

Form of Contract

ROUTE 55 "LASQUETI ISLAND" PASSENGER AND FREIGHT MARINE TRANSPORTATION SERVICES

THIS AGREEMENT made as of the 1st day of April 2020.

BETWEEN:

BRITISH COLUMBIA FERRY SERVICES INC.

a company incorporated under the laws of the Province of British Columbia.

(herein called the "Company")

AND:

WESTERN PACIFIC MARINE LTD.

a company incorporated under the laws of the Province of British Columbia.

(herein called the "Operator")

WHEREAS:

- A. The Operator is the registered Owner of the M.V. CENTURION VII registered in the year 1985 in the Port of Vancouver under Official No's 804881 (herein called the "Vessel").
- B. The Operator agrees to provide scheduled marine transportation services using the Vessel in the coastal waters of the Province of British Columbia and requests the Company to pay it a fee for providing such services and the Company has agreed to pay such a fee on the terms and conditions herein.
- C. The Operator acknowledges that this Agreement and the agreement of the Company to pay the Operator a fee for providing such services is subject to, and conditional upon, the Company receiving the agreement of the Province of British Columbia pursuant to the Coastal Ferry Services Contract (the "Coastal Ferry Services Contract") between the Company and the Province of British Columbia dated April 1, 2003 (as amended) to provide it with funding in an amount acceptable to the Company for the services by no later than end-February 2020.

NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of the mutual covenants and agreements herein contained, the parties do hereby agree with each other as follows:

1. COVENANTS OF OPERATOR

1.1 During the Term of this Agreement the Operator covenants and agrees that it shall:

- (a) place and maintain the Vessel, or vessels agreed to by the Company, in service for the provision of marine transportation services meeting the specifications set forth in Schedule "A" (herein called the "Service"), between the ports and on the service frequency set forth in Schedule "B" and not to change the service frequency set out herein without the prior written consent of the Company;
- (b) load, transport and off-load the freight and the users of the Service at all stages of the tide, at the terminal facilities described in Schedule "C" (herein called the "Facilities") at such regular times and intervals as are set out in Schedule "B" hereto or at such other times and intervals as are agreed to by the Company from time to time pursuant to the provisions of paragraph 1.1(a) hereof;
- (c) establish and maintain right of access to Facilities;
- (d) provide such personnel, equipment and facilities as are necessary for the proper functioning of the Service, including loading and unloading facilities and services appropriate to the size, nature and extent of the Service and of the Vessel;
- (e) comply with all international, federal, provincial, regional, municipal or local laws, statutes, ordinances, rules, bylaws, conventions, regulations, codes, guidelines, enforceable orders, decisions or directives applicable from time to time to the Vessel or to the carrying out by the Operator of its obligations hereunder including,

without limiting the generality of the foregoing, the Migratory Birds Convention Act, 1994, S.C. 1994, C.22, the Fisheries Act, R.S.C. 1985, CF-14, the Canadian Environmental Protection Act, 1999, S.C. 1999, C.33, the Workers Compensation Act R.S.B.C. 1996, c.492, the Canada Shipping Act, 2001, S.C. 2001, C.26, the Marine Liability Act S.C. 2001, C.6, the Canada Transportation Act, S.C. 1996 C.10, the Transportation of Dangerous Goods Act 1992, S.C. 1992 C.34, the International Maritime Dangerous Goods Code and the Canada Labour Code, R.S.C. 1985, C. L-2 including their respective regulations, all as amended or replaced from time to time;

- (f) provide reasonable access to the Company, its agents and employees at their own risk during normal business hours to board and inspect the Facilities and the Vessel, and all equipment, machinery and fittings forming a part thereof and all manifests, records, certificates and licenses maintained thereon and to make such enquiries and investigations as the Company may deem necessary or desirable in order to satisfy itself as to the fulfilment of the Operator's obligations hereunder, and if so requested, to co-operate with the Company in making such inquiries and investigations;
- (g) post such signs and other materials and to advertise in local papers in all ports as are necessary to adequately inform the public of the Service, the schedule therefore and any changes made thereto as agreed to by the Company pursuant to the provisions of paragraph 1.1(a);
- (h) levy and collect on embarkation from the users of the Service, and for the freight services, if applicable, only such fares and charges as set forth in Schedule "D" hereto;
- (i) maintain complete and accurate records and vouchers in respect of the Services including (i) all amounts so collected from the users of the Service; (ii) all fuel consumed by the Vessel in performance of the Service or otherwise; and (iii) all amounts paid for fuel for the

Vessel in performance of the Service, or otherwise; and to allow the Company and/or its agents access to the offices of the Operator and all books, records and vouchers of the Operator to audit all such books, records and vouchers to confirm compliance with the terms and conditions of this Agreement;

- (j) maintain accurate and complete manifests in the form attached hereto as Schedule "F" (herein called the "Manifest") for each trip of the Vessel showing the number of trips, the number of passengers, the amount and type of freight (if applicable) and the respective fares and charges collected, together with such other information that the Company may request from time to time;
- (k) deliver a copy of each trip's Manifest, certified to be true, complete and correct by the Ship's Master, to the Company with the Monthly Statement as defined in paragraph 3.1 and to maintain a copy of each trip's Manifest on the Vessel;
- (l) deal in an efficient and expeditious manner with any claims made by any person against the Operator in respect of the provision by the Operator of the Service or the non-observance or non-performance of any of its obligations under this Agreement including, without limiting the generality of the foregoing, any claims for loss of life, injury or damage;
- (m) cause the Vessel to be approved by Transport Canada Inspector and have a valid Transport Canada Inspection Certificate in effect at all times. A copy of the then current Transport Canada Inspection Certificate is to be provided to the Company. s. 17, s. 21

each year and will ensure that all certificates, insurance and licenses are maintained in compliance with the Operator's obligations pursuant to all statutes and regulations as required to carry passengers and freight;

- (n) pursue opportunities to supplement or substitute the Vessel to reduce costs; however, the Operator will refrain from using another vessel(s) to carry out the Service or services similar to the Service without the prior written consent of the Company;
- (o) adhere to the special terms and conditions, if any, set forth in Schedule "G" hereto;
- (p) immediately and fully apprise the Company of all legal actions, deaths or injuries that require treatment at a clinic or hospital, damages in excess of \$5,000 and unusual incidents concerning the passengers, freight or the Service, including any damage to the Vessel or Facilities or docks.

