

LEASE AGREEMENT

WH 51-908

Lease of land at lot.

J George Balmer & Thomas Luw

Erik Nielsen Whitehorse International Airport
Whitehorse, Yukon

November 1, 2014
Aviation Branch

Randy Shawen

John Faulkner

Kelly Houghton

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Parties, Leased Area and Reservations

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LEASE AGREEMENT

WH 51-908

BETWEEN:

THE COMMISSIONER
OF THE YUKON TERRITORY AS REPRESENTED BY:

Director, Aviation Branch
Department of Highways and Public Works

hereinafter called the "Lessor"

AND:

J George Balmer & Thomas Law

hereinafter called the "Lessee"

WHEREAS the Lessor is the registered owner of land located at the Erik Nielsen Whitehorse International Airport in the Yukon Territory legally described as Lot 854, REM GP-804, and filed in the Land Titles Office as CLSR Plan No. 61241

WITNESSETH that in consideration of the rents, covenants, and conditions herein reserved and contained on the part of the Lessee to be paid, observed and performed, the Lessor demises and leases unto the Lessee:

A portion of Lot 654 of the Erik Nielsen Whitehorse International Airport (hereinafter referred to as "the Land") comprising 4.14 00 m², more or less, as shown outlined in red on the attached sketch, Schedule "A".

SUBJECT to the following reservations:

- a) All mines and all minerals whether solid, liquid or gaseous which may be found to exist within, upon, or under such lands together with the full powers to work the same and for that purpose to enter upon, take and occupy the lands or so much of the lands and to such an extent as may be necessary for the efficient working and extracting of the said minerals;
- b) The rights of the recorded holders of mineral claims and any other claims or permits or agreements affecting the lands;
- c) All timber that may be on the land;
- d) The right to enter upon, work, and perform work for public purposes;
- e) Such right of rights-of-way and of entry as may be required under regulations in force in connection with the construction, maintenance, and use of works for the purposes of airport operations;
- f) The right to enter upon the lands for the purpose of installing and maintaining any public utility;
- g) The right to grant lease or licenses, rights of way or privileges to others on, over, under, through or across the said land, provided however, that such rights of way or privileges are not detrimental to the proper conduct of the business or operation of the related services, will not permanently damage or disrupt the physical facilities of the Lessee, will not impose any cost upon the Lessee, and will not weaken, diminish or impair security of this Lease.

THE PARTIES COVENANT AND AGREE AS FOLLOWS:

1. DEFINITIONS

"Contaminants" shall mean any solid, liquid, gas, smoke, odour, heat, sound, vibration, pathogen or radiation or any combination thereof that is foreign to the natural environment, or that exceeds natural quantities or concentrations in the environment, that results directly or indirectly from human activity, and that may cause or contribute adverse effects.

"Landfill" shall include soil, top soil, sand, gravel, rock, crushed rock, and pavement, but does not include Contaminants.

"Lessee" shall include successors, administrators, contractors, employees, agents and assigns acting on behalf of the Lessee.

"Lessor" shall mean the Commissioner of the Yukon Territory, and the agents, administrators and delegates of the Commissioner.

"Director" shall mean that person holding the position of Director, Aviation Branch of the Department of Highways and Public Works of the Government of Yukon or any successors or authorized delegates thereof, or such person duly appointed to act in that behalf.

"Rent Review Date" is the fifth anniversary of the commencement date of the Lease Agreement and every fifth anniversary thereafter, on which the Revised Annual Rent shall become effective.

"Market Rent" shall mean the annual rent the Land would most likely command as determined in accordance with Section 13 of the Landlord Act, a statute of the Government of the Yukon Territory.

"Jolly" shall mean electricity, communications cable, water and sewer and any other third party convenience.

2. PURPOSE

- a) The said Land shall be used as a private aircraft hangar lot and shall be used for no other purposes whatsoever. No temporary, indefinite or permanent residential use is permitted.
- b) If the Lessor determines that the Lessee is using the site for an unauthorized activity, the Lessor may give written notice to the Lessee indicating that the use is unauthorized. The Lessee shall cease the unauthorized activity immediately upon receipt of the notice and restore the Land to a condition satisfactory to the Lessor or pay the costs of having the Land so restored.
- c) The Lease Agreement shall be terminated in accordance with Clause 35 if the unauthorized activity does not cease within fourteen (14) days of the receipt of the written notice.
- d) The Lease shall be terminated in accordance with Clause 35 if the aviation related activity outlined in clause 2(a) cannot be clearly demonstrated within the first year of the Lease and that activity must be maintained throughout the remaining term of the Lease Agreement.

