

LICENCE

NORTHWEST REGIONAL AIRPORT
TERRACE-KITIMAT



LEASE NUMBER XXX-
AIRPORT REFERENCE
FILE NO./NAME

LICENCE BETWEEN NORTHWEST REGIONAL AIRPORT TERRACE-KITIMAT AND	[proponent]
	DATE OF LEASE (DD-MM-YYYY) 01-10-2022
Permission to operate a vehicle rental concession at the Northwest Regional Airport Terrace-Kitimat and to occupy and use a portion of counter space and the vehicle parking area.	
BEGINNING OF TERM November 1, 2022	END OF TERM Five (5) Years and then to be fully complete and ended.
RENTAL SEE PAYMENT CLAUSE (Article 3) and RENT ROSTER BELOW	
NOTES New Licence.	PHOTO

Rent Roster:

Period	MAG	13.5%	Counter	Stalls	Stalls
	Greater of			# with plug-in	# without plug-in
Yr. 1: (Nov 1, 2022 – Oct 30, 2023):	\$	13.5%	\$	\$	\$
Yr. 2: (Nov 1, 2023 – Oct 30, 2024):	\$	13.5%	\$	\$	\$
Yr. 3: (Nov 1, 2024 – Oct 30, 2025):	\$	13.5%	\$	\$	\$
Yr. 4: (Nov 1, 2025 – Oct 30, 2026):	\$	13.5%	\$	\$	\$
Yr. 5: (Nov 1, 2026 – Oct 30, 2027):	\$	13.5%	\$	\$	\$

Payments are due on the last day of the month in advance for the following month, with % of Gross Revenue rent adjusted in arrears. For example, January’s MAG, Counter and Stalls rent are payable on or before January 1. The greater of the Minimum Annual Guarantee (MAG) and the % of Gross Revenues for January are calculated in February and becomes due on February 15th. See Article 3 for details.

Contents

Article 1: DEFINITIONS	7
Article 2: TERM.....	10
2.1: LENGTH OF TERM.....	10
2.2: CONTINUED OPERATIONS.....	10
2.3: CANCELLATION PRIVILEGE	10
2.4: SURRENDER OF PREMISES	11
2.5: NON-PERFORMANCE	11
Article 3: RENT, FINANCIAL INFORMATION AND SECURITY DEPOSIT.....	12
3.1: RENT	12
3.2: PAYMENT OF RENT	13
3.3: INTEREST ON PAYMENT IN DEFAULT.....	13
3.4: MONTHLY PERCENTAGE OF GROSS REVENUE.....	14
3.5: ANNUAL ADJUSTMENT OF PERCENTAGE RENT	14
3.6: FINANCIAL STATEMENTS.....	15
3.7: AUDIT AND INSPECTION	16
3.8: DISCLOSURE OF GROSS REVENUE INFORMATION.....	16
3.9: SECURITY DEPOSIT	16
Article 4: CONDUCT OF BUSINESS.....	17
4.1: OPERATIONAL CONCEPTS	17
4.2: SERVICE PROVIDED BY THE LICENSEE	17
4.3: SERVICE TO PERSONS WITH DISABILITIES.....	18
4.4: ACCESSORIES.....	19
4.5: CONTRACT SERIAL NUMBERS	20
4.6: PRICES.....	20
4.7: CREDIT AND DEBIT CARDS	20
The Licensee shall accept all major credit and debit cards in payment for goods or services hereunder, in accordance with directives as may be given from time to time by the Licensor. ...	20
4.8: UNITED STATES CURRENCY	20
4.9: CONSULTANT SERVICES	20
4.10: OBJECTIONABLE GOODS	21

4.11: ADVERTISING AND DISPLAYS	21
4.12: PERSONNEL	22
4.13: LICENCES, PERMITS, ETC.	22
4.14: PAYMENT OF TAXES	22
4.15: COMPLIANCE WITH REGULATIONS.....	23
4.16: ENFORCEMENT	23
4.17: CHANGE OF NAME AND CORPORATE IDENTITY	23
4.18: OPERATION OF VENDING MACHINES	23
4.19: FRANCHISE AGREEMENT.....	24
Article 5: PREMISES, SERVICES, AND IMPROVEMENTS	24
5.1: "AS IS" CONDITION.....	24
5.2: PREMISES	24
5.3: ACCESS	24
5.4: ELECTRICAL PLUG-INS	25
5.5: TEMPORARY SUSPENSION OF SERVICES.....	25
5.6: APPROVAL OF ALTERATIONS AND UTILITY SERVICES	25
5.7: FURNITURE, FIXTURES AND EQUIPMENT	26
5.8: CLEANING AND MAINTENANCE	26
5.9: REFUSE DISPOSAL.....	26
5.10: DRAINAGE SYSTEM	27
5.11: DRAINAGE AND DISCHARGE OF MATERIAL	27
5.12: REASONABLE USE.....	27
5.13: VESTING OF REPAIRS, ALTERATIONS, IMPROVEMENTS OR REPLACEMENTS.....	27
5.14: DANGEROUS GOODS.....	28
5.15: FIRE PREVENTION.....	28
5.16: REPAIR OF DAMAGE.....	28
5.17: PATTERN OF PASSENGER TRAFFIC AND AIR TERMINAL BUILDING RENOVATIONS.....	28
Article 6: ASSIGNMENT	29
6.1: ASSIGNMENT BY THE LICENSEE	29
6.2: ASSIGNMENT BY THE LICENSOR AND SUBORDINATION	29
Article 7: LIABILITY AND INDEMNITY	30

7.1: CLAIM OR DEMAND	30
7.2: INDEMNITY.....	30
Article 8: INSURANCE	30
Article 9: DEFAULT AND RE-ENTRY	32
9.1: DEFAULT ANDRE-ENTRY.....	32
9.2: LIEN	33
Article 10: GENERAL.....	33
10.1: AGENCY, ETC.	33
10.2: HEADINGS	33
10.3: DIFFERENCES.....	33
10.4: EFFECT OF LICENCE	33
10.5: PROVISIONS SEPARATELY VAUD	34
10.6: ENTIRE AGREEMENT	34
10.7: WAIVER NEGATED.....	34
10.8: IMPLIED TERMS OR OBLIGATIONS.....	34
Article 11: NOTICES	35

Appendices:

Appendix A: Air Terminal Building (ATB) Counter Space - Floor Plan

Appendix B: Vehicle Parking Spaces

Appendix C: Airport Vehicle Rental Concession Revenue and Payment Report

Appendix D: Proposal as submitted by the Lessee

THIS AGREEMENT (or "**Licence**") made this _____ day of **October** 2022

BETWEEN

Northwest Regional Airport Terrace-Kitimat Society, a body corporate and politic, duly formed under the Society Act (British Columbia),
(hereinafter called the "**Licensor**"),

OF THE FIRST PART;

-and-

XXXXX

(hereinafter called the "**Licensee**"),

OF THE SECOND PART.

WHEREAS the Licensee has been granted a five (5) year license to operate a vehicle rental business at Northwest Regional Airport Terrace-Kitimat ("**Airport**").

AND WHEREAS The Licensor issues this Licence with the terms and conditions hereinafter set forth.

