

AIR CARRIER AIRPORT USE AGREEMENT

BETWEEN:

CARIBOO REGIONAL DISTRICT

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

(hereinafter called the “Region”)

OF THE FIRST PART

AND:

PACIFIC COASTAL AIRLINES

4980 Cowley Crescent
Richmond, BC V7B 1C1

(hereinafter called the “Air Carrier”)

OF THE SECOND PART

WHEREAS the Region is the owner and operator of the Anahim Lake Airport (the “Airport”) located in the community of Anahim Lake, British Columbia pursuant to Cariboo Regional District Anahim Lake – Nimpo Lake Specified Area Bylaw 1195 (1981);

AND WHEREAS the Air Carrier is desirous of using, in common with others, the Airport and its facilities in order to provide scheduled and charter flight services;

NOW THEREFORE this agreement witnesses 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 parties hereto agree, each with the other, as follows:

Term

1. The Region hereby agrees to grant the Air Carrier the right to use the Airport and its facilities in order to provide scheduled and charter flight services for a period of three (3) years and three (3) months commencing October 1, 2022 up to and including December 31, 2025.

Fees

2. In return for use of the Airport, its facilities and the services provided herein, the Air Carrier will pay the Region:

(a) for scheduled flights; an annual fee of \$65,000 in 2022/23, \$67,250 in 2024 and \$70,000 in 2025 plus applicable taxes, to be paid monthly upon receipt of an invoice from the Region.

(b) for charter flights; a fixed fee of \$150 plus applicable taxes, to be paid monthly upon receipt of an invoice from the Region.

The Air Carrier will be exempt from landing fees during the Agreement Term.

Renewal

3. Upon expiry of the Term, the Agreement may be renewed and/or amended by confirmation in writing by the parties for an additional three (3) years provided all obligations of the Agreement are met.

Use

4. The Air Carrier shall:

- (a) use, in common with others, the Airport and its facilities, such as the runway, terminal building, taxiway, navigational aids and other common use landing field facilities, for the Air Carrier's aircraft landings and takeoffs required in connection with the operations of its air transportation business to and from the Airport;
- (b) share its Safety Management System plans with the Region; and
- (c) submit proposed flight schedules to the Region in writing for the winter/spring period no later than June 15, and for the summer/fall period no later than November 15 or as necessary and upon request.

The Region shall:

- (a) provide the following to the Air Carrier at the Airport in a safe and reliable manner, which includes business continuity requirements to avoid disruption of services in the event of illness or absence:
 - passenger reservations
 - passenger check-ins
 - ticket issuance
 - shipping and receiving of freight
 - assistance with passenger boarding and disembarkment
 - friction testing on the runway when required
 - weather reports upon request
 - de-icing of aircraft under the supervision, and by request, of the Air Carrier; product, equipment and training are to be supplied by

- the Air Carrier
 - access to space in the terminal for the purpose of advertising
 - monthly reporting on measures for safety performance, operational performance and customer service
 - other minor related duties as agreed to by the parties
- (b) provide public telephone, waiting room and washroom, including all supplies associated therewith, in the terminal available to the public during the hours of operation;
- (c) provide right of access from the Airport as made necessary by the Air Carrier's operations over and upon streets, roads, paths, hallways, corridors or open spaces only, provided that the right herein defined shall not be exercised in such a manner and to such extent as to impede or interfere with the operation of the Airport by the Region, its lessees, airport customers, or others; and
- (d) provide aircraft refueling services.

Services not Included

- 5.(a) Additional services not included under this Agreement may be negotiated between the parties.
- 5.(b) Training requirements for the Air Carrier's policies and procedures will be billed out separately at an hourly rate agreed to in advance. These services may be billed directly by the Region's contract service provider located at the Airport.

