effect of Alterations

The Tenant acknowledges that the erection of partitions, modification of window and door areas or other major alterations or changes in the Premises may affect the attainment of the temperature specifications which the apparatus for heating, ventilating and air-conditioning the Premises installed by the Landlord is designed to provide. In such event, the Tenant shall have no claim against the Landlord. In the event that the Tenant's alterations require the Landlord to make changes to the mechanical, electrical or other systems in the Terminal Building, and the Landlord notifies the Tenant prior to the granting of a Facility Permit to the Tenant in respect of such Tenant's alterations, the Tenant shall pay to the Landlord, on demand, as Additional Rent, the cost thereof together with an administration fee of twenty percent (20%).

#### 14.3 Removal of Fixtures

- (a) So long as the Tenant is not in default hereunder, the Tenant shall, at the expiration of the Term, have the right to remove its trade fixtures from the Premises but shall make good any damage caused to the Premises resulting from the installation or removal thereof; provided that all alterations, additions and improvements constructed and permanently installed in the Premises and attached to the floors, walls or ceiling, including any floor covering and light fixtures, are hereby deemed not to be trade fixtures and shall remain upon and be surrendered with the Premises, except to the extent the Landlord requires removal thereof pursuant to Section 14.3(d).
- (b) If the Tenant fails to remove its trade fixtures and restore the Premises as aforesaid, all such trade fixtures shall become the property of the Landlord except to the extent that the Landlord continues to require removal thereof pursuant to Section 14.3(d).
- (c) Should the Tenant abandon the Premises or should this Lease be terminated or the Landlord become entitled to re-enter before the proper expiration of the Term due to a failure or default on the part of the Tenant, then in such event, as of the moment of default by the Tenant, all trade fixtures and furnishings of the Tenant (whether or not attached in any manner to the Premises) shall, except to the extent the Landlord requires the removal thereof pursuant to Section 14.3(d), become and be deemed to be the property of the Landlord, without indemnity to the Tenant and on account of damages in respect of such failure or default and without prejudice to any other right or remedy of the Landlord.
- (d) Notwithstanding that any trade fixtures, furnishings, alterations, additions, improvements or fixtures are or may become the property of the Landlord, the Tenant shall forthwith remove all or part of the same and shall make good any damage caused to the Premises resulting from the installation or removal thereof, all at the Tenant's expense, should the Landlord require by notice to the Tenant.
- (e) If the Tenant, after receipt of a notice from the Landlord pursuant to Section 14.3(d), fails to promptly remove any trade fixtures, furnishings, alterations, additions, improvements and fixtures in accordance with such notice, then the Landlord may enter into the Premises and remove therefrom all or part of such trade fixtures, furnishings, alterations, additions, improvements and fixtures without any liability and at the expense of the Tenant which expense shall forthwith be paid by the Tenant to the Landlord, together with an administration fee of twenty percent (20%) of such expense.
- (f) Section 18.5 shall apply, except as otherwise specified in this Section 14.3.

#### 14.4 Landlord's Alterations

The Landlord reserves the right to:

- (a) make any changes or additions to the apparatus, appliances, conduits, ducts, equipment, pipes or structures of any kind in the Premises where necessary to serve adjoining premises or other parts of the Terminal Building;
- (b) change traffic patterns in the Terminal Building and alter the location and nature of the Common Areas, close off parts thereof, erect additions thereto or extend any part thereof;
- (c) make alterations or additions to the Terminal Building and buildings and facilities of the Airport;
- (d) build or construct other buildings or improvements in or adjacent to the Terminal Building from time to time and make alterations thereof or additions thereto;
- (e) alter the Terminal Building boundaries;
- (f) build additional stories on the Terminal Building; and
- (g) build adjoining the Premises, in which case if an excavation shall be made upon lands or premises adjacent to the Premises, or shall be authorized to be made, the Tenant shall afford to the person causing or authorized to cause such excavation, licence to enter upon the Premises for the purpose of doing such work as the Landlord may deem necessary to preserve the building of which the Premises form a part from injury or damage and to support the same by proper foundations.

without any claim for damages or indemnification against the Landlord, its employees or agents and without diminution or abatement of rent except during any period of time during which the Tenant is unable to carry on business with the public because of the exercise of such rights by the Landlord. Provided that the Landlord will use reasonable efforts so as not to substantially and materially impair the visibility of the store fronts of the Premises or the ingress and egress to the Premises without the Tenant's written consent (which consent the Tenant covenants shall not be unreasonably withheld or delayed).

## ARTICLE 15 - DAMAGE AND DESTRUCTION, EXPROPRIATION

### 15.1 Substantial Damage or Destruction

In the event of Substantial Damage or Destruction of the Premises or of any other portion of the Terminal Building which shall be incapable of being rebuilt or repaired or restored with reasonable diligence within one hundred and eighty (180) days of the happening of such destruction and damage whether or not the Premises be affected thereby, the Landlord may within sixty (60) days after such Substantial Damage or Destruction and on giving thirty (30) days notice to the Tenant declare this Lease terminated forthwith and in such event the Term shall be deemed to have expired and the Tenant shall deliver up possession of the Premises accordingly, Rent shall be apportioned and shall be payable up to the date of termination stated in such notice and the Tenant shall be entitled to be repaid by the Landlord any rent paid in advance and unearned or an appropriate portion thereof.

### 15.2 Expropriation

- (a) If during the Term, title is taken to the whole or any part of the Airport (whether or not such part includes the Premises) by any competent authority under the power of eminent domain or by expropriation, which taking, in the reasonable opinion of the Landlord does not leave a sufficient remainder to constitute an economically viable facility, the Landlord may at its option, terminate this Lease on the date possession is taken by or on behalf of such authority. Upon such termination, the Tenant shall immediately deliver up possession of the Premises, Rent shall be payable up to the date of such termination and the Tenant shall be entitled to be repaid by the Landlord any Rent paid in advance and unearned or an appropriate portion thereof.
- (b) In the event of any such taking, the Tenant shall have no claim upon the Landlord for the value of its property or the unexpired portion of the Term, but the parties shall each be entitled to separately advance their claims for compensation for the loss of their respective interests and to receive and retain such compensation as may be awarded to each respectively. If an award of compensation made to the Landlord specifically includes an award for the Tenant, the Landlord shall account therefor to the Tenant.

## ARTICLE 16 - ASSIGNMENT, SUBLETTING, SALE OR MORTGAGE

### 16.1 Assignment and Subletting

- (a) The Tenant shall not transfer or encumber any interest in this Lease or assign this Lease or sublet the whole or any part of the Premises or part with possession of the Premises or any part thereof unless:
  - (i) it shall have received or procured a bona fide written offer to take an assignment or sublease which is not inconsistent with, and the acceptance of which would not breach any provision of this Lease if this Section 16.1 is complied with and which the Tenant has determined to accept subject to this Section 16.1 being complied with; and
  - (ii) it shall have first requested and obtained the consent of the Landlord thereto.Any request for such consent shall be in writing and accompanied by a true copy of such offer, and the Tenant shall furnish to the Landlord all information available to the Tenant and requested by the Landlord as to the responsibility, reputation, financial standing and business of the proposed assignee or subtenant.
- (b) Notwithstanding any assignment or sublease or parting with possession, the Tenant shall remain fully liable on this Lease and shall not be released from performing any of the terms, covenants and conditions of this Lease during the Term and any renewal. The Tenant shall ensure compliance by any assignee, sublessee and other person in occupation or possession of the Premises or any part thereof from time to time with all of the terms, covenants and conditions of this Lease (including all provisions respecting financial and other reporting, keeping of records, audit, and inspection) as if such assignee, sublessee and other person was the Tenant under this Lease, and the provisions of this Lease will be interpreted to apply to and in respect of such assignee, sublessee and other person. Any failure by any such assignee, sublessee and other person to so comply will constitute default on the part of the Tenant under this Lease, and in the event of such failure the Landlord will have the same remedies as against the Tenant and such assignee, sublessee and other person as if the Landlord's consent to the assignment, sublease or parting with possession had not been obtained.
- (c) If this Lease is assigned or if the Premises or any part thereof are sublet or occupied by anybody other than the Tenant, the Landlord may collect rent directly from the assignee, subtenant or occupant and apply the net amount collected or the necessary portion thereof, to the Rent herein reserved.
- (d) The Tenant shall deliver to the Landlord a certified statement of the Tenant's Gross Revenue to the date of any assignment or sublease or parting with possession approved by the Landlord.
- (e) No assignment or sublease or parting with possession shall be made or proposed other than to responsible persons, firms, partnerships or bodies corporate who are experienced in and agree to carry on a business similar to the Tenant's permitted use under this Lease conducted in the Premises by the Tenant as set forth in Section 1.1(g), or any other retail business approved by the Landlord, and who undertake to perform and observe the obligations of the Tenant hereunder by entering into (before taking possession and before the purported effective date) an assumption agreement, in a form and on terms and conditions reasonably prescribed by the Landlord, directly with the Landlord (failing which the Landlord may elect to terminate this Lease).
- (f) The prohibition against assigning or subletting or parting with possession without the consent required by this Section 16.1 shall be construed to include a prohibition against any assignment or sublease by operation of law.
- (g) The consent by the Landlord to any assignment or sublease or parting with possession shall not constitute a waiver of the necessity for consent to any subsequent assignment or sublease or parting with possession. For any further assignment or sublease or parting with possession (including any change of a sublessee, assignee or other occupant previously consented to by the Landlord) the consent of the Landlord will again be required and the provisions of this Section 16.1 will again apply.
- (h) Any document evidencing the Landlord's consent to any assignment, sublease, mortgage charge, encumbrance, occupation, parting with possession or transfer of the Premises shall be prepared by the Landlord or its solicitors and the reasonable cost of all legal and other professional services and expenses incurred by the Landlord relating thereto (including the cost of examination, preparation, processing, negotiation, completion and administration thereof) together with a reasonable administration charge determined by the Landlord, shall be paid in full to the Landlord as Additional Rent and in any event prior to the Landlord executing the document.

Notwithstanding any of the provisions of this Lease, the Landlord, on thirty (30) days notice to the Tenant given within fifteen (15) days of the Tenant's request for consent, may terminate this Lease if the request is for an assignment of this Lease or a sublease or parting with possession of the whole of the Premises, or, if the request is for a sublease or parting with possession of a part of the Premises, terminate this Lease in respect of such part of the Premises. Provided that such termination by the Landlord will not take effect if, upon receiving such notice to terminate from the Landlord, the Tenant immediately withdraws its request for consent.

### 16.2 Assignment to Parent or Subsidiary

Notwithstanding Section 16.1(a), the Tenant may assign this Lease in whole, without the prior written consent of the Landlord, to a corporation which is an Affiliate of the Tenant provided that:

- (a) prior notice is given to the Landlord;
- (b) the provisions of Sections 16.1(b), 16.1(c), 16.1(d), 16.1(e), 16.1(g) and 16.1(h) shall apply to such assignment; and
- (c) such assignment shall be and remain effective only so long as such assignee remains an Affiliate of the Tenant.

