

Request for Proposals

Food & Retail Concessions
at Fredericton International Airport

Aéroport international de

Fredericton

International Airport

YFC

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Part I: General Information

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1.0 About the Fredericton International Airport Authority

Fredericton International Airport Authority Inc. (FIAA) is the not-for-profit corporation that manages, operates, and promotes the airport. The authority works hard to ensure that our region has reliable access to markets and destinations worldwide. We generate revenue, invest in our community, and generate tax revenue that further supports our region and province. The members of our Board of Directors are nominated by key stakeholder groups, ensuring that our community's voice is always driving the direction of growth at the Fredericton International Airport.

We believe in community, the power of our people, and the potential of our region to succeed.

Our Mission: Empowering vibrant communities through global connections.

Our Vision: We are a dynamic, progressive, and growing airport.

2.0 Background

The Fredericton International Airport (YFC) completed a \$30- million construction/expansion of the Air Terminal Building in 2021. Our bright, modern airport is an ambassador for our vibrant region and is a pillar of the region's economic growth as well as an essential service providing access to the Canadian military (5CDSB Gagetown) and aerial wildfire fighting (Forest Protection Limited), among others.

Pre-pandemic, the airport had ten consecutive years of record-breaking passenger traffic. YFC expects to welcome about 400,000 passengers in 2025 and has seen a strong record of growth post-pandemic.

3.0 Guiding principles

We are Fredericton's gateway to the world, and the first and last impression visitors have of our region. That's why the vision of a modern airport which reflects our community includes more than just the walls and floors. The services our airport provides must reflect our region – modern, close to nature, smart, and world-class. Moreover, airports are emotional places and exceptional customer service is key to ensuring a pleasant experience for our travelers. We expect that the successful proposal will be an active partner in providing an uncompromising commitment to positive customer experiences, including prompt service, quality products at competitive prices, and rapid turn-around times. In addition, attention to ensuring services are accessible to all travelers is essential.

4.0 Marketing Plan and Customer Service

The ability for proponents to effectively market the concession and serve the public is important to FIAA. Proponents should keep this in mind when submitting their proposal. The FIAA is interested in working with a proponent that has the desire and vision to grow their business along with the airport.

5.0 Sustainability

Sustainability is fundamental to how we operate and grow. We are committed to environmental stewardship, financial responsibility, and operational resilience. By embedding sustainable practices across our organization, we aim to build a thriving, inclusive airport ecosystem that endures for generations.

We believe it is our duty to protect the environment and support the people in the communities which we impact, by fully integrating sustainable practices in everything we do. We encourage tenants to implement sustainable initiatives that reduce their environmental footprint and support local communities, while maintaining the ability to deliver superior products and services to airport customers, employees and the general public.

6.0 CONCESSION OPPORTUNITY

The Fredericton International Airport Authority Inc. is offering by Request for Proposals a license to operate the food services concession at Fredericton International Airport (hereinafter referred to as YFC).

FIAA looks to enter into a license agreement for the provision of providing the food, beverage and specific retail services to the passengers, tenant businesses and other individuals who frequent YFC.

The FIAA is open to exploring a variety of approaches for food and retail services and will be looking for a proposal that best meets our goal of providing a quality experience for travelers. With our expanded terminal building, we are expecting the successful proponent to meet the challenge of presenting a best-in-class establishment and service to match our upgraded facility. Submissions that highlight our local foods, artisans, craft breweries and companies are welcomed and encouraged. As the sole food outlet, the successful proposal will have a menu that encompasses products suitable for all ages and dietary concerns.

7.0 TYPE AND DURATION OF CONTRACT

The license will be for a fixed term of 5 years commencing on February 1st 2026 and ending on December 31, 2031. This term will have an FIAA option for two (2) renewals of three (3) years each.

The operation of the food services concession will be carried out under a “percentage of gross revenue” type of license. The successful proponent will be required to pay to FIAA a monthly concession fee of ten percent (10%) of gross revenues. Payment of the concession fee will be due within 15 days after the last day of each month during the term of the license.

