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LOCAL DOMESTIC TARIFF

RULES, RATES AND CHARGES

APPLICABLE

TO

TRANSPORTATION OF PASSENGERS AND BAGGAGE OR GOODS

BETWEEN POINTS IN CANADA

ISSUE DATE
August 15, 2008

ISSUED BY
Bruce McDonald
Operations Manager

EFFECTIVE DATE
August 15, 2008

CHECK SHEET

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

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**EXPLANATION OF ABBREVIATIONS,
REFERENCE MARKS AND SYMBOLS**

CTA	Canadian Transportation Agency
Cont'd	Continued
No.....	Number
\$	Dollar(s)
(R)	Denotes reductions
(A).....	Denotes increase
(C)	Denotes change which results in neither increases or reductions
(X).....	Denotes cancellation
(N).....	Denotes addition
Can.	Canadian
N/A.....	Not Applicable

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 flight.

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

"Carrier" means **Inland Air Charters Ltd.**

"Live Flight" means the movement of an aircraft with payload 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, or other legal entity who contracts 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.

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

"Ferry Flight" means the movement of an aircraft without payload to position the aircraft to perform a flight or upon completion of a flight to position the aircraft to a point required by the carrier.

"Goods" means anything that can be transported by air including animals.

"Origin" means the point from which a flight commences with payload to be transported.

"Passenger" means a person, other than a member of the air crew who uses the air carrier's domestic service by boarding the air carrier's aircraft pursuant to a valid contract.

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

RULE 2. APPLICATION OF TARIFF

- a) This tariff is applicable to the transportation of passengers and their baggage or goods using aircraft operated by **Inland Air Charters Ltd.**
- b) An air service will be furnished under the terms of this tariff only after an

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appropriate written air transportation contract, in the form prescribed by **Inland Air Charters Ltd.**, is executed by the charterer and the carrier.

- c) Air transportation shall be subject to the rules, rates and charges published or referred to in this tariff in effect, by virtue of the effective date on each page, on the date of signing of the air transportation contract.
- d) The contents of this tariff shall form part of the air transportation contract between the carrier and the charterer and in the event of any conflict between this tariff and the contract this tariff shall prevail.

RULE 3. CURRENCY

Rates and charges are published in the lawful currency of Canada. Where payment is made in any currency other than Canadian, such payment shall be the equivalent of the Canadian dollar amounts published in this tariff on the basis of local banker's rates of exchange as calculated on the date of signing the air transportation contract.

RULE 4. MILEAGE DETERMINATION

For the purpose of computing rates and charges herein, the mileage to be used, including both live and ferry (if any) mileage, will be the shortest mileage covering the actual airport to airport great circle distance of the agreed to flight or flights, using 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.

RULE 5. COMPUTATION OF CHARGES

The total price payable by the party contracting for the use of an aircraft shall be the following:

- a) An amount determined by multiplying the distance travelled by the aircraft determined in accordance with Rule 4 herein, times the applicable air transportation rate per mile, shown in Table "B", or, where distances cannot be measured, the rate per

hour or fraction thereof of the flight(s), times the applicable rate per hour shown in Table "B", provided that the charge for the flight shall not be lower than the minimum charge per flight shown in Table "B".

- b) 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 Table "B", or, where distances cannot be measured, times the applicable ferry rate per hour shown in Table "B", provided that the charge per ferry flight shall not be lower than the minimum charge indicated in Table "B", or
- c) Point to Point Rates as published in Table "A".
- d) Fuel and/or oil consumed in the performance of a contract shall be charged in the amount by which the cost per gallon/litre to the carrier in Canadian currency exceeds the price paid by the carrier at the main base of operations.
- e) Due to the inability to foresee actual cost, the following charges will be established at the time that the contract is signed:
 - (1) Loading/unloading of the aircraft.
 - (2) Charges for goods carried outside the aircraft.
 - (3) All charges or expenses incurred by the carrier to cover the cost of accommodation, meals and ground transportation for the air crew whenever the nature of the service to be provided requires said air crew to live away from the place at which it is normally based.
 - (4) Charges for storage.
 - (5) The actual cost of all passenger and/or goods handling charges incurred by the carrier at an airport other than the carrier's base.
 - (6) The actual cost of any special or accessorial services performed or provided on request.
- f) Layover charges, if any, as set forth in Table "B2", will be assessed by the carrier for holding the aircraft on request at any point on the route in excess of the free waiting time.
- g) Landing charges as per Table B1.

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- h) Taxiing charges, if any, for the time required to transport passengers and baggage or goods by taxiing from point to point on the surface calculated by multiplying the time required by the rates and charges per hour shown in Table "B".
- i) Valuation charges, if any, in accordance with Rule 10.

RULE 6. CONDITIONS OF CARRIAGE

- a) Passengers and baggage or goods will be carried within space and weight limitations of the aircraft.
- b) Carriage of persons with disabilities. 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 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 arising from:
 - (i) Labour disputes or strikes, whether of the carrier's employees or of others upon whom the carrier relies for the fulfillment of the flight agreement, and;
 - (ii) "Force Majeure", or any other causes not attributable to the wilful 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 a Government or public body, on what ever grounds, to grant the carrier any clearance, licence, right or other permission necessary for the performance of the carrier's operation 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.

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- e) 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.
 - (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 any applicable Canadian laws, regulations, or orders.
- c) If the weight, size or character of baggage or goods renders such baggage or goods unsuitable for carriage on the aircraft, the carrier, prior to departure of the flight, will refuse to carry such 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 the passenger possesses the required permit/licence and, provided that such firearms are disassembled or packed in a suitable case. The provisions of this subparagraph do not apply to Peace Officers' prescribed side arms or other similar weapons.
 - (ii) Explosives, munitions, corrosives and articles which easily ignite.

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- (iii) Pets including, dogs, cats and birds, when properly crated in leak proof containers and accompanied by valid health certificates or other documents where these are required. Such pets and animals may be carried in the cargo compartment of the aeroplane.

RULE 8. REFUNDS

- a) Application for refund shall be made to the carrier or its duly authorized Agent.
- b) If a portion of the agreed transportation has been completed, refund will be the difference between the fare, rate or charge paid and the fare, rate or charge applicable to that portion of the agreed transportation completed, less any applicable cancellation charges, as specified in this tariff.

RULE 9. LIMITATION OF LIABILITY - PASSENGERS

- a) The liability of the carrier in respect of the death of, or injury to, a passenger is **limited to the sum of \$50,000 CDN per seat**
- b) In no cases shall the carrier's liability exceed the actual loss suffered by the passenger. All claims are subject to proof of amount of loss.
- c) The carrier is not liable
 - (i) In the case of any passenger whose age or mental or physical condition, including pregnancy, is such as to involve an unusual risk or hazard, for any damages sustained by that passenger that would not have been sustained but for his/her age or mental or physical condition; or
 - (ii) In the case of a pregnant passenger, for any damages in respect of the unborn child of that passenger.

RULE 10. LIMITATION OF CARRIER RESPECTING BAGGAGE

- a) Subject to subsection (2), the liability of the carrier in respect of loss, or damage to, baggage, whether caused directly or indirectly by the act, neglect or default of the carrier or not, is limited to the sum of **\$150.00** per passenger.

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- b) The liability of the carrier is limited to the declared value of baggage except when the passenger
 - (i) has declared the value of the baggage to be an amount exceeding (*the amount appearing in paragraph (1) of this Rule*) per passenger for any one or more passengers; and
 - (ii) has paid an additional charge of \$1.00 per \$100.00 or fraction thereof for the excess amount.
- c) No action shall be maintained for any loss, or partial loss of or damage to baggage or for any delay in the carriage thereof unless notice of a claim is presented in writing to the head office of the carrier within 30 days from the date the baggage should have been delivered.
- d) In no cases shall the carrier's liability exceed the actual loss of the passenger. All claims are subject to proof of amount of loss.

RULE 10A. LIABILITY OF CARRIER RESPECTING GOODS

- a) Subject to subsection (2) the liability of the carrier in respect of loss of, or damage to, goods, whether caused directly or indirectly by the act, neglect or default of the carrier or not, is limited to the sum of \$1.00 per pound.
- b) Liability of the carrier is limited to the declared value of goods except when the passenger
 - (i) has declared a value of the goods in an amount exceeding (*the amount appearing in paragraph (1) of this Rule*), and
 - (ii) has paid an additional charge of \$1.00 per \$100.00 or fraction thereof for the excess amount.

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RULE 11. SUBSTITUTION OF AIRCRAFT*

- a) When, due to causes beyond the control of the carrier, the aircraft contracted for is unavailable at the time the air transportation commences or becomes unavailable while carrying out such transportation the carrier may furnish another aircraft of the same type or, with the consent of the party contracting for the use of the aircraft, substitute any other type of aircraft if the rates and charges for the new aircraft are the same as for the original aircraft, except as provided in paragraphs (b) and (c).
- b) When the substituted aircraft is capable of a larger payload than the original aircraft contracted, the payload carried in the substituted aircraft will not be greater than the payload which would have been available in the aircraft originally contracted, unless the party contracting for the use of the aircraft 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 contracted, charges will be based on the rates and charges applicable to the type of substituted aircraft.

* Applicable when the contract entails the use of the full capacity of the aircraft in question.

RULE 12. PAYMENT REQUIREMENTS

- a) Payments for a contracted 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) Terms of flight payment shall be 50% of the total contracted price shall be paid upon signing the contract with the balance of 50% due and payable 72 hours prior to departure

RULE 13. CANCELLATION CHARGES

- a) When the cancellation is made more than 2 days prior to the planned departure, no cancellation charges shall be levied.
- b) When the cancellation is made less than 2 days prior to the planned departure of the first

flight, 90 % of the total air transportation contract price will be retained by the carrier.

TABLE "A"
RATES AND CHARGES
POINT TO POINT RATES
(In Canadian Dollars)

FROM _____	TO _____	\$ _____
.. _____	TO _____	\$ _____
.. _____	TO _____	\$ _____
.. _____	TO _____	\$ _____

Point to point rates **may** be quoted on a round trip basis and have precedence over any other type of rates.

In addition, the carrier **may** indicate a minimum occupancy required by aircraft type in order to carry out a point to point service.

TABLE "B"

<u>For explanation of abbreviations, reference marks and symbols used but not explained hereon, see Page 3.</u>	
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RATES AND CHARGES PER MILE AND PER HOUR

(In Canadian Dollars)

<u>AIRCRAFT TYPE</u>	<u>LV.RATE PER MILE</u>	<u>FUEL RATE PER MILE</u>	<u>MIN.CHARGE PER FLIGHT</u>
DHC-2 (Floats)	5.77	1.66	188.00
AWT - DHC-2 (Floats)	7.20	1.84	229.00

<u>AIRCRAFT TYPE</u>	<u>LV.RATE PER HOUR</u>	<u>FUEL .RATE PER HOUR</u>	<u>MIN.CHARGE PER FLIGHT</u>
DHC-2 (Floats)	635.00	187.00	188.00
AWT - DHC-2 (Floats)	792.00	199.00	229.00

FUEL IS CALCULATED SEPERATELY FROM BASE AIRCRAFT COST

Above rates to be computed in accordance with Rule 4 herein.

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TABLE "B1"
LANDING CHARGES
(In Canadian Dollars)

<u>AIRCRAFT TYPE</u>	<u>CHARGE PER LANDING</u>
DHC-2 (Floats)	55.00
AWT - DHC-2 (Floats)	55.00

Above rates to be computed in accordance with Rule 5 herein.

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TABLE "B2"
LAYOVER CHARGES
(In Canadian Dollars)

<u>AIRCRAFT TYPE</u>	<u>FREE WAITING TIME IN HRS.</u>	<u>RATE PER HR.</u>	<u>MAXIMUM CHARGE PER DAY OR PART</u>
DHC-2	0	155.00	4,110.00
AWT - DHC-2	0	155.00	4,955.00

Above rates to be computed in accordance with Rule 5 herein.

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