

Clerk's stamp

COURT FILE NUMBER 2401-02664

COURT COURT OF KING'S BENCH OF ALBERTA

JUDICIAL CENTRE CALGARY

MATTERS IN THE MATTER OF THE COMPANIES' CREDITORS  
ARRANGEMENT ACT, R.S.C. 1985, c. C-36, as  
amended

AND IN THE MATTER OF THE COMPROMISE OR  
ARRANGEMENT OF LYNX AIR HOLDINGS  
CORPORATION and 1263343 ALBERTA INC. dba  
LYNX AIR

APPLICANTS EDMONTON REGIONAL AIRPORTS AUTHORITY,  
HALIFAX INTERNATIONAL AIRPORTS AUTHORITY,  
THE CALGARY AIRPORT AUTHORITY, VANCOUVER  
AIRPORT AUTHORITY, and WINNIPEG AIRPORTS  
AUTHORITY INC.

RESPONDENT LYNX AIR HOLDINGS CORPORATION and 1263343  
ALBERTA INC. dba LYNX AIR

DOCUMENT **AFFIDAVIT**

ADDRESS FOR SERVICE AND CONTACT  
INFORMATION OF PARTY FILING THIS  
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Authority, The Calgary Airport Authority, Vancouver Airport Authority, and  
Winnipeg Airports Authority Inc.  
File No.: 156280.1001

**AFFIDAVIT OF DIANA VUONG**

**Affirmed on May 23, 2024**

I, Diana Vuong, of the City of Vancouver, in the Province of British Columbia, AFFIRM AND SAY THAT:

1. I am Vice President, Finance and Chief Financial Officer of the Vancouver Airport Authority (the "VAA") and as such, I have personal knowledge of the facts and matters stated herein, except

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APPLICANTS EDMONTON REGIONAL AIRPORTS AUTHORITY, HALIFAX INTERNATIONAL AIRPORTS AUTHORITY, THE CALGARY AIRPORT AUTHORITY, VANCOUVER AIRPORT AUTHORITY, and WINNIPEG AIRPORTS AUTHORITY INC.

RESPONDENT LYNX AIR HOLDINGS CORPORATION and 1263343 ALBERTA INC. dba LYNX AIR

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**AFFIDAVIT OF DIANA VUONG**

**Affirmed on May 23, 2024**

I, Diana Vuong, of the City of Vancouver, in the Province of British Columbia, AFFIRM AND SAY THAT:

1. I am Vice President, Finance and Chief Financial Officer of the Vancouver Airport Authority (the "**VAA**") and as such, I have personal knowledge of the facts and matters stated herein, except

where stated to be based on information and belief, and, where so informed, I believe such matters to be true.

2. The VAA is a signatory to a Memorandum of Agreement between the Air Transport Association of Canada, certain air carriers, and certain airport authorities (the “**MOA**”). Attached and marked as **Exhibit “A”** is a copy of the MOA.
3. 1263343 Alberta Inc. dba Lynx Air (“**Lynx**”) became a signatory to the MOA on April 6, 2022.
4. The VAA came into existence following the federal government’s decision in the late 1980’s to transfer authority over airports in Canada to designated airport authorities. This transfer began in 1992 with the introduction of the *Airport Transfer (Miscellaneous Matters) Act*, SC 1992, c 5, which allowed the federal government to retain ownership of 26 so-called National Airport System airports, while leasing these airports to locally controlled, not-for-profit, non-share private sector airport authorities.
5. Vancouver International Airport (“**YVR**”) was one of the first airports to be transferred and the VAA formally began leasing YVR from the federal government and operating YVR on July 1, 1992. The VAA was initially incorporated under Part II of the *Canada Corporations Act* and was later continued under the *Canada Not-for-Profit Corporations Act* on January 21, 2013. It is neither a share capital corporation nor a crown corporation but is instead a private non-share corporation. The VAA was created for the purpose of acquiring the property comprising YVR and undertaking the management and operation of YVR in a safe and efficient manner for the general benefit of the public.
6. The MOA recognizes that airport authorities such as the VAA have the responsibility to manage, operate and develop the airports for which they are responsible. In order to meet the air traffic demands on their respective airports and ensure that the public has access to quality air transport, airport authorities such as the VAA from time to time must undertake capital expenditure projects. As stated in the preamble to the MOA, airport authorities may obtain the funds to undertake such capital expenditure projects by imposing fees or charges upon all departing airport passengers. Such fees are referred to as “Airport Improvement Fees” or “AIF”.
7. Pursuant to section 6.1 of the MOA, the decision to charge AIF and at what rate to charge it at are made by each airport authority. Further pursuant to the MOA, signatory air carriers such as Lynx agree to collect and remit AIF on behalf of the airport authorities.
8. During the time that Lynx was a signatory to the MOA, the VAA charged an AIF of \$5.00 per passenger flying within British Columbia or to the Yukon and \$25.00 per passengers flying to all other destinations. Pursuant to section 9.2 of the MOA, Lynx was to remit the collected AIF to the VAA on a monthly basis on the first working day of each month.

9. It was the VAA's understanding that the AIF collected by Lynx was being held in trust by Lynx until its ultimate remittance to the VAA. The MOA expressly states that the AIF is a charge imposed by the VAA on passengers and is collected by Lynx "on behalf" of the VAA. This same language is used at page 7 of the VAA's 2024 Schedule of Fees and Charges (the "**2024 Fee Schedule**") which states that "(e)ach Signatory Air Carrier must collect the AIF from passengers, on behalf of the Airport Authority, at the rates set out in the Schedule, and remit the AIF to the Airport Authority in accordance with the MOA". Similar language is used at page 7 of the VAA's 2023 Schedule of Fees and Charges (the "**2023 Fee Schedule**"). Attached and marked as **Exhibit "B"** are copies of the 2024 Fee Schedule and the 2023 Fee Schedule.
10. Furthermore, the MOA states at section 20.1 that the parties expressly disclaim any intention to create a partnership, joint venture, trust relationship or joint enterprise *except* as Lynx acting as agent for the VAA in collecting and remitting the AIF funds.
11. Additionally, in its reservation terms and conditions (the "**Terms and Conditions**"), Lynx represented to its passengers that "Airport Improvement Fees (AIF) ... are generally collected by Lynx at the time of booking. Lynx collects these fees from passengers and remits them directly to the airports." Attached and marked as **Exhibit "C"** is a copy of the Terms and Conditions.
12. The nature of AIF is further outlined in the Airport Use Licence that Lynx signed with the VAA at the outset of their relationship (the "**Licence**"). Pursuant to Article 6.23 of the Licence, Lynx "covenants and agrees to co-operate with [the VAA] in the [VAA's] administration of the AIF for capital improvements at the Airport, and use reasonable efforts to inform its customer of the AIF, including responding to questions its customers may have about the AIF." Attached and marked as **Exhibit "D"** is a copy of the Licence.
13. At the time that Lynx filed for CCAA protection, the VAA was owed substantial amounts by Lynx in unremitted AIF as Lynx had failed to remit collected AIF funds in accordance with its obligations under the MOA since December 2023. In total, the VAA was owed \$1,185,768.45 in unremitted AIF by Lynx at the time of its CCAA filing. Attached and marked as **Exhibit "E"** is a bundle of three AIF remittance forms demonstrating the amounts owed by Lynx in unremitted AIF.
14. Pursuant to Article 10 of the Licence, the VAA is entitled to require Lynx to provide the VAA with an irrevocable letter of credit. As such, the VAA required, and Lynx provided, a letter of credit to the VAA in the amount of \$279,645.96 (the "**LOC**"). The purpose of the LOC was primarily to secure aeronautical fees. On March 27, 2024, the VAA called on the LOC. The VAA applied the funds received therefrom to outstanding aeronautical fees owed by Lynx to the VAA. After satisfying the outstanding aeronautical fees, the remaining \$75,536.91 was applied to the outstanding AIF

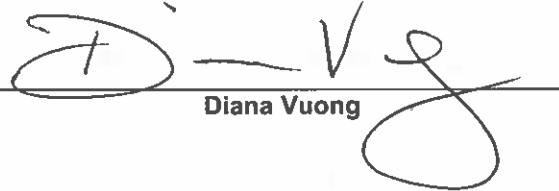
amount owing to the VAA. As a result, the total amount in unremitted AIF currently owing to the VAA from Lynx is \$1,110,231.54.

AFFIRMED this 23<sup>rd</sup> day of May, 2024.



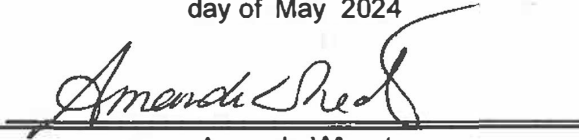
\_\_\_\_\_  
Amanda Wheat  
BARRISTER AND SOLICITOR  
A Notary Public in and for British Columbia

**Amanda Wheat**  
*Barrister & Solicitor*  
Vancouver Airport Authority  
PO Box 44638  
YVR Domestic Terminal RPO  
V7B 1W2



\_\_\_\_\_  
Diana Vuong

This is **Exhibit "A"** referred to in the Affidavit of Diana Vuong, affirmed before me at City of Vancouver, in the Province of British Columbia, this 23<sup>rd</sup> day of May 2024

A handwritten signature in cursive script, appearing to read "Amanda Wheat", written over a horizontal line.

Amanda Wheat  
BARRISTER AND SOLICITOR  
A Notary Public in and for British Columbia

**MEMORANDUM OF AGREEMENT**

**BETWEEN**

**THE AIR TRANSPORT ASSOCIATION OF CANADA**

**AND**

**SIGNATORY AIR CARRIERS**

**AND**

**CERTAIN AIRPORTS**

**As Amended Effective January 20, 2004**

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**SCHEDULES**

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- C Accession Form
- D ACC Operating Terms of Reference
- E Excluded Jurisdictions
- F Capital Programs Deemed to Have Been Approved
- G Airport Improvement Fee Monthly Remittance Form
- H Administrative Duties of The Air Transport Association of Canada
- I Vancouver International Airport AIF Rates

## MEMORANDUM OF AGREEMENT

**AMONG:** The Air Transport Association of Canada (“ATAC”)

- and -

Those airports listed on Schedule A to this Memorandum of Agreement  
(collectively, “Airports”, and individually, an “Airport”)

- and -

Those air carriers listed on Schedule B to this Memorandum of Agreement  
(collectively, “Signatory Air Carriers”, and individually, “Signatory Air  
Carrier”)

(all collectively, the “Parties” and, individually, a “Party”);

**WHEREAS** Airports have the responsibility to manage, operate and develop the airports for which they are responsible;

**AND WHEREAS** member air carriers of ATAC are major users of the airport facilities provided by the Airports;

**AND WHEREAS** Airports may have the requirement to expand their airport facilities to meet traffic demands and in that event will require additional revenues to pay for those expanded facilities;

**AND WHEREAS** Airports may decide to obtain such additional revenues, in whole or in part, by imposing fees or charges upon passengers using such Airports;

**AND WHEREAS** Airports may wish to obtain the assistance of air carriers in collecting such fees or charges from passengers;

**AND WHEREAS** the Parties jointly wish to ensure that a meaningful consultation process is established which will ensure that the views and requirements of Signatory Air Carriers are fully considered by airport operators in connection with the collection and use of any such additional revenues;

**AND WHEREAS** the Parties jointly wish to establish a regime whereby, in recognition of the establishment of a formal consultation process, Signatory Air Carriers agree to collect on behalf of Airports and remit a fee which an Airport might decide to impose upon passengers, all upon and subject to the terms and conditions contained herein;

**AND WHEREAS** the Parties in giving effect to the forgoing wishes, do not wish to abrogate or derogate from any of their respective, existing rights or obligations except as is expressly agreed to herein;

**NOW THEREFORE**, in consideration of the payment of the sum of one dollar (\$1.00) by each Party to each of the other Parties, the receipt of which is hereby acknowledged, and in respect of the mutual covenants and agreements contained herein, the Parties agree as follows:

**1.0 Purpose of Memorandum of Agreement**

1.1 The Parties agree that this Memorandum of Agreement (“MOA”) establishes the terms in respect of:

- (a) a consultation process regarding the expansion of Airport facilities; and
- (b) the collection of fees by Signatory Air Carriers for Airports from air carrier passengers if an Airport decides to impose such fees to pay for the future expansion of certain Airport facilities.

1.2 This MOA shall be legally binding upon the Parties.

**2.0 Accession to MOA**

2.1 The Parties agree that if any Canadian airport or any Canadian or foreign air carrier wishes to become a Party to this MOA, it may do so by:

(a) agreeing in writing in the form attached as Schedule C that it agrees to be bound by the terms and conditions of this MOA; and

(b) sending a copy of the duly executed form along with one dollar (\$1.00) to each of the existing Parties. Upon so doing, such Canadian airport or air carrier will become a Party to this MOA and shall be deemed to be listed on either Schedule A or Schedule B, as appropriate.

2.2 Notwithstanding the provisions of Section 2.1 of this MOA, the Parties recognize and acknowledge that the terms and conditions of this MOA are not designed to address the unique issues arising at airports with two or more separate and physically distinct air terminal buildings jointly serving at least 20 million enplaned/deplaned passengers as at December 31, 1998 ("Multi-terminal Airports").

The Parties further recognize and acknowledge that multi-terminal airports can present new and different issues to air carriers which may vary over both time and the particular circumstances of individual air carriers and individual Multi-terminal Airports.

The Parties therefore agree that the accession to this MOA by any Multi-terminal Airport, shall be conditional upon the approval of the two largest Canadian Signatory Air Carriers

using that airport as determined by passenger boardings in the calendar year immediately preceding the requested accession by that Multi-terminal Airport".

The Parties further agree that this MOA may be amended to the extent required by agreement between the two largest Canadian Signatory Air Carriers using that airport as determined by passenger boardings in the calendar year immediately preceding the requested accession by that Multi-terminal Airport seeking accession to this MOA, provided any such amendment shall be applicable to the operation of the MOA solely at the Multi-terminal Airport seeking accession.

2.3 For further clarity it is understood that an Airport may, without cause but only after the expiry of 365 days from the date that Airport executes or accedes to this MOA and only upon giving not less than 180 days notice, withdraw from this MOA. The withdrawal from this agreement shall be on the day specified by that Airport in the notice but shall not be earlier than the 181st day after the notice is given. Signatory Air Carriers shall not be obliged to collect any AIF for that Airport in respect of travel scheduled to begin any time after the effective date of withdrawal of that Airport.

### **3.0 Airline Consultative Committee**

3.1 Signatory Air Carriers at a given Airport shall be permitted to join the Airline Consultative Committee ("ACC") at each such Airport. Signatory Air Carriers shall exercise their rights and responsibilities as set out in Article 13 of this MOA (the "Air Carrier Consultation Process") through the ACC. The Chairman of the ACC shall inform that Airport of the Majority In Interest ("MII") as determined in accordance with Section 3.3.

3.2 The ACC at each Airport shall be operated according to the ACC Operating Terms of Reference which is attached as Schedule D to this MOA, and the same may be amended by the ACC from time to time by providing written notice to each of the Parties. In the event of any inconsistency between the ACC Operating Terms of Reference and this MOA, the

terms of this MOA shall prevail. Schedule D is included in this MOA for the purpose of providing direction relative to the Air Carrier Consultation Process and nothing in Schedule D shall impose any obligation, commitment or requirement upon any Airport or Signatory Air Carrier by virtue of Schedule D being included in this MOA.

- 3.3 Notwithstanding any voting procedures contained in the ACC Operating Terms of Reference, the MII referred to in this MOA shall mean those Signatory Air Carriers who constitute 66 2/3% or more of the total enplaned passengers (based on the Air Carrier Activity at Canadian Airports Statistics Canada catalogue, or its successor, containing the most recent calendar year data available from Statistics Canada) at a particular Airport.

#### **4.0 Airport Improvement Fee**

- 4.1 Any passenger fee or charge imposed by an Airport and implemented under this MOA shall be termed an Airport Improvement Fee (“AIF”).
- 4.2 An Airport may require Signatory Air Carriers to commence the collection of AIF funds subject to the completion of the process set out in Article 13.

#### **5.0 Capital Expenditure Programs**

- 5.1 AIF revenues shall only be used as follows:
- (a) to fund an Airport’s capital expenditure projects, the general purpose of which projects are to construct or improve “Airport Infrastructure”, and to fund the cost of issuance of associated debt, debt service costs, debt service reserve obligations, debt coverage requirements, capitalized interest on debt and bad debts associated with the collection of AIF revenues; and

- (b) to fund capital expenditure projects, as referred to in Section 5.1(a) at airports which are owned or leased by the Airport identified in Schedule A and which are used as reliever airports for types of aircraft traffic that are not compatible with commercial operations at the Airport identified in Schedule A, subject to the condition that the value of capital expenditure projects at any such reliever airport shall not exceed 10% of the value of capital expenditure projects at the Airport identified in Schedule A which have been subjected to the Air Carrier Consultation Process as outlined in Article 13 of this MOA since the original commencement of this MOA.
- 5.2 For the purposes of this MOA, "Airport Infrastructure" means capital expenditures in respect of buildings, airfields, land, roads, navigational aids and other assets required for the operation of the Airport, but does not include operating or maintenance costs related to the Airport. For greater certainty, the Airport Infrastructure shall not include any buildings, airfields, land, roads, navigational aids and other assets required for the operation of the Airport located off the Airport that are not functionally related to commercial air operations, air navigation or the processing of passengers and their baggage and shall not include any costs associated with or related to the design, construction, development, maintenance or operation of any mass transit system beyond the boundary of the Airport.
- 5.3 Capital expenditure projects contemplated by an Airport shall be combined into capital expenditure programs ("Programs") for the purpose of consultation with Signatory Air Carriers and collection of any associated AIF. To qualify for collection of an associated AIF the actual period of construction contemplated by the Program must be for a minimum of two (2) years and a maximum of ten (10) years and the total estimated costs of all Programs tabled since the Airport's accession to this MOA must equal 50% or more of the Airport's annual revenue (not including AIF revenue) in the first year of the Program.

- 5.4 Any construction of new runways or major expansion of existing runways or any other single project in excess of \$200,000,000 (in 2002 dollars) at an Airport must be by way of a separate Program and not combined with other projects.
  
- 5.5 With the exception of those Programs listed on Schedule F of this MOA, and except with the prior written approval of the Signatory Air Carriers forming the MII in accordance with Section 3.3. Airports may only require Signatory Air Carriers to collect and remit an AIF pursuant to this MOA for those Programs which have been subjected to the Air Carrier Consultation Process as outlined in Article 13 of this MOA. This provision shall not restrict the ability of an Airport to implement new projects during the period of a Program pursuant to Subsection 13.1(h) of this MOA.
  
- 5.6 With the exception of those projects within a Program listed on Schedule F of this MOA, and except with the prior written approval of the Signatory Air Carriers forming a MII, Airports may not award construction contracts related to any project in a Program for which that Airport will impose an AIF on passengers, prior to completing the steps contemplated by Subsections 13.1(a) and 13.1(c) through 13.1(e), inclusive and as appropriate, of the Air Carrier Consultation Process outlined in Article 13 of this MOA.



**6.0 Rates**

6.1 An Airport alone shall decide whether to obtain an AIF from passengers. The Airports have decided that any AIF imposed by an Airport and implemented under this MOA will be set at a Canadian whole dollar amount per Airport which shall be limited to two digits and shall not be less than \$3.00 per DEPAX passenger plus applicable provincial sales, goods and services, harmonized goods and services and other applicable taxes.

6.2 There shall be no more than three (3) different levels of AIF in place at any Airport as follows:

- (a) one (1) rate for all transborder (United States) and domestic DEPAX passengers not covered by Subsection 6.2(c) below;
- (b) one (1) rate for all international (not including transborder) DEPAX, such rate not to exceed one and one-half (1 1/2) times the rate in Subsection 6.2(a) above;
- (c) one (1) rate for all city-pairs ("short-haul destinations") within the Province or Territory that the Airport resides in and which are designated under this Subsection 6.2(c) by the Airport to be short-haul destinations; provided that, for any Airport other than the Vancouver International Airport, an Airport will be limited to four (4) short-haul destinations or with the concurrence of the Signatory Air Carriers forming the MII, up to ten (10) short-haul destinations. The maximum distance between short-haul destinations shall be three hundred (300) statute miles. While recognizing the authority of an Airport to determine the one (1) rate for short-haul destinations, Signatory Airports shall, where applicable, make reasonable efforts to establish the same level of AIF at both Airports involved in a short-haul destination city-pair; and

- (d) in the case of Vancouver International Airport (i) if Vancouver International Airport becomes a signatory to this MOA on or before January 1, 2004, effective April 1, 2004, those rates indicated on Schedule I hereto; and (ii) if Vancouver International Airport becomes a signatory to this MOA on a date following January 1, 2004, effective on the day which is ninety (90) days after the date that Vancouver International Airport becomes a signatory to this MOA, those rates indicated on Schedule I hereto.

6.3 An Airport has the right to make changes in AIF levels upon at least ninety (90) days prior written notice to ATAC and to the Signatory Air Carriers of the ticketing sale date following which the change in AIF levels will be effective provided that the rates for international and short-haul destinations, pursuant to Subsections 6.2(b), (c) and (d), shall not be adjusted more frequently than once in any calendar year without the concurrence of the Signatory Air Carriers forming the MII at the Airport. No notice may be issued by an Airport hereunder until January 1, 2004.

**7.0 Alternate Collection Method**

7.1 With respect to a Program for which an AIF is being collected by Signatory Air Carriers, nothing in this MOA shall prevent an Airport from choosing to utilize an additional alternative to the revenue collection method outlined in this MOA provided that any such collection method does not:

- (a) involve the participation of Signatory Air Carriers; or
- (b) impose additional charges of any kind on Signatory Air Carriers in relation to the funding of such Program, unless otherwise agreed in writing between the respective Parties.

**8.0 Handling Fee**

8.1 In respect of enplanements occurring on or prior to December 31, 2003, Signatory Air Carriers shall be entitled to withhold a handling fee which is calculated as a percentage of the gross amount of AIF to be otherwise remitted to a particular airport together with related provincial sales, goods and services, harmonized goods and services and other applicable taxes. The handling fee shall be one of three amounts determined by the annual enplaned/deplaned passenger volume at that Airport, which volume shall be determined by that Airport at the end of the ninth month of each calendar year for the previous 12 months, subject to annual review and verification by a designee of the Signatory Air Carriers, as follows:

- 6% for Airports with more than 7 million enplaned/deplaned passengers annually;
- 7% for Airports with 3 million to 7 million enplaned/deplaned passengers annually;
- 8% for Airports with less than 3 million enplaned/deplaned passengers annually.

8.1(a) In respect of enplanements occurring on or after January 1, 2004, Signatory Air Carriers shall be entitled to withhold a handling fee which is calculated as a percent of the gross amount of AIF to be otherwise remitted to a particular Airport together with related provincial sales, goods and services, harmonized goods and services and other applicable taxes. The handling fee shall be one of four (4) amounts determined by the annual enplaned/deplaned passenger volume at that Airport, which volume shall be determined by that Airport at the end of the ninth (9th) month of each calendar year for the previous twelve (12) months, subject to annual review and verification by ATAC, as follows:

- 4% for Airports with more than 14 million enplaned/deplaned passengers annually;
- 5% for Airports with more than 7 million enplaned/deplaned passengers annually;

6% for Airports with 3 million to 7 million enplaned/deplaned passengers annually; and

7% for Airports with less than 3 million enplaned/deplaned passengers annually.

8.2 Signatory Air Carriers that do not conduct audits of their financial records in their normal commercial operations shall be entitled to 75% of the applicable handling fee, subject to compliance with Section 10.9 of this MOA.

**9.0 Remittance**

9.1 "AIF collection commencement date" means the first day upon which an Airport can require Signatory Air Carriers to collect and remit an AIF, or a change to the level thereof, following the completion of the air carrier consultation process contemplated by Article 13.

For greater certainty, the AIF collection commencement dates for the following airports are deemed to be as follows:

Calgary Airport	October 1, 1997
Kelowna Airport	February 1, 1998
Winnipeg Airport	July 1, 1998

9.2 In respect of enplanements occurring on or prior to December 31, 2003, regardless of whether an AIF is collected from passengers, and subject only to Sections 9.5, 9.6 and 22.1, Signatory Air Carriers shall remit to an Airport the amount of the AIF imposed by that Airport pursuant to this MOA for all DEPAX passengers at that Airport for which the ticket sales occurred on or after the AIF collection commencement date for that Airport:

(a) plus provincial sales, goods and services, harmonized goods and services and other applicable taxes; and

- (b) less the handling fee and related provincial sales, goods and services, harmonized goods and services and other applicable taxes referred to in Article 8;

on a monthly basis no later than the end of the month following the month of enplanement by the DEPAX passenger at the Airport to which the AIF applies (the "due date").

9.2(a) In respect of enplanements occurring on or after January 1, 2004, regardless of whether an AIF is collected from DEPAX passengers, and subject only to Sections 9.5, 9.6 and 22.1, Signatory Air Carriers shall remit to an Airport the amount of the AIF imposed by that Airport pursuant to this MOA for all DEPAX passengers at that Airport for which the ticket sales occurred on or after the AIF collection commencement date for that Airport:

- (i) plus provincial sales, goods and services, harmonized goods and services and other applicable taxes; and
- (ii) less the handling fee and related provincial sales, goods and services, harmonized goods and services and other applicable taxes referred to in Article 8;

on a monthly basis on the first working day of the month following the month of enplanement by the DEPAX passenger at the Airport to which the AIF applies, such monthly remittances to be made on the basis of the estimated amount owing to the Airport for the previous month, with final adjustments made on a monthly basis on the first working day of the second month following the month of enplanement by the DEPAX passenger at the Airport to which the AIF applies. The estimated amounts referred to in this Section 9.2(a) shall be based on reasonable, good faith estimates of DEPAX passengers using historical data and/or reasonable forward projections.

Notwithstanding the payment schedule contained in this Section 9.2(a), any Signatory Air Carrier with less than \$240,000 in gross annual AIF remittances for a particular Airport shall

only be required to remit on a monthly basis no later than the end of the month following the month of enplanement by the DEPAX passenger at the Airport to which the AIF applies.

9.3 The obligation to remit AIF revenues to an Airport arises upon the enplanement of a DEPAX passenger at a particular Airport provided that the DEPAX passenger purchased the ticket on or after the AIF collection commencement date for a particular Airport.

9.4 Each remittance will be accompanied by a statement identifying the number of DEPAX passenger enplanements associated with the remittance. The remittance shall separately identify the DEPAX passengers in Section 9.5 below.

9.5 With respect to DEPAX passengers who purchased tickets outside of North America:

- (a) provided that the Signatory Air Carrier has instituted a method of AIF collection which could commercially reasonably be expected to assess all DEPAX passengers in accordance with this MOA, and
- (b) provided that the Signatory Air Carrier has made commercially reasonable efforts to collect AIF revenues pursuant to the method instituted in Subsection 9.5(a), and
- (c) provided that the Signatory Air Carrier remitted all AIF revenues actually collected from DEPAX passengers in accordance with Section 9.2, Subsection 9.2(a) and as required by Article 11 during this period; and
- (d) provided that the Signatory Air Carrier has provided the audit certification required pursuant to Section 10.3 of this MOA;

then the particular Signatory Air Carrier's liability for making the AIF remittances for DEPAX passengers whose tickets are purchased outside of North America, shall, subject to

Article 8, be limited to the actual amount of AIF revenues collected from such DEPAX passengers carried by the particular Signatory Air Carrier at that particular Airport.

9.6 With respect to DEPAX passengers who purchased tickets in North America (Canada, the United States of America and Mexico):

- (a) provided that the Signatory Air Carrier has instituted a method of AIF collection which could commercially reasonably be expected to assess all DEPAX passengers in accordance with this MOA; and
- (b) provided that the Signatory Air Carrier has made commercially reasonable efforts to assess the DEPAX passengers in accordance with this MOA and collect AIF revenues pursuant to the method instituted pursuant to Subsection 9.6(a); and
- (c) provided that the Signatory Air Carrier remitted all AIF revenues actually collected from DEPAX passengers in accordance with Section 9.2, Subsection 9.2(a) and as required by Section 11 during this period; and
- (d) provided that the Signatory Air Carrier has provided the audit certification pursuant to Section 10.3 of this MOA; and
- (e) provided that the Signatory Air Carrier has provided a management certificate on the reimbursement form attached as Schedule G stating:

"This Compliance Certificate is delivered to [Airport] pursuant to Article 9.5 of the Memorandum of Agreement (the "MOA") dated as of xxxxxx between the Air Transport Association of Canada and Signatory Air Carriers and certain Airports.

I, xxxxxname, xxxxxxxtitle, of xxxxxxxairline, certify that, to the best of my knowledge, information and belief, for the AIF remittance for the month of xxxxxmonth:

Proper and responsible due diligence has been exercised in establishing the remittance liability by personnel understanding the importance to the Airport of establishing the correct number of DEPAX passengers subject to the AIF (as defined in the MOA).

