

AIRPORT MANAGEMENT AND OPERATIONS AGREEMENT
South Cariboo Regional Airport at 108 Mile Ranch

THIS AGREEMENT made the 13th day of July, 2018.

BETWEEN:

CARIBOO REGIONAL DISTRICT

Suite D, 180 North 3rd Avenue
Williams Lake, BC
V2G 2A4

(hereinafter called the "Region")

OF THE FIRST PART

AND:

DENNIS CHRISTIANSON
dba NICK'S RAG AND TUBE

6150 Lakeshore Drive
100 Mile House, BC V0K 2E3

(hereinafter called the "Contractor")

OF THE SECOND PART

WHEREAS:

- A. The Region is the registered owner of certain lands located at 4807 Telqua Drive, 108 Mile Ranch and more particularly described as Lot 4 and Lot 2, District Lots 199, 200, 3554, 3552, Lillooet District, Plan 33858 on which is situate the South Cariboo Regional Airport and certain infrastructure contained thereon, including a hangar, office and reception area, and fuel facility, hereinafter called the "Airport", and shown as Schedule D of this Agreement,
- B. The Regional District Board has established the South Cariboo Regional Airport Service through adoption of Supplementary Letters Patent 56 (1981) to requisition funding necessary for the delivery of airport services.
- C. The Region has agreed to hire the Contractor as an independent contractor to be responsible for the maintenance, operation and supervision of the Airport.

NOW THEREFORE THIS AGREEMENT WITNESSETH that in consideration of the covenants and conditions hereinafter contained and for other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Region and the Contractor covenant and agree each with the other as follows:

1. Appointments

The Region retains the Contractor to provide the services more particularly set out in
South Cariboo Regional Airport
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Schedule A attached hereto (hereinafter called "the Services") under the terms and conditions set out in this Agreement.

2. **Term**

The Contractor shall provide the Services for a term of five (5) years, commencing June 1, 2018 and ending May 31, 2023 (hereinafter called the "Term") unless earlier terminated as herein provided. Upon expiry, the parties have the option to negotiate an additional term provided all obligations under the agreement are met.

3. **Payment**

For and in consideration of the Contractor providing the Services under the Terms of this Agreement, the Region shall pay the Contractor in accordance with Schedule B attached hereto.

4. **Hangar Building, Apartment, and Office/Reception Space**

The Contractor shall be responsible for the operation and maintenance of the Region's hangar, second floor apartment and office/reception space and may, subject to approval of the Region, provide aircraft and airport related business services therein. The Contractor shall further have the right of occupancy of the apartment within the hangar building, provided that no part of the hangar building or apartment be sublet without prior written notification to the Region. The Contractor will cease to provide any business services offered in the hangar or terminate any rental arrangements for the apartment upon notification by the Region. Failure to do so will be considered non-compliance with this Agreement.

5. **Hours of Operation for Office and Reception, Fuel Sales, and Winter Maintenance**

(a) The Contractor shall, during the Term of this Agreement, provide onsite staffing for office and reception services including public telephone and washroom facilities, as well as a public waiting area within the hangar building, from 8:30 a.m. to 4:00 p.m. in winter and 8:00 a.m. to 5:00 p.m. in summer, five (5) days per week, excluding Saturdays, Sundays and statutory holidays. For service outside these office hours, including emergencies and general public contact, the Contractor will ensure the airport phone is monitored or call-forwarded appropriately.

(b) The Contractor shall provide fuel sales seven (7) days per week during daylight hours. Requests for fuel service received outside daylight hours shall also be provided by the Contractor for which a call-out fee of up to \$35 may be charged as required.

(c) The Contractor shall, during the Term of this Agreement, provide snow clearing

services and shall complete all reasonable actions to keep the walkways and access roads as well as runway, taxiway and apron clear of snow, ice, slush or any accumulated contamination. The Contractor shall be entitled to charge a call-out fee of up to \$100 for requests for immediate snow clearing services received outside the established hours:

Snow clearing shall be to the standard set out in Schedule A - Services to be Performed.

6. Fuel Facility

The fuel facility, including all buildings, equipment and credit card payment system, belongs to the Region and the Region assumes responsibility for the provision of inventory for fuel sales. Revenue derived from the fuel sales shall accrue in accordance with Schedule B of this Agreement. The responsibilities of the Region and Contractor with respect to the fuel facility are more particularly set out in Schedule C attached hereto and forming part of this Agreement.

