

D. AND WHEREAS the Lessee has applied to renew the Lease for a further term of Ten (10) years pursuant to section 31 of the Lease;

NOW THEREFORE THIS AGREEMENT WITNESSETH THAT in consideration of the covenants and agreements contained herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties covenant and agree as follows:

1. The Lessor hereby agrees to grant a further renewal term of Ten (10) years from January 1, 2010 to December 31, 2019 (hereinafter referred to as "the Renewal Term") of the Lease unless sooner terminated as provided in the Lease;

2. The Lessor and Lessee agree to amend the Lease as follows:

(a) By adding sub-paragraph (d) to paragraph 8 of the Lease, as follows:

"(d) Public education services as defined by the City of Vernon's Zoning Bylaw No. 5000, as amended;";

(b) By amending paragraph 12 of the Lease by changing sub-paragraph (c) to read as follows:

"(i) The Lessee shall provide a parking and/or loading strip on the westerly and southerly sides of any hangar that it constructs or is in existence that is adequate for its employees, licensees, principals and customers and which meets the requirements of the City of Vernon zoning regulation for parking. Such parking and/or loading area must be paved with asphaltic cement or concrete;

- (ii) In addition to the parking requirements for other than public education uses, for so long as Okanagan College occupies a portion of the Lands, the Lessee shall provide parking for its public education use of one-half a space per student and one space for every employee on duty. Presently the requirement is for Twenty-One (21) spaces, based on Thirty-Six (36) students and Three (3) employees on duty. A sketch of the parking area to be provided is attached hereto as Schedule "A";.

3. The Lessee shall pay as rent for the first Five (5) years of the Renewal Term, the sum of Nine Thousand Five Hundred Forty-Eight Dollars Forty-Nine Cents (\$9,548.49) plus G.S.T., payable on or before the beginning of each year of each of the first Five (5) years of the Renewal Term.

4. The Lessee shall pay as rent for the sixth year of the Renewal Term the sum of Nine Thousand Five Hundred Forty-Eight Dollars Forty-Nine Cents (\$9,548.49) plus G.S.T. and an increase equal to Statistics Canada's rate of inflation from January 1, 2010 to December 31, 2014, to be payable on or before January 1, 2015.

5. Until the rate of inflation from the 1st day of January, 2009 to the 31st day of December, 2014 can be determined, the Lessee will pay, on or before the 1st day of January, 2015, as the annual rent for the sixth year of the term herein, the said sum of Ten Thousand Nine Hundred Eighty Dollars Seventy-Six Cents (\$10,980.76) plus G.S.T. and an amount based on the reasonable estimate of the Lessor as to the inflationary increase. Upon determination of the rate of inflation, the Lessor shall rebate or the Lessee shall pay any amount that is over or under the estimated rent within Thirty (30) days of the determination of the said rate of inflation.