I give this Compliance Certificate in my capacity as xxxxxtitle and no personal liability is assumed in the giving of this certificate."

then the particular Signatory Air Carrier's liability for making the AIF remittances, subject to Article 8, shall be limited to:

- (i) the greater of the amount collected or, during the first 12 months after the AIF collection commencement date for that Airport, 80% of the liability otherwise calculated from the total numbers of DEPAX passenger enplanements, eligible to be charged the AIF, who purchased tickets in North America and were carried by the particular Signatory Air Carrier at the particular Airport during this period;
- (ii) the greater of the amount collected or, during the 13th through the 18th months after the AIF collection commencement date for that Airport, 90% of the liability otherwise calculated from the total numbers of DEPAX passenger enplanements, eligible to be charged the AIF, who purchased tickets in North America and were carried by the particular Signatory Air Carrier at the particular Airport during this period; and



- (iii) the greater of the amount collected or, following the 18th month after the AIF collection commencement date for that Airport, 95% of the liability otherwise calculated from the total numbers of DEPAX passenger enplanements, eligible to be charged the AIF, who purchased tickets in North America and were carried by the particular Signatory Air Carrier at the particular Airport during this period.

9.7 Interest will be charged to Signatory Air Carriers on a monthly basis, commencing after the due date, on all outstanding amounts at the prime rate established by the Royal Bank of Canada from time to time plus two (2%) per cent per annum. In the event that any month's remittances are more than 15 days in arrears, following the expiration of those 15 days, that Airport may cancel the agreement with a delinquent Signatory Air Carrier 15 days after providing notice in writing of the delinquency to the Signatory Air Carrier, provided that the Signatory Air Carrier does not pay the arrears during the said notice period, and require all AIF funds collected up to the date of cancellation to be remitted to that Airport.

## **10.0 Audit**

10.1 Annually, within one hundred and twenty (120) days of the end of each Signatory Air Carrier's fiscal year, each Signatory Air Carrier shall deliver to each Airport an Annual Statement which details for that Airport, for that fiscal year, the following:

- (a) the number of DEPAX Passengers for each month and in aggregate;
- (b) the gross amount of AIF funds payable for each month and in aggregate;
- (c) the amount of handling fee deducted for each month and in aggregate;
- (d) the net amount of AIF funds payable for each month and in aggregate; and

- (e) a statement that the Signatory Air Carrier has met the requirements of Subsections 9.5(a) and (c), or 9.6(a) and (c), as the case may be.
- 10.2 The Annual Statement referred to in Section 10.1 must contain a certification signed by a person authorized to sign on behalf of the Signatory Air Carrier which states that the Annual Statement is true and correct in all respects to the best of the such person's knowledge and belief after due inquiry.
- 10.3 At any time during the term of this MOA, an Airport may contract with the Signatory Air Carrier's external auditor to conduct an audit of the Signatory Air Carrier's records solely with regard to the matters described in any Annual Statement delivered after January 1, 2004 and referred to in Section 10.1 in respect of the relevant fiscal year. Airports shall advise a Signatory Air Carrier within sixty (60) days after the due date of the Annual Statement of their intention to commission an audit. In the event that more than one Airport advises of the intention to commission an audit of a Signatory Air Carrier, all Airports will coordinate their action into a single audit process, although individual reports will be prepared for each participating Airport. Signatory Air Carriers shall make reasonable efforts to ensure that their external auditor accepts this audit assignment and at a reasonable fee which in any event shall not exceed that which the Signatory Air Carrier would have paid had the audit been carried out at its request, failing which, the Airport(s) may contract with an external auditor of their choice.
- 10.4 The Airport(s) shall be entitled to bill and collect the costs of such audit from the Signatory Air Carrier in the event that such audit shows that remittances by the Signatory Air Carrier are understated by three percent (3%) or more of the amount due and payable to the Airport under this MOA for the year in question. In the case where multiple audits are combined into a single audit process pursuant to Section 10.3, the allocation of cost based on the percentage variance criteria shall be on an Airport-by-Airport basis.

- 10.5 Any refunds owing or remittances required pursuant to the Annual Statement referred to in Section 10.1 or the audit referred to in Section 10.3 shall be paid, without interest, by an Airport or a Signatory Air Carrier as appropriate, within thirty (30) days of the receipt of such Annual Statement or audit report. Any refunds owing or remittances required but not paid within thirty (30) days shall be subject to interest as provided for in Section 9.7.
- 10.6 Annually, within 180 days of its fiscal year end, each Airport must provide to each Signatory Air Carrier at such Airport, a certification under section 8600, or its successor, of the Handbook of the Canadian Institute of Chartered Accountants from an external auditor (who is legally qualified in the jurisdiction of that Airport to issue a financial audit opinion) that:
- (a) the amount of AIF funds remitted to the Airport have been used only for the Program for which they were intended and that there has not been an over payment on the Program; and
  - (b) that Airport has been in compliance with Section 12.1.
- 10.7 In the event that an Airport does not provide that certification contemplated by Section 10.6 above, the Signatory Air Carriers may contract with an independent auditor to conduct an audit of that Airport in respect of the matters set out in Section 10.6. The Signatory Air Carriers shall be entitled to bill and collect the cost of such audit from that Airport.
- 10.8 If the audit referred to in Sections 10.6 or 10.7 above reveals that that Airport has utilized such AIF revenues in a manner which contravenes the terms of this MOA, then if:
- (a) that Airport has failed to remedy the default within 30 days of the auditor's report, or

- (b) that Airport has failed to present a plan, satisfactory to the Signatory Air Carriers, and proceeded diligently to implement such plan within 30 days of the auditor's report;

the Signatory Air Carriers may cease collecting and remitting the AIF until the default has been remedied to the satisfaction of the Signatory Air Carriers.

#### **11.0 Application of AIF**

- 11.1 Subject to the limitations described below, the AIF will apply to all departing enplaned passengers at a given Airport ("DEPAX passenger(s)").
- 11.2 For the purposes of this MOA, the term "ticket(s)" shall include paperless tickets where the equivalent of paper tickets with a travel itinerary for a passenger is kept in electronic form with a specific reference (commonly referred to as ticketless travel). A ticket may be comprised of a number of coupons.
- 11.3 The obligation imposed by an Airport pursuant to this MOA upon Signatory Air Carriers to collect and remit an AIF will not apply to a passenger (i) continuing a journey less than 4 hours after arrival at the Airport for domestic Canada and transborder itineraries and (ii) continuing a journey less than 24 hours after arrival at the Airport for international itineraries.

A passenger will be considered to be continuing a journey even though multiple air carriers may participate in the itinerary on one or more air carrier ticket(s).

- 11.4 The obligation imposed by an Airport pursuant to this MOA upon Signatory Air Carriers to collect and remit an AIF will not apply to airline employees travelling on business. For greater certainty, this includes duty travel of crews of one air carrier on another air carrier.

- 11.5 The obligation imposed by an Airport pursuant to this MOA upon Signatory Air Carriers to collect and remit an AIF will not apply to infants under two years of age for whom no ticket was purchased (even though a no cost ticket may have been issued in the name of the infant).
  
- 11.6 The obligation imposed by an Airport pursuant to this MOA upon Signatory Air Carriers to collect and remit an AIF will not apply to customers travelling on passes or other travel documents with discount codes ID/IN. However, customers travelling on frequent flier mileage redemption programs or promotional tickets (such as two for one tickets) do not qualify as ID passengers within the meaning of this Section 11.6. Signatory Air Carriers agree to make reasonable efforts to refine the technical data necessary to limit exemptions to infants (IN) and airline employees travelling on business. Toward this end, Signatory Air Carriers agree to report on progress towards limiting inadvertent exemptions at a time not later than one year after the signing of this agreement after which time the Parties shall enter into consultations regarding alternative means of limiting exemptions.
  
- 11.7 Regardless of which air carrier sells a ticket to a DEPAX passenger or whose designator code is on the passenger's ticket, the air carrier on whom the DEPAX passenger actually travels shall be the Party responsible for the collection and remittance of the AIF for that DEPAX passenger.

**12.0 Non-Discriminatory Charges to Signatory and Non-Signatory Air Carriers or Their Passengers**

12.1 An Airport shall not grant access to any of its terminal buildings on any less favourable terms and conditions to Signatory Air Carriers and their passengers having regard to the AIF charges remitted and paid by such persons than are provided to non-Signatory Air Carriers and their passengers. An Airport shall achieve such equalized treatment through or by way of reasonably equivalent charges. Airports shall provide to ATAC and the Signatory Air Carriers, annually, the report of an independent, external auditor certifying that that nothing has come to the attention of the auditor to indicate the Airport is not in compliance with this section.

12.2 Except with respect to the Memorandum of Agreement between ATAC, the Calgary Airport Authority, the Winnipeg Airport Authority and the Kelowna Airport Authority and various air carriers dated September 23, 1997, as amended, and with respect to any Multi-terminal Airports, Signatory Air Carriers will not enter into an agreement concerning the collection of an AIF with a Canadian national airport on more favourable terms than those extended to Airports in Articles 8, 9, 11, 13 and 35 of this MOA.

**13.0 Air Carrier Consultation Process**

13.1 Signatory Air Carriers may be obligated to collect and remit an AIF pursuant to this MOA only after the Air Carrier Consultation Process has been completed in accordance herewith. This consultation process must be conducted, *inter alia*, in accordance with Article 3 and shall include the following requirements:

- (a) When an Airport has decided to implement an AIF and wants the assistance of Signatory Air Carriers in collecting and remitting such AIF pursuant to this MOA, that Airport shall prepare and forward to the Chair and each member of the Airport's

ACC and to ATAC, a Program proposal and business plan setting out full details of and a rationale for the Program and notification to ATAC and to each Signatory Air Carrier of such proposal and business plan having been delivered. The proposal should include:

- (i) the cost, scope of work and construction period of each project within the Program;
  - (ii) the initial implementation date of the AIF, the initial amount of the AIF (which cannot be increased until 365 days after the AIF collection commencement date at the particular Airport) and a plan which sets out the anticipated AIF level and AIF revenue over the period required to recover the costs of the Program or extinguish the underlying debt incurred to finance the Program; and
  - (iii) the forecasts of traffic demand underlying the rationale for the Program.
- (b) After the delivery of the notice and information contemplated by Subsection 13.1(a):
- (i) an Airport may obtain the assistance of Signatory Air Carriers in collecting and remitting an initial Interim AIF limited to a maximum of C\$5 per DEPAX passenger, provided that Airport provides at least 90 days written notice to Signatory Air Carriers. The Interim AIF shall be collected for a term of one year, unless that Airport and the MII as determined in accordance with Section 3.3 agree to an extension. Notwithstanding any other provision of this MOA, the amount of the Interim AIF set out above shall not be subject to change by that Airport during this period; or, alternatively

- (ii) After the delivery of the notice and information contemplated by Subsection 13.1(a) but prior to completion of the consultative process contemplated by Section 13, should both the Airport and the MII as determined in accordance with Section 3.3 of the Signatory Air Carriers to the MOA on the ACC agree that it is desirable, an Airport may obtain the assistance of Signatory Air Carriers in collecting and remitting a conditional AIF in an amount agreed upon by the Airport and the MII as determined in accordance with Section 3.3 for a time period and upon any other conditions so agreed upon by the Airport and the MII as determined in accordance with Section 3.3, provided the Signatory Air Carriers receive at least 90 days prior written notice of the AIF collection commencement date (the "Preliminary AIF"). This Preliminary AIF shall be in effect for not less than 365 days from its commencement. Notwithstanding any provisions in this MOA to the contrary, the amount of the Preliminary AIF shall not be subject to any increases by that Airport. The MII as determined in accordance with Section 3.3 shall have the right to discontinue collection of the Preliminary AIF by giving 90 days notice on or after 365 days from the AIF collection commencement date if, in its view, the consultation process has not proceeded satisfactorily, or if it continues to oppose a Program proposal. The Airport shall not be entitled to require the collection and remittance of an AIF pursuant to both sections 13.1(b)(i) and 13.1(b)(ii) during the same time period and in the event the Airport proceeds with a Preliminary AIF, the Signatory Air Carriers shall not be required to collect or remit an AIF pursuant to section



13.1(b)(i) after the AIF collection commencement date for the Preliminary AIF.

- (c) The ACC shall have up to 180 days (“Phase One”) to consider and discuss the Program and to request such other information as the ACC may, acting reasonably, require and request from the Airport in order to evaluate the Program with the Airport's officials. The Chair of the ACC will advise the Airport within 180 days of either its concurrence, its disagreement or its concurrence with exceptions to the Program submitted. The Signatory Air Carriers at that Airport shall arrive at its decision via an MII vote in accordance with Section 3.3. If there is concurrence with the Program, the Airport may, subject to this MOA, implement the AIF charging mechanism pursuant to Subsection 13.1(g)(i). If the Chair of the ACC does not advise the Airport in writing of the Phase One decision within 180 days of receiving the Program proposal, the Program is deemed to have concurrence. If the Airport's Program is not the subject of concurrence, the Chairman of the ACC or any Signatory Air Carrier will advise the Airport of the result of the vote of the Signatory Air Carriers. In the event that the Signatory Air Carriers at that Airport disagree or concur with the Program with exceptions and the Airport continues to want the assistance of Signatory Air Carriers in collecting and remitting an AIF pursuant to this MOA, the consultation process outlined below will continue with respect to those individual projects for which an exception was noted.
  
- (d) In the event that either the Signatory Air Carriers at that Airport disagree with or the Signatory Air Carriers at that Airport concur with exceptions to the Program in Phase One of the consultation process and the Airport continues to want the assistance of Signatory Air Carriers in collecting and remitting an AIF pursuant to this MOA, then, commencing on the date written notice is given under Subsection 13(1)(c), a one month consultation process (“Phase Two”) will occur between the Airport's CEO and the CEO(s) (or their designates) of the Signatory Air Carriers forming the MII which

disagreed with the Program. Any agreement reached in Phase Two will be confirmed to the Airport in writing through the Chairman of the ACC or any Signatory Air Carrier, following ratification by the MII but within 15 days of the end of Phase Two.

- (e) In the event that no agreement is reached during Phase Two and the Airport continues to want the assistance of Signatory Air Carriers in collecting and remitting an AIF pursuant to this MOA, the Signatory Air Carriers forming the MII under Subsection 13.1(c) may, within 60 days, commencing at the conclusion of Phase Two (“Phase Three”), make an alternative proposal through the Signatory Air Carriers at that Airport provided that in the opinion of Signatory Air Carriers forming the MII under Subsection 13.1(c), the alternative proposal addresses all of the legitimate expansion requirements of the Airport over the term of the Program proposed by the Airport. The Airport will advise the Chairman of the ACC and all Signatory Air Carriers at that Airport in writing within 30 days of the conclusion of Phase Three whether it accepts or rejects the alternative proposal. If the Airport accepts the alternative proposal, the Airport may implement an AIF pursuant to Subsection 13.1(g)(i) of this MOA.
  
- (f) Should the Airport reject the alternative proposal made during Phase Three or if no alternative proposal is made, the Airport may, 24 months following the date upon which the Airport has provided to the Signatory Air Carriers at that Airport an Offer to Finance the proposed Program, conditional or otherwise, from a bona fide lender, group or syndicate of lenders, increase or initiate an AIF to be collected and remitted by Signatory Air Carriers, subject to the notification provisions of Subsection 13.1(g)(ii) of this MOA.
  
- (g) (i) Except as otherwise provided in Schedule F, following completion of the Air Carrier Consultation Process set out above, the Airport will advise each Signatory Air Carrier, in writing, at least 90 days prior to the collection

commencement date of the AIF, of the level of the AIF and the collection commencement date. The level of the AIF on the initial collection commencement date must be no greater than the level which was identified in the Airport's Program submission.

- (ii) Subsequent to the initial collection commencement date, in respect of an AIF implemented pursuant to Paragraph 13.1(g)(i) and subject to Subsection 13.1(h), an Airport may change the level of the AIF, subject to a minimum 90 days prior written notice to Signatory Air Carriers, (although the Airport shall endeavour to provide greater than 90 days notice where possible) provided that any such increase shall only apply to DEPAX passengers who purchase their tickets 60 days or more after the Signatory Air Carriers receive this written notice and are travelling on or after the effective date of such increase.
  
- (h) An Airport may introduce new projects during the period of a Program which shall constitute an amendment to the Program. These amendments shall, subject to the provisions of this Subsection 13.1(h), qualify for the assistance of Signatory Air Carriers in the collection and remittance of an AIF pursuant to this MOA. The amendments contemplated by this section relate to new projects or existing projects which have a change of scope, but do not include changes to project cost estimates resulting only from changes in the cost of construction. Should any proposed amendment result in an increase in capital spending of 10% or more of the Program previously implemented or if the proposed amendment would result in an extension of the estimated term of the AIF related to the original Program by three years or more, the proposed amendment will be subject to the terms of the Air Carrier Consultation Process as if it were a new Program.
  
- (i) The attached Schedule F to this MOA lists those capital construction programs which, as of the date of signing of this MOA, are deemed to have been approved by

the Signatory Air Carriers as a Program pursuant to the Air Carrier Consultation Process outlined in this MOA. In these cases, the Airport may proceed immediately with the AIF notification outlined in Subsection 13.1(g)(i) of the MOA.

#### **14.0 AIF Term**

14.1 No AIF implemented pursuant to this MOA shall have a term longer than that required to extinguish the underlying debt (including associated financing costs) incurred by the Airport to finance the proposed Program. Where possible and practical, a target date for the termination of an AIF will be agreed upon by the Parties at the time of imposition.

#### **15.0 Information Disclosure**

15.1 At the time an Airport presents a Program pursuant to Subsection 13.1(a) and so long as the Airport pursues the Program and/or an AIF has been imposed by an Airport and implemented with the assistance of Signatory Air Carriers pursuant to this MOA, the Airport shall provide to the Chair of the ACC and to each Signatory Air Carrier, with a copy to ATAC, the following information on an annual budgeted basis and an annual actual basis:

- (a) Cash flow statement for the Program indicating (as a minimum) net AIF revenues collected under this MOA, total expenditures on the Program, underlying debt incurred by the Airport to finance the Program and interest, bad debts related to the collection of the AIF and other debt service costs related to the debt incurred;
- (b) Statement of capital expenditures to date on the Program with reasonable detail on the composition of capital expenditures versus budget and indicating cost overruns, if any.

15.2 Each Airport shall provide, at its own cost, signage which advises passengers that the Airport is collecting an AIF for capital improvements at the Airport. The ACC shall be notified of the proposed signage and given 30 days to provide comments.

15.3 The Signatory Air Carriers, for informational purposes only, shall provide to the Airport on a monthly basis commencing on the date that an Airport becomes a signatory hereto, the number of non-revenue and revenue passengers of such Signatory Air Carrier that arrived and departed from the particular Airport in the prior month. This information shall not in any way relate or be used with respect to the calculation of AIF revenues remitted by a Signatory Air Carrier pursuant to this MOA.

#### **16.0 Airside Infrastructure**

16.1 The Parties recognize that, in addition to air carriers who utilize the air terminal building(s), all other aircraft operators ("Significant Users"), are material beneficiaries of ongoing Airport improvements to runways, taxi-ways, aircraft aprons and ramps, airfield lighting, airfield signage and airfield drainage ("Airside Infrastructure"). Each Airport shall implement a charging method for such Significant Users to contribute to Airside Infrastructure costs in such a fashion that Signatory Air Carriers and their passengers or customers are treated no less favourably than Significant Users and their passengers or customers relative to the respective benefits they receive from Airside Infrastructure. The Airport shall, in its sole discretion, make the determination that the said charging method implemented meets the criteria identified in this Section 16.1. It is agreed that this charging method envisages a process whereby landing fees or other airside related charges shall not, in total, exceed the costs associated with providing and maintaining Airside Infrastructure.

#### **17.0 Term**

17.1 The initial term of this MOA shall be for a period of 20 years commencing on May 31, 1999, provided that in those cases where debt arising from the agreed Program is not yet extinguished, the obligation to collect and remit AIF shall continue until such debt is extinguished. The Parties agree to meet 24 months prior to the expiry of this MOA to discuss renewal terms.

## **18.0 Applicable Law**

18.1 This MOA shall be construed, interpreted and enforced in accordance with, and the respective rights and obligations of the Parties shall be governed by, the laws applicable in the Province of Ontario and, subject to Article 19, the Parties agree to be bound by the non-exclusive jurisdiction of the courts of the Province of Ontario.

18.2 Notwithstanding Section 18.1, in the case of a dispute between an individual Airport and an individual Signatory Air Carrier, this MOA shall be construed, interpreted and enforced in accordance with, and the respective rights and obligations of the Parties shall be governed by, the laws applicable in the province in which the Airport is resident and the Parties shall attorn to the jurisdiction of the courts of that province.

## **19.0 Dispute Resolution**

19.1 Despite anything contained in the MOA to the contrary, in the event that a dispute or difference arises with respect to this MOA that cannot be resolved by negotiation between the Parties and the Parties do not agree to terminate this MOA, then in such event the Parties may agree to use the services of a mediator to attempt to resolve their dispute or difference and, failing agreement on the procedure to be followed, the mediation shall be conducted in accordance with the "Rules of Procedure for the Conduct of Mediations" of the Arbitration and Mediation Institute of Ontario.

19.2 In the event that the Parties choose not to mediate their dispute or difference or, if chosen, the mediation does not result in resolution of the dispute or the difference, and the Parties do not agree to terminate this MOA, then in such event any unresolved issue may be taken to any other appropriate dispute resolution process agreed to by the parties, including arbitration or an appropriate court process. Should arbitration be agreed upon, the arbitration will be conducted in accordance with the "Rule of Procedure for the Conduct of Arbitrations" of the Arbitration and Mediation Institute of Ontario.

**20.0 Nature of Relationships**

20.1 The Parties expressly disclaim any intention to create a partnership, joint venture, trust relationship or joint enterprise. Nothing contained in this MOA nor any acts of any Party taken in conjunction hereunder, shall constitute or be deemed to constitute a partnership, joint venture, or principal/agency relationship in any way or for any purpose except as the Signatory Air Carriers acting as agents for the Airports in collecting and remitting the AIF funds. Except as expressly set forth herein, no Party, shall have any authority to act for, or to assume any obligations or responsibility on behalf of, any other Party.

20.2 Although this MOA is made among multiple Airports and multiple Signatory Air Carriers, all Parties agree that once an AIF is implemented by a particular Airport pursuant to this MOA, all obligations with respect to such AIF collection shall be deemed to be direct contractual obligations between each Airport and each respective Signatory Air Carrier.

**21.0 Indemnity**

21.1 The Airports agree to indemnify and save harmless ATAC, the Signatory Air Carriers, and their respective shareholders, directors, officers, employees and agents from all losses, including all claims, demands, proceedings, losses, damages (including, without limitation, direct, indirect, incidental, special, exemplary, consequential or other damages), liabilities, deficiencies, costs and expenses (including, without limitation, all legal fees on a solicitor/client basis and other professional fees and disbursements, interest, penalties and amounts paid in settlement) arising directly or indirectly out of or in connection with any action by any person relating to the right of an Airport or Signatory Air Carrier to charge or collect an AIF in accordance with this MOA. Notwithstanding any other provision of this MOA, as long as the AIF mechanism contemplated by this MOA remains valid and in place, all costs incurred by an Airport in relation to this indemnity may, at the sole discretion of the Airport, be recovered by the Airport through the AIF mechanism established pursuant to this MOA. Nothing in this MOA shall require an Airport to indemnify a Signatory Air Carrier for any claim for damages arising out of the wilful misconduct or gross negligence of the Signatory Air Carrier.



**22.0 Jurisdictional Restrictions**

22.1 ATAC shall provide to each Airport a list, attached hereto as Schedule "E", which may be amended from time to time upon written notice to the Airports, of all countries ("jurisdictions") where the collection of an AIF as contemplated by this MOA is not permitted by law. Signatory Air Carriers shall not be required to collect or remit any AIF funds associated with tickets which are sold to persons physically present in the jurisdictions referred to in Schedule E, as amended from time to time. Prior to new jurisdictions being added to Schedule E, the Airports may seek an independent legal opinion as to the exclusion of collecting AIF revenues in such jurisdiction. In the event of a dispute regarding these additional jurisdictions, the matter shall be referred to arbitration pursuant to Article 19 of this MOA.

**23.0 Mutual Agreement to Consult**

23.1 The Parties to this MOA recognize that there are many complexities associated with the introduction of an AIF collection process as contemplated in this MOA and agree that a standing committee, which will be comprised of representatives of the Parties, will be established and will meet periodically to review issues associated with the administration of the MOA and attempt to reach mutual agreement on beneficial changes.

23.2 The Parties acknowledge and agree that this MOA may require amendment to facilitate the administration of taxes which may be applicable to AIF's collected pursuant to this MOA and in this respect the Parties agree to make such amendments as may be determined by ATAC and Signatory Air Carriers in an expeditious manner upon request provided that, such amendments would not materially reduce or impair the rights granted to Airports by the terms of this MOA.

**24.0 Airport Specific Programs**

24.1 For greater certainty, except as otherwise specifically provided in Sections 5.1 and 5.2, any Program shall relate only to the one (1) site-specific airport in respect of which the AIF is collected, notwithstanding that an Airport may own or operate more than one (1) airport.

**25.0 Entire Agreement**

25.1 This MOA supersedes, rescinds and revokes all negotiations, arrangements, letters of intent, brochures, representations, agreements and information conveyed, whether oral or in writing, between the Parties with respect to the subject matter hereof.

**26.0 Headings**

26.1 The division of this MOA into articles, sections, subsections, paragraphs and subparagraphs and the insertion of headings are for convenience or reference only and shall not affect the construction or interpretation of this MOA.

**27.0 Schedules**

27.1 Subject to the clarification provided in Section 3.2 of this MOA, the documents attached as Schedules to this MOA form an integral part of this MOA as fully as if they were set forth herein in full.

**28.0 Notice**

28.1 All notices or other communications necessary for the purposes of this MOA ("Notice") shall be in writing and shall be delivered personally or by courier, or shall be sent by registered mail or by prepaid post or sent by facsimile, addressed,

- (a) in the case of an Airport, to each Airport listed on Schedule A or to such other address or facsimile number or addressed to such other person as the Airport may, from time to time, designate in writing to the other Parties:
  
- (b) in the case of ATAC or the Chairman of an ACC, to:

Chief Executive Officer  
ATAC  
255 Albert Street  
Suite 1100  
Ottawa, Ontario  
K1P 6A9

Telephone: (613) 233-7727  
Facsimile: (613) 230-8648

or to such other address or facsimile number or addressed to such other person as ATAC may, from time to time, designate in writing to the other Parties;

- (c) in the case of a Signatory Air Carrier, to each Signatory Air Carrier listed on Schedule B or to such other address or facsimile number or addressed to such other person as the Signatory Air Carrier may, from time to time, designate in writing to the other Parties.

28.2 Any Notice will be considered to have been received:

- (a) the case of facsimile, on actual receipt if the same is a business day, during normal business hours, and if not, then on the next business day, or
  
- (b) in all other cases, on the date of delivery.

28.3 If the postal service is interrupted, or threatened to be interrupted, or is substantially delayed, any Notice shall be delivered personally, by facsimile or by courier.

**29.0 Time of Essence**

29.1 Time is of the essence under this MOA.

**30.0 Non-Waiver**

30.1 Any failure by a Party to rely on its strict legal rights hereunder shall not constitute a waiver of any other rights of that Party hereunder.

**31.0 Partial Invalidity**

31.1 If, for any reason whatsoever, any term, covenant or condition of this MOA, or the application thereof to any person or circumstance, is to any extent held or rendered invalid, unenforceable or illegal, then such term, covenant or condition:

- (a) is deemed to be independent of the remainder of this MOA and to be severable and divisible therefrom, and its invalidity, unenforceability or illegality does not affect, impair or invalidate the remainder of this MOA or any part thereof; and
- (b) continues to be applicable and enforceable to the fullest extent permitted by law against any persons and any circumstances other than those as to which it has been held or rendered invalid, unenforceable or illegal.

**32.0 Extended Meanings**

32.1 The word “hereunder” and similar expressions used in this MOA relate to the whole of this MOA, unless the context indicates otherwise. Words importing a particular gender shall include all genders.

**33.0 Counterparts**

33.1 This MOA may be executed in one or more counterparts and by the different parties hereto in separate counterparts, each of which when executed will constitute an original and all of which taken together shall constitute one and the same instrument. Transmission by facsimile, in accordance with Article 28, of an executed counterpart shall constitute good and valid delivery of the same.

**34.0 Amendments**

34.1 This MOA may be amended from time to time in the following manner:

- (a) Any Party may initiate an amendment to the MOA by formally giving notice (as outlined in Schedule C) to all Parties specified under Article 28.0.
- (b) Parties receiving a notice of amendment have 90 days to express consent or rejection of the proposed amendment.
- (c) Subject to Section 2.2 and Subsections 34.1(d) and (e), amendments to this MOA require the consent of the majority of the Airports and the majority of the Signatory Air Carriers (including both of the two largest Canadian air carriers as determined by passenger boardings in the calendar year immediately preceding the requested amendment sought by Airports and Signatory Air Carriers).