If such assignee ceases to be an Affiliate of the Tenant without the prior written consent of the Landlord having been obtained, then the Tenant and such assignee shall be in default under this Lease and the Landlord may, upon thirty (30) days notice to the Tenant, terminate this Lease. The Tenant and such assignee shall have a right to cure any default under this Section 16.2 prior to the date of termination by providing evidence satisfactory to the Landlord that this Lease has been re-assigned by such assignee to the Tenant or that the transaction which caused the assignee to cease to be a permitted assignee under this Section 16.2 has been reversed. If such evidence is provided to the Landlord prior to the date of termination, then the termination notice shall be of no effect and this Lease shall continue in full force.

### 16.3 Control of Corporation

If the Tenant is a corporation, other than a corporation the shares of which are listed on any recognized stock exchange, effective shareholder control of the corporation or of its ultimate parent company (or of any parent company, if more than one, or of any intermediate company between the ultimate parent company and the Tenant) shall not be

changed directly or indirectly by a sale, encumbrance or other disposition of shares or otherwise howsoever without first obtaining the written consent of the Landlord. In such event, the Landlord may (without limiting the application of Section 19.1) require a co-covenantor or co-covenantors, upon the provisions reasonably prescribed by the Landlord, as a condition of giving its consent.

#### **16.4 Bulk Sale**

No bulk sale of the goods and assets of the Tenant may take place except for a bulk sale made to a permitted sublessee or assignee under this Lease without first obtaining the written consent of the Landlord.

#### **16.5 Advertising for Sublease**

For purposes of ensuring confidentiality of this Lease, the Tenant shall not publish, post, display, broadcast or advertise the whole of the Premises for the purposes of assignment, encumbrance, sublease or transfer, and shall not permit any broker or other party to do any of the foregoing, unless the complete text and format of any such advertisement shall first have received the Landlord's written consent. In no event shall any such advertisement contain any reference to the Rent payable in respect of the Premises.

#### **16.6 Subordination and Attornment**

- (a) This Lease and the Tenant's rights thereunder shall automatically be subordinate to any mortgage or mortgages, or encumbrance resulting from any other method of financing or refinancing, now or hereafter in force against the Airport or any part thereof, as now or hereafter constituted, and to all advances made or hereafter to be made upon the security thereof, and, upon the request of the Landlord, the Tenant shall execute such documents as may be required by the Landlord in order to confirm and evidence such subordination.
- (b) The Tenant shall, in the event any proceedings are brought, whether in foreclosure or by way of the exercise of the power of sale or otherwise, under any mortgage or other method of financing or refinancing made by the Landlord in respect of the Airport, attorn to the encumbrancer upon any such foreclosure or sale and recognize such encumbrancer as the Landlord under this Lease, should such encumbrancer so elect and require.
- (c) No subordination or attornment as required by this Section 16.6 shall have the effect of disturbing the Tenant's occupation and possession of the Premises, provided that the Tenant is not in default hereunder and complies with all of the covenants, terms and conditions hereof.

#### **16.7 Estoppel Certificate, Acknowledgement**

- (a) Whenever requested by the Landlord, a mortgagee or an encumbrance holder or other third party having an interest in the Airport or the Terminal Building, the Tenant shall within fifteen (15) days of the written request execute and deliver an estoppel certificate or other form of certified acknowledgement as to the Commencement Date, the status and the validity of this Lease, the state of the rental account hereunder, any current defaults on the part of the Landlord alleged by the Tenant, and such other information as may reasonably be required.
- (b) The Tenant's failure to deliver such certificate or acknowledgement within the time provided shall be conclusive against the Tenant that the information set out in the certificate or acknowledgment which the Tenant was requested to execute is as set out in such certificate or acknowledgement, and the Tenant shall be estopped from asserting otherwise.

#### **16.8 Sale by Landlord**

The Landlord may sell or otherwise transfer all or part of its interest in the Airport or the Terminal Building and if the proposed purchaser or transferee of such interest shall assume the Landlord's obligations under this Lease and agree that so long as such purchaser or transferee retains any interest in the Airport such purchaser or transferee shall be bound by the provisions of this Lease, then the Landlord shall, without any further act or instrument, be relieved of any obligation hereunder to the extent assumed by such purchaser or transferee.

#### **16.9 Head Lease**

The Tenant acknowledges that this Lease and the leasehold interest of the Tenant hereunder may be subject to and conditional upon obtaining the written approval thereto of the City and/or Transport Canada. The Tenant also agrees that this Lease and the leasehold interest of the Tenant hereunder is subject to all terms and conditions of the Head Lease as such terms and conditions apply to the Premises. The parties agree that this Lease is an Occupant Agreement in the Ordinary Course of Operations as defined in the Head Lease (See Schedule "G" for an excerpt of the Head Lease as it pertains to Occupant Agreements). Without limiting the foregoing, to the extent that said the Head Lease requires that this Lease contain certain covenants, obligations and agreements in order that this Lease qualify as an Occupant Agreement in the Ordinary Course of Operations, the parties agree that those covenants, obligations and agreements are hereby incorporated into this Lease, as fully as if such covenants were set forth in this Lease, and, to the extent of a conflict between the terms of the Head Lease and the specific terms of this Lease, the terms of the said Head Lease shall prevail.

### **ARTICLE 17 – INDEMNITY AND LIABILITY**

#### **17.1 Tenant's Indemnity**

The Tenant shall at all times, including the Fixturing Period, indemnify and save harmless the Landlord (including its directors, officers, agents and employees) of and from all loss and damage and all actions, claims, costs, demands, expenses, fines, liabilities and suits of any nature whatsoever in connection with any breach, violation or non-performance by the Tenant of any covenant, term or provision of this Lease, in connection with any builders' or other liens for any work done or materials provided or services rendered for alterations, improvements or repairs made by or on behalf of the Tenant, and in connection with any loss of life, personal injury, or damage to property relating to any occurrence on the Premises or occupancy or use of the Premises or occasioned by an act or omission including any negligence of the Tenant or of its officers, employees, agents, customers, contractors, or other invitees. The Tenant's obligations under this Section 17.1 shall survive the termination of this Lease, whether by effluxion of time or otherwise.

#### **17.2 Landlord not Liable**

The Landlord, Vantage Airport Group and the Kamloops Airport Authority Society (including their respective directors, officers, agents, counsellors and employees, as the case may be) shall not, under any circumstances, be liable or responsible in any way for:

- (a) any personal injury or consequential damage of any nature whatsoever, however caused, that may be suffered or sustained by the Tenant or by any other person who may be upon the Premises;
- (b) any loss or damage of any nature whatsoever, however caused to the Premises, any property belonging to the Tenant or to any other person while such property is in or about the Premises;
- (c) any personal injury or consequential damage of any nature whatsoever that may be suffered or sustained by the Tenant, or any property belonging to the Tenant or any other person while such property is in or about the Premises or the Airport:
  - (i) caused by failure, by reason of breakdown or other cause, to supply adequate drainage, snow or ice removal, or by interruptions of any utility or elevator or escalator or other services, or by steam, water, rain, snow, or other substances leaking into, issuing or flowing into any part of the Premises or from the water, steam, sprinkler or drainage pipes or plumbing of the Airport or from any other place or quarter;
  - (ii) caused by anything done or omitted to be done by any other tenant, occupant or licensee at the Airport;
  - (iii) caused by any act (including theft), omission, malfeasance or negligence on the part of the agent, contractor or person from time to time contracted by the Landlord to perform janitorial services in or about the Premises or the Airport;
  - (iv) however caused, while such property is entrusted to the care and control of the Landlord;
  - (v) however caused, if the Landlord, its agents, contractors or employees enter upon the Premises in the case of an emergency; or
  - (vi) resulting in any way from any act or omission by any officer, agent or employee of the Approving Authority related to the Approving Authority's Land Development and Construction By-Law or Policies.



- (d) any loss or damage of any nature whatsoever, however caused, to books, records, files, money, securities, negotiable instruments, papers or other valuables of the Tenant;
- (e) any business, economic or indirect loss or damage of the Tenant of any nature whatsoever, however caused; or
- (f) any loss against which the Tenant is obliged to insure against hereunder or has insured against.

If the Airport or any part thereof is out of operation for any reason or any service, facility or utility is interrupted or unavailable, or the Tenant is impeded in any way in connection with Airport operations, the Tenant shall have no claim against the Landlord as a result thereof, and the Landlord shall have no liability therefor, and the Tenant will, regardless, pay the Percentage Rent and all Additional Rent as set out in this Lease.

### 17.3 Lien Claims

The Tenant shall immediately upon demand by the Landlord discharge and remove or cause to be removed any builders or other lien or claim of lien for any work done or materials or services supplied or provided to the Tenant or the Premises which might from time to time be noted or filed against or otherwise constitute an encumbrance on the Landlord's tenure under the Head Lease or against any lands demised under the Head Lease (and the Tenant shall procure and register a release and discharge thereof, and for this purpose will, if required, shall post monies, a letter of credit or a bond into court in order to obtain a court order discharging the lien or claim of lien or encumbrance). The Landlord may, after three days' notice given to the Tenant, cause the same to be discharge and removed, whereupon the Tenant shall pay to the Landlord on demand as Additional Rent all related costs including the Landlord's legal costs.

## ARTICLE 18 - DEFAULT, REMEDIES, TERMINATION

### 18.1 Default

If and whenever:

- (a) the Tenant is in default in the payment of any money, whether hereby expressly reserved or deemed as Rent, or any part thereof, and such default continues for five (5) days following notice by the Landlord requiring the Tenant to pay the same; or
- (b) the Tenant's leasehold interest hereunder, or any goods, chattels or equipment of the Tenant located in the Premises, is taken or seized in execution or attachment, or if any writ of execution is issued against the Tenant, or the Tenant or its parent company (or any parent company, if more than one, or any intermediate company between the parent and the Tenant) becomes insolvent or commits an act of bankruptcy or become bankrupt or takes the benefit of any statute or legislation that may be in force for bankrupt or insolvent debtors or becomes involved in voluntary or involuntary winding up, dissolution or liquidation proceedings, or if a receiver is appointed for its affairs, business, property or revenues; or
- (c) the Tenant fails to commence, diligently pursue and complete the Tenant's Work in the Premises or any other work to be performed by the Tenant pursuant to any agreement between the parties, or the Tenant vacates or abandons the Premises, or fails or ceases to operate pursuant to Section 10.3 or otherwise ceases to conduct business from the Premises, or if the Tenant fails to pass the public health agency inspections pursuant to Section 10.14, or if an audit pursuant to Section 12.3 should disclose an understatement of Gross Revenue by more than three percent (3%) as reasonably determined by the Landlord, or if there is a failure to keep records under Article 12 or a failure to allow the Landlord to exercise its rights under Article 12, or the Tenant fails to strictly adhere to the limitations and conditions set out in Section 10.1 and Schedule F-1, or if the Tenant assigns or sublets or parts with possession other than as permitted by Sections 16.1 and 16.2, or fails to cure a default under Section 16.2, or makes a bulk sale of its goods and assets which has not been consented to by the Landlord in accordance with Section 16.4, or moves or commences, attempts, or threatens to move its goods, chattels and equipment out of the Premises other than in the routine course of its business, or if control of the Tenant changes other than as permitted by Section 16.3; or
- (d) the Tenant fails to observe, perform and keep each and every of the covenants, agreements, stipulations, obligations, conditions and other provisions of this Lease to be observed, performed and kept by the Tenant and (except where Section 18.1(e) applies) such failure is not cured, in the case of monetary payments, within the five (5) day period stipulated in Section 18.1(a) or, in the case of any other default, within fourteen (14) days following notice from the Landlord requiring that the Tenant remedy, correct or comply or, in the case of any such default which would reasonably require more than fourteen (14) days to rectify, unless the Tenant commences rectification within the said fourteen (14) day notice period and thereafter promptly and diligently and continuously proceeds with the rectification of any such default; or
- (e) the Tenant breaches or fails to comply with any obligation or requirement of this Lease and the Tenant has, in the immediately preceding three year period, breached or failed to comply with the same or a similar or related obligation or requirement on at least two other occasions (notwithstanding that any of such breaches or failures may have been subsequently cured);

then, and in each of such cases, and at the option of the Landlord, this Lease may be terminated and the Term shall then immediately become forfeited and void, and the Landlord may without notice or any form of legal process whatever forthwith and at any time re-enter the Premises or any part thereof and in the name of the whole repossess and enjoy the same as of its former estate, anything contained herein or in any statute or law to the contrary notwithstanding.