NOW, THEREFORE, THIS AGREEMENT WITNESSETH that in consideration of the charges, fees, covenants, provisos and conditions hereinafter reserved and contained, the parties hereto agree *as follows*:

The Licensor, hereby grants to the Licensee the right to operate a vehicle rental concession at the Airport including the right to:

- (1) occupy and use a portion of space (hereinafter referred to as "**Counters**") in the Licensor's air terminal building (hereinafter referred to as "**building**") which space is designated by the Airport General Manager;
- {2) park vehicles on the airport in spaces allocated in a vehicle parking area which is more fully described in Appendix B and which particular parking spaces (hereinafter referred to as "**Stalls**"), for parking of the Licensee's vehicles shall be designated by the Airport General Manager. **To facilitate efficient use of all Stalls, the Lessor reserves the right to adjust the number of allocated Stalls during the term of this Licence.**

Article 1: DEFINITIONS

- (1) "Airport General Manager" means the person holding that position, or acting in the capacity of the Airport General Manager, or the Airport General Manager, of the Airport, for the time being;
- (2) "bank rate" means the rate of interest established by the Bank of Canada as the minimum rate at which the Bank of Canada makes short-term advances to members of the Canadian Payments Association;
- (3) "Concession Space" means the Counters and vehicle Stalls;
- (4) "Gross Revenue" means the total revenue derived from all rental contracts opened or entered into at the Airport as reported by the Licensee to the satisfaction of the Licensor.

For purposes of illustration only, the following are the most common types of charges normally found in vehicle rental contracts:

- Charges assessed on a "per kilometre" basis;
- Fixed rental charges imposed on a time basis (hourly, daily, monthly, yearly);
- Charges commonly referred to as "drop-off charges" or "intercity fees";
- Charges for all types of insurance coverage including Collision Damage Waiver Charges;
- Charges for "accessories" or "additional features", which include but are not limited to air conditioning, roof racks, navigation services, cellular telephones including air-time (but does not include charges for child-and infant-restraint systems, if any); and
- Commissions received by the Licensee from the suppliers of accessories, including but not limited to commissions received from the suppliers of cellular telephones, whether or not charges for the rental and use of such telephones are assessed by the Licensee.

The Licensee may reimburse customers for expenses, such as maintenance and tire repairs. Such credits are not to be deducted when determining the gross revenue of the contract. See Section (i) relative to gasoline supplied by the Licensee or purchased by the customer.

Allowable deductions in the determination of gross revenue are as follows:

- All sales and goods and services taxes at the retailer level, the amount of which is determined by the amount of sales made and which is required to be collected and accounted for to any federal, provincial or municipal authority.
- Where a commercial discount is applied to a contract, such discount will be taken into consideration and deducted from the gross revenue.

- Monies received from customers as reimbursement to the Licensee for damages caused to a vehicle by accident or mishap do not form part of the gross revenue where such charges have been added to or included in the contract.
- Losses from bad debts are considered to be a normal business expense and shall not be deducted from gross revenue.

Vehicle rental locations at airports, in addition to renting their own vehicles, frequently rent vehicles situated at an airport but which are owned by another location. The vehicle rental locations in these circumstances split or share the revenue derived from such contracts in what is known as a “rent-back”, “send-back” or “shared revenue” arrangement. For the purpose of calculating the sums reserved under this Licence, the entire revenue from the contract is to be included in the gross revenue and reported to the Licensor.

A vehicle leased at the Airport may be exchanged for another vehicle held at some other location. Where there is no break in the service supplied by the Licensee, the total revenue from both vehicles is considered as part of the original contract written at the Airport and included in the gross revenue.

Charges in the vehicle rental contract which the customer has requested the Licensee to pay on the customer’s behalf and for which payment is recovered at the time the rental contract is settled or closed, will be referred to as “Third Party Charges”. Third Party Charges as shown in the contract will not be considered as part of gross revenue for the purposes of calculating sums reserved under this Licence. An example of a Third Party Charge is the payment of a parking ticket on behalf of a customer.

Where a service call is made by a customer to the vehicle rental location, the service call charges will be allowable deductions in the determination of gross revenue. Example: A customer loses the keys for a rented vehicle and phones the Licensee to obtain a duplicate set.

Where a vehicle rental contract with a customer that was initiated or facilitated by this licence and/or airport location in any manner but completed at another nearby location is to be included in the gross revenue and reported to the Licensor.

With respect to gasoline supplied by the Licensee or purchased by the customer, the following three types of contracts are known to prevail:

- (i) rental and mileage, and the customer bears the cost of gasoline. Under these contracts the charges by the Licensee to top up the tank are not to be included when determining the gross revenue;

- (ii) rental and mileage with gasoline included. Under these contracts the customer is reimbursed for gasoline purchased during the term of the contract. Such credits or reimbursements to the customer are not to be deducted when determining the gross revenue; and
 - (iii) per diem and unlimited mileage, and the customer bears the cost of gasoline. Under these contracts the charges by the Licensee to top up the tank are not to be included when determining the gross revenue.
- (5) "Licensee" or other words relative thereto or of like import means the Licensee as above designated and its successors and assigns, and its employees, agents and contractors, and any other person for whom the Licensee may be responsible in law;
 - (6) "Licensor" means the Licensor as above designated, its successors and assigns, and its employees, agents and contractors, and any other person for whom the Licensor may be responsible in law;
 - (7) "MAG" or "Minimum Annual Guarantee" mean a minimum rent paid by the Licensee to the Licensor on a monthly basis as calculated as a part of the Licensee response to the request for proposal for the Licence.
 - (8) "moveable property" means chattels, goods, supplies, articles, equipment materials, effects or things;
 - (9) "Security Deposit" means a cash deposit paid by the Licensee to the Licensor in the amount of one half (1/2) of the average annual MAG for the five-year licence period.
 - (10) "vehicle" means an automobile, motorcycle, van, truck and any other vehicle propelled, driven or drawn other than by muscular power.

Appendices A to C are attached to this Licence to form part hereof.

Article 2: TERM

2.1: LENGTH OF TERM

The Licensee shall have and hold this Licence from and after the first day of November 1, 2022, for a term of five (5) years and thereafter to be fully completed and ended at 23:59 on October 31, 2027.

2.2: CONTINUED OPERATIONS

- (1) If the Licensee continues to operate after the end of the term of this Licence without the execution and delivery of a new licence or a written renewal or extension of this Licence, there shall be no tacit or other renewal of this Licence. and the Licensee shall be considered to be operating on a pleasure basis at a monthly fee payable in advance on the first day of each month equal to:
 - (a) twice the monthly instalment of the minimum guarantee payable for the last month of the Licence year immediately preceding the last four (4) months of this Licence; or
 - (b) one sixth (1/6th) of the percentage rent, if any, for the Licence year immediately preceding the last four (4) months of this Licence.whichever is the greater amount.
- (2) If this Licence is renewed or extended by express agreement or a new licence is entered into by the parties, an adjustment shall be made upon the signature of a new or renewed or extended licence to bring the amount paid in respect of the period of the pleasure operations into accordance with the provisions of the new or renewed or extended licence.

2.3: CANCELLATION PRIVILEGE

Notwithstanding anything in this Licence contained, in the event that the building, at any time during this Licence, becomes untenable, by reason of fire, flood, lightning, tempest, impact of aircraft, explosion, earthquake, strike, Acts of God or the Queen's enemies or any cause beyond the Licensor's or Licensee's control, this Licence may thereupon, by written notice from the Licensor be declared at an end.

2.4: SURRENDER OF PREMISES

At the expiration or sooner termination of this Licence, the Licensee shall peaceably surrender to the Licensor, in a condition satisfactory to the Licensor, the Concession Space. The Licensee shall thereupon forthwith remove from the Concession Space all moveable property and shall also, to the satisfaction of the Licensor, repair all damage occasioned to the premises of the Licensor by reason of such removal or in the performance thereof, without compensation. Unless required by the Licensor, no moveable property shall be removed from the Concession Space until all sums due or to become due under this Licence are fully paid. The Licensor may, at its option, remove at the risk and at the cost and expense of the Licensee, the moveable property from the Concession Space, 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 moveable property to be abandoned and take title thereto.

2.5: NON-PERFORMANCE

- (1) Notwithstanding anything in this Licence contained, in the event of non-performance by the Licensee of any obligation herein contained, Licensor may terminate this Licence at any time by notice in writing and without prejudice to the Licensor's right to claim damages and outstanding sums due or to become due under this Licence.

- (2) The Licensee shall not be liable for any failure to perform its obligations hereunder if and so long as such non-performance is due to fire, flood, lightning, tempest, earthquake, impact of aircraft, explosion, strikes or Acts of God or the Queen's enemies.

Article 3: RENT, FINANCIAL INFORMATION AND SECURITY DEPOSIT

3.1: RENT

The Licensee shall pay during the currency of this Licence, unto the Licensor, in lawful money of Canada, rent, in advance, as follows:

- (1) A minimum annual guarantee "MAG", for the periods and in the amounts listed below, or 13.5% of the Gross Revenue for the periods listed below, whichever is the greater amount:

- (a) from XXXX to XXXX, 2022
_____ Dollars
_____) payable in monthly instalments of
_____ Dollars. (\$_____);

(ADDITIONAL BLOCKS (ONE PER YEAR) TO BE ADDED AS PER THE FINANCIAL OFFER)

AND

- (2) For the use and occupancy Counters for the periods listed below payable in monthly instalments:

- (a) from _____ to _____, _____ DOLLARS
(\$_____) per square metre per annum;

(Rent for the Counters shall include utilities for the same)

AND

- (3) For the use of the vehicle Stalls, for each of the Stalls designated by the Airport General Manager for parking of the Licensee's vehicles, for the period and in the monthly amounts listed below:

- (a) from _____ to _____, _____ DOLLARS
(\$_____) per month per space for _____ Stalls with electrical outlets;

(Electricity consumed by using the electrical outlets in the Stalls, if any, shall be for the account of the Licensee)

- (b) from _____ to _____, _____ DOLLARS
(\$_____) per month per space for _____ Stalls without electrical outlets;

Payment shall be made by the Licensee without prior demand by the Licensor, to the Northwest Regional Airport Terrace-Kitimat Society and delivered to:

Northwest Regional Airport Terrace-Kitimat Society
103-4401 Bristol Road, Terrace, B.C., V8G 0E9

The first month's payment of the pro-rated minimum guarantee referred to in (1) and of the fees referred to in (2) and (3) shall be paid in advance on or before the Licence commencement date and on or before the first day of each month thereafter during the currency of this Licence; provided, however, that if the Licence commencement date is not the first day of a calendar month, then the Licensee shall, on the Licence commencement date, pay for the broken period of the month in which the Licence commencement date occurs on a per diem basis at a rate which shall be one three hundred and sixty-fifth (1/365th) of theMAG.

Payment of the percentage rent shall be in monthly instalments, each such instalment to become due and payable within fifteen (15) days after the last day of each month during the currency of this Licence and to be equal to the amounts, if any, by which the percentage of the Licensee's gross revenue for the period of the Licence year elapsed at that time exceeds the total rent paid to that date.

3.2: PAYMENT OF RENT

The Licensee shall pay all rent herein reserved at the time and in the manner in this Licence set forth, without any abatement or deduction whatever.

3.3: INTEREST ON PAYMENT IN DEFAULT

Without waiving any other right of the Licensor in the event of default by the Licensee of payment of sums hereunder, and if the Licensee is delinquent after any of the days in 3.1 appointed in paying the sums, the Licensee shall pay interest thereon at the rate of 1.5 percent per month, compounded, retroactive from the date any such amount is due and payable until paid. In order to reflect prevailing interest rates, the Licensor may review and adjust the interest rate from time to time.

3.4: MONTHLY PERCENTAGE OF GROSS REVENUE

Within fifteen (15) days after the end of each month of the Term, the Licensee shall furnish the Licensor with a written statement substantially in the form annexed hereto as Appendix C, Schedule C-1 or such other form as the Licensor may from time to time designate to the Licensee, signed and certified as correct by the Licensee or their duly authorized agent, setting out in all reasonable detail the amount of the Gross Revenue for the immediately preceding month together with payment of the amount, if any, by which Gross Revenue for the Licence Year up to such month multiplied by the rate set out in Article 3.1 (1) for the applicable Licence Year exceeds the Minimum Guaranteed Rent payable for such month. Failure to submit such monthly written statements and monthly payments shall result in an overdue charge as set out in Section 3.3 hereof.

3.5: ANNUAL ADJUSTMENT OF PERCENTAGE RENT

Within ninety (90) days after the end of each Licence Year the Licensee shall furnish the Licensor with a written statement substantially in the form annexed hereto as Appendix C, Schedule C-2 or such other form as the Licensor may from time to time designate to the Licensee, signed by the Licensee and certified as correct by the auditor of the Licensee (who shall be a chartered accountant or other licensed public accountant acceptable to the Licensor) setting out in all reasonable detail and in any event by months, the amount of Gross Revenue for the whole of the preceding Licence Year. If the aggregate amount of the Gross Revenue for such Licence Year as reported monthly to the Licensor is less than the annual amount set out in such certified statement and if the result is a deficiency in Percentage Rent due for such Licence Year, the audited statement shall be accompanied by a payment to the Licensor equal to the amount of such deficiency. If the aggregate amount of the monthly payment on account of Percentage Rent paid by the Licensee during a Licence Year exceeds the Percentage Rent due for such Licence Year, the Licensor shall give the Licensee a credit for such amount against the fees payable for the next month, except in the final Licence year the Licensor will refund to the Licensee the amount of such excess without interest within thirty (30) days after delivery of the certified statement of Gross Revenue or completion of any audit by the Licensor within thirty (30) days after delivery of such audited statement and which confirms such excess, provided that the Licensor may first deduct from such excess any rent which is then in arrears.

3.6: FINANCIAL STATEMENTS

- (1) During the currency of this Licence the Licensee shall keep, or cause to be kept, in accordance with generally accepted accounting principles, books and records of Gross Revenue and expenses. The Licensee shall retain these books and records for a period of two (2) years following the expiry of this Licence.
- (2) On or before the fifteenth (15th) day of each month of this Licence, the Licensee shall submit to the Airport General Manager a duly completed Airport Vehicle Rental Concession Revenue and Payment Report as provided by the Licensor, signed by an authorized signing officer of the Licensee, upon which the percentage payments under this licence shall be calculated as outlined in in Article 3.4.
- (3) Within ninety (90) days of the end of each Licence year, and within ninety (90) days of the end of this Licence, the Licensee shall submit an annual statement of Gross Revenue relating to the operations under this Licence, certified by a licensed public accountant as outlined in in Article 3.5.
- (4) Upon failure by the Licensee to submit the statements referred to in (2) and (3) within the specified period, the Airport General Manager may avail themselves of the provisions of 3.7 and cause to have the statements prepared, in which case the Licensee shall, forthwith upon receipt of appropriate accounts, reimburse the Licensor for all expenses connected therewith plus twenty (20) percent of such expenses.
- (5) The Licensee shall also provide, in addition to the documents referred to in (1), (2), (3), and (4), such financial statements as may be requested by the Airport General Manager from time to time.

3.7: AUDIT AND INSPECTION

The books of the Licensee shall be open for audit and inspection and for taking extracts there from at all times, during business hours, by the Licensor. The cost of any such audit shall be borne by the Licensor; provided, however, that should the results of any such audit reveal a discrepancy of more than five percent (5%) between the Gross Revenue reported in accordance with 3.5 and the Gross Revenue as determined by such audit, then the full cost of such audit shall be borne by the Licensee.

3.8: DISCLOSURE OF GROSS REVENUE INFORMATION

It is understood and agreed that in the concluding year of this Licence and at any time after its termination the Licensor may publish the Gross Revenue reported by the Licensee in each year of this Licence for the purpose of public tender information.