- (d) Subject to Section 2.2, amendments to Articles 8, 9, 11, 13, 34 and 35, of the MOA require the consent of 80% of the Airports and 80% of the Signatory Air Carriers (including both of the two largest Canadian air carriers as determined by passenger boardings in the immediately preceding calendar year).
  
- (e) Subject to Section 2.2, ATAC, an Airport and the Signatory Air Carriers as represented by the ACC at that Airport may agree to vary the provisions of this MOA as they apply at that Airport provided that, in no event whatsoever shall they derogate from, alter or amend the provisions of Articles 8, 9, 11, 13, 34 or 35 of this MOA and provided further that notice of such variation is given by ATAC, the Airport and the ACC to all other Parties to this MOA. For greater certainty, no such variation shall affect the provisions of this MOA at any other Airport or any other rights or obligations of any other Parties.
  
- (f) All notices of amendments and responses shall be sent to ATAC as outlined in Article 28.

**35.0 ATAC Administration Fee**

35.1 Airports agree to contribute proportionately a percentage of gross AIF collected to ATAC to cover ongoing administration functions in support of this MOA, as described in Schedule H of this MOA. The amount to be contributed shall be established annually through the presentation by ATAC of a budget for the information of the Airports. This budgeted amount may vary annually but shall not be less than .1% nor exceed .2% of amounts remitted by all Signatory Air Carriers on behalf of the Airports, together with applicable taxes. The apportionment of this cost amongst the Airports shall be on the basis of enplaned passengers at the Airports.

IN WITNESS WHEREOF, the duly authorized signatories of the respective Parties hereto have set their signatures this on the date indicated.

**AIR TRANSPORT ASSOCIATION OF CANADA**

Per: \_\_\_\_\_ Date:  
MICHAEL SKROBICA

Title: Vice President Finance

**OTTAWA MACDONALD-CARTIER INTERNATIONAL AIRPORT AUTHORITY**

Per: \_\_\_\_\_ Date:  
PAUL BENOIT

Title: President and Chief Executive Officer

**AIR CANADA**

Per: \_\_\_\_\_ Date:

Title:

**CANADIAN AIRLINES INTERNATIONAL LTD.**

Per: \_\_\_\_\_ Date:

Title:

## SCHEDULE A

### Airports

#### Name Of Airport Authority

#### Specific Airport Which Is Included

Mr. John Weerdenburg  
Vice-President & CFO  
**Ottawa Macdonald-Cartier  
International Airport Authority**  
50 Airport Road  
Gloucester ON K1V 9B4  
T: 613-248-2000 ext 1107 F: 248-2067  
Email: weerdej@ottawa-airport.ca

Ottawa International Airport

Mr. Steve Burchi  
**Regina Airport Authority**  
#1 - 5201 Regina Avenue  
Regina, SK S4W 1B3  
T: 306-761-7563 / F: 306-761-7559  
Email: sburchi@yqr.ca

Mr. Bill Restall  
President & CEO  
**Saskatoon Airport Authority**  
2625 Airport Drive, Suite 3  
Saskatoon SK S7L 7L1  
T: 306-975-6464 / F: 306-975-4233  
Email: billrestall@yxe.ca

Mr. Rex LeDrew  
President  
**St. John's International Airport Authority**  
Airport Terminal  
80 Airport Terminal Access Road  
St. John's, NF A1A 3R1  
T: 709-747-5188 / F: 709-758-8521  
Email: rledrew@stjohnsairport.com



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**Victoria Airport Authority**  
Victoria International Airport  
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Sidney BC V8L 5V4  
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Mr. Wayne Ford  
Controller  
**Winnipeg International Airport**  
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Email: wford@waa.ca

Mr. Scott Clements  
President & C.E.O.  
**Edmonton Regional Airports Authority**  
P.O. Box 9860  
Edmonton AB T5J 2T2  
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E: sclements@edmontonairports.com

Mr. S. J. Baker  
President and C.E.O.  
**London International Airport**  
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London ON N5V 3B6  
T: 519-452-4042 / F: 519-453-6219  
Email: sbaker@londonairport.on.ca

Mr. R. J. Watson, AMCT, CMO  
City Clerk  
**City of Timmins**  
220 Algonquin Boulevard East  
Timmins ON P4N 1B3  
T: 705-264-1331 / F: 705-360-1392

President & Chief Executive Officer  
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**County of Lethbridge ? 26**  
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Development Corporation**  
Sault Ste Marie Airport  
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Email: info@saultairport.com

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## SCHEDULE B

### Signatory Air Carriers

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**Air Canada**  
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T: 514-422-5100/0600 / F: 514-422-5191  
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Ms. Jolene Mahody  
Director  
Commercial and Resource Planning  
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Halifax International Airport  
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T: 902-873-5070 F: 902-873-2098  
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Mr. Franco Giampa  
Director Airports  
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London ON N5V 3S4  
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F: 519-453-0063  
Email: franco.giampa@flyjazz.ca

~~Ms. Shirley Campling~~  
~~Secretary-Treasurer~~  
~~**La Ronge Aviation Services Ltd.**~~  
~~Box 320~~  
~~La Ronge, SK S0J 1L0~~  
~~\* merged with Transwest Air~~

Mr. Jim Glass  
Managing Partner  
**Transwest Air**  
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Prince Albert SK S6V 5R4  
T: 306-764-1404 / F: 306-763-1313  
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Regional Director-Airport Affairs  
**United Air Lines Inc.**  
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Chicago, IL 60666  
U.S.A.  
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{1200 East Algonquin Road }  
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~~Traffic Manager \*no longer in operation~~  
~~**Pem-Air Ltd.**~~

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~~Canada 3000 Airlines~~ \*no longer in operation  
~~Toronto-ON~~

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VTOGP/M-P  
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~~Halifax-NS~~

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*\*\* (do not send him general information)*

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I.M.P. Group Limited  
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Mr. Yves Lacasse  
Vice-President Finance  
**Jetsgo Corporation**  
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**Zip Air Inc.**  
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Mr. Gabriel Vidal  
General Manager, USA/Canada  
**Air Plus Comet**  
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Mr. Tim Attley  
Vice-President, Ground Operations  
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The Americas  
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Email: rickhill@helijet.com

**SCHEDULE C**

**Accession Form**

TO: [Existing Parties to MOA]  
RE: Accession to Memorandum of Agreement dated ■

The [Airport/Signatory Air Carrier], having received a copy of the Memorandum of Agreement dated ■ between the Air Transport Association of Canada, certain Airports and certain Signatory Air Carriers, and desiring to be a Party to that Memorandum of Agreement, and now providing consideration of one dollar (\$1.00), in Canadian funds, to each of the existing Parties to the Memorandum of Agreement, hereby agrees to be bound to the Memorandum of Agreement and to abide by its terms and conditions.

DATE: \_\_\_\_\_

SIGNATURE

TITLE

SIGNATURE

TITLE

Any Notice pursuant to the Memorandum of Agreement should be sent to:

(Company Name and Full Mail Address)  
(Contact Name, Title, Telephone Number & Facsimile Number)

**SCHEDULE D**

**ACC Operating Terms of Reference**

## **AIRLINE CONSULTATIVE COMMITTEE (ACC)**

### **1. OBJECTIVES**

- To provide a forum for airlines at an airport to discuss and analyse matters of common interest and concern with respect to the operation of the airport.
- To consolidate airline views on an issue(s) and officially present such views to the airport operator.
- To act as the on-site consultative representative of the airlines with the airport operator in respect of all capital projects or programs, all fees and charges and all exclusive rentals at the airport which will have a financial impact of any kind on the airlines or airline passengers and any other matters having a material impact on airline operations at the airport.
- To perform the obligations assigned to it as set out in any agreement between the airport operators and the airlines and/or ATAC.

### **2. ESTABLISHMENT**

- An ACC shall be established at each National airport and, where a consensus exists amongst airlines serving the airport, at each Regional/Local airport. National and Regional/Local airports mean those airports as defined in the National Airports Policy of July 1994 and as listed in Appendix 'A' hereto.

### **3. MEMBERSHIP**

- Voting membership is open to all airlines and/or their duly designated representative serving an airport on a regular and consistent basis.
- ATAC shall be an ex officio non-voting member of all ACCs and, at airports served by their non-Canadian airline membership, IATA and ATA shall be non-voting members ex officio.
- Each airline shall appoint a single official representative to exercise that airlines voting rights and may change this person at any time.
- Each airline may invite other company personnel with appropriate qualifications to attend ACC meetings when considering major capital projects or programs proposed by an airport.

- In order to ensure coordination with the day-to-day operations of the airlines, the ACC may invite the Chairman of the Airport Operator's Committee (AOC), to attend any meeting of the ACC as a non-voting participant.

#### 4. GOVERNANCE

- Each ACC shall meet at least once every 12 months and additionally at the call of the Chair or upon request of any member airline.
- Each ACC shall appoint a Chairman from amongst the largest Canadian air carriers serving the airport based on passenger volumes of the airport. The ACC may also appoint a Vice-Chairman and a Secretary from amongst their voting members. Those officers shall hold office until the ACC or the voting member airlines appoints their successors.
- The officers shall retain their voting rights as their airlines' official representatives.
- The Chairman shall give notice of all ACC meetings to the members and shall preside over all such meetings and shall arrange for the recording and circulation to the members of the minutes of all ACC meetings.
- The ACC may appoint and set the mandate of sub-committees and/or specialist working groups to study and report to the ACC, through the Chairman, on any matter. Membership on such sub-committees or working groups is open to airline employees or advisors designated by the airline official representative to the ACC.
- The Chairman shall ensure that copies of the minutes of the ACC meetings are made known to and co-ordinated with ATAC, IATA and ATA as the case may be.
- The official representative of each ACC member airline shall be entitled to vote on any matter coming before the ACC which requires a vote. To be voted on, a motion must be proposed and seconded by airline official representatives.
- While consensus is the goal, it is recognized that some issues coming before the ACC may require a vote. For matters having a material financial impact on all ACC members, a motion will not be considered carried unless it passes with the concurrence of those ACC members whose total passenger traffic at the airport is at least 66% of the airport's total passenger traffic as determined from the previous calendar year's total traffic. For motions not having a material financial impact on all ACC members, a simple majority of 51% of members present and voting is sufficient to carry the motion.

- No motion may be voted upon unless notice in writing of the motion was given to all ACC members at least seven (7) days prior to the meeting at which the motion is to be introduced.
- Voting “in absentia” is permissible if done in writing. Proxy voting is also permissible if done in writing by authorizing another ACC official airline representative to cast the absent members ballot.
- ACC meetings are closed to anyone other than airline employees, airline advisors and representatives of ATAC, ATA or IATA except when persons are expressly invited by the Chairman, e.g. airport management.

**SCHEDULE E**

**Excluded Jurisdictions**

BOLIVIA

CHILE

COLOMBIA

COSTA RICA

ECUADOR

EL SALVADOR

GUATEMALA

IRAN

IRAQ

LIBYA

PERU

SAUDI ARABIA

VENEZUELA

URUGUAY

## **SCHEDULE F**

### **Capital Programs Deemed to Have Been Approved**

#### **OTTAWA INTERNATIONAL AIRPORT AUTHORITY**

##### **Combined Services Building**

The Combined Services Building is a new facility to be constructed which will combine and replace both the existing Fire Hall and the existing Maintenance Garage in one combined new location on the southeast side of the intersection of runways 07/25 and 14/32 next to taxiway Echo at Ottawa International Airport. The estimated cost of this facility is \$7 million.



## **SCHEDULE F**

### **Capital Programs Deemed to Have Been Approved**

#### **CALGARY AIRPORT AUTHORITY**

Ten-year Capital Expansion Program (1997 to 2006) as originally approved by the ACC at Calgary pursuant to a letter dated December 31, 1996 from the Chairperson of the ACC and further updated by the revised 10 year capital program (1998 to 2007) as approved by the ACC at Calgary pursuant to a letter dated April 13, 1999 from the Chairperson of the ACC. For greater certainty it is expressly recognized that this approved capital program includes an AIF funded project titled "96<sup>th</sup> Avenue" which is physically located off-airport and therefore represents an exception to the conditions imposed on the use of AIF revenues in Section 5.1 of this Agreement.

## **SCHEDULE F**

### **Capital Programs Deemed to Have Been Approved**

#### **KELOWNA AIRPORT**

Three-year Capital Expansion Project at Kelowna pursuant to minutes of an ACC meeting held November 24, 1997.

## **SCHEDULE F**

### **Capital Programs Deemed to Have Been Approved**

#### **WINNIPEG INTERNATIONAL AIRPORT**

Five-year Capital Expansion Program (1998-2003) as approved by the ACC at Winnipeg pursuant to a letter dated April 7, 1998 from the Chairman of the ACC.

## SCHEDULE F

### Capital Programs Deemed to Have Been Approved

#### VANCOUVER INTERNATIONAL AIRPORT

The 10 Year Capital Plan, which means the plan described in the document entitled "10 Year Capital Plan Update November 2003" presented to the ACC at its December 2, 2003 meeting. As more fully described in that document, the capital projects forming the 10 Year Capital Plan include:

1. ITB Expansion and Upgrades
2. Sustaining and Restoration Projects
3. RAV Line
4. DTB Upgrade and Expansion
5. Airfield Projects
6. Baggage System Upgrades/Expansion
7. Roads/Parking
8. CATSA Funded HBS

For greater certainty, it is recognized that the RAV Line described above includes the rapid transit line and related facilities connecting the on-Airport portion of RAV to the main line in Richmond, which will be located off the Airport, and the inclusion of the RAV Line in the approved 10 Year Capital Plan represents an express exception to the restrictions imposed in Section 5.1 with respect to the use of AIF revenues.

**SCHEDULE G**  
 Airport Improvement Fee  
 Monthly Remittance Form  
 Airport

Air Carrier \_\_\_\_\_ Month \_\_\_\_\_ Year \_\_\_\_\_  
 Current Month DEPAX \_\_\_\_\_ X \_\_\_\_\_ =  
 A.I.F. Rate                      Gross Remittance

	<b>Gross AIF Remittance (per above)</b>	<b>Less</b>	<b>Handling Fee @ ____%</b>	=	<b>Net Remittance to Airport</b>
Before Tax		Less		=	
<u>Applicable Tax</u> GST.....% HST.....% QST.....%		Less		=	
Total		Less		=	<b>Remit this Amount</b>

This compliance certificate is delivered to [Airport] pursuant to Article 9.5 of the Memorandum of Agreement (the "MOA") dated as of \_\_\_\_\_ between the Air Transport Association of Canada and Signatory Air Carriers and certain Airports.

I \_\_\_\_\_ (name) \_\_\_\_\_ (title) \_\_\_\_\_ (airline)  
 certify that, to the best of my knowledge, information and belief, the AIF remittance for the month of \_\_\_\_\_ (month):

Proper and responsible due diligence has been exercised in establishing the remittance by personnel understanding the importance to the Airport of establishing the correct number of DEPAX passengers subject to the AIF (as defined in the MOA). I give this compliance certificate in my capacity as \_\_\_\_\_ (title) and no personal liability is assumed in the giving of this certificate.

(signature)

(date)

## **SCHEDULE H**

### **ADMINISTRATIVE DUTIES OF THE AIR TRANSPORT ASSOCIATION OF CANADA**

The Air Transport Association of Canada shall:

1. Carry out the administrative duties noted in paragraph 35.1 of the Memorandum of Agreement on Airport Improvement Fees dated May 31, 1999, as follows -
  - 1) Mandate - The Air Transport Association of Canada shall act as Administrator for and Secretariat on behalf of the Memorandum of Agreement on Airport Improvement Fees dated May 31, 1999. These duties shall include:
    1. Advising Signatories and other interested parties (e.g. CRSs) of:
      - (1) new Signatories
      - (2) changes to AIF rates
      - (3) proposed amendments to the Agreement
    2. Establish and support the Technical Committee noted under section 23.1 of the MOA.
    3. To inform Signatories (chiefly new entrants) or other interested parties on the terms of the Agreement.
    4. To attempt to settle disputes by means of discussion and, if necessary, obtaining legal opinions to guide Signatories.
  - 2) Budget - ATAC shall submit a budgeted amount to the Signatory Airports no later than October 1 of each year and the Airports shall have until October 30 of each year to comment and add items to the budgeted amount. The budgeted amount shall contain sufficient detail to identify tasks noted in (a) above. A comparative of actual expenditures in the prior year ended September 30 shall be provided.
  - 3) Apportionment - Airports shall provide annual passenger volumes to ATAC in accordance with section 8 of the MOA.

**AIRPORTS IN THE NATIONAL AIRPORTS SYSTEM**

KELOWNA, B.C.  
PRINCE GEORGE, B.C.  
VANCOUVER, B.C.  
VICTORIA, B.C.  
CALGARY, ALTA.  
EDMONTON, ALTA.  
REGINA, SASK.  
SASKATOON / JOHN G. DIEFENBAKER, SASK.  
WINNIPEG, MAN.  
LONDON, ONT.  
OTTAWA / MACDONALD-CARTIER, ONT.  
SUDBURY, ONT.  
THUNDER BAY, ONT.  
TORONTO / LESTER B. PEARSON, ONT.  
MONTREAL / DORVAL-MIRABEL, QUE.  
QUEBEC CITY / JEAN LESAGE, QUE.  
FREDERICTON, N.B.  
MONCTON, N.B.  
SAINT JOHN, N.B.  
HALIFAX, N.S.  
CHARLOTTETOWN, P.E.I.  
GANDER, NFLD.  
ST. JOHN'S, NFLD.  
YELLOWKNIFE, NWT  
WHITEHORSE, YUKON

## AIRPORTS IN THE REGIONAL/LOCAL CATEGORY

QUESNEL, B.C.  
PRINCE RUPERT, B.C.  
KAMLOOPS, B.C.  
NANAIMO, B.C.  
CRANBROOK, B.C.  
CASTLEGAR, B.C.  
TERRACE, B.C.  
FORT ST. JOHN, B.C.  
PENTICTON, B.C.  
CAMPBELL RIVER, B.C.  
SMITHERS, B.C.  
COMOX, B.C.  
ABBOTSFORD, B.C.  
DAWSON CREEK, B.C.  
WILLIAMS LAKE, B.C.  
FORT NELSON, B.C.  
POWELL RIVER, B.C.  
PORT HARDY, B.C.  
RAINBOW LAKE, ALTA.  
GRANDE PRAIRIE, ALTA.  
LETHBRIDGE, ALTA.  
FORT MCMURRAY, ALTA.  
PEACE RIVER, ALTA.  
LA RONGE, SASK.  
URANIUM CITY, SASK.  
PRINCE ALBERT, SASK.  
THOMPSON, MAN.  
THE PAS, MAN.  
NORWAY HOUSE, MAN.  
BRANDON, MAN.  
FLIN FLON, MAN.  
DAUPHIN, MAN.  
LYNN LAKE, MAN.  
GILLAM, MAN.  
DRYDEN, ONT.  
KAPUSKASING, ONT.  
GORE BAY, ONT.  
TIMMONS, ONT.  
SAULT STE. MARIE, ONT.  
TORONTO ISLAND, ONT.  
WINDSOR, ONT.  
NORTH BAY, ONT.  
SARNIA, ONT.  
HAMILTON, ONT.  
PICKERING, ONT. (UNDEVELOPED)  
RED LAKE, ONT.  
KENORA, ONT.  
PEMBROKE, ONT.  
EARLTON, ONT.  
FORT FRANCES, ONT.  
GASPE, QUE.  
RIMOUSKI, QUE.  
SEPT-ILES, QUE.  
VAL D'OR, QUE.  
BAGOTVILLE, QUE.  
ROUYN, QUE.  
BAIE-COMEAU, QUE.  
MONT-JOLI, QUE.  
HAVRE ST. PIERRE, QUE.  
ALMA, QUE.  
CHATAM, N.B.  
CHARLO, N.B.  
ST. LEONARD, N.B.  
YARMOUTH, N.S.  
SYDNEY, N.S.  
CHURCHILL FALLS, NFLD.  
DEER LAKE, NFLD.  
GOOSE BAY, NFLD.  
WABUSH, NFLD.  
STEPHENVILLE, NFLD.  
ST. ANTHONY, NFLD.



## SCHEDULE I

### Vancouver International Airport AIF Rates

Rates by destination of DEPAX passenger (plus applicable taxes):

Within British Columbia                      \$5  
or the Yukon

Within North America                      \$10  
(not including BC or the Yukon)

Outside of North America                      \$15  
(including Hawaii and Mexico)

Connecting passengers are exempt from payment of AIF.

The rates at Vancouver International Airport may be changed in accordance with the provisions of Section 6.3 of this MOA without having to amend this MOA.

This is **Exhibit "B"** referred to in the Affidavit of Diana Vuong, affirmed before me at City of Vancouver, in the Province of British Columbia, this 23<sup>rd</sup> day of May 2024

A handwritten signature in black ink, appearing to read "Amanda Wheat", written over a horizontal line.

Amanda Wheat  
BARRISTER AND SOLICITOR  
A Notary Public in and for British Columbia

**VANCOUVER AIRPORT AUTHORITY**  
**SCHEDULE OF FEES AND CHARGES**  
Effective January 1, 2023  
Subject to Change

**PAYMENT TERMS AND CONDITIONS**

All fees and charges payable by an air carrier under the Schedule will be invoiced by the Airport Authority and invoiced amounts will be payable by the air carrier on the following payment terms except for the Airport Improvement Fee. All rates do not include applicable taxes, unless otherwise stated:

1. a) Unless otherwise provided in the Schedule, air carriers will have 30 days from the invoice date to pay to the Airport Authority all invoiced aeronautical fees and charges ("Fees"). Interest will be charged on any Fees not paid by the due date at the Prime Rate plus 12% and will be calculated on a per diem basis and compounded monthly. All applicable taxes will be applied on the invoice. In this document, "Prime Rate" means the prime rate set by the Airport Authority's lending bank at the relevant time.

b) All rental space fees and charges ("Fees") are due on or before the 1st of each month as outlined in the lease agreements. Interest will be charged on any Fees not paid by the due date at the Prime Rate plus 12% and will be calculated on a per diem basis and compounded monthly.

2. Air carriers have the option of paying by cheques and/or electronically. Cheques shall be made payable to and payment forwarded to:

The Vancouver Airport Authority  
PO Box 44638 YVR Domestic Terminal RPO  
Richmond, BC, V7B 1W2

For electronic payments, please contact the accounts receivable team at [accounts\\_receivable@yvr.ca](mailto:accounts_receivable@yvr.ca).

3. The Airport Authority may accept and cash any cheque or payment instrument received from or on behalf of an air carrier and may, at the option of the Airport Authority and notwithstanding any reference to an invoice number or any particular Fees on or accompanying such cheque or payment instrument, apply such payment on account of any Fees or interest owing by the air carrier without prejudice to the Airport Authority's right to recover any remaining balance of Fees or interest or to pursue any other right or remedy available to it.

4. No endorsement, direction or statement on any cheque or payment instrument or accompanying letter or other document shall be binding on the Airport Authority nor deemed to be an acknowledgement of full payment or an acceptance, accord and satisfaction by the Authority of such endorsement, statement or letter, etc.

5. All references in the Schedule to money amounts are to Canadian currency.

6. In the event any Fees are not paid in full when due or the air carrier is in default of any of these Payment Terms and Conditions, the air carrier will be deemed to be in default and the Airport Authority may give notice to such air carrier that all Fees payable by such air carrier, whether or not then due, are due and payable forthwith and interest will accrue from such date at the rate and upon the terms set out above.

7. The Airport Authority reserves the right to deny the use of or access to any Airport resource or suspend or otherwise restrict the exercise of any privileges including access to any part of the Airport by any air carrier in default until payment of all outstanding Fees is made in full or credit arrangements satisfactory to the Airport Authority are in place.

8. The Airport Authority reserves the right to amend the Schedule, at any time and from time to time on 60 days advance public notice, in any manner it deems appropriate including: increasing or decreasing any Fees; adding thereto or deleting therefrom categories of Fees or otherwise.

9. The terms and conditions in the Schedule are binding between the Airport Authority and the air carrier, except where there is a separate written agreement between the Airport Authority and the air carrier regarding the fees and charges listed in this Schedule.

**VANCOUVER AIRPORT AUTHORITY**  
**SCHEDULE OF FEES AND CHARGES**  
Effective January 1, 2023  
Subject to Change

**SECURITY FOR PAYMENT**

As security for the payment of Fees hereunder, all air carriers shall deliver to the Airport Authority an irrevocable letter of credit issued in favour of the Airport Authority by a Canadian chartered bank acceptable to the Airport Authority in form and content determined by the Airport Authority. The amount shall be equal to three months Fees, all as reasonably estimated by the Airport Authority.

In the event the air carrier is in default of payment to the Airport Authority of any Fees or any other sum payable by the air carrier to the Airport Authority, and such default continues for five (5) days following written notice by the Airport Authority requiring the air carrier to pay the same, the Airport Authority 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.

The air carrier shall provide the Airport Authority 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 Airport Authority on a letter of credit, deposit an additional letter of credit with the Airport Authority in the amount paid by the issuer of the letter of credit to the Airport Authority failing which, in either case, the Airport Authority may draw the full amount of the letter of credit and hold the funds as a security deposit. The air carrier shall, immediately after the Airport Authority deducts arrears from the security deposit, deposit an additional security deposit in the amount of such arrears with the Airport Authority.

The Airport Authority shall have the right on at least thirty (30) days prior notice to the air carrier to impose the security requirement or to increase or decrease the amount of the security that the air carrier is required to maintain hereunder so that such amount represents the amount the Airport Authority's estimates will be payable for Fees over a period of three months.

When the air carrier ceases operations at YVR and upon payment by the air carrier to the Airport Authority of all Fees including all costs and expenses incurred by the Airport Authority in correcting or satisfying any default or fulfilling any obligations of the air carrier, the Airport Authority shall release the letter of credit or return the security deposit to the air carrier, without interest.

**VANCOUVER AIRPORT AUTHORITY**  
**SCHEDULE OF FEES AND CHARGES**  
 Effective January 1, 2023  
 Subject to Change

**LANDING FEES**

For each landing of an aircraft the fee is the greater of the Standard Fees or Minimum Fees:

<b>Standard Fees</b>		Aircraft MTOW (kg)	Fee per 1000 kg of MTOW or fraction thereof
Aircraft Type	Flight Type		
Jet	Domestic & International	0 - 21,000	\$4.20
		21,001 - 45,000	\$5.25
		45,001 or greater	\$6.30
Turboprop, Piston, Helicopter	Domestic & International	0 - 21,000	\$3.68
		21,001 - 45,000	\$4.20
		45,001 or greater	\$5.25

<b>Minimum Fees</b>		Fee per Landing
Aircraft Type	Flight Type	
Fixed Wing (Jet, Turboprop, Piston), Helicopter	Domestic & International Flight	\$52.50

1. The landing fee is based on the maximum permissible take off weight (MTOW), as stated in the aircraft's registration documents. Until such time as the Vancouver Airport Authority receives an aircraft's registration documents, it shall base the MTOW for the aircraft on the highest known MTOW for the particular aircraft type. Any amendment to an aircraft's MTOW will be effective 30 days subsequent to the Vancouver Airport Authority's receipt of original or revised registration documents. No retroactive adjustments will be made. Submissions can be made via email to [accounts\\_receivable@yvr.ca](mailto:accounts_receivable@yvr.ca) or by fax to 604-276-7747.
2. A domestic flight means a flight between two points within Canada.
3. An international flight means a flight between a point outside Canada and a point within Canada.
4. Landing fees are not payable where an aircraft or any person on board is threatened by serious or imminent danger and an unscheduled landing is made to a non-intended destination.
5. Landing fees are not payable for State aircraft.

**VANCOUVER AIRPORT AUTHORITY**  
**SCHEDULE OF FEES AND CHARGES**  
 Effective January 1, 2023  
 Subject to Change

<b>Airport Authority Managed Aprons - Aircraft Parking Fees</b>	
<b>Aircraft MTOW* (kg)</b>	<b>Fee per Aircraft (Daily rate)</b>
0 - 2,000	\$14.70
2,001 - 5,000	\$16.28
5,001 - 10,000	\$18.11
10,001 - 30,000	\$31.24
30,001 - 60,000	\$49.09
60,001 - 100,000	\$73.76
100,001 - 200,000	\$123.11
200,001 - 300,000	\$170.63
300,001 or greater	\$221.55
All aircraft - periods more than 24 hours	\$420.00

\*Maximum permissible take-off weight

1. Parking duration will be calculated from time of landing to time of take-off based on tower data.
2. Parking fees do not apply for any period less than 4 hours. Aircraft towed to hangars will not be subject to parking fees.
3. For periods more than 4 hours up to 24 hours, the airline will be charged the applicable daily rate indicated in the table above based on the MTOW of the aircraft.
4. For periods more than 24 hours, the airline will be charged a daily rate of \$420.00 per 24-hour period, or any portion thereof.
5. Aircraft are not permitted to park on the main apron (Apron VI) for more than 24 hours unless approved in writing by the Airport Capacity team at [slot\\_coordination@yvr.ca](mailto:slot_coordination@yvr.ca) or the day-of Integrated Operations Centre at [gates@yvr.ca/604-207-7034](mailto:gates@yvr.ca/604-207-7034).
6. All parking requests must be submitted in Slot Clearance Request format at least 3 business days in advance as per IATA world slot guidelines to ensure requests can be properly reviewed by the Airport Capacity team.
7. Aircraft are required to be towed on/off parking position within the timeslot approved by the Airport Capacity team or as instructed by the Baggage and Gate Schedulers. Aircraft that are not towed off parking position prior to expiry of the approved timeslot may be towed at the airline's expense unless parking is extended by written approval from the Airport Capacity team or the day-of Integrated Operations Centre.
8. YVR reserves the right to amend these rules at any time based on operational requirements.