3. TERM

- a) The term of this Lease Agreement is from the First (1st) day of November, Two Thousand Fourteen (2014), for a term or period of five (5) years terminating on the Thirty-First (31st) day of October, Two Thousand Nineteen (2019) or earlier as described hereunder.

- b) All terms and conditions of this Lease Agreement shall apply during the term above described, and during any renewal period, excepting, in the last such renewal term, the right of renewal, when the Lease Agreement shall be fully complete and ended.

4. RENT

- a) YIELDING and paying in advance during the term of this Lease Agreement, unto the Lessor, the rent or sum of \$398.35 plus an Airport Maintenance Charge of \$108.30 plus GST of \$25.33, for a total of \$531.98 per annum, until charged pursuant to the provisions of Clause 6 hereof.

PLUS An Application Fee of \$25.00 plus GST for a total of \$26.25

All rental payments shall be payable to Government of Yukon. All correspondence should include the Lease Agreement number WH 51-908 on it and be delivered to:

Avalion Branch
Department of Highways and Public Works
Government of Yukon,
Box 2129,
Haines Junction, YT Y0B 1L0

Attention: Finance and Administration

- b) The Lessee shall pay all rent at the time and in the manner described in this Lease Agreement, without any abatement or deduction whatsoever.

- c) Without waiving any right of action of the Lessor in the event of default of payment of rentals, where the Lessee is delinquent after the Thirtieth (30th) day in paying the annual rental payment, the Lessee shall pay interest at 1.25 % per annum from the day any such amount is due and payable until fully paid. In order to reflect prevailing interest rates, the Lessor may review and adjust the interest rate from time to time.

5. RENEWAL

The Lessor hereby grants to the Lessee the option to renew this Lease Agreement for three (3) further term(s) of five (5) years. Renewals exceeding a five term shall be based upon a professional engineering report analysing the remaining life expectancy of the Lessee's improvements, and the Lessee shall provide the report at the Lessee's cost, to the Lessor if the Lessee wishes to renew. It is a condition of any renewal that the Lessee not be in default of any term of this Lease Agreement or any other Aviation Branch agreements.

6. RENT REVIEW

The annual rent payable under this Lease Agreement may be reviewed prior to expiration of the first five (5) years of its term, and every five (5) years thereafter for the duration of the Lease Agreement, and determined by the Lessor with reference to the Market Rent of the Land on the date of the determination.


Lessee's Initials

7. TAXES, CHARGES AND ASSESSMENTS

The Lessee will pay in full all taxes, local improvement charges and assessments respecting the Land and improvements, from the effective date of this Lease Agreement.

8. UTILITIES

The Lessee shall be responsible for all utility hook-ups and associated costs including metering equipment and subsequent consumption charges.

9. "AS IS" CONDITION

The Lessee accepts the Land in an "as is" condition on the date the Lease Agreement is executed by the Lessee, any improvements made to the Land by the Lessee shall be at the risk, cost and expense of the Lessee and to the satisfaction of the Lessor.

10. TEMPORARY LOSS OF ACCESS OR SERVICES

The Lessee shall not have nor make any claim or demand, nor bring any action or suit or petition against the Lessor for any permanent damage or loss which the Lessee may sustain by reason of any temporary suspension, construction, interruption or discontinuance, in whole or in part, from whatever cause arising in services or access to the premises supplied by the Lessor hereunder.

11. NUISANCE

The Lessee shall not do, suffer or permit to be done any act or thing upon or above the Land which is or would constitute a nuisance to the occupiers of any lands or premises adjoining or in the vicinity of the Land or to the public generally.

12. ERECTION AND MAINTENANCE OF BUILDINGS OR STRUCTURES

a) The Lessee shall not construct or erect any building or other structures on the Land without first obtaining the written approval of the Lessor or its designated representative; such approval not to be unreasonably withheld, of the plans showing the design and nature of construction of such building or structures and their proposed location. All such buildings or structures shall be constructed and thereafter maintained by and at the cost and expense of the Lessee in accordance with all applicable legislation, including but not limited to the *National Building Code of Canada* and Airport zoning requirements under the *Aeronautics Act (Canada)* all as amended from time to time, and to the satisfaction of the Lessor. The Lessee must provide to the Lessor, a copy of the Building Permit prior to the commencement of construction. A minimum of 45 days is required to process land development applications. The Lessee is hereby notified that certain buildings structures or other activities may trigger an amendment to this Lease.