3.9: SECURITY DEPOSIT

- 1) Upon execution of this Licence, the Licensee will have deposited with the Licensor a Security Deposit in cash in the amount of one half (1/2) of the MAG as calculated by the Licensor in its evaluation of the Society's Request for Proposals.
- 3) The Licensor, **shall not** pay interest on such deposit.
- 4) The Security Deposit retained by the Licensor, for the term of this Licence or until the Licence otherwise comes to an end, whichever comes first, shall be returned to the Licensee or shall be credited to its account; however, if the Licensee fails to pay all sums herein described and/or impairs or damages the building or any part thereof during the currency of this Licence, the Licensor may apply the Security Deposit, or any part thereof to the arrears of sums and/or damages and injuries. If the Security Deposit is so applied by the Licensor, then within fifteen (15) days of having received written notification, the Licensee shall restore the Security Deposit to the original amount stipulated in (1). The application of the Security Deposit and interest by the Licensor shall not constitute a waiver nor in any way defeat or affect the rights and remedies which the Licensor has in law.
- 5) The Licensee asserts that monies deposited herein as security are not to any existing encumbrance, charge, or security agreement.
- 6) The Licensee covenants and agrees that it will not assign or encumber nor attempt to assign or encumber the monies deposited herein as security and that the Licensor shall not be bound by any such assignment, encumbrance, attempted assignment or attempted encumbrance.

Article 4: CONDUCT OF BUSINESS

4.1: OPERATIONAL CONCEPTS

- a) The Licensee agrees that during the currency of this Licence it shall adhere to and perform each of its undertakings and representations as outlined in its Proposal and Schedules dated ___ XXX 2022, initialed by the Licensee and on file with the Licensor (attached below as Appendix D). The Licensee further covenants and agrees that any failure to comply with the above requirement shall constitute a breach of the conditions of this Licence for the purpose of Section 9.1.
- (b) During the currency of this Licence, the Licensee has the right to introduce any new, related products, services or accessories not included in the Proposal and Schedules referred to in (a), but such introduction shall be subject to the prior approval of the Licensor.

4.2: SERVICE PROVIDED BY THE LICENSEE

- (1) No vehicles used by the Licensee to provide the vehicle rental service at the airport shall at any point in time be more than three (3) model years old.
- (2) At all times during the currency of this Licence, the vehicles used by the Licensee to provide the vehicle rental service at the airport shall be maintained in proper working condition and repair at the sole expense of the Licensee.
- (3) At all times during the currency of this Licence, the Licensee shall have available for installation, upon request, an adequate number of infant and child-restraint systems in the vehicles to be used for the provision of the service at the airport. All such systems shall be installed in accordance with the manufacturer's instructions and all such systems shall meet the current Canadian Motor Vehicle Safety Standards. Such systems must be clean and in proper working condition.
- (4) At all times during the currency of this Licence, the Licensee shall have available adequate number vehicles with winter tires during periods such tires are required for the safe operation of the vehicles or required by law.
- (5) The Licensee shall provide and maintain at the airport a level of service and a range of types of vehicles together with appropriate prices charged therefore, which are comparable to those offered by the Licensee at other locations within the area served by the airport, all to the satisfaction of the Airport General Manager.

- (6) The Licensee shall post its normal hours of operation, as approved from time to time by the Airport General Manager, in a prominent location within the Counter space.
- (7) The Licensee shall service the Counter(s) during peak periods and a direct-line telephone number shall be provided for service during non-peak periods. It being understood that the Airport General Manager may from time to time change these requirements.

4.3: SERVICE TO PERSONS WITH DISABILITIES

(1) The Licensee shall have available at the airport a sufficient number of hand-control systems to fill all reservations for hand-control-equipped vehicles which are received 48 hours or more before the vehicle is to be delivered to the customer, but in any event the Licensee shall have not less than one (1) set of hand controls at the airport. Where a reservation is received 48 hours or more before the vehicle is to be delivered to the customer and the Licensee does not provide a hand-control equipped vehicle, then the Licensee shall arrange for convenient, alternative transportation until such time as a vehicle with hand controls is made available. The Licensee shall pay the cost of the alternative transportation to the extent that such cost exceeds the cost of renting the vehicle with hand controls. This provision does not apply if at the time the reservation is received, the Licensee has no vehicles available for any customers for the entire period the hand-control-equipped vehicle is required.

For any reservation which is not received 48 hours or more before the vehicle is to be delivered to the customer, the Licensee will undertake its best efforts to provide hand-control-equipped vehicles if, at the time the reservation is received, a hand-control-system is available for the entire period the vehicle is required. It being understood that the Airport General Manager may from time to time change these requirements in response to changes in passenger volumes.

(2) The Licensee shall provide hand-control systems at no additional cost to the customer.

(3) Hand controls provided by the Licensee shall meet all Canadian Standards Association (CSA) and other applicable certifications and standards set by regulatory agencies and provincial licensing bodies. Where the hand controls are permanently installed in the vehicles used at the airport the Licensee shall provide appropriate inspection certificates attesting to the mechanical reliability of the vehicles.

(4) The Licensee shall post signs in the Concession Space to indicate the availability of services for persons with disabilities. Such signs shall be of a form and content as may be approved by the Airport General Manager and shall be posted in such location as the Airport General Manager may determine.

(5) If there is a demonstrated demand, the Licensee will undertake its best efforts to add to its vehicle rental fleet vehicles which are accessible by persons with disabilities using a mobility device including a wheelchair or scooter for personal transportation. The accessible vehicles shall meet all federal and provincial safety certifications and standards and shall be provided at no additional cost to the customer.

(6) The Licensee shall provide its employees and agents who may interact with the travelling public at the airport with the level of training required to ensure that its personnel possess the knowledge, skills and attitudes necessary to assist persons with disabilities in an effective and sensitive manner. The Licensee shall provide its employees and agents responsible for the installation of equipment necessary to accommodate persons with special needs with training on the installation, maintenance and operation of such equipment. All such training shall comply with the Personnel Training Regulations for the Assistance of Persons with Disabilities Regulations.

The Licensee shall ensure that all personnel shall complete their initial training within sixty (60) days after the commencement of their duties as well as receive periodic refresher training sessions appropriate to the requirements of their function.

The Licensee shall keep its training program current and available for inspection by the National Transportation Agency and the general public. The training program shall contain the information set out in the Regulations. The training program shall be submitted to the Airport General Manager at the commencement of this Licence, as shall any changes made to the training program during the currency of this Licence.

4.4: ACCESSORIES

(1) Prior to the commencement of this Licence, the Licensee shall submit for the Airport General Manager's approval a listing of all accessories, services or additional features ("such accessories and services") which will be made available at the commencement date of this Licence. Any changes subsequent to that date shall require the prior approval of the Airport General Manager.

(2) The Licensee may offer such accessories and services, provided they are attached to, or are used in, connected or are built into the vehicle.

(3) The Licensee agrees that the rental of such accessories and services shall be included with the rental of a vehicle, and that such accessories and services shall at no time be rented out separately unless approved by the Airport General Manager and under a licence which is separate from this Licence.

(4) The Licensee further agrees that all rent or charges for such accessories and services shall be included in the vehicle rental contract.

4.5: CONTRACT SERIAL NUMBERS

(1) Prior to the commencement of this Licence, the Licensee shall submit to the Airport General Manager a block list of serial numbers of all vehicle rental contracts which are to be used exclusively in the vehicle rental concession at the airport.

(2) In the event that the Licensee requires or will require additional blocks of serial numbers for the vehicle rental contracts, the Airport General Manager must be advised of this requirement together with the block list of serial numbers.

4.6: PRICES

(1) The Licensee shall submit to the Airport General Manager a schedule of the typical prices for this and comparable locations to be in effect on the commencement date of this Licence.

4.7: CREDIT AND DEBIT CARDS

The Licensee shall accept all major credit and debit cards in payment for goods or services hereunder, in accordance with directives as may be given from time to time by the Licensor.

4.8: UNITED STATES CURRENCY

(1) The Licensee shall accept U.S. currency in payment of goods or services hereunder at an exchange rate for cash transactions which will not vary by more than two percentage points from the “buy” rate set by a Canadian chartered bank determined by the Licensor.

(2) The Licensee shall inform the public of the prevailing exchange rate for cash transactions by displaying such rate in a prominent location in the Concession Space.

4.9: CONSULTANT SERVICES

(1) If at any time the Licensor becomes aware that the prices for vehicle rental services at the airport are not comparable to those charged in the area served by the airport (with due regard for operating-cost differences resulting from operation at the airport), or if the Licensor becomes aware that the level of service provided, and/or the type of vehicles available at the airport is not comparable to similar establishments in such area, the Licensor may at the expense of the Licensee employ a recognized consultant for review and assessment.

(2) If the consultant concludes that the prices for vehicle rental services, or the level of service provided, or the type of vehicles available at the airport are not comparable to those in the area served by the airport, the Airport General Manager may request, by notice in writing to the Licensee, that the necessary corrective action be taken; provided, however, that the Licensee shall be given a reasonable opportunity to defend against the consultant's findings. Such corrective action shall be affected by the Licensee within a reasonable period of time, having regard to the nature of the improvements which the Airport General Manager determines to be necessary.

(3) It is expressly understood and agreed by the Licensee that where the Licensee is unable to the satisfaction of the Airport General Manager to refute the findings of the consultant, the Licensee shall give effect to the recommendations made by the Airport General Manager, in their notice; otherwise, failure by the Licensee to comply shall be treated as a breach of covenant and be subject to the provisions of 9.1.

4.10: OBJECTIONABLE GOODS

The Licensee shall not by itself nor by any person acting for it, or with its permission, in, upon or about the airport, bring, keep, sell, store, offer for sale, give away or otherwise use, handle or dispose of any merchandise, goods, materials, effects, or things which may be deemed objectionable by the Airport General Manager for any reason.

4.11: ADVERTISING AND DISPLAYS

(1) The Airport General Manager reserves the right to rule upon displays and advertising signs within the Concession Space, and the Licensee shall conform to the aesthetic standards of the building and to any directive which may be introduced from time to time by the Airport General Manager. No electrical sign of any kind may be installed without the prior approval in writing of the Airport General Manager; such approval shall not be unreasonably withheld.

(2) The Licensee shall obtain the written approval of the Licensor, in advance, of all signs and similar advertising material, including lettering and other advertising media erected, installed or placed upon the exterior of the Concession Space or within the Concession Space to the extent that such signs are visible from outside the Concession Space; such approval shall not be unreasonably withheld. The cost of installing, maintaining, changing and removing all signs shall be borne by the Licensee.

(3) The Licensee covenants and agrees that it will use the name " Northwest Regional Airport Terrace-Kitimat" in all advertising of its operations hereunder, in all promotional material and on all letterheads and stationery.

(4) The Licensee may advertise, promote and/or display for sale, within the confines of the Concession Space, only those products or services that relate directly and exclusively to its operations hereunder and any advertisement, promotion and/or display for sale must indicate

that those products or services can only be obtained with the rental of a vehicle, unless such products or services are provided under a separate agreement and approved by the Airport General Manager.

(5) Any revenues or benefits derived directly or indirectly by the Licensee from the advertisement, promotion and/or display of goods and services by a third party, will be considered as revenue and shall be included in the Gross Revenue reported by the Licensee.

4.12: PERSONNEL

(1) The Licensee shall engage suitable personnel to efficiently provide and maintain the required standard of services; such personnel shall be properly groomed and attired. Local personnel shall be employed to the extent practical and consistent with reasonable efficiency and economy, all as determined by and to the satisfaction of the Airport General Manager.

(2) The Licensee shall pay for the parking at the airport of its employee's vehicles, at the prevailing airport employee or public rates.

(3) The Licensee shall ensure that its employees, agents, and contractors respect all rules and bylaws at the airport including those pertaining to speed, traffic and vehicle parking.

(4) The Licensee shall ensure that its employees, agents, and contractors:

- a) Do not park any vehicles in front of the Air Terminal Building.
- b) Only park rental cars in the designated Stalls.
- c) Park overnight vehicles in identified vehicle parking spots.

4.13: LICENCES, PERMITS, ETC.

(1) The Licensee shall procure and maintain in good standing, at its cost and expense, such licences, permits or approvals from Federal, Provincial, Municipal or other Government Authorities, and such private permits as may be necessary to enable the Licensee to conduct its operations hereunder.

(2) Failure by the Licensee to procure such licences, permits or approvals or such private permits will not relieve the licensee from paying the amounts prescribed under this Licence from its commencement date. In the event the Licensee fails to procure such.

4.14: PAYMENT OF TAXES

The Licensee shall promptly pay or cause to be paid all rates, taxes and assessments, of whatsoever description that may at any time during the currency of this Licence be lawfully imposed and become due and payable in respect of the business or the operations of the Licensee hereunder.

4.15: COMPLIANCE WITH REGULATIONS

- (1) The Licensee shall in all respects abide by and comply with all applicable lawful rules, regulations and by-laws of the Federal, Provincial, and Municipal Governments or any other governing body whatsoever and with all local environmental, police, health, or fire regulations or by-laws, in any manner affecting this Licence.
- (2) The Licensee shall abide by and comply with all regulations regarding the environment, traffic control, airport security, sanitation and all other regulations and directives relative to the management and operation of the airport.

4.16: ENFORCEMENT

Notwithstanding the provisions of Article 9.1, any failure by the Licensee to comply with the requirements set forth in Articles 3.6 (2) and 3.6 (3), and in 4.1, 4.2 and 4.3 shall constitute a breach of the conditions of this Licence and shall be subject to the cancellation of this Licence under the following conditions:

In the event of a breach by the Licensee of any of the aforementioned requirements, and provided reasonable steps have not been taken to cure such breach within thirty (30) days from the date of notice in writing thereof from the Licensor to the Licensee, the Licensor may terminate this Licence by giving the Licensee thirty (30) days written notice of intention to terminate, during which time the Licensee will no longer be permitted to cure such breach, and thereupon after the expiration of such period of notification, this Licence shall be terminated without any further notice or delay.

4.17: CHANGE OF NAME AND CORPORATE IDENTITY

- (1) The Licensee agrees to operate a vehicle rental concession at the airport during the term of this Licence under the trade name of [insert brand name(s)] and shall not use any other trade name without the prior written consent of the Licensor.
- (2) Any change in the ownership or control of the Licensee must be reported to the Licensor.

4.18: OPERATION OF VENDING MACHINES

The Licensee shall not operate coin or credit card vending machines within the Concession Space or elsewhere in the building without the prior written approval of the Airport General Manager.

4.19: FRANCHISE AGREEMENT

Where the Licensee is a franchisee under a franchise agreement pertaining to the Licensee's operations hereunder, the Licensee agrees to notify the Licensor forthwith in writing of any cancellation and obtain approval from the Licensor of such franchise agreement change.

Article 5: PREMISES, SERVICES, AND IMPROVEMENTS

5.1: "AS IS" CONDITION

The Licensee accepts the Concession Space in an "as is" condition, and any improvements made by the Licensee during the currency of this Licence to make the Concession Space suitable for its operations hereunder, shall be at the risk and expense of the Licensee. The Licensee shall not undertake any changes to the Concession Space unless the plans for such changes have been approved by the Airport General Manager.

5.2: PREMISES

(1) The Airport General Manager may require that the Licensee install, at its cost, the vehicle Counter (s) in the building and any other fixtures or structures which may be required for the licensee's operations therein. The installation of the Counter and any other fixtures or structures shall be completed to the satisfaction of the Airport General Manager.

(2) The Licensee shall be responsible, at its cost, for the maintenance of the Counter and any other fixtures or structures which may be required for the Licensee's operations therein, including electronic signs installed on the bulkhead above the Counter; provided, however, that the decoration and general appearance of such Counter and such other fixtures or structures shall be subject to the approval of the Airport General Manager.

Note: The Counters will undergo renovations in late 2022 or early 2023. Temporary Counters will be supplied in the airline check-in area. Relocation to and from these temporary Counters will be at the cost of the Licensee.

5.3: ACCESS

The Licensor shall have full and free access for inspection purposes during normal business hours and in the presence of the Licensee or its representative to the Concession Space; it being expressly understood and agreed, however, that in cases of emergency, the Licensor shall at all times and for all purposes have full and free access to the Concession Space.

5.4: ELECTRICAL PLUG-INS

Where electrical plug-ins are provided in the Stalls, the Licensee shall pay for all electrical energy used in connection therewith at the prevailing rates. In those instances where the consumption of the electrical energy for plug-ins is not measured by separate meters, the Airport General Manager shall determine the applicable rate on the basis of cost comparison.

5.5: TEMPORARY SUSPENSION OF SERVICES

(1) Notwithstanding anything in this Licence contained, in the event that the Licensor deems it necessary or expedient to suspend the airport operations, the Licensee shall not have any claim or demand against the Licensor and/or any of their employees, agents or contractors, nor be entitled to any reimbursements, compensation or indemnity.

(2) Should it become necessary or expedient for the purpose of repairs and/or improvements on the airport, that the property of the Licensee and/or the location of the Concession Space be changed, the Airport General Manager may request the Licensee in writing to change such location; and on failure promptly to comply with such request, the Airport General Manager may remove the property of the Licensee without the Licensor becoming thereby liable for damages of any nature, and may collect from the Licensee all expenses or costs by reason thereof. The Licensee, upon complying with such request may, if the Airport General Manager deems it expedient and the progress of the repairs and/or improvements is not thereby interfered with, maintain its property in such manner and at such other location on the airport as the Airport General Manager may direct, the Licensor bearing the expense of the removal and relocation. The Licensor shall not be liable for any claim, demand, loss, cost, or damages resulting to the Licensee from the maintenance of its property at such other location. At the conclusion of the repairs and/or improvements, the property of the Licensee may, if deemed expedient by the Airport General Manager, again be installed, and maintained, at the cost and expense of the Licensor, at the location from where it was removed.

(3) The Licensee shall not have nor make any claim or demand nor bring any action or suit against the Licensor and/or any of their employees, agents or contractors for any damage which the Licensee may sustain by reason of temporary suspension, interruption or discontinuance in whole or in part from whatever cause arising in services supplied by the Licensor to the building.

5.6: APPROVAL OF ALTERATIONS AND UTILITY SERVICES

The Licensee shall not make any alterations to the Concession Space or facilities, or services connected therewith, or add any facilities or service, prior to receiving written consent from the Licensor. Upon receipt of such consent, the Licensee agrees to make the alterations at its cost, in accordance with the requirements, terms and conditions specified in the written consent,

and thereafter maintain the alteration at its cost and to the satisfaction of the Airport General Manager.

5.7: FURNITURE, FIXTURES AND EQUIPMENT

The Licensee shall provide, install and maintain in the Concession Space such fixtures, furnishings and equipment (herein "equipment") as may be required in connection with the operations conducted in the Concession Space hereunder, and the Licensee shall also provide replacement of the equipment, all at its cost and to the satisfaction of the Airport General Manager; provided, however, that the Licensee shall submit to the Airport General Manager plans and specifications for approval prior to the provision and installation of the equipment. The Licensee shall provide, install and maintain in the Concession Space such fixtures, furnishings and equipment as may be required in connection with the operations conducted in .the Concession Space hereunder, and the Licensee shall also provide replacement of the equipment, all at its cost and to the satisfaction of the Airport General Manager; provided, however, that the Licensee shall submit to the Airport General Manager plans and specifications for approval prior to the provision and installation of the equipment.

5.8: CLEANING AND MAINTENANCE

The Concession Space and everything in and about it shall in all respects be kept clean, neat and in good condition, in accordance with all Federal, Provincial and/or Municipal environmental, health, fire and police standards, codes or regulations, and the Licensee shall also be responsible for cleaning the interior of the windows in the Concession Space and the interior and exterior surfaces of all glass entrance doors, all to the satisfaction of the Airport General Manager, it being expressly understood that the Airport General Manager reserves the right to rule upon the cleaning methods.

5.9: REFUSE DISPOSAL

The Licensee shall, at its cost, provide complete and proper arrangements for the adequate sanitary handling and disposal away from the airport of all trash and other refuse resulting from the Licensee's operations hereunder, all to the satisfaction of the Airport General Manager. Piling of boxes, cartons, barrels, or other similar items shall not be permitted in any public area at the airport.

5.10: DRAINAGE SYSTEM

The Licensee shall not do, cause, or permit to be done any act or thing which may damage or impair the operation of any drainage system, sanitary sewer system, or any facility provided for the protection of the general public or the operation of the airport, all as determined by the Airport General Manager.

5.11: DRAINAGE AND DISCHARGE OF MATERIAL

The Licensee shall not discharge, cause or permit to be discharged any deleterious material or noxious, contaminated or poisonous substances ("such substances"), all as determined by the Airport General Manager, and shall not discharge, cause or permit to be discharged such substances into the sewer system, storm drain or surface drainage facilities at the airport; it is understood and agreed that in the event of a discharge of such substances in and under control of the Licensee, the cost incurred in the clean-up to the satisfaction of the Airport General Manager shall be to the licensee's account.

5.12: REASONABLE USE

The Licensee shall not during the currency of this Licence do, suffer nor permit to be done any act or thing which may damage or impair the Concession Space or the building beyond the damage occasioned by reasonable use, and shall, at its cost, repair and renew in good, sufficient and professional manner all portions of the Concession Space or of the building which may at any time by the licensee be damaged (ordinary wear and tear only excepted), and in the event of the failure by the Licensee to so repair and renew, the Licensee shall indemnify and save harmless the Licensor from all damages, costs and expenses suffered or incurred by the Licensor by reason of such damage or impairment, to the extent the Licensee is liable therefor in law, such payment to be made forthwith upon receipt of appropriate accounts.

5.13: VESTING OF REPAIRS, ALTERATIONS, IMPROVEMENTS OR REPLACEMENTS

Any repairs, alterations, improvements or replacements (collectively "repairs") made by the Licensee to or upon the Concession Space which by their nature are determined to be fixtures shall upon termination of this Licence, except and subject as in this Licence otherwise specifically provided, be vested in title in the Licensor without any compensation to the Licensee; nevertheless, the Licensor shall have the option of requiring or compelling the Licensee upon written notice, to remove the repairs, and the Licensee shall be bound to so remove and shall restore the Concession Space to its original condition, all at the cost of the Licensee and without any right on its part to seek compensation for any reason whatsoever.

5.14: DANGEROUS GOODS

No goods of an explosive, dangerous, inflammable, or noxious nature shall be stored in the Concession Space except with the written consent of the Airport General Manager.