The successful proponent will be required to pay a Minimum Annual Guarantee (MAG) Rent or Percentage(s) of Gross Annual Revenue (Percentage Rent) for each lease year, whichever is greater. The MAG Rent is \$60,000 /year, or the percentage of gross revenue at 10%.

MAG Rent, Percentage Rent and Gross Revenue are defined in Appendix E.

8.0 LICENSING

The successful proponent will be required to procure and maintain all licenses, permits, and approvals required by Federal, Provincial, Municipal or other government authorities to enable them to operate the food services concession at YFC, including liquor license (beer, wines and liquor).

9.0 SERVICE TO THE PUBLIC

The FIAA wishes to promote healthy food and options for the travelling public. The foods listed below are representative of this desire, but are not to be considered exclusive of other options (such as wraps, stir-fries, etc....). The FIAA will certainly give consideration to all proponents' proposals, regardless of food type, or style.

The successful proponent will provide the following services:

- a. Offer for sale in the Main Terminal Area; a food service counter /restaurant with a variety of items including:
 - Healthy food choices such as: soups, sandwiches, salads, fruit cups, muffins, etc....
 - Hot beverages – including a variety of coffee, tea and hot chocolate.
 - Cold beverages – including juices, milk, soft drinks, wine, beer and liquor).
 - Confectionary items – including potato chips, candy bars and gum.
 - Reading material - including newspapers, magazines and books.
 - Souvenirs – including postcards, t-shirts and hats, local and NB giftware or souvenirs.
- b. Offer for sale in the Secure Departure Area; a food service counter that offers:
 - Healthy food choices such as: soups, sandwiches, salads, fruit cups, muffins, etc....
 - Hot beverages – including coffee, tea and hot chocolate.
 - Cold beverages – including juices, milk, soft drinks, wine, beer and liquor).
 - Confectionary items – including potato chips, candy bars and gum.
- c. Point of sale must allow for customer payment options of; cash, debit, credit and TAP.
- d. Vending machines in the Main Terminal Area and Secure departure Lounge, that offer:
 - Confectionary items – including potato chips, candy bars and gum.
 - Cold beverages – including juices, water, and soft drinks.
- e. An automated teller machine, ATM, in the main terminal area.

The food service counters will be required to be open daily, 365 days per year, starting one hour prior to the scheduled time of departure of the first flight of the day, and ending at the actual time of departure for the last flight. Thus, the operating hours would be

approximately from 4:00 a.m. to 7:00 p.m. (3:00 a.m. to 7:00 p.m. for some of the Sun Charter flights from mid Feb. to the end of April). A flight schedule is provided in Appendix A as an example of typical flight times, however, please note that **schedules are subject to change**. To meet customer demand due to flight schedule changes, the FIAA reserves the right to change the required hours of operation, with appropriate notice and consultation.

In order to be effective in the airport environment, the food service counters should provide a quick and efficient, yet courteous, service. This may be accomplished by allowing customer self-service of ready-made and packaged items that the customer takes to the point of sale. Hot and cold foods and beverages (except alcohol) would be displayed in appropriate, accessible units.

Due to the nature of the air travel, there may be occasions where the restaurant is called upon to open during non-typical hours, for example the airport receives diverted aircraft, special charters, special events, or delayed flights. All these cases are considered the exception vs the norm. The restaurant would be expected to work with the airport as they managed through these possible scenarios. The expectation is that the demand for service during these occasions would be financially beneficial for the restaurant.

10.0 CUSTOMER SERVICE

Customer service is paramount in our day-to-day interactions with the travelling public. Airports are emotional places, and quality customer service is key in reducing stress for travelers and ensuring the success of the airport. The FIAA will be interested in knowing what the proponent has in place for their customer service policy or program, and how they handle and process customer feedback, or complaints.

Staff should recognize that they are viewed as representatives of the Airport by the travelling public.

A high degree of customer service skills are required of restaurant staff. The Proponent will ensure that all restaurant staff will have the following basic Customer Service qualities listed below:

- Friendly and professional behavior towards passengers, tenants, and the general public accessing the airport.
- Be courteous, patient and willing to help passengers.
- Be respectful and sensitive to passenger needs.
- Restaurant staff should be dressed accordingly, (crop tops, gym pants etc. not acceptable).
- Restaurant staff who handle food preparation should wear a hairnet.