Conduct of Business

- 6.(a) The Air Carrier shall, during the term of this Agreement, maintain the airside surfaces free of all foreign objects, litter, petroleum products and grease that may accumulate thereon as a result of the use of the said areas by its passengers, or its employees, contractors, or others servicing and operating its aircraft. The Air Carrier shall accept responsibility and the cost of remediation for any damage, including environmental damage, to the Airport resulting from the Air Carrier's use of the Airport.
- (b) The Air Carrier shall, whenever directed to do so by the Region, remove immediately from the airside surfaces or a portion thereof all of its equipment and anything related to its operation.
- (c) The Air Carrier shall immediately remove any aircraft owned or operated by the Air Carrier that, through accident or for any other reason, becomes disabled or abandoned in any area which could interfere with the continuous normal operations of any of the Airport facilities to such location as shall be designated

by the Region or Airport Manager unless such aircraft is required to remain in place pending investigation by the appropriate regulatory agencies.

- (d) Should the Air Carrier fail to immediately remove such disabled aircraft as herein provided, or should aircraft owned or operated by the Air Carrier be allowed to remain on the Airport beyond the needs of normal operation, the Region shall have the right to remove such aircraft by any means the Region deems necessary under the circumstances, and the Air Carrier shall indemnify and save harmless the Region, its employees, servants, representatives and agents from any and all costs, liability, damage or expense, including any legal costs and storage costs incurred by the Region or claimed by anyone by reason of removal of such aircraft.

Termination

- 7. (a) Should the Air Carrier default in any of the covenants contained herein, the Region may terminate this Agreement should the Air Carrier fail to rectify such default within ten (10) days of being given notice to do so.
- (b) This Agreement may be terminated by either party upon giving sixty (60) days notice of its intention to so terminate.

Succession

- 8. This Agreement will remain in effect after its expiration date to facilitate negotiations for renewal of the Agreement. This succession will be considered a temporary, month-to-month arrangement and continue to be subject to all terms of this Agreement. Notwithstanding the generality of the foregoing, any party may terminate the temporary, month to month arrangement by giving one full calendar month notice to the other party.

Assignment

- 9. The Air Carrier shall not assign nor sublet this Agreement except with the written consent of the Region.

Indemnity/Claims

- 10.(a) The Air Carrier will indemnify and save harmless the Region and all of its employees, servants, representatives and agents, from and against all claims, demands, causes of action, suits, losses, damages and costs, liabilities, expenses and judgments (including all actual legal costs) which the Region or its employees, servants, representatives or agents incur, suffer or are put to arising out of or in connection with any activities of the Air Carrier and any failure, breach or non-performance by the Air Carrier of any obligation of this Agreement, or any wrongful or negligent act of the Air Carrier or any employee or agent of the Air Carrier.

- (b) The Air Carrier shall expressly waive any and all claims for compensation for any and all loss or damage sustained by reason of any defect, deficiency or impairment of any of the services to or in any space at the Airport, including but not limited to power, gas, telephone, heating, air conditioning, water supply system, or drainage or sewerage systems, or by reason of any loss resulting from the failure of any such system or facilities which may occur from time to time from any cause, and the Air Carrier hereby expressly releases and discharges the Region from any and all demands, claims and causes of action arising from any of the causes aforesaid.

Insurance

- 11.(a) The Air Carrier shall at its own expense and cost, procure and maintain the insurance policies listed below with limits no less than those shown in the respective items, unless in connection with the performance of some particular part of the Agreement, the Region advises in writing that it has determined that the exposure to liability justifies less limits. The insurance policy or policies shall be maintained continuously from commencement of the Agreement until the termination of the Agreement or such longer period as may be specified by the Region. The Air Carrier will name the Region as an additional insured and shall provide a copy of proof of insurance to the Region upon request.

As a minimum, the Air Carrier shall, without limiting its obligations or liabilities under any other contract with the Region, procure and maintain at its own expense and cost, the following insurance policies:

- (b) Aviation Premises/Operation Liability Insurance providing for all sums which the Air Carrier shall become legally obligated to pay for damages because of bodily injury (including death at any time resulting therefrom) sustained by any person or persons or because of damage to or destruction of property caused by an occurrence or accident arising out of or related to the operations carried on in connection with this Agreement. This insurance shall include but not be limited to aircraft liability, passenger legal liability, personal injury, premises liability, baggage and cargo liability and such other coverage as may from time to time be generally issued by insurance companies to airlines in connection with their airport operations. Limits of liability for this insurance shall not be less than an inclusive limit of twenty-five million dollars (\$25,000,000) for each occurrence or accident, or such greater amount as required by law or regulation applicable to the Air Carrier;
- (c) This insurance shall include a Cross Liability clause providing that the inclusion of more than one Insured shall not in any way affect the rights of any other Insured thereunder, in respect to any claim, demand, suit or judgment made against any other Insured; and

- (d) Automobile liability Insurance covering all motor vehicles, owned, operated and used or to be used by the Air Carrier directly or indirectly in the performance of this Agreement. The Limit of liability shall not be less than two million dollars (\$2,000,000) inclusive, for loss or damage including personal injuries and death resulting from any one accident or occurrence.