2. TERM, EXTENSION AND EARLY TERMINATION

- 2.1 Subject to earlier termination hereof, the term of this Agreement (herein called the "Term") shall be the period commencing on April 1, 2020 and ending March 31, 2024 provided that the Company may at its option extend the Term for a period of up to four years by giving written notice to the Operator not later than 90 days prior to the expiration of the Term. Any contract extension is subject to mutual agreement of any price or service change. Notwithstanding anything herein to the contrary, the Company may, at its option and without giving any reasons therefore, terminate this Agreement upon giving 90 days notice of its intention to terminate to the Operator, such notice to be effective 90 days from the date of such notice.
- 2.2 Notwithstanding anything herein to the contrary, the parties acknowledge that this Agreement is subject to, and conditional upon, the Company receiving the agreement of the Province of British Columbia (the "Provincial Agreement ") to provide the Company pursuant to the Coastal Ferry Services Contract with funding in an amount acceptable to the Company for the Service by no later than end-February 2020. If the Company does not

provide written notice to the Operator that it has received the Provincial Agreement by end-February 2020, this Agreement shall automatically be at an end and each party shall be released from any and all obligations and liabilities to the other pursuant to or in connection with this Agreement, and the termination thereof.

3. PAYMENT

- 3.1 In consideration of the supplying of the Vessel and the performance of the Service by the Operator pursuant to the terms hereof, the Company shall, no later than 25 days after receipt of a statement detailing the Services performed in such detail as required by the Company (the "Monthly Statement"), pay to the Operator directly or as the Operator may request in writing, a monthly fee (herein called the "Fee") calculated in accordance with Schedule "E" hereto. Notwithstanding the foregoing, the Company may, without prejudice to any other rights or remedies available to it by law or under the terms of this Agreement, deduct and withhold from any Fee the following amounts: any cost, expense, loss or damage paid or suffered by the Company at any time as a result of any misrepresentation or breach or non-fulfilment by the Operator of any covenant or obligation contained herein, and the Company's decision in respect of any amount so adjusted or withheld shall be final and binding on the Operator.
- 3.2 In addition to the Fee, the parties have agreed to an annual fuel cost adjustment (the "Fuel Cost Adjustment") calculated in accordance with Schedule "E". The Operator shall provide the Company, on a monthly and on an annual basis, no later than 25 days after the end of each month and at the end of each year during the Term, a detailed breakdown of all fuel consumed by the Vessel in the performance of the Services or otherwise and the cost of all fuel purchased for the Vessel for the performance of the Services or otherwise, in such form and with such supporting documentation, as the Company may require from time to time. The Operator shall provide its calculations for the Fuel Cost Adjustment, based on such material within 30 days after the end of each year during the Term.

The Company shall notify the Operator within 30 days of the receipt of such annual material and calculation whether it agrees with the calculation. If the Company does not dispute the calculation or provides notice of agreement within such 30 day period, the amount of any Fuel Cost Adjustment shall be paid by the Company or the Operator to the other, as applicable, within 15 days of such determination by the Company. In the event of a dispute, the parties shall meet to resolve the dispute and failing agreement the Company's decision shall be final and binding on the parties.

4. REPRESENTATIONS AND WARRANTIES OF OPERATOR

- 4.1 The Operator represents and warrants to the Company, with the intention that the Company shall rely thereon, as follows:
- (a) the Operator is the registered Owner of the Vessel;
 - (b) the Vessel complies with all applicable laws with respect to Passenger and Freight carrying vessels;
 - (c) the Operator possesses all necessary authority to enter into this Agreement and to perform all of its obligations hereunder in accordance with the terms hereof including having agreements in place to access the Facilities throughout the Term;
 - (d) neither the execution and delivery of this Agreement nor the performance of any of the obligations of the Operator to be performed hereunder will:
 - i) conflict with or result in a breach of or default under any agreement or other instrument or obligation to which the Operator is a party or by which it or the Vessel may be bound,
 - ii) violate any order, writ, injunction, decree, statute, rule or regulation applicable to the Vessel or the Operator, or

- iii) require the consent or approval of any person or authority not a party to this Agreement;
- (e) the Operator does not know or have reason to know of any claim, judgement, action suit, litigation or proceeding, pending or threatened, against it or the Vessel which might adversely affect the Vessel or the ability of the Operator to carry out its obligations hereunder.

5. RISK AND LIABILITY

- 5.1 The Operator shall be solely responsible and shall pay for all claims, losses, damages, expenses (including legal fees and disbursements) and costs of any nature or kind whatsoever arising out of or attributable to any cause whatsoever in connection with the performance of its obligations hereunder, including the acts or omissions of its officers, directors, agents and employees.

6. INSURANCE

- 6.1 During the Term of the Agreement, the Operator shall at its own cost and expense arrange, keep and maintain insurance against physical loss or damage to the Vessel and legal liabilities arising out of the use and operation of the Facilities and Vessel, including Collision Liabilities, Pollution Liabilities, Passenger Liabilities and Cargo Legal Liability on minimum terms and conditions as follows:
 - (a) Hull & Machinery Insurance: Canadian Hulls (Pacific) Clauses 2005 or equivalent, including primary collision liabilities. If primary collision is excluded, then this insurance must be included with the Protection & Indemnity insurance. The hull value shall be no less than the cost to replace the Vessels of similar type, as determined by a marine surveyor and/or other experts acceptable to the Company. The maximum deductible shall not exceed \$10,000 per occurrence;
 - (b) Protection & Indemnity insurance providing liability to passengers

and their property on all vessels used under this contract and during loading and unloading of these vessels on either one of the following options:

Option 1) Entry in a Protection & Indemnity Club that is a member of the International Group of Protection & Indemnity Clubs; if on a fixed limit through a Club, then limit to be not less than the greater of:

A) \$10,000,000 any one accident or occurrence:
or

B) the amount obtained by multiplying the passenger capacity of the vessel by the per passenger limitation amount stipulated in the Marine Liability Act.

Option 2) Insurance with a recognized insurer, licensed to do business in British Columbia with insuring conditions of not less than SP 23, including pollution or equivalent for a limit of liability of not less than the greater of:

1. \$10,000,000 any one accident or occurrence; or
2. The amount obtained by multiplying the passenger capacity of the Vessel by the per passenger limitation amount stipulated in the Marine Liability Act.

The policy shall have the Company added as an additional insured or coinsured and an endorsement specifying that the said policy shall be primary and without right of contribution from any insurance otherwise maintained by the Company. The maximum deductible shall not exceed \$10,000 per occurrence.

- (c) Commercial General Liability Insurance to insure against any exposures that are not insured under Protection & Indemnity insurance above for incidents that arise from operation of the

Facilities. Such insurance shall be a minimum of \$5 million per occurrence to insure third party bodily injury and property damage at any Facilities or other shore side facilities that are used by the Operator in the delivery of the Service. The policy shall have the Company added as additional insured and an endorsement specifying that the said policy shall be primary and without right of contribution from any insurance otherwise maintained by the Company. The maximum deductible shall not exceed \$10,000 per occurrence.

