

KOOTENAY LAKE FERRY AGREEMENT

This Agreement is dated for reference this 1st day of October, 2018

BETWEEN:

**HER MAJESTY THE QUEEN IN RIGHT OF THE PROVINCE
OF BRITISH COLUMBIA**

as represented by the Minister Responsible for the Transportation Act and her agents, servants,
representatives, contractors and employees

c/o The Ministry of Transportation and Infrastructure,
Marine Branch
940 Blanshard Street
Victoria, British Columbia V8W 9T5

(the "Province")

AND:

BC TRANSPORTATION FINANCING AUTHORITY,
a corporation continued under the Transportation Act
940 Blanshard Street
Victoria, British Columbia V8W 9T5

("BCTFA")

AND:

a corporation having an office at
@

(the "Contractor")

(together, the "Parties")

WHEREAS:

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WHEREAS:

- A. The Province and BCTFA are the owners of or otherwise have rights in and to the Ferry Facilities and Watercrafts located on the Routes;
- B. The Province wishes to engage the Contractor to utilize and operate the Ferry Facilities and Watercrafts and provide the Ferry Service on the Routes;
- C. The Contractor has been selected as the preferred proponent under the RFP and has agreed to operate and provide the Work in keeping with this Agreement; and
- D. The Parties have agreed to foster a working relationship based on a shared sense of purpose, mutual respect and trust and a commitment to engage in timely

communications and general cooperation concerning the obligations set forth herein, each to the other.

NOW THEREFORE, the Parties agree as follows:

1. DEFINITIONS

- 1.1 Unless otherwise provided in this Agreement (inclusive of any schedules attached hereto), capitalized terms shall have the meanings given to those terms in Schedule A to this Agreement.

2. ENGAGEMENT

- 2.1 The Province hereby engages the Contractor to carry out and provide the Work pursuant to the terms of this Agreement, the Charter and the Licence.

3. TERM

- 3.1 The initial term of this Agreement shall be for a period of five (5) Contract Years, commencing, for the avoidance of doubt, on October 1, 2018 and expiring on September 30, 2023 (the "Initial Term"). Subject to Section 3.2, the term of the agreement shall automatically extend for an additional five (5) Contract Years, commencing, for the avoidance of doubt, on October 1, 2023 and expiring on September 30, 2028 and shall come into effect in accordance with Section 3.2 (the "Renewal Term" and together with the Initial Term, the "Term").

- 3.2 Provided the Contractor duly and punctually observes and performs the covenants, agreements, obligations and provisos in this Agreement to be observed and performed by it, upon expiry of the Initial Term this Agreement shall automatically renew for the Renewal Term on the same terms, covenants, agreements, obligations and provisos contained in this Agreement except for (i) the Service Fee and adjustments to it, pursuant to Section 3.4 below, and (ii) a further right of renewal, subject to the Contractor delivering to the Province by no later than 90 days prior to the expiry of the Initial Term:

- (a) the proposed Service Fee for the Renewal Term; and
- (b) written evidence that the bond securities (if the Contractor is furnishing bond securities as security for the full and entire Term of this Agreement to September 30, 2028) and insurance requirements set forth in Schedule H to this Agreement shall be kept in good standing for the Renewal Term.

For the avoidance of doubt, the Province may, prior to the commencement of the Renewal Term, in accordance with Section 24.2, terminate this Agreement, in which case the automatic renewal contemplated by this Section 3.2 shall be deemed not to have occurred.

- 3.3 If the Contractor is providing bond securities as security for the full Term of this Agreement to September 30, 2028, the automatic extension of this Agreement for the

Renewal Term is further subject to the Contractor providing the Province with, by no later than 30 days prior to the expiry of the Initial Term, updated bond documents and certificates of insurance that meet or exceed the requirements set forth in Schedule H of this Agreement, with policies that end no sooner than midnight on September 30, 2028.