If the Lessee constructs or erects any building or structure on the Land, in order to separate outside from grounds, the Lessee shall maintain the integrity of the airport perimeter security fence by either relocating the existing fence or they shall construct a secondary fence, all subject to the prior written approval of the Airport Manager and all at the Lessee's expense.

b) If, at any time during the Term of the Lease Agreement, the Lessee defaults in its obligation of maintaining the Land, structures and improvements in accordance with the provisions of the Lease Agreement, the Lessor may give written notice, specifying the respect in which such maintenance is deficient, to the Lessee. If, within thirty (30) days from the giving of such notice, the default specified has not been remedied or if the nature of such default reasonably requires more than thirty (30) days to remedy and make right, and the Lessee has not commenced, or, having commenced, is not diligently completing the remedying of such maintenance, the Lessor may, upon a minimum of ten (10) days written notice, at the sole cost and expense of the Lessee, plus such additional charge as may then be applicable, undertake the performance of any necessary work in order to remedy the default, it being expressly understood and agreed that the Lessor shall not be under any obligation to perform any such maintenance during the Term of the Lease Agreement.

c) Tenants developing land or constructing suits to a taxiway must build such improvements to a grade provided by the Airport Manager/Superintendent of Community Airports.

d) Tenants who undertake new building and land developments or alteration must provide a set of professionally prepared As Built drawings to the Lessor in digital and hard copy format within 180 days of the completion of the project.

e) If the Lessee provides services of a public or commercial nature, they shall provide adequate parking facilities on their lease to accommodate the motor vehicles of their clients or customers. Clients or customers of the Lessee shall not park their motor vehicles off the lease property while conducting business with the Lessee.


Lessee's Initials

13. ACCESS CONTROL DURING AIRSIDE CONSTRUCTION PROJECTS

- a) The Lessee shall establish a written airside security program and have it approved in writing by the Superintendent of Safety and Security prior to commencing construction on the airside portion of their lease.
- b) The Lessee shall staff any gates accessing airside that will be used during construction and are open during work hours. Staffing includes positioning an employee at the gate to ensure that:
 - i. Anyone or any vehicles proceeding through the gate are properly authorized to use it;
 - ii. No wildlife or domestic animals enter airside; and
 - iii. The gate is properly locked when unstaffed or at the end of the work day.
- c) The Lessee shall provide their own security guard or sub-contract the work to a private company at the Lessee's expense and approved by the Owner.
- d) Only vehicles with Airport Vehicle Numbers issued by ENWIA shall be permitted on airside. See Clause 28 Motor Vehicles on Airside.
- e) All vehicles operators on airside shall possess and comply with all the terms of an Airside Vehicle Operator's Permit (AVOP), or shall be under escort by an employee or private sub-contractor in possession of an AVOP at the Lessee's expense.
- f) The Lessee shall supply their own locks for Vehicle and Pedestrian Gates that they plan to use during the construction. If other users have locks on the gates, the Lessee shall attach their locks so that the other locks securing the gate are still functional. The Lessee shall arrange with the Lessor and other users to have their lock installed at the start of the construction project and to have their lock removed at the end of the construction project so that the other users' locks are not damaged.
- g) Non-compliance with the above clauses and the approved airside security program will result in the Lessee being directed to cease work until compliance is restored.

14. PERIMETER AND LEASE FENCES AND GATES

- a) The Lessee shall obtain written permission for the Airport Manager prior to installing any vehicle or pedestrian gate on or adjacent to their lease. The Lessor will assign the gate number and provide and install the gate number sign.
- b) The Lessee/Licensee shall keep all gates locked when not in use and shall monitor the use of the gates.
- c) The Lessee shall provide their own lock and key for Vehicle Gate VG 38B and Pedestrian Gate (S) N/A on or adjacent to their lease, and shall notify the Airport Realty and Business Coordinator when the Lessee is ready to replace the Lessor's lock (S). Except in the event of an emergency, if the Lessor is required to enter a lease, the Lessor will make best efforts to make prior arrangements with the Lessee.
- d) Upon request from the Lessor, the Lessee shall provide a list of the keys issued for their Vehicle Gate (S) and Pedestrian Gate (S), and to whom they were issued.
- e) The Lessee shall replace the lock (S) on its gate (S) every five (5) years and change the key pad code (S) on its gate every six (6) months.
- f) The Lessee shall maintain the Vehicle Gate (S) and Pedestrian Gate (S) on their leases to the following standards:
 - i. The gap between two vertical portions of a gate (e.g. Between a gate and a fixed post Between two swing or sliding gates (shall be no more than 2").
 - ii. The gap between the lower rail of a gate and any part of the ground below the gate shall be no more than 4".
 - iii. Gates shall be inspected regularly for compliance with the above standards.

15. SIGNS

The Lessee shall not install, inscribe, paint or affix any signage, advertisement or notice on any part of the Land nor in any other location of the Airport without prior written consent of the Lessor. The Lessee shall remove or alter such signage at the written request of the Lessor. The Lessee shall be responsible for all costs associated with its signs, including signs for parking stalls.