- 6.2 All insurance required hereunder shall be on terms approved by the Company (which approval shall not be unreasonably withheld) and shall provide that the policy shall not be amended, terminated or cancelled without 30 days' prior written notice to the Company.
- 6.3 The Operator shall furnish to the Company, at least 30 days before the commencement of Service and annually thereafter, certificates of insurance from insurers acceptable to the Company, as to the insurance required to be maintained hereunder. If the Operator shall fail to take out and keep in force such insurance, the Company may do so and the Operator shall repay to the Company forthwith upon demand the amount of any premium reasonably paid by the Company as aforesaid and any amount not repaid on demand may be deducted from the Fee (as defined) or other monies payable by the Company.
- 6.4 The Company makes no representation that the amounts of insurance stated in this section 6 are adequate to cover any potential loss and only state the minimum required by the Company for the purposes of the Agreement. Notwithstanding any review or approval by the Company of any terms of such insurance, there is no representation that such terms are sufficient or will have any given legal effect.

7. INDEMNIFICATION

- 7.1 The Operator shall indemnify and save harmless the Company, its employees, agents, servants and assigns from and against any and all

losses, claims, damages, actions, causes of action, costs and expenses that the Company may sustain, incur, suffer or be put to at any time either before or after the expiration or termination of this Agreement, where the same or any of them are based upon, arise out of or occur, directly or indirectly, by reason of any act or omission of the Operator or any of the Operator's agents, employees, directors, officers or subcontractors engaged in connection with the Service, including without limitation, any infringement of copyrights or license rights by the Operator, excepting always liability arising out of the independent willful acts of the Company.

8. WORKSAFEBC

- 8.1 During the term of the Contract, the Operator shall provide evidence that the Operator is registered with WorkSafeBC.

9. FORCE MAJEURE

- 9.1 Notwithstanding any other provision herein contained, the parties hereto shall not be deemed in default with respect to the performance of any of the terms, covenants and conditions of this Agreement, if the non-performance thereof shall be due to an event that is beyond the reasonable control and without the fault of a party and includes fires, floods, storms, strikes or lock-outs (excepting strikes or lockouts involving the Operator's employees), civil commotion, invasion, rebellion, hostilities, sabotage and acts of God, provided that the Operator shall notify the Company in writing of any such circumstances affecting its ability to perform the Service hereunder.

10. EVENTS OF DEFAULT

10.1 It is hereby acknowledged that service is the essence of this Agreement and accordingly if, there has been a significant or continued lack of service by the Operator, as determined by the Company, in its sole discretion, the Company shall have the right to serve notice on the Operator specifying the act or omission complained of and requiring the same to be remedied within a period of ten days. In the event that the act or omission complained of shall not be remedied within such period, then the Company may give notice in writing to the Operator immediately terminating this Agreement.

10.2 Notwithstanding any other provisions herein contained, the Company may, by giving notice to the Operator, terminate this Agreement forthwith upon the happening of any of the following events:

- (a) if the Operator fails to carry out any of the obligations to be performed on its part hereunder, and such failure shall not be remedied or corrected within ten days after the earlier of the Operator having knowledge of the breach or omission or the Operator receiving written notice from the Company of such breach or omission;
- (b) if the Vessel is so damaged that it is unfit to carry out the Service in accordance with the terms hereof and a replacement vessel of the equivalent or better standard, is not put into service within 15 days after the damage occurred;
- (c) if the Operator in any 12 month period misses more than 5 scheduled sailings, unless due to an event of force majeure;
- (d) if the Operator is adjudicated a bankrupt or an order is made for the winding-up of the Operator;
- (e) if the Operator makes any assignments for the benefit of creditors;

- (f) if the Operator requests the Registrar of Companies of the Province of British Columbia to strike it off the Register of Companies, or if such company is in fact struck from the Registrar of Companies;
- (g) if the Operator or any of its officers or directors or employees is convicted of any offence under any law or regulation of Canada or British Columbia or any duly constituted authority thereof;
- (h) if any action or omission by the Operator in turn causes the Company to be in default under the Coastal Ferry Services Contract between the Province of British Columbia and the Company;
- (i) if the Operator charges tariffs different from those agreed to by the Company;
- (j) if the Operator fails to obtain and maintain safety, regulatory and legal certification or to operate the Service in a safe manner; or
- (k) if the Operator furnishes materially incorrect information, fails to remit monies owing to the Company fails to obtain and maintain required insurance.

10.3 Upon the termination of this Agreement pursuant to paragraph 10.2 hereof, the Company shall pay to the Operator any Fee or portion thereof or other compensation owing to the Operator up to the date of termination subject to the right of Company to set-off against any payments to the Operator or any claims which the Company has against the Operator as a result of the Operator's default hereunder.

10.4 The Company's rights under this section 10 to terminate this Agreement shall be without prejudice to the Company's other rights and remedies at law or in equity arising out of a breach of this Agreement by the Operator.

11. RELATIONSHIP OF PARTIES

11.1 The Operator is not hereunder an agent or legal representative or contractor of the Company for any purpose whatsoever and is not granted by the terms or execution of this Agreement any express or implied right or authority to assume or create any responsibility on behalf of or in the name of the Company or to bind the Company in any manner whatsoever.

12. PUBLIC INFORMATION

12.1 The Operator acknowledges that all information delivered to the Company in connection with the provision of the Service, including information with respect to the number of trips, the number and type of passengers, the amount and type of freight (if applicable) carried and the respective fares and charges collected, but excluding information relating to the Operator and its finances and expenses, shall be public information and may be used by the Company or made available to any member of the public.

13. NOTICES

- 13.1 All notices, filings, demands and payments required or permitted to be given hereunder will be sufficiently given if delivered or sent by fax or email as follows:

If to the Company:

British Columbia Ferry Services Inc.
1300 Eleanor Road
Comox, British Columbia
V9M 4B3

Attention: Marine Superintendent
Fax number: (250) 339-1046

If to the Operator:

Western Pacific Marine Ltd.
501 Denman Street
Vancouver, British Columbia
V6G 2W9

Attention: Graham Clarke
Fax number: (604) 605-6006

and any notice will be deemed to have been given and received on the business day immediately following delivery or successful facsimile transmission.

- 13.2 Either party may change its address or fax number for notices by giving the other notice of such change in one of the manners set out herein.

14. REMEDIES CUMULATIVE

14.1 All rights and remedies of either party hereunder are cumulative and are in addition to, and shall not be deemed to exclude, any other right or remedy allowed by law. All rights and remedies may be exercised concurrently.

15. FURTHER ASSURANCES

15.1 Each of the parties hereto covenants and agrees to execute such further and other documents and instruments and to do such further and other things as may be necessary to implement and carry out the intent of this Agreement.

