

PALM BEACH COUNTY
BOARD OF COUNTY COMMISSIONERS

AGENDA ITEM SUMMARY

Meeting Date: May 2, 2017

☒ Consent

☐ Regular

☐ Workshop

☐ Public Hearing

Department:

Submitted By: Department of Airports

Submitted For:

I. EXECUTIVE BRIEF

Motion and Title: Staff recommends motion to receive and file: Palm Beach International Airport Operating Permit with Canadian North, Inc., an Alberta Corporation, commencing April 1, 2017, and terminating April 9, 2017.

Summary: Delegation of authority for execution of the standard County Palm Beach International Airport Operating Permit was approved by the BCC in R-2014-1709.
Countywide (AH)

Background and Justification: N/A

Attachments: One (1) Palm Beach International Airport Operating Permit

Recommended By:  3/23/17
Department Director Date

Approved By:  4/6/17
County Administrator Date

II. FISCAL IMPACT ANALYSIS

A. Five Year Summary of Fiscal Impact:

Fiscal Years	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Capital Expenditures	_____	_____	_____	_____	_____
Operating Costs	_____	_____	_____	_____	_____
Operating Revenues	_____	_____	_____	_____	_____
Program Income (County)	_____	_____	_____	_____	_____
In-Kind Match (County)	_____	_____	_____	_____	_____
NET FISCAL IMPACT	=====	=====	=====	=====	=====
# ADDITIONAL FTE POSITIONS (Cumulative)	_____	_____	_____	_____	_____

Is Item Included in Current Budget? Yes X No _____
Budget Account No: Fund 4100 Department 120 Unit 8320/8430 RSource Various
Reporting Category _____

B. Recommended Sources of Funds/Summary of Fiscal Impact:

The Signatory Airline Agreement (R-2014-1033) establishes the basis for all airline rates and charges for the operation of commercial air service at PBI. The PBI Operating Permit allows airlines or charter operators that service PBI on a short term basis for specific flight operations to utilize the terminal and incorporates the rates and charges established under the Signatory Airline Agreement. Revenues from terminal rents, landing fees, and baggage system charges will average \$14 to \$16 million annually over the five-year period. Rates are established to recover the cost of airport operations, maintenance, and debt service for the terminal, terminal systems, and airfield.

C. Departmental Fiscal Review: *CM Simon*

III. REVIEW COMMENTS

A. OFMB Fiscal and/or Contract Development and Control Comments:

 Jeff H... 9/31/17
M2 4/30 OFMB ET 3/30

 Dr. J. Jacobson 4/5/17
Contract Dev. and Control
4/4/17 *kan*

B. Legal Sufficiency:

 Anne Helgert 4-6-17
Assistant County Attorney

C. Other Department Review:

Department Director

PALM BEACH INTERNATIONAL AIRPORT
OPERATING PERMIT

1. Air Transportation Company ("Permittee"):	2. Contact Person:
Permittee: <u>Canadian North Inc.</u>	Name: <u>Nick Samuel</u>
Address: <u>580 Palmer Road NE</u>	Title: <u>Senior Director, Charters</u>
<u>Calgary AB, T2E 7R3</u>	Address: <u>393 Palmer Road NE</u>
<u>Canada</u>	<u>Calgary AB, T2E 7R3</u>
	<u>Canada</u>
Phone: <u>403-705-3118</u>	Phone: <u>403-479-5556</u>
Fax: <u>403-250-2019</u>	Mobile: <u>403-479-5556</u>
	Fax: <u>403-250-2019</u>
	E-mail: <u>nsamuel@canadiannorth.com</u>
3. Ground Handler Contact Information:	
Ground Handler: <u>FSS</u>	
Contact: <u>Christopher Meyer</u>	Phone: <u>216-350-8826</u>
E-mail: <u>cmeyer@fsspeople.com</u>	
4. Description of Permitted Flight Operations:	
A description of the flight operations permitted hereunder is set forth in Attachment "A". For the purposes of this Operating Permit, a flight operation shall consist of one aircraft landing and takeoff. Permittee shall notify the Palm Beach County Department of Airports ("Department of Airports") no less than 48 hours in advance of any voluntary changes to the permitted flight operations.	
5. Insurance Requirements:	
Permittee shall maintain the following types and amounts of insurance coverage:	
<u>Aircraft Liability</u> - \$50,000,000 Combined Single Limit, including Passenger, Bodily Injury (including death) & Property Damage Liability.	
<u>Business Automobile Liability</u> - covering Owned, Hired & Non-Owned Vehicles. If Permittee will not be utilizing vehicles owned by Permittee, this policy should include Hired and Non-Owned Vehicles only.	
<u>No Vehicle AOA Access Required</u> - \$1,000,000 Combined Single Limit Each Occurrence for Bodily Injury (including death) and Property Damage Liability.	
<u>Vehicle AOA Access Required</u> - \$5,000,000 Combined Single Limit Each Occurrence for Bodily Injury (including death) and Property Damage Liability.	
<u>Airline Liability/Commercial General Liability</u>	
<u>Aircraft with 50 seats or less</u> - \$50,000,000 Combined Single Limit Each Occurrence, subject to sub-limits and annual aggregates, where applicable, for Personal Injury \$25,000,000 sub-limit for Personal Injury to non-passengers), Bodily Injury (including death) and Property Damage and shall include, but not be limited to, Premises and Operations, Personal Injury, Products and Completed Operations, Contractual Liability.	
<u>Aircraft with 50 seats or more</u> - \$100,000,000 Combined Single Limit Each Occurrence, subject to sub-limits and annual aggregates, where applicable, for Personal Injury \$25,000,000 sub-limit for Personal Injury to non-passengers), Bodily Injury (including death) and Property Damage and shall include, but not be limited to, Premises and Operations, Personal Injury, Products and Completed Operations, Contractual Liability.	
<u>Worker's Compensation</u> - applying to all employees for Statutory Limits in compliance with Chapter 440, Florida Statutes and applicable federal laws.	
<u>Umbrella Liability Insurance or Excess Liability Insurance</u> - may be used to reach the limits of liability required for the Airline Liability Policy, Aircraft Liability Policy and Business Automobile Policy.	

PALM BEACH INTERNATIONAL AIRPORT
OPERATING PERMIT

Additional Insured Endorsement. "Additional Insured" endorsement on liability policies shall read: "Palm Beach County Board of County Commissioners, a Political Subdivision of the State of Florida, its Officers, and Employees, c/o Insurance Tracking Services, Inc., P.O. Box 20270, Long Beach, CA 90801", or as otherwise directed by the County.

Certificate of Insurance. Certificate(s) of Insurance shall be provided to Palm Beach County ("County") or the County's designated contractor certificate(s) of insurance, evidencing the coverages and amounts required hereunder prior to Permittee's first flight operation at the Airport. Renewal certificate(s) shall be delivered to the County or its designated contractor not less than five (5) business days prior to the expiration date of any policy. Each insurance policy must be endorsed to provide that the coverage shall not be suspended, voided, canceled or reduced in coverage or in limits except after ten (10) days written notice in the case of non-payment of premiums, or thirty (30) days written notice in all other cases, has been given to the County.

Waiver of Subrogation. Permittee agrees to a Waiver of Subrogation for each policy required by this Operating Permit. When required by the insurer, or should a policy condition not permit Permittee to enter into any pre-loss agreement to waive subrogation without an endorsement, then Permittee shall notify the insurer and request the policy be endorsed with a Waiver of Transfer of Rights of Recovery Against Others, or its equivalent. This Waiver of Subrogation requirement shall not apply to any policy, which includes a condition specifically prohibiting such an endorsement, or voids coverage should Permittee enter into such an agreement on a pre-loss basis.

6. Indemnification:

Permittee agrees to protect, defend, reimburse, indemnify and hold the County and its elected officers, employees and agents ("County Party") and each of them free and harmless at all times from and against any and all liability, losses, expenses, costs, suits, claims, judgments, fines and damages (including reasonable attorney fees at trial and appellate levels) and causes of action of every kind and character (hereinafter collectively referred to as, "Damages"), or in which the County or a County Party is named or joined, arising out of Permittee's breach of this Operating Permit or the use of the Palm Beach International Airport ("Airport") by Permittee or Permittee's officers, employees, agents or any other persons whomsoever acting on behalf of or at the request of Permittee ("Permittee Party"), including, but not limited to, Damages arising by reason of any damage to property or the environment, or bodily injury (including death) incurred or sustained by any party hereto, any agent or employee of any party hereto, and any third party or other person whomsoever, or any governmental agency, arising out of or incident to or in connection with the condition of the Airport, Permittee's or a Permittee Party's acts, omissions or operations at the Airport, or the performance, non-performance or purported performance of Permittee or Permittee Party or any breach by Permittee or Permittee Party of the terms of this Operating Permit; provided, however, Permittee shall not be responsible for Damages determined by a court of competent jurisdiction to be solely attributable to the negligence or willful misconduct of the County. Nothing herein shall be deemed to abrogate Permittee's common law or statutory rights to contribution from the County for liability legally established as attributable to the County's negligence. Each party shall give to the other reasonable notice of any such claims or actions. Permittee recognizes the broad nature of this indemnification and hold-harmless clause, and acknowledges that the County would not enter into this Operating Permit without the inclusion of such clause, and voluntarily make this covenant and expressly acknowledges the receipt of Ten Dollars (\$10.00) and such other good and valuable consideration provided by the County in support of this indemnification in accordance with the laws of the State of Florida. The obligations arising under this indemnification agreement shall survive the expiration or earlier termination of this Operating Permit.

7. Facilities Usage:

Permittee shall only use those Airport terminal facilities designated by the Department of Airports for the flight operations permitted hereunder. Permittee shall have the nonexclusive right to use the public Airport facilities for the conduct of the permitted flight operations at the Airport in common with other air transportation companies operating at the Airport, including the Airport's airfield facilities. The rights provided for herein shall be subject to rules and regulations established by the Department of Airports and subject to payment of all applicable fees and charges.

8. Fees & Charges:

Permittee shall pay to the County the estimated fees and charges for each flight operation in advance, including, but not limited to, landing fees, gate usage charges, and ticket counter charges. Within five days after each flight operation, Permittee shall provide an activity report in a form and substance approved by the County. Permittee shall pay any difference between the estimated costs of each flight operation and the actual costs within 15 days of receipt of an invoice from the County. All amounts shall be payable to "Palm Beach County" and delivered to: Palm Beach County Department of Airports, Finance Division, 846 Palm Beach International Airport, West Palm Beach, FL 33406-1470. Refunds of prepaid fees and charges shall be made in accordance with the policies established by the Department of Airports.

9. Laws, Regulations and Requirements:

Permittee shall comply with all applicable federal, state, local and County laws, statutes, regulations, rules, rulings, orders, ordinances, codes, requirements, policies and directives of any kind or nature, as now or hereafter amended, applicable to Permittee's activities at the Airport, including, but not limited to, all Airport security requirements and directives, Inspector General review requirements and nondiscrimination policies, including, but not limited to, Palm Beach County Code, Sections 2-421 - 2-440 and County Resolution R-2014-1421, as may be amended. Prior to the effective date of this Operating Permit, Permittee shall submit a copy of its nondiscrimination policy or provide a written statement to County affirming its non-discrimination policy conforms to the requirements of R-2014-1421, as may be amended.

PALM BEACH INTERNATIONAL AIRPORT
OPERATING PERMIT

10. Revocation of Permit:

This Operating Permit may be terminated by the County with or without cause upon prior notice to Permittee. Failure of Permittee to comply with the terms and conditions of this Operating Permit shall be considered a violation of this Operating Permit. In the event this Operating Permit is terminated due to a violation of this Operating Permit by Permittee, the County shall be entitled to retain all fees and charges paid in advance in addition to any other remedies provided by law. Venue for any action arising from this Permit shall be in Palm Beach County, Florida.

11. Signature:

This Operating Permit shall become effective when signed by the parties hereto. No provision of this Operating Permit is intended to, or shall be construed to, create any third party beneficiaries. The parties hereto have duly executed this Operating Permit as of the day and year written below.

APPROVED AS TO FORM AND
LEGAL SUFFICIENCY

By: Anne T. Delaney
County Attorney

PALM BEACH COUNTY,
a political subdivision of the State of Florida,
by its Department of Airports

By: Sam Kelly
Director

Date: MAR 13 2017

Signed, sealed and delivered in
the presence of two witnesses
for Permittee:

Kaitlyn McIndoe

Witness

Kaitlyn McIndoe
Typed or printed name

Graig Fitzpatrick

Witness

Graig Fitzpatrick
Typed or printed name

(Seal)

PERMITTEE

By: Ireor Wakefield

Typed or printed name

Title: JP Operations

Date: Feb 17 2017

ATTACHMENT "A"
DESCRIPTION OF FLIGHT OPERATIONS

Flight Operation #1:							
Arrive PBI Date:	01APR17	Time:	16:25	Origin:	CYEG	Destination:	KPBI
Depart PBI Date:	09APR17	Time:	14:00	Origin:	KPBI	Destination:	CYEG
Terminal Usage:							
Per Use Ticket Counter:		2		Estimated time of usage:		2:00	
Aircraft Information:							
Name of Aircraft Operator: CANADIAN NORTH INC.							
Aircraft Description: 737-300							
Maximum Gross Landing Weight: 114,000LBS							
Estimated Number of Passengers: 136							
Flight Operation #2:							
Arrive PBI Date:		Time:		Origin:		Destination:	
Depart PBI Date:		Time:		Origin:		Destination:	
Terminal Usage:							
Per Use Ticket Counter:				Estimated time of usage:			
Aircraft Information:							
Name of Aircraft Operator:							
Aircraft Description:							
Maximum Gross Landing Weight:							
Estimated Number of Passengers:							
Flight Operation #3:							
Arrive PBI Date:		Time:		Origin:		Destination:	
Depart PBI Date:		Time:		Origin:		Destination:	
Terminal Usage:							
Per Use Ticket Counter:				Estimated time of usage:			
Aircraft Information:							
Name of Aircraft Operator:							
Aircraft Description:							
Maximum Gross Landing Weight:							
Estimated Number of Passengers:							

Summary of Certificates

This report displays detailed Certificate of Insurance information for a selected Insured. Any items shown in red are deficient.

Monday, March 06, 2017

Simple View

Certificate Images

Documents

Insured: Canadian North, Inc.

Insured ID: PBI-CA-17-01

Status: Compliant

ITS Account Number: PLC2549

Project(s): Palm Beach County - Airport Properties

Insurance Policy	Required	Provided	Override
<u>General Liability</u>			
Expiration: 12/15/2017			
General Aggregate:	\$100,000,000	\$100,000,000	
Products - Completed Operations Aggregate:	\$100,000,000	\$100,000,000	
Personal And Advertising Injury:	\$25,000,000	\$100,000,000	
Each Occurrence:	\$100,000,000	\$100,000,000	
Fire Damage:	\$0	\$0	
Medical Expense:	\$0	\$0	
<u>Workers Compensation/Employers Liability</u>	WC Stat. Limits	WC Stat. Limits	
<u>Aircraft Liability</u>			
Expiration: 12/15/2017			
Each Occurrence:	\$50,000,000	\$100,000,000	
Aggregate Limit:	\$50,000,000	\$100,000,000	

Notifications

There were no deficiency letters issued.

Do you have an updated Certificate? Click the button below to submit a Certificate.

Certificate Submittal

**CANADIAN NORTH INC.
OFFICER'S CERTIFICATE**

TO: Miami Airport located in Palm Beach County

I, Tanis Thomas, the Corporate Secretary of Canadian North Inc. (the "**Corporation**"), hereby certify for and on behalf of the Corporation and not in my personal capacity and without assuming any personal liability whatsoever, as follows:

1. As at the date hereof, the Corporation's certificate and articles of incorporation, together with all amendments thereto (the "**Constating Documents**"), copies of which are attached in Schedule "A" have not been amended, repealed or supplemented and are in full force and effect.
2. Pursuant to the governing documents and bylaws of the Corporation, the Corporation is duly authorized to enter into and conclude arrangements including the creation, execution and delivery of documents and agreements between Palm Beach County and the Corporation;
3. The persons named in Schedule "B" hereto are the duly authorized signatories of the Corporation and hold office in the capacity set forth therein
4. The Corporation is in good standing under the laws of Canada as certified in the Certificate of Compliance attached as Schedule "C".

IN WITNESS WHEREOF, the undersigned has set her hand and affixed the Corporate Seal of the Corporation this 10th day of December 2015.

Per:

A handwritten signature in black ink, appearing to read 'Thomas', written over a horizontal line.

Corporate Name: Tanis Thomas
Seal

Title: Corporate Secretary



Certificate of Amendment

Canada Business Corporations Act

Certificat de modification

Loi canadienne sur les sociétés par actions

CANADIAN NORTH INC.

Corporate name / Dénomination sociale

349060-2

Corporation number / Numéro de société

I HEREBY CERTIFY that the articles of the above-named corporation are amended under section 178 of the *Canada Business Corporations Act* as set out in the attached articles of amendment.

JE CERTIFIE que les statuts de la société susmentionnée sont modifiés aux termes de l'article 178 de la *Loi canadienne sur les sociétés par actions*, tel qu'il est indiqué dans les clauses modificatrices ci-jointes.

Marcie Girouard

Director / Directeur

2013-09-05

Date of Amendment (YYYY-MM-DD)

Date de modification (AAAA-MM-JJ)

Canada



Form 4
Articles of Amendment
Canada Business Corporations Act
(CBCA) (s. 27 or 177)

Formulaire 4
Clauses modificatrices
Loi canadienne sur les sociétés par
actions (LCSA) (art. 27 ou 177)

- 1 Corporate name
Dénomination sociale
CANADIAN NORTH INC.
- 2 Corporation number
Numéro de la société
349060-2
- 3 The articles are amended as follows
Les statuts sont modifiés de la façon suivante

The corporation changes the province or territory in Canada where the registered office is situated to:
La province ou le territoire au Canada où est situé le siège social est modifié pour :
AB

- 4 Declaration: I certify that I am a director or an officer of the corporation.
Déclaration : J'atteste que je suis un administrateur ou un dirigeant de la société.

Original signed by / Original signé par
Tanis Thomas, Corporate Secretary
Tanis Thomas, Corporate Secretary
780-423-9268

Misrepresentation constitutes an offence and, on summary conviction, a person is liable to a fine not exceeding \$5000 or to imprisonment for a term not exceeding six months or both (subsection 230 (1) of the CBCA).

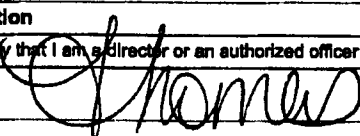
Faire une fausse déclaration constitue une infraction et son auteur, sur déclaration de culpabilité par procédure sommaire, est passible d'une amende maximale de 5 000 \$ et d'un emprisonnement maximal de six mois, ou l'une de ces peines (paragraphe 230(1) de la LCSA)

You are providing information required by the CBCA. Note that both the CBCA and the Privacy Act allow this information to be disclosed to the public. It will be stored in personal information bank number IC/PPU-049.

Vous fournissez des renseignements exigés par la LCSA. Il est à noter que la LCSA et la Loi sur les renseignements personnels permettent que de tels renseignements soient divulgués au public. Ils seront stockés dans la banque de renseignements personnels numéro IC/PPU-049.

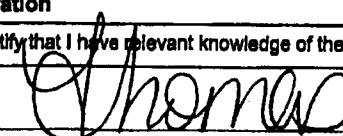
Canada

Canada Business Corporations Act (CBCA)
FORM 4
ARTICLES OF AMENDMENT
(Sections 27 or 177)

1 - Corporate name CANADIAN NORTH INC.
2 - Corporation number 3 4 9 0 6 0 - 2
3 - The articles are amended as follows: <i>(Please note that more than one section can be filled out)</i> <div style="border: 1px solid black; padding: 5px; margin-bottom: 5px;">A: The corporation changes its name to:</div> <div style="border: 1px solid black; height: 30px; margin-bottom: 5px;"></div> <div style="border: 1px solid black; padding: 5px; margin-bottom: 5px;">B: The corporation changes the province or territory in Canada where the registered office is situated to: <i>To complete the change, a Form 3 - Change of Registered Office Address must accompany the Articles of Amendment.</i> Alberta</div> <div style="border: 1px solid black; padding: 5px; margin-bottom: 5px;">C: The corporation changes the minimum and/or maximum number of directors to: <i>(For a fixed number of directors, please indicate the same number in both the minimum and maximum options).</i> Minimum number <input style="width: 40px;" type="text"/> Maximum number <input style="width: 40px;" type="text"/></div> <div style="border: 1px solid black; padding: 5px;">D: Other changes: <i>(e.g., to the classes of shares, to restrictions on share transfers, to restrictions on the businesses of the corporation or to any other provisions that are permitted by the CBCA to be set out in the Articles) Please specify.</i> <div style="border: 1px solid black; height: 150px; margin-top: 5px;"></div></div>
4 - Declaration I hereby certify that I am a director or an authorized officer of the corporation. <div style="border: 1px solid black; padding: 5px; margin-top: 5px;">Signature: </div> <div style="border: 1px solid black; padding: 5px; margin-top: 5px;">Print name: Tanis Thomas, Corporate Secretary Telephone number: (780) 423-9268</div> <div style="border: 1px solid black; padding: 5px; margin-top: 5px; font-size: small;">Note: Misrepresentation constitutes an offence and, on summary conviction, a person is liable to a fine not exceeding \$5000 or to imprisonment for a term not exceeding six months or to both (subsection 250(1) of the CBCA).</div>

**Canada Business Corporations Act (CBCA)
FORM 3
CHANGE OF REGISTERED OFFICE ADDRESS
(Section 19)**

1 - Corporate name		
CANADIAN NORTH INC.		
2 - Corporation number		
3 4 9 0 6 0 - 2		
3 - Address of registered office (must be a street address, a P.O. Box is not acceptable)		
Number and street name: 200, 580 Palmer Road NE		
City: Calgary	Province / Territory: Alberta	<input type="button" value="v"/> Postal Code: T2E 7R3
4 - Additional address		
Care of: _____		
Number and street name: _____		
City: _____	Province / Territory: _____	<input type="button" value="v"/> Postal Code: _____

5 - Declaration	
I hereby certify that I have relevant knowledge of the corporation, and that I am authorized to sign this form.	
Signature: 	
Print name: Tanis Thomas, Corporate Secretary	Telephone number: (780) 423-9268
<small>Note: Misrepresentation constitutes an offence and, on summary conviction, a person is liable to a fine not exceeding \$5000 or to imprisonment for a term not exceeding six months or to both (subsection 250(1) of the CBCA).</small>	



Certificate
of Amendment

Canada Business
Corporations Act

Certificat
de modification

Loi canadienne sur
les sociétés par actions

CANADIAN NORTH INC.

349060-2

Name of corporation-Dénomination de la société

Corporation number-Numéro de la société

I hereby certify that the articles of the
above-named corporation were amended:

Je certifie que les statuts de la société
susmentionnée ont été modifiés:

- | | | |
|---|-------------------------------------|--|
| a) under section 13 of the <i>Canada Business Corporations Act</i> in accordance with the attached notice; | <input type="checkbox"/> | a) en vertu de l'article 13 de la <i>Loi canadienne sur les sociétés par actions</i> , conformément à l'avis ci-joint; |
| b) under section 27 of the <i>Canada Business Corporations Act</i> as set out in the attached articles of amendment designating a series of shares; | <input type="checkbox"/> | b) en vertu de l'article 27 de la <i>Loi canadienne sur les sociétés par actions</i> , tel qu'il est indiqué dans les clauses modificatrices ci-jointes désignant une série d'actions; |
| c) under section 179 of the <i>Canada Business Corporations Act</i> as set out in the attached articles of amendment; | <input checked="" type="checkbox"/> | c) en vertu de l'article 179 de la <i>Loi canadienne sur les sociétés par actions</i> , tel qu'il est indiqué dans les clauses modificatrices ci-jointes; |
| d) under section 191 of the <i>Canada Business Corporations Act</i> as set out in the attached articles of reorganization; | <input type="checkbox"/> | d) en vertu de l'article 191 de la <i>Loi canadienne sur les sociétés par actions</i> , tel qu'il est indiqué dans les clauses de réorganisation ci-jointes; |

Richard G. Shaw
Director - Directeur

March 1, 2006 / le 1 mars 2006

Date of Amendment - Date de modification



Industry Canada Industrie Canada
Canada Business Loi canadienne sur les
Corporations Act sociétés par actions

FORM 4
ARTICLES OF AMENDMENT
(SECTIONS 27 OR 177)

FORMULAIRE 4
CLAUSES MODIFICATRICES
(ARTICLES 27 OU 177)

1 - Name of the Corporation - Dénomination sociale de la société

AIR NORTERRA INC.

2 - Corporation No. - N° de la société

3490602

3 - The articles of the above-named corporation are amended as follows:

Les statuts de la société mentionnée ci-dessus sont modifiés de la façon suivante :

to change the name of the Corporation to CANADIAN NORTH INC. pursuant to
Section 173(1) (a) of the Canada Business Corporations Act.

Signature

Printed Name - Nom en lettres moulées

4 - Capacity of - En qualité de

5 - Tel. No. - N° de tél.

TANIS THOMAS

CORPORATE
SECRETARY

780-423-9268

FOR OFFICIAL USE ONLY / À L'USAGE DU MINISTRE SEULEMENT



Industry Canada Industrie Canada

**Certificate
of Incorporation**

**Canada Business
Corporations Act**

**Certificat
de constitution**

**Loi canadienne sur
les sociétés par actions**

AIR NORTERRA INC.

349060-2

Name of corporation-Dénomination de la société

Corporation number-Numéro de la société

I hereby certify that the above-named corporation, the articles of incorporation of which are attached, was incorporated under the *Canada Business Corporations Act*.

Je certifie que la société susmentionnée, dont les statuts constitutifs sont joints, a été constituée en société en vertu de la *Loi canadienne sur les sociétés par actions*.

Director - Directeur

May 7, 1998/le 7 mai 1998

Date of Incorporation - Date de constitution

Canada

1. Name of Corporation

AIR NORTERRA INC.

2. The place in Canada where the registered office is to be situated

YELLOWKNIFE, NORTHWEST TERRITORIES

3 The classes and any maximum number of shares that the Corporation is authorized to issue.

3.1 AUTHORIZED CAPITAL

- (a) An unlimited number of Class "A" Shares;
- (b) An unlimited number of Class "B" Shares; and
- (c) An unlimited number of Class "C" Shares.

3.2 THE SPECIAL RIGHTS, PRIVILEGES, RESTRICTIONS
AND CONDITIONS ATTACHING TO EACH CLASS OF SHARES:

(a) Voting

The holders of Class "A" Shares shall be entitled to vote at all meetings of the shareholders of the Corporation except meetings at which only holders of a specified class of shares are, by the provisions of the *Canada Business Corporations Act*, entitled to vote. The Class "B" and Class "C" Shares shall be non-voting subject always to the provisions of the *Canada Business Corporations Act*.

(b) Dividends

(i) No Preference with Respect to Class "C" Shares

The holders of the Class "C" Shares shall in each year, at the

discretion of the directors, but without preference or priority with respect to payment of dividends to holders of any other class of shares, be entitled out of all or any profits or surplus available for dividends, to non-cumulative dividends at an annual rate equal to the prescribed rate of interest for the purposes of subsection 256(1.1) of the *Income Tax Act* as at the time of issuance of the first issued Class "C" Shares (the "Prescribed Rate") on the Redemption Amount thereof (as described in paragraph 3.2(c)(i) herein) as may be determined by the directors, payable at such time or times and at such place or places as the directors may determine. The said dividends shall be non-cumulative whether earned or not earned, and if in any fiscal year the directors in their discretion shall not declare the said dividends or any part thereof, then the right of the holders of the Class "C" Shares to such dividends or any greater dividend than the dividend actually declared for the fiscal year shall be extinguished. The holders of the Class "C" Shares shall in no circumstances be entitled to any dividends other than or in excess of the non-cumulative dividends at the Prescribed Rate, as herein provided for.

(ii) Exclusive

The holders of each share of every class of shares shall be entitled to receive dividends as and when declared by the directors, acting in their sole discretion, which dividends may be declared on one class of shares wholly or partially to the exclusion of any other class of shares.

(iii) Restriction on Dividends

No dividends or distributions of any kind whatsoever shall be declared or made in respect of any of the shares of the Corporation which would be contrary to any applicable law or which would have the effect of reducing the net assets, including goodwill, of the Corporation to an amount insufficient to enable the redemption by the Corporation, at the aggregate of the Redemption Amount, of the issued and outstanding Class "C" Shares.

(c) Redemption Amount of Class "C" Shares

(i) Formula for Calculation of Redemption Amount

The Redemption Amount for each Class "C" Share shall be equal to the fair market value of the property or issued shares of the

Corporation of a different class (the "Assets") for which Class "C" Shares were issued by the Corporation (the "Asset Value"), less the aggregate value of any non-share consideration given or assumed by the Corporation as partial consideration for the Assets (the "Non-Share Value"), all divided by the number of Class "C" Shares issued in exchange for the Assets.

(ii) Fair Market Value Adjustment

Notwithstanding the provisions of the foregoing paragraph 3.2(c)(i) hereof, if the Minister of National Revenue his authorized representative or any similar authority shall assess or reassess the Corporation or its shareholders for income tax (or propose such an assessment or reassessment) on the basis of a determination or assumption that the Asset Value or the Non-Share Value should have been a greater or lesser amount than the amount determined upon issuance of any particular Class "C" Shares, then the Asset Value shall be adjusted (the "Adjusted Asset Value") or the Non-Share Value shall be adjusted (the "Adjusted Non-Share Value"), as the case may be, and shall be deemed to be:

- (A) subject to subparagraph (C), hereof, the fair market value of the Assets or the Non-Share Value as determined by the authority making or proposing such an assessment or reassessment, provided that the directors agree that such determination is accurate; or
- (B) subject to subparagraph (C) hereof, where the directors do not agree that the authority's determination is accurate, the fair market value of the Assets or the Non-Share Value as determined by a qualified person whom the directors shall appoint to make that determination forthwith following the making or proposing of such an assessment or reassessment; or
- (C) where any such assessment or reassessment is the subject of an appeal to a Court of competent jurisdiction, the fair market value of the Assets or the Non-Share Value as determined by that Court.

(iii) Adjustment of Redemption Amount

In the event of a determination of an Adjusted Asset Value or an Adjusted Non-Share Value, then the Redemption Amount payable

for each Class "C" Share issued in exchange for the Assets shall be adjusted by the directors and shall be equal to the Adjusted Asset Value (or, if there has been no adjustment, the Asset Value) less the Adjusted Non-Share Value (or, if there has been no adjustment, the Non-Share Value), all divided by the total number of Class "C" Shares issued in exchange for the Assets. If any non-share consideration shall have been given or assumed, any Class "C" Share shall have been redeemed or any dividends shall have been declared thereon prior to the Redemption Amount thereof being adjusted as aforesaid, any resulting over-payment by the Corporation shall be a debt due on demand to the Corporation from the holder of such Class "C" Share and any resulting under-payment shall be a debt due on demand from the Corporation to the holder of such Class "C" Share.

(d) Procedure

Subject to the provisions of the *Canada Business Corporations Act*, the Corporation may, upon giving notice as hereinafter provided, redeem the whole or any part of the Class "C" Shares on payment for each Class "C" Share to be redeemed of the Redemption Amount thereof, together with all dividends declared thereon and unpaid. If at any time only part of the then outstanding Class "C" Shares is to be redeemed, the redemption shall be pro rata from the holders of such Class "C" Shares, provided that the directors may make such adjustments as shall be necessary to avoid the redemption of fractional parts of the Class "C" Shares. Unless waived by the registered holder of the shares to be redeemed, the Corporation shall give not less than thirty (30) days notice in writing of such redemption by mailing such notice to the registered holder of each Class "C" Share to be redeemed, specifying the date and place or places of redemption. If notice of any such redemption be given by the Corporation in the manner aforesaid and an amount sufficient to redeem such shares be deposited with any trust company or chartered bank in Canada as specified in the notice on or before the date fixed for redemption, dividends on the Class "C" Shares to be redeemed shall cease after the date so fixed for redemption and the holders thereof shall thereafter have no rights against the Corporation in respect thereof except, upon the surrender of certificates for such Class "C" Shares, to receive payment therefor out of the monies so deposited. Upon the amount sufficient to redeem such Class "C" Shares being deposited with any trust company or chartered bank in Canada as aforesaid, notice shall be given to the holders of the Class "C" Shares called for redemption who have failed to present the certificates representing such Class "C" Shares within two (2) months of the date specified for redemption, to the effect that the monies have been

so deposited and may be obtained by the holders of the said Class "C" Shares upon presentation of the certificates representing such Class "C" Shares for redemption at the said trust company or chartered bank in Canada. If any part of the total monies so deposited has not been paid to or to the order of the respective holders of the Class "C" Shares which were called for redemption within two (2) years after the date upon which such deposit was made or the date specified for redemption in the said notice, whichever is the later, such balance of monies remaining in the account shall be returned to the Corporation without prejudice to the rights of the holders of the Class "C" Shares being redeemed to claim the monies so deposited without interest from the Corporation.

(e) Retractable

Each holder of a Class "C" Share has the right, exercisable by depositing the holder's share certificate with the Corporation at its registered office, to require the Corporation to redeem such Class "C" Share within thirty (30) days after the date the certificate is deposited, for an amount equal to one hundred (100%) per cent of the Redemption Amount of the Class "C" Share so deposited, together with all dividends declared thereon and unpaid. The Corporation will not be obligated to redeem any Class "C" Share pursuant to this provision if and so long as the redemption would be contrary to any applicable law.

(f) Liquidation

In the event of the liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary:

- (i) firstly, the holders of the Class "C" Shares shall rank equally amongst themselves and shall be entitled to receive, in respect of each Class "C" Share held, before distribution of any part of the assets of the Corporation amongst the holders of shares of any other class in the capital of the Corporation, an amount equal to one hundred (100%) per cent of the Redemption Amount of such Class "C" Share and any dividends declared thereon and unpaid and no more. In the event that less than one hundred (100%) per cent of the amount necessary for redemption of each Class "C" Share is available for distribution to the holders of the Class "C" Shares, then the holders of such shares shall be entitled to participate in such distribution in equal proportions in respect of each Class "C" Share held, firstly having regard to the respective Redemption Amounts of such Class "C" Shares and secondly having regard to the amount of the declared but unpaid dividends

owing in respect of each such class; and

- (ii) thereafter, the holders of the Class "A" and Class "B" Shares shall be entitled to participate equally amongst themselves in respect of each Class "A" or Class "B" Share held in any further distribution of the assets of the Corporation.

4. Restrictions if any on share transfer.

No shares of the Corporation shall be transferred without the approval of the directors of the Corporation either by a resolution passed at a Board of directors meeting, or by an instrument or instruments in writing signed by all of the directors.

5. Number (or minimum and maximum number) of directors

There shall be a minimum of one (1) director and a maximum of seventeen (17) directors.

6. Restrictions if any on business the corporation may carry on.

None

7. Other provisions if any

- (a) The number of shareholders of the corporation, exclusive of:
 - (i) persons who are in its employment or that of an affiliate, and
 - (ii) persons, who having been formerly in its employment or that of an affiliate were, while in that employment, shareholders of the corporation and have continued to be shareholders of that corporation after termination of that employment.

is limited to not more than fifty (50) persons, two or more persons who are joint

registered owners of one or more shares being counted as one shareholder.

- (b) Any invitation to the public to subscribe for securities of the corporation is prohibited.

8. Incorporator:

Name	Address (include postal code)	Signature
MARJORIE E. SIMINGTON	2700, 10155-102 STREET EDMONTON, ALBERTA T5J 4G8	<i>M. Simington</i>

FOR DEPARTMENTAL USE ONLY

Corporation number	Filed
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MAY 1 1 1998

SCHEDULE "B"
INCUMBENCY

<u>Name</u>	<u>Office Held</u>
Steve Hankirk	President
John Hankirk	Senior Vice President Operations and Charters
Peter McCart	Senior Vice President Scheduled Services
Don MacLellan	Vice President Finance
Lorraine Bonner	Vice President Scheduled Services
Trevor Wakefield	Vice President Operations
Leslie Kwasny	Chief Financial Officer
Tanis Thomas	Corporate Secretary



Certificate of Compliance

*Canada Business Corporations Act
s. 263.1*

Certificat de conformité

*Loi canadienne sur les sociétés par actions
art. 263.1*

CANADIAN NORTH INC.

Corporate name / Dénomination sociale

349060-2

Corporation number / Numéro de société

I HEREBY CERTIFY that the corporation
named above:

- exists under the *Canada Business Corporations Act*;
- has filed the required annual returns; and
- has paid all prescribed fees required.

JE CERTIFIE, par la présente, que la société ci-
dessus mentionnée :

- existe en vertu de la *Loi canadienne sur les sociétés par actions*;
- a déposé les rapports annuels exigés; et
- a acquitté les droits prescrits.

Virginie Ethier

Director / Directeur

2015-12-10

Issuance date (YYYY-MM-DD)
Date d'émission (AAAA-MM-JJ)