### 18.2 Landlord May Perform

If the Tenant shall fail to observe, perform or keep any of the provisions of this Lease to be observed, performed and kept by the Tenant, subject to rectification within the period set out in Section 18.1(d), the Landlord may, but shall not be obliged to, at its discretion and without prejudice, rectify the default of the Tenant, whether or not performance by the Landlord on behalf of the Tenant is otherwise expressly referred to in the applicable section of this Lease. For such purpose the Landlord may make any payment and do or cause to be done such things as may be required including, without limiting the generality of the foregoing, entry upon the Premises. Any such performance by or at the behest of the Landlord shall be at the expense of the Tenant and the Tenant shall pay to the Landlord, on demand, as Additional Rent the cost thereof together with an administration fee of twenty percent (20%) of such cost.

### 18.3 Distress

If and whenever the Tenant shall be in default in the payment of any money, whether hereby expressly reserved or deemed as Rent, or any part thereof, the Landlord may, without notice or any form of legal process whatever, enter upon the Premises and seize, remove and sell the Tenant's goods, chattels and equipment therefrom and seize, remove and sell any goods, chattels and equipment at any place to which the Tenant or any other person may have removed them, in the same manner as if they had remained and been distrained upon the Premises all notwithstanding any rule of law or equity to the contrary, and the Tenant hereby waives and renounces the benefit of any present or future statute or law limiting or eliminating the Landlord's right of distress.

### 18.4 Cost and Interest

All costs, expenses and expenditures including the legal costs incurred by the Landlord as a result of any default by the Tenant shall forthwith on demand be paid by the Tenant as Additional Rent together with interest, at the rate specified in Section 4.4(e), from the date any such costs, expenses and expenditures are incurred by the Landlord until the same are fully paid and satisfied.

### 18.5 Vacate Upon Termination

At the termination of this Lease, whether by effluxion of time or otherwise, the Tenant shall vacate and deliver up possession of the Premises in the same condition as the Premises were in on the Commencement Date, subject to the exceptions from the Tenant's obligation to repair in accordance with Section 13.2, and subject to the Tenant's rights and obligations in respect of removal in accordance with Section 14.3, and shall surrender all keys to the Premises to the Landlord at the place then fixed for payment of Rent and shall inform the Landlord of all combinations on locks, safes and vaults, if any, in the Premises and provide keys therefor as applicable.

### 18.6 Additional Rights on Re-Entry

If the Landlord shall re-enter the Premises or terminate this Lease, then:

- (a) the Landlord may use such force as it may deem necessary for the purpose of gaining admittance to and retaking possession of the Premises and the Tenant hereby releases the Landlord from all actions, proceedings, claims and demands whatsoever for or in respect of any such forcible entry or any loss or damage in connection therewith or consequential thereupon;
- (b) the Landlord may, in re-letting, re-let the entire Premises or any part or parts thereof for a term or terms which may be less or greater than the balance of the Term and may grant reasonable concessions in connection therewith; and

(c) the Tenant shall pay to the Landlord on demand:

- (i) such reasonable expenses as the Landlord may incur or has incurred in connection with the re-entering, terminating, re-letting, collecting sums due or payable by the Tenant, realizing upon assets seized, including without limitation brokerage, legal fees and disbursements, and the expenses of keeping the Premises in good order, repairing the same and preparing them for re-letting; and
- (ii) as damages for the loss of Rent and other income of the Landlord expected to derive from this Lease during the period which would have constituted the unexpired portion of the Term had it not been terminated, at the option of the Landlord, either:
  - (1) an amount determined by reducing to present worth at an assumed interest rate of five percent (5%) per annum all estimated Percentage Rent and Additional Rent to become payable during the period which would have constituted the unexpired portion of the Term, such determination to be made by the Landlord, who may make reasonable estimates of when any such other amounts would have become payable and may make such other assumptions of fact as may be reasonable in the circumstances; or
  - (2) an amount equal to the Percentage Rent and Additional Rent and, as accelerated rent, the estimated Percentage Rent and Additional Rent for the next ensuing three (3) months.

#### **18.7 Re-letting for Tenant's Account**

Whenever the Landlord becomes entitled to re-enter upon the Premises under any provision of this Lease, the Landlord, in addition to all other rights it may have, shall have the right as agent of the Tenant to enter the Premises and re-let them and to receive the rent therefor and as agent of the Tenant to take possession of any furniture, equipment, inventories, supplies and other property therein and to sell the same or any part or parts thereof at public or private sale without notice and to apply the proceeds thereof (so far as such proceeds are attributable to the Tenant's property, and subject to Section 14.3) and any rent derived from re-letting the Premises upon account of all sums due and to become due to the Landlord under this Lease and the Tenant shall be liable to the Landlord for the deficiency, if any.

#### **18.8 No Waiver**

No provision of this Lease shall be deemed to have been waived by the Landlord unless a written waiver from the Landlord has first been obtained and without limiting the generality of the foregoing, no acceptance of rent subsequent to any default and no condoning, excusing or overlooking by the Landlord on previous occasions of any default nor any earlier written waiver shall be taken to operate as a waiver by the Landlord or in any way to defeat or affect the rights and remedies of the Landlord.

#### **18.9 Remedies Cumulative**

No reference to or exercise of any specific right or remedy by the Landlord shall prejudice or preclude the Landlord from any other remedy, whether allowed at law or in equity or expressly provided for herein. No such remedy shall be exclusive or dependent upon any other such remedy, but the Landlord may from time to time exercise any one or more of such remedies independently or in combination. Without limiting the generality of the foregoing, the Landlord shall be entitled to commence and maintain an action against the Tenant to collect any Rent not paid when due, without exercising the option to terminate this Lease pursuant to Section 18.1.

#### **18.10 Holding Over**

If the Tenant continues to occupy the Premises with the written consent of the Landlord after the expiration or other termination of the Term, then, without any further written agreement, the Tenant shall be a monthly lessee at the aggregate of:

- (a) Percentage Rent (otherwise calculated pursuant to Sections 4.1, 4.2 and 4.3); and
- (b) Additional Rent as herein provided,

and subject always to all of the other provisions in this Lease insofar as the same are applicable to a month to month tenancy, and a tenancy from year to year shall not be created by implication of law; provided that if the Tenant continues to occupy the Premises without the written consent of the Landlord at the expiration or other termination of the Term, then the Tenant shall be a tenant at sufferance and shall pay to the Landlord, as liquidated damages and not as rent, an amount equal to twice the amounts set forth in (a) and (b) above during the period of such occupancy, accruing from day to day and adjusted pro rata accordingly and subject always to all of the other provisions of this Lease insofar as they are applicable to a tenancy at sufferance, and a tenancy from month to month or from year to year shall not be created by implication of law, and also provided that nothing herein contained shall preclude the Landlord from taking action for recovery of possession of the Premises.

#### **18.11 Waiver of Rights of Redemption**

The Tenant hereby expressly waives any and all rights of redemption or relief from forfeiture granted by or under any present or future laws in the event of the Tenant being evicted or dispossessed from the Premises for any cause, or in the event of the Landlord obtaining possession of the Premises or of the Tenant's goods and chattels on the Premises by reason of the default of the Tenant or otherwise.

#### **18.12 Survival**

Notwithstanding any termination of this Lease, re-entry by the Landlord, re-letting, or the Term becoming expired or forfeited or void, or any other enforcement or exercise of any remedies by the Landlord, the provisions of this Lease relating to the consequences of any such termination or other such event shall survive.

#### **18.13 Cross Default**

Any breach or default on the part of the Tenant under any other lease to which the Tenant is a party with the Landlord in connection with the Airport shall constitute default on the part of the Tenant under this Lease, and if as a result of such breach or default the Landlord is entitled to terminate such other lease then the Landlord shall be entitled to terminate this Lease. Any breach or default on the part of the Tenant under this Lease shall constitute a default by the Tenant under every other such lease. On default of payment of Rent or other monies under this Lease, the Landlord shall be entitled to recover such rent or other monies as rent due and owing to the Landlord under every other such lease and the Landlord shall have available to it all of the remedies as are available thereunder. On default of payment of rent or any other monies under any other such lease, the Landlord shall be entitled to recover such rent or other monies as Rent due and owing to the Landlord under this Lease and shall have available all of the remedies as are available under this Lease.

#### **18.14 Default charges**

- (a) If from time to time the Tenant fails to comply with any of the provisions or requirements of this Lease, then the Landlord may, subject to Section 18.14(b), give notice to the Tenant that the Landlord is dissatisfied with the Tenant's performance. Such notice shall refer to this Section 18.14 of this Lease. If, after such notice has been given, such failure continues and the Landlord continues to be dissatisfied, then the Landlord may, by notice or invoice given by the Landlord to the Tenant, levy a charge of up to \$300.00 per day per violation which the Tenant will pay with the next monthly payment of Rent due under this Lease.
- (b) Before any notice is given under Section 18.14(a), the Landlord must have, at least twice within the period of 90 days preceding such notice, communicated to the Tenant in writing its dissatisfaction with the matter.
- (c) This provision is intended to provide a remedy to the Landlord that is less drastic than termination of this Lease. The Tenant acknowledges that failure by the Tenant to comply and perform in accordance with the provisions of this Lease will result in costs (including costs of staff for management and enforcement) to the Landlord and impacts on the revenue that the Landlord is able to generate under this Lease and from other concession operators in the Terminal Building and that the charges stipulated in Section 18.14(a) represents a reasonable approximation of such costs and lost revenue.

#### **18.15 Receiver for Tenant's Account**

Whenever the Landlord becomes entitled to re-enter upon the Premises under any provision of this Lease, the Landlord, in addition to all other rights it may have, shall have the right to appoint by instrument any person as receiver, receiver and manager or receiver-manager (the person so appointed is herein called the "Receiver") of any business operated on or from the Premises, with or without bond as the Landlord may determine, and from time to time to remove such Receiver and appoint another in its stead, and the Receiver shall have the right as agent of the Tenant to operate any such business and to enter the Premises (with power to exclude the Tenant, its agents and its servants therefrom), to take possession of any furniture, equipment, inventories, supplies and other property therein, and (whether in conjunction with re-letting for the Tenant's account as provided for in Section 0, or not) to sell the same or any part or parts thereof at public or private sale without notice and to apply the proceeds thereof (so far as such proceeds are attributable to the Tenant's property, and subject to Section 14.3) and any revenue derived from operations firstly towards all expenses incurred (including the reasonable fees and expenses of the Receiver) and to apply any excess upon account of all sums due and to become due to the Landlord under this Lease and the Tenant shall be liable to the Landlord for the deficiency, if any.