5.15: FIRE PREVENTION

The Licensee shall, at its expense, take all precautions to prevent fire from occurring in or about the Concession Space and shall observe and comply with all laws and regulations in force respecting fires at the airport, and shall comply with all instructions given from time to time by the Airport General Manager with respect to fires and the extinguishing of fires.

5.16: REPAIR OF DAMAGE

If at any time during the currency of this Licence any damage (ordinary wear and tear only excepted) should be occasioned to the building, or to any works of the Licensor on the airport by reason of the Licensee's operations hereunder or any action taken or things done or maintained by virtue thereof, then the Licensee shall, at its expense, within a reasonable time upon notice thereof from the Airport General Manager given in writing, repair, rebuild and restore the building or works in good, sufficient and professional manner. In the event of failure by the Licensee to so repair, the Airport General Manager may, at their option, repair such damage in which case the Licensee shall reimburse the Licensor for all costs and expenses connected therewith to the extent the Licensee is liable therefore in law plus such additional charge as may be applicable under the policies of the Licensor for administration and overhead, forthwith upon receipt by the Licensee of appropriate accounts.

5.17: PATTERN OF PASSENGER TRAFFIC AND AIR TERMINAL BUILDING RENOVATIONS

The Licensee acknowledges that the configuration of the building may be in a state of flux during the currency of this Licence due to traffic shifts or an air terminal building renovation program, and that therefore there can be no guarantee that the present pattern of passenger traffic adjacent to the Counters or relocated premises, or any future pattern, will be permanent for all or any portion of the term of this licence. Because of construction, or for other reasons, the Licensor may find it desirable and in the best interests of the travelling public to make changes in the passenger traffic pattern and erect temporary structures, walls or partitions. The Licensee hereby acknowledges and agrees that it shall have no claim whatsoever against the Licensor for any changes or disruptions that may be made and/or arise as a result of an air terminal building renovation program.

Article 6: ASSIGNMENT

6.1: ASSIGNMENT BY THE LICENSEE

- (1) Subject to (2), no transfer or assignment of this Licence or any rights hereunder shall be made by the Licensee without the prior consent in writing of the Licensor.
- (2) No transfer or assignment will be permitted unless the transferee or assignee meets all requirements of the tender for the operation of the vehicle rental concession at the airport.

6.2: ASSIGNMENT BY THE LICENSOR AND SUBORDINATION

It is specifically understood and agreed that the Licensor shall be entitled to assign, mortgage, hypothecate or encumber their rights under this Licence, in whole or in part, and upon such assignment, mortgage, hypothec or encumbrance being executed by the Licensor, and notice thereof being given to the Licensee, this licence shall be subordinated and subject to the assignment, mortgage, hypothec or encumbrance and, except in the event of default by the Licensee as herein provided, shall not be cancelled, terminated or modified for any reason whatsoever without the consent in writing of the assignee, mortgagee, hypothecary or other secured creditor. The Licensee agrees that it will, whenever reasonably required by the Licensor or the assignee, mortgagee, hypothecary or other secured creditor, consent to and become a party to any instrument permitting a mortgage, hypothec or other encumbrance to be placed on the building and lands wherein the Concession Space is situated, in order to formally subordinate this Licence to the mortgage, hypothec or other encumbrance. However, no subordination by the Licensor shall have the effect of permitting the holder of any mortgage, hypothec or other encumbrance to disturb the licensee in its enjoyment of the Concession Space or to increase the sums payable as stipulated in 3.1 so long as the Licensee shall comply with all the terms and conditions of this Licence.

In the event of the sale, lease or disposition by the Licensor of the building or any part thereof, or the assignment by the Licensor of this License or any interest herein the Licensee shall attorn in writing to such successor-in-interest, and to the extent that the purchaser, lessee or assignee assumes the covenants and obligations of the Licensor, the Licensor shall be relieved of all liability with respect to such covenants and obligations.

Article 7: LIABILITY AND INDEMNITY

7.1: CLAIM OR DEMAND

The Lessee shall not have any claim or demand against the Lessor or their servants or agents for detriment, damage, accident or injury, of any nature whatsoever or howsoever caused to the said land, or to any person or property, including any structures, erections, aircraft, equipment, materials, supplies, motor or other vehicles, fixtures and articles, effects and things erected, brought, placed, made or being on or about the said land or in the said building, unless such damage or injury is due to the negligence of any officer, servant or agent of the Lessor while acting within the scope of their duties or employment.

7.2: INDEMNITY

The Lessee shall at all times indemnify and save harmless the Lessor or any of their officers, servants or agents from and against all claims and demands, loss, costs, damages, actions, suits or other proceedings by whomsoever made, brought or prosecuted, in any manner based upon, occasioned by or attributable to the execution of this Lease, or any action taken or things done or maintained by virtue hereof, or the exercise in any manner of rights arising hereunder, except claims for damage resulting from the negligence of any officer, servant or agent of the Lessor while acting within the scope of their duties or employment.

Article 8: INSURANCE

(1) The Licensee shall purchase, provide and at all times maintain during the currency of this Licence:

a) Comprehensive general liability insurance in an amount not less than Two Million Dollars (\$2,000,000) per occurrence; and

b) Public liability and property damage insurance in the amount of not less than Two Million Dollars (\$2,000,000) on each vehicle of the Licensee used in the service provided hereunder, against claims for personal injury {including death}, or loss or damage to property arising out of the use of any vehicle of the Licensee or any of the operations of the Licensee hereunder or arising out of an act or omission of the Licensee or any of its employees, contractors or agents, and shall purchase, provide and maintain other insurance coverage and increase limits as may be required by the Licensor or any other competent authority.

- (2) The Licensee shall cause each and every policy of the insurance to:
- (a) be enforceable by the Licensor as an insured thereunder;
 - (b) be primary to and non-contributing with any other insurance;
 - (c) provide for the Licensor to be named insured;
 - (d) contain an "agency and trustee" clause;
 - (e) contain a "severability of interest" clause;
 - (f) contain a prohibition against cancellation or suspension or material change that reduces or restricts the insurance except for no less than sixty (60) days' prior written notice to the Licensor;
 - (g) contain a waiver of any subrogation rights that the insurers may have against the Licensor,
 - (h) be signed by the insurer or insurers responsible for the risks insured against;
and
 - (i) be in a form and with insurers satisfactory to the Licensor.

(3) The Licensee shall, prior to its effective date, deliver to the Licensor detailed insurance binders of any policy of insurance and shall provide evidence that any such policy is in full force and effect. At least ten (10) days prior to expiry of each policy of insurance, the Licensee shall provide to the Licensor evidence of renewal of such insurance. The Licensee shall, within sixty (60) days of the effective date of each such policy, deliver to the Licensor a certified copy of any such policy. Delivery to and examination by the Licensor of any detailed insurance binder or any policy of insurance or other evidence of insurance in no way shall relieve the Licensee of any of its obligations to insure in strict compliance with the provisions of this Article 8, and in no way shall operate as a waiver by the Licensor of any of their rights.

(4) The Licensee shall not do or omit to do or suffer anything to be done or omitted to be done on the airport which will in any way impair or invalidate such policy or policies.

(5) Every policy shall contain a provision that written notice of cancellation or suspension shall be promptly given to the Airport General Manager.