16. CARETAKING SERVICES

- a) The Lessee shall carry out a program of snow removal from sidewalks, parking areas and driveways located on the Land as required for access by emergency services.
- b) Snow storage piles must be kept on the Land and shall not be moved or stored off the Land on aerodrome/airport property. It is the responsibility of the Lessee to remove any large snow piles to an approved off-aerodrome/airport site, if required, at the discretion and cost of the Lessee.
- c) The aerodrome/airport manager may direct the Lessee, at the Lessee's cost, to relocate or remove snow accumulations/piles on the Land if they pose a hazard to aircraft operations or violate approved operating standards.
- d) The Lessee will maintain the landscaping, brushing and mowing and other exterior improvements on the Land, in good order and repair.
- e) The Lessor is not responsible for fire protection services or for policing of the Land and improvements.

17. ROAD AND TAXIWAY ACCESS

The Lessee shall be responsible, at the cost and expense of the Lessee, for the construction and maintenance of the connecting stubs required between the access roads of the Lessor and the Land, and the connecting stub required between the taxiway of the Lessor and the Land. The Lessee must build any stubs to the pre-established grade provided by the Lessor. The Airport Manager shall approve in writing, in advance of such construction plans of the connections.

18. SECURITY AWARENESS

All officers, employees and contractors of the Lessee shall be required to obtain security awareness training provided by the Owner of the property.

19. FUEL CONTINGENCY AND DISCHARGE OF CONTAMINANTS ONTO AERODROME LAND

- a) All stationary and mobile fuel facilities shall be double-walled or have secondary containment systems.
- b) All stationary and mobile fuel facilities for fuelling aircraft shall only use piping, pumps, static line and other related equipment approved for aircraft fuelling purposes.
- c) Prior to bringing any stationary/mobile fuel facility, contaminants or fuels onto the Land, the Licensee shall provide to the Licensor:
 - i. A valid inspection certificate or installation/operating permit for the fuel facility
 - ii. An environmental containment/fuel spill contingency plan.
 - iii. A Government of Yukon Certificate of Insurance confirming insurance requirements contemplated by this agreement.
- d) The Lessee must comply with:
 - i. Canadian Council Ministers of Environment (CCME) Part 3 for aboveground tanks.
 - ii. CCME Part 5 for Fuel Line Piping (including distribution).
 - iii. For more information contact Environment Canada (867) 867-5652.

a) The Lessee shall also comply with the latest edition of Canadian Standards Association Standard CSA B836-05 *Storage, Handling, and Dispensing of Aviation Fuels at Aerodromes* or equivalent standards.

f) Underground tanks are not permitted!

g) Pursuant to the above regulations the Lessee shall not discharge, cause or permit to be discharged or to pass into the sewer systems, storm drains or surface drainage facilities at the Aerodrome any Contaminants. It is expressly understood and agreed, however, that in the event of a discharge or escape of Contaminants that the cost incurred in the clean-up of such shall be borne by the Lessee and the clean up shall be to the satisfaction of the Lessor.

20. OWNERSHIP OF CONTAMINANTS

Should the Lessee bring, permit, suffer or create in or on the Land any Contaminants, or if the conduct of any of the Lessee's business on any part of the Land causes there to be any Contaminants upon the whole or any part of the Land, then, notwithstanding any rule of law to the contrary, such Contaminants shall be and remain the sole and exclusive property of the Lessee and shall not become the property of the Lessor notwithstanding.

- a) the degree of affixation of the Contaminants to the Land, and
- b) the expiry or termination of the Lease Agreement or renewal thereof.


Lessee's Initials

21. SURVIVAL OF COVENANTS REGARDING CONTAMINANTS

- a) The obligations of the Lessee relating to Contaminants shall survive the expiry or termination of the Lease Agreement, save only that to the extent that the performance of those obligations requires access to, or entry upon the Land, the Lessee shall have such entry and access only at such times and upon such terms and conditions as the Lessor may from time to time reasonably specify. The Lessor, upon a minimum of ninety (90) days written notice, may, at the Lessee's expense, undertake the performance of any necessary work in order to complete such obligations of the Lessee, but having commenced such work, the Lessor shall have no obligation to the Lessee to complete the same.
- b) If the Lessor has assigned its rights and obligations in compliance with Clause 22, and Clause 24 then such Assignees will have full responsibility relating to the Contaminants after such Assignment.