## ARTICLE 19 - GENERAL PROVISIONS

### 19.1 Approvals

No provision in this Lease requiring the Landlord's consent or approval shall be deemed to have been fulfilled or waived unless the written consent or approval of the Landlord relating to the particular matter or instance has first been obtained and, without limiting the generality of the foregoing, no prior consent or approval and no condoning, excusing or overlooking by the Landlord on previous occasions when such a consent or approval was required shall be taken to operate as a waiver of the necessity of such consent or approval whenever required under this Lease.

Where any provision of this Lease requires the consent or approval of the Landlord, then:

- (a) such provision will not be construed, interpreted or applied to mean that the Landlord's consent or approval will not be unreasonably withheld, unless such provision expressly states that the Landlord's consent or approval will not be unreasonably withheld; and
- (b) the Landlord may stipulate reasonable requirements and terms, as a condition of giving such consent or approval, and the Landlord may withhold its consent or approval until such requirements and terms have been satisfied and complied with, and the Tenant hereby covenants with the Landlord that, unless the Tenant withdraws its request for the Landlord's consent or approval forthwith after the Tenant is advised of the requirements and terms stipulated by the Landlord, the Tenant will satisfy and comply with any requirements and terms so stipulated by the Landlord.

### 19.2 Unavoidable Delay

Notwithstanding anything in this Lease to the contrary, neither party shall be deemed to be in default in respect of the performance of any of the terms, covenants and conditions of this Lease other than a term requiring the payment of any sum, if any failure or delay in such performance is due to any strike, lockout, civil commotion, war-like operation, invasion, rebellion, hostilities, military or usurped power, sabotage, governmental regulations or controls, act of God, or other cause beyond the control of such party, other than lack of funds or other financial reasons.

### 19.3 Relationship of Parties

Nothing contained herein shall be deemed or construed by the parties hereto, nor by any third party, as creating the relationship of principal and agent or of partnership or of joint venture between the parties hereto, it being understood and agreed that neither the method of computation of Rent nor any other provision contained herein, nor any acts of the parties herein, shall be deemed to create any relationship between the parties other than the relationship of landlord and tenant. The Tenant also acknowledges and agrees that it will not assert that a joint venture, partnership or principal and agent relationship exists between the Landlord and the City of Kamloops.

### 19.4 Sole Agreement

This Lease sets forth all of the warranties, representations, covenants, promises, agreements, conditions and understandings between the parties concerning the Premises and the Airport and there are no warranties, representations, covenants, promises, agreements, conditions or understandings, either oral or written, express or implied, between them other than as set forth in this Lease as modified pursuant to Section 19.5.

### 19.5 Modifications

Except as herein otherwise provided, no subsequent alteration, amendment, change or addition to this Lease shall be binding upon the parties unless reduced to writing and signed by the parties. At the request of the Landlord, the Tenant shall execute and deliver a modification agreement reflecting the changes in this Lease resulting from an adjustment in Floor Area or reflecting any other alteration, amendment, change or addition agreed to between the Tenant and the Landlord, provided that notwithstanding the failure of the Tenant to do so, the Tenant shall be bound thereby.

### 19.6 Certificates of Architect and Auditor

The following certificates shall be conclusive and binding upon the Landlord and the Tenant in respect of any question of fact or opinion arising under this Lease with respect to the matters stipulated:

- (a) a certificate procured by the Landlord from the Architect, as to any question of fact covering the completion of any construction or other work either by the Landlord or the Tenant, whether any such work complies with the requirements of this Lease, whether the Terminal Building or the Premises or any part thereof is being kept in good order and repair as required by the provisions of this Lease, the Floor Area of the Premises or of any other part of the Terminal Building, the cause of any destruction or damage, the estimated cost of repairing any damage or destruction, the extent to which the destruction or damage has occurred pursuant to Section 15.1, or the time necessary to complete any repairs; and
- (b) a certificate procured by the Landlord from an independent chartered accountant (but who may be the Landlord's auditor) as to any question of fact or opinion concerning the computation of Percentage Rent or Additional Rent.

### 19.7 No Brokerage Commission

As part of the consideration for the granting of this Lease, the Tenant represents and warrants to the Landlord that no broker or agent (other than any broker or agent authorized in writing by the Landlord) negotiated or was instrumental in negotiating or consummating this Lease. Notwithstanding the foregoing, any broker or agent of the Tenant shall be paid by the Tenant to the exoneration of the Landlord.

### 19.8 Applicable Law, Court, Language

- (a) This Lease shall be governed and construed by the laws of the Province of BC.
- (b) The venue of any proceedings taken in respect of this Lease shall be at Kamloops, BC, so long as such venue is permitted by law, and the Tenant shall consent to any applications by the Landlord to change the venue of any proceedings taken elsewhere to Kamloops, BC.
- (c) The parties hereto have required that the present agreement and all deeds, documents or notices relating thereto be drafted in the English language.  
  
Les parties aux presentes ont exige que le present contrat et tout autre contrat, document ou avis afferant ou ancillaire aux presentes soient rediges en langue anglaise.

### 19.9 Construed as Covenants

All of the provisions, terms, conditions and stipulations of this Lease are to be construed as covenants. Each of the Landlord and the Tenant hereby covenant in favour of the other to observe and perform in accordance with the provisions, terms, conditions and stipulations set out in this Lease.

### 19.10 Tenant Accountable

The Tenant shall be responsible and accountable for its agents, contractors, suppliers, invitees, officers, directors and employees and any assignees, subtenants and licensees and their respective agents, contractors, suppliers, invitees, officers, directors and employees, and:

- (a) all of the terms and conditions of this Lease will extend and apply to all such persons, in the interpretation of and for all purposes of this Lease; and
- (b) the Tenant will ensure compliance and performance by all of such persons with all of the terms and conditions of this Lease.

Any failure, breach or default on the part of any of such persons to comply with the terms and conditions of this Lease shall be treated as and shall constitute failure, breach or default by the Tenant under this Lease.

### 19.11 Time of the essence

Time shall be of the essence hereof.

**19.12 Notices**

- (a) Any notice to be given under this Lease shall be in writing and may be either delivered personally or sent by facsimile or by registered or certified mail and, if so mailed, shall be deemed to have been given five (5) days following the date upon which it was mailed. The addresses of the parties for the purpose hereof shall be, in the case of the Landlord, the address of the Landlord set forth in Section 1.1(a)(ii), with a copy sent to such other party as the Landlord may require, and in the case of the Tenant, the address set forth in Section 1.1(b)(ii) or, in the event that the latter address is not so set forth, at the address of the Premises, or at such other respective address as may be established pursuant to Section 19.12(c). Notwithstanding the foregoing, during the currency of any interruption in the ordinary postal service, any notice to the Tenant may be left at the Premises and shall be effective upon being so left.
- (b) Any notice of service required to be given or effected under any statutory provision or rules of Court from time to time in effect in the Province of BC shall be sufficiently given or served if mailed or delivered at the address as aforesaid or, in the case of a party which is a corporation, if mailed to the registered office or registered head office within BC of that corporation.
- (c) Any party hereto may at any time give notice in writing to another of any change of address of the party given such notice and from and after the second day after the giving of such notice, the address therein specified shall be deemed to be the address of such party for the giving of notices hereunder.

**19.13 Index, Headings**

The index and headings in this Lease are to be inserted for convenience or reference only and shall not affect the construction of this Lease or any provision hereof.

**19.14 Number and Gender**

Whenever the singular or masculine or neuter is used in this Lease, the same shall be construed to mean the plural or feminine or body corporate where the context of this Lease or the parties hereto may so require. The words "include" or "including" as used herein shall not be construed as words of limitation.

**19.15 No Transfer on Bankruptcy**

Neither this Lease nor any interest of the Tenant herein nor any estate hereby created shall pass or enure to the benefit of any trustee in bankruptcy or any receiver or any assignee for the benefit of creditors of the Tenant or otherwise by operation of law.

**19.16 Members of the House of Commons**

No Member of the House of Commons of Canada shall be admitted to any share or part of this Lease or any benefit to arise therefrom.

**19.17 Successors and Joint and Several**

All rights and liabilities herein given to, or imposed upon, the respective parties hereto shall extend to and bind the several respective heirs, executors, administrators, successors and assigns of the said parties and if the Tenant is comprised of more than one person, then each of the persons comprising the Tenant shall be bound jointly and severally by the terms, covenants and agreements herein on the part of the Tenant and all of the provisions herein will apply to and in respect of each. No rights, however, shall enure to the benefit of any assignee of the Tenant unless the assignment to such assignee has been first approved by the Landlord in accordance with Section 16.1.

**19.18 Severable**

Should any provision of this Lease be or become illegal, invalid or not enforceable, it shall be considered separate and severable from this Lease and the remaining provisions shall remain in force and be binding upon the parties hereto and be enforceable to the fullest extent of the law.

**19.19 Frustration**

Notwithstanding the occurrence or existence of any event or circumstance or the non-occurrence of any event or circumstance and so often and for as long as the same may occur or continue which, but for this Section 19.18, would frustrate or void this Lease, the obligations and liabilities of the Tenant hereunder shall continue in full force and effect as if such event or circumstance had not occurred or existed.

**19.20 Tenant's Acceptance**

The Tenant hereby accepts this Lease of the Premises, to be held by the Tenant subject to the conditions, restrictions and covenants set forth herein.

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

EXECUTED ON BEHALF OF **Kamloops Airport Limited**  
by its duly authorized representatives:

Per: \_\_\_\_\_  
Title: \_\_\_\_\_

Per: \_\_\_\_\_  
Title: \_\_\_\_\_

EXECUTED ON BEHALF OF THE TENANT, \*\*\*\*\*  
by its duly authorized representative(s):

Per: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_

Per: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**SCHEDULE A**  
**DRAWING OF THE PREMISES**

[SEE ATTACHED – 1 PAGE]

## SCHEDULE B

### DEFINITIONS

In this Lease:

**Additional Rent** means all sums, amounts and charges payable under this Lease by the Tenant to the Landlord, other than Percentage Rent.

**Affiliate** has the meaning ascribed to that word in the Canada Business Corporations Act.

**Airport** means the Kamloops Airport at Kamloops, in the Province of BC.

**Approving Authority** means any person or entity designated, from time to time, by the Landlord for the purpose of issuing Facility Permits.

**Approving Authority's Land Development and Construction By-Law or Policies** means the standard policies of the Approving Authority for the issuing of Facility Permits and other matters relating to land development and construction created either before or after the date of this Lease as a by-law or as policies of the Approving Authority, all as amended from time to time, and together with all Rules and Regulations referred to therein.

**Architect** means the firm of professional architects or engineers engaged by the Landlord from time to time to prepare the construction drawings for the Terminal Building or to supervise the architectural aspects thereof and includes any surveyors or consultants engaged by the Landlord or such architects or engineers from time to time.

**Basic Terms** refers to the terms set out in Section 1.1, some of which may be more fully addressed elsewhere in this Lease.

**Terminal Building** means the Landlord's Air Terminal Building at the Airport.

**Capital Tax** means any tax, levy or assessment levied against or payable by the Landlord pursuant to the Corporation Capital Tax Act of BC as amended or any successor or similar legislation.