16. NON-WAIVER

16.1 No condoning, excusing or waiver by any party hereto of any default, breach or non-observance by any other party hereto at any time or times in respect of any covenant, proviso or condition herein contained shall operate as a waiver of that party's rights hereunder in respect of any continuing or subsequent default, breach or non-observance, or so as to defeat or affect in any way the rights of that party in respect of any such continuing or subsequent default, breach or non-observance, and no waiver shall be inferred from or implied by anything done or omitted to be done by the party having those rights.

17. TIME

17.1 Time shall be of the essence of this Agreement.

18. PROHIBITION AGAINST ASSIGNMENT

18.1 This Agreement and the rights of the Operator hereunder shall not be assignable by the Operator without the written consent of the Company, which consent may be withheld in the sole and absolute discretion of the

Company. For the purposes of this Agreement, a change of control of the Operator, either directly or indirectly, shall constitute an assignment by the Operator requiring the consent of the Company.

18.2 The Company may assign its rights under this Agreement in whole or in part to any person or entity without the consent of the Operator to any affiliated entity or beneficiary as long as such assignee or beneficiary acknowledges its rights and obligations under this Agreement.

19. HEADINGS

19.1 No heading herein shall be determinative or used as a means to interpret this Agreement or any provision hereof. Any heading herein is inserted only for ease of reference.

20. PARTIES AND INTEREST

20.1 This Agreement and all of its terms shall be binding on and shall enure to the benefit of and be enforceable by the parties hereto and their respective beneficiaries and permitted assigns.

21. RESPONSIBILITY

21.1 It is understood and agreed that the involvement of the Company in respect of this Agreement or its rights under this Agreement, including without limiting the generality of the forgoing, any inspections, supervision, review, perusal, approval, comment, or the lack of same, shall not shift any responsibilities imposed on the Operator by law or under this Agreement from the Operator to the Company or affect any indemnities from the Operator to the Company or remedies available to the Company as specified herein.

22. INDEMNITIES SURVIVE TERMINATION

22.1 The indemnities set out in this Agreement shall survive the expiry of the

Term or any earlier termination of this Agreement.

23. ENTIRE AGREEMENT

23.1 This Agreement constitutes the entire agreement between the parties with respect to the subject matter of this Agreement and supersedes and revokes all prior negotiations and representations. No understanding, agreement, representation or warranty, oral or otherwise, exists between the parties with respect to the subject matter of this Agreement except as expressly set out herein.

24. GOVERNING LAW

24.1 This Agreement will be construed in accordance with the laws of the Province of British Columbia and the laws of Canada applicable in the Province of British Columbia.

25. AMENDMENTS

25.1 Except as otherwise provided herein, this Agreement may only be modified or amended by a subsequent agreement in writing signed by both parties.

26. COUNTERPARTS AGREEMENT

26.1 This Agreement may be executed in any number of counterparts, each of which when executed and delivered shall be deemed to be an original and all of which taken together shall constitute one and the same instrument.

27. FREEDOM OF INFORMATION AND PROTECTION OF PRIVACY ACT

27.1 The Operator acknowledges that the Company is subject to the provisions of the Freedom of Information and Protection of Privacy Act, R.S.B.C. 1996, c. 165 ("FOIPPA"). All documents submitted to the Company become the property of the Company. They will be received and held in confidence by

the Company and the information will not be disclosed except to the extent necessary for carrying out the Company's purposes or as required by law.

27.2 The Operator may provide, or have access to, records which will be subject to the access and privacy provisions of FOIPPA and must comply with all applicable obligations outlined under FOIPPA.

IN WITNESS WHEREOF the parties hereto have executed this agreement this 1st day of April 2020.

s. 22

BRITISH C

Per: _____

Name: Brian Anderson

Title: VP, Strategy & Community Engagement

s. 22

WESTERN PACI

Per: _____

Name: _____

Title: _____

ROUTE 55 "LASQUETI ISLAND" PASSENGER AND FREIGHT
MARINE TRANSPORTATION SERVICES

SCHEDULE "A"

SPECIFICATIONS

The Service includes:

- a) the transportation of up to 60 passengers and 100 pounds of personal hand baggage for each passenger;
- b) intended frequency of 763 round trips per year on a regularly scheduled basis between French Creek on Vancouver Island and False Bay on Lasqueti Island;
- c) the provision of washroom, sanitary, emergency and loading facilities and services appropriate to the size, nature and extent of the Service, of the Vessel and the number of passengers transported;
- d) the provision of adequate facilities for the transportation of light freight and mail, however the carriage of passengers has priority over the carriage of freight; and
- e) that there will be no smoking permitted anywhere on the vessel.

SCHEDULE "B"

SCHEDULE OF SERVICE

1. Round trips – Annual

Peak Season is the ten week period from the last Wednesday of June until Labour Day inclusive. During the peak season there will be seventeen round trips each week.

The remainder of the year is the Non-peak season, during which there will be fourteen round-trips each week. No trips are required on Christmas Day and New Year's Day.

2. Sailing Schedule

Peak Schedule

Leave False Bay, Lasqueti	Leave French Creek	Day of the Week						
		Mon	Tue	Wed	Thu	Fri	Sat	Sun
8:00am	9:45am	✓		✓	✓	✓	✓	
11:00am	2:30pm	✓		✓	✓	✓	✓	
1:00pm	2:30pm							✓
4:00pm	5:30pm	✓		✓	✓	✓	✓	✓

Non-peak Schedule

Leave False Bay, Lasqueti	Leave French Creek	Day of the Week						
		Mon	Tue	Wed	Thu	Fri	Sat	Sun
8:00am	9:45am	✓			✓	✓	✓	
11:00am	2:30pm	✓			✓	✓	✓	
1:00pm	2:30pm							✓
4:00pm	5:30pm	✓			✓	✓	✓	✓

In addition, there are five additional sailings each year scheduled at 6:45 p.m. on Mondays of long weekends that fall between Easter and Thanksgiving.

3. Weather Cancellations

- When the 5:30 p.m. sailing from French Creek is cancelled, (except Mondays) the ferry will make-up the sailing by departing French Creek the following morning at 6:30 a.m.
- On any Monday, when the 5:30 p.m. sailing from French Creek is cancelled, the ferry will make-up the sailing by departing French Creek on Tuesday morning at 8:00 a.m., and return from False Bay at 9:45 a.m. carrying passengers in both directions.
- On any Monday, when the 4:00 p.m. sailing from False Bay is cancelled, the ferry will make-up the sailing by departing False Bay on Tuesday morning at 8:00 a.m. and returning from French Creek at 9:45 a.m. In this situation, the ferry will immediately return to French Creek after discharging passengers at False Bay. If additional passengers are on the False Bay dock at this time, they will also be returned to French Creek.

SCHEDULE "C"

TERMINAL DOCK FACILITIES

The Operator, at its expense, shall establish and maintain a right of access to use the facilities at French Creek on Vancouver Island and False Bay on Lasqueti Island.

SCHEDULE "D"

MAXIMUM TARIFF AND FARE STRUCTURE FOR THE SERVICE

(All fares shown before taxes)

Passenger fares (one way) French Creek on Vancouver Island and False Bay on Lasqueti Island

Peak Season (defined in Schedule B)

Fare Type	Fare before Taxes
Adult	\$11.43
Child (6-12)	\$5.57
Child (under 6)	Free
Student (with valid full time school card)	NA
Senior (65 and older)	\$5.57
Uncrated/Uncaged Animals	\$2.90
Crated/caged Animals	\$2.90
Bicycles	\$3.90
Kayaks	\$14.62

Non-peak Season (defined in Schedule B)

Fare Type	Fare before Taxes
Adult	\$10.24
Child (6-12)	\$5.10
Child (under 6)	Free
Student*	\$5.10
Senior (65 and older)	\$5.10
Uncrated/Uncaged Animals	\$2.90
Crated/caged Animals	\$2.90
Bicycles	\$2.90
Kayaks	\$14.62

Notes:

1. For definition of Peak and Non-Peak Seasons, see Schedule B.
2. Student rate applies to Island residents only, aged 18 and under (excluding Post-Secondary students) with acceptable I.D and students from School District 69 (Qualicum) for school related travel. No student rate during Peak Season.
3. No senior rate on Sundays or Statutory Holidays.
4. The Operator is authorized to increase maximum fares at a compounding rate of 2.3% per annum.

SCHEDULE "D" CONTINUED

MAXIMUM FREIGHT RATES FOR THE SERVICE*

(*) Rate before applicable taxes

	Base Rates before taxes (2020-2021)
A - Commercial Freight	
Commercial freight (subject to availability): rate per cu. Ft. or \$0.10 lb. whichever is greater	\$ 1.43
B - General Freight	
Personal use over limit, per cu. Ft. or 0.10 per lb, whichever is greater	\$ 1.19
Appliances (major, e.g. fridge, stove, washer, dryer, etc)	\$ 14.29
Canoes, kayaks, per unit	\$ 14.29
Windsurfers, per unit	\$ 7.62
Furniture - per cu.ft.	\$ 1.19
Tires, no rims - less than 17" in diameter of inside rim, per unit	\$ 1.90
Tires, no rims - Truck, 17" and up in diameter of inside rim, per unit	\$ 7.14
Tires, no rims - Large commercial tire, i.e. Skidder/backhole, per unit	\$ 14.29
Tire rim, all sizes, per unit	\$ 1.19
Chain Saw, per unit	\$ 1.43
Gensets/Pumps - 4.5 or less horsepower, per unit	\$ 4.76
Gensets/Pumps - more than 4.5, per unit	\$ 9.52
Bicycles - Non-peak season, per unit	\$ 2.86
Bicycles - Peak season, per unit	\$ 3.81
Bicycle trailers, Regular Season, per unit	\$ 1.90
Bicycle trailers, Peak Season, per unit	\$ 2.86
Motorcycles, < 50 cc, per unit	\$ 19.05
Motorcycles, 50 cc or more, per unit	\$ 23.81
Outboard motors, less than 10 horsepower, per unit	\$ 5.71
Outboard motors, 10 or more horsepower, per unit	\$ 9.52
Hay and straw per bail (in plastic) - per bale	\$ 4.76
Laundry bags, per bag	\$ 1.19
Unaccompanied groceries, per cu. Ft.	\$ 1.43

SCHEDULE "D" CONTINUED

C - Building Supply Freight

Bagged building supplies - per cu. Ft. or \$0.05 per lb. whichever is greater	\$ 1.19
Lumber - per cu. Ft.	\$ 1.43
Plywood & Drywall - 4'x8', 1/2" or less, per sheet	\$ 1.90
Plywood & Drywall - 4'x8', more than 1/2", per sheet	\$ 2.38
Plywood & Drywall - Irregular size, more than 4'x8' per sheet	\$ 2.86
Insulation per bale, (subject to space availability), per cu. Ft.	\$ 1.19
Big "O" pipe, per ft.	\$ 0.14
Roll Roofing, per roll	\$ 3.33
Fencing, per roll	\$ 4.29
Roofing Bundle - Singles, per roll	\$ 3.33
Glass per sheet, 9 sq. ft. or less, each	\$ 1.43
Glass per sheet, over 9 sq. ft., each	\$ 2.86
Windows in Frames (small), 9 sq. ft. or less, each	\$ 2.86
Windows in Frames (large), over 9 sq. ft., each	\$ 5.71
Doors without frame, single, each	\$ 3.81
Doors and frame combined, single, each	\$ 7.62
Chimney & Construction Blocks, Liners, each	\$ 2.86

D - Items not listed in (B) and (C): Commercial Rates will apply

SCHEDULE "E"

FEE SCHEDULE

BASE FEE:

For providing the Services during the Term, the Company shall pay to the Operator a monthly Fee (before taxes) as identified in the following table:

Contract Year	Monthly Fee (before taxes)	Maximum Annual Fee per Contract Year (before taxes)
Year 1 (April 2020 – March 2021)	s. 17, s. 21	
Year 2 (April 2021 – March 2022)		
Year 3 (April 2022 – March 2023)		
Year 4 (April 2023 – March 2024)		

The Operator shall prepare an invoice monthly and submit it to the Company with the Monthly Statement.

FUEL COST ADJUSTMENT

In addition to the monthly Fee identified in the tables above, the Operator and the Company have agreed to an annual Fuel Cost Adjustment based on a fixed price for fuel in Litres of s. 17, s. 21 and a maximum annual fuel consumption for the Vessel for the Service of s. 17, s. 21 Litres. At the end of each year during the Term, the Operator will prepare a calculation as follows:

Average Annual Price for Fuel = (Total Annual Fuel Cost for the Service) divided by (Annual Fuel Consumed in Litres for the Service)

Annual Fuel Cost Adjustment = ((Average Annual Price for Fuel for the Service) less s. 17, s. 21 multiplied by (Annual Fuel Consumed in Litres up to a maximum of s. 17, s. 21 Litres)

If the Annual Fuel Cost Adjustment is positive, an amount equal to the result will be paid by the Company to the Operator as set out in paragraph 3.2.

If the Annual Fuel Cost Adjustment is negative, an amount equal to the result will be paid by the Operator to the Company as set out in paragraph 3.2.

SCHEDULE "F"

INVOICE AND MANIFEST

The Operator is to provide a table outlining statistics associated with each trip performed within the month being invoiced. This will include:

1. passenger trips;
2. passenger revenue, and freight revenue;
3. number of missed sailings including timing and reasons, and;
4. other relevant statistics as appropriate.

SCHEDULE "G"

SPECIAL TERMS AND CONDITIONS

1. The Operator will carry an AED (automated external defibrillator) on the Vessel during scheduled service and ensure a crewmember on duty is trained in the use of the AED unit.
2. The Operator will supply a Narcan kit for the Vessel.
3. The Operator will schedule annually, and hold on Lasqueti Island, an open public meeting in cooperation with BC Ferries and a local Ferry Advisory Committee.
4. The Operator will review and consider the use of pre-paid passes and return day fares with the Ferry Advisory Committee.

AMENDING AGREEMENT – ROUTE 55

THIS AMENDING AGREEMENT made as of the 27th day of March, 2024,

BETWEEN:

BRITISH COLUMBIA FERRY SERVICES INC.

a company incorporated under the laws of the Province of British Columbia

(herein called the “Company”)

AND:

WESTERN PACIFIC MARINE LTD.

a company incorporated under the laws of the Province of British Columbia

(herein called the “Operator”)

WHEREAS:

- A. The Company and the Operator entered into an Agreement made as of the 1st day of April 2020 (the “Agreement”);
- B. The Company has provided notice to the Operator of its intention to extend the Term of the Agreement until March 31, 2028 in accordance with Section 2.1 of the Agreement; and
- C. The Company and the Operator wish to amend the Agreement on the terms and conditions set forth herein, which amendments include an acknowledgment that the Company will be closely assessing and reviewing the Operator’s performance of its obligations under the Agreement and the conduct of its personnel during the Performance Review Period (as defined herein).

NOW THEREFORE in consideration of the mutual covenants and agreements in this Amending Agreement and other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged by each of the parties), the parties hereby covenant and agree as follows:

- 1. **Defined Terms** – All terms in this Amending Agreement that are defined in the Agreement and are not otherwise defined in this Amending Agreement shall have the meanings ascribed to those terms in the Agreement.
- 2. **Provincial Agreement** – Notwithstanding anything herein or in the Agreement to the contrary, the parties acknowledge that this Amending Agreement is subject to, and conditional upon, the Company receiving the agreement of the Province of British Columbia (the “Provincial Agreement”) to provide the Company pursuant to the Coastal Ferry Services Contract with funding in an amount acceptable to the Company for the changes to Service contemplated by the Amending Agreement by no later than March 31, 2024. If the Company does not provide written notice to the Operator that it has received the Provincial Agreement by March 31, 2024, this Amending Agreement shall automatically be at an end and each party shall be released from any and all obligations and liabilities to the other pursuant to or in connection with this Amending Agreement, and the termination thereof, and in such circumstances the Agreement shall automatically be at an end on March 31, 2024 and each party shall be released from any and all obligations and liabilities to the other pursuant to or in connection with the Agreement (other than any obligations that are expressly provided as surviving the expiry of the Term or any earlier termination of the Agreement), this Amending Agreement, and the termination thereof.

3. **Extension of Term** – In accordance with section 2.1 of the Agreement, the Parties agree that the Term of the Agreement is extended by four years, and will expire on March 31, 2028.

4. **Amendments to Agreement** – Effective as of April 1, 2024, the Agreement is hereby amended as follows:

- (a) by replacing “Notwithstanding anything herein to the contrary” in section 2.1 of the Agreement with “Subject to Schedule “H” but notwithstanding any other provision herein”.
- (b) by adding the following sentence at the end of section 10.2 of the Agreement:

“For certainty, if the Company terminates the Agreement pursuant to section 10.2, the Operator shall not be entitled to any termination fee.”
- (c) by deleting Schedule “D” of the Agreement in its entirety and replacing it with the Schedule “D” attached hereto;
- (d) by deleting Schedule “E” of the Agreement in its entirety and replacing it with the Schedule “E” attached hereto;
- (e) by deleting Schedule “F” of the Agreement in its entirety and replacing it with the Schedule “F” attached hereto;
- (f) by deleting Schedule “G” of the Agreement in its entirety and replacing it with the Schedule “G” attached hereto; and
- (g) by adding as Schedule “H” of the Agreement the Schedule “H” attached hereto.

5. **Consequential Amendments** – All consequential amendments shall be deemed to be made to the Agreement in order to give full force and effect to the provisions of this Amending Agreement.

6. **Further Assurances** – Each of the parties shall at all times hereafter execute and deliver, at the request of the other party, all such further documents and instruments and shall do and perform all such further acts as may be reasonably required by that other party to give full effect to the intent and meaning of this Amending Agreement.

7. **Conflicts** – In case of any conflict between the provisions of the Agreement and the provisions of this Amending Agreement, the provisions of this Amending Agreement will prevail.

8. **No Further Amendments** – Except as provided for in this Amending Agreement, the Agreement is in all other respects ratified and confirmed and shall continue to bind the parties in accordance with the terms of the Agreement and this Amending Agreement.

9. **Binding Effect** – This Amending Agreement shall enure to the benefit of and be binding upon the parties hereto, and their respective successors and permitted assigns.

10. **Law and Jurisdiction** – This Amending Agreement shall be governed by and construed in accordance with the laws of the Province of British Columbia.

11. **Counterparts** – This Amending Agreement may be executed in any number of counterparts, each of which when executed and delivered (by facsimile or otherwise) will be deemed to be an original, and all of which together will constitute one and the same document.

IN WITNESS WHEREOF this Amending Agreement has been duly executed as of the day and year first above written.

BRITISH COLUMBIA FERRY SERVICES INC.

s. 22

Per: _____
Name: ✓ Jason Boyd
Title: a/Vice President, Marine Operations

WESTERN PACIFIC MARINE LTD.

s. 22

Per: _____
Name: GRAHAM CLARKE
Title: PRESIDENT

SCHEDULE "D"

MAXIMUM TARIFF AND FARE STRUCTURE FOR THE SERVICE

(All fares shown before taxes)

Passenger fares (one way) French Creek on Vancouver Island and False Bay on Lasqueti Island

Peak Season (defined in Schedule "B")

Fare Type	Fare before Taxes
Adult	\$11.43
Child (6-12)	\$5.57
Child (under 6)	Free
Student (with valid full time school card)	N/A
Senior (65 and older)	\$5.57
Uncrated/Uncaged Animals	\$2.90
Crated/caged Animals	\$2.90
Bicycles	\$3.90
Kayaks	\$14.62

Non-peak Season (defined in Schedule "B")

Fare Type	Fare before Taxes
Adult	\$10.24
Child (6-12)	\$5.10
Child (under 6)	Free
Student*	\$5.10
Senior (65 and older)	\$5.10
Uncrated/Uncaged Animals	\$2.90
Crated/caged Animals	\$2.90
Bicycles	\$2.90
Kayaks	\$14.62

Notes:

1. For definition of Peak and Non-Peak Seasons, see Schedule "B".
2. Student rate applies to Island residents only, aged 18 and under (excluding Post-Secondary students) with acceptable I.D. and students from School District 69 (Qualicum) for school related travel. No student rate during Peak Season.
3. No senior rate on Sundays or Statutory Holidays.
4. The Operator is authorized to increase maximum fares at a compounding rate of 3.2% per annum.

SCHEDULE "D" CONTINUED

MAXIMUM FREIGHT RATES FOR THE SERVICE*

(*) rate before applicable taxes

**Base Rates
before taxes**

A - Commercial Freight

Commercial freight (subject to availability): rate per cu. Ft. or \$0.10 lb. whichever is greater	\$	1.43
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B - General Freight

Personal use over limit, per cu. Ft or 0.10 per lb, whichever is greater	\$	1.19
Appliances (major, e.g. fridge, stove, washer, dryer, etc.)	\$	14.29
Canoes, kayaks, per unit	\$	14.29
Windsurfers, per unit	\$	7.62
Furniture - per cu. ft	\$	1.19
Tires, no rims - less than 17" in diameter of inside rim, per unit	\$	1.90
Tires, no rims - Truck, 17" and up in diameter of inside rim, per unit	\$	7.14
Tires, no rims - Large commercial tire, i.e. Skidder/backhole, per unit	\$	14.29
Tire rim, all sizes, per unit	\$	1.19
Chain Saw, per unit	\$	1.43
Genset/Pumps - 4.5 or less horsepower, per unit	\$	4.76
Gensets/Pumps - more than 4.5, per unit	\$	9.52
Bicycles - Non-peak season, per unit	\$	2.86
Bicycles - Peak season, per unit	\$	3.81
Bicycle trailers, Regular Season, per unit	\$	1.90
Bicycle trailers, Peak Season, per unit	\$	2.86
Motorcycles, < 50 cc, per unit	\$	19.05
Motorcycles, 50 cc or more, per unit	\$	23.81
Outboard motors, less than 10 horsepower, per unit	\$	5.71
Outboard motors, 10 or more horsepower, per unit	\$	9.52
Hay and straw per bail (in plastic) - per bale	\$	4.76
Laundry bags, per bag	\$	1.19
Unaccompanied groceries, per cu. Ft.	\$	1.43

SCHEDULE "D" CONTINUED

C - Building Supply Freight

Bagged building supplies - per cu. Ft. or \$0.05 per lb. whichever is greater	\$	1.19
Lumber - per cu. Ft.	\$	1.43
Plywood & Drywall 4'x8', 1/2" or less, per sheet	\$	1.90
Drywall - 4'x8', more than 1/2", per sheet	\$	2.38
Plywood & Drywall - Irregular size, more than 4'x8" per sheet	\$	2.86
Insulation per bale, (subject to space availability), cu. Ft.	\$	1.19
Big "O" pipe, per ft.	\$	0.14
Roll Roofing, per roll	\$	3.33
Fencing, per roll	\$	4.29
Roofing Bundle - Singles, per roll	\$	3.33
Glass per sheet, 9 sq. ft. or less, each	\$	1.43
Glass per sheet, over 9 sq. ft., each	\$	2.86
Windows in Frames (small), 9 sq. ft. or less, each	\$	2.86
Windows in Frames (large), over 9 sq. ft, each	\$	5.71
Doors without frame, single, each	\$	3.81
Doors and frame combined, single, each	\$	7.62
Chimney & Construction Blocks, liners, each	\$	2.86

D - Items not listed in (B) and (C): Commercial Rates will apply

SCHEDULE "E"

FEE SCHEDULE

BASE FEE:

1. For providing the Services during the Term, the Company shall pay to the Operator a monthly Fee (before taxes) as identified in the following table:

Contract Year	Monthly Fee (before taxes)	Maximum Annual Fee per Contract Year (before taxes)
Year 1 (April 2024 – March 2025)	s. 17, s. 21	
Year 2 (April 2025 – March 2026)		
Year 3 (April 2026 – March 2027)		
Year 4 (April 2027 – March 2028)		

2. In the event of missed sailings, the Company shall have the option to withhold a non-performance fee of s. 17, s. 21 for each occurrence, except where the missed sailing is caused by any one or more of the following circumstances:
 - a) Tasking of Vessel for emergency response;
 - b) Bad weather;
 - c) Sinking or grounding of the Vessel; or
 - d) Fire.

Each month the Operator shall, no later than five (5) business days following the end of the preceding month, prepare and submit an invoice to the Company together with the Monthly Statement and Manifest for such preceding month.

CREW EDUCATION FUND

In addition to the monthly Fee, the Company will provide the Operator with up to s. 17, s. 21 per each of the "Contract Years" referred to in the above table (the "**Crew Education Fund**") to assist in supporting the education and training of the Operator's personnel, subject to the following conditions:

1. The Operator must develop a plan with respect to the proposed education and training to be funded with proceeds of the Crew Education Fund and a course budget for each proposed course (each, a "**Course Budget**"), and obtain the Company's prior written approval of such plan and each Course Budget before expending or committing to expend funds in respect of the course to which such Course Budget relates. A Course Budget shall include the title of the course, number of attendees, duration of the course, name of the course provider, cost per attendee, and estimated wages and expenses for the attending crew member.
2. The Company will reimburse the Operator for the expressly authorized, reasonable, out of pocket expenses actually incurred by the Operator (without any additional mark up or administrative fee) that is in an approved Course Budget or otherwise approved in writing in advance by the Company. Upon request by the Company, the Operator will provide to the Company receipts and other supporting documents for any reimbursable expenses invoiced to the Company.

TECHNOLOGY DEVELOPMENT FUND

In addition to the monthly Fee, the Company will provide the Operator with up to s. 17, s. 21 per each of the "Contract Years" referred to in the above table to a maximum of s. 17, s. 21 for the Term (the "**Technology Development Fund**") to support the Operator's development of technology intended to

support customer-facing services for communication, reservations or any other service agreed to by the parties (such technology, the "**Developed Technology**"), subject to the following conditions:

1. The Operator must develop a plan with respect to the proposed Developed Technology intended to be funded with proceeds of the Technology Development Fund, and obtain the Company's prior written approval of such plan and proposed Developed Technology before expending or committing to expend funds in respect of such proposed Developed Technology.
2. The Company will reimburse the Operator for the expressly authorized, reasonable, out of pocket expenses actually incurred by the Operator (without any additional mark up or administrative fee) in connection with the Developed Technology, provided that each expense is approved in writing in advance by the Company. Upon request by the Company, the Operator will provide to the Company receipts and other supporting documents for any reimbursable expenses invoiced to the Company.
3. The Operator agrees that all Developed Technology (including all inventions, designs, ideas, works, creations, plans, manuals, reports, tools, computer source codes, presentations, documentation and other materials) developed using the Technology Development Fund will be the sole property of the Company, and the Operator agrees to assign to the Company, without the need for any further remuneration or consideration, all right, title and interest in and to the Developed Technology and related intellectual property rights, free and clear of any and all liens, encumbrances, charges and interests whatsoever of any other person, without any limitation of time and without any restriction whatsoever.
4. The Operator will acquire valid and enforceable waivers of all moral rights arising under the *Copyright Act* (Canada) in respect of the Developed Technology. Aside from moral rights, if the Operator has any intellectual property rights in respect of the Developed Technology that cannot be assigned to the Company, the Operator unconditionally and irrevocably grants to the Company an exclusive, irrevocable, perpetual, worldwide, fully paid and royalty free licence with rights to sub licence all such rights for the full duration of such rights and any renewals or extensions thereof, and if such rights cannot be licensed, the Operator unconditionally and irrevocably waives the enforcement of such rights, and all claims and causes of action of any kind against the Company, its licensees, successors and assigns with respect to such rights.
5. If any third party is engaged by the Operator to develop any of the Developed Technology, the Operator will take all necessary steps and obtain all necessary waivers and assignments from such third party in order to ensure that the Company receives the benefit of the Developed Technology, and all intellectual property rights thereto, to the same extent set out above.
6. The Operator will execute and deliver to the Company, and will cause any third party involved in the development of the Developed Technology, to execute and deliver to the Company, whenever requested by the Company, any and all further documents and assurances that the Company may deem necessary or expedient to effect the purposes and intent of the foregoing.

Notwithstanding the foregoing, the Company may, at its sole discretion, reimburse the Operator for reimbursable expenses which, in the aggregate, exceed s. 17, s. 21 in a Contract Year, provided that under no circumstances will the Company be required to provide the Operator with funds over the aggregate amount of s. 17, s. 21 (being the maximum amount of the entire Technology Development Fund) during the Term.

FUEL COST ADJUSTMENT

In addition to the monthly Fee identified in the tables above, the Operator and the Company have agreed to an annual Fuel Cost Adjustment based on a fixed price for fuel in Litres of s. 17, s. 21 and a maximum annual fuel consumption for the Vessel for the Service of s. 17, s. 21 Litres. At the end of each year during the Term, the Operator will prepare a calculation as follows:

Average Annual Price for Fuel = (Total Annual Fuel Cost for the Service) divided by (Annual Fuel Consumed in Litres for the Service)

Annual Fuel Cost Adjustment = ((Average Annual Price for Fuel for the Service) less ~~s. 17, s. 21~~ multiplied by (Annual Fuel Consumed in Litres up to a maximum of ~~s. 17, s. 21~~ Litres)

If the Annual Fuel Cost Adjustment is positive, an amount equal to the result will be paid by the Company to the Operator as set out in paragraph 3.2.

If the Annual Fuel Cost Adjustment is negative, an amount equal to the result will be paid by the Operator to the Company as set out in paragraph 3.2.

SCHEDULE "F"

INVOICE AND MANIFEST

The Operator will provide the Company with a table outlining statistics associated with each round trip performed within the month being invoiced. This includes:

1. passengers trips;
2. passenger revenue, and freight revenue;
3. number of missed sailings including timing and reasons;
4. total nautical miles sailed, fuel consumption and type of fuel consumed in support of the contracted services; and
5. other relevant statistics as appropriate.

SCHEDULE "G"

SPECIAL TERMS AND CONDITIONS

1. The Operator will carry an AED (automated external defibrillator) on the Vessel during scheduled service and ensure a crewmember on duty is trained in the use of the AED unit.
2. The Operator will supply a Narcan kit for the Vessel.
3. The Operator will provide all correspondence with Transport Canada that is related to the Service, by sending such correspondence to the Company, via email to Capt. Hardeep Grewal at hardeep.grewal@bcferries.com (or to any other individual designated in writing by the Company to the Operator), within 3 business days of having issued or received the correspondence.
4. The Operator will schedule and conduct semi-annual open public meetings with the local community on Lasqueti Island.
5. By October 1, 2024, the Operator will develop and make public a written plan that sets out how the Operator will communicate and engage with the local community on Lasqueti Island. At the end of each year of the Term, the Operator will make public a summary of the feedback it received in connection with its plan, and actions taken by the Operator in response.
6. The Operator will make public its policies and protocols for changes in sailing times, sailing cancellations, ticket issuance and conditions of carriage.
7. The Operator will review and consider the use of pre-paid passes and return day fares with the local community on Lasqueti Island.

SCHEDULE "H"

PERFORMANCE REVIEW PERIOD TERMINATION RIGHTS

Unless otherwise provided in this Schedule "H", section references are to the main body of the Agreement.

Without limiting any of the Company's rights under the Agreement (which, for certainty, includes the Schedules to the Agreement) or its ability to assess and review the performance of the Operator following the Performance Review Period (as later defined), it is understood and acknowledged that the Company will be closely assessing and reviewing the Operator's performance of its obligations under the Agreement and the conduct of its personnel during the initial two year period of the extended Term ending on March 31, 2026 (the "**Performance Review Period**").

1. The Company may, at its option and without giving any reasons therefore, terminate the Agreement upon first giving the Operator at least 180 days' notice of its intention to terminate, provided that such termination shall be effective as of the date specified in such notice to terminate and that such effective date is on or before the last day of the Performance Review Period.
2. Upon termination of the Agreement pursuant to section 1 of this Schedule "H" or section 2.1, the Company shall pay to the Operator any Fee or portion thereof owing to the Operator up to the date of termination. If the Company terminates the Agreement pursuant to section 1 of this Schedule "H", the Company shall also pay to the Operator a termination fee equal to ~~s. 17, s. 21~~ but instead within 10 days after the Company has entered into an agreement for marine transportation services on Route 55 (the "**Subsequent Agreement**") with a replacement service provider; provided that if the Operator or any affiliate of the Operator is the counterparty to the Subsequent Agreement (whether pursuant to a request for proposal or otherwise) the Company shall not be required to pay the termination fee. For certainty, the Company shall not be required to pay any termination fee if the Company terminates the Agreement pursuant to section 2.1.
3. For the purposes of the Agreement, any notice of termination delivered or purportedly delivered pursuant to section 2.1 shall be deemed to be a termination pursuant to section 1 of this Schedule "H" if the effective date of such notice, as determined in accordance with section 2.1, is on or before the last day of the Performance Review Period. It is the intention of the parties that the Company's termination rights under section 2.1 will apply and be effective only if the notice delivered pursuant to section 2.1 is to be effective, as determined in accordance with section 2.1, on a date following the Performance Review Period.
4. The Company shall be entitled to set off against any amounts payable under section 2 of this Schedule "H" against any amounts that may be due or claimed to be due from the Operator pursuant to the Agreement.