22. ENVIRONMENTAL REQUIREMENTS PRECEDING ASSIGNMENT OR EXPIRY

- a) Prior to any assignment under Clause 24, heredit, and at Ninety (90) days prior to the termination of the Lease Agreement, the Lessee shall provide to the Lessor, at the expense of the Lessee, an Environmental Site Assessment of the Land conducted by a qualified independent consultant. The Environmental Site Assessment shall:
1. determine the existence and extent of possible damage of whatever nature by Contaminants to the Land which occurred as a result of the use and occupancy by the Lessee of the Land during the Term of the Lease Agreement;
 2. establish the estimated cost, including usual contingencies, to repair and to return the Land to a condition which is in compliance with all applicable environmental protection legislation, regulations, bylaws or orders made pursuant to any of these, reflecting the use of the Land; and
 3. set a timetable for the remediation of the Land considering its contemplated future use.
- b) A copy of the Environmental Site Assessment prepared prior to an assignment shall be provided to the Lessor and the Assignee by the Lessee and will become attached as a Schedule to this Lease Agreement, and shall be deemed to delineate the extent of the Lessee's responsibilities under the Lease Agreement prior to the effective date of such assignment. For greater certainty, the Lessee shall not be liable or obligated under the Lease Agreement for any Contaminants released, or adverse environmental conditions arising or created, on or after the effective date of assignment, unless such were caused by the Lessee, during remedial action taken in accordance with Clause 21, hereof or otherwise.

23. LESSEE ANIMAL CONTROL

Lessees are responsible for keeping their pets and those owned by their employees, customers, contractors, suppliers or agents restrained by a leash or controlled in a kennel or vehicle. Lessees are also responsible for any damage to airport property caused by such pets. The Airport Manager may, at the expense of the Lessee, impound any pet found to be at large on airport property and recover expenses related to any damage caused by such pets.

24. ASSIGNMENT AND SUB-LEASE

- a) Subject to Clause 21, the Lessee shall not make any assignment of this Lease Agreement, nor any transfer or sublease of the whole or any portion of the Land omitted or leased hereunder, without obtaining the prior written consent of the Lessor, such consent not to be unreasonably withheld. However, without restricting the Lessor's right to grant or refuse consent hereunder, it is expressly understood by the Lessee that the Lessor may consider adverse environmental conditions identified under Clause 20.a) herof to be reasonable grounds on which to refuse the Lessee's request for permission to assign, transfer or sublease the whole or any portion of the Land.
- b) The Lessee recognizes the Lessor's right to transfer the Land subject to the terms and conditions of the Lease Agreement.

25. ACCESS

The Lessor shall have full and free access to the Land for inspection purposes during normal business hours and, where possible, in the presence of the Lessee, in cases of emergency, the Lessor shall at all times and for all purposes have full and free access to the Land.

26. INSURANCE

- a) "Commercial General Liability" insurance with an extension including "Aviation Premises and Operations" or "Aviation Liability Insurance" policy, occurrence form covering the Lessee's legal liability for any claims arising from operations on groundside or airside, with a minimum limit of liability of \$5,000,000 per occurrence, containing the following provisions:
 - i. The Lessor will be added as an additional insured.
 - ii. "Cross liability" or "separation of interests" clause causing the policy to cover liability claims brought by one insured against another insured.
 - iii. "Contractual liability" covering the lessee for its obligations under this Lease.
 - iv. "Employer's liability" covering each employee engaged in the operations contemplated hereunder where such employee is not covered by Worker's Compensation.
- b) Motor Vehicle Liability Insurance in accordance with all applicable legislation to cover all vehicles operating at Yukon Airports including ground support vehicles to be used in the performance of the Lessee's operations on airside lands with a minimum liability of \$5,000,000 (when operating on Aprons I, II and IV) and a minimum limit of liability of \$2,000,000 (when operating on Apron II and Taxiway G).
- c) Property Insurance with coverage no less than fire, extended coverage and debris removal for any improvements, buildings or structures situated, constructed, brought or placed upon the Land by the Lessee during the term of the Lease, and any renewals hereof.
- d) The Lessor will be added as an additional insured and his payee as its interest may appear.
- e) If written on a "Claims Made Form" the retroactive date will be the commencement date of this lease.
- f) The amount of any deductible in any insurance policy required by this agreement shall be borne entirely by the Lessee.
- g) The Lessee will immediately upon execution of this Lease provide a Certificate of Insurance, which will be acceptable to the Lessor, confirming insurance requirements contemplated by this agreement and will submit a new one prior to expiry or change of any existing insurance policy. When requested, the Lessee will immediately provide a certified true copy of any insurance policy contemplated by this agreement.
- h) No insurance policy shall be amended, cancelled, allowed to lapse, or any limits reduced without the insurer first providing at least thirty (30) days (or as required by statute) advance notice in writing to the Lessor.
- i) If the Lessee fails to provide, maintain and pay for insurance as required by this clause, other than Automobile Insurance, the Government of Yukon shall have the right to obtain and pay for the required insurance, the cost of which shall be payable on demand by the Lessee. The Government of Yukon shall have the right to offset such amounts from any monies due to the Lessee if not paid within 15 days.