**Commencement Date** means the date determined pursuant to Section 3.3 which is anticipated by the parties, at the time of preparation of this Lease, to be the date set out in Section 1.1(e)(ii).

**Common Areas** means all lands, improvements, facilities, utilities, installations and equipment forming part of the Terminal Building (which may be altered, reconstructed, expanded or withdrawn from and added to from time to time) other than parts of those lands, improvements, facilities, utilities, installations and equipment designated by the Landlord for leasing to tenants of the Terminal Building and includes, without limiting the generality of the foregoing, the Terminal Building; exterior walls, floors and roofs of all improvements; interior hallways; transit facilities; sidewalks and landscaped areas; truck courts, loading areas and freight elevators; pylon signs; electrical systems and equipment; public address, intercom, music and alarm systems; heating, ventilating, air-conditioning, plumbing, drainage and other mechanical systems and equipment; general signs and information facilities; public telephones, public lockers and coat checking facilities; decor, furnishings, fountains and features; public washrooms, first aid stations, administrative offices for the Terminal Building, maintenance workshops, boiler and fan rooms, trash disposal facilities and garbage compaction equipment; but excludes restricted areas, kiosks and areas allocated to a tenant or licensee while used and occupied.

**Common Area Costs** means all of the Landlord's costs, charges and expenses of altering, financing, operating and maintaining the Airport (including the Common Areas).

**Concession Tenant** means tenants in the Terminal Building dealing with the public from premises in the Terminal Building and designated from time to time by the Landlord as Concession Tenants.

**Environmental Adverse Effect** means one or more of the following in connection with an Environmental Matter:

- (a) impairment or adverse alteration of the quality of the natural environment;
- (b) contamination or injury or damage to property or to water or air quality or food, plant or animal life;
- (c) harm or material discomfort or an adverse effect on the health of any person, or unacceptable (as reasonably determined in any instance by the Landlord) risk thereof;
- (d) impairment of the safety of any person or unacceptable (as reasonably determined in any instance by the Landlord) risk thereof;
- (e) rendering any property or water or air quality or food, plant or animal life unfit for human use;
- (f) non-compliance with Environmental Laws and Regulations or exceeding numerical or other standards prescribed pursuant to Environmental Laws and Regulations;
- (g) loss of enjoyment of normal use of property or interference with the normal conduct of business, in connection with any Environmental Matter.

**Environmental Laws and Regulations** means all environmental, health and safety laws, regulations, treaties, resolutions, ordinances, guidelines, policies, codes of practice, requirements, directions, authorizations, permits and orders of any governmental authority and all common law applicable to the Tenant or any of its assets or properties, including:

- (a) all regulations, resolutions, treaties, ordinances, orders, directions, authorizations, permits, decrees and other similar documents and instruments of all courts and Governmental Authorities whether issued by environmental or health and safety regulatory agencies or otherwise; and
- (b) all laws, regulations, resolutions, ordinances, orders and decrees relating to Environmental Matters.

**Environmental Matter** means any past, present or future activity, event or circumstances in respect of the environment, health or safety including the release, escape, leaking, disposal or migration of any toxic, hazardous or special waste or other chemical substance, or dangerous goods, pollutant or contaminant into the natural environment including any substance which is hazardous to persons, animals, plants, or which has a detrimental effect on the soil, air or water, or the generation, treatment, storage, use, manufacture, holding, collection, processing, treatment, presence, transportation or disposal of any toxic, hazardous or special wastes or other chemical substances or dangerous goods, pollutant or contaminant.

**Facility Permit** means the Approving Authority's written authority which may be granted to the Tenant upon application and payment of the Approving Authority's current fee to conduct any alteration, new construction or installation of equipment on the Premises, all in accordance with guidelines which may be issued, from time to time, by the Approving Authority, and in accordance with the Approving Authority's Land Development and Construction By-Law or Policies.

**Fixturing Period** means the period set out in Section 1.1(h), commencing on the date set by the Landlord.

**Floor Area** means the area, expressed in square metres or such other unit as the Landlord may determine, of all floors and mezzanines (unless such mezzanine has been constructed by a tenant and is used exclusively for storage) of all storeys in each interior leasable premises in the Terminal Building, calculated by measuring from the interior surfaces of the exterior wall and of all walls adjoining Common Areas, from the centre line of party or demising walls separating two or more interior leasable premises and from the lease line separating any interior leasable premises from other areas in the Terminal Building where no wall exists, all without deduction or exclusion for any space occupied by or used for columns, stairs, elevators, escalators or other interior construction or equipment or doorway areas recessed from the lease line, and when used in respect of the Premises means the area of the floor in the Premises, calculated as aforesaid as set out in Section 1.1(d).

**Gross Revenue** means the total sum of the selling prices of all merchandise, food, beverages or services (including finance charges thereon) sold by the Tenant on or from the Premises, or on or from any other place of business where delivery of such merchandise, food, beverages or services is made or received at the Airport, or by personnel operating from the Premises, and whether at wholesale or retail, and whether for cash, partly cash, credit, gift certificates, merchandise certificates, and all other receipts whatsoever of all business conducted at, on, in, about or from the Premises, or by personnel operating from the Premises, including all deposits not refunded to the purchaser, orders taken at, on, in, about or from the Premises or by personnel operating from the Premises (although such orders may be filled elsewhere), sales made by any subtenant, concessionaire or licensee on, at, in, about or from the Premises, or by personnel operating from the Premises or reporting to or under the supervision of any employee or agent of a subtenant, concessionaire or licensee on, at, in, about or from the Premises and the gross amount of any insurance proceeds which directly or indirectly represent reimbursement or recovery for sales, revenues, receipts, gross profits or net profits lost, or which otherwise normally would have been realized or earned by the Tenant or any subtenant, concessionaire or licensee because of the occurrence of business interruption covered by such insurance, regardless of whether those proceeds are identified as such reimbursement or recovery by the insurer or anyone acting on the insurer's behalf, or whether the proceeds are separated or segregated in connection with any insurance claim, payment or settlement and includes any revenues received by the Tenant in respect of advertising, grants or subsidies from suppliers or others, commissions, fees and rebates. Each sale upon instalment shall be treated as a sale for the full instalment sale price at the time of such sale, irrespective of the time when payment (whether full or partial) shall be received. Each lease of merchandise shall be treated as a sale in the month in which the lease was first contracted, for a price equal to the total amount of rent payable during the term of such lease. In the determination of Gross Revenue there may be deducted the amount of refunds

upon merchandise sold on or from the Premises and returned, and sales taxes collected from customers (to the extent to which such taxes are included in Gross Revenue) and actually paid to the relevant taxing authorities. For greater certainty, Gross Revenue as above-described: (i) shall be included even if the business or activity is not a permitted business or activity (but that shall not operate as an estoppel or an consent or waiver, implied or otherwise, by the Landlord); (ii) relating to the promotion or advertisement of goods and services of a third party shall be included; and (iii) derived through the internet shall be included, if there is any connection to or with the Premises. If any person (including a firm, partnership, joint venture or body corporate) related to or associated in any way with the Tenant or its principals carries on any activity at the Airport (whether or not on the Premises) of the same kind as is permitted under this Lease or any similar or associated activity, then (unless rent or licence fees are paid to the Landlord in respect of such other activity pursuant to a lease or licence or other written agreement with the Landlord and such other activity is expressly authorised and permitted pursuant to such other lease or licence or written agreement) all revenue in connection with such activity will be included in Gross Revenue for all purposes of this Lease and in the calculation of Percentage Rent under this Lease, as fully as if such activity was being carried out by the Tenant on the Premises and the revenues therefrom were being received by the Tenant.

**GST** refer to taxes, rates, duties, levies, fees, charges and assessments as described in Section 5.6.

**Head Lease** means the lease agreement between the Kamloops Airport Authority Society and the Landlord executed as of August 27, 1997, as may have been or may be further amended from time to time, setting forth the terms and conditions pursuant to which, the Landlord leases the Airport from the Kamloops Airport Authority Society.

**Initial Capital Cost** means the capital costs incurred by the Tenant in completing the work described as "Tenant's Work" in Schedule C, as reasonably calculated or determined by the Landlord. For this purpose the Landlord may elect to use the amount(s) stated in the Tenant's submission for a Facility Permit. If the Premises are comprised of more than one Room, and the provisions of this Lease or the application of such provisions requires that an amount be allocated to one or more of such Rooms, then the amount(s) as reasonably allocated by the Landlord among such Rooms will apply.

**Landlord** means Kamloops Airport Ltd.

**Landlord's Work** means work if any described as "Landlord's Work" in Schedule C hereof.

**Lease** means this lease as from time to time amended as agreed in writing by the parties hereto and includes all schedules, drawings and attachments.

**Lease Year** means a year of the Term, commencing on the Commencement Date or any anniversary thereof.

**Notice** includes requests, demands, designations, statements or other writings in this Lease required or permitted to be given by the Landlord to the Tenant or by the Tenant to the Landlord and all writs, originating notices of motion, affidavits and any other ancillary documents in support of all legal proceedings.

**Percentage Rent** means the percentage rent calculated as provided for in Section 1.1(f) and Article 4.

**Premises** means that portion of the Terminal Building indicated and having the approximate configuration(s) and location(s) shown on the drawing(s) attached as Schedule A hereof and containing the number of square metres of Floor Area set out in Section 1.1(d), more or less.

**Prime Rate** means the rate established from time to time by the Landlord's bank as the rate per annum of interest charged on Canadian Dollar business loans in the City of Kamloops for demand loans made in Canadian funds to Canadian customers and referred to by the said bank as its prime rate.

**Property Taxes** means all real estate taxes, assessments, rates and charges and other government imposition, general or special, ordinary or extraordinary, foreseen or unforeseen, of every kind (including assessments for local or public improvement and school taxes) which may at any time during the Term be imposed, assessed or levied in respect of the Premises.

**Rent** includes Percentage Rent and Additional Rent.

**Room** refers to the room or rooms from time to time comprising the Premises, identified in Section 1.1(c), and includes any replacements or substitutions therefor pursuant to any supplemental agreement relative to this Lease. If the Premises consist of more than one Room, then the provisions of this Lease will be adapted and applied for and in respect of each Room as reasonably interpreted or prescribed by the Landlord.

**Rules and Regulations** means the rules and regulations attached to this Lease as Schedule E and all amendments and additions thereto made by the Landlord in accordance with this Lease.

**Structural Repairs** means repairs to the foundations, the structural sub-floors, columns and beams, and the structural portions of bearing walls and roofs of the Terminal Building or of any designated part thereof.

**Substantial Damage or Destruction** means such damage to the Terminal Building or any part thereof as, in the opinion of the Architect, requires substantial alteration or reconstruction of the Terminal Building or such part thereof or such damage to the Terminal Building or any part thereof as cannot, with reasonable diligence, be substantially repaired within a period of one hundred and eighty (180) days from the time of such damage.

**Tenant** means the party or parties described in Section 1.1(b) and the heirs, executors, administrators, successors and permitted assignees thereof.

**Tenant's Work** means work described as "Tenant's Work" in Schedule C hereof.

**Tenant Manual** means any manual or manuals approved from time to time by the Landlord dealing with the development, construction, use and occupation of space in the Terminal Building by the Landlord's tenants and the operation of the business of such tenants, and includes, without limitation, any design criteria manual approved by the Landlord dealing with the design and construction of tenants' improvements in the Terminal Building.