Disability Awareness training is required for all individuals working with the public.

11.0 PROMOTIONS AND MARKETING

Daily specials and other appropriate promotions would be acceptable.

The successful proponent may be able to promote their other operations within the food counter space or on the vending machines. Displays and promotional materials must be professionally produced, align with the overall FIAA brand, and be approved by the FIAA.

12.0 OFFICIAL LANGUAGES

The successful proponent will be required:

- a. to comply with the Official Languages Act and Regulations (Communication with and Services to the Public);
- b. to display or make available to members of the public, in both official languages, printed and written material including signs, notices, and other information in connection with its operations hereunder; and where applicable, to provide services by other means (including self-service equipment) in both official languages;
- c. during every shift of operations in the concession space which is used for the serving of the public, to have sufficient staff on duty to provide oral response capability in both official languages within a reasonable period of time; and
- d. to clearly demonstrate to members of the public that these bilingual services are available in either official language of their choice.

13.0 FACILITIES

The successful proponent will have exclusive use of the food service space identified in Appendix B. This would entail 300 square meters of kitchen space and 60 square meters of seating space in the main terminal area, outside of the Secure Departures Area. Within the Security Departures area there are 27 square meters of food preparation / counter area and 72 square meters of seating area. (Note; all areas stated are approximations pending final design).

14.0 Re-Design of the Concession

If there are any structural or aesthetic changes to the existing concession space, the FIAA requires that the overall look and feel be integrated into the architectural and design theme of the airport facility. Proponents are required to provide a clear graphic sketch, drawing or rendering of the proposed changes to the current concession.

FIAA must approve any concept or proposed fit up prior to start of construction. Deviations or changes to the concept must be approved by FIAA prior to construction.

15.0 ADDITIONAL SERVICES AND FACILITIES

Proponents are encouraged to propose the possibility of providing services in addition to those identified in 9.0 above. Said proposals will be evaluated on merit, suitability and if complimentary to the FIAA environment and décor. All proposals must be approved by the FIAA.

16.0 CLEANING

The successful proponent will be responsible for cleaning the food service space including the counters, floors and equipment, as well as any condiment holder/garbage receptacle units utilized. In the seating areas, the successful proponent will be responsible for cleaning the tabletops and chairs. The successful proponent will be responsible for garbage removal to the dumpsters outside.

17.0 CONCESSION SALES

The average gross sales for food services, over the period of 2023-25, are provided in Appendix C. A typical breakdown of these numbers is also provided in Appendix C.

FIAA will not be responsible in the event that these sales levels are not attained. Proponents must evaluate the business opportunity on their own expectations.

Please note: prices paid by the customer should be competitive with similar offerings in the local market and off the airport property. As part of the product pricing proposal, FIAA will require a list of comparable locations in the local market, as well as a preliminary list of products to be sold and their respective prices.

18.0 PASSENGER STATISTICS

The historical passenger traffic statistics for the FIAA are provided for information only in Appendix D. The numbers provided represent the combined totals of departing and arriving passengers. The ratio of departing vs. arriving passengers is approximately 50/50. It is assumed that the majority of sales are generated from departing passengers. The FIAA will

not be responsible in the event these figures are not attained. Proponents must evaluate the business opportunity based on their own expectations. The airport has seen continuous growth since the end of the pandemic and expects that trend to continue. On average, the airport handles 1100 passengers daily with May to September being the busiest months.