27. INDEMNITY

The Lessor will indemnify and hold harmless the Lessor from any and all claims, demands, losses, actions, damages, costs, suits, or proceedings whatsoever that may arise directly or indirectly, related to, incurred or arising out of any activity of the Lessee in the performance of this Lease Agreement. This indemnification shall survive the termination or cancellation of this Lease Agreement.

28. MOTOR VEHICLES ON AIRSIDE

- a) Prior to operating any motorized vehicle on airside, the Lessee/Licensee/Contractor shall either:
 - i. Provide to Airport Management the existing Airport Vehicle Number already assigned to each vehicle, or
 - ii. Apply for and obtain a new Airport Vehicle Number for each vehicle from the Lessor/Licensee/Owner, and the Airport Vehicle Number will be valid for the life of the vehicle.
- b) Once issued a new Airport Vehicle Number, the Lessee/Licensee/Contractor will purchase two copies of the decals or magnetic signs at their cost according to the following specifications:
 - i. For motorized vehicles with doors, two (2) copies of each number: 7" black numbers in Arial font, centered on reflective white background 16" wide x 12" high.
 - ii. For motorized vehicles without doors, two (2) copies of each number: 3" black numbers in Arial font centered on reflective white background 12" wide x 4" high.

- c) For Aprons I, II, and IV users, the Lessee/Licensee/Owner shall display an Airport Vehicle Number on the driver's door and the passenger door of this vehicle immediately below the window, or in a similar location on vehicles without doors and/or windows, whenever the vehicle is operating on aprons, taxiways and runways.
- d) For Apron II and Taxiway Golf users, the Lessee/Licensee/Owner shall display an Airport Vehicle Number in the form of a hanger from the rear view mirror of the vehicle. The numbered side of the hanger shall face towards the front of the vehicle.
- e) The Lessee/Licensee/Owner shall not transfer an Airport Vehicle Number without the prior written consent of Airport Management.
- f) All such motorized vehicles shall be insured as in Clause 26 above.
- g) Each operator of such motorized vehicles shall have a valid driver's license and shall present it upon request by any Aviation Branch employee.
- h) The vehicle operator shall ensure that the vehicle is not transporting Foreign Object Debris (FOD) onto airport paved surfaces.
- i) All vehicles on Aprons I, II, and IV shall be outlined according to the Airside Vehicle Operator's Permit Study Guide, section Vehicle Operating Procedures.

29. LIMITATION OF LIABILITIES

The Lessee shall not have nor make any claim or demand, nor bring any action or suit or petition against the Lessor for any damage which the Lessee may sustain by reason of any temporary suspension, interruption or discontinuance, in whole or in part, from whatever cause arising in services supplied by the Lessor hereunder

30. VESTING

Any repairs, alterations, improvements or replacements made by the Lessee to or upon the Land, which by their nature are determined to be fixtures, shall upon termination of this Lease Agreement, except and subject to as in this Lease Agreement otherwise specifically provided, be vested in title in the Lessor without any payment of compensation to the Lessee in respect of the repairs, alterations, improvements or replacements.

Upon termination of this Lease Agreement, the Lessor shall have the option of requiring or compelling the Lessee upon written notice, to remove any improvements from the Land. The Lessee shall be bound to remove and restore the site to its original condition, all at the cost and expense of the Lessee, all to the satisfaction of the Lessor and without any right on the part of the Lessee to seek compensation for any reason whatsoever.

Despite 17.a) it will not be necessary for the Lessee to remove any landfill, unless such is required to be removed to comply with any environmental protection legislation, regulation, bylaw or order made pursuant to any of these.

31. NOTICE OF DEFECT, DAMAGE, FAILURE, ACCIDENT OR INJURY

If at any time or times during the term of this Lease Agreement or any renewal thereof any damage or injury (ordinary wear and tear excepted) should occur to the Land from any cause whatsoever or to any works or property of the Lessor on the Airport, by reason of or on account of the operations of the Lessee, the Lessee shall, immediately upon notice thereof from the Lessor given in writing, repair and restore the same to the entire satisfaction of the Lessor. If within Thirty (30) days from the date of such notice being mailed, the Lessee has not commenced performance of such maintenance or if such maintenance is not of a type satisfactory to the Lessor, the Lessor may enter upon the Land and perform such maintenance, at the cost and expense of the Lessee, and the Lessee agrees to promptly reimburse the Lessor for the cost thereof plus ten percent (10%) thereof for administration and overhead. It is expressly understood and agreed that the Lessor is not under any obligation to perform any maintenance upon the said land during the term of this Lease Agreement.