**Term** means the period or term set out in Section 1.1(e)(i) and, where the context requires, any renewal, extension or overholding thereof.

## SCHEDULE C

### LANDLORD'S AND TENANT'S WORK

The following sets out Landlord's and Tenant's responsibilities with respect to the design, construction and occupancy of the Terminal Building and the Premises and must be read in conjunction with Landlord's Design Criteria Manual and this Lease. Where discrepancies exist between the Design Criteria Manual and this Lease, the latter shall prevail.

Only those items enumerated below as Landlord's Work shall be provided by Landlord at its expense and in accordance with Landlord's drawings and specifications. All other work required for the Premises including those items enumerated below as Tenant's Work, shall be provided by Tenant at its expense in accordance with Tenant's design, working drawings, specifications and samples approved by Landlord as set out herein. Any modification or addition to Landlord's Work, which may be required by Tenant, must receive Landlord's prior written approval, and be performed by Landlord at Tenant's expense.

#### (B) LANDLORD'S WORK

- (i) For any Existing Space that is permanently provided to the Tenant, as Premises under this Lease, unchanged or substantially unchanged (in the reasonable determination of the Landlord) from an Existing Space, the following will apply:
- The Tenant will accept the Premises AS IS (that is, in the condition left by the incumbent tenant or prior occupant). The Landlord is not required to perform or carry out any work or improvements for such Premises or the Terminal Building or otherwise.
- and the "**Base Building Standard**", as set out below, WILL NOT apply.

#### Base Building Standard:

Landlord's Work in the Premises will be performed in accordance with Landlord's drawings and specifications at Landlord's expense to include only those elements of work outlined below:

1. Demising Walls:  
Drywall on metal studs, or exposed concrete block, or glass. Drywall installed and ready to receive paint.
2. Storefront:  
Landlord's standard storefront for the Premises including bulkhead, demising piers, signage blade and related lighting, and flooring up to Tenant's storefront enclosure, as shown in Landlord's Design Criteria Manual.
3. Floor:  
Concrete floor smooth finish.
4. Heating Ventilation and Air Conditioning:  
HVAC systems serving the Premises will be maintained and operated by Landlord. Should Tenant's design require capacities greater than those provided under Landlord's Work, work to increase these services shall be carried out by Landlord's contractor at Tenant's expense.
5. Plumbing:  
Capped and valved minimum 13 mm domestic cold water supply line and capped plumbing vent with a 100 mm sanitary drain capped to Landlord's designated location. Tenant to provide water information meters if using more than 100m3 of water per month.
6. Sprinklers:  
Sprinkler mains, branch lines and standard heads to provide coverage on an open floor basis. Any modification or addition to Landlord's sprinkler system required by Tenant shall be performed by Landlord, at Tenant's expense.
7. Fire Alarm System:  
Fire alarm system throughout the Terminal Building in accordance with Landlord's drawings and specifications. Any modification or addition to Landlord's system occasioned by Tenant's requirements shall be performed by Landlord at Tenant's expense.
8. Electrical:  
A 120/208v, 3 phase, 4 wire electrical service with distribution combination distribution panel (without breakers) to provide a connected load of up to 200 amps for general lighting and power to Landlord's designated location in the Premises.
9. Telecommunication Wiring and Conduit:  
One, minimum 50mm empty conduit to Landlord's designated location in the Premises. All Tenant required telecommunication wiring between Landlord's equipment room and Tenant's Premises including wall plates and wiring termination shall be performed by Landlord at Tenant's expense.

#### (C) TENANT'S WORK

All work by Tenant within the Premises shall be completed in new materials and in accordance with Tenant's design, working drawings, specifications and samples approved by Landlord. Materials and workmanship shall be of uniformly high quality and used and performed, as the case may be, in accordance with the very best standards of practice as set out in Landlord's Design Criteria Manual and base building drawings and specifications and shall not be in contravention of any governing codes or regulations and shall be subject to Landlord's prior written approval.

1. Interior Finishes:  
Partitions, floor covering, ceiling (where applicable), painting and decorating, trade fixtures and furnishings including additional security at demising walls if required by Tenant.
2. Storefront:  
Glass sliding or swinging doors, display window(s) and finishes in accordance with Landlord's Design Criteria.
3. Signage:  
All signage and graphics, including blade sign, identifying the Tenant's business including the type, size, colour and location thereof shall conform with Landlord's Design Criteria and comply with Landlord's review procedures.
4. Heating Ventilation and Air Conditioning:  
Ductwork distribution including grilles, diffusers, balancing dampers and fire dampers (if required by building code), to service the Premises and performed in accordance with Tenant's mechanical design and specifications approved by Landlord. Tenant to provide Landlord with an air balancing report.
5. Plumbing:  
Branch plumbing lines and insulation including fixtures, isolation valves and equipment if required by tenant. Tenant to provide a reduced pressure backflow device on the domestic water line connection.



6. Sprinklers:

Any modification or addition to Landlord's sprinkler system occasioned by Tenant's layout and design shall be performed by Landlord at Tenant's expense, to conform with NFPA 13 and the Landlord's sprinkler design criteria.

7. Fire Alarm System:

Any connection or integration of Tenant's equipment to the Terminal Building fire alarm system, or additions and modifications to same, occasioned by Tenant's requirements, shall be performed by Landlord at Tenant's expense.

8. Electrical:

Lighting and power distribution including breakers, fixtures and equipment and emergency/exit lights. Lighting to meet Landlord Design Criteria.

9. Telecommunication Wiring and Equipment:

Any additional conduits including all voice and data communication equipment. All Tenant required telecommunication wiring between Landlord's equipment room and Tenant's Premises including wall plates and wiring termination shall be performed by Landlord at Tenant's expense.

10. Additional Requirements:

Any additional requirement of the Tenant not specifically included under Landlord's Work and approved by Landlord shall be performed by Tenant at its expense or by Landlord at Tenant's expense as authorized by Tenant.

## GENERAL PROVISIONS

### (General Retail)

#### (D) PERFORMANCE OF LANDLORD'S WORK

1. Landlord will use its reasonable efforts to complete Landlord's Work in accordance with the time schedule which has been established for the completion of the project, except for any delay resulting from causes beyond the reasonable control of the Landlord or for any delay caused by a failure or delay on the part of Tenant to provide the information required pursuant to this Schedule C .
2. Landlord shall give Tenant five (5) days written notice that Landlord's Work in the Premises is sufficiently complete and ready for commencement of Tenant's Work. The Tenant's Fixturing Period shall commence on the later of the date that is five (5) days after delivery of the notice, and the date specified in the notice.
3. Tenant accepts Premises in the state and condition provided by Landlord at the beginning of the Fixturing Period, and except only to the extent of any deficiency expressly set out in a written deficiency list mutually prepared by Landlord and Tenant within ten (10) days of the date of the notice of Fixturing Period, Tenant entering the Premises and beginning Tenant's Work shall be deemed for all purposes to have taken possession of the Premises.
4. Tenant acknowledges and agrees that Landlord and its employees, contractors, Landlord's Architect and other professional advisers and public utilities authorized by Landlord shall have access to the Premises at all times for the performance of Landlord's Work, the inspection or correction of Tenant's Work and for all other necessary purposes in connection with the construction and completion of the project, both during the performance of Tenant's Work and after the Commencement Date (if necessary). Landlord will take all reasonable steps in the course of exercising such rights of access to minimize any interference with the performance of Tenant's Work and the conduct of Tenant's business in the Premises.

#### (E) PERFORMANCE OF TENANT'S WORK

1. Security for Performance and Payment:

Tenant shall deposit with Landlord on execution of this Lease, a Letter of Credit, issued in favour of Landlord by a Canadian chartered bank acceptable to Landlord in an amount equal to twenty-five percent (25%) of the total estimated value of Tenant's Work as set out in the Request for Proposal documents submitted by Tenant or as otherwise reasonably estimated by the Landlord. Such Letter of Credit shall permit partial drawings by the Landlord.

In the event of partial drawings, Tenant will immediately replenish the Letter of Credit so that, until expiration and release by the Landlord, the Letter of Credit will be sustained at the level of twenty-five percent (25%) of the total estimated value of the Tenant's Work.

The Letter of Credit shall be held by Landlord for a period of three (3) months from the Commencement Date as security for the performance of Tenant's Work, costs incurred by the Landlord, and payment of all charges and fees with respect to Tenant's Work as set out in Landlord's Design Criteria Manual and this Schedule C.

At the expiration of the three (3) month period and provided that:

- (a) Tenant is not in default hereunder;
- (b) Tenant's Work has been completed in accordance with the provisions of this Schedule C and the Design Criteria Manual;
- (c) Tenant has paid all charges and fees respecting Tenant's Work;

Landlord shall release the Letter of Credit to Tenant.

2. Permits and Approvals/Facility Permit:

Tenant shall apply for and obtain all required permits and approvals including payment of related charges and fees, as set out in the Development Permit and Facility Permit guidelines, prior to commencement of Tenant's Work.

Tenant must obtain a Facility Permit for the Tenant's Work. Tenant shall execute any application or document required to obtain the required approvals and permit(s). If further information or revisions to Tenant's design/working drawing are necessary in order to obtain the Facility Permit, Tenant shall promptly provide same at its sole cost of expense. All fees and charges associated with obtaining the Facility Permit shall be borne by Tenant. Notwithstanding the foregoing, Landlord shall not be liable for any claims or actions of any nature arising from any failure or delay in obtaining the Facility Permit.

Tenant must obtain an occupancy permit in conformance with the Facility Permit guidelines.

3. Insurance:

Tenant will not be permitted to enter the Premises for the purpose of performing Tenant's Work, until Tenant shall have deposited with the Landlord a liability insurance certificate in an amount not less than Five Million Dollars (\$5,000,000.00) per occurrence, or such amount as the Landlord may require from time to time, with the Landlord and The City of Kamloops added as additional insured, and with a cross liability clause, which liability insurance shall be on a comprehensive form and shall cover all hazards related to any work performed by any such general contractor or independent contractor, as the case may be, in or on the Premises. Tenant releases Landlord, its servants and agents and The City of Kamloops from every claim arising from injury or damage which Tenant or its property may suffer in or about the Premises or the Terminal Building and will indemnify Landlord from every loss, cost and expense related to Tenant's construction, use or occupation of the Premises or its use or occupation of the Terminal Building.

4. Labour Affiliations:

All items of work undertaken by Tenant shall be performed by competent workers whose labour affiliations are as set out in Landlord's Design Criteria Manual.

5. Base Building Modifications:

Under no circumstances shall Tenant, its employees, its contractors or its contractors' employees make any modification or addition to the Terminal Building's architectural, mechanical electrical or structural systems or life safety systems or enter onto any roof or make any opening in the floors, walls or roof of the Terminal Building without the prior written approval of Landlord.

6. Additional Tenant's Work:

Any additional work (whether as hereinbefore set out, or otherwise deemed necessary by Landlord acting reasonably) performed by Landlord specifically for Tenant and any excess or additional cost of Landlord's Work occasioned by Tenant's requirements shall be paid for by Tenant on demand, which may be prior to the commencement of such work. The amount so payable by Tenant shall be the total cost of such additional work to Landlord, including architectural and engineering fees, plus a further twenty percent (20%) of that total cost for Landlord's coordination, supervision and administration.