3.4

- (a) As contemplated by Section 3.2, prior to the commencement of the Renewal Term, the Contractor shall deliver to the Province a proposed Service Fee for the Renewal Term, which may not be the same as the Service Fee in effect during the Initial Term. If the Contractor delivers a proposed Service Fee for the Renewal Term that is different than the Service Fee (in effect for the Initial Term, the Contractor shall furnish to the Province all relevant information reasonably required for the proper consideration of such proposed Service Fee, with such detail as the Province may reasonably require to enable it to properly consider the proposal. This detail shall include a detailed summary of the prices, costs, charges and mark-ups in provision of the Ferry Service.
- (b) Upon receipt of the Contractor's proposed Service Fee for the Renewal Term, along with applicable supporting documentation, the Province may either (i) agree to the Service Fee proposed by the Contractor for the Renewal Term, or (ii) propose to the Contractor a Service Fee for the Renewal Term different than that proposed by the Contractor and/or provisions providing for the adjustment to the Service Fee that are different from those in effect during the Initial Term, which the Contractor is not obligated to accept, provided however that if the Ferry Service as set out in Schedule B is not reduced by the Province for the Renewal Term, the Service Fee proposed by the Province for the Renewal Term shall not be for an amount less than the Service Fee that was paid to the Contractor during the Initial Term. This negotiation process shall continue until the earlier of (i) the reaching of an agreement on the Service Fee (and adjustment provisions thereto) for the Renewal Term, and (ii) the deadline specified below in Section 3.4(c) (being for greater certainty, October 1, 2023).
- (c) If a Service Fee (and adjustment provisions thereto) for the Renewal Term is not agreed to by the Parties on or before October 1, 2023, the Province shall thereupon pay the Service Fee that was in effect immediately prior to the Renewal Term, subject to the adjustment provisions thereto that were in effect immediately prior to the Renewal Term, and the Contractor shall have ninety (90) days from October 1, 2023, being Friday, December 29, 2023, to provide the Province with written notice of the Contractor's intention to dispute the Service Fee (and adjustment provisions thereto) for the Renewal Term, for resolution as a Dispute by the Referee pursuant to Section 25.3.
- (d) If the Referee determines that there is to be an increase in the Service Fee for the Renewal Term, the Province shall, subject to the Service Fee adjustment provisions for the Renewal Term (as determined by the Referee), thereupon pay

such arrears to the Contractor without interest or penalty within 60 days of the Referee's decision.

- 3.5 Unless otherwise required by law, the Parties agree that, for the purposes of any Dispute arising hereunder, any appeal from a decision of the Referee shall be referred to the Supreme Court of British Columbia.
- 3.6 If, after following the procedure set out in Section 3.4, the Service Fee, and/or the adjustment provisions thereto, for the Renewal Term is different than those in effect for the Initial Term, the Parties agree that they shall enter into an amendment agreement to amend the necessary provisions of this Agreement (and Schedules hereto), in order to effect and evidence such change.
- 4. CONTRACTORS TENURE ON LAND AND WATERCRAFT CHARTER
- 4.1 The Province and BCTFA have granted to the Contractor a charter over the Watercrafts and a licence to use and occupy the Ferry Facilities, that are attached as Schedule E to this Agreement and Schedule F to this Agreement, respectively.

New Watercraft To Be Deployed During The Term

- 4.2 The Contractor acknowledges that a replacement cable ferry to be deployed on the Harrop Route, named the CF Harrop II (the "CF Harrop II"), is under construction and is anticipated to be deployed approximately three months after the Commencement Date and that the existing cable ferry that operates the Harrop Route, named the CF Harrop, shall be decommissioned following such deployment.
- 4.3 The Province covenants that it shall give the Contractor at least thirty (30) days prior written notice of the date that the Province reasonably expects to deliver the CF Harrop II to the Contractor for use on the Harrop Route and that the notice described in this Section 4.3 shall be deemed to be a Change Order requiring the Contractor to utilize the CF Harrop II in the provision of the Ferry Service on the Harrop Route.
- 4.4 The Contractor covenants that it shall fully cooperate with the Province and its servants, agents and authorized representatives to facilitate the deployment of the CF Harrop II on the Harrop Route.
- 4.5 Each of the Province and the Contractor acknowledge that, as a consequence of the deployment of the CF Harrop II contemplated above, a Change to the Agreement may be made in accordance with Section 22 and the change procedure set out in Schedule J to this Agreement and that, pursuant to the Change Order delivered by the Province pursuant to Section 4.3, the List of Assets at Schedule C to this Agreement may be changed to include the CF Harrop II on the delivery date of the CF Harrop II to the Contractor. In addition, the Province, the BCTFA and the Contractor acknowledge that they shall, at the written request of the Province to do so, which it may make in its sole discretion, enter into an amendment agreement to amend the necessary provisions of the Charter in order to evidence the inclusion of the CF Harrop II under the terms of the Charter.

