



THE CIVIL AVIATION ACT, 1976
THE CIVIL AVIATION (LICENSING OF AIR SERVICES)
REGULATIONS, 1976

LICENCE TO OPERATE
SCHEDULED SERVICES

1. The Minister responsible for Civil Aviation (hereinafter referred to as "the Minister") in accordance with the provisions of the Civil Aviation (Licensing of Air Services Regulations, 1976) hereby grants to

BAHAMASAIR HOLDINGS LTD.
d/b/a BAHAMASAIR

(hereinafter referred to as "the Company") of

P. O. BOX N-4881
NASSAU, BAHAMAS

a licence to operate the scheduled air services specified in paragraph 3 subject to the terms and conditions set out in Schedule "A", hereto, which Schedule shall be deemed to form part of this licence.

2. The licence is granted with effect from SEPTEMBER 12, 2000 through APRIL 5, 2004.
3. The Company is hereby empowered to operate the following scheduled passenger, mail and freight air services:-

Between points within The Bahamas to points within the United States.

4. The fee for this licence is \$2,000.00 which shall become due on SEPTEMBER 12, 2000 and shall be paid not later than OCTOBER 11, 2000.

Issued: *September 12, 2000*

File: *TOU/CAD/35/(1)/15*

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| Approval of
eign
governments
required. | 1. | The Company shall not operate the air services authorized by this licence until approval to operate such services has been granted by the foreign governments concerned. |
| Compliance with
law relating to
air navigation
of air transport. | 2. | The Company shall at all times during the currency of this licence comply with the requirements of any law, or statutory instrument having the force of law, for the time being in The Bahamas. |
| Schedule of
Service. | 3. | The Company shall operate only those air services specified in this licence. The Company may modify or alter the schedules of air services, provided that such alteration or modification shall not be made without the prior approval of the Minister. |
| Termination or
Suspension of
Services. | 4. | The Company shall not suspend or terminate services without giving at least three months notice in writing to the Minister. |
| Fares and
Freight Rates. | 5. | The fares and freight rates to be charged by the Company on the journeys between the points named in this licence and any changes to those fares and rates shall not be made without the prior approval of the Minister. |
| Types of
Aircraft. | 6. | The Company shall operate only those types of aircraft filed with the application for this licence and shall not operate any other type of aircraft without the prior approval of the Minister. |
| Maintenance of
Aircraft and
Personnel
Licences. | 7. | The Company shall maintain its aircraft in accordance with Maintenance Schedule approved by the Director of Civil Aviation and all maintenance personnel and aircraft shall hold appropriate licences granted or approved by the Director of Civil Aviation. |
| Safety and
Proper
Operation. | 8. | The Company shall at all times operate its services in accordance with the recognized international standards of safety and efficiency. |
| Minister may
suspend or revoke
licence for non-
compliance with
international
safety and
efficiency
standards. | 9. | Without prejudice to the powers of the Minister under Regulation 17 of the Civil Aviation (Licensing of Air Services) Regulations 1976, or any similar powers given by any regulation made in amendment thereto or in substitution therefor, the Minister may at any time suspend or revoke this licence upon being satisfied:-

(a) that the Company has failed to comply with the said recognized international standards of safety and efficiency; |

- (b) that the Company was duly notified in writing with regard to any alleged infringement of any Regulations relating to safety or efficiency; and
- (c) that the Company has failed to put an end to the said infringement.

Standards of Service.

- 10. The company shall comply with any directions given by the Minister or the Director of Civil Aviation as to the minimum standards of service to be provided on the services in operation between the points named in this licence, with particular reference to the comfort and convenience of passengers.

Interline Agreements.

- 11. The Company shall file with the Minister a copy of any agreements it may have with any other Air or Shipping Line relating to the handling or onward transportation of passengers, mail or cargo in The Bahamas and such document shall be filed not less than ten (10) days before the date when such agreement is to be put into effect, or if such agreement is in effect before the issue of this licence, not more than ten (10) days after the issue of this licence.

Insurance.

- 12. The Company shall at all times maintain Policies of Insurance sufficient to meet any claims made against the company in connection with the operation of the services mentioned in this licence and such Policies shall be for sums not less than the minimum laid down by law. Copies of Insurance Policies or Certificates of Insurance shall be filed with the Director of Civil Aviation.

Booking.

- 13. The Company any person having a financial interest in the business of the Company shall refrain from stipulating that any other person -
 - a) shall refuse booking facilities to any other holder of a licence; or
 - b) shall grant such facilities to such other company only on onerous terms.

Conveyance of Mail.

- 14. The Company shall perform all such reasonable services as the Postmaster General may from time to time require in regard to the conveyance of mail (and of any persons who may be in charge thereof) upon journeys made under this licence. The remuneration for any such services shall be such as may be from time to time determined by agreement between the Postmaster General and the Company; PROVIDED that any disputes or disagreements shall be subject to the provisions of the Arbitration Act.

Leasing of
Aircraft.

15. Only those aircraft which are owned or have been leased by the Company shall be operated under the authority of this licence.

Copy of lease
to be filed
with Minister.

16. Where aircraft to be operated under this licence are leased by the Company, a copy of the lease shall be filed with the Minister not less than ten (10) days before the date when the term of the lease is to commence, or if such lease is in effect before the issue of this licence, not more than ten (10) days after the issue thereof, and such aircraft shall not be operated without the approval of the Minister.

Licence not
to be trans-
ferred or
assigned.

17. This licence shall not be transferred or assigned by the Company.

Minister may
impose other
terms and
conditions.

18. This licence shall be subject to such other terms and conditions as may from time to time be imposed by the Minister.