7. Landlord's Architect:

The opinion in writing of Landlord's Architect respecting all matters of dispute regarding Landlord's Work and Tenant's Work, including the state of completion and whether or not such work has been completed in a good and workmanlike manner, shall be binding on both Landlord and Tenant and there shall be no appeal thereof.

8. Statutory Declaration:

On completion of Tenant's Work, and prior to expiration of the lien period, Tenant shall furnish to Landlord statutory declarations, one from an officer of Tenant and one from an officer of its general contractor, each declaration stating that there are no builders' liens outstanding against the Premises on account of Tenant's Work and that all accounts for work, services and materials have been paid in full with respect to Tenant's Work, together with evidence in writing from both Tenant and its general contractor, if any, satisfactory to Landlord that all assessments under the Worker's Compensation Act have been paid.

9. Liens:

Tenant shall promptly pay all charges incurred by or on behalf of Tenant for any work, materials or services which may be fabricated, supplied or performed at any time in respect of the Premises and shall not permit any lien to be or remain registered against the Premises or the Terminal Building, all as more particularly set out in this Lease.

10. Protection of Premises and Terminal Building:

Any damage to the Premises or any part of the Terminal Building caused by Tenant or any of its employees, contractors, or workers shall be repaired forthwith by Landlord at the expense of Tenant or by Tenant at its expense with Landlord's approval. Tenant shall maintain the Premises in a reasonably clean and orderly manner while in possession during performance of Tenant's Work. Tenant, its contractors, employees and workers shall only work within the Premises. Landlord reserves the right to prohibit Tenant, its contractors, employees and workers from working on any part or parts of the Premises, and to have such work carried out by a party or parties designated by Landlord, providing that it is understood that Landlord will only exercise such right in order to:

- (a) maintain its rights to enforce the warranties, guarantees and similar covenants given to it by parties constructing the Terminal Building or installing items therein; and
- (b) ensure that such work is compatible with existing systems, structures or work.

11. Access, Parking and Deliveries:

Tenant, its servants, agents, employees, contractors and those for whom it is otherwise responsible in law shall use only routes designated by Landlord for access to the Premises and the Terminal Building, and shall park vehicles and store materials only in those locations designated by Landlord from time to time.

12. Safety and Security:

Tenant shall at all times during the performance of Tenant's Work comply with the reasonable requirements of Landlord in respect of Terminal Building safety and security, and shall provide supervision of the Premises and ancillary areas (including, if required by Landlord, supervision by security personnel) to ensure the safe and orderly completion of Tenant's Work. It is the responsibility of the Tenant and its contractors to obtain and become familiar with Landlord's Safety and Security Manual for Contractors as amended from time to time, and to comply with same at all times during the performance of Tenant's Work.

**(F) TENANT SUBMISSION REQUIREMENTS**

All Tenant's Work shall be in accordance with Landlord's Development Permit and Facility Permit Guidelines as amended from time to time.

1. Development Permit:

Within 30 days of Landlord's notice to Tenant of Landlord's intent to enter into a lease agreement, Tenant shall submit its Development Permit submission to Landlord for review and approval. Tenant's submission shall include a key plan showing the location of the Premises within the Airport, merchandising plan(s), a coloured rendering, perspective or elevation of storefront with signage, a sample board of proposed materials, colours and finishes, key floor layout, mechanical, electrical and telecommunication systems proposed and the required fire resistance ratings and methods of accomplishing the same, all as set out in Landlord's Design Criteria Manual.

2. Facility Permit:

Within 30 days of Landlord's response to Tenant's Development Permit submission, Tenant shall submit its proposed final design and Facility Permit submission to Landlord for review and approval as set out in Landlord's Design Criteria Manual. Tenant's Facility Permit submission shall include revisions to and incorporate Landlord's comments into the Development Permit submission as well as any base building modifications required by Landlord to accommodate Tenant's Facility Permit submission.

3. Certified for Construction Drawings and Specifications:

Within 30 days of Tenant's receipt of Landlord's Development Permit approval, Tenant shall prepare Certified for Construction ("CFC") documents, including specifications for Landlord's review and approval. CFC Drawings submission consists of six (6) sets of prints and specifications, one (1) set of reproducible plots and one (1) disk of CADD drawings, all in accordance with Landlord's Design Criteria Manual.

Landlord shall notify Tenant of its approval or otherwise of Tenant's submission within 14 working days of Landlord's receipt of same.

Tenant's design must be submitted in CADD format in conformance with Landlord's CADD Standards Manual.

**SCHEDULE D-1**

**STATEMENT OF MONTHLY GROSS REVENUE AND PERCENTAGE RENT**

DATE:

TO: KAMLOOPS AIRPORT LIMITED

(Landlord)

FROM: \_\_\_\_\_  
(Tenant)

The following is a true and accurate statement of Gross Revenue, (as defined in our Lease) revenue and item descriptions and unit items sold for the month of \_\_\_\_\_, 20\_\_:

<b>TOTAL GROSS REVENUE</b> (as outlined in Schedule F attached)		1) _____
GROSS REVENUE THIS MONTH (_____,20__)		2) _____
TOTAL GROSS REVENUE FOR CURRENT LEASE YEAR		3) _____
	<b>Mthly Gross Rev</b>	<b>(b) Concession</b>
\$0 to \$000	_____	FEE AT % _____
\$000 to \$000	_____	FEE AT % _____
\$000 to \$000	_____	FEE AT % _____
over \$000	_____	FEE AT % _____
	Total - column (b)	4) _____
AMOUNT REQUIRED TO PAY (Total of item (4))		5) _____
GOODS AND SERVICES TAX		6) _____
TOTAL		7) _____

Certified By:  
Title

**SCHEDULE D-2**

**STATEMENT OF ANNUAL GROSS REVENUE AND PERCENTAGE RENT**

DATE:

TO: KAMLOOPS AIRPORT LIMITED

(Landlord)

FROM: \_\_\_\_\_ (Tenant)

The following is a true and accurate statement of Gross Revenue (as defined in our Lease) for the Year from \_\_\_\_\_, 20\_\_ to \_\_\_\_\_, 20\_\_:

**TOTAL ANNUAL REVENUE**

GROSS REVENUE (TOTAL OF MONTHLY REPORTS)		1)	
	(b) Concession		
GROSS REVENUE (FOR LEASE YEAR) AT %	_____	2)	
GROSS REVENUE (FOR LEASE YEAR) AT %	_____		
GROSS REVENUE (FOR LEASE YEAR) AT %	_____		
GROSS REVENUE (FOR LEASE YEAR) AT %	_____		
	total column (b)	3)	
AMOUNT ACTUALLY PAID FOR LEASE YEAR		4)	
FEE OWING (OR REFUND DUE) - item (3) less (4)		5)	
GOODS AND SERVICES TAX		6)	_____
TOTAL			=====

Certified By:  
Title

**SCHEDULE E**  
**RULES AND REGULATIONS**

**1. Waste Disposal**

- (a) All trash, rubbish, waste material and other garbage shall be removed from the Premise in a manner and on a schedule approved by the Landlord.
- (b) The Tenant shall not burn any garbage in or about the Premises or anywhere within the Terminal Building or at the Airport.
- (c) Garbage shall be placed by the Tenant in containers approved by the Landlord but provided at the Tenant's expense and kept at a location designated by the Landlord.
- (d) The Landlord has adopted a policy of recycling as much refuse as possible. The Tenant will comply with the Landlord's plans of operations regarding the collection, storage and disposal of rubbish and garbage. The Tenant will separate its garbage and rubbish according to the lists of recyclable and non-recyclable materials provided by the Landlord from time to time.
- (e) All federal, provincial and municipal requirements for the handling of refuse and garbage must be met by the Tenant.
- (f) The Tenant shall comply with the requirements of all laws and regulations, including regulations of Agriculture Canada, Environment Canada and the City of Kamloops, for storing, handling, transporting, treating and disposing of all waste, sewage, industrial waste and hazardous waste.

**2. Overloading, Suspension**

- (a) The Tenant shall not overload any floor of the Premises in excess of 4.8 k Pa (100 pounds per square foot).
- (b) The Tenant shall not hang or suspend from any wall or ceiling or roof, or any other part of the Terminal Building, any equipment, fixtures, signs or displays without the prior written approval of the Landlord, such consent not to be unreasonably withheld or delayed.

**3. Electrical Equipment**

- (a) The Tenant shall at its sole cost and expense, supply and install all necessary lighting fixtures, electrical equipment and wiring therefor, including:
  - (i) 120/208v, 3ph, 4W transformers, disconnect switches, circuit breaker panels, meters, meter bases, conduits, wiring outlets and receptacles. All such electrical equipment shall be installed to the specifications of the Landlord and will be maintained by and become the property of the Landlord;
  - (ii) any lighting fixtures and light bulbs in addition to the basic lighting provided by the Landlord. Replacement light bulbs and fixtures shall be paid for by the Tenant;
  - (iii) all wiring shall have a minimum size of No. 12 AWG stranded copper;
  - (iv) all wiring not in conduit shall have a FT-4 fire rating;
  - (v) all conduit shall be EMT;
  - (vi) branch circuit panels to be located within the Premises.
- (b) If the Tenant requires any electrical equipment which might overload the electrical facilities in the Premises, the Tenant shall submit to the Landlord plans and specifications for works required for Landlord to install and supply additional electrical facilities or equipment, including, if required, any upgrade to the Landlord's electrical equipment or distribution systems, to prevent such overloading, and shall obtain the Landlord's written approval for such works, such consent not to be unreasonably withheld or delayed, which shall meet all the applicable regulations or requirements of any government or other competent authority, the Association of Insurance Underwriters and the Landlord's insurers all at the sole cost and expense of the Tenant. The Landlord may, at its option, perform all or any part of the works referred to in this paragraph 2(b) at the sole cost and expense of the Tenant.

**4. Plumbing**

No plumbing facilities shall be used for any purpose other than that for which they were designed, and no foreign substance of any kind shall be thrown therein, and the expense of any breakage, stoppage or damage resulting from a violation of this provision by the Tenant or by any person for whom the Tenant is responsible shall be borne by the Tenant. No garburators shall be installed by the Tenant without the prior written approval of the Landlord.

**5. Heat, Ventilation and Air-Conditioning**

- (a) The Tenant shall not operate or permit to be operated its own heating, ventilating or air-conditioning equipment, if any, in such manner that there will be direct or indirect appropriation of heating or cooling from other portions of the Terminal Building (except to the extent that such appropriation may be unavoidable).
- (b) The Tenant shall not leave open any doors or windows to the exterior of the Terminal Building which would adversely affect the performance of any heating, ventilating or air-conditioning equipment in the Terminal Building.
- (c) The Tenant shall ensure that its ventilation system and equipment is operated and maintained in such a manner that any and all odours created by the Tenant's use of the Premises do not circulate outside of the Premises. The Tenant shall ensure that its equipment is kept in good and proper working order and shall upgrade or replace any equipment that does not meet this standard.