APPENDIX A

FREDERICTON INTERNATIONAL AIRPORT AUTHORITY Sept. 2025 Update Aug , 2025								
FLT#	Carrier	EQP	ARR	DEP	FROM	TO	DAYS	REMARKS
7917	AC	E175	RON	630	Fredericton	Montreal	Daily	
2372	Porter	DH4	RON	0700	Fredericton	Ottawa	Daily	
7916/7921	AC	E175	1019	1050	Montreal	Montreal		
624/627	AC	B737-800	1100	1200	Toronto	Toronto	Daily	
2303/2380	Porter	DH4	1345	1425	Ottawa	Ottawa	Daily	
7920/7923	AC	E175/CR9	1539	1625	Montreal	Montreal	Daily	
2304/2375	Porter	DH4	1616	1700	Billy B	Billy B		
314/315	WestJet	B737-800	1631	1730	Calgary	Calgary	Tu, Thu	
626/629	AC	B737-800	1740	1840	Toronto	Toronto	Daily	
2371	Porter	DH4	2136	RON	Billy B	Fredericton	Daily	
7922	AC	E175	2104	RON	Montreal	Fredericton	Daily	

Destinations

YOW – Ottawa YUL – Montreal
 YYZ – Toronto YYC- Calgary
 YTZ- Billy Bishop, Toronto

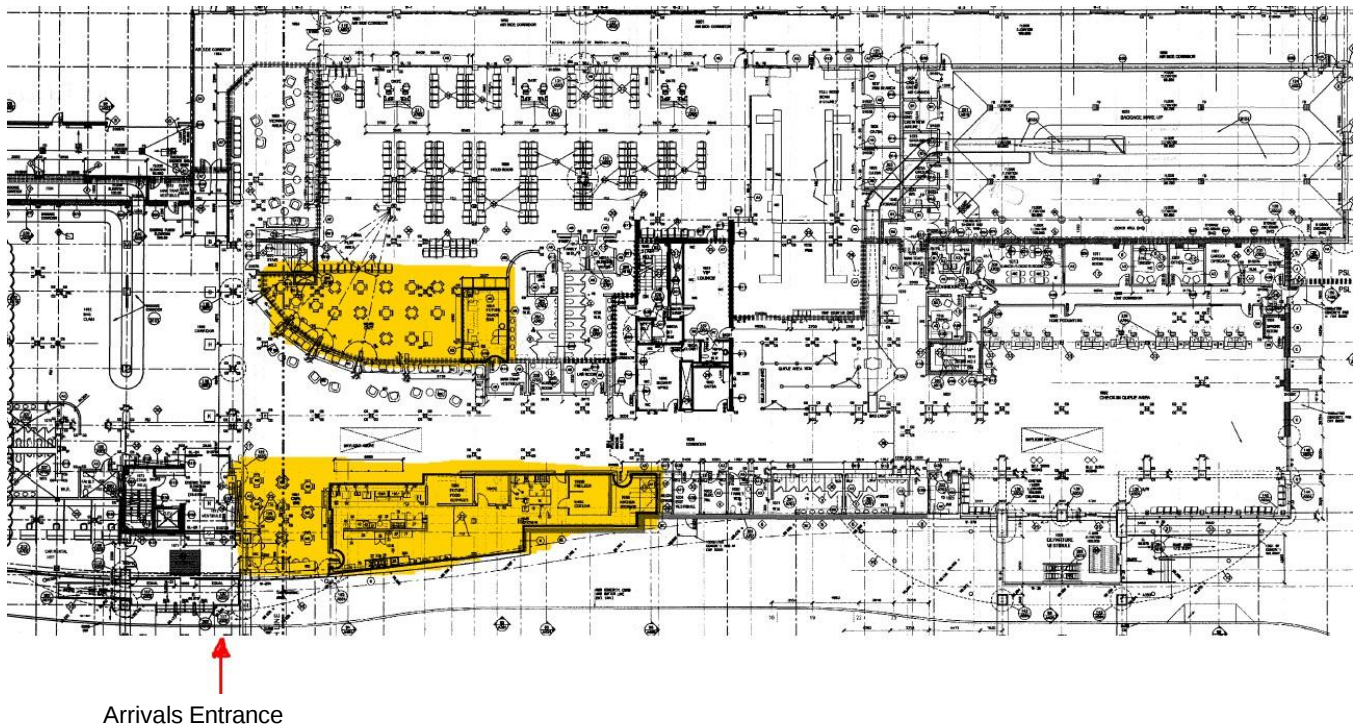
Aircraft / # Passengers

E175 = 78 Seats
 CRA = 77 Seats
 A319/A320 = 126/134 Seats
 737-800 = 189 Seats
 A321 = 200 Seats

Sun Vacation Charters Typical Schedule
(Mid-February to end of April)

Airline	Destination	Day	Departure time	Return time
Air Transat/ SunWing	Cancun, Mexico (CUN) –	Monday/Wednesday	0815/1840	2310/1720
SunWing	Cayo Coca (CCC)	Tuesday	1635	0159 (Wednesday)
SunWing	Cayo Santa Maria (SNU)	Tuesday	0600	1535
SunWing	Punta Cana, DR (PUJ)	Wednesday	0835	1900

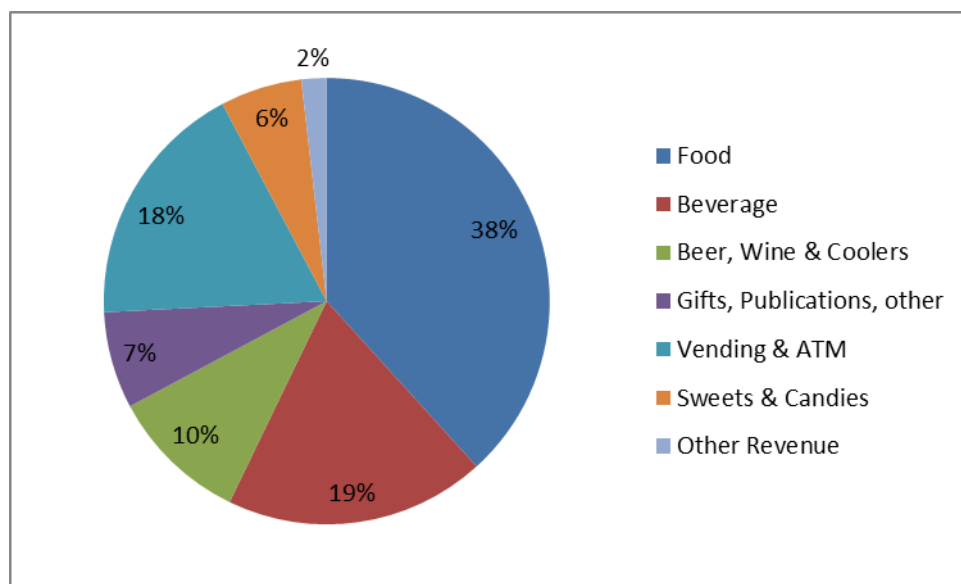
A321 and B737: 174 - 200 passengers per flight

APPENDIX B**FLOOR PLANS**Restaurant areas and layout

APPENDIX C

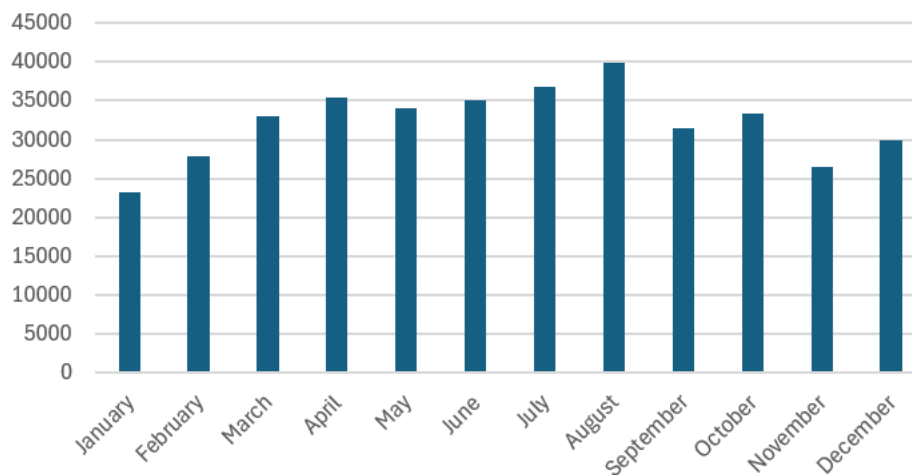
Sales 2022 to 2025

FIAA	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
January	29,990.00	53,174.00	52,969.00	50,736.00
February	18,324.00	62,364.00	73,759.00	82,601.00
March	37,954.00	72,001.00	76,753.00	79,895.00
April	44,001.00	64,868.00	82,627.00	75,142.00
May	70,444.00	69,825.00	69,635.00	64,410.00
June	78,587.00	90,205.00	80,443.00	82,027.00
July	81,046.00	100,483.00	83,907.00	79,895.00
August	94,291.00	92,594.00	97,653.00	87,778.00
September	74,012.00	77,700.00	78,165.00	
October	72,412.00	76,151.00	84,176.00	
November	62,353.00	66,073.00	76,998.00	
December	59,297.00	72,870.00	69,560.00	
	722,711.00	898,308.00	926,645.00	602,484.00



APPENDIX D**PASSENGER STATISTICS**

<u>Year</u>	<u>Passenger Arrival & Departure</u>
2019	427,000
2023	333,000
2024	377,000
2025	**400,000
	**Expected

Average Monthly Passenger Distribution

Typical Passenger Distribution by Month
(2023-2025 passenger numbers)

Appendix E

RENT DETAILS

Calculation and Payment of Rent: The Tenant shall pay to FIAA during the currency of this Lease an amount equal to the greater of (a) Minimum Annual Guarantee Rent; and (b) Percentage Rent.

Minimum Annual Guaranteed Rent: \$60,000 per annum, payable on the first day of each month in advance in equal monthly instalments of \$5,000.

Percentage Rent: Percentage Rent shall be determined by multiplying the total Gross Revenue by 10%, calculated in arrears on a monthly basis as of the last day of each month. In the event Percentage Rent for a given month is greater than the Minimum Annual Guaranteed Rent paid for said month, Tenant shall settle the balance within ten (10) days of the last day of each month.

Definitions:

"Gross Revenue" means, without duplication, the aggregate of the total amount of the actual selling price of all goods sold and services supplied from business conducted on, at, or from the Leased Premises and from any other location in the Air Terminal Building by the Tenant and all franchisees and transferees and all departments or divisions of the Tenant's business operations on the Leased Premises and any other Person conducting business relating to the Tenant's business on or from the Leased Premises, whether or not such sales are made or such services are performed at the Leased Premises and filled elsewhere, in the same manner and with the same effect as if such sales or services had been made or performed on the Leased Premises. Without limiting the generality of the foregoing, Gross Revenue includes:

(i) all amounts received for the sale, barter, renting or leasing of Goods and Services in, on, at or from the Leased Premises including amounts received for online sales which originate from, or which are attributable to, the Leased Premises or the operation of the Tenant's business;

(ii) all amounts received for services performed in, on, at or from the Leased Premises;

(iii) the amount of all orders taken or received at the Leased Premises, whether such orders are filled from the Leased Premises or elsewhere;

(iv) all deposits given on Goods and Services purchased from the Leased Premises and not refunded to purchasers;

(v) all amounts received from redemption or partial redemption of gift or merchandise certificates;

(vi) the commission earned by the Tenant from sales from all mechanical, vending and other machines or devices in, on, at or from the Leased Premises;

(vii) all other receipts whatsoever (including all interest, instalment and finance charges) from all business conducted in, on, at or from the Leased Premises;

in each case whether such sales, services, or other receipts are evidenced by cheque, cash, credit, charge account, exchange or otherwise and whether such sales are made by means of mechanical or other vending devices in the Leased Premises. There shall be no deduction allowed for bank charges or uncollected or uncollectable credit accounts or charges made by collection agencies and no allowances shall be made for bad debts. In addition, each charge or sale made on instalment or credit shall be treated as a sale for the full selling price in the month during which such charge or sale is made, irrespective of the time when the Tenant receives payment (whether full or partial) therefore.