7. Payment of Expenses

The Contractor shall, during the Term, pay all rates, levies or charges incurred for the provision of all utilities, radio communication or telephone communication provided for and into the Airport hangar building, including the apartment, office and reception contained therein. Upon expiry of the Agreement, the main public phone and fax numbers will remain with the Airport and must be up-to-date and paid in full to ensure long-term business and operational continuity.

The Region shall pay all utilities and telephone charges for Airport lighting and navigational equipment and all other costs pertaining to same. The Region shall also pay all fuel pump fees, rates, levies or charges incurred with respect to the fuel facility.

8. Airport Fees

No fee or other charge may be levied or otherwise brought into effect at the Airport, except with respect to the hangar building, unless it has first been approved, in writing, by the Region. Without limiting the generality of the foregoing, this shall include landing, parking, tie-down, camping or any other fee or levy related to the use of the Airport lands or facilities other than the hangar building. The current fee schedule, which is subject to change upon approval of the Region at the recommendation of the South Cariboo Regional Airport Commission, is attached as Schedule E to this Agreement.

9. Revenue

All revenues derived from the Airport shall accrue in accordance with Schedule B of this Agreement.

10. Facilities and Equipment

The Contractor shall, at its sole cost, provide all equipment necessary to perform the Services.

11. Independent Contractor

The Contractor shall be deemed to be an independent contractor for the purposes of this agreement and not the servant, employee or agent of the Region. The Contractor shall not in any manner whatsoever commit or purport to commit the Region to the payment of any money to any person, firm or corporation unless specifically provided for herein and first authorized by the Region.

12. Insurance

The Region shall place, and at all times, shall maintain during the Term, airport liability insurance against claims for personal injury or death or damage to property arising out of any omissions of the Region or Contractor, or their respective servants, agents or employees in relation to the operation of the Airport. Said insurance shall include public liability and property damage coverage for all airport operations including, but not limited to, the fuel facility operation. The Region shall include the Contractor as a named insured on the coverage maintained by the Region. The Contractor shall include the Region as a named insured on all liability policies related to the private business operations of the Contractor through the use and occupancy of the hangar building.

13. Assignment and Sub-Contracting

This Agreement as a whole is non-transferable and may not be assigned to another party. No sub-contract entered into by the Contractor in relation to the provision of the Services shall relieve the Contractor from any of his obligations or liability to the Region under the terms of this Agreement.

14. WorkSafe BC Coverage

It is the responsibility of the Contractor to make his own arrangements for WorkSafe BC coverage. Activities under the Contract shall be carried out at all times in conformity with the WorkSafe BC Health and Safety Regulations. Confirmation of coverage and status of account must be submitted to the Region within 30 days of Agreement assignment.

15. Improvements

The Contractor shall not make any improvements or alterations whatsoever to the Airport without the written consent of the Region. Any improvements made to the Airport by the

Contractor during the Term shall, upon termination of this Agreement, become the property of the Region free and clear of all liens, costs or charges, and the Contractor shall indemnify and save harmless the Region from any and all liability whatsoever for such liens, costs and charges. Upon termination and the vesting of such improvements in the Region, the Contractor shall have no right to compensation whatsoever for such improvements unless otherwise agreed in writing by the Region prior to termination.

16. Inspection of Premises

- (a) The Region shall conduct an annual inspection of the Airport, hangar building (including the apartment area), fuel facility, kiosk and any other airport property or facility it deems necessary. This inspection shall be conducted during the months of June, July or August in each year at a mutually agreeable time.
- (b) Notwithstanding the above, the Region may enter onto the property, at all times, to inspect or examine any aspect of the Airport facilities or operations or any record or document relating to the Airport or the provision of Services under this Agreement.

17. Indemnity

The Contractor shall indemnify and save harmless the Region and all of its employees, servants, representatives and agents from and against all losses, claims, damages, actions, causes of action, costs and expenses whatsoever that the Region and its employees, servants, representatives and agents may sustain, incur, suffer or be put to by reason of any act or omission of the Contractor or of any servant, employee, officer, director, shareholder or sub-contractor of the Contractor related to the private business undertakings through the use and occupancy of the hangar building.