Article 9: DEFAULT AND RE-ENTRY

9.1: DEFAULT ANDRE-ENTRY

(1) It is expressly agreed that:

(a) if the Lessee shall be in default in the payment of rent or amounts collectable hereunder as rent, whether lawfully demanded or not, and such default shall continue for a period of 15 days after the rent has become due and payable; or

(b) if the Lessee shall be in default of any of its covenants or agreements hereunder (other than its covenant to pay rent or amounts collectable hereunder) and such default shall continue for a period of 30 days (or such longer period as may be reasonably necessary to cure such default considering the nature thereof) after notice by the Licensor to the Licensee specifying with reasonable particularity the nature of such default and requiring the same to be remedied; or

(c) if the default set out in the notice given to the Lessee by the Lessor pursuant to paragraph (b) reasonably requires more time to cure than the thirty (30) day period referred to in that paragraph and the Lessee has not commenced remedying or curing the same within the thirty (30) day period or; in the opinion of the Lessor fails to diligently complete the same within a reasonable time; or

(d) if the Licensee shall make an assignment for the benefit of its creditors, or shall make an assignment or have a receiving order made against it under the Bankruptcy and Insolvency Act, or becoming bankrupt or insolvent, shall make application for relief under the provisions of any statute now or hereafter in force concerning bankrupt or insolvent debtors, or any action whatsoever, legislative or otherwise shall be taken with a view to the winding-up, dissolution or liquidation of the Licensee; then the current month's amount collectable hereunder together with the amounts of the three months next ensuing shall immediately become due and payable, it being understood that these payments shall not constitute payment on account of the sums that would have come due and payable in the three months next ensuing. At the option of the Licensor the term hereby granted shall become forfeited.

(2) Forfeiture of this Licence by the Licensee shall be wholly without prejudice to the right of the Licensor to recover arrears of the amounts collectable hereunder or damages for any antecedent breach of covenant by the Licensee, and notwithstanding any such forfeiture, the Licensor may subsequently recover from the Licensee damages for loss of amounts collectable hereunder suffered by reason of this Licence having been terminated prior to the end of its term as set out in 2.1, and this clause and the rights hereunder shall survive the termination of this Licence whether by act of the parties or by operation of law.

9.2: LIEN

The Licensor shall have a lien upon the moveable property of the Licensee for any loss or damage arising by reason of the breach of any of the conditions or provisions hereof, or the failure by the Licensee to comply therewith.

Article 10: GENERAL

10.1: AGENCY, ETC.

The parties hereto specifically agree that nothing in this Licence shall be construed as establishing any relationship of agent and principal, and/or employer and employee, and/or partners, and/or joint ventures as between the Licensor and the Licensee.

10.2: HEADINGS

Any note appearing as a heading in this Licence has been so inserted for convenience and reference only and of itself cannot define, limit or expand the scope or meaning of this Licence or any of its provisions.

10.3: DIFFERENCES

All matters of differences arising between the Licensor and the Licensee in any matter connected with this Licence, whether as to interpretation or otherwise, shall be determined by the Licensor but without prejudice, to any recourse available to the Licensee in law.

10.4: EFFECT OF LICENCE

This Licence and everything herein contained shall enure to the benefit of and be binding upon the successors and assigns, as the case may be, of each of the parties hereto, subject to granting of consent by the Licensor as provided herein to any assignment or transfer of this Licence, and where there is a male, female or corporate party, the provisions hereof shall be read with all grammatical changes to gender and number required by the context and all covenants and obligations shall be deemed joint and several, and the invalidity of any clause for any reason whatsoever shall not invalidate any other clause of this Licence.

10.5: PROVISIONS SEPARATELY VAUD

If any covenant, obligation, agreement, term or condition (collectively "condition") of this Licence or the application thereof to any person or circumstances shall, to any extent, be invalid or unenforceable, the remainder of this Licence or the application of such condition to persons or circumstances other than those in respect of which is held invalid or unenforceable, shall not be affected thereby and each condition of this Licence shall be separately valid and enforceable to the fullest extent permitted by law.

10.6: ENTIRE AGREEMENT

This Licence shall be deemed to constitute the entire agreement between the Licensor and the Licensee 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.

10.7: WAIVER NEGATED

Failure by the Licensor to require the fulfilment of the obligations, or to exercise any rights herein contained shall not constitute a waiver, a renunciation or a surrender of those obligations or rights.

10.8: IMPLIED TERMS OR OBLIGATIONS

No implied terms or obligations of any kind by the Licensor shall arise from anything in this Licence, and the express covenants and agreements herein made by the Licensor are the only covenants and agreements upon which any rights against the Licensor may be founded.

Article 11: NOTICES

Whenever in this Licence it is required or permitted that notice or demand be given or served by either party to or on the other, such notice or demand will be in writing and will be validly given or sufficiently communicated if personally delivered, given by facsimile transmission (and confirmed by mail), or sent by courier, priority post or registered mail, return receipt requested, or by E-Mail with acknowledgement of receipt, to the Licensor or the Licensee, as appropriate, at their respective addresses appearing as follows:

To the Licensor: Northwest Regional Airport Society
103-4401 Bristol Road
Terrace, B.C., V8G 0E9

Phone: 250-635-2659 ext. 223
E-mail: CHendry@yxt.ca

To the Licensee: _____

Notices given hereunder shall be deemed given to the Licensor or Licensee on the date upon which they were personally delivered or, if sent by email, twenty-four (24) hours after transmission, if facsimile transmission, twenty-four (24) hours after transmission with confirmed answer-back or, if mailed, five (5) days after mailing.

Such addresses may be changed from time to time by either party giving notice to the other as above provided.

IN WITNESS WHEREOF the parties hereto have executed this Licence the day and year first above written.

SIGNED, SEALED AND DELIVERED
in the presence of -

Witness

Airport General Manager
Northwest Regional Airport Society

SIGNED, SEALED AND DELIVERED
in the presence of -

Witness

Name: _____

Title: _____
>

Appendix A

AIR TERMINAL BUILDING - COUNTER SPACE DRAWING

Appendix B
AIR TERMINAL BUILDING
CAR RENTAL PARKING LOT STALLS

Appendix C

SCHEDULE C-1

Airport Vehicle Rental Concession Revenue and Payment Report
(Statement of monthly Gross Revenue and percentage rent)

DATE: DD/MM/YYYY

TO: Northwest Regional Airport Society (Licensor)

FROM: _____ (Licensee)

LICENCE DATED: _____

LICENCE NO.: _____

The following is a true and accurate statement of Gross Revenue (as defined in our Licence) for the month of XXX, 202X:

GROSS REVENUE FOR [month], 202X 1) _____

TOTAL GROSS REVENUE YEAR TO DATE 2) _____

FEE AT 13.5% OF GROSS REVENUE FOR CURRENT YEAR 3) _____

LESS MINIMUM GUARANTEED RENT AND PERCENTAGE RENT
PAID TO DATE (3) less (4) 4) _____

AMOUNT REQUIRED TO PAY BY 15th [month], 202X 5) _____

GST 6) _____

TOTAL 7) _____

Certified By: _____

Title: _____

SCHEDULE C-2

Airport Vehicle Rental Concession Revenue and Payment Report
(Statement of annual Gross Revenue and percentage rent)

DATE: DD/MM/202X

TO: Northwest Regional Airport Society (Licensor)

FROM: _____ (Licensee)

LICENCE DATED: _____

LICENCE NO.: _____

The following is a true and accurate statement of Gross Revenue (as defined in our Licence) for the Licence year from [month], 202X to [month], 202X

GROSS REVENUE (TOTAL OF MONTHLY REPORTS) 1) _____

GROSS REVENUE (FOR THE LICENCE YEAR) times 13.5% 2) _____

MINIMUM GUARANTEED RENT PAID (FOR THE LICENCE YEAR) 3) _____

PERCENTAGE RENT ACTUALLY PAID (FOR THE LICENCE YEAR) 4) _____

PERCENTAGE RENT OWING AND PAID HEREWITH 5) _____

(OR REFUND DUE TO TENANT) (The greater of 2 & 3 less (3+4)) 6) _____

TOTAL 7) _____

Certified By: _____

Title: _____

Appendix D: Proposal submitted by the Lessee

Dated XX, 2022

[Attach proposal here]