Notwithstanding the above, Gross Revenue does not include, or there shall be deducted from Gross Revenue, as the case may be, without duplication:

(i) sales of Goods and Services for which a refund has been provided, whether by cash or other manner, but only to the extent of such refund, provided that the selling price of such Goods and Services shall have been previously included in Gross Revenue;

(ii) the selling price of Goods and Services returned by customers for exchange, if the selling price of such returned Goods and Services has been previously included in Gross Revenue and if the selling price of Goods and Services delivered to the customer in exchange is included in Gross Revenue;

(iii) the amount of any retail tax (including goods and services tax) imposed by any federal, provincial, municipal or other governmental authority directly on sales and collected from customers at the point of sale by the Tenant as agent for such authority;

(iv) any transfers of Goods and Services between the Tenant's business or other operations whether on or off the airport and returns of Goods and Services to the Tenant's suppliers or manufacturers, as long as any such transfers or returns are carried out for convenience only and not for the purpose of reducing Gross Revenue;

(v) all sales of the Tenant's Trade Fixtures, machinery or equipment normally used in the conduct of the Tenant's business in the Leased Premises so long as such Trade Fixtures, machinery or equipment have become redundant or have been replaced by the Tenant with replacement items;

(vi) all bulk sales associated with any assignment or subletting permitted under the terms of this Lease;

(vii) the amount of any discounts which are granted by the Tenant to its customers whether by way of coupons or any other business promotional methods;

(viii) the amount of interest, if any, paid by FIAA to the Tenant in relation to a Security Deposit, or in relation to any other amounts payable to the Tenant in connection with its obligations under this Lease;

(ix) the amount of tips and gratuities, to the extent that same are passed through to the Tenant's employees without deduction or reduction (unless required by law).

Part II

Proposal Procedures

- 1.0 Questions and Site Visit
- 2.0 Proponent Considerations
- 3.0 Proposal Documents
- 4.0 Submission of Proposals
- 5.0 RFP Closing Date and Acceptance Period
- 6.0 Proposal Evaluation and Award

Appendix A – Security Deposit

1.0 QUESTIONS AND SITE VISIT

Any questions concerning the subject RFP are to be submitted to FIAA at the following address:

Fredericton International Airport Authority Inc.
2570 Route 102 Hwy., Unit 22
Lincoln, NB, E3B 9G1
Telephone: (506) 460-0920
Fax: (506) 460-0938
Email: info@yfcfredericton.ca

The questions must be written and copies of all answers will be sent to all persons who have been provided with the RFP package. Questions are due no later than December 5th, 2025.

An onsite visit can be requested at any point before the closing date,

2.0 PROPONENT CONSIDERATIONS:

The airport environment is quite different than the typical operating environment for restaurants. Below are a few things to consider when submitting your proposal to ensure all proponents understand the entire operating environment:

- Our airport is open 365 days a year, 24 hours per day in varying weather conditions.
- Passenger traffic flow through the airport will vary both seasonally and throughout the day.
- Staff and product handling can sometimes be a challenge given the location and security requirements.
- Any additions/renovations within the leased premises will require submitting a Facility Alteration Permit (FAP) for approval by the FIAA.

3.0 PROPOSAL DOCUMENTS

The Request for Proposals will consist of;

Each proponent is required to submit a proposal with the following minimum information:

- a. Company name, type of company (sole proprietor, partnership, incorporated) and names of majority owners or shareholders;
- b. Relevant experience, description of current operations and references;
- c. Business plan for the requested services (Part I, 9.0 a. to e.) including:
 - Marketing strategy;
 - Operating synopsis;

- Menu and prices;
 - Personnel and supervision;
 - Details/photo of uniform;
 - Suppliers and subcontractors;
 - Food preparation processes;
 - Vending machine replenishment processes such as fresh foods;
 - A list of souvenirs and non-food items to be sold;
 - Additional equipment;
 - Pro forma income statement for the first 12 months.
- d. Sample sheet for reporting monthly gross revenues with a breakdown of revenue sources, such as prepared foods, beverages, alcohol, vending, etc.;
- e. Statement of willingness to submit an annual statement of gross revenue certified by a licensed public accountant;
- f. Approach in satisfying the Official Languages Act and Regulations,
- g. Statement of willingness to provide a security deposit as indicated in section 7.0 of Part II.
- h. Contact information for current bank and a statement of willingness to allow a credit check.
- i. Copy of comprehensive general liability insurance policy.
- j. Concept for any extra services for an improved passenger experience and to promote sales.

4.0 SUBMISSION OF PROPOSALS

Submission of Proposals

1. Proposals should be delivered to the address set forth below.

Fredericton International Airport Authority Inc.
Second Floor, Air Terminal Building

Fredericton International Airport
22-2570 Route 102 Hwy
Lincoln, New Brunswick
E3B 9G1

Or by email: info@yfcfredericton.ca

2. Any inquiries concerning this RFP should be directed to:

E-mail: info@yfcfredericton.ca **(preferred)**

Fax: (506) 460-0938

Phone: (506) 460-0920

5.0 RFP CLOSING DATE AND ACCEPTANCE PERIOD

Proposals are to be received before 3:00 PM AST on December 05th , 2025 (hereinafter referred to as the Closing Date). Any proposals received after this closing date and time will not necessarily be considered.

Proposals will be opened in private.

6.0 PROPOSAL EVALUATION AND AWARD

FIAA will not be limited as to its criteria for evaluation of proposals. The FIAA may take into account whatever criteria and considerations it wishes to. These may include:

- a. conformity of the proposal to the requirements;
- b. experience of the proponent in carrying out similar services;
- c. proponent's reputation and references;
- d. business plan and concept for expanded services;
- e. menu and prices;
- f. proponent's financial stability;
- g. how long the proponent has been in business and how many years managers and supervisory personnel have been in their positions;
- h. subcontractors and material suppliers;
- i. quality of equipment and supplies;
- j. supervisory organization and caliber of supervision;
- k. Suitability or fit within the FIAA environment, or décor.
- l. such other matters as FIAA may consider relevant to it.

The evaluation process will be conducted solely at the discretion of FIAA Selection Committee and FIAA, which may decide to utilize other criteria.

Those proposals that meet the requirements will be invited to present their proposals to the selection committee in person.

Above all, the successful proponent is one that the FIAA feels best meets our vision and mission statements and our guiding principles, as well as shows a good understanding of our target market, what its tastes and expectations are.

Each proponent, by submitting a Proposal, accepts all of the conditions and stipulations set out herein, and acknowledges and agrees that FIAA will have no liability or obligation to any proponent except only the proponent, if any, awarded the License by FIAA in its sole discretion, and agrees that, if not awarded the License, then, whether or not any express or implied obligation has been discharged by the FIAA, the FIAA shall be fully and forever released and discharged of all liability and obligation in connection with the Request for Proposals and all related matters, and all procedures which preceded.

FIAA reserves the right, at its discretion, to negotiate with any proponent as it sees fit, or with another proponent or proponents concurrently. In no event will FIAA be required to offer any modified terms to any other proponent. FIAA shall incur no liability to any other proponent as a result of such negotiations or modifications.

FIAA reserves the right to decline/to accept any offer submitted. Notwithstanding anything contained herein or in any statement made at any proposal briefing, FIAA shall have no obligation to accept any proposal.

7.0 SECURITY DEPOSIT

As a condition of the License, the successful proponent will be required to supply a Security Deposit in the amount of five thousand dollars (\$5,000.00) as follows:

- (i) a Certified Cheque or bank draft payable to the Fredericton International Airport Authority Inc. and drawn on a member of the Canadian Payments Association or a local co-operative credit society that is a member of a central co-operative credit society having membership in the Canadian Payments Association

and/or

- (ii) an Irrevocable Letter of Credit, being an undertaking by a financial institution that is a member of the Canadian Payments Association, or a local co-operative credit society that is a member of a central co-operative credit society having membership in the Canadian Payments Association to pay on demand the amount of the Security Deposit to the Authority on presentation of a written demand for payment.

The successful proponent shall not submit funds as security deposits which are, or may be, subject to any encumbrances, charges or general security agreements.