32. STATUTES, REGULATIONS AND BY-LAWS

- a) The Lessee shall in all respects abide by, comply with and not be in breach of all laws, statutes, regulations, rules and by-laws of the municipality, the Airport, the Airport Manager, the Lessor or any other governing body whatsoever including all police, fire, health, environmental protection and remediation, affecting the Land.
- b) The Lessee shall cooperate with and respond to all requests from an investigator appointed by the Lessor to conduct a Safety Investigation under the Safety Management System (SMS) established in accordance with Canadian Aviation Regulation CAR 302.502. In the event the Lessee does not provide the information requested by the deadline, or an alternate date approved by the SMS Investigator, the lease may be terminated at the discretion of the Lessor with 30 days written notice.

[Handwritten Signature]
Lessee's Initials

33. BANKRUPTCY

If the Lessee becomes bankrupt or insolvent or has a receiving order made against it or makes assignment for the benefit of the Lessee's creditors, or if an order is made or resolution passed for the winding up of the Lessee or if the Lessee takes the benefit of any statute for the time being in force relating to bankruptcy or insolvent debtors, then the Lessor shall be entitled to terminate this Lease Agreement as provided herein.

34. OVERHOLDING

Should the Lessee remain in possession of the Premises after the termination of the term under this Lease Agreement without special agreement, a tenancy from year to year shall not be created by implication of the law and the Lease Agreement shall be deemed to be a monthly agreement and the monthly lease fee will be doubled in accordance with the terms of this Agreement.

35. TERMINATION

This Lease Agreement may be terminated prior to the expiry of its term

- a) where either party commits an act of default (other than a failure to pay rent or unauthorized usage) and such act of default is not remedied within thirty (30) days or other reasonable period required to remedy such default, after written notice specifying the nature of such default and requiring the same to be remedied is delivered to the party alleged to be in default;
- b) by either the Lessor or the Lessee, upon giving thirty (30) days prior written notice to the other party.

36. ARBITRATION ACT

In the event of a dispute arising between the Lessor and the Lessee regarding the interpretation, application, operation or any alleged violation of this Agreement, such dispute shall be determined by arbitration in accordance with the Arbitration Act a Statute of the Government of the Yukon Territory. The expense of the arbitration shall be borne as the arbitrator may determine.

37. GENERAL

- a) The waiver by the Lessor or the Lessee of the strict performance of any condition, covenant or agreement herein contained shall not constitute a waiver of or abrogate such or any other condition, covenant or agreement, nor shall it be deemed a waiver of any subsequent breach of the same or of any other condition, covenant or agreement.
- b) There are no conditions, either subsequent or precedent, except as set forth in this Lease Agreement. This Lease Agreement constitutes the entire Lease Agreement between the parties and the Lessor has made no representations, warranties or promises to the Lessee save those as contained herein.
- c) Terms of this essence in this Lease Agreement
- d) The headings used throughout this Lease Agreement are inserted for reference purposes only and are not to be considered or taken into account in construing the terms and provisions of any paragraph or section, nor to be deemed in any way to qualify, modify, or explain the effects of any such provisions or terms.
- e) The words "herein", "hereof", "hereby", "hereunder" and words of similar import refer to this Lease Agreement as a whole and not to any clause, section or paragraph.
- f) The Lease Agreement and everything herein contained shall ensure to the benefit of and be binding upon the successors and assigns, as the case may be, of each of the parties hereto, subject to granting of consent by the Lessor as provided herein to any assignment, transfer or sub-lease of the Lease Agreement.
- g) All matters or difference arising between the Lessor and the Lessee in any matter connected with or arising out of the Lease Agreement, whether as to interpretation or otherwise, shall be determined by the Lessor but without prejudice to any recourse available to the Lessee at Law.
- h) The Lessee does hereby accept this Lease Agreement as set forth above.

* The lessee will not be responsible for contamination on the property that occurred prior to our occupation, or contamination placed by the lessor or their agents during our occupation.

W.B. d.L.
Lessee's initials

ADDRESS FOR NOTICES

Whenever in this Lease Agreement it shall be required or permitted that notice or demand be given or served by either party to this Lease Agreement to or on the other party, such notice or demand shall be in writing and may be given personally, by facsimile transmission or by prepaid registered letter addressed to the other party for which intended at the address hereunder, or to such other address as may be substituted therefor from time to time by proper notice and if mailed, shall be deemed to be given forty-eight (48) hours after it is mailed or immediately upon facsimile transmission as hereinafter specified:

TO THE LESSOR AT:

Aviation Branch
Dept of Highways and Public Works
Government of Yukon
Box 2129
Haines Junction, YTY0B 1L0

ATTENTION: Director, Aviation Branch
Phone: (867) 634-2460
Fax: (867) 634-2131

TO THE LESSEE AT:

J George Balmer & Thomas Law
3 Sage Place
Whitehorse, Yukon
Y1A 5T0

ATTENTION: George Balmer & Thomas Law
Phone: 867-867-8563
Fax:

IN WITNESS WHEREOF the parties hereto have executed this Lease Agreement this 11 day of NOVEMBER, 2014.

SIGNED, SEALED AND DELIVERED
by the Lessor in the presence of -

Witness

Print name

SIGNED, SEALED AND DELIVERED
by the Lessee in the presence of

Witness

Print name

per: Commissioner

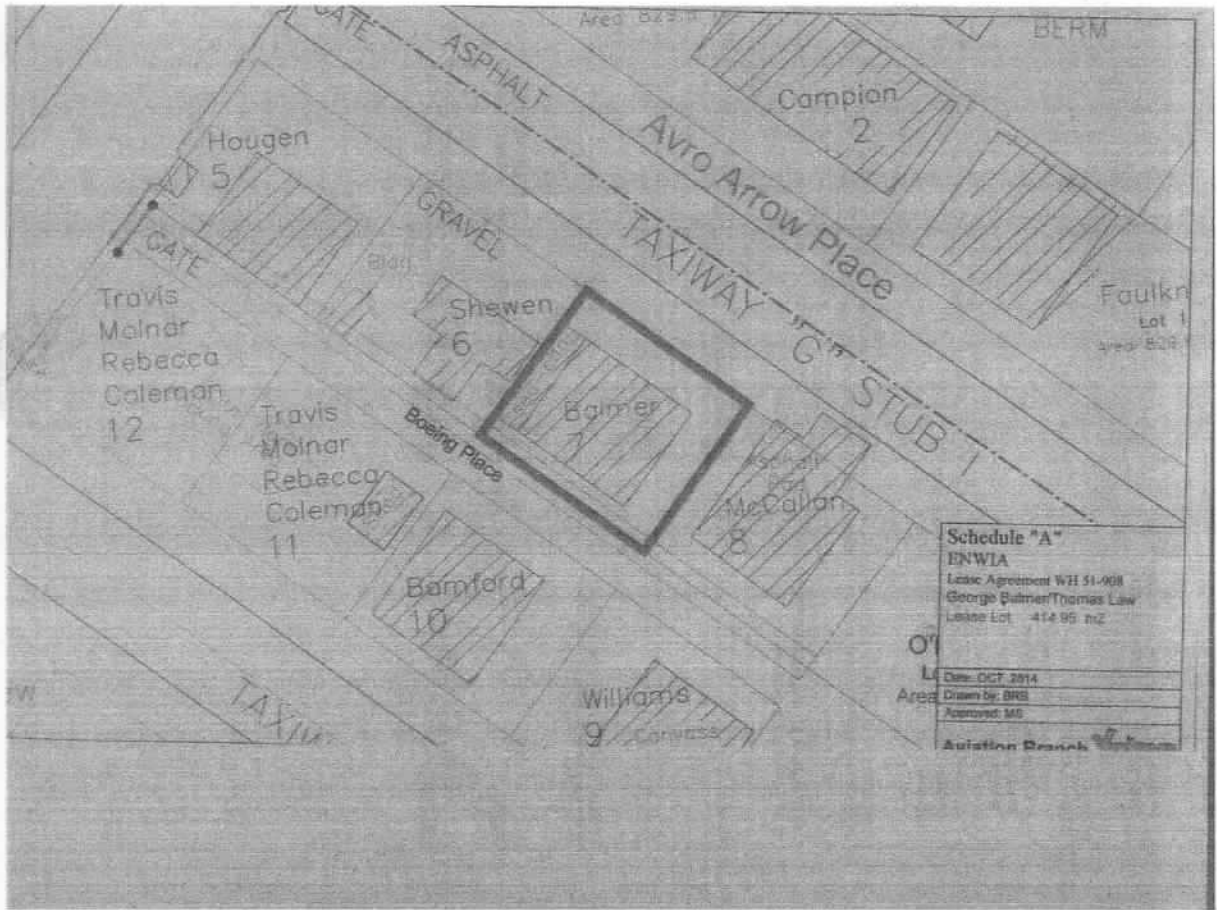
Print name

[Signature]
per: George Balmer & Thomas Law

[Signature]
per: George Balmer & Thomas Law

[Signature]

MARILYN LAW



Schedule "A"
 ENWIA
 Lease Agreement WH 51-908
 George Palmer/Thomas Law
 Lease Lot 414 95 sqz

L Date: OCT 2014
 Area: Drawn by: BRG
 Approved: MS
 Aviation Branch