18. Termination

Notwithstanding any other provision of this Agreement:

- a) If the Contractor fails to comply with any provision of this Agreement then, and in addition to any other remedy or remedies available to the Region, the Region, may at its option, terminate this Agreement by giving sixty (60) days written notice of termination to the Contractor. If the Region terminates this Agreement for cause, such as non-compliance with the requirements of this Agreement, the Agreement is terminated upon receipt of notification from the Region to the Contractor.
- b) The Contractor may terminate this agreement at any time upon giving to the Region ninety (90) days' notice of its intention to so terminate.

- c) Should option (a) be exercised by the Region, the Region will be under no further obligation to the Contractor, except to pay the Contractor such amounts as the Contractor may be entitled to receive as payment under this Agreement up to the date of such termination.
- d) It is expressly agreed that should the Contractor at any time become insolvent or bankrupt or make an assignment for the benefit of creditors, or take any action whatsoever, legislative or otherwise, with a view to the winding-up, dissolution or liquidation of the Contractor, then this agreement shall cease and be at an end, at the option of the Region, without notice or any form of legal process whatsoever, and the Contractor and his assets shall be chargeable for any liability then outstanding to the Region.

19. Rules and Regulations

The Contractor shall, during the Term and in carrying out the provision of Services and otherwise the covenants herein contained to be performed by the Contractor, abide by and comply with all applicable rules, regulations, enactments and bylaws of any federal, provincial or local government or any authority having jurisdiction whatsoever over the management and operation of the Airport and any order made by any police, health or fire authority or Transport Canada and shall indemnify and save harmless the Region from any liability arising out of the breach of any of the above.

The Contractor shall be familiar, or shall make itself familiar through appropriate training, with the Aerodrome Standards and Recommended Practices (TP312) document published by Transport Canada, which provides direction for airport operations, including but not limited to obstacles, lighting, marking and signage, and physical characteristics. The Region may provide training funding upon request of the Contractor for relevant courses applicable to the airport operations and management.

All vehicle operators on the Airport must have a valid BC driver's licence, proof of which must be retained on file at the Airport and submitted to the Region upon request.

20. Nuisance

The Contractor shall not suffer nor permit any act or thing to be done upon the Airport, save activities necessary for normal airport operations, which is, or would constitute a nuisance to the Region or occupiers of any lands or premises adjoining the Airport, or in the vicinity of the Airport, or to the public in general and shall indemnify and save harmless the Region from any liability therefore.

21. Non-Waiver

No provision of this Agreement and no breach by the Contractor of any such provision shall be deemed to have been waived unless the waiver is in writing, signed by the

Region. The written waiver by the Region of any breach of any provision of this Agreement by the Contractor shall not be deemed to be a future waiver of such provision of this Agreement.

22. Notices

Any notice required to be given under this Agreement shall be conclusively deemed to be given or delivered to and received by the addressee as follows: if delivered personally on the date of such personal delivery, or if mailed on the fourth business day after the mailing of the same in British Columbia by pre-paid post addressed, if to the Region as first set out in this Agreement and if to the Contractor, as set out in this Agreement.

Either party may, from time to time, advise the other by notice in writing, of any change of address of the party, giving such notice and from and after the giving of such address specified therein this shall, for the purpose of this paragraph, be conclusively deemed to be the address of the party giving such notice.

Cariboo Regional District

180D N. 3rd Avenue
Williams Lake, BC V2G 2A4
c/o Manager of Community Services
Phone : 250-392-3351
Fax: 250-392-2812
Email: dcampbell@cariboord.ca

Dennis (Nick) Christianson dba Nick's Rag and Tube

PO Box 517
108 Mile Ranch, BC V0K 2Z0
Phone: 250-791-1908
Cell: 250-302-1640
Email: SCRA@shawbiz.ca

23. Entire Agreement

This Agreement shall be deemed to constitute the entire Agreement between the Region and the Contractor with respect to the matter hereof and shall supersede all previous negotiations, representations, and documents in relation thereto made by either party to this Agreement.

24. Miscellaneous

The headings appearing in this Agreement have been inserted for reference and as a matter of convenience and in no way define, limit or enlarge the scope of any provision of this Agreement.

In this Agreement, wherever the singular or masculine is used, it shall be construed as if
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the plural or feminine or body corporate as the case maybe, had been used where the context of the parties hereto so require.

This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, successors and assigns.