Compliance with Laws and Regulations

12. The Air Carrier shall in the use of the Airport comply with all Local Government, Provincial and Federal legislation relating thereto. Failure to comply with laws and regulations will be considered a default of terms of this Agreement.

Nuisance

13. The Air Carrier shall not cause nor permit any act or thing to be done upon the Airport which is, or would constitute, a nuisance to the owners 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 therefor. Normal aircraft operations do not constitute nuisance activity.

Default

14. It shall constitute default of the terms of this Agreement and justification for immediate termination by the Region upon the occurrence of the following:
- (a) Should the Air Carrier, at any time during the Term, cease to exist as a recognized company under the laws of British Columbia, then and in that event, its right of use and any other rights hereunder shall be forthwith terminated, but nevertheless the assets of the Air Carrier shall be chargeable for any liability remaining unpaid at such time to the Region; or
 - (b) The filing by or against the Air Carrier of any petition in bankruptcy, or if the Air Carrier has become insolvent or committed an act of bankruptcy as defined by the Bankruptcy Act; or
 - (c) The making or entering into by the Air Carrier of any assignment for the benefit of creditors; or
 - (d) The levy of any attachment, execution, appointment of a receiver or other process of court by which the operating rights herein granted may be claimed or attempted to be held and used by any person by reason thereof, whether such person is an officer or appointee of court or otherwise, or any attempted assignment of this Agreement by operation of law; or
 - (e) The willful or wanton violation or disregard of the provisions of this Agreement which endangers life or property on the Airport.

No Partnership or Joint Venture

15. Nothing contained in this Agreement shall be deemed or construed by the parties, nor by any third party, as creating the relationship of principal and agent or partnership or of joint venture between the parties or as giving the Air Carrier any power or authority to bind the Region in any way.

Amendments

16. No amendment, supplement, restatement or termination of any provision of this Agreement is binding unless it is in writing and signed by the parties to this Agreement at the time of the amendment, supplement, restatement or termination.

Notices

17. Any notice, report or other document that either party may be required or may wish to give to the other must be in writing, unless otherwise provided for, and will be deemed to be validly given to and received by the addressee, if served personally, on the date of such personal service or, if delivered by mail, fax or email, when received. 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.

The addresses for delivery will be as follows:

Cariboo Regional District

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

Pacific Coastal Airlines

4980 Cowley Crescent
Richmond, BC V7B 1C1
c/o, Tertius Serfontein Director, Customer Service
Phone: 236-982-1494
Email: Tertius.Serfontein@pacificcoastal.com

Entire Agreement

18. This Agreement shall be deemed to constitute the entire Agreement between the Region and the Air Carrier with respect to the matter hereof and shall supersede

all previous negotiations, representations, and documents in relation hereto made by either party to this Agreement.

Waiver

- 19. No waiver by either party of any breach by the other party of any of its covenants, obligations and agreements will be a waiver of any subsequent breach or of any other covenant, obligation or agreement, nor will any forbearance to seek a remedy for any breach be a waiver of any rights and remedies with respect to such or any subsequent breach.

Miscellaneous

- 20. 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 the Agreement.
- 21. In this Agreement, wherever the singular or masculine is used, it shall be construed as if the plural or feminine or body corporate as the case may be, had been used where the context of the parties hereto so require.
- 22. This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, successors and assigns.
- 23. This Agreement may be signed in counterparts and each such counterpart will constitute an original document and such counterparts, taken together, will constitute one and the same instrument. A counterpart may be delivered by fax or any other form of electronic transmission.

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

Corporate Officer
CARIBOO REGIONAL DISTRICT

DATE

Signing Officer
PACIFIC COASTAL AIRLINES

DATE

PRINT NAME