- 4.6 Each of the Province and the Contractor covenants to negotiate the Change described in Section 4.5 in good faith.

Potential New Watercraft To Be Deployed During The Term

- 4.7 The Contractor acknowledges that, during the Term, the Province may replace the MV Balfour with a new watercraft (the "Potential New Watercraft") to be used to provide the Ferry Service on the Kootenay Lake Route for the remainder of the Term. If the Province decides, in its sole discretion, to replace the MV Balfour with the Potential New Watercraft, the Province shall, prior to the deployment of the Potential New Watercraft, provide the Contractor with the notice described in Section 4.8, the Charter shall be amended to include the Potential New Watercraft at a five dollar (\$5) charter fee for the remainder of this Agreement and the List of Assets at Schedule C to this Agreement shall be amended to include the Potential New Watercraft on the delivery date of the Potential New Watercraft to the Contractor.
- 4.8 If the Province decides, in its sole discretion, to replace the MV Balfour with the Potential New Watercraft, the Province shall give the Contractor at least twelve (12) months prior written notice of the date that the Province reasonably expects to deliver the Potential New Watercraft to the Contractor described in Section 4.7 for utilization in the provision of Ferry Service on the Kootenay Lake Route. The Province's notice described in this Section 4.8 shall be deemed to be a Change Order requiring the Contractor to:
- (a) utilize the Potential New Watercraft in the provision of Ferry Service on the Kootenay Lake Route; and
 - (b) after six (6) months following the date that the Potential New Watercraft is utilized by the Contractor for the provision of Ferry Service on the Kootenay Lake Route, the Contractor shall calculate and provide evidence satisfactory to the Province of any direct changes to the Contractor's operating costs as result of the introduction of the Potential New Watercraft.
- 4.9 The Contractor covenants that, if the Province determines, in its sole discretion, to replace the MV Balfour with the Potential New Watercraft, it shall fully cooperate with the Province and its servants, agents and authorized representatives to facilitate the deployment of the Potential New Watercraft on the Kootenay Lake Route.
- 4.10 Each of the Province and the Contractor acknowledge that, as a consequence of the deployment of the Potential New Watercraft contemplated above, a Change to the Agreement may be made in accordance with Section 22 and the change procedure set out at Schedule J to this Agreement and that pursuant to the Change Order delivered by the Province pursuant to Section 4.8, the List of Assets at Schedule C to this Agreement may be changed to include the Potential New Watercraft on the delivery date of the Potential New Watercraft to the Contractor. In addition, the Province, the BCTFA and the Contractor acknowledge that they shall, at the written request of the Province to do so, which it may make in its sole discretion, enter into an amendment agreement to amend

the necessary provisions of the Charter in order to evidence the inclusion of the Potential New Watercraft under the terms of the Charter.