**VANCOUVER AIRPORT AUTHORITY  
SCHEDULE OF FEES AND CHARGES  
Effective January 1, 2023  
Subject to Change**

PRE-SECURITY FEE	
<i>Domestic Originating Passenger</i>	
Rate per domestic originating passenger	\$4.20
<i>Transborder and International Originating Passenger</i>	
Rate per transborder and international originating passenger	\$9.71

1. Pre-security fees are intended to partially recover the construction and operating costs of the terminal facilities located prior to the primary security line.
2. A domestic originating passenger means a passenger with a flight originating out of YVR to a point within Canada. Air carriers will be charged the domestic originating passenger pre-security fee for each domestic originating passenger.
3. A transborder originating passenger means a passenger with a flight originating out of YVR to a point within the United States. Air carriers will be charged the transborder and international originating passenger pre-security fee for each transborder originating passenger.
4. An international originating passenger means a passenger with a flight originating out of YVR to a point outside of Canada and the United States. Air carriers will be charged the transborder and international originating passenger pre-security fee for each international originating passenger.
5. Originating passenger information will be sourced from Airport Improvement Fee remittance data.

U.S. PRE-CLEARANCE FEES	
<i>U.S. Bound Pre-Cleared Passengers</i>	
Fee per U.S. Bound Pre-Cleared Passenger for Signatory Air Carriers:	\$2.10

1. U.S. pre-clearance fees are intended to partially recover the construction and operating costs of the U.S. pre-clearance facilities.
2. A U.S. bound pre-cleared passenger means any passenger using the U.S. pre-clearance facility at YVR. Air carriers will be charged the U.S. Bound pre-cleared passenger Fee for each U.S. bound pre-cleared passenger.
3. Air carriers will be charged the U.S. bound pre-cleared passenger fee for each U.S. bound pre-cleared passenger on their actual passenger traffic multiplied by the prevailing annual rate (subject to adjustments to payments, if required, at year end based upon final passenger numbers). Actual passenger traffic will be based on information remitted by the air carriers to the Vancouver Airport Authority.
4. The Airport Authority reserves the right to recover incremental costs incurred for additional services required outside of normal USCBP operating hours.

**VANCOUVER AIRPORT AUTHORITY**  
**SCHEDULE OF FEES AND CHARGES**  
 Effective January 1, 2023  
 Subject to Change

<b>POST-SECURITY FEE</b>
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The fee payable by an air carrier using the domestic or international terminal building gates is as follows:

<i>Domestic and International Terminals</i>	Fee per Aircraft Use of Terminal Gate	
	Domestic Terminal	International Terminal
	Gates 1 through to 49	Gates 50 through to 96
Regional Aircraft	\$199.97	\$362.76
Narrowbody Aircraft	\$399.95	\$725.53
Widebody Aircraft	\$799.89	\$1,451.05

<i>South Terminal</i>	No General Terminal Fee
-----------------------	-------------------------

1. Post-security fees are intended to partially recover the construction and operating costs of the terminal facilities located after the primary security line.
2. The post-security fees are recovered by charging all air carriers on a per use basis of terminal gates.
3. By way of example, below is a summary of aircraft types for the purposes of calculating post-security fees:

Regional	Narrowbody	Widebody
Beechcraft 1900/1900C/1900D	Airbus: 220, 319, 320 and 321	Airbus 310, 330, 340, 350 and 380
Piper light aircraft	Boeing: 717, 737 and 757	Boeing: 747, 767, 777, and 787
CRJ: 100, 700 and 900		
DHC-8: 100, 300 and 400		
Embraer: 170, 175 and 190		
Saab 340		

4. Busing Fee for Non-Bridged Gating Operations

Air carriers that use apron busing for non-bridged gating operations departing from the domestic terminal building will be charged the domestic post-security fee. Air carriers that use apron busing for non-bridged gating operations departing from the international terminal building will be charged the international post-security fee. Air carriers that use apron busing for non-bridged gating operations will be invoiced monthly in accordance with the terms outlined in the Airport Use License.

5. Instances of non-compliance with respect to towing of aircraft after receiving explicit instruction from the Airport Authority are subject to a \$1500 refusal to tow fee.



**VANCOUVER AIRPORT AUTHORITY**  
**SCHEDULE OF FEES AND CHARGES**  
 Effective January 1, 2023  
 Subject to Change

AIRPORT IMPROVEMENT FEES		
<i>Domestic and International Terminals</i>		Fee per Passenger
Destination Category:		
British Columbia and Yukon		\$5.00
Outside British Columbia and Yukon		\$25.00

1. The Airport Authority is a signatory to a Memorandum of Agreement between ATAC, Signatory Air Carriers and Certain Airports concerning the collection of the AIF (the "MOA"). The MOA provides that each Signatory Air Carrier will collect and remit the Airport Improvement Fee ("AIF") on behalf of the Airport Authority in accordance with the terms of the MOA. Each Signatory Air Carrier is entitled to a handling fee, for these services.

2. Air carriers who are not a signatory to the MOA must follow the Airport Authority's *Airport Improvement Fee Collection and Remittance Procedures*.

3. For the purposes of determining the appropriate Destination Category, the destination of a departing enplaned passenger shall be defined as the first point of arrival after a departure from YVR where the departing enplaned passenger either makes a connection or stopover.

PASSENGER FACILITY CHARGE		
<i>South Terminal</i>	All Destinations	\$5.00

1. The Passenger Facility Charge ("PFC") for the South Terminal is inclusive of GST.

2. At the South Terminal, the PFC amount is paid by air carriers on behalf of each departing passenger. Children under two years of age are exempt from PFC.

**VANCOUVER AIRPORT AUTHORITY**  
**SCHEDULE OF FEES AND CHARGES**  
Effective January 1, 2023  
Subject to Change

**ANNUAL EXCLUSIVE USE RENTAL RATES**

<i><b>Domestic Terminal</b></i>	Price per Square Foot	Price per Square Meter
A-B Connector Office	\$74.04	\$796.84
Premium Office	\$64.15	\$690.53
Regular Office	\$51.47	\$554.17
Industrial	\$24.04	\$258.71
Storage	\$15.96	\$171.69
Lounge	\$64.15	\$690.53
Counter / Queuing	\$64.15	\$690.53
Covered Outdoor	\$12.03	\$129.45
Temporary Construction Space	\$5.70	\$61.36
Apron Storage Space - Adjacent to Gates and Other Locations	\$2.67	\$28.86

<i><b>International Terminal</b></i>	Price per Square Foot	Price per Square Meter
Premium Office	\$74.04	\$796.84
Regular Office	\$59.42	\$639.61
Industrial	\$27.73	\$298.49
Storage	\$18.43	\$198.25
Lounge	\$74.04	\$796.84
Link Building Counter / Queuing	\$112.59	\$1,211.90
Counter / Queuing	\$145.03	\$1,561.23
Covered Outdoor	\$13.70	\$147.57
Apron Storage Space - Adjacent to Gates	\$4.58	\$49.33
Apron Storage Space - Other Locations	\$3.61	\$38.95

<i><b>South Terminal</b></i>	Price per Square Foot	Price per Square Meter
Premium Office	\$26.51	\$285.32
Regular Office / Freezers	\$21.28	\$228.99
Counter / Queuing	\$26.51	\$285.32
Storage	\$15.82	\$170.39
Industrial Cargo	\$9.94	\$106.91
Apron Storage Space - Adjacent to Gates and Other	\$2.67	\$28.86

**VANCOUVER AIRPORT AUTHORITY**  
**SCHEDULE OF FEES AND CHARGES**  
 Effective January 1, 2023  
 Subject to Change

**COMMON USE FACILITY FEES AND CHARGES**

<i>South Terminal</i>	Fee
Common Use Counters :	
1st - 12th Flight / Month	\$15.00 / Flight
13th - 24th Flight / Month	\$10.00 / Flight
25th and More Flights / Month	\$5.00 / Flight
Public Address System	\$10.00 / Month / Microphone Line

**YVR SEAPLANE FACILITY FEES**

Dock Fee per Enplaned and Deplaned Passenger		\$2.89 including GST
Ramp Charge for Water to Airside Movements		\$5.25
Aircraft Docking Fee	Single Engine Aircraft	First 2 hours no charge \$26.25 for 2 to 24 hours
	Twin Engine Aircraft	First 2 hours no charge \$52.5 for 2 to 24 hours

1. With the exception of the dock fee, the stated rates above do not include applicable taxes. The dock fee is inclusive of GST.
2. Fee per enplaned and deplaned Passenger and aircraft docking fee only apply to use of the YVR Seaplane Facilities.
3. There is no ramp charge for airside to water movements.

**VANCOUVER AIRPORT AUTHORITY**  
**SCHEDULE OF FEES AND CHARGES**  
**Effective January 1, 2024**  
**Subject to Change**

**PAYMENT TERMS AND CONDITIONS**

1. In addition to terms defined elsewhere herein, the following terms have the following meanings in this schedule of fees and charges (the "Schedule"):

(a) "AIF" means the Airport Improvement Fees;

(b) "Fees" means all fees and charges payable by an air carrier that are set out in this Schedule, including aeronautical fees and charges, rental space fees and charges, non-compliance fees, and the AIF; and

(c) "Prime Rate" means, with respect to any time, the prime rate set by the Airport Authority's lending bank at such time.

2. All Fees, other than the AIF, will be invoiced by the Airport Authority, and invoiced amounts will be payable by the air carrier, on the following payment terms:

(a) Unless otherwise provided in the Schedule, air carriers will have 30 days from the invoice date to pay to the Airport Authority all invoiced Fees comprising aeronautical fees and charges. Interest will be charged on any such Fees not paid by the due date at the Prime Rate plus 12% and will be calculated on a per diem basis and compounded monthly. All applicable taxes will be applied on the invoice.

(b) All Fees comprising rental space fees and charges are due on or before the 1st of each month, as outlined in the lease agreements. Interest will be charged on any such Fees not paid by the due date at the Prime Rate plus 12% and will be calculated on a per diem basis and compounded monthly.

(c) Air carriers have the option of paying Fees by cheques and/or electronically. Cheques shall be made payable to and payment forwarded to:

The Vancouver Airport Authority  
PO Box 44638 YVR Domestic Terminal RPO  
Richmond, BC, V7B 1W2

For electronic payments, please contact the accounts receivable team at [accounts\\_receivable@yvr.ca](mailto:accounts_receivable@yvr.ca).

3. The AIF is payable by the air carrier in accordance with page 7 of the Schedule.

4. The Airport Authority may accept cash, cheque or any other payment instrument received from or on behalf of an air carrier and may, at the option of the Airport Authority and notwithstanding any reference to an invoice number or any particular Fees on or accompanying such cheque or payment instrument, apply such payment on account of any Fees or interest owing by the air carrier without prejudice to the Airport Authority's right to recover any remaining balance of Fees or interest or to pursue any other right or remedy available to it.

5. No endorsement, direction or statement on any cheque or payment instrument or accompanying letter or other document shall be binding on the Airport Authority nor deemed to be an acknowledgement of full payment or an acceptance, accord and satisfaction by the Authority of such endorsement, statement or letter, etc.

6. In the event any Fees are not paid in full when due or the air carrier is in default of any of the payment terms and conditions set out in the Schedule, the air carrier will be deemed to be in default and the Airport Authority may give notice to such air carrier that all Fees payable by such air carrier, whether or not then due, are due and payable forthwith, and interest may accrue from such date at the rate and upon the terms set out above.

7. All references in the Schedule to money amounts are to Canadian currency.

8. All amounts and rates of Fees in the Schedule do not include applicable taxes, unless otherwise stated.

9. The Airport Authority reserves the right to deny the use of or access to any Airport resource or suspend or otherwise restrict the exercise of any privileges including access to any part of the Airport by any air carrier in default until payment of all outstanding Fees is made in full or credit arrangements satisfactory to the Airport Authority are in place.

10. The Airport Authority reserves the right to amend the Schedule, at any time and from time to time on 60 days advance public notice, in any manner it deems appropriate including increasing or decreasing any Fees adding thereto, or deleting therefrom categories of Fees or otherwise.

11. The terms and conditions in the Schedule are binding between the Airport Authority and the air carrier, except where there is a separate written agreement between the Airport Authority and the air carrier regarding the fees and charges listed in the Schedule.

**VANCOUVER AIRPORT AUTHORITY**  
**SCHEDULE OF FEES AND CHARGES**  
**Effective January 1, 2024**  
**Subject to Change**

**SECURITY FOR PAYMENT**

As security for the payment of Fees hereunder, all air carriers shall deliver to the Airport Authority an irrevocable letter of credit issued in favour of the Airport Authority by a Canadian chartered bank acceptable to the Airport Authority in form and content determined by the Airport Authority. The amount shall be equal to three months Fees, all as reasonably estimated by the Airport Authority.

In the event the air carrier is in default of payment to the Airport Authority of any Fees or any other sum payable by the air carrier to the Airport Authority, and such default continues for five (5) days following written notice by the Airport Authority requiring the air carrier to pay the same, the Airport Authority 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.

The air carrier shall provide the Airport Authority 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 Airport Authority on a letter of credit, deposit an additional letter of credit with the Airport Authority in the amount paid by the issuer of the letter of credit to the Airport Authority failing which, in either case, the Airport Authority may draw the full amount of the letter of credit and hold the funds as a security deposit. The air carrier shall, immediately after the Airport Authority deducts arrears from the security deposit, deposit an additional security deposit in the amount of such arrears with the Airport Authority.

The Airport Authority shall have the right on at least thirty (30) days prior notice to the air carrier to impose the security requirement or to increase or decrease the amount of the security that the air carrier is required to maintain hereunder so that such amount represents the amount the Airport Authority's estimates will be payable for Fees over a period of three months.

When the air carriers ceases operations at YVR and upon payment by the air carrier to the Airport Authority of all Fees including all costs and expenses incurred by the Airport Authority in correcting or satisfying any default or fulfilling any obligations of the air carrier, the Airport Authority shall release the letter of credit or return the security deposit to the air carrier, without interest.

**VANCOUVER AIRPORT AUTHORITY  
SCHEDULE OF FEES AND CHARGES  
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**LANDING FEES**

For each landing of an aircraft, the fee is the greater of the Standard Fees or Minimum Fees:

<i>Standard Fees</i>		Aircraft MTOW (kg)	Fee per 1000 kg of MTOW or fraction thereof
Aircraft Type	Flight Type		
Jet	Domestic & International	0 - 21,000	\$4.33
		21,001 - 45,000	\$5.41
		45,001 or greater	\$6.49
Turboprop, Piston, Helicopter	Domestic & International	0 - 21,000	\$3.79
		21,001 - 45,000	\$4.33
		45,001 or greater	\$5.41

<i>Minimum Fees</i>		Fee per Landing
Aircraft Type	Flight Type	
Fixed Wing (Jet, Turboprop, Piston), Helicopter	Domestic & International	\$54.08

1. The landing fee is based on the maximum permissible take off weight (MTOW), as stated in the aircraft's registration documents. Until such time as the Vancouver Airport Authority receives an aircraft's registration documents, it shall base the MTOW for the aircraft on the highest known MTOW for the particular aircraft type. Any amendment to an aircraft's MTOW will be effective 30 days subsequent to the Vancouver Airport Authority's receipt of original or revised registration documents. No retroactive adjustments will be made. Submissions can be made via email to [accounts\\_receivable@yvr.ca](mailto:accounts_receivable@yvr.ca) or by fax to 604-276-7747.

2. A domestic flight means a flight between two points within Canada.

3. An international flight means a flight between a point outside Canada and a point within Canada.

4. Landing fees are not payable where an aircraft or any person on board is threatened by serious or imminent danger and an unscheduled landing is made to a non-intended destination.

Landing fees are not payable for State aircraft.

**VANCOUVER AIRPORT AUTHORITY**  
**SCHEDULE OF FEES AND CHARGES**  
**Effective January 1, 2024**  
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<b>Airport Authority Managed Aprons - Aircraft Parking Fees</b>	
<b>Aircraft MTOW* (kg)</b>	<b>Fee per Aircraft (Daily rate)</b>
0 - 2,000	\$15.14
2,001 - 5,000	\$16.76
5,001 - 10,000	\$18.66
10,001 - 30,000	\$32.17
30,001 - 60,000	\$50.56
60,001 - 100,000	\$75.98
100,001 - 200,000	\$126.81
200,001 - 300,000	\$175.74
300,001 or greater	\$228.20
All aircraft - periods more than 24 hours	\$432.60

\*Maximum permissible take-off weight

1. Parking duration will be calculated from time of landing to time of take-off based on tower data.
2. Parking fees do not apply for any period less than 4 hours. Aircraft towed to hangars will not be subject to parking fees.
3. For periods more than 4 hours up to 24 hours, the airline will be charged the applicable daily rate indicated in the table above based on the MTOW of the aircraft.
4. For periods more than 24 hours, the airline will be charged a daily rate of \$432.60 per 24-hour period, or any portion thereof.
5. Aircraft are not permitted to park on the main apron (Apron VI) beyond the periods approved by the Airport Capacity team (slot\_coordination@yvr.ca) in writing or the day-of Integrated Operations Centre (gates@yvr.ca / 604-207-7034).
6. All parking requests must be submitted in writing at least 3 business days in advance as per IATA Worldwide Airport Slot Guidelines (WASG) to ensure requests can be properly reviewed by the Airport Capacity team. Instances of non-compliance with the Conditional Approval are subject to a \$5,000.00 non-compliance fee.
7. Aircraft are required to be towed on/off parking position within the timeslot approved by the Airport Capacity team or as instructed by the Baggage and Gate Schedulers. Aircraft that are not towed off parking position prior to expiry of the approved timeslot may be towed at the airline's expense unless parking is extended by written approval from the Airport Capacity team or the day-of Integrated Operations Centre. Instances of non compliance with respect to towing of aircraft after receiving explicit instruction from the Airport Authority are subject to a \$1,500.00 refusal to tow fee.

<b>Non-Compliance Fees</b>	
Failure to comply with parking conditions	\$5,000.00
Refusal to tow	\$1,500.00

If any air carrier fails to comply with any of the Airport Authority's rules and requirements in the Schedule, then the air carrier will pay such non-compliance fees to the Airport Authority in accordance with this Schedule.

8. YVR reserves the right to amend these rules at any time based on operational requirements.

**VANCOUVER AIRPORT AUTHORITY  
SCHEDULE OF FEES AND CHARGES  
Effective January 1, 2024  
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<b>PRE-SECURITY FEE</b>	
<i>Domestic Originating Passenger</i>	
Rate per domestic originating passenger	\$4.33
<i>Transborder and International Originating Passenger</i>	
Rate per transborder and international originating passenger	\$10.00

1. Pre-security fees are intended to partially recover the construction and operating costs of the terminal facilities located prior to the primary security line.
2. A domestic originating passenger means a passenger with a flight originating out of YVR to a point within Canada. Air carriers will be charged the domestic originating passenger pre-security fee for each domestic originating passenger.
3. A transborder originating passenger means a passenger with a flight originating out of YVR to a point within the United States. Air carriers will be charged the transborder and international originating passenger pre-security fee for each transborder originating passenger.
4. An international originating passenger means a passenger with a flight originating out of YVR to a point outside of Canada and the United States. Air carriers will be charged the transborder and international originating passenger pre-security fee for each international originating passenger.
5. Originating passenger information will be sourced from AIF remittance data.

<b>U.S. PRE-CLEARANCE FEES</b>	
<i>U.S. Bound Pre-Cleared Passengers</i>	
Fee per U.S. Bound Pre-Cleared Passenger for Signatory Air Carriers:	\$2.16

1. U.S. pre-clearance fees are intended to partially recover the construction and operating costs of the U.S. pre-clearance facilities.
2. A U.S. bound pre-cleared passenger means any passenger using the U.S. pre-clearance facility at YVR. Air carriers will be charged the U.S. Bound pre-cleared passenger Fee for each U.S. bound pre-cleared passenger.
3. Air carriers will be charged the U.S. bound pre-cleared passenger fee for each U.S. bound pre-cleared passenger on their actual passenger traffic multiplied by the prevailing annual rate (subject to adjustments to payments, if required, at year end based upon final passenger numbers). Actual passenger traffic will be based on information remitted by the air carriers to the Vancouver Airport Authority.
4. The Airport Authority reserves the right to recover incremental costs incurred for additional services required outside of normal USCBP operating hours.



**VANCOUVER AIRPORT AUTHORITY**  
**SCHEDULE OF FEES AND CHARGES**  
**Effective January 1, 2024**  
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<b>POST-SECURITY FEE</b>
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The fee payable by an air carrier using the domestic or international terminal building gates is as follows:

<i>Domestic and International Terminals</i>	Fee per Aircraft Use of Terminal Gate	
	<b>Domestic Terminal</b>	<b>International Terminal</b>
	<b>Gates 1 through to 49</b>	<b>Gates 50 through to 96</b>
Regional Aircraft	\$205.97	\$373.65
Narrowbody Aircraft	\$411.94	\$747.29
Widebody Aircraft	\$823.89	\$1,494.58

<i>South Terminal</i>	No General Terminal Fee
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1. Post-security fees are intended to partially recover the construction and operating costs of the terminal facilities located after the primary security line.
2. The post-security fees are recovered by charging all air carriers on a per use basis of terminal gates.
3. By way of example, below is a summary of aircraft types for the purposes of calculating post-security fees:

<b>Regional</b>	<b>Narrowbody</b>	<b>Widebody</b>
Beechcraft 1900/1900C/1900D	Airbus: 220, 319, 320 and 321	Airbus 310, 330, 340, 350 and 380
Piper light aircraft	Boeing: 717, 737 and 757	Boeing: 747, 767, 777, and 787
CRJ: 100, 700 and 900		
DHC-8: 100, 300 and 400		
Embraer: 170, 175 and 190		
Saab 340		

**4. Busing Fee for Non-Bridged Gating Operations**

Air carriers that use apron busing for non-bridged gating operations departing from the domestic terminal building will be charged the domestic post-security fee. Air carriers that use apron busing for non-bridged gating operations departing from the international terminal building will be charged the international post-security fee. Air carriers that use apron busing for non-bridged gating operations will be invoiced monthly in accordance with the terms outlined in the Airport Use License.

**VANCOUVER AIRPORT AUTHORITY  
SCHEDULE OF FEES AND CHARGES  
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<b>AIRPORT IMPROVEMENT FEES</b>		
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<i>Domestic and International Terminals</i>		Fee per Passenger
Destination Category:		
British Columbia and Yukon		\$5.00
Outside British Columbia and Yukon		\$25.00

1. The Airport Authority is a signatory to a Memorandum of Agreement between ATAC, certain air carriers signatory thereto (the "Signatory Carriers") and certain airports, concerning the collection of the AIF (the "MOA"). Each Signatory Air Carrier must collect the AIF from passengers, on behalf of the Airport Authority, at the rates set out in the Schedule, and remit the AIF to the Airport Authority in accordance with the MOA and any other agreement from time to time in effect between such Signatory Air Carrier and the Airport Authority pertaining to the AIF (including any such airport use and license agreement). Each Signatory Air Carrier is entitled to a handling fee for these services.

2. Any air carrier that is not a Signatory Air Carrier must follow the Airport Authority's Airport Improvement Fee Collection and Remittance Procedures and any other agreement from time to time in effect between such air carrier and the Airport Authority pertaining to the AIF (including any such airport use and license agreement).

3. For the purposes of determining the appropriate Destination Category for the AIF, the destination of a departing enplaned passenger shall be defined as the first point of arrival after a departure from YVR where the departing enplaned passenger either makes a connection or stopover.

<b>PASSENGER FACILITY CHARGE</b>		
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<i>South Terminal</i>		\$5.00
	All Destinations	

1. The Passenger Facility Charge ("PFC") for the South Terminal is inclusive of GST.

2. At the South Terminal, the PFC amount is paid by air carriers on behalf of each departing passenger. Children under two years of age are exempt from PFC.

**VANCOUVER AIRPORT AUTHORITY**  
**SCHEDULE OF FEES AND CHARGES**  
**Effective January 1, 2024**  
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**ANNUAL EXCLUSIVE USE RENTAL RATES**

<i><b>Domestic Terminal</b></i>	Price per Square Foot	Price per Square Meter
A-B Connector Office	\$76.26	\$820.75
Premium Office	\$66.07	\$711.25
Regular Office	\$53.02	\$570.79
Industrial	\$24.76	\$266.47
Storage	\$16.44	\$176.84
Lounge	\$66.07	\$711.25
Counter / Queuing	\$66.07	\$711.25
Covered Outdoor	\$12.39	\$133.33
Temporary Construction Space	\$5.87	\$63.20
Apron Storage Space - Adjacent to Gates and Other Locations	\$2.75	\$29.72

<i><b>International Terminal</b></i>	Price per Square Foot	Price per Square Meter
Premium Office	\$76.26	\$820.75
Regular Office	\$61.20	\$658.79
Industrial	\$28.56	\$307.45
Storage	\$18.98	\$204.20
Lounge	\$76.26	\$820.75
Link Building Counter / Queuing	\$115.97	\$1,248.25
Counter / Queuing	\$149.38	\$1,608.06
Covered Outdoor	\$14.11	\$152.00
Apron Storage Space - Adjacent to Gates	\$4.72	\$50.81
Apron Storage Space - Other Locations	\$3.72	\$40.11

<i><b>South Terminal</b></i>	Price per Square Foot	Price per Square Meter
Premium Office	\$27.30	\$293.88
Regular Office / Freezers	\$21.92	\$235.86
Counter / Queuing	\$27.30	\$293.88
Storage	\$16.29	\$175.51
Industrial Cargo	\$10.24	\$110.12
Apron Storage Space - Adjacent to Gates and Other	\$2.75	\$29.72

**VANCOUVER AIRPORT AUTHORITY**  
**SCHEDULE OF FEES AND CHARGES**  
 Effective January 1, 2024  
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<b>COMMON USE FACILITY FEES AND CHARGES</b>
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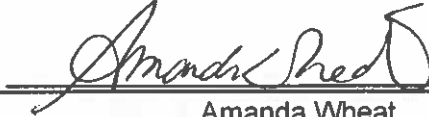
<i>South Terminal</i>	Fee
Common Use Counters :	
1st - 12th Flight / Month	\$15.45 / Flight
13th - 24th Flight / Month	\$10.30 / Flight
25th and More Flights / Month	\$5.15 / Flight
Public Address System	\$10.30 / Month / Microphone Line

<b>YVR SEAPLANE FACILITY FEES</b>
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Dock Fee per Enplaned and Deplaned Passenger		\$2.98 including GST
Ramp Charge for Water to Airside Movements		\$5.41
Aircraft Docking Fee	Single Engine Aircraft	First 2 hours no charge \$27.04 for 2 to 24 hours
	Twin Engine Aircraft	First 2 hours no charge \$54.08 for 2 to 24 hours

1. With the exception of the dock fee, the stated rates above do not include applicable taxes. The dock fee is inclusive of GST.
2. Fee per enplaned and deplaned Passenger and aircraft docking fee only apply to use of the YVR Seaplane Facilities.
3. There is no ramp charge for airside to water movements.

This is **Exhibit "C"** referred to in the Affidavit of Diana Vuong, affirmed before me at City of Vancouver, in the Province of British Columbia, this 23<sup>rd</sup> day of May 2024

A handwritten signature in black ink, appearing to read "Amanda Wheat", written over a horizontal line.

Amanda Wheat  
BARRISTER AND SOLICITOR  
A Notary Public in and for British Columbia

# Reservation Terms and Conditions

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## Fare Information

### Cancellations

No cancellations are permitted within 72 hours of departure.

*Within 24 hours of booking:*

- For flights booked more than 7 days before departure, if you cancel your flight you'll receive a refund to your original form of payment.
- For flights booked within 7 days of departure, if you cancel your flight you'll receive a travel voucher, minus the \$74\*CAD + tax cancellation fee (per flight segment).

*More than 24 hours after booking:*

- For cancellations made more than 72 hours before departure, you'll be charged a \$74\*CAD + tax (on or after January 11, 2024) cancellation fee per passenger (per flight segment). You'll receive a travel voucher for the remaining amount (if applicable).

### Changes

No changes are permitted within 72 hours of departure. Changes to the origin and destination are not permitted.

Name changes are not permitted.

- For changes made more than 72 hours before departure, you'll be charged a change fee of \$74\*CAD + tax (on or after January 11, 2024) per passenger (per flight segment).
- If you change your flight to one with a higher fare, you must pay the difference in fare as well as the change fee.
- If you change your flight to one with a lower fare, you must pay the change fee, but you won't receive the difference in fare.