IN WITNESS WHEREOF the parties have duly executed this agreement as of the day and year written below.

On behalf of the CARIBOO REGIONAL DISTRICT:

Margy Anag
Chair

July 13 / 2018
DATE

L Johnston
Corporate Officer

July 10, 2018.
DATE

CONTRACTOR NAME

[Signature]
Signing Authority

July 8/18
DATE

Dennis CHRISTIANSON
PRINT NAME

[Signature]
Witness

July 08 / 2018
DATE

Steve Walters
PRINT NAME

SCHEDULE A
LIST OF SERVICES TO BE PERFORMED

1. During the Term, the Contractor shall provide day-to-day operations, general maintenance, business front and public reception, maintenance supervision and security of the Airport in a proper and competent businesslike manner. The Contractor shall ensure that all airport staff are adequately trained and aware of their responsibilities in the event of emergencies and keep posted, in a visible location, all emergency telephone numbers, including RCMP, Transport Canada and the Cariboo Regional District;
2. The Contractor shall also work cooperatively with the Region and the South Cariboo Regional Airport Commission in identifying capital project priorities and strategic goals for the development of the annual Regional District business and financial plans for the Airport.

SERVICES FOR MAINTENANCE AND OPERATIONS

3. Without limiting the generality of the foregoing, the Contractor shall, in accordance with any regulations or orders of Transport Canada, NavCanada or the Region:
 - a) maintain all aircraft maneuvering and operating areas, property access routes including fencing and, without limiting the generality of the foregoing provisions, this shall include snow clearing, sweeping, grass cutting and weed control on runways, taxiways, aprons, tie down areas, roads and grounds.
 - b) complete all reasonable snow clearing activities sufficient to remove any and all snow, ice, slush or any surface contamination from the runway, taxiway and apron areas and apply as appropriate de-icing material at the formation of ice, the material cost of which shall be supplied by the Region. All snow banks and snow storage areas must not present a hazard to aircraft and be in compliance with Obstacle Limitation Surfaces for the Airport as described in Aerodrome Standards and Recommended Practices (TP312).
 - c) undertake routine maintenance of airport markings, lighting and navigational aids, including monitoring of navigational aids, except that the Region will cover the cost of supplying components, as required. The Contractor shall, at its sole cost, ensure that necessary training of persons associated with maintenance of same is obtained and remains current, to the satisfaction of the Region, in order to qualify those persons to perform routine maintenance procedures;
 - d) control the occupancy of all aircraft parking areas;

- e) collect airport fees as identified in article 8 and authorized in Schedule D, or additional fees as established by the Region from time-to-time, and submit records of same to the Region as requested;
- f) perform aircraft refueling services and oil sales as required, submit fuel sales and revenue reports on a monthly basis and to the Region;
- g) take all reasonable precautions to prevent fire from occurring in or about the Airport;
- h) activate and implement the Emergency Response Plan for the Airport when necessary to coordinate fire protection and emergency services with local authorities as required;
- i) record aircraft movements, including Medivacs at the Airport using individual fuel sales as a baseline with an estimate of additional aircraft activity and submit the information to the Region as requested;
- j) routine maintenance of airport hangar building;
- k) maintain and calibrate the vasi lights;
- l) be responsible for the operation and security of the hangar as a facility for the provision of storage and aircraft related services;
- m) provide public telephone, waiting room and washroom, including all supplies associated therewith, in the main hangar available to the public during the Hours of Operation;
- n) be responsible for all minor repair and maintenance costs for works to a maximum of \$500 per individual occurrence for the Hangar Building, Office/Reception Space and Apartment as noted in Section 4 of this Agreement. Costs for major works valued more than \$500 will be paid for 100% by the Region and require purchase order authorization; and
- o) coordinate and supervise contractors performing work at the Airport as required.

REPORTS AND INFORMATION

- 4. a) The Contractor shall submit reports to the Region providing a general overview of the condition and activities of the airport as requested and at a minimum to each South Cariboo Regional Airport Commission meeting;
- b) prepare and submit incident reports related to damage of infrastructure or aircraft at the Airport as soon as possible following each event.