- 4.11 Each of the Province and the Contractor covenants to negotiate the Change described in Section 4.10 in good faith.
- 4.12 As set out in section 4.2 Schedule J to this Agreement, if, following the Contractor's calculation as contemplated in Section 4.8(b), there is a direct change to the Contractor's operating costs following the deployment of the Potential New Watercraft (excluding the charter fee), the Contractor shall prepare and submit to the Province a Change Valuation, prepared at its own cost, with such detail as the Province may reasonably require to enable it to properly evaluate the Change Valuation, including a detailed summary of the prices, costs, charges and mark-ups. The Change Valuation shall be a reasonable estimate of the net amount of all changes in costs incurred and/or saved (exclusive of the charter fee) by the Contractor in connection with the deployment of the Potential New Watercraft. The Province shall, in accordance with section 4.3 of Schedule J to this Agreement, either accept the Change Valuation submitted by the Contractor or deliver its own Change Valuation to the Contractor, which the Contractor shall either agree with or reject. If the Parties cannot agree to the Change Valuation, in accordance with section 4.3 of Schedule J to this Agreement, either Party may refer the matter to Dispute Resolution, as set out in Section 25 of this Agreement, for final determination by the Referee.
- 4.13 As set out in section 5.2 of Schedule J to this Agreement, if the change in the Contractor's operating cost following the deployment of the Potential New Watercraft constitutes a Change in Scope, as determined by the Change Valuation agreed to by the Parties or determined by the Referee pursuant to Section 4.12, the Province shall, in addition to issuing the Change Order pursuant to Section 4.8, issue a second Change Order which shall detail amendments to Schedule D to the Agreement and any other amendments to relevant portions of this Agreement. Notwithstanding the foregoing, as set out in section 5.4 of Schedule J to this Agreement, if there is any decrease in the Contractor's operating costs in connection with the deployment of the Potential New Watercraft, as determined by the Change Valuation agreed to by the Parties or determined by the Referee pursuant to Section 4.12, such decrease shall be for the exclusive benefit of the Province, notwithstanding the minimum 1% threshold stipulated in Section 5 of Schedule J to this Agreement, and the Service Fee shall be commensurately decreased as set forth in the above described second Change Order.
- 4.14 In addition to the foregoing and the procedure set forth in Schedule J to this Agreement, if, following the deployment of the CF Harrop II and/or Potential New Watercraft, if applicable, the Parties cannot agree, whether in whole or in part, if there are other necessary consequential amendments or Changes to be made to this Agreement, the Charter or the Licence as a consequence of the deployment of the CF Harrop II and/or the Potential New Watercraft, if applicable, such Dispute shall be referred to the Referee for resolution pursuant to Section 25.3 and this Agreement, the Charter and/or the Licence shall be amended on such terms as determined by the Referee pursuant to

Schedule G to this Agreement. Until the Referee renders its determination, the Contractor shall utilize the CF Harrop II and/or Potential New Watercraft (if applicable) provided by the Province, and the Parties shall comply with all terms of this Agreement. Payment or reimbursement concerning the change to the Service Fee for the period from the delivery of the Potential New Watercraft to the date of the Referee's determination shall be made within 60 days following the Referee's determination, whether it be by cash lump sum settlement or set-off from future Service Fee payments. No interest shall be due and owing for any such payment remittance to the Contractor or set-off amount, as the case may be. The Contractor shall put the CF Harrop II and/or Potential New Watercraft, if applicable, into service as of the date such Watercraft is delivered to the Contractor during the dispute period.

- 4.15 If the Province, following the replacement of either CF Harrop with the CF Harrop II or, if applicable, the MV Balfour with the Potential New Watercraft, requires the Contractor to keep either (or both) the CF Harrop or MV Balfour, respectively, in its care and custody, the Province shall issue a Work Order, as set out in sections 3.4 and 3.5 of Schedule B, as applicable, detailing the obligation required of the Contractor with respect to the CF Harrop and/or the MV Balfour and the Province shall, as set out in section 3.4 and 3.5 of Schedule B, as applicable, pay the Contractor in accordance with the Direct Plus Rates in Schedule D.

5. THE WORK

- 5.1 The Contractor shall carry out and perform the Work, subject to and in accordance with the terms of this Agreement, including, but not limited to, Schedule B to this Agreement and Schedule L to this Agreement (including all their appendices), the Charter and the Licence.

Pre-Commencement Date Obligations

- 5.2 The Contractor represents and warrants that it shall have:
- (a) on or before the Commencement Date, provided to the Province a clearance letter from the Workers' Compensation Board indicating that the status of the Contractor is active and in good standing;
 - (b) prepared and delivered to the Province, in accordance with Schedule B to this Agreement and its appendices and to the Province's satisfaction and by the time specified herein:
 - (i) the Transition Services Plan, no later than 5 days after the Preferred Proponent Notification Date;
 - (ii) the following plans, no later than two (2) weeks before the Commencement Date:
 - (A) Organization and Management Plan;
 - (B) Certification and Training Plan;

- (C) Business Continuity Plan;
- (D) Risk Management Plan;
- (E) Communications Plan;
- (F) Watercraