

LOCAL DOMESTIC TARIFF

RULES, RATES AND CHARGES

APPLICABLE

TO

TRANSPORTATION OF PASSENGERS AND BAGGAGE OR GOODS

BETWEEN POINTS IN CANADA

Amendment #2
Issued April 27, 2010

Amendment # 2 – April 27, 2010

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

CHECK SHEET

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

<u>Page Number</u> Title	<u>Number of Revisions</u> Amend. 2	<u>Page Number</u> 11	<u>Number of Revisions</u> Amend. 1
1	Amend. 2	12	Amend. 1
2	Amend. 1	13	Amend. 2
3	Amend. 1	14	Amend. 1
4	Amend. 1	15	Amend. 2
5	Amend. 1		
6	Amend. 1		
7	Amend. 1		
8	Amend. 1		
9	Amend. 1		
10	Amend. 1		

Note: All amended items will be annotated by a vertical line in the adjacent right hand margin.

TABLE OF CONTENTS

	<u>Rule No.</u>	<u>Page No.</u>
Acceptance of Baggage or Goods	7	8
Application of Tariff	2	5
Cancellation Charges.....	13	11
Firm Rate Per Hour Determination.....	4	5
Check Sheet.....	N/A	1
Computation of Charges	5	6
Conditions of Carriage	6	7
Currency.....	3	5
Definitions	1	4
Explanation of Abbreviations, Reference Marks and Symbols ..	N/A	3
Limitation of Liability - Goods	10A	10
Limitation of Liability - Baggage	10	9
Limitation of Liability - Passengers.....	9	9
Payment Requirements.....	12	11
Refunds.....	8	9
Substitution of Aircraft.....	11	11
TABLE A - Short Term, Rates, Charges and Minimums..	N/A	13
TABLE B - Accessorial Charges	N/A	14

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

CTA.....	Canadian Transportation Agency
Cont'd.....	Continued
No.....	Number
\$.....	Dollar(s)
®.....	Denotes reductions
(A).....	Denotes increase
©.....	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 Arrow Helicopters Inc.

“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 aircrew 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 Arrow Helicopters Inc.
- b) An air service will be furnished under the terms of this tariff only after an appropriate written air transportation contract, in the form prescribed by Arrow Helicopters Inc., 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. FIRM RATE PER HOUR DETERMINATION

For the purpose of computing rates and charges herein, the hours and minutes for which a charge is made shall be computed from the time the aircraft leaves the surface of the earth and terminating when the aircraft touches the surface of the earth at the next point of landing. The term "Firm Rate Per Hour" is an hourly charge or portion thereof "Air Time" as defined in the Aeronautical Information Manual, Section Airmanship, Part 4.0, and will be the basis of calculating charges for air service.

When operations involve a continuous succession of flights, and the engine is not shut down between such flights, air time shall be computed from the time the aircraft leaves the surface of the earth for the first flight and ceases when the aircraft touches the surface of the earth at the final point of landing.

In determining the duration of a flight:

- a) each fraction of an hour shall be stated as a decimal, established on the basis of a six-minute period.
- b) each period of between three and six minutes shall be rounded to six minutes.
- c) no flight shall be considered to have a duration of less than 0.2 hours.

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 amount of time the aircraft was utilized in accordance with Rule 4 herein, times the applicable air transportation rate per hour or portion thereof, shown in Table "A", provided that the charge for the flight shall not be lower than the minimum charge per flight shown in Table "A".
- b) If applicable an amount obtained for any and all unused minimums accrued by the contracting party, as posted in Table "A".
- c) Fuel and/or oil consumed in the performance of a contract shall be charged in the amount by which the cost per litre to the carrier in Canadian currency exceeds the cost of fuel and/or oil at the Revelstoke, B.C. base.
- d) Due to the inability to foresee actual cost, the following charges will be established at the time that the contract is completed:
 - (i) Loading/unloading of the aircraft.
 - (ii) Charges for goods carried outside the aircraft.
 - (iii) 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.
 - (iv) Charges for storage.
 - (v) The actual cost of all passenger and/or goods handling charges incurred by the carrier at an airport other than the carrier's base.

- (vi) The actual cost of any special or accessorial services or accessorial charges as per Table “B” performed or provided on request or deemed necessary for the completion of the charter.
- e) Landing Fees as charged to Arrow Helicopters Inc.
- f) Valuation charges, if any, in accordance with Rule 10. Please note that these charges must be paid in full prior to the commencement of flight, in the event that payment is not made in full prior to flight then it is the position of the chartering party that additional coverage has been waived.

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 at the sole discretion of Arrow Helicopters Inc.
 - (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 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 a Government or public body, on whatever 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 it's best efforts to fulfill its obligations including the provision of alternate means of transport.

- 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 sidearm or other similar weapons.

- (ii) Explosives, munitions, corrosives and articles that easily ignite.
- (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 helicopter.

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 \$25,000.00 Can. for death, or \$5000.00 Can. for injury.
- 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 LIABILITY – 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 \$100.00 Can. per passenger.

- 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 \$100.00 Can. per passenger for any one or more passengers; and
 - (ii) has paid an additional charge of \$10.00 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.

By declaring an increased value, and paying the additional charge for the excess amount, this thereby supersedes the compensation values given in Rule 10 (a) of this section and renders that value null and void.

RULE 10A. LIMITATION OF LIABILITY – 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 Can. 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 \$1.00 Can. Per pound, and
 - (ii) has paid an additional charge of \$10.00 per \$100.00 or fraction thereof for the excess amount.

By declaring an increased value, and paying the additional charge for the excess amount, this thereby supersedes the compensation values given in Rule 10A (a) of this section and renders that value null and void.

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) Payment requirements are Net 15 days, if payments are beyond the Net 15 days a late payment charge may be levied at the sole discretion of Arrow Helicopters Inc., upon issuance of a late payment charge all monies owed to Arrow Helicopters Inc. are immediately due.

RULE 13. CANCELLATION CHARGES

- a) When the cancellation is made more than 48 hours prior to the planned departure, no cancellation charges shall be levied.

- b) When the cancellation is made less than 48 hours prior to the planned departure of the first flight, 30% of the total air transportation contract price will be retained by the carrier.

TABLE “A”
SHORT TERM, RATES, CHARGES AND MINIMUMS
(In Canadian Dollars)

The short term rates and minimum charges apply when the helicopter is chartered for periods of time in hours or in days up to and including 29 consecutive days. Terms of charter beyond 29 consecutive days will be covered by a confidential contract.

Minimum charges apply when the helicopter is reserved for a partial day (8 hours or less) or full day (more than 8 hours) during daylight hours.

Minimum charges are calculated by multiplying the normal rates per hour by the number of hours set out in the table below. Please note that minimums are cumulative and will not be averaged over the term of the charter.

Rates quoted are exclusive of fuel and applicable taxes. Fuel is an addition to the rates and is charged out at cost.

EC 30 BA

Airspeed 130 mph

SHORT TERM HOULY RATE

Please call for current charter rate.

HOURLY FUEL BURN RATE

175 Litres / hour

EC 30 B2

Airspeed 130 mph

SHORT TERM HOURLY RATE

Please call for current charter rate.

HOURLY FUEL BURN RATE

190 Litres / hour

AIRCRAFT MINIMUM CHARGES

- a) Partial Day Reservation (8 hours or less) – minimums will be calculated based on the aircraft reservation term (in hours) divided by 2, minus the actual flight time.
- b) Full Day Reservation (more than 8 hours) – minimums will be calculated based on the Seasonal Minimum Schedule listed below, minus the actual flight time.
 - i) **SEASONAL MINIMUM SCHEDULE - All Aircraft Types**

November 1 – April 30	3.0 hours / day
May 1 – October 31	4.0 hours / day

Amendment # 2 – April 27, 2010

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

TABLE “B”
ACCESSORIAL CHARGES
(In Canadian Dollars)

The following Accessorial charges* will be applied according to Rule 5 d) (vi).

- a) The costs to the carrier of moneys disbursed by the carrier on behalf and at the request of the charterer.
- b) The costs of ground transportation of the charterer’s personnel, baggage or goods by the carrier on behalf of the charterer.
- c) The cost of facilities or services required for aircraft operation at the discretion of Arrow Helicopters Inc. that are normally provided by the carrier at there base and are not available at the charterer’s operating site.
- d) The cost of special services, equipment or personnel requested from the carrier and not specifically provided for herein.
- e) The cost of aircraft modifications requested by the charterer.
- f) The addition or removal of aircraft equipment that is designed for rapid installation / removal. (i.e. Aircraft doors, Heli Utility basket)
- g) The addition or removal of aircraft equipment for utilization in a “Medi Vac” configuration will be subject to an additional 0.2 hr. charge per flight segment that the aforementioned configuration is in use.
- h) The costs of transporting the aircraft when it is shipped to the operating site of the charter; and each day the aircraft is inoperative because it is under modification requested by the charterer or because it is being dismantled, transported, assembled, flight tested or waiting the transportation described in paragraph “g.”
 - (i) In the case of charters of less than thirty days, the applicable minimum hours per day in Table “A’ apply.
- i) The charterer shall provide or pay for the transportation, if any, of the carrier’s personnel, equipment and spare parts required for the purposes of the charter.
- j) The charterer shall provide or pay for the transportation of the carrier’s
 - (i) Personnel replaced at the request of the charterer and replacements therefore.
 - (ii) Additional personnel, equipment and spare parts where the charterer and the carrier agree that the requirement, thereof, could not have been reasonably foreseen and provided for in the initial outbound movement; and

Amendment # 2 – April 27, 2010

- (iii) Personnel when on rotation for vacation purposes and personnel required to replace the vacating crew member(s), which transportation shall be limited to:
 - a) Term charters of 14 days or more
 - b) Travel between the operating site of personnel and Revelstoke, B.C. Canada
 - c) Once in every 14 calendar days

*The value of Accessorial Charges that do not have a fixed cost associated with that particular Accessorial Charge will be assessed a fair market value by Arrow Helicopters Inc. (For example purpose ONLY - Removal of aircraft utility basket by Aircraft Maintenance Engineer – 0.5 hrs at 85.00 per hour + shop supplies + applicable taxes)

