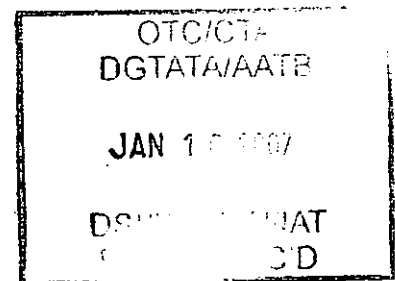


LOCAL INTERNATIONAL CHARTER TARIFF

1st Revised Title Page

LOCAL INTERNATIONAL CHARTER TARIFF
CONTAINING
RULES, RATES AND CHARGES APPLICABLE
TO THE CHARTER OF AIRCRAFT
FOR THE
TRANSPORTATION OF PASSENGERS AND BAGGAGE OR GOODS
BETWEEN
POINTS IN CANADA ON THE ONE HAND
AND
POINTS OUTSIDE CANADA ON THE OTHER HAND



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ISSUED BY
Gregg Munro, President
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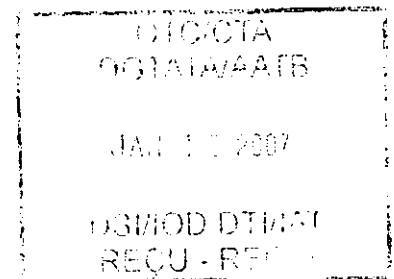
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1st Revised Page 1**CHECK SHEET**

Original and revised pages as named below, contain all changes from the original tariff, effective as of the date shown thereon:

<u>Page Number</u>	<u>Number of Revision</u>	<u>Page Number</u>	<u>Number of Revision</u>
Title	1 st	9	1 st
1	"	10	"
2	"	11	"
3	"	12	"
4	"	13	"
5	"	14	"
6	"	15	"
7	"		
8	"		



For explanation of abbreviations, reference marks and symbols used but not explained hereon, see Page 3.

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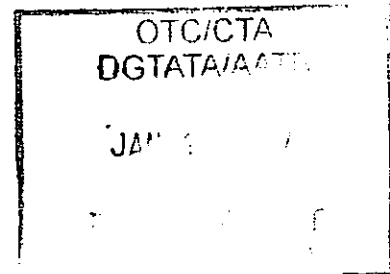
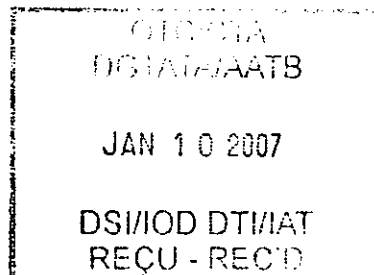
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1st Revised Page 3**EXPLANATION OF ABBREVIATIONS,
REFERENCE MARKS AND SYMBOLS**

CTA(A)Canadian Transportation Agency

IATAInternational Air Transport Association

No.Number

\$Dollar(s)

(R)Denotes reductions

(A)Denotes increases

(C)Denotes changes which result in neither increases or reductions

(X)Denotes cancellation

(N)Denotes addition

CANCanadian

OTC/CTA
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RULE 1. DEFINITIONS

"Baggage" means luggage or such articles, effects or other personal property of a passenger or passengers as are necessary or appropriate for wear, use, comfort or convenience in connection with the charter flight.

"Canada" means the ten provinces of Canada, the Yukon Territory, the Districts and Islands comprising the Northwest Territories of Canada and Nunavut.

"Carrier" means Kenmore Air Harbor, Inc. c/o/b Kenmore Air and
Kenmore Air Express.

"Charter Flight" means the movement of an aircraft transporting the charterer's passengers, baggage or goods from the point of take off to the first point of landing thereafter (intermediate technical or fuel stops excepted).

"Charterer" means a person, firm, corporation, association, partnership, company or other legal entity who agrees to hire the complete capacity of one or more aircraft of the carrier for the transportation of passengers and baggage, or goods and/or property from a specified origin to a specified destination, for a particular itinerary, agreed upon in advance.

"Complete Capacity" means the whole of the traffic payload carrying capacity of an aircraft having regard to the charter flight to be performed.

"Destination" means the point to which the passengers or goods to be transported on a charter flight are bound.

"Entity Charter" means a charter in which

- (a) the cost of transportation of passengers or goods is paid by one person, company or organization without any contribution, direct or indirect, from any other person, and
- (b) no charge or other financial obligation is imposed on any passenger as a condition of carriage or otherwise in connection with the trip.

"Ferry Flight" means the movement of an aircraft without the charterer's passengers or goods in order to position the aircraft to perform a charter flight or upon completion of a charter flight to position the aircraft to a point required by the carrier.

For explanation of abbreviations, reference marks and symbols used but not explained hereon, see Page 3.

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"Goods" means anything that can be transported by air including animals but does not include mail other than in plane load lots.

"Montreal Convention" means the *Convention for the Unification of Certain Rules for International Carriage by Air*, signed at Montreal, May 28, 1999.

"Origin" means the point from which a charter flight commences with the passengers or goods to be transported.

"Passenger" means any person, except members of the crew, carried or to be carried in an aircraft with the consent of the carrier pursuant to a charter agreement.

"SDR" means Special Drawing Rights issued by the International Monetary Fund.

"Traffic" means any passengers, goods or mail that are transported by air.

"United States of America" means the states of the United States of America and its territories and possessions.

"Warsaw Convention" means the *Convention for the Unification of Certain Rules Relating to International Carriage by Air*, signed at Warsaw, October 12, 1929, as amended, but not including the Montreal Convention as defined above.

RULE 2. APPLICATION OF TARIFF

- (a) This tariff is applicable to the transportation of passengers and their baggage or goods in charter service on aircraft operated by the carrier.
- (b) Charter service will be furnished under the terms of this tariff only after an appropriate written charter agreement, in the form prescribed by the carrier, is executed by the charterer and the carrier.
- (c) Charter transportation originating in Canada shall be subject to the rules, rates and charges published or referred to in this tariff in effect, by virtue of the effective date of each page, on the date of signing of the charter agreement.

For explanation of abbreviations, reference marks and symbols used but not explained hereon, see Page 3.

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- (d) The contents of this tariff form part of the charter contract between the carrier and the charterer and in the event of any conflict between this tariff and the charter contract this tariff shall prevail unless departure from the tariff has been authorized by the CTA(A).

RULE 3. CURRENCY

Rates and charges are published in the lawful currency of Canada. Where payment for Canadian originating charters is made in any currency other than Canadian, the resulting charges shall be the equivalent of the Canadian dollar amounts published in this tariff on the basis of the local banker's rate of exchange as calculated on the date of signing the charter agreement.

RULE 4. CHARTER AND FERRY MILEAGE DETERMINATION

For the purpose of computing rates and charges herein, the charter rates are calculated on an hourly basis the mileage to be used, including both charter and ferry (if any) mileage, will be the shortest mileage covering the actual airport to airport great circle mileage of the agreed charter flight or flights, to be performed in accordance with the agreed flight schedule, as published in the following sources in the order listed below:

- (a) Air Distance Manual, published jointly by International Air Transport Association and International Aeradio Limited;
- (b) IATA Mileage Manual, published by the International Air Transport Association;
- (c) And/or combination thereof.

RULE 5. COMPUTATION OF CHARGES (*Not applicable to transportation between Canada and the United States*)

The total charter price payable by the charterer shall be the sum of the following:

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- (a) An amount determined by multiplying the hours or fraction thereof of charter flight(s), times the applicable hourly charter rate provided for in the charter agreement.

An amount determined by multiplying the distance of the charter flight(s) determined in accordance with Rule 4 herein, times the applicable charter rate per mile shown in Table of Charges, or, where distances cannot be measured, the hours or fraction thereof of the charter flight(s), times the applicable charter rate per hour shown in the Table of Charges, provided that the charge per charter flight shall not be lower than the minimum charge per charter flight shown in the Table of Charges.

- (b) An amount obtained by multiplying the hours or fraction thereof of the ferry flight(s) time the applicable hourly ferry rate if applicable, provided for in the charter agreement.

An amount obtained by multiplying the distance of the ferry flight(s), if any, determined in accordance with Rule 4 herein times the applicable ferry rate per mile shown in the Table of Charges, or where distances cannot be measured, the hours or fraction thereof of the charter flight(s), times the applicable ferry rate per hour shown in the Table of Charges, provided that the charge per ferry flight shall not be lower than the minimum charge per ferry flight shown in the Table of Charges.

- (c) Layover charges, if any, as set forth in the Table of Charges will be assessed by the carrier for holding the chartered aircraft at the request of the charterer at any point on the charter route in excess of the free waiting time.
- (d) Taxiing charges, if any, for the time required to transport passenger and baggage or goods of a charterer by taxiing from point to point on a supporting surface calculated by multiplying the time required by the hourly charter rate.
- (e) Valuation charges, if any, in accordance with Rule 10.
- (f) All charges or expenses incurred by the carrier to cover the cost of accommodation, meals and ground transportation for crew whenever the nature of the charter requires said crew to live away from the place at which they are normally based for a period in excess of 12 hours.

For explanation of abbreviations, reference marks and symbols used but not explained hereon, see Page 3.

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- (g) The actual cost of all passenger and/or goods handling charges incurred by the carrier at airports other than the carrier's base.
- (i) The actual cost of any special or accessorial services performed or provided at the request of the charterer.

RULE 6. CONDITIONS OF CARRIAGE

- (a) Passengers and baggage or goods will be carried within space and weight limitations of aircraft.
- (b) Transportation of a person with a disability

Provision for aircraft WITH LESS THAN 30 PASSENGER SEATS

The carrier will make its best effort to accommodate passengers with disabilities including their service animals or other mobility aids on the same flight; however, certain mobility aids, for example rigid frame wheelchairs or electric wheelchairs, may not be able to be accommodated due to space and/or design limitations of the aircraft.

- (c) The carrier will refuse passage to any person when:
 - (i) Such action is necessary for reasons of safety;
 - (ii) Such action is necessary to prevent violation of any applicable law, regulation or order of any country or possession to be flown from, to, or over.
- (d) Subject to the limits of liability contained in this tariff the carrier will be exempted from liability due to any failure to perform any of its obligations under the carrier's charter agreement arising from:
 - (i) Labour disputes or strikes, whether of the carrier's employees or of others upon whom the carrier relies for the fulfilment of the Charter agreement, and;

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- (ii) "Force Majeure", or any other causes not attributable to the willful misconduct of the carrier including accidents to, or failure of aircraft or any part thereof, of any machinery or apparatus used in connection therewith. Refusal of any Government or public body on whatsoever ground to grant the carrier any clearance, licence, right or other permission necessary to the performance of the carrier's charter agreement is deemed to be included in the term "Force Majeure". Provided, always, that in the event of such failure, the carrier will use its best efforts to fulfil its obligations including the provision of alternate means of transport.
- (e) The charterer will be charged for the complete capacity of the aircraft, regardless of the space to be utilized, provided that any space not utilized by the charterer may, with the written concurrence of the charterer and the approval of the CTA(A) be used by the carrier for the transportation of the carrier's own personnel or cargo or for employees of another air carrier travelling pursuant to a pass interchange agreement.
- (f) The carrier shall use its best efforts to carry the passengers and baggage with reasonable dispatch. Times shown in charter contracts, passenger tickets or elsewhere are not guaranteed and form no part of the charter contract. Flight times are subject to change without notice.
- (g) Acceptance of children
 - (i) Children under 12 years of age are accepted for transportation when accompanied on the same flight and in the same compartment by a passenger at least 12 years of age.
 - (ii) Ages 8 to 11 inclusive will be carried unaccompanied on flights providing: the child is brought to the airport by a parent or responsible adult; the child has satisfactory evidence establishing his age on the date of commencement of carriage; the child possesses written information showing the name and address of the responsible adult meeting the child at destination; and prior to releasing custody of an unaccompanied child, the agent will obtain positive identification of the responsible party meeting the child and the signature of the said party.

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- (iii) The carrier will not assume any financial or guardianship responsibility for unaccompanied children beyond those applicable to an adult passenger.

RULE 7. ACCEPTANCE OF BAGGAGE OR GOODS

- (a) All baggage or goods presented for transportation is/are subject to inspection by the carrier.
- (b) Articles of baggage or goods will not be carried when such articles are likely to endanger the aircraft, persons or property, are likely to be damaged by air carriage, are unsuitably packed, or the carriage of which would violate the laws, regulations, or orders of countries or possessions to be flown from, into, or over.
- (c) If the weight, size or character renders it unsuitable for carriage on the aircraft, the carrier, prior to departure of the flight, will refuse to carry the charterer's baggage or goods or any part thereof. The following articles will be carried only with prior consent of the carrier:
- (i) Firearms of any description.
Firearms for sport purposes will be carried as baggage provided required entry permits are in the possession of the passenger for the country of destination and provided that such firearms are disassembled or packed in a suitable case. The provisions of this Subparagraph do not apply to Officers of the Law travelling in line of duty and carrying legally prescribed sidearms or other similar weapons.
- (ii) Explosives, munitions, corrosives and articles which easily ignite.
- (iii) Photo-flash bulbs when appropriately marked and contained in the original package of the manufacturer.

RULE 8. REFUNDS

- (a) Application for refund shall be made to the carrier or its duly authorized Agent.

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- (b) If a portion of the agreed transportation has been completed, refund will be the difference between the rates and charges paid and the rates and charges applicable
- (c) to that portion of the agreed transportation completed, less any applicable cancellation charges, as specified in the charter agreement.

RULE 9. LIMITATION OF LIABILITY – PASSENGERS***For travel governed by the Montreal Convention***

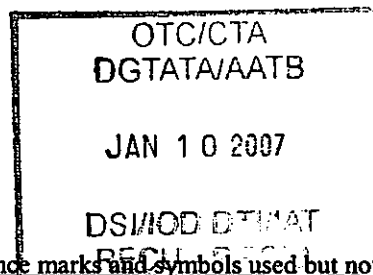
For the purpose of international carriage governed by the Montreal Convention, the liability rules set out in the Montreal Convention are fully incorporated herein and shall supersede and prevail over any provisions of this tariff which may be inconsistent with those rules.

For travel governed by the Warsaw Convention

Carriage hereunder is subject to the rules and limitations relating to liability established by the Warsaw Convention unless such carriage is not "international carriage", as defined by the Warsaw Convention. However, the carrier with respect to all international transportation, as defined in the said Convention, performed by it, (except international transportation subject to the Montreal Agreement of 1966 which, according to the contract of carriage, includes a point in the United States of America as a point of origin, point of destination or agreed stopping place), agrees that the limit of liability for each passenger for death or wounding or other personal injury shall be limited to proven damages not to exceed the sum of SDR 100,000 exclusive of legal fees and cost.

For travel governed by either the Montreal Convention or the Warsaw Convention

Nothing herein shall be deemed to affect the rights and liabilities of the carrier with regard to any person who has willfully caused damage which resulted in death, wounding, or other bodily injury of a passenger.



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RULE 10. LIMITATION OF LIABILITY FOR BAGGAGE OR GOODS AND EXCESS VALUATION CHARGES

For travel governed by the Montreal Convention

For the purpose of international carriage governed by the Montreal Convention, the liability rules set out in the Montreal Convention are fully incorporated herein and shall supersede and prevail over any provisions of this tariff which may be inconsistent with those rules.

For travel governed by the Warsaw Convention

Carrier liability for the loss of, damage to or delay in the delivery of any personal property, including baggage which are carried as checked baggage and goods, is limited to the sum of 250 francs per kilogram, unless the passenger or charterer, at the time of presenting such baggage or goods for transportation, has declared a higher value and paid an additional charge in accordance with the provisions of this Rule.

NOTE: Normal carrier liability, as contained in this Rule, will be waived for substantiated claims involving the loss of, damage to, or delay in delivery of mobility aids, when such items have been accepted as checked baggage or otherwise.

As regards objects of which the passenger takes charge himself the liability of the carrier is limited to 5,000 francs per passenger.

In the case of loss, damage or delay of part of property carried as checked baggage, the weight to be taken into consideration in determining the amount to which the carrier's liability is limited shall be only the total weight of the property lost, damaged or delayed. Nevertheless, when the loss, damage or delay of a part of the property affects the value of other property covered by the same baggage check, the total weight of the property covered by the baggage check shall also be taken into consideration in determining the limit of liability.

The monetary unit referred to in this Rule shall be deemed to refer to the gold franc referred to in the *Carriage by Air Act*, R.S., 1985, c. C-26. For the purpose of settlement of claims and in the event of an action against the carrier, any sum in francs shall be converted into Canadian dollars by:

For explanation of abbreviations, reference marks and symbols used but not explained hereon, see Page 3.

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- (a) converting francs into Special Drawing Rights at the rate of one Special Drawing Right for 15.075 francs; and
- (b) converting Special Drawing Rights into Canadian dollars at the rate established by the International Monetary Fund.

The rate of exchange for converting Special Drawing Rights into Canadian dollars shall be the rate prevailing on the date on which the amount of any damage to be paid by the carrier is ascertained by a court or, in the event a settlement is agreed between carrier and claimant, on the date settlement is agreed.

NOTE: At the time of filing of this tariff provision, 250 francs convert to approximately CAD \$33.00 and 5000 francs convert to approximately CAD \$660. These converted values are provided for general reference only. Carrier's liability will be calculated for each claim individually, based on the formula set out in this Rule.

For travel governed by either the Montreal Convention or the Warsaw Convention

If the passenger or charterer does elect to declare a higher value an additional charge shall be payable and the carrier's liability will not exceed the higher value declared. The additional charge shall be calculated as follows:

- (a) The amount of the carrier's liability set out in the carriage by air act shall be referred to as "basic carrier liability";
- (b) No charge shall be payable on that part of the declared value which does not exceed basic carrier liability;
- (c) For that part of the declared value which does exceed basic carrier liability, a charge shall be payable at the rate of CAD [N/A] cents for each CAD \$100.00 or fraction thereof.

Whether the passenger or charterer declares value or not, in no case shall the carrier's liability exceed the actual loss suffered by the passenger. All claims are subject to proof of amount of loss.

For explanation of abbreviations, reference to CTA(A) and AATB used but not explained hereon, see Page 3.

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In the case of damage or partial loss, the person entitled to delivery must complain to the carrier forthwith after discovery of the damage or partial loss, and, at the latest, within seven days from the date of receipt of the baggage. In the case of delay, the complaint must be made at the latest within twenty-one days from the date on which the baggage has been placed at his disposal. In the case of loss, the complaint must be made at the latest within 30

days from the date the baggage should have been delivered. Every complaint, whether for loss, partial loss, damage or delay, must be made in writing and must be dispatched within the times aforesaid. Failing complaint within the times aforesaid, no action shall lie against the carrier.

RULE 11. SUBSTITUTION OF AIRCRAFT

- (a) When, due to causes beyond the control of the carrier, the aircraft chartered is unavailable at the time the charter commences or becomes unavailable while carrying out the charter, the carrier may furnish another aircraft of the same type or, with the consent of the charterer, substitute any other type at the rates and charges applicable to the aircraft originally chartered except as provided in paragraphs (b) and (c).
- (b) When the substituted aircraft is capable of larger payload than the original aircraft chartered, the payload carried in the substituted aircraft will not be greater than the payload which would have been available in the aircraft originally chartered, unless the charterer agrees to pay the rates and charges applicable to the substituted aircraft.
- (c) When the maximum payload of the substituted aircraft is smaller than the maximum payload of the original aircraft chartered, charges will be based on the rates and charges applicable to the type of substituted aircraft.

RULE 12. PAYMENT REQUIREMENTS

- (a) Payments for a charter flight made to any person to whom the carrier, directly or indirectly, has paid a commission or has agreed to pay a commission with respect to such flight, shall be considered payment to the carrier.
- (b) 100% of total price upon booking.

For explanation of abbreviations, reference marks and symbols used but not explained hereon, see Page 3.

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RULE 13. CANCELLATION CHARGES (*Not applicable to transportation between Canada and the United States*)

Cancellation by 5pm the day prior to flight. 50% of charter rate if cancelled after 5pm the day prior to flight.

RULE 14. TICKETS

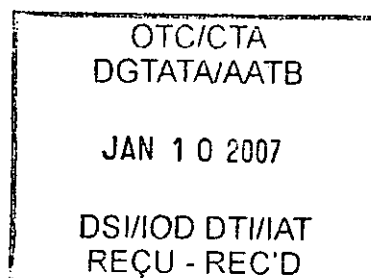
N/A

RULE 15. PASSENGER RE-ROUTING

N/A

RULE 16. DENIED BOARDING COMPENSATION

N/A



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