## Payments Fees and Taxes



- Visa
- Mastercard
- Visa Debit
- Mastercard Debit
- Lynx Travel Voucher

### **Taxes and Fees**

Taxes and fees vary based on the airports you're using. For domestic flights, the following taxes and fees may be added.

- Airport Improvement Fees (AIF) and Passenger Facility Charge (PFC) are generally collected by Lynx at the time of booking. Lynx collects these fees from passengers and remits them directly to the airports

<b>Airport Code</b>	<b>Airport Improvement Fee (AIF)</b>
YEG	\$35*CAD
YFC	\$30*CAD
YHM	\$25*CAD
YHZ	\$35*CAD
YLW	\$25.00*CAD
YUL	\$35*CAD
YVR (flying within BC or to the Yukon)	\$5.00*CAD
YVR (flying outside BC)	\$25.00*CAD
YWG	\$38.00*CAD
YYC	\$35.00*CAD



YYT	\$42*CAD
YYZ	\$30.00*CAD
All US airports	\$4.50*CAD

- Air Travellers Security Charge (“ATSC”): The ATSC is a security charge collected by the Government of Canada. Lynx collects this fee from passengers and remits it directly to Canada Revenue Agency.
- \$7.12\*CAD per chargeable enplanement to a maximum of \$14.25\*CAD for Canadian domestic flights.
- Goods and Services Tax (“GST”): GST of 5% applies to base fare, services, AIF and ATSC charges for all Canadian domestic flights, excluding those that commence in Quebec, Ontario, Nova Scotia, New Brunswick, Prince Edward Island and Newfoundland and Labrador.
- Harmonized Sales Tax (“HST”): HST applies to base fare, services, AIF and ATSC charges for all Canadian domestic flights commencing in the following provinces:
- U.S. Taxes & Fees do not apply to domestic Canadian flights.
- The US segment tax is also charged on flights between the US and a point in Canada within 225 miles of the border when payment is made within the US.
- For flights between the US and a point in Canada within 225 miles of the border, when payment is made within the US, a 7.5% tax is imposed on the base ticket price. For such flights and all other transborder flights, when payment is made within Canada, a flat rate of \$21.10 (USD) per passenger arrival and departure applies.
- US Agriculture Fee: The US government charges an agriculture inspection fee on all in-bound passengers of \$3.96 USD.
- US Immigration User Fee: For all transborder flights arriving in US, there is an Immigration User Fee of \$7.00 USD charged per passenger.
- US Sep 11th Security Fee: For all transborder flights departing the US, there is a Sep 11th Security Fee of \$5.60 USD charged per passenger.
- US Customs Processing Fee: For all transborder flights arriving in US, there is a US Customs User Fee of \$6.11 USD charged per passenger
- US Segment Tax: For all transborder flights, a US Segment Tax of \$4.50 USD is applied per passenger for US citizens. The US segment tax is also charged to US citizens on Canadian domestic flights if travel occurs in the US buffer zone near the border between the two countries
- US Transportation Tax: For all transborder flights, a US Transportation Tax is applied. For US citizens, it is 7.5% of the base ticket price (including surcharges) per



Province	Harmonized Sales Tax (HST)
Ontario	13%
Nova Scotia	15%
New Brunswick	15%
Prince Edward Island	15%
Newfoundland and Labrador	15%

- Quebec Sales Tax (“QST”): QST applies to base fare, services, AIF and ATSC charges for all Canadian domestic flights commencing in Quebec.

### ***Lynx Travel Vouchers***

Unless otherwise specified, Lynx travel vouchers are valid for 12 months. Travel vouchers are non-transferable and can only be redeemed by the primary passenger on the booking. The owner of the travel voucher can use their voucher to book a flight for a third party. Travel vouchers can be applied towards base fare, taxes and fees.

## **Identification Requirements**

### ***Travel Within Canada***

- a. All adult passengers must bring 1 valid (non-expired) identification document issued by a Canadian federal, provincial or territorial government that includes:
  - i. Photo
  - ii. Full name
  - iii. Date of birth
  - iv. Gender



documents must include:

- i. Full name
- ii. Date of birth
- iii. Gender

c. For more information on identification requirements, click [Canada - Domestic Air Travel Identification page](#) and [Transport Security Administration Identification page](#). For more information on identification requirements for children, click [Travelling with children and infants](#).

### ***International Travel***

- a. Adults, children and infants are required to have a valid passport for international travel.
- b. Each country may have specific travel document requirements, vaccination requirements or health protocols. It is the responsibility of each passenger to ensure they have the necessary documents for travel. Always travel with the proper documentation at all times when travelling.
- c. Please visit the U.S. Department of State for more information on requirements for travel to the United States. [Travel \(state.gov\)](#)

## **Check-in Guidelines**

We recommend you arrive at the airport a minimum of 90 minutes before your scheduled departure time for domestic flights, and a minimum of 120 minutes before your scheduled departure time for international flights. If you'd rather check-in at the airport, please arrive 3 hours before your flight. Check-in and baggage drop-off closes 45 minutes prior to departure for domestic flights and 75 minutes prior to departure for international.

All security restrictions are subject to change. For the most up-to-date information, visit [tc.gc.ca](#), [catsa.gc.ca](#) or [tsa.gov](#).

## **Information Collection and Disclosure**

destination, Canadian government authorities may require us to collect passenger information such as your full name, date of birth, citizenship, gender, passport number and country of issuance, payment method for flight purchase and booking details, as well as any other personal information as described by this policy or as required by such government authority.

## Privacy Policy

Lynx is dedicated to protecting your personal information. Our privacy policy conforms with the Personal Information Protection and Electronic Documents Act. Additional information is available in [Privacy Policy](#).

## Rules of Carriage and Baggage Information

Carriage of passengers and goods on domestic flights, i.e., between, from and to points wholly within Canada, is subject to the applicable tariffs, conditions of carriage and related regulations available at the office of the carrier and [baggage](#).

## Checked Baggage Allowance

Checked baggage is subject to weight and size restrictions. Fees apply for each piece of baggage and may be combined. For example, if you check in 2 bags and both are overweight, you'll be charged 2 overweight fees. For more information visit: [Baggage Information | Lynx Air \(flylynx.com\)](#)

### *Checked baggage size*

- Baggage may be up to 157cm (62") in combined dimensions (length + width + height) and weigh up to 23kg (50lbs).
- Oversized baggage (combined dimensions up to 203cm or 80") is accepted on a space-available basis.
- Overweight baggage (more than 23kg or 50lbs but not exceeding 45kg or 100lbs) is accepted on a space-available basis.
- For more information: [Baggage Information | Lynx Air \(flylynx.com\)](#)

### *Musical instruments*

50lbs but not exceeding 45kg or 100lbs) and are subject to overweight fees.

## Carry-on Baggage Allowance

Carry-on baggage is subject to a fee and must be stored in the overhead bin or placed under the seat directly in front of each passenger.

Each passenger may bring 1 carry-on item and 1 personal item. Each item must fit into the sizing devices and may not exceed the applicable measurements. This applies for both personal and carry-on items.

- Carry-on item: Maximum size of 23cm x 40cm x 55cm (9" x 15.75" x 21.5") and 10kg (22lbs). Carry-on fees apply.
- Personal item: Maximum size of 15cm x 33cm x 43cm (6" x 13" x 17"). Items that don't fit into the sizing device will be placed in checked baggage and charged a checked baggage fee.

### ***Musical instruments***

The combined length, width and height of the instrument (including the case) must be less than 113cm (45"). Instruments this size are considered carry-on and subject to carry-on fees. Musical instruments that don't meet the carry-on size criteria will have to be checked and follow the weight limits and fees for checked bags.

## Can I bring this on a plane?

For travel within Canada, visit [catsa.gc.ca](https://catsa.gc.ca) for permitted and non-permitted items or call 1-800-O-Canada for more information. For travel to or from the United States, visit [tsa.gov](https://tsa.gov).

## Baggage Loss or Damage

For carriage of baggage on domestic flights, Lynx's liability is limited to 1,131 Special Drawing Rights (SDRs) per person per incident, except for mobility aids.

Any complaint of any loss or damage to luggage must be in writing and must be made within 7 days of your flight.



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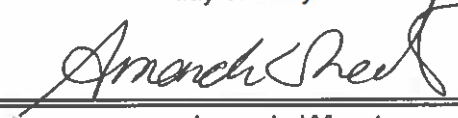
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**Terms of use | Privacy policy | Tariff (Domestic) | Tariff (Transborder) | U.S. Tarmac Delay Plan | U.S. Customer Service Plan | International Tariff (Mexico) | Mexico Compensation Policy**

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This is **Exhibit "D"** referred to in the Affidavit of Diana Vuong, affirmed before me at City of Vancouver, in the Province of British Columbia, this 23<sup>rd</sup> day of May 2024

A handwritten signature in black ink, appearing to read "Amanda Wheat". The signature is written in a cursive style with a long, sweeping tail on the final letter.

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Amanda Wheat  
BARRISTER AND SOLICITOR  
A Notary Public in and for British Columbia

# AIRPORT USE LICENCE

between

**VANCOUVER AIRPORT AUTHORITY**

and

**1263343 ALBERTA INC. dba LYNX AIR**

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<b>Licence No.:</b>	YVR-TM-4946
<b>Date of Licence:</b>	Dated for reference October 15, 2021
<b>Description:</b>	The non-exclusive right to operate an Air Carrier Business at the Vancouver International Airport
<b>Commencement Date:</b>	November 16, 2021
<b>Length of Term:</b>	1 year, 1 month and 15 days (ending December 31, 2022)
<b>Renewal:</b>	1 x 3 Years (ending December 31, 2025) 1 x 5 Years

## NOTES

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## AMENDMENTS

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EXECUTION OF LICENCE

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**THIS AIRPORT USE LICENCE** (this “Licence”) made as at October 15, 2021

**BETWEEN:**

**VANCOUVER AIRPORT AUTHORITY,**  
P.O. Box 44638, YVR Domestic Terminal RPO  
Richmond, B.C., V7B 1W2

(hereinafter called the “**Licensor**”)

**OF THE FIRST PART**

**AND:**

**1263343 ALBERTA INC. dba LYNX AIR**  
123, 1440 Aviation Park, N.E.  
Calgary, AB T2E 7E2

(hereinafter called the “**Licensee**”)

**OF THE SECOND PART**

**WHEREAS:**

- A. The Licensor manages and operates the Airport in the Province of British Columbia, Canada;
- B. The Licensee is an Air Carrier and desires to operate an Air Carrier Business at the Airport and to use, in common with others, the Licensor's Facilities; and
- C. The Licensor agrees to grant a licence to the Licensee to operate at the Airport on the terms and conditions set forth in this Licence.

**NOW THEREFORE THIS AGREEMENT WITNESSETH** that, in consideration of the mutual covenants set forth herein and other good and valuable consideration, the parties hereto covenant and agree each with the other as follows:

**ARTICLE 1- DEFINITIONS**

In this Licence:

“**Affiliated Airline**” means any airline that is wholly owned by the Licensee.

“**Air Carrier**” means an air carrier providing commercial air transportation services to the routes it is serving to and from the Airport.

“**Air Carrier Business**” means the carriage and transportation by air of passengers, baggage, mail and cargo and as further described in Section 2.01.

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“**Air Transport Agreement**” has the meaning ascribed to it in Section 13.14.

“**Airline Consultative Committee**” means the representative body of the Air Carriers as acknowledged by the Licensor.

“**Airport**” means the Vancouver International Airport at Sea Island in the Province of British Columbia.

“**Airport Lands**” means the lands, buildings, improvements, facilities and equipment leased to the Licensor by the Crown pursuant to the Head Lease, including the Licensor's Facilities, that are not subleased for exclusive use.

“**Airside**” means that part of the Airport Lands inside the perimeter fences (which mark the restricted area as defined in the Canadian Aviation Security Regulations, 2012), but does not include areas within buildings.

“**Approving Authority**” means a Person or entity designated, from time to time, by the Licensor 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 Licence 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.

“**Apron Staging Areas**” means the areas and staging facilities at the Airport that the Licensor designates for the common use of Air Carriers and others from time to time for the temporary staging of vehicles and equipment used to facilitate loading, unloading, servicing and maintenance of aircraft.

“**Business Principles**” means the principles established from time to time by the Licensor, in consultation with Air Carriers, on the efficient, orderly and equitable use of the Airport, a copy of which is annexed hereto as Schedule E.

“**Chicago Convention**” means the Convention on International Civil Aviation signed at Chicago on December 7, 1944.

“**Crown**” means Her Majesty the Queen, in right of Canada, represented by the Minister of Transport and Her successors and assigns, and in any section of this Licence that contains a release, hold harmless, indemnity or other exculpatory language in favour of the Crown, the term “Crown” also means any department of the Government of Canada, any Minister of the Crown, any officers, servants, employees, agents or contractors of the Crown and any other Person for whom the Crown may be responsible in law and any Person who has a right of contribution as against the Crown.

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**“Domestic Terminal Building”** means the Licensor's domestic terminal building erected at the Airport and any future terminal building(s) handling domestic traffic.

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

- (i) impairment or adverse alteration of the quality of the Natural Environment for any use that can be made of it by humans, or by any animal, fish or plant;
- (ii) injury or damage to property or to water or air quality or food, plant or animal life;
- (iii) harm or material discomfort to any Person;
- (iv) an adverse effect on the health of any Person;
- (v) impairment of the safety of any Person;
- (vi) impairment or adverse alteration rendering any property or water or air quality or food, plant or animal life unfit for human use;
- (vii) non-compliance with applicable Environmental Laws and Regulations;
- (viii) material loss of enjoyment of normal use of property; and
- (ix) material interference with the normal conduct of business.

**“Environmental Laws and Regulations”** means all applicable environmental, health and safety laws, regulations, permits and orders of any governmental authority having jurisdiction and all common law applicable to the Licensee or any of its assets in connection with the Licensee's operations at the Airport, including:

- (i) all applicable laws, regulations, orders, permits and other similar documents and instruments of all courts and governmental authorities having jurisdiction relating to the environment whether issued by environmental or health and safety regulatory agencies or otherwise; and
- (ii) all applicable laws, regulations and orders relating to Environmental Matters.

**“Environmental Matter”** means any 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 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 Licensee upon application and payment of the Approving Authority's current fee, as set forth in the Licensor's Tariff of Fees and Charges, to conduct alterations, new construction or installation of equipment, 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.

“**Fees**” means any monies or amounts payable under this Licence.

“**Force Majeure**” means an event beyond the reasonable control and not attributable to the negligence of the affected party which renders continued performance by such party of all or part of its obligations pursuant to this Licence, impossible, commercially unreasonable or illegal (but shall not include delays or inability to perform caused by the financial inability of such Party) including without limitation strike, lockout, riot, insurrection, war, fire, tempest, act of God , or serious accident, provided that the party so delayed shall forthwith notify the other party upon becoming aware of the commencement of a “Force Majeure”.

“**Head Lease**” means the lease agreement in writing dated June 30, 1992, made between Her Majesty the Queen, in right of Canada, represented therein by the Minister of Transport as Lessor, and the Vancouver Airport Authority, as Lessee and registered in the New Westminster Land Title office under No. BF247009, as may be amended from time to time.

“**Insurance**” means any insurance which is required by this Licence to be carried by the Licensee.

“**International Terminal Building**” means the Licensor's international terminal building at the Airport and any future terminal building(s) handling international or trans-border traffic.

“**Lease**” means any lease entered into between the Licensor and the Licensee for premises in the Terminal Building that is in force and effect.

“**Licence**” means this Licence, including any schedules and/or attachments hereto annexed, and any amendments to such Licence as may be made from time to time in accordance with the provisions hereof.

“**Licensed Service**” means, where the Licensor at any time regulates, restricts or licenses any activity at the Airport, a contractor or supplier who is approved or authorized or licensed by the Licensor for that activity at the Airport.

“**Licensee**” means the party or parties of the second part as above designated or described and includes any of its or their successors or permitted assigns, and, in any section of this Licence that contains a release, hold harmless, indemnity or other exculpatory language in favour of the Licensee, the term “Licensee” also means any directors, officers, servants, employees, agents or

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contractors of the Licensee and any other Person for whom the Licensee may be responsible in law and any Person who has a right of contribution as against the Licensee.

“**Licensee’s Aircraft**” means aircraft operated by the Licensee.

“**Licensee Family Carrier**” means (i) an Affiliated Airline; (ii) a third party Air Carrier with whom Licensee has a capacity purchase agreement for the operation of Licensee or a Licensee Affiliated Airline flights, operating under a same trade name of the Licensee or of its Affiliated Airline, or operating under the designator code of the Licensee or a Licensee Affiliated Airline, provided that the foregoing is limited to aircraft movements of that third party for which Licensee has purchased one hundred (100%) percent of the seats of that aircraft movement; (iii) any airline flying under its own livery, where all seats are being sold in the name of the Licensee; or (iv) a Sister Airline.

“**Licensee’s Statistics**” has the meaning ascribed to it in Section 4.03(a).

“**Licensor**” means the Vancouver Airport Authority and includes any of its successors or assigns, and, in any section of this Licence that contains a release, hold harmless, indemnity or other exculpatory language in favour of the Licensor, the term “Licensor” also means any directors, officers, servants, employees, agents or contractors of the Licensor and any other Person for whom the Licensor may be responsible in law and any Person who has a right of contribution as against the Licensor.

“**Licensor's Bank**” means the Canadian Imperial Bank of Commerce or such other financial institution as the Licensor may, from time to time, designate.

“**Licensor's Facilities**” means those current and future facilities, improvements and equipment owned by the Licensor, including but not limited to the Licensor's runways, taxiways, apron, navigational aids, other common use landing field facilities, the Apron Staging Areas, the common areas of the Terminal Building, in-bound and out-bound baggage systems, ticketing and check-in counters, Canadian Inspection Services, Preclearance Facility, transit without visa facilities, de-icing facilities, flight, baggage and ramp information displays, hold-rooms, passenger loading bridges, public address systems and transfer counters, that are not leased or licensed for exclusive use and that are designated by the Licensor, from time to time, to be for the common use of Air Carriers and others.

“**Natural Environment**” means the air, land, subsoil, surface water, ground water, marine water or any combination or part thereof.

“**Non-Signatory Air Carrier**” means any air carrier that has not entered into a contract with the Licensor in form and substance similar to the terms and conditions of this Licence.

“**Occupational Health and Safety Laws and Regulations**” means all applicable occupational health and safety laws, regulations, treaties, resolutions, ordinances, guidelines, policies, codes of practice, requirements, directions, authorizations, permits and orders of any governmental



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authority having jurisdiction and all common law applicable to the Licensee or any of its assets in connection with the Licensee's operations at the Airport.

“**Period**” means a twelve month period beginning January 1 and ending December 31.

“**Person**” includes any individual, company, corporation, incorporated or unincorporated association, co-tenancy, joint venture, syndicate, fiduciary, partnership, firm, estate, trust, sole proprietorship, government or government agency, board, commission or authority, organization or any other form of entity however designated or constituted.

“**Preclearance Facility**” means those current (as more specifically shown in Schedule D hereto annexed) and future portions of the Terminal Building constructed by the Licensor for the purpose of clearing through the Airport an Air Carrier's passengers (such services including but not being limited to customs and immigration) travelling by air to the United States of America or any other international destination.

“**Preferential Use Principles**” means the principles established by the Licensor, in consultation with Air Carriers, which provide that in the allocation of the Licensor's Facilities, consideration will be given to operating efficiencies, passenger experience and service levels, Air Carrier strategic alliances and connecting passenger flows.

“**Prime Rate**” means the rate of interest expressed as an annual rate established from time to time by the Licensor's Bank as the interest rate charged by it on demand loans made in Canada in Canadian currency to its most credit-worthy commercial customers, and referred to by the Licensor's Bank as its prime rate; the certificate of an officer of the Licensor's Bank as to the Prime Rate for any specified day shall be in the absence of manifest error, conclusive evidence thereof.

“**Recoverable Costs**” has the meaning ascribed to it in Section 4.02.

“**Safety Management System**” means a coordinated process for the continual improvement around safety, including but not limited to identifying and reporting hazards investigating trends to determine root causes, assessing and applying solutions, and following up with inspections and auditors to ensure the hazard is reduced.

“**Sister Airline**” means any Air Carrier that is wholly owned by the same legal entity that wholly owns the Licensee.

“**Tariff of Fees and Charges**” means the Licensor's tariff of fees and charges as amended by the Licensor from time to time.

“**Terminal Building**” means the Licensor's Domestic Terminal Building and International Terminal Building, and any terminal building(s) handling passenger traffic that the Licensor may erect in the future.

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**ARTICLE 2 - PURPOSE****2.01 Privileges**

Provided that the Licensee pays all monies due under this Licence and performs the covenants in accordance with the terms and conditions herein on its part contained, the Licensor hereby grants to the Licensee the non-exclusive right, licence, liberty and privilege (hereinafter called the "Privileges") to:

- (a) operate an Air Carrier Business at the Airport and conduct, in connection therewith, any of the following activities:
  - (i) land, take-off, taxi, tow and park Licensee's Aircraft for its Air Carrier Business;
  - (ii) enplane and deplane passengers, baggage, mail and cargo onto and off of Licensee's Aircraft by itself or by a Licensed Service;
  - (iii) clean, service, repair and maintain Licensee's Aircraft by itself or by a Licensed Service;
  - (iv) de-ice Licensee's Aircraft in accordance with an approved de-icing fluid mitigation plan by a Licensed Service;
  - (v) fuel and defuel Licensee's Aircraft by a Licensed Service only;
  - (vi) take delivery onto Licensee's Aircraft of duty-free and tax-free goods, and goods and services intended for in-flight use from a Licensed Service;
  - (vii) sell air transportation tickets and services for the carriage of Persons, property and mail, including all activities necessary or incidental to such operations;
  - (viii) train at the Airport personnel in the employ of, or to be employed by the Licensee, and test aircraft and other equipment being utilized on the Airport Lands in the operation of its Air Carrier Business;
  - (ix) transport the Licensee's passengers needing or requesting assistance by wheelchairs, electrical motor vehicles or other means within the Terminal Building, by itself or by a Licensed Service;
  - (x) provide any activities and services approved by the Licensor acting reasonably; and
- (b) provide passenger, baggage, aircraft maintenance, mail and cargo handling services to other Air Carriers at the Airport provided the Licensee is a Licensed Service with respect to such services at the Airport. For greater clarity, if any of these services are performed:

- 
- (i) on an ad-hoc basis where a Licensed Service is not available, or
  - (ii) on an urgent basis (irrespective of whether a Licensed Service is available),
- the Licensee is not required to be a Licensed Service.

The Licensee acknowledges and agrees that it shall make commercially reasonable efforts to exercise the Privileges in the spirit of the Business Principles, as they relate to the use of the Airport, and as may be applicable to the Licensee. For greater clarity, the Parties agree that the sections of the Business Principles which automatically will not apply to the Licensee are those which touch upon:

- (a) design, maintenance and operation of the Airport; or
- (b) customer care principles which refer to pricing and which may be in conflict with the Licensee's customer care training programs.

## **2.02 Use of Licensor's Facilities**

For the purpose of exercising the Privileges, the Licensor grants to the Licensee:

- (a) the right to use in common with others, those portions of the Licensor's Facilities that the Licensor designates for use by the Licensee from time to time, provided that the assignment of any area or facilities shall not constitute any pre-emptive or exclusive right to the areas or facilities designated; and
- (b) the right of ingress, passage and egress by the Licensee and its agents, customers, employees, invitees, licensees and servants, over or on streets, roads and paths on Airport Lands, as made necessary by the Licensee's operations, provided that the right herein defined shall not be exercised in such manner and to such extent as to impede or interfere with the operation of the Airport by the Licensor, its tenants, licensees or others.

## **2.03 Prohibitions**

The Licensee shall not use, and is specifically prohibited from using this Licence to:

- (a) conduct a business other than an Air Carrier Business on or about the Airport Lands, except as provided in this Licence or a separate agreement with the Licensor;
- (b) promote, offer, supply, sell or give away any duty-free or tax-free goods on or about the Airport Lands;
- (c) promote, offer, supply, sell or give away any goods or services on or about the Airport Lands, except as provided in this Licence or a separate agreement with the Licensor;

- 
- (d) construct, erect, place or install any advertising sign or display on or about the Airport Lands except through a Licensed Service; or
  - (e) conduct promotions or distribute any promotional materials on or about the Airport Lands without the consent of the Licensor, which consent will not be unreasonably conditioned, withheld or delayed.

## **2.04 Rights Reserved**

All rights not expressly granted to the Licensee are hereby reserved to the Licensor. Without in any way limiting its rights hereunder, or its rights as an airport operator, the Licensor reserves the right to amend the Privileges and the right to impose reasonable Fees if the Crown relinquishes responsibility for providing any services, including but not limited to air traffic, ramp control, or other aeronautical activities, or policing and security resulting in costs to the Licensor. The Licensor also reserves the right to impose, following discussions with Air Carriers on the orderly, efficient and equitable use of the Airport, additional Fees for the misuse or inefficient use of the Licensor's Facilities.

## **ARTICLE 3 - TERM**

### **3.01 Length of Term**

The term of this Licence shall be for a period beginning on November 16, 2021 and ending on December 31, 2022, subject to renewal as set out in Section 3.04.

### **3.02 Continued Operations**

If the Licensee continues to exercise its Privileges after the end of the term of this Licence without the execution and delivery of a new licence or written renewal or extension of this Licence, then:

- (a) the Licensee will be considered to be exercising its Privileges on a month-to-month basis at the sufferance of the Licensor; and
- (b) the consideration for such use shall be equal to any Fees payable under this Licence during the final year of this Licence plus an additional Fee of ten (10%) percent, PROVIDED THAT such additional Fee shall not be payable where the Licensor has specifically consented to the continuation of operations by the Licensee without a written licence and such continued operations are not, in the opinion of the Licensor, acting reasonably, due to the unreasonable delay by the Licensee in negotiating a replacement licence or in ceasing operations at the Airport.

It is expressly agreed that neither the acceptance of any consideration during such period of continued operations nor the operation of any implied condition, nor any implication of law, shall be construed or shall operate so as to renew this Licence, and during such period of continued

operations, the parties shall be subject to the covenants and conditions herein contained except as to length of term and consideration.

### **3.03 Cancellation**

- (a) If, during the term of this Licence, the Licensee terminates its Air Carrier Business at the Airport, then, this Licence may be terminated at any time by either party by giving thirty (30) days' notice to the other party.
- (b) Except in those cases where the Licensee is negotiating in good faith with the Licensor for a replacement Licence, if the Licensee is continuing operations without a written licence as described in Section 3.02 then such continuation of operations may be terminated at any time by either party by giving thirty (30) days' notice to the other party.

### **3.04 Renewal**

- (a) If at the end of the term of this Licence the Licensee has performed all the Licensee's covenants and is not in default under any of the terms of this Licence or the Lease and no notice has been given pursuant to Section 3.05, then this Licence shall be automatically renewed for a renewal term of three (3) years (the "First Renewal Term") upon the same terms and conditions as contained in this Licence except as contained in this right of renewal. The First Renewal Term shall commence on the day immediately succeeding the last day of the term of this Licence and shall end at midnight on the day immediately preceding the third anniversary of the first day of the First Renewal Term, unless sooner terminated in accordance with the provisions of this Licence. The parties shall not be required to execute any document to give effect to this Section 3.04(a).
- (b) If at the end of the First Renewal Term the Licensee has performed all the Licensee's covenants and is not in default under any of the terms of this Licence or the Lease and no notice has been given pursuant to Section 3.05, then this Licence shall be automatically renewed for a renewal term of five (5) years, (the "Second Renewal Term") upon the same terms and conditions as contained in this Licence except as contained in this right of renewal. The Second Renewal Term shall commence on the day immediately succeeding the last day of the First Renewal Term of this Licence and shall end at midnight on the day immediately preceding the fifth anniversary of the first day of the Second Renewal Term, unless sooner terminated in accordance with the provisions of this Licence. The parties shall not be required to execute any document to give effect to this Section 3.04(b).

### **3.05 Review of Terms of Licence**

- (a) The Licensor and the Licensee acknowledge and agree that the Airline Consultative Committee shall, for the purposes of discussion and re-negotiation of the terms of this Licence, act as the representative of all licensees operating an Air Carrier Business at the Airport. The Licensee hereby appoints and authorizes the Airline Consultative Committee to act as its representative for such purposes and to reach such agreements with the Licensor

as the Airline Consultative Committee deems appropriate. Without limiting the scope and authority of the Airline Consultative Committee's right to act as the Licensee's representative pursuant to this Section 3.05, the Licensee may discuss specific terms of the License with the Licensor independent of the Airline Consultative Committee. The Airline Consultative Committee has internally established "*Terms of Reference*" which outline the roles, responsibilities and governance of the Airline Consultative Committee.

- (b) If either of the Licensor or the Airline Consultative Committee (hereinafter called the "Negotiating Parties") wish to discuss or re-negotiate any of the terms of this Licence, the Negotiating Party wishing to discuss or re-negotiate terms shall give the other Negotiating Party detailed written notice not later than six (6) months prior to the last day of the term or any renewal term of this Licence. The Negotiating Parties shall immediately commence discussions or negotiations as to the disposition of the matters raised in such notice.
- (c) The Licensor and the Licensee agree that there will be no automatic renewal of this Licence as set out in Section 3.04 if notice has been given pursuant to Section 3.05(b).
- (d) The Licensor and the Licensee agree that once the Negotiating Parties have agreed as to the disposition of the matters raised in a notice given pursuant to Section 3.05(b), the Licensor and Licensee shall, provided the Licensee has performed all the Licensee's covenants and is not in default under any of the terms of this Licence or the Lease, execute such agreement as is necessary to give effect to the terms settled pursuant to the provisions of Section 3.05(b) and to renew this Licence for such renewal term as would have been granted pursuant to the provisions of 3.04(a) or 3.04(b) if notice had not been given pursuant to Section 3.05(b).

## ARTICLE 4 – CONSIDERATION

### 4.01 Tariff of Fees and Charges

- (a) The Licensee covenants and agrees to pay to the Licensor, on demand, or as the same otherwise fall due, all applicable Fees specified from time to time by the Licensor in the Tariff of Fees and Charges on two (2) months' notice to the Licensee.
- (b) The Licensee covenants and agrees that all of the Licensee's international and trans-border flights will use the International Terminal Building unless prior written consent is obtained from the Licensor, or unless the Licensor directs the Licensee to use other facilities for temporary, emergency or security reasons. In any case, the Licensee agrees to pay all Fees levied in the International Terminal Building for international and trans-border flights, whether or not the international terminal is used.
- (c) The methodology for setting the fees and charges referred to in Section 4.01(a) shall be in accordance with the obligations set forth in the Chicago Convention and the Air Transport Agreement.

- (d) The methodology for setting the fees and charges referred to in Section 4.01(a) shall, in the case of Licensee, account for all Air Carrier Business operated by a Licensee Family Carrier.
- (e) The Licensee shall have the ability to pay to the Licensor, on behalf of any Licensee Family Carrier, all applicable Aeronautical Fees related to the Air Carrier Business conducted by such Licensee Family Carrier provided that the Licensee guarantee the payment of such fees related to such Licensee Family Carrier and execute the Licensor's form of guarantee and execute the Licensor's form of supplemental agreement, which shall also be signed by the Licensee Family Carrier.
- (f) The Licensee shall deliver to the Licensor evidence from time to time, at the Licensor's request, of its Licensee Family Carrier relationships. The Licensee shall immediately notify the Licensor of any changes in its Licensee Family carrier relationships.

#### **4.02 Cost Recovery**

The Parties acknowledge and agree that the Fees required to be paid by the Licensee to the Licensor pursuant to Section 4.01 herein are intended to allow the Licensor to recover, in aggregate with the corresponding fees collected from all Air Carriers using the Licensor's Facilities, up to one hundred percent (100%) of the Licensor's reasonable costs and expenses (including, without limitation, amortized capital costs (including principal and interest) and payments under the Head Lease) (hereinafter called the "Recoverable Costs") of maintaining and operating the Licensor's Facilities to which those fees apply.

#### **4.03 Disclosure of Statistics**

- (a) The Licensee covenants that it will, without expense to the Licensor, make and keep detailed, true and accurate summaries of records of all the Licensee's aircraft, passenger and cargo activities at the Airport with separate records for each Non-Signatory Air Carrier processed by the Licensee at the Airport, detailing the following (hereinafter called the "Licensee's Statistics"):
  - (i) The numbers of enplaned and deplaned and in-transit/connecting passengers (both revenue and non-revenue) and, to the extent that such data is available, the total weight of baggage, mail and cargo;
  - (ii) Total number of aircraft landings and Maximum Certificated Take-Off Weight (MCTOW) of the Licensee's Aircraft and the number of seats on each aircraft;
  - (iii) Total number of aircraft arrivals at the Domestic Terminal Building and the International Terminal Building;
  - (iv) Total number and weight of loaded and unloaded and in-transit mail and cargo carried by the Licensee's freighter operations at the Airport, by sub-sector.

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- (b) The Licensee shall maintain and present the statistics set out in Sub-section 4.03(a) above by terminal building (Domestic Terminal Building and International Terminal Building); and sub-sector (domestic, transborder, international and connecting).
- (c) The Licensee shall in each and every month during each and every Period prepare, in the forms and in the means (e.g. electronic format) requested by the Licensor, a written or electronic report of the Licensee's Statistics for the month in a manner that aggregates each category of statistics on a per month basis. The Licensee shall deliver the report to the Licensor within ten business (10) days after the end of such month.
- (d) The Licensor acknowledges that the Licensee's Statistics are confidential information and agrees not to disclose the Licensee's Statistics to any third party except as combined in the aggregate, by sub-sector, of the non-identifiable statistics of all Air Carriers. It is acknowledged and agreed that the Licensor may share such non-identifiable information with the duty-free operator(s) at the Airport to the extent required by the duty-free operator(s) for its operating plans, provided that the duty-free operator(s) signs a non-disclosure agreement in a form acceptable to the Licensor. It is further acknowledged and agreed that statistics obtained by the Licensor through the public domain or through other legal means shall not be subject to the confidentiality provisions set out in this Section 4.03(d).

#### **4.04 Audit and Inspection**

The Licensor, by accepting any statement as submitted by the Licensee under Section 4.03 or any payment made thereon, shall not be deemed to have waived any of its rights hereunder and the Licensor shall be entitled at any time at its own expense to have the records relating to the Licensee's Statistics audited by a nominee of the Licensor. Subject to reasonable notice, the Licensee's books and records relating to the Licensee's Statistics shall be open for examination and audit, and for taking extracts therefrom, during business hours by an appointed nominee of the Licensor. The cost of any audit performed pursuant to this clause shall be borne by the Licensor, PROVIDED HOWEVER, that should the result of such audit reveal a discrepancy of more than five percent (5%) between that reported and that recorded, then the full cost of such audit shall be borne by the Licensee.

#### **4.05 Statement**

After the end of each calendar year, the Licensor shall furnish to the Licensee a statement showing in reasonable detail, by each fee type specified in the Tariff of Fees and Charges, the actual Recoverable Costs for the preceding calendar year. The statement shall reconcile such actual Recoverable Costs to the aggregate amounts paid by Air Carriers to the Licensor during the preceding calendar year. In the event that the aggregate payments made during the preceding calendar year by the Air Carriers represent an amount greater than one hundred percent (100%) of Recoverable Costs, the Licensor shall credit to the Air Carriers, without interest, such overpayment within thirty (30) days of the date of delivery of the statement.



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#### 4.06 Payments Generally

All payments by the Licensee to the Licensor of whatsoever nature required or contemplated by this Licence shall be:

- (a) paid in lawful currency of Canada;
- (b) made, when due under this Licence, without prior demand therefor and without any set-off, compensation or deduction whatsoever, at the office of the Licensor at the Airport or such other place as the Licensor may designate from time to time in writing to the Licensee;
- (c) applied towards amounts then outstanding under this Licence, in such manner as the Licensor may see fit;
- (d) deemed to be Fees, in partial consideration for which this Licence has been entered into, and shall be payable as Fees, such that the Licensor shall have all rights and remedies against the Licensee for default in making any such payment which may not be expressly said to be Fees as the Licensor has for default in payment of Fees; and
- (e) subject to an overdue charge if any such payment is not made when due, which charge shall be additional Fees equal to the Prime Rate plus twelve percent (12%) per annum of the overdue amount payable with the next instalment of Fees, all without prejudice to any other right or remedy of the Licensor.

#### 4.07 Payment of Taxes

- (a) The Licensee shall pay or cause to be paid all taxes, levies and charges imposed or assessed by any governmental or other taxing authority having jurisdiction over the Licensee or its operations at the Airport.
- (b) The Licensee may, in good faith, contest the applicability of any taxes imposed by any governmental or other taxing authority but shall not do or omit to do anything which will in any way subject the Licensor's property to seizure or encumbrance. The Licensor will, if requested by the Licensee, assist the Licensee at the Licensee's expense in contesting the applicability of any taxes, unless the Licensor is of the opinion that to do so would be detrimental to the Licensor.

### ARTICLE 5 - FORCE MAJEURE

- (a) Whenever and to the extent that either party is bona fide unable to fulfil or is delayed or restricted in fulfilling any of its obligations under this Licence by an event of Force Majeure, such party shall be relieved from the fulfilment of the part of its obligations affected by Force Majeure for the duration of such event of Force Majeure.

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- (b) Notwithstanding an event of Force Majeure, the party affected shall proceed with the performance of its obligations not thereby affected.
  - (c) The provisions of this Article shall not operate to excuse the Licensee from the payment of any Fees, the provision of or payment for any Insurance or any other obligation to pay money.

## **ARTICLE 6 - CONDUCT OF BUSINESS**

### **6.01 Compliance with Laws**

The Licensee shall carry on and conduct its business on the Airport Lands 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 having jurisdiction for the time being in force, and shall not do anything upon the Airport Lands in contravention thereof.

### **6.02 Rules and Regulations**

Notwithstanding any reference in this Licence to specific statutes, regulations and reasonable directives, procedures, standards, rules, policies, programs, and guidelines, the Licensee shall:

- (a) comply and shall cause its directors, officers, employees and agents to comply with all applicable statutes and regulations and all reasonable directives, procedures, by-laws, standards, rules, policies, programs, and guidelines in force at the Airport as they may exist from time to time, and
- (b) make commercially reasonable efforts to act in the spirit of the Business Principles, as may be applicable to the Licensee.

### **6.03 Use In Common**

The parties hereto acknowledge and agree that:

- (a) the Licensor's Facilities are designed and intended for the use in common by the Licensee, all Air Carriers and other parties designated from time to time by the Licensor;
- (b) the Licensor may grant permission from time to time and at any time to any Air Carrier or other party designated by the Licensor for the use thereof; and
- (c) no portion of the Licensor's Facilities is reserved or intended to be reserved for the exclusive use of the Licensee.

### **6.04 Participation in Committees**

The Licensee shall participate in the Airline Consultative Committee and other such meetings, including but not limited to the Airline Operations Committee, Ramp Operators Committee, Annual Chief Pilots Meeting, Annual Winter Operations Briefing, International Passenger Working Group, Transborder Passenger Working Group, Domestic Passenger Working Group, Passenger Loading Bridge Working Group and such other committees established by the Licensor from time to time. It is understood that the Licensee will make commercially reasonable efforts to attend such meetings and attendance may be in the form of physical presence or by telephone conference, as may be applicable to the Licensee.

## 6.05 Safety

In exercising its Privileges the Licensee shall:

- (a) keep the Airside surfaces free and clear of all foreign objects and litter at all times;
- (b) immediately remove its equipment and anything else related to its operation from the Airside surfaces or a portion thereof when directed by the Licensor acting reasonably;
- (c) at all times keep the Licensor's Facilities in a neat, clean and orderly condition, free from litter, debris, refuse, petroleum products or grease that may accumulate thereon as a result of the use of the Licensor's Facilities by its passengers, or its employees, contractors or others servicing and operating its aircraft;
- (d) train and require its employees to abide by and comply with the Licensor's Airside Vehicle Operator's Permit (AVOP) Program and the Licensor's Terminal Traffic Directives/Terminal Electrical Vehicle Operator's Regulations (TEVOP) Program and shall cooperate with the Licensor in airside safety matters and enforcement of the AVOP and TEVOP Programs;
- (e) not engage in or allow any activities which may result in a nuisance or that may cause annoyance to adjoining occupants or any other users of the Airport, the whole as determined by the Licensor, acting reasonably;
- (f) maintain an up-to-date plan establishing its procedures at the Airport for aircraft recovery, communications, passenger, family and friends supporting an emergency situation (the "Emergency Management Plan") that is in accordance with the Licensor's aircraft recovery plan, emergency response and communications plans, policies and procedures, a copy of which will be provided to the Licensor for review within thirty (30) days of the date of execution of this Licence;
- (g) report to the Licensor through SMS all incidents, accidents and injuries at the Airport involving the Licensee's Aircraft, equipment and employees;
- (h) comply with Occupational Health and Safety Laws and Regulations at all times;

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- (i) maintain and comply with an up-to-date Safety Management System that works in conjunction with the Licensor's safety policies and procedures; and
  - (j) work cooperatively with the Licensor to ensure that best practices with respect to occupational health and safety at the Airport are promoted and maintained.

### **6.06 Fire Prevention**

The Licensee, in exercising its Privileges, shall:

- (a) take all reasonable precautions to prevent fire from occurring on or about the Airport Lands; and
- (b) observe and comply with:
  - (i) applicable laws and regulations in force respecting fire prevention at the Airport; and
  - (ii) all instructions given from time to time by the Licensor with respect to fire prevention and extinguishing of fires.

### **6.07 Environmental Matters**

- (a) The Licensee shall conduct its business and affairs on the Airport Lands in a prudent and responsible manner and with all due care and due diligence with respect to Environmental Matters, all in accordance with Environmental Laws and Regulations and in a manner that is consistent with the Licensor's obligations under the Head Lease contained in Schedule C hereto.
- (b) The Licensee shall clean-up any parts of the Airport Lands where the Licensee or any Person for whom the Licensee is responsible, has caused an Environmental Adverse Effect, including, but not limited to, a release of a hazardous substance caused by the seeping, spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping or disposing of toxic, hazardous or special wastes or dangerous goods, into the Natural Environment, with all due care and due diligence.
- (c) The Licensee shall in connection with the Licensee's operations on the Airport Lands comply with all applicable Environmental Laws and Regulations.
- (d) The Licensee shall forthwith notify and provide information to the Licensor concerning any failure of the Licensee to comply with any of the requirements of any Environmental Laws and Regulations in connection with the Licensee's operations on the Airport Lands, or whether the Licensee is the subject of any pending or, to the knowledge of the Licensee after due enquiry, threatened environmental proceeding in connection with the Licensee's operations on the Airport Lands.

- (e) The Licensee shall forthwith notify the Licensor, with written follow-up, of any release of a hazardous substance or if an Environmental Adverse Effect of which it is aware occurs or is threatened relating to the Licensee's operation on the Airport. The Licensee shall forthwith inform any agencies of any release of a hazardous substance or if an Environmental Adverse Effect of which it is aware occurs or is threatened relating to the Licensee's operation on the Airport as required by Environmental Laws and Regulations.
- (f) The Licensee shall, concurrently upon execution of this Licence, have in place an Environmental Management System (EMS) approved by the Licensor which will include a separate environmental emergency response plan, and shall make such amendments as, in the Licensor's reasonable opinion, are from time to time required, and the Licensee shall carry out its operation in accordance with the EMS. The Licensee's EMS policy and procedures shall address, but are not limited to fuel storage and handling; storage, transport, use, handling, containment, clean-up and disposal of hazardous materials and special waste; water quality practice; and waste management.
- (g) In the event that at any time during the term of this Licence there is an Environmental Adverse Effect arising out of the Licensee's operations on or about the Licensor's Facilities and, in the reasonable opinion of the Licensor, it is necessary to take any measures to minimize any damages, expenses, penalties and related fees or costs, arising from such Environmental Adverse Effect, the Licensor, in addition to any other rights and remedies under this Licence, may, upon such prior notice to the Licensee as the Licensor considers reasonable, take all necessary measures to minimize such damages, expenses, penalties and related fees and costs, and to ensure compliance with Environmental Laws and Regulations, all at the Licensee's expense.
- (h) The Licensee shall not discharge or permit to be discharged by any Person for whom the Licensee is responsible or allow to pass into the sewer systems, storm drains or surface drainage facilities on the Airport, any material or substance that may cause an Environmental Adverse Effect.
- (i) Except to the extent caused by the negligence or wilful misconduct of the Licensor or any Person for whom it is in law responsible, the Licensee shall indemnify and hold harmless the Licensor against any and all costs including fines, penalties or administrative costs that may be associated with any Environmental Adverse Effect or breaches of Environmental Laws and Regulations arising out of the Licensee's operations on the Airport Lands (including all of the Licensor's costs of labour, materials and equipment based on cost recovery plus a premium of fifteen percent (15%) as an administrative and overhead charge) and all related costs, damages, fines or penalties of any kind incurred by or assessed or charged to the Licensor arising out of any operations carried out on the Airport Lands by the Licensee or by Persons for whom the Licensee is, at law, responsible, in order to comply with Environmental Laws or Regulations or to remediate Environmental Adverse Effect. The provisions of this Section 6.07 and the indemnity contained herein shall

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survive the expiration of this Licence to the extent that the Environmental Adverse Effect or breach of Environmental Laws and Regulations occurred during the term of this Licence.

- (j) Nothing in this Section 6.07 will limit the right of the Licensee to recover its costs of complying with this Section from the Licensor or any other party.

## **6.08 Corporate Sponsors**

The Licensee will cooperate, to the extent commercially practical, with the Licensor's corporate sponsor program as it is implemented from time to time, but cannot guarantee full compliance if there is a conflict with the Licensee's own contractual commitments and internal policies.

## **6.09 Airport Security**

The Licensee acknowledges that the security obligations of the Licensor and the Licensee are established and governed by the Aeronautics Act of Canada and the Canadian Aviation Security Regulations and all security measures and orders made thereunder. The Licensee shall comply with such Act and Regulations and use commercially reasonable efforts to act in the spirit of, and in a manner not inconsistent with, the Business Principles as they relate to airport security, including but not limited to those relating to restricted area passes, passenger escorts, use of courtesy lounges or conference rooms, personnel identification systems and security clearance procedures, and shall pay to the Licensor on demand all Fees levied by the Licensor pursuant to the Licensor's Tariff of Fees and Charges for those security measures.

## **6.10 Official Languages**

The Licensee acknowledges that the English and French language obligations of the Licensor and Licensee are established and governed by the Official Languages Act of Canada and the Official Languages (Communications with and Services to the Public) Regulations. The Licensee shall comply with such Act and Regulations at the Airport.

## **6.11 Non-Smokers' Health**

The Licensee acknowledges that the non-smokers' health obligations of the Licensor and the Licensee are established and governed by the Non-Smokers' Health Act, the Non-Smokers' Health Regulations and any other such applicable legislation with regards to e-cigarettes. The Licensee shall comply with such Act and Regulations and with the Licensor's non-smoking policies and procedures and shall make commercially reasonable efforts to act in the spirit of, and in a manner not inconsistent with, the Business Principles.

## **6.12 Public Health Standards**

The Licensee covenants and agrees to submit to the jurisdiction of the Licensor's public health agency, which shall be Health Canada or such other public health agency as designated by Health Canada.

### **6.13 International and Other Wastes**

The Licensee covenants and agrees to transport and dispose of international wastes in compliance with applicable federal, provincial and municipal laws and guidelines and to make commercially reasonable efforts to comply with the Licensor's waste reduction, recycling and disposal programs.

### **6.14 Flight Information Display Systems**

Provided that the Licensee's logos and trade-marks meet the Licensor's technical specifications and are in accordance with the Licensor's signage policy and standard, the Licensor agrees to display the Licensee's logos and trade-marks in connection with the operation of electronic display screens at the Airport. For the purposes of this Section 6.14, the Licensee hereby authorizes the Licensor to display the Licensee's logos and trade-marks as directed by Licensee.

### **6.15 Signage and Displays**

The Licensee shall not construct, erect, place, apply or install on the Airport Lands any graphics, design, poster, sign or display, of any kind whatsoever, without first obtaining the written consent of the Licensor. The cost of installing, maintaining, changing and removing all graphics, designs, posters, signs or displays shall be borne by the Licensee.

### **6.16 Damage**

It is hereby expressly agreed between the Licensor and the Licensee that if during the term hereof the Airport Lands or any part thereof shall be damaged or destroyed by any cause, event, or casualty and the Licensee is unable to use the Airport Lands or any part thereof, or exercise any right or privilege pursuant to this Licence, then the Licensee shall have no claim against the Licensor as a result thereof. The Licensee agrees and acknowledges that the Licensor will be under no obligation under this Licence to replace, renew or repair the Airport Lands or any part thereof. The Licensor will provide written notice of such decision to Licensee upon determination and if the Licensor decides not to replace, renew or repair the Airport Lands such that the Licensee's ability to conduct operations at the Airport are substantially reduced, the Licensee may terminate this Licence.

### **6.17 Repair of Damage**

If, at any time or times hereafter, any damage or injury (ordinary wear and tear and damage by fire, lightning, tempest, act of God and any perils for which the Licensor is insured only excepted) should be occasioned to the Airport Lands by reason of or on account of the operations of the Licensee hereunder, then, and in every such case, the Licensee shall within a reasonable time upon written notice thereof from the Licensor, repair, rebuild, and restore the same in good, sufficient and workmanlike manner and in the event of failure on the part of the Licensee following such written notice from Licensor to so repair, rebuild and restore the Licensor may, at its option, repair, rebuild and restore such damage or injury in which case the Licensee shall reimburse the Licensor

for all costs and expenses connected therewith or incidental thereto to the extent the Licensee is liable pursuant to this Licence plus an additional charge of fifteen percent (15%) of such costs for administration and overhead forthwith upon receipt by the Licensee of accounts therefor from the Licensor. In the event of failure on the part of the Licensee to repair, rebuild or restore such damage or injury, as the case may be, in a timely fashion, and in the event the Licensor elects not to repair, rebuild or restore, the Licensee shall remain liable to the Licensor for the amount of such damage or injury and payment of such amount shall be made by the Licensee to the Licensor forthwith, upon receipt by the Licensee of notice thereof from the Licensor.

### **6.18 Approval of Alterations and Utility Services**

- (a) The Licensee shall not make any improvements or alterations to the Licensor's Facilities including equipment, utility services, telecommunication lines and equipment or electrical and other wiring, without first obtaining the Licensor's consent and a Facility Permit. The Licensee agrees to make the alterations at the Licensee's cost, in accordance with the requirements, terms and conditions specified in the Facility Permit, and all such alterations shall, unless otherwise mutually agreed, be for the common use of the Licensee and other Air Carriers who may, from time to time, be granted permission by the Licensor to use the same.
- (b) Unless otherwise mutually agreed by the parties, any repairs, alterations or fixed improvements made by the Licensee to the Licensor's Facilities shall forthwith be and become vested in title in the Licensor without any payment of compensation to the Licensee in respect thereof, except such items as may be mutually agreed upon in writing at the time of installation.
- (c) The Licensee shall, in all respects, comply with the Approving Authority's Land Development and Construction By-Law or Policies.

### **6.19 Interference or Hazards**

The Licensee shall not during the term of this Licence or any period when it is exercising its Privileges conduct any operation, make any addition, improvement or other work, or install any facility or equipment, or do anything else which will, in any manner cause physical, visual or electronic interference or hazard to the navigation of any aircraft or violate any safety-related standards, procedures or recommended practices affecting aircraft safety or airport certification.

### **6.20 Temporary Suspension of Services**

Notwithstanding Section 8.02 herein, the Licensee shall not have nor make any claim or demand, nor bring any action or suit or petition against the Licensor for any damage which the Licensee may sustain by reason of any temporary suspension, interruption, or discontinuance of any services supplied hereunder, in whole or in part, from whatever cause arising. Where there is a temporary suspension, interruption, or discontinuance of



any services supplied hereunder, the Licensor shall make commercially reasonable efforts to cause such services to be restored in a timely manner.

### **6.21 Liens**

- (a) The Licensee shall promptly pay all amounts due to Licensee's contractors, material suppliers and workers so as to minimize the possibility of a lien attaching to the Airport provided that, so long as no lien attaches to any title of the Licensor, the Licensee shall be entitled to contest its obligations to pay any amount and to not pay any such amount being contested.
- (b) The Licensee shall, forthwith upon demand by the Licensor, remove or cause to be removed and thereafter institute and diligently prosecute any action pertinent thereto, any builders or other lien or claim of lien for any work done or materials provided or services rendered for alterations, improvements or repairs made by or on behalf of the Licensee to the Airport, noted or filed against or otherwise constituting an encumbrance on any title of the Licensor. Without limiting the foregoing obligations of the Licensee, the Licensor may, after such notice to the Licensee as the Licensor considers to be reasonable, cause the same to be removed, in which case the Licensee shall pay to the Licensor, on demand, the cost thereof, including the Licensor's legal fees and expenses.
- (c) The Licensee shall post and keep posted all notices in connection with any work to be performed by or on behalf of the Licensee at the Airport in order to prevent any lien or claim of lien being noted or filed or otherwise constituting an encumbrance on any title of the Licensor or the Crown.

### **6.22 Noise Management and Abatement**

The Licensee covenants and agrees to abide by and comply with all applicable aeroplane noise management and abatement laws and regulations and the Licensor's Noise Management Plan as revised from time to time to the extent it is not in contravention of applicable laws, including any procedures or directions of the Licensor with respect to noise management and abatement at the Airport.

### **6.23 Airport Improvement Fee**

Subject to the terms and conditions of any existing or future written agreements between the Licensor and the Licensee other than this Licence regarding the Airport Improvement Fee ("AIF"), the Licensee covenants and agrees to co-operate with the Licensor in the Licensor's administration of the AIF for capital improvements at the Airport, and use reasonable efforts to inform its customers of the AIF, including responding to questions its customers may have about the AIF.

### **6.24 Operation of Airport Lands**

The Licensor shall operate the Airport Lands in compliance with Section 8.02.01 of the Head Lease, a copy of which is attached hereto as Schedule F, and in all respects in a manner consistent with standards, rules and regulations established by itself in accordance with the Business Principles.

## ARTICLE 7 - ASSIGNMENT

### 7.01 Assignment, Transfer

The Licensee shall not assign, transfer or sub-licence its interest in this Licence nor shall the Licensee sub-licence, other than as herein provided, any part of the Airport utilized by it without first having obtained the written consent of the Licensor thereto and PROVIDED THAT such consent shall be subject to the Licensor's obligations under the Head Lease.

### 7.02 Attornment to the Crown

The Licensee agrees that in the event of any early termination of the Head Lease and a re-entry by the Crown pursuant to the terms of the Head Lease, the Licensee shall, at the option and request of the Crown, attorn to the Crown for the unexpired term of this Licence on the same terms and conditions as contained in this Licence.

## ARTICLE 8 - INDEMNITY AND RELEASE

### 8.01 Indemnity

- (a) In consideration of the Licensor permitting the Licensee to enter upon and to use or operate aircraft Airside and to use or operate the Licensor's Facilities, the Licensee agrees to indemnify and hold harmless and keep indemnified the Licensor from and against all and any loss, damage, cost, charge, expense or other liability however suffered, paid or incurred by or threatened against the Licensor in relation to or arising out of or in consequence of:
- (i) any breach, violation or non-performance by the Licensee of any covenant, term or provision of this Licence or any wrongful act or omission, default or negligence on the part of the Licensee or any of its agents, contractors or employees in or about the Airport or, (to the extent the Licensee has the legal power to control them), the Licensee's invitees or licensees in or about the Airport;
  - (ii) any action, proceeding, claim or demand which is or may be brought, made or prosecuted or threatened against the Licensor in respect of any loss or damage to property, loss of life or personal injury or other loss that may arise in any way from the use or operation of any aircraft or vehicle Airside by the Licensee or any Person for whom in law it is responsible for, or the use or operation of the Licensor's Facilities by the Licensee or any Person for whom in law it is responsible for (including but not limited to any loss of or damage to property or loss of life or personal injury or other loss suffered or incurred by the Licensee);

- (iii) the use of or operation of any aircraft or vehicle Airside by the Licensee or any Person for whom in law it is responsible for;
  - (iv) the presence Airside of any aircraft or vehicle (whether or not being used or operated at the time) under the control of the Licensee; and
  - (v) the presence Airside for any reason whatever of any employee, officer, agent or contractor of the Licensee, acting within the scope of their employment.
- (b) The Licensee shall pay any monies owing under this Section 8.01 to the Licensor immediately upon demand by the Licensor.
- (c) The indemnity in Section 8.01(a) does not apply to the extent that any such loss, damage, cost, charge, expense or other liability was caused by the negligence or wilful misconduct of the Licensor, or any of its directors, officers, employees, agents, contractors or anyone for whom in law it is responsible.
- (d) The Licensee's obligations under this Section 8.01 shall survive the termination of this Licence, whether by effluxion of time or otherwise, with respect to occurrences during the term of this Licence.

## **8.02 Release**

- (a) The Licensee releases the Licensor from all claims, actions, causes of action, proceedings and demands which the Licensee now has or, but for this Section 8.02 would or might at any time in the future have, against the Licensor and all present or future liability of the Licensor to the Licensee however caused in consequence of:
- (i) the use or operation of any aircraft or vehicle Airside by the Licensee or any Person for whom in law it is responsible for, or the use or operation of the Licensor's Facilities by the Licensee or any Person for whom in law it is responsible for; or
  - (ii) the presence Airside of any aircraft or vehicle (whether or not being used or operated at the time) under the control of the Licensee; or
  - (iii) the presence Airside for any reason whatever of any employee, officer, agent or contractor of the Licensee.
- (b) The release contained in Section 8.02(a) operates even if the Licensee is not now aware of, or has no present knowledge of, or at any future time is not aware or has knowledge of, any fact or circumstance which may now or in the future be relevant to or apply in relation to any such claim, action, cause of action, proceeding, demand or liability.

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- (c) The Licensee shall not make or commence or threaten to make or commence any claim, action, cause of action, proceeding or demand referred to in Section 8.02(a).
- (d) The release set out in Section 8.02(a) shall not operate to the extent such claims, demands or liabilities are caused by negligence or wilful misconduct on the part of the Licensor, or any of its directors, officers, employees, agents, contractors or anyone for whom in law it is responsible.
- (e) Notwithstanding any of the provisions of this Licence, the Licensor shall not, under any circumstances, be liable or responsible in any way for:
- (i) any personal injury or consequential damage of any nature whatsoever that may be suffered or sustained by the Licensee, or any property belonging to the Licensee or any other Person while such property is on or about the Airport:
    - (A) 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 Airport or from the water, steam, sprinkler or drainage pipes or plumbing of the Airport or from any other place or quarter; or
    - (B) caused by anything done or omitted to be done by any other Air Carrier, Licensed Service, or tenant or licensee of the Licensor; or
    - (C) 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 Licensor to perform janitorial services on or about the Airport Lands (except to the extent the Licensor is able to recover on the Licensee's behalf from such contractor or Person or any security bond provided by such contractor or Person); or
    - (D) 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; or
  - (ii) any business, economic or indirect loss or damage of the Licensee of any nature whatsoever, however caused.

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## ARTICLE 9 - TERMINATION UPON DEFAULT OR BREACH

If and whenever during the term of this Licence:

- (a) the Licensee shall be in default in the payment of any money payable pursuant to this Licence, and such default shall continue for five (5) days following notice by the Licensor requiring the Licensee to pay the same;
- (b) all or substantially all of the goods, chattels or equipment of the Licensee located on the Airport Lands shall be taken or seized in execution or attachment, or if any writ of execution shall issue against the Licensee, or the Licensee shall become bankrupt or take the benefit of any Act that may be in force for bankrupt or insolvent debtors or become involved in voluntary or involuntary winding up, dissolution or liquidation proceedings, or if a receiver shall be appointed for the affairs, business, property or revenues of the Licensee (unless such event is dismissed prior to the Licensor exercising its rights to cancel this Licence pursuant to this Article 9);
- (c) the Licensee shall not observe, perform and keep each and every of the covenants, agreements, stipulations, obligations, conditions and other provisions of this Licence to be observed, performed and kept by the Licensee and shall persist in such default, in the case of monetary payments, beyond the five (5) day period stipulated in Article 9(a) or, in the case of any other default, after twenty-one (21) days following notice from the Licensor requiring that the Licensee remedy, correct or comply or, in the case of any such default which would reasonably require more than twenty-one (21) days to rectify, unless the Licensee shall commence rectification within the said twenty-one (21) day notice period and thereafter promptly and diligently and continuously proceed with the rectification of any such default,

then the Licensor may forthwith cancel this Licence by delivering to the Licensee notice in writing to that effect and, upon such delivery, this Licence shall cease but without prejudice to the rights of the Licensor and without limiting the obligations of the Licensee accruing under this Licence before such cancellation.

## ARTICLE 10- SECURITY FOR PAYMENT

### 10.01 Provide Security

As security for the payment of Fees hereunder and the performance of all of the obligations of the Licensee, the Licensee shall, if required by the Licensor, provide the security specified in Section 10.02.

### 10.02 Form, Content and Amount

The Licensee shall, if required by the Licensor, deliver to the Licensor an irrevocable letter of credit issued in favour of the Licensor by a Canadian chartered bank acceptable to the Licensor

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and in form and content determined by the Licensor. The amount shall be equal to three months Fees under this Licence, all as reasonably estimated by the Licensor.

### **10.03 Drawings**

In the event the Licensee is in default of payment to the Licensor of any Fees or any other sum payable by the Licensee to the Licensor, and such default continues for five (5) days following written notice by the Licensor requiring the Licensee to pay the same, the Licensor 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.

### **10.04 Renewal or Replacement**

- (a) The Licensee shall provide the Licensor 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 Licensor on a letter of credit, deposit an additional letter of credit with the Licensor in the amount paid by the issuer of the letter of credit to the Licensor failing which, in either case, the Licensor may draw the full amount of the letter of credit and hold the funds as a security deposit pursuant to this Article 10.
- (b) The Licensee shall, immediately after the Licensor deducts arrears from the security deposit, deposit an additional security deposit in the amount of such arrears with the Licensor.

### **10.05 Increase or Decrease Amount**

The Licensor shall have the right on at least thirty (30) days prior notice to the Licensee to impose the security requirement or to increase or decrease the amount of the security that the Licensee is required to maintain hereunder so that such amount represents the amount the Licensor estimates will be payable for Fees under this Licence over a period of three months.

### **10.06 Return of Security**

At the end of the term of this Licence and upon payment by the Licensee to the Licensor of all Fees including all costs and expenses incurred by the Licensor in correcting or satisfying any default or fulfilling any obligation of the Licensee under this Licence, the Licensor shall release the letter of credit or return the security deposit to the Licensee, without interest.

## **ARTICLE 11 - SURRENDER OF LICENCE**

- (a) At the expiration or sooner termination of this Licence, the Licensee shall peacefully surrender and yield up to the Licensor all of the Licensor's Facilities used or occupied by the Licensee PROVIDED THAT, prior to the date of such expiration or termination, the Licensee shall remove all chattels, goods, supplies, articles, equipment, materials or effects belonging to the Licensee as directed by the Licensor notwithstanding that some or part of

them be affixed so as to form part of the Licensor's Facilities, and in so doing, the Licensee shall, to the satisfaction of the Licensor, repair all and every damage and injury occasioned to the Licensor's Facilities by reason of such removal or in the performance thereof, but the Licensee shall not, by reason of any action taken or things performed or required under this clause, be entitled to any compensation whatsoever.

- (b) In the event that the Licensee shall fail to remove from and about the Licensor's Facilities its chattels, goods, supplies, articles, equipment, materials or effects, as aforesaid, the Licensor may at its option, and following written notice to Licensee, remove at the risk of and at the cost and expense of the Licensee, the chattels, goods, supplies, articles, equipment, materials, effects or things and the Licensee shall reimburse the Licensor forthwith upon receipt of appropriate accounts therefor and for any storage charges which may have been or will be incurred by the Licensor as a result of such removal. Where not removed by the Licensee, the Licensor may consider the chattels, goods, supplies, articles, equipment, materials, effects or things to be abandoned, and take title thereto in the name of the Licensor.

#### ARTICLE 12 - INSURANCE

- (a) The Licensee covenants and agrees that throughout the term of this Licence and any period when it is using the Airport, it shall purchase, provide and maintain, at its expense, or cause to be maintained the Insurance set out in Schedule A attached hereto subject to reasonable deductibles and the requirements, terms and conditions set out below.
- (b) Each policy of the Insurance shall:
- (i) be enforceable by any party named as an insured thereunder and contain a cross liability and severability of interest clause;
  - (ii) be primary and non-contributing with respect to any policies carried by the Licensor and that any coverage carried by the Licensor shall be excess coverage;
  - (iii) specify that the Licensor and the Crown are named as additional insureds to the extent of the Licensee's obligations hereunder;
  - (iv) contain a prohibition against cancellation or material change that reduces or restricts the Insurance except on no less than thirty (30) days' prior written notice to the Licensor; and
  - (v) be in a form and with insurers satisfactory to the Licensor, acting reasonably.
- (c) The Licensee shall not do nor omit to do nor suffer anything to be done in or about the Airport which will in any way invalidate, adversely affect or limit any Insurance.

- (d) If any Insurance policy shall be cancelled or shall be threatened by the insurer to be cancelled, refused to be renewed or the coverage thereunder reduced in any way by the insurer by reason of the use, occupation, operation or maintenance of the Airport or any part thereof by the Licensee or anyone permitted by the Licensee to be upon the Airport, or if the Licensee neglects or omits to pay any premiums or other sums of money payable for maintaining Insurance, or if the Licensee fails to forthwith remedy the condition giving rise to cancellation, threatened cancellation or reduction in coverage or if the Licensee is unable or unwilling to purchase, provide or maintain any Insurance required hereunder, then the Licensor, in addition to any other remedy, may, at its option:
- (i) remedy the condition giving rise to such cancellation, threatened cancellation or reduction in coverage and the Licensee shall forthwith pay the costs thereof to the Licensor as additional fees; and
  - (ii) without assuming any obligation in connection therewith and without prejudice to any other rights and remedies of the Licensor, pay such premiums or other amounts or effect such Insurance at the sole cost of the Licensee, and all outlays and expenses incurred by the Licensor shall be immediately paid by the Licensee to the Licensor as additional fees.
- (e) The Licensee shall, prior to its effective date, deliver to the Licensor certificates of insurance reasonably acceptable to the Licensor signed by the Licensee's insurer, agent or broker evidencing the required Insurance and shall provide evidence from time to time, at the Licensor's request, that any such policy is in full force and effect during the term of this Licence and any period of time when the Licensee is using the Airport and shall provide to the Licensor evidence of renewal of such Insurance. Where the Licensor is of the reasonable opinion that any such certificates of insurance do not sufficiently describe the Insurance then the Licensee shall provide such further information respecting the Insurance as the Licensor may request other than the actual policies of Insurance. Delivery to and examination by the Licensor of any certificate of Insurance or other evidence of Insurance in no way shall relieve the Licensee of any of its obligations to ensure strict compliance with the provisions of this Article 12 nor in respect of its obligations to indemnify as contained in this Licence, and in no way shall operate as a waiver by the Licensor of any of its rights. The Licensor may rely on certificates of Insurance previously delivered to the Licensor in respect of other agreements that may exist between the parties.

## ARTICLE 13 - GENERAL

### 13.01 Agency

The parties hereto specifically agree that nothing contained in this Licence shall be deemed or construed to establish any relationship of agent and principal as between the Licensor and the Licensee herein.



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### **13.02 Index, Headings, Number and Gender**

The index and headings in this Licence have been inserted for convenience and reference only and shall not define, limit or expand the scope of meaning of the present Licence or any of its provisions. Whenever the singular or masculine or neuter is used in this Licence, the same shall be construed to mean the plural or feminine or body corporate where the context or the parties hereto may so require. The words “include” or “including” as used herein shall not be construed as words of limitation.

### **13.03 Enurement**

This Licence and everything herein contained shall enure to the benefit of and be binding upon the successors and assigns of the Licensor, and upon the successors and permitted assigns of the Licensee. Nothing herein shall restrict the ability of the Licensor to transfer or assign its interests herein.

### **13.04 Construed Covenant, Severability**

All of the provisions of this Licence are to be construed as covenants and agreements. Should any provision of this Licence be or become illegal, invalid or not enforceable, it shall be considered separate and severable from this Licence 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.

### **13.05 Waiver Negated**

The waiver or acquiescence by either party or any breach of any covenant, term or condition of this Licence shall not be deemed to be a waiver of the covenant, term or condition or any subsequent or other breach of any covenant, term or condition of this Licence.

### **13.06 Applicable Law, Court, Language**

- (a) This Licence and all related matters will be governed by, and construed in accordance with the laws of British Columbia, Canada and the federal laws of Canada applicable therein.
- (b) All disputes arising out of or in connection with the Licence, or in respect of any legal relationship associated with or derived from this Licence, will be finally resolved by arbitration under the Arbitration Rules of the ADR Institute of Canada, Inc. The Seat of Arbitration will be Vancouver, British Columbia, Canada. The language of the arbitration will be English.
- (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 présentes ont exigé que le présent contrat et tout autre contrat, document ou avis afferant ou ancillaire aux présentes soient rédigés en langue anglaise.

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**13.07 Time of the Essence**

Time shall be strictly of the essence hereof.

**13.08 Entire Agreement**

This Licence shall be deemed to constitute the entire agreement between the Licensor and the Licensee hereto with respect to the subject matter hereof and shall supersede all previous negotiations, representations and documents in relation hereto made by any party to this Licence.

**13.09 Approvals**

No provisions in this Licence requiring the Licensor's consent or approval shall be deemed to have been fulfilled or waived unless the written consent or approval of the Licensor 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 Licensor 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 Licence.

**13.10 Joint Venture**

The Licensee agrees that it will not assert that a joint venture, partnership or principal and agent relationship exists between the Licensor and the Crown.

**13.11 Members of the House of Commons**

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

**13.12 Head Lease**

The Licensee acknowledges that this Licence is subject to the terms of the Head Lease. The parties agree that this Licence is an Occupant Agreement in the Ordinary Course of Operations as defined in Section 18.02 of the Head Lease, a copy of which is attached hereto as Schedule B. Without limiting the foregoing, to the extent that said Section 18.02 of the Head Lease requires that this Licence contain certain covenants, obligations and agreements in order that this Licence 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 Licence as fully as if such covenants were set forth in this Licence, and, to the extent of a conflict between the terms of the said Section 18.02 of the Head Lease and the specific terms of this Licence, the terms of the said Section 18.02 of the Head Lease shall prevail.

### 13.13 Other Air Carriers

The Licensor shall not enter into a licence to use the Airport with an Air Carrier other than the Licensee on financial and operational terms which, taken as a whole, are more favourable to such Air Carrier than the financial and operational terms contained in this Licence.

### 13.14 Provisions of Canadian Air Transport Agreements

Nothing in this Licence shall be deemed to limit Licensee's right to contest the legality or validity of the Fees, and any rentals, fees and charges imposed under this Licence if such Fees, rentals, fees and charges are not in accordance with any in force and applicable air transport agreements (for example, the air transport agreement between the Government of the United States of America and the Government of Canada, dated March 12, 2007 and any amendment thereto or any successor agreement) between the Government of Canada and any foreign government (collectively, the "Air Transport Agreement"). The Parties agree that this Licence shall be subject to the Air Transport Agreement, and any applicable rights and obligations thereunder. The parties agree to abide by any ruling made under the Air Transport Agreement by the Government of Canada, an appropriate arbitral panel or a court of competent jurisdiction.

## ARTICLE 14 - NOTICES

- (a) Whenever this Licence requires or permits that notice or demand be given or served by either party of this Licence to or on the other, such notice or demand will be in writing and will be validly given or sufficiently communicated if forwarded by registered mail, priority post mail, or sent by email or facsimile to the parties' respective addresses, as follows:

To the Licensor: VANCOUVER AIRPORT AUTHORITY  
Mailing Address:  
P.O. Box 44638, YVR Domestic Terminal RPO  
Richmond, B.C., V7B 1W2  
Email: legal@yvr.ca  
Attention: Airport Operations Department and  
A copy to: Legal Services Department

or

VANCOUVER AIRPORT AUTHORITY  
Courier Address:  
3211 Grant McConachie Way  
Link Building, Level 5  
Richmond, British Columbia  
V7B 1Y2 CANADA  
Email: legal@yvr.ca  
Attention: Airport Operations Department and  
A copy to: Legal Services Department

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To the Licensee: 1263343 ALBERTA INC. dba LYNX AIR  
123, 1440 Aviation Park, N.E.  
Calgary, AB T2E 7E2  
Attention: Karen Ali, Airports Operations Manager  
Email: karen.ali@enerjet.ca

- (b) Any party hereto may at any time give notice as provided above to the other of any change of address of the party.
- (c) If any question arises as to whether any notice was or was not communicated by one party to the other, it shall be deemed to have been effectively communicated or given on the day delivered or sent by facsimile or in the case of being given by mail, on the fifth day after it was mailed.

IN WITNESS WHEREOF, the parties have executed this Licence effective as of the day and year first above written:

EXECUTED ON BEHALF OF  
VANCOUVER AIRPORT AUTHORITY  
by its duly authorized representatives:

Per:   
Per: Andy Margolis (Mar 16, 2022 11:00 PDT)

Print Name: Andy Margolis

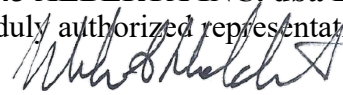
Title: VP Airport Capacity and System Design

Per: 

Print Name: Diana Vuong

Title: VP Finance & CFO

EXECUTED ON BEHALF OF  
1263343 ALBERTA INC. dba LYNX AIR  
by its duly authorized representatives:

Per: 

Print Name: Michael S Holditch

Title: Chief Financial Officer

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

Print Name: \_\_\_\_\_

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



**SCHEDULE A  
INSURANCE**

The Insurance shall, at a minimum, consist of the following:

- (a) air carrier liability to passengers and public liability insurance (including aircraft and premises/operations liability insurance) in an amount of not less than:
  - (i) \$250,000,000 for jet carriers; and
  - (ii) \$50,000,000 for propeller carriers.
- (b) five million dollars of a broad form of inclusive limits comprehensive general liability insurance, on an occurrence basis, covering all operations and activities of the Licensee, subject to policy terms, conditions and exclusions including, coverage, extensions or additions for:
  - (i) owners' and contractors' protective (as applicable);
  - (ii) products and completed operations (as applicable);
  - (iii) bodily injury;
  - (iv) personal injury;
  - (v) blanket contractual liability;
  - (vi) occurrence property damage; and
  - (vii) defence costs.
- (c) five million dollars motor vehicle liability insurance for owned or non-owned vehicles if vehicles are to be operated on the airfield or ramp areas; and
- (d) any other form or amount of insurance that the Licensor acting reasonably requires from time to time.

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**SCHEDULE B  
HEAD LEASE PROVISIONS**

**Section 18.02 Occupant Agreement in the Ordinary Course of Operations**

- 18.02.01 Subject to the Tenant remaining liable on this Lease, the Tenant may, without the consent of the Minister, enter into an Occupant Agreement in respect of a part of the Demised Premises, provided that:
- (a) the land or space which is the subject matter of the Occupant Agreement is not
    - (i) all or substantially all of Airside;
    - (ii) any part of Airside except if such part is used only for the purpose of agriculture, aircraft parking, aircraft servicing or aircraft fuelling;
    - (iii) the whole or any part of the Ground Transportation Reserve;
    - (iv) all or substantially all of the concession area of any Air Terminal Building; or
    - (v) all or substantially all of the general terminal area of any Air Terminal Building;
    - (vi) [Intentionally deleted]
  - (b) the Occupant Agreement contains a covenant whereby the parties hereto covenant that the land or space which is the subject matter of the Occupant Agreement shall not be used or occupied for the purpose of constructing or operating any Air Terminal Building.
  - (c) the Occupant Agreement contains a covenant whereby the parties thereto covenant that the land or space which is the subject matter of the Occupant Agreement is not used or occupied
    - (i) for any purpose other than a permitted use as set out in the Approved Land Use Plan, or
    - (ii) for a use that is inconsistent with the use clause herein.
  - (d) the Occupant Agreement is for less than the total remainder of the Term.
  - (e) the Occupant Agreement does not create any privity of estate or privity of contract between the Occupant and the Landlord.

- (f) the Occupant Agreement contains an agreement by the Occupant whereby, subject to any rights of non-disturbance granted by the Landlord, the Occupant acknowledges and agrees that, upon the default hereunder of the Tenant and early termination of this Lease and re-entry by the Landlord, the Landlord has the option, in Her sole unfettered discretion, to require the Occupant to attorn to the Landlord in which event the Occupant shall forthwith attorn to the Landlord.
- (g) the Occupant Agreement contains covenants, obligations and agreements by the Occupant in terms which are no less stringent than the provisions of this Lease so as to enable the Tenant to comply with its obligations under this Lease to ensure a covenant or obligation of an Occupant or Transferee of any part of the Demised Premises;
- (h) the Occupant Agreement is not inconsistent with any of the terms of this Lease; and
- (i) the Occupant Agreement contains a covenant which prohibits any further assigning, subletting or sharing of possession by the Occupant unless such assigning, subletting or sharing of possession:
  - (i) meets all the requirements of this Subsection 18.02.01; or
  - (ii) is approved by the Minister.

- 18.02.02 The Tenant shall, upon entering into any Occupant Agreement give written notice to the Landlord of any relevant details of such Occupant Agreement and shall, upon request made by or on behalf of the Landlord, deliver to the Landlord a copy of such Occupant Agreement (or in the case of an oral Occupant Agreement, a detailed written description of such Occupant Agreement) within five (5) Business Days of the request.
- 18.02.03 An Occupant Agreement which meets all of the requirements set out in Section 18.02.01 is an Occupant Agreement in the Ordinary Course of Operations.
- 18.02.04 An Occupant Agreement which does not meet all of the requirements set out in Subsection 18.02.01 is not an Occupant Agreement in the Ordinary Course of Operations and shall be an Occupant Agreement Requiring Consent.
- 18.02.05 Nothing herein contained shall authorize the Tenant, or imply any consent or agreement on the part of the Landlord, to subject the Landlord's estate and interest in the Demised Premises or any part thereof to any Occupant or Occupant Agreement.

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**SCHEDULE C**  
**ENVIRONMENTAL PROVISIONS OF THE HEAD LEASE**

**Section 37.01 Environmental Audit Report**

- 37.01.01 The Landlord has commissioned at its cost an environmental audit and the preparation of an environmental report (the “Environmental Audit Report”) of the Lands and Existing Facilities by an independent consultant (the “Landlord's Environmental Consultant”) on the effective date of the Environmental Audit Report in accordance with terms and conditions agreed to as between the parties hereto prior to the commissioning of such audit.
- 37.01.02 The Landlord shall furnish to the Tenant a copy of the Environmental Audit Report forthwith upon receipt of the said report by the Landlord.
- 37.01.03 The Environmental Audit Report shall be *prima facie* evidence between the parties hereto as to the existence of any Hazardous Substances affecting the soil of or the water in, on, over or under the Lands and the quantity thereof immediately prior to the Date of Commencement notwithstanding the effective date of the Environmental Audit Report.

**Section 37.02 Definitions**

“Applicable Federal Environmental Laws” means all applicable federal laws respecting environmental matters, but excludes Part II of the *Canada Labour Code*, as amended.

“Applicable Provincial Environmental Laws” means all applicable laws of the Province of British Columbia respecting environmental matters.

“Crown Building” means any Existing Facility other than an Existing Facility which, immediately prior to the Date of Commencement, was owned by a third party pursuant to an Existing Revenue Agreement.

“Hazardous Substance” means:

- A. any substance which is hazardous to persons, animals, plants and which affects the soil of or the water in, on, over or under the Lands immediately prior to the Date of Commencement, or
- B. the asbestos which is present in any Crown Building immediately prior to the Date of Commencement,

and for which Remedial Work is required.



“Remedial Work” means any work required to remedy an adverse environmental condition caused by the existence of a Hazardous Substance affecting

- (a) the soil of or the water in, on, over or under the Lands, or
- (b) Crown Buildings

immediately prior to the Date of Commencement which is required under:

- (c) the Applicable Federal Environmental Laws of general application, as amended or
- (d) the Applicable Provincial Environmental Laws of general application in existence immediately prior to the day on which the Agreement to Transfer was executed and delivered

as those laws apply to the Tenant.

### **Section 37.03 Limitations on Landlord's Liability**

37.03.01 The Landlord's obligations shall be restricted to a Hazardous Substance present in the soil of or the water in, on, over or under the Lands or in Crown Buildings prior to the Date of Commencement;

37.03.02 The Landlord's obligations herein are for the exclusive benefit of the Tenant and successors and permitted assigns and shall not be for the benefit of any other Person. The Tenant may assign its rights under Article 37 provided that it complies with the requirements of the *Financial Administration Act*.

37.03.03 For greater certainty, it is agreed that in no event shall the Landlord be responsible or liable for Remedial Work relating to any Hazardous Substance:

- (a) to the extent that such Hazardous Substance was added to or put in, on or over the Demised Premises on or after the Date of Commencement;
- (b) to the extent that any act or omission of any Person on or after the Date of Commencement contributed to any substance becoming a Hazardous Substance;
- (c) which, on or after the Date of Commencement, is released, spilled, leaks or flows from any container, tank, pipe, conduit, tube or any

related or other equipment in which any substance is contained or by or through which any substance is transmitted or transported; or

- (d) if the Hazardous Substance is asbestos, to the extent that asbestos was added to or put in, on or over any part of the Demised Premises on or after the Date of Commencement.

#### **Section 37.04 Exclusions from Landlord's Liability**

37.04.01 [Intentionally deleted]

#### **Section 37.05 Notice of Hazardous Substance**

37.05.01 In the event that, at any time during the Term, there is a Hazardous Substance present in the soil, on or in the water, in, on, over or under the Lands or in the Crown Buildings immediately prior to the Date of Commencement and the Tenant receives a formal notice from any governmental body or authority or any regulatory agency, body or tribunal having jurisdiction requiring the performance of any Remedial Work, the Tenant shall provide the Landlord with a copy of such formal notice, an estimate from a qualified engineering consultant of the cost of performing the said Remedial Work and a notice requesting performance of such Remedial Work (the "Notice to Perform Remedial Work").

#### **Section 37.06 Landlord's Obligation Concerning Remedial Work**

37.06.01 The Landlord shall, subject to Subsection 37.06.03, have a period of ninety (90) days from the receipt of the Notice to Perform Remedial Work in which to determine whether:

- (a) at Her own cost and expense, to perform or have performed any Remedial Work for which She is responsible; or
- (b) to contribute to the Tenant the portion of the contract price or any contract entered into by the Tenant which portion relates solely to the performance of the Remedial Work for which the Landlord is responsible.

37.06.02 In the event that the Landlord has not made an election permitted by Section 37.06.01 within ninety (90) days from receipt by the Landlord of the Notice to Perform Remedial Work with respect to Remedial Work for which the Landlord is responsible, the Landlord shall be deemed to have chosen the option referred to in Paragraph 37.06.01(b).

37.06.03 In the event that the formal notice referred to in Subsection 37.05.01 requires the commencement of the Remedial Work within the ninety (90) days

referred to in Subsection 37.06.01, the Tenant may request in the Notice to Perform Remedial Work that the Landlord make the election permitted by Subsection 37.06.01 within a period of five (5) Business Days and in such case the provisions of Subsection 37.06.01 and 37.06.02 shall apply as if the references to ninety (90) days were five (5) Business days.

37.06.04 The Landlord shall perform Her obligation as elected or deemed to have been elected pursuant to this Section.

### **Section 37.07 Contract**

37.07.01 The Tenant shall not perform any Remedial Work or enter into any contract to perform any Remedial Work for which it will claim any contribution from the Landlord without the prior written consent of the Minister which consent may not be unreasonably withheld. In the event the contract to perform Remedial Work includes the performance of any other Work, then the contract shall identify and separate the portion of the contract price related solely to the Remedial Work for which the Landlord is responsible from the balance of the contract price. The Landlord's liability shall be limited to the portion of the contract price directly and solely related to the Remedial Work for which the Landlord is responsible. If the contract entered into by the Tenant is to perform more than the Remedial Work for which the Landlord is responsible, then the Landlord's obligation to contribute the portion of the contract price directly and solely related to the Remedial Work for which the Landlord is responsible shall be conditional upon the identification and separation by the contractor in the contract on a fair and accurate basis of the portion of the contract price which is directly and solely related to the Remedial Work for which the Landlord is responsible from all other Work being performed pursuant to that contract.

### **Section 37.08 Landlord's Access to Perform Work**

37.08.01 In the event the Landlord elects to perform or have performed the Remedial Work for which the Landlord is responsible, the Tenant shall provide the Landlord and Her officers, servants, employees, agents, contractors, subcontractors and consultants unrestricted and unimpeded access to the Demised Premises at all times and without cost in order to perform such Remedial Work.

**Section 37.09 Compliance with Laws**

37.09.01 Without limiting the generality of any other covenant herein, the Tenant shall, at its own cost and expense, comply with, and shall ensure that all Occupants and Transferees comply with all applicable laws from time to time in force relating to environmental matters, the manufacture, use, storage, disposal and transportation of any substance and the protection of the environment generally and shall immediately give written notice to the Landlord of the occurrence of any event in or on the Demised Premises constituting an offence thereunder or a breach of this provision and, if the Tenant shall, either alone or with others, cause the happening of any such event, the Tenant shall, at its own expense:

- (a) immediately give the Landlord notice to that effect and thereafter give the Landlord from time to time written notice of the extent and nature of the Tenant's compliance with the following provisions of this Subsection:
- (b) promptly perform any Work which will result in conformity and compliance with all applicable laws governing such substance;
- (c) if requested by the Landlord, obtain a certificate from an independent consultant designated or approved by the Landlord verifying the complete and proper compliance with the requirements of any applicable law relating to such substances or, if such is not the case, reporting as to the extent and nature of any failure to comply with the foregoing provisions of this Subsection;
- (d) promptly cease any activity which causes or permits any substance to be released, spilled, leaked or to flow onto or into the Demised Premises or any adjacent land, air or water or results in any substance being released into the environment; and
- (e) if requested by the Landlord, obtain a certificate from an independent consultant designated or approved by the Landlord verifying that any activity referred to in Paragraph (d) above has ceased.

37.09.02 The Tenant shall, at its own cost and expense, remedy any damage to the Demised Premises or adjacent land, air or water caused by the occurrence of any such event in or on the Demised Premises or caused by the performance or lack of performance of any of the Tenant's obligations under this Section.

37.09.03 If any governmental authority having jurisdiction shall require the clean-up of any substance held, released, spilled, leaked, abandoned, flowing onto or into or placed upon the Demised Premises or any adjacent land, air or water or released into the environment on or after the Date of Commencement as a result of any use or occupancy of the whole or any part of the Demised Premises on or after the Date of Commencement then the Tenant shall, at its own cost and expense, prepare all necessary studies, plans and proposals and submit the same to the Landlord for approval, provide all bonds and other security required by governmental authorities having jurisdiction and carry out the Work required, and shall keep the Landlord fully informed and provide to the Landlord full information with respect to proposed plans and comply with the Minister's reasonable requirements with respect to such plans. The Tenant further agrees that if the Landlord determines, in Her own discretion, that the Landlord, Her property or Her reputation is placed in jeopardy by the requirement for any such Work, the Landlord may Herself undertake such Work or any part thereof at the cost and expense of the Tenant.

#### **Section 37.10 Inquiries by Landlord**

37.10.01 The Tenant hereby authorizes the Landlord to make enquiries from time to time of any government or governmental agency with respect to the Tenant's compliance with any applicable environmental laws pertaining to the Tenant, any Occupant or any Transferee, the Demised Premises and any business conducted on or from the Demised Premises, including any law pertaining to an adverse environmental condition and the protection of the environment; and the Tenant covenants and agrees that the Tenant will from time to time forthwith on demand provide to the Landlord such written authorization as the Minister may reasonably require in order to facilitate the obtaining by the Landlord of such information.

#### **Section 37.11 Landlord's Right to have Environmental Audit Performed**

37.11.01 The Landlord may, at any time, enter on the Demised Premises to determine the existence of any substance in or on any part of the Demised Premises which causes or contributes to an adverse environmental condition, and for such purpose the Landlord may, without limitation, carry out soils, water, environmental or other tests, measurements or surveys in, on or below the Demised Premises or any part thereof.

#### **Section 37.12 Tenant to Perform**

37.12.01 The Tenant shall, forthwith on Notice, at its cost and expense, carry out

- (a) any Work required by applicable laws to remedy any adverse environmental condition caused or contributed to by the existence of any substance on the Demised Premises or by any act or omission of any Person on or after the Date of Commencement;
- (b) any Work required by the Landlord to remedy any adverse environmental condition caused or contributed to by the existence of any substance on the Demised Premises or by any act or omission of any Person on or after the Date of Commencement to the extent that any such substance, act or omission may significantly adversely affect the value of the Demised Premises;

provided that any such substance is not a Hazardous Substance present in the soil of or the water in, on, over or under the Lands or in Crown Buildings prior to the Date of Commencement.

### **Section 37.13 Landlord May Perform**

37.13.01 In the event that the Tenant fails to promptly commence and diligently complete any Work it is required to perform pursuant to Sections 37.09 or 37.12, the Landlord may enter onto the Demised Premises Herself or by Her agents, servants, employees, contractors and subcontractors and perform any such Work at the cost and expense of the Tenant, but having commenced such Work, the Landlord shall have no obligation to the Tenant to complete such Work.

### **Section 37.14 Ownership of Substances**

37.14.01 If the Tenant shall bring, permit, suffer or create in or on the Demised Premises any substance or if the conduct of any business or undertaking on any part of the Demised Premises or the use of any part of the Demised Premises shall cause there to be any substances upon the whole or any part of the Demised Premises which cause or contribute to any adverse environmental condition then, notwithstanding any rule of law to the contrary, such substances shall be and remain the sole and exclusive property of the Tenant and shall not become the property of the Landlord notwithstanding the degree of affixation of the substance or the goods containing the substance to the Demised Premises and notwithstanding the expiry or early termination of this Lease.

### **Section 37.15 Survival of Covenants**

37.15.01 The obligations of the Tenant hereunder relating to substances referred to in this Article 37 shall survive the expiry or early termination of this Lease save only that, to the extent that the performance of those obligations

requires access to or entry upon the Demised Premises or any part thereof, the Tenant shall have such entry and access only at such times and upon such terms and conditions as the Minister may from time to time specify; and the Landlord may, at the Tenant's cost and expense, Herself or by Her agents, servants, employees, contractors and subcontractors, undertake the performance of any necessary Work in order to complete such obligations of the Tenant; but having commenced such Work, the Landlord shall have no obligation to the Tenant to complete such Work.

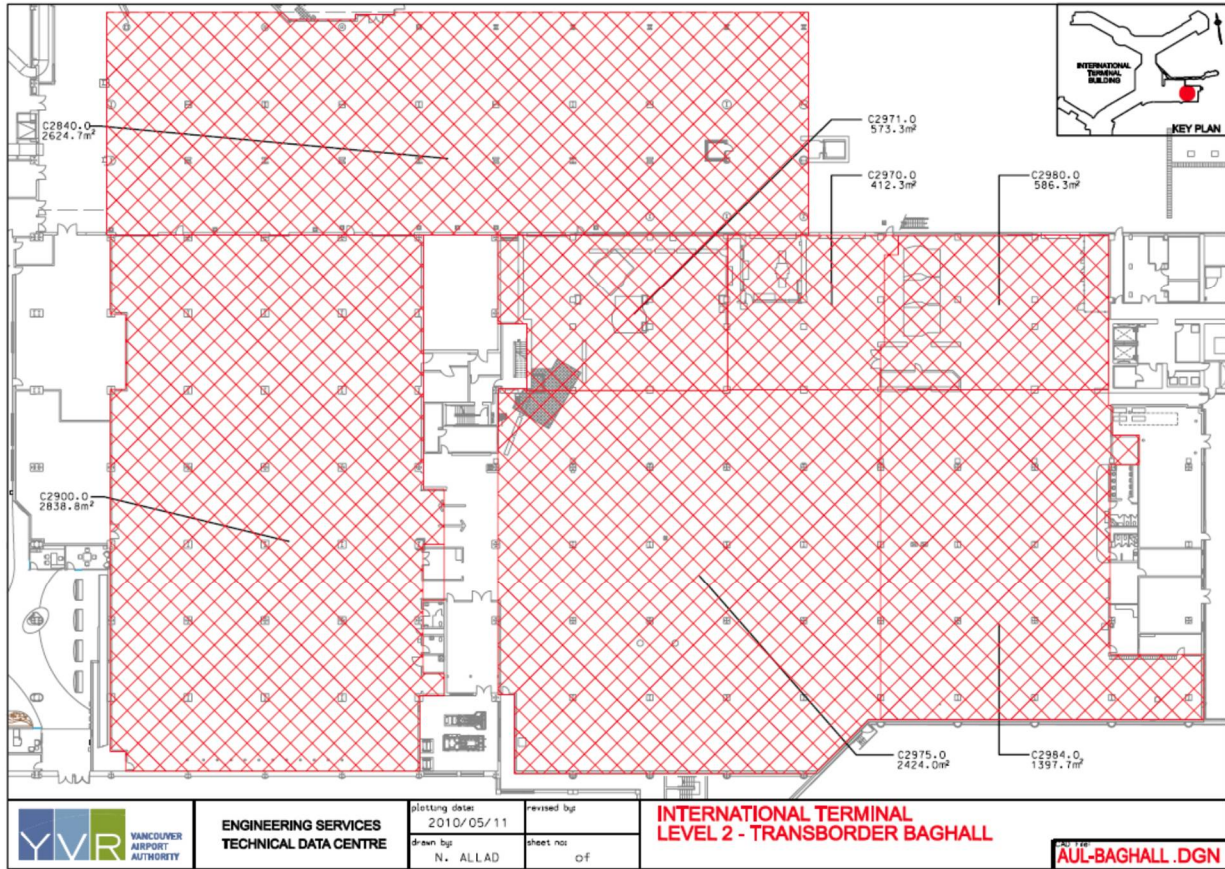
## **Section 37.16 Transitional Relief**

37.16.01 Notwithstanding any of the provisions of this Article 37, the Tenant shall not, for a period of four (4) years from the Date of Commencement or for such longer period as the Minister may in his discretion authorize, be in default of this Lease by reason of a failure to comply with any of its obligations under this Article 37 by continuing a practice or by allowing a condition to exist if

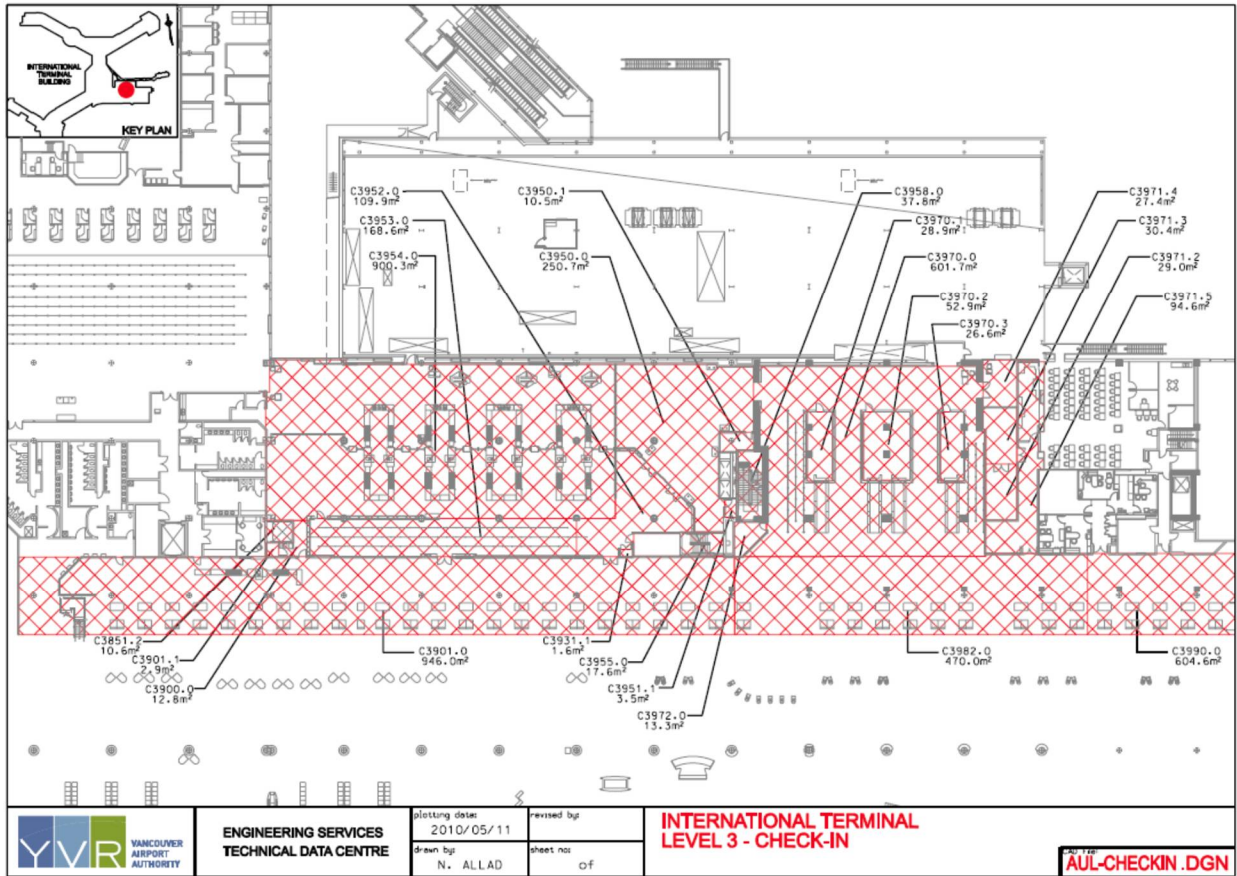
- (a) such practice was a practice generally followed by the Landlord, or
- (b) such condition existed

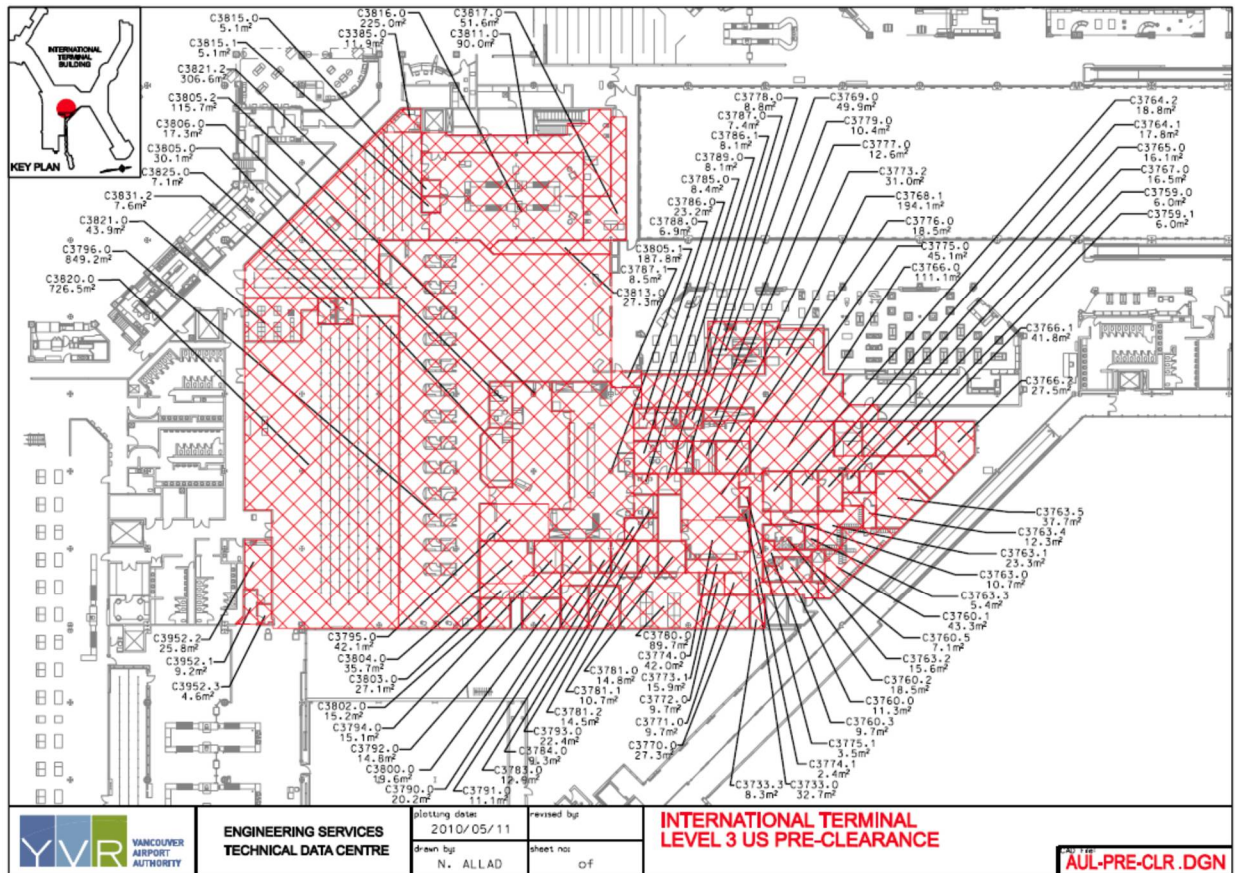
immediately prior to the Date of Commencement.

### SCHEDULE D PRECLEARANCE FACILITY









**SCHEDULE E**  
**BUSINESS PRINCIPLES**

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## **OPERATING PRINCIPLES**

Vancouver Airport Authority (the “Airport Authority”) is a not-for-profit, local body, whose goal is to become a major destination and North American West Coast gateway ensuring the needs of all airport users are met or exceeded. Our fundamental objective is the provision of exceptional service to our customers in a safe and secure manner. Our other objectives address the optimum utilization of airport facilities and the support of air carrier efficiencies. The Airport Authority will be guided by these principles in a fair and commercially responsible manner.

### **I) PASSENGER/CARGO SERVICE:**

1. Airport Safety will meet or exceed airport certification requirements.
2. Airport Security will meet or exceed Canadian legislated requirements.
3. Passenger convenience for the largest number of passengers will be a prominent factor in facility allocation.
4. Facilitate Cargo Operations through more efficient facilities and streamlined ground handling procedures.

### **II) OPTIMUM USE OF FACILITIES:**

5. Common use philosophy will be applied by the Airport Authority in the allocation of all facilities except exclusive leased space.
6. International flights will have priority in gate allocation in accordance with IATA scheduling process.
7. There will be sensitivity to the needs of other airport tenants in the allocation of all facilities.
8. There will be equity of airport access for air carriers in accordance with International rules and guidelines.

### **III) AIR CARRIER EFFICIENCY**

9. Internationally accepted rules, guidelines, protocols and processes will be respected.
10. To extent reasonably possible, the Airport Authority will assist to provide operational efficiencies to air carriers.
11. Consideration will be given to air carrier strategic alliances, connecting passengers, and assessed future requirements in the allocation of facilities.
12. Each air carrier will be given a competitive choice of ground handling services subject to constraints of capacity, commercial viability, congestion, safety or security.

CONFIDENTIAL



13. Air carriers will be consulted on the application and amendment of operating principles.

IV) SUSTAINABILITY:

14. The Airport will operate in a sustainable manner from an economic, social, governance and environmental standpoint. Projects and choices will demonstrate a balanced approach seeking to produce positive benefits for businesses at the Vancouver International Airport, the Airport Authority, environment and the public.

**FINANCIAL PRINCIPLES**

The Airport Authority is incorporated as a not-for-profit corporation without share capital. Revenues received will be used for the operation, maintenance and development of airport related facilities and services.

1. The Airport Authority will collect sufficient revenue to carry out its function properly and achieve and maintain quality service to users.
2. The Airport Authority has the right and responsibility to determine its own economic and commercial policies to ensure its financial independence. Rates and charges will take into account national and local policy, commercial competitive rates and international conventions to which Canada is a signatory.
3. The Airport Authority will consult with the airlines and other interested parties with respect to proposed changes in rates and charges in an effort to reach general agreement. Failing such agreement, the Airport Authority will establish these rates and charges.
4. The Airport Authority will develop non-aeronautical revenue sources to their fullest to maintain YVR as a highly competitive airport while keeping increases in aeronautical fees to a minimum.
5. The Airport Authority requires sufficient funds to finance the investments which are needed to meet forecast demand. The Airport Authority will ensure the interests of all users are protected by applying sound economic and business principles to its operations.

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## CUSTOMER CARE PRINCIPLES

In support of the Airport Authority's mandate to manage and operate the airport for the general benefit of the public and the provision of exceptional service to the customers the Customer Care Principles were developed. The Airport Authority will work cooperatively with all our business partners to ensure the Customer Care principles are applied to all airport users.

1. Airport facilities and services will be operated in a safe, secure and environmentally responsible way.
2. Staff will provide courteous, friendly and efficient service.
3. Facilities will be clean, convenient, reliable, and efficient.
4. The customer will have access to a variety of quality goods and services at competitive prices.
5. An interesting and pleasing environment will be provided by creating a sense of place at the Vancouver International Airport through the celebration of nature and culture of British Columbia.
6. The Airport Authority is committed to being a leader in accessibility. The Airport Authority will work towards ensuring that the design of the Licensor's Facilities meets or exceeds all applicable building code requirements and standards established by the Canada Transportation Act as they related to the safety, comfort and dignity of passengers with reduced mobility, passengers with other disabilities, or otherwise requiring special assistance.
7. The passenger experience is to be enjoyable and entertaining.
8. The Airport Authority will respond and assist when passengers are experiencing sub-optimal conditions, including working with partners, such as airlines or security agencies, etc., to resolve matters no matter whose care a passenger may be under at a given time.
9. Efficient passenger, baggage and cargo connections will be stressed as the highest priority for developing YVR as a major Gateway.

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## ENVIRONMENTAL PRINCIPLES

The Airport Authority's goal is to ensure that activities undertaken at the Vancouver International Airport are carried out in an environmentally responsible manner in compliance with applicable laws and regulations, accepted management practices and with sensitivity to community and public concerns. The Airport Authority is committed to environmental protection and to safeguarding the health of its employees, tenants, customers and the general public. The Airport Authority will work cooperatively with all our business partners to ensure the following Environmental Principles are applied to all airport users.

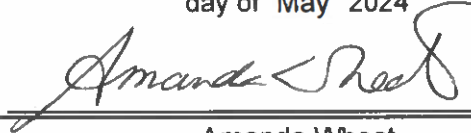
1. Meet or exceed all applicable laws, regulations and industry codes of practice while providing superior airport services.
2. Identify, assess and manage environmental hazards associated with airport operations.
3. Integrate environmental management measures with the planning, design, construction and operation of airport facilities.
4. Prepare for emergencies and coordinate our contingency plans with responsible authorities in adjacent communities.
5. Communicate openly with employees, tenants, customers, governments and the public on the environmental aspects of airport operations and development.
6. Encourage personnel to be aware of and meet their responsibility for environmental protection, providing training where necessary.
7. Strive for the continual improvement of environmental performance including the use of best available control technology where cost effective.
8. The Airport Authority will continue to take measures to minimize the impact of aircraft noise exposure to surrounding communities.

**SCHEDULE F**  
**OPERATION OF AIRPORT LANDS PROVISION OF THE HEAD LEASE**

- 8.02.01      The Tenant shall, alone and not in partnership with any other Person, at all times throughout the Term, continuously, actively, diligently and carefully, manage, operate, and maintain the Airport, on its own behalf and at its own cost and expense, in accordance with this Lease, in an up-to-date and reputable manner befitting a First Class Facility and a Major International Airport, as those standards are understood from time to time, and in a condition and at a level of service to meet the capacity demands at the Airport from time to time and the capacity demands for airport services from users within seventy-five (75) kilometres from any point on the perimeter of the Lands to the extent practicable under Her Majesty's policies, procedures and practices which pertain to the services described in the Aviation Services and Facilities Agreement, the Canadian Inspections Services Agreement and the Memorandum of Agreement on Police and Security and which affect the Tenant's ability to meet capacity demands.



This is **Exhibit "E"** referred to in the Affidavit of Diana Vuong, affirmed before me at City of Vancouver, in the Province of British Columbia, this 23<sup>rd</sup> day of May 2024

A handwritten signature in cursive script, appearing to read "Amanda Wheat".

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Amanda Wheat  
BARRISTER AND SOLICITOR  
A Notary Public in and for British Columbia

**Schedule A  
Airport Improvement Fee  
Monthly Remittance Form**

Vancouver International Airport GST Remittance number: = 12726-7383 RT

**Air Carrier**  
**Month**  
**Year**

LYNX AIR
DECEMBER
2023
19472

Estimate  
Actual Adjustment

19213
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**Total Enplaned Pax** (including AIF exemptions)

DEPAX Category	Where tickets were purchased	Current Month DEPAX	x	AIF Rate	=	Gross AIF	Plus	GST* @5%	=	Total Before Handling Fee
Within British Columbia or Yukon	Tickets purchased within North America		x	5	=	0.00	+	0.00	=	0.00
	Tickets purchased outside of North America		x	5	=	0.00	+	0.00	=	0.00
Outside British Columbia or Yukon	Tickets purchased within North America	19213	x	25	=	480,325.00	+	24,016.25	=	504,341.25
	Tickets purchased outside of North America		x	25	=	0.00	+	0.00	=	0.00
<b>Total</b>						<b>480,325.00</b>	<b>+</b>	<b>24,016.25</b>	<b>=</b>	<b>504,341.25</b>

**A**

\* GST = Canadian Goods & Service Tax

Handling Fee:	Total Gross AIF	480,325.00	x	4%	=	19,213.00
Applicable Taxes on Handling Fee:						
GST				5%	=	960.65
<b>Total of Handling Fee plus Applicable Taxes on Handling Fee</b>						<b>20,173.65</b>

**B**

Net Remittance A minus B → **484,167.60**

**Year "2022" Handling Fee Adjustment** **20,495.25**

**Total Remittance** **504,662.85**

This Compliance Certificate is delivered to Vancouver International Airport Authority pursuant to Article 9.5 of the Memorandum of Agreement (the "MOA") dated as of May 31, 1999 between the Air Transport Association of Canada and Signatory Air Carriers and certain Airports. **Remit This Amount**

The month of December Year 2023 plus Year "2022" under remittance due to Handling Fee adjustment

I, Heather Mckinnon, Controller, Lynx Air

certify that, to the best of my knowledge, information and belief, the AIF remittance for the month of December: Proper and responsible due diligence has been exercised in establishing the remittance by personnel understanding the importance to the Vancouver International Airport Authority of establishing the correct number of DEPAX passengers subject to the AIF (as defined in the MOA). I give this compliance certificate in my capacity as Controller and no personal liability is assumed in the giving of this certificate.

(signature) \_\_\_\_\_ (date)

**Schedule A  
Airport Improvement Fee  
Monthly Remittance Form**

Vancouver International Airport GST Remittance number: = 12726-7383 RT

**Air Carrier**  
**Month**  
**Year**

LYNX AIR
JANUARY
2024
15749

Estimate  
Actual Adjustment

15547
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**Total Enplaned Pax** (including AIF exemptions)

DEPAX Category	Where tickets were purchased	Current Month DEPAX	x	AIF Rate	=	Gross AIF	Plus	GST* @5%	=	Total Before Handling Fee
Within British Columbia or Yukon	Tickets purchased within North America		x	5	=	0.00	+	0.00	=	0.00
	Tickets purchased outside of North America		x	5	=	0.00	+	0.00	=	0.00
Outside British Columbia or Yukon	Tickets purchased within North America	15547	x	25	=	388,675.00	+	19,433.75	=	408,108.75
	Tickets purchased outside of North America		x	25	=	0.00	+	0.00	=	0.00
<b>Total</b>						<b>388,675.00</b>	<b>+</b>	<b>19,433.75</b>	<b>=</b>	<b>408,108.75</b>

**A**

\* GST = Canadian Goods & Service Tax

Handling Fee:	Total Gross AIF	388,675.00	x	4%	=	15,547.00
Applicable Taxes on Handling Fee:						
GST				5%	=	777.35
<b>Total of Handling Fee plus Applicable Taxes on Handling Fee</b>					=	<b>16,324.35</b>

**B**

<b>Net Remittance</b>	A minus B	→	<b>391,784.40</b>
<b>Total Remittance</b>			<b>391,784.40</b>

Remit This Amount

This Compliance Certificate is delivered to Vancouver International Airport Authority pursuant to Article 9.5 of the Memorandum of Agreement (the "MOA") dated as of May 31, 1999 between the Air Transport Association of Canada and Signatory Air Carriers and certain Airports.

The month of January Year 2024

I, Heather Mckinnon, Controller, Lynx Air

certify that, to the best of my knowledge, information and belief, the AIF remittance for the month of **January**:  
Proper and responsible due diligence has been exercised in establishing the remittance by personnel understanding the importance to the Vancouver International Airport Authority of establishing the correct number of DEPAX passengers subject to the AIF (as defined in the MOA). I give this compliance certificate in my capacity as Controller and no personal liability is assumed in the giving of this certificate.

(signature) \_\_\_\_\_ (date)

**Schedule A  
Airport Improvement Fee  
Monthly Remittance Form**

Vancouver International Airport GST Remittance number: = 12726-7383 RT

**Air Carrier**  
**Month**  
**Year**

LYNX AIR
FEBRUARY
2024
11612

Estimate  
Actual Adjustment

11481
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**Total Enplaned Pax** (including AIF exemptions)

DEPAX Category	Where tickets were purchased	Current Month DEPAX	x	AIF Rate	=	Gross AIF	Plus	GST* @5%	=	Total Before Handling Fee
Within British Columbia or Yukon	Tickets purchased within North America		x	5	=	0.00	+	0.00	=	0.00
	Tickets purchased outside of North America		x	5	=	0.00	+	0.00	=	0.00
Outside British Columbia or Yukon	Tickets purchased within North America	11481	x	25	=	287,025.00	+	14,351.25	=	301,376.25
	Tickets purchased outside of North America		x	25	=	0.00	+	0.00	=	0.00
<b>Total</b>						<b>287,025.00</b>	<b>+</b>	<b>14,351.25</b>	<b>=</b>	<b>301,376.25</b>

**A**

\* GST = Canadian Goods & Service Tax

Handling Fee:	Total Gross AIF	287,025.00	x	4%	=	11,481.00
Applicable Taxes on Handling Fee:						
GST				5%	=	574.05
<b>Total of Handling Fee plus Applicable Taxes on Handling Fee</b>						<b>12,055.05</b>

**B**

Net Remittance A minus B → **289,321.20**

Total Remittance ↑ **289,321.20**

**Remit This Amount**

This Compliance Certificate is delivered to Vancouver International Airport Authority pursuant to Article 9.5 of the Memorandum of Agreement (the "MOA") dated as of May 31, 1999 between the Air Transport Association of Canada and Signatory Air Carriers and certain Airports.

The month of February (1-21) Year 2024

I, Hanna Prokopiv, Director FP&A, Lyncx Air

certify that, to the best of my knowledge, information and belief, the AIF remittance for the month of **February (1-21)**:  
Proper and responsible due diligence has been exercised in establishing the remittance by personnel understanding the importance to the Vancouver International Airport Authority of establishing the correct number of DEPAX passengers subject to the AIF (as defined in the MOA). I give this compliance certificate in my capacity as Director FP&A and no personal liability is assumed in the giving of this certificate.

(signature) \_\_\_\_\_ (date)