**6. Signs, Advertising**

- (a) The Tenant shall not erect or install any exterior signs or interior window or door signs or advertising media or window or door lettering or placards without the prior written consent of the Landlord, such approval not to be unreasonably withheld.
- (b) The Tenant shall not erect or install signs of any kind in the Common Areas without the prior written consent of the Landlord.
- (c) The Tenant shall not use any advertising media that the Landlord shall deem objectionable to it or to other tenants, such as, without limiting the generality of the foregoing, loudspeakers, phonographs, televisions, public address systems, sound amplifiers, radios, broadcasts or telecasts within the Airport in a manner capable of being heard or seen outside the Premises.
- (d) The Tenant shall not install any exterior lighting, exterior decorations or build any aerial or mast, without the prior written consent of the Landlord, such consent not to be unreasonably withheld or delayed.
- (e) The Tenant shall ensure that all printed and written material displayed or made available to the public including but not limited to promotional signs, notices, instructions, directions, sales slips, receipts, tickets, brochures, menus and pamphlets are printed in both English and French with equal prominence given to the two languages.
- (f) The Tenant may advertise, promote or display only merchandise and services permitted in Sections 1.1(g) and Schedule F-1 hereof. The Tenant shall not advertise, promote or display any other merchandise or services, or any use or purpose that is restricted or proscribed under this Lease.
- (g) Where the Landlord at any time regulates, restricts or licenses any business or activity at the Airport (a "Prescribed Business or Activity"), then the Tenant shall not, in connection with any business or activity carried out by the Tenant at the Airport, directly or indirectly advertise, promote or display any goods or services or any contractor or supplier that is not licensed or authorized by the Landlord with respect to that Prescribed Business or Activity or combine in any joint marketing with or act in concert with any such contractor or supplier, and the Landlord may from time to time prescribe that among those licensed or authorized by the Landlord from time to time with respect to any Prescribed Business or Activity the Tenant will only advertise, promote or display goods or services or contractors or suppliers specified by the Landlord from time to time or that the Tenant adhere to reasonable requirements and conditions prescribed by the Landlord from time to time. See also Section 11.3(c)(v).
- (h) Where the Landlord itself provides any product or service at the Airport (including, without limiting the generality of the foregoing, parking), the Tenant shall not without the prior written approval of the Landlord, in connection with any business or activity carried out by the Tenant at or in connection with the Airport, directly or indirectly advertise, promote or display the same or a related product or service of another supplier operating in the vicinity of the Airport (whether on-Airport, or off Airport) or combine in any joint marketing with or act in concert with any such supplier.

- (i) Any installation requiring the Landlord's consent, which has not received such consent shall be subject to immediate removal without notice at the Tenant's cost.
- (j) The Tenant must comply at all times with the Landlord's signage policy as contained in the Tenant Manual and amended from time to time.

**7. No Solicitation**

The Tenant shall not solicit or suffer or permit its employees or agents to solicit business in the parking areas or other Common Areas and shall not distribute any handbills or other advertising matter therein.

**8. Persons with Disabilities**

The Tenant shall at all times accommodate the needs of persons with disabilities, as determined by the Landlord from time to time acting reasonably and without restricting the generality of the foregoing ensure that all areas open to the public, including checkout areas, permit wheelchair access. Tenant's Work shall be designed, constructed and maintained in accordance with Canadian Standards Association Barrier-Free Design, publication CAN/CSA B651-M90.

**9. Deliveries**

(a) The Tenant shall receive, ship, transport and take delivery of, and shall allow and require suppliers and others to deliver or to take delivery of, merchandise, supplies, fixtures, equipment, furnishings and materials only at times or during periods from time to time prescribed or directed by the Landlord (or as otherwise permitted from time to time by the Landlord) and only through the appropriate service and delivery facilities and routes from time to time designated by the Landlord, and in accordance with the reasonable directives and further rules and regulations from time to time stipulated by the Landlord.

(b) For greater certainty:

- (i) Section 9(a) applies: (i) for deliveries to or from the Premises or to loading areas at the Airport; (ii) for deliveries to any storage space at the Airport associated with the Tenant's operation; (iii) for transport from any such associated storage space to the Premises, or from the Premises to any such associated storage space; and (iv) for deliveries or transports made by Tenant's own staff, employees or representatives.

Accordingly, the Tenant must, daily as required, keep and store within its Premises sufficient daily supplies so that the foregoing is complied with.

- (ii) Section 9(a) would apply for any bulk (as interpreted or prescribed from time to time by the Landlord) pick-up of merchandise by the Tenant's customers (if, under this Lease, bulk sales are permitted), but not for pick-up by the Tenant's customers of merchandise not in bulk (as so interpreted or prescribed from time to time by the Landlord).

It is anticipated that reasonable practices will be followed by the Tenant, and permitted from time to time without objection by the Landlord; however, the Landlord reserves the right from time to time to require strict adherence (or, if the Landlord considers appropriate, greater adherence) with the foregoing.

- (c) The Tenant shall inform suppliers of such times and rules and regulations respecting delivery so as to accommodate the ease of delivery to and from the Terminal Building.
- (d) The Tenant shall remove all merchandise and other delivered items from the loading area or other Common Areas immediately upon delivery and shall not use any of the Common Areas to store or receive merchandise and other delivered items.
- (e) The Landlord may remove any debris and pallets left by Concession Tenants in the Common Areas and shall divide the costs for such removal equally among the Concession Tenants. The Tenant agrees that it will pay to the Landlord on demand as Additional Rent its pro-rated share of these costs.
- (f) Under no circumstances shall the Tenant use equipment with steel wheels in the Terminal Building.
- (g) Under no circumstances shall the Tenant use double pallet jacks for the delivery or receipt of its merchandise, supplies, fixtures, equipment, furnishings or materials. The Tenant may use single pallet jacks but must ensure that the maximum load per single pallet jack is not more than 500 pounds per load.

**10. Pests**

The Tenant shall use, at the Tenant's cost, such pest extermination and control contractor as the Landlord may from time to time reasonably direct and at such intervals as the Landlord may reasonably require, and the Tenant shall carry out such specific and other measures, and will report to the Landlord (including reports of inspections and services of the pest extermination and control contractor) as the Landlord may from time to time reasonably require. The Landlord may from time to time itself take any or all such measures, and the Tenant shall reimburse the Landlord for all reasonable costs, charges or expenses related thereto. The Landlord and its pest extermination and control contractor may enter the Premises at any time for the purposes of pest control in the Terminal Building including the Premises.

**11. Notice of Accident, Defects**

The Tenant shall give immediate notice to the Landlord in case of fire or accident in the Premises or of defects therein or to any fixtures or equipment thereon.

**12. Emergency Contacts**

The Tenant shall provide the Landlord with the names, addresses and telephone numbers of two authorized employees of the Tenant who may be contacted by the Landlord at any time in the event of an emergency relative to the Premises.

**13. Entry After Hours**

The Tenant and its employees, servants, agents and contractors may enter the Premises when the Terminal Building is closed to the public but only by way of such entrances as the Landlord may designate from time to time and subject to such means as the Landlord may require to control the presence of persons within the Airport when so closed.

**14. Permits, Licences**

The Tenant alone shall be responsible for obtaining, from the appropriate governmental authority or other regulatory body having jurisdiction, whatever permits, licences or approvals as may be necessary for the operation of its business, the whole to the entire exoneration of the Landlord.

**15. Tenant's Work**

Any work to be performed in the Premises by the Tenant or its contractors shall be first approved in accordance with the terms and conditions of this Lease and a Facility Permit issued by the Approving Authority and the rules or regulations of the Landlord from time to time in respect of work by tenants within the Terminal Building.

**16. Credit and Debit Cards**

The Tenant shall accept debit cards and a selection of major credit cards in payment for goods and services, in accordance with directives as may be given from time to time by the Landlord.

**17. Customer Relations**

The Tenant shall maintain a policy of customer relations and advertising of "merchandise satisfactory or money fully refunded".

**18. Foreign Currency**

- (a) The Tenant shall accept the currency of the United States of America in payment for goods or services hereunder and shall grant an exchange rate equal to the daily cash "buy" rate set by a chartered bank as determined by the Landlord;
- (b) The Tenant shall inform the public of the exchange rate given by displaying signs clearly indicating the exchange rate adjacent to each cash register in the Premises.

**19. Airport Security**

- (a) Recognizing the special security concerns of the Airport, the Tenant shall forthwith fully co-operate with the Landlord's requests for information or assistance relating to the Premises or any of the Tenant's employees, agents, contractors or sub-contractors and shall agree to and assist in the immediate removal of any person or thing from the Premises.

- (b) The Tenant shall provide and pay the cost of a security escort approved by the Landlord whenever access is required to restricted areas by the Tenant to persons not authorized by the Landlord to enter restricted areas.
- (c) The Tenant shall provide the Landlord with keys or other means of obtaining access to the Premises for the sole purpose of the Landlord responding to any fire, flood, airport security or other emergency in or about the Premises and the Landlord shall keep the keys or other means of obtaining access in a secure manner with limited access.
- (d) The Tenant shall comply with all security measures instituted from time to time by the Landlord including those related to restricted area passes, personnel identification systems and security clearance procedures.

**20. Notice of Smoking Restrictions**

The Tenant shall, by notice in writing or by posting clearly visible signs (in a form approved by the Landlord) inform all employees and the public that smoking is prohibited in the Premises unless the Tenant has the written approval of the Landlord to permit smoking in designated smoking areas or rooms in the Premises, in which case the Tenant shall give notice of the designated smoking areas or rooms.

**21. Employee Parking**

The Tenant shall and shall cause its employees to park their vehicles, at rates determined from time to time by the Landlord, only in those parking areas designated by the Landlord for Tenant parking and not elsewhere on the Airport. The Tenant shall provide the Landlord with the current licence numbers of vehicles owned or used by the Tenant and its employees from time to time. If the Tenant or its employees park vehicles other than in a designated area, the Landlord may charge the Tenant Thirty Dollars (\$30.00) per day or part of a day for each parked vehicle and, without notice or liability to the owner of such vehicle, remove it at the Tenant's expense.

**22. U.S. Customs and Border / Transportation Security**

Except as otherwise approved or required by the Landlord from time to time, the Tenant will comply with all policies and requirements from time to time prescribed by the Government of the United States respecting U.S. customs and border / transportation security, as applicable according to such policies and requirements.

Tenants can obtain information respecting such policies and requirements from the Government of the United States (Department of Homeland Security, [www.customs.gov](http://www.customs.gov)).

**23. Further Rules and Regulations**

The Landlord may amend and add to these Rules and Regulations in accordance with Section 11.1.

**SCHEDULE F-1**

**MERCHANDISE ITEMS / SPECIFIED SERVICES**

**1. MERCHANDISE ITEMS**

Subject to the restrictions set out in Section 11.3 or elsewhere in this Lease, the following merchandise items will be permitted:  
The Leased Premises shall be used for the purpose of a shop and all travel related services, facilities and products.

Product lines to be carried include, but not limited to, \*\*\*\*\* and approved by the Landlord from time to time in its shop(s.)

**2. SPECIFIED SERVICES**

Subject to the restrictions set out in Section 11.3 or elsewhere in this Lease, the following services will be permitted:



**SCHEDULE F-2**  
**REPORTING**

*Will be attached.*

*[♦ As at the Commencement Date the data required for the monthly reporting will include the following:*

- *Sales by store for each category. As a minimum, the categories shall include;*
  - \*\**
  - \*\**
  - \*\**
  - \*\**
  - \*\**
  - \*\**
- *# of transactions, for each store*
- *# of units sold, for each store*

**SCHEDULE G**

**[INTENTIONALLY DELETED]**

**SCHEDULE H**  
**[INTENTIONALLY DELETED]**