- c) upon the request of the Region:
 - i) fully inform the Region of work done and to be done by the Contractor in connection with the provision of the Services; and
 - ii) permit the Region, at all reasonable times, to inspect, examine and review any record or other documents of the Contractor pertaining to the provision of the Services under this Agreement.
- 5. The Contractor shall be responsible to the Region, with direction provided by the South Cariboo Regional Airport Commission, and shall be familiar with all policies and procedures of the Commission.
- 6. The Contractor shall meet with the Commission on behalf of the Region, as required, regarding Airport matters.

SCHEDULE B
PAYMENT FOR SERVICES

For and in consideration of the Contractor providing the Services under the terms of this Agreement, the following payments/distribution of revenues shall accrue to the Region and the Contractor, respectively:

1. The Region shall pay to the Contractor:
 - the sum of \$100,000 annually payable as \$8,333.33 plus applicable taxes monthly upon receipt of an invoice from the Contractor.

2. Airport Revenues:
 - a) The Contractor shall collect and retain 100% of landing, parking and tie-down fees, a statement of all revenues received will be submitted to the Region on an annual basis by January 10;
 - b) The Contractor shall collect and remit to the Region, on a monthly basis, any other airport fees as may be established by the Region from time to time;
 - c) The Contractor shall collect and retain any revenues generated from the hangar building, including the apartment therein; and
 - d) The Region shall purchase and set the sale price of all fuel for resale at the Airport. The Contractor shall, on forms prescribed by the Region, collect, record and report all fuel sale revenues to the Region on a monthly schedule. The Region will receive all sales revenue directly from the credit card machine. Revenue generated from sales using cash or cheque shall be collected and recorded by the Contractor and submitted to the Region along with the monthly fuel sales report. The Contractor will invoice the Region for a \$0.05/litre delivery and administration fee payable to the Contractor for functions detailed in Schedule C.

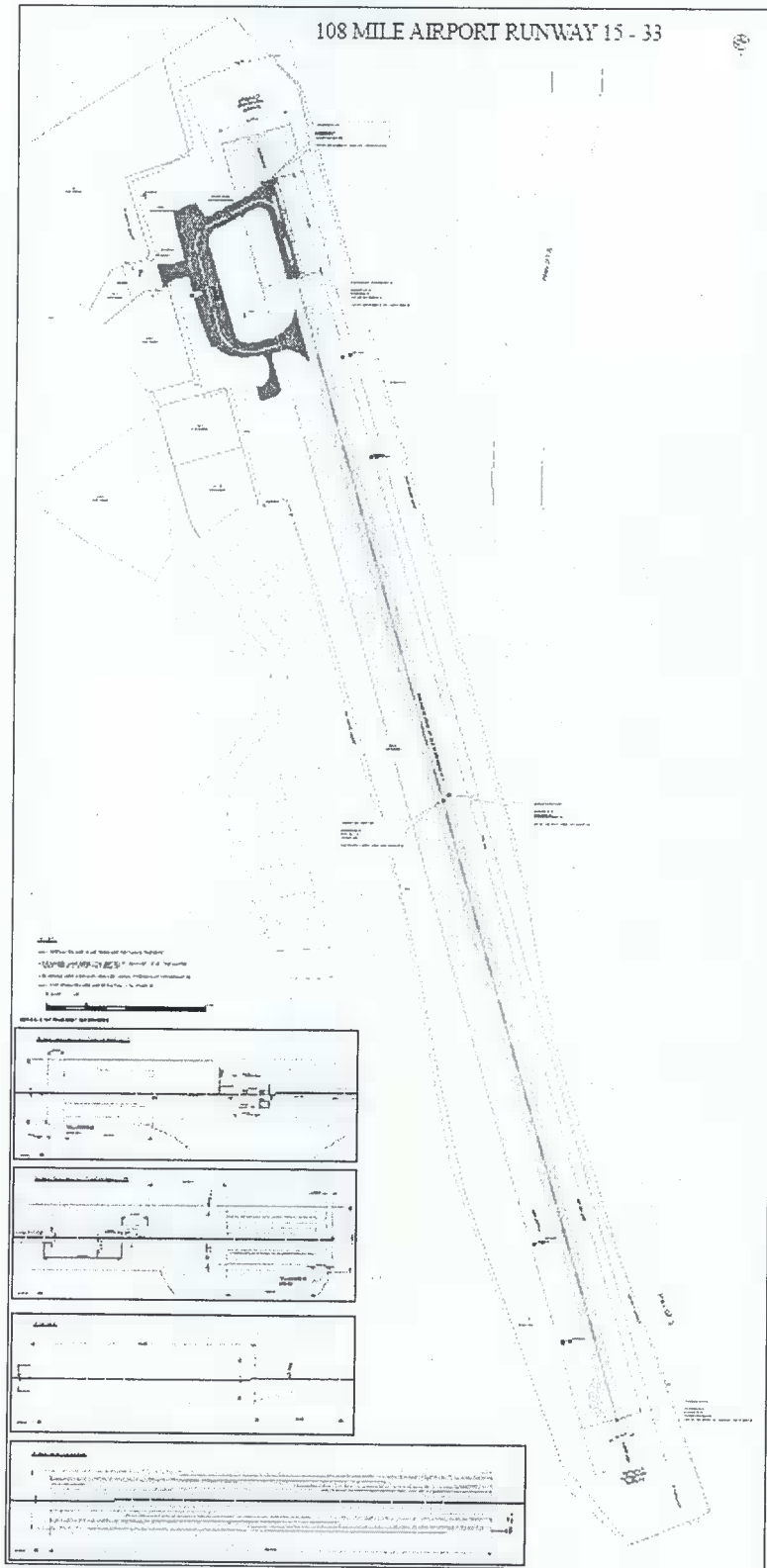
SCHEDULE C
FUEL FACILITY

In consideration of the operation of the fuel facility, the parties agree each with the other that their respective responsibilities shall be as follows:

1. The Region owns the aviation fuel facility at the Airport.
2. The Region owns the kiosk located adjacent the fuel facility and hereby authorizes the Contractor to utilize the building for aircraft or airport related purposes. The Contractor shall be responsible for all routine maintenance of the building.
3. The Region owns the credit card payment system used for fuel sales and will pay all fees and charges related thereto. The credit card system must be used exclusively for aviation fuel sales and the Contractor must retain its own system for any other business services.
4. The Contractor shall:
 - a) perform aircraft refueling services as required by this Agreement;
 - b) perform all inspections and maintenance procedures required in the Fuel Equipment Checklist binder provided by the Region, which is based on the *Storage, Handling, and Dispensing of Aviation Fuels at Aerodromes CAN/CSA-B836-05* by the Standards Council of Canada. Records of inspection and maintenance shall be retained on site with copies submitted to the Region upon request.
 - c) ensure that adequate inventory is maintained at all times to offer the services required under this Agreement;
 - d) comply with all laws, ordinances, regulations, orders, license and permits of all authorities having jurisdiction with respect to environmental legislation and pollution control regulations and practices; the Region will pay for and the Contractor will coordinate tank and pump inspections;
 - e) keep accurate inventory records or measurements, meter readings and sales reconciliations, including:
 - tank dips and inventory reconciliationsand shall immediately notify the Region of any discrepancies which may indicate unsafe conditions or suspected product loss;
 - f) ensure that storage tanks are secured with locks on all tank valves and water drain valves and ensure fill caps and dip caps of underground tanks are locked;

- g) keep all vents and screens clean and clear of snow, ice, leaves, etc.; and
- h) shall immediately report to the Region:
 - any suspected product loss due to faulty storage tanks or other equipment (valves, lines, pumps, loading arms, hoses, loading meters) supported by daily sales reports, tank dips, meter readings, etc.; and
 - any cracks or opening in concrete and/or earthen dykes.

SCHEDULE D MAP OF THE AIRPORT



SCHEDULE E
AIRPORT USE FEE SCHEDULE

As per Section 8 and in accordance with Schedule B Payment for Services of the Agreement, the following fees and charges are to be levied and retained by the Contractor for users of the Airport. It is understood that these fees may change from time to time at the direction of the airport commission and approval of the Region. The Contractor will be notified in writing of any changes for immediate implementation, which will be considered amendments to Schedule E of this Agreement.

All prices do not include applicable taxes.

Landing Fee:

Applies to turbo and twin engine aircraft only.

\$25 per landing

Aircraft and Helicopter Parking:

Daily rate: \$10

Monthly rate: \$55

Six-month rate: \$270

Annual rate: \$420

Vehicle Parking:

Only vehicles related to airport use may be parked at the Airport.

Monthly rate: \$35

Other:

The Region also has established a Private Hangar licence rate of \$3.85 per square meter of the hangar footprint. This fee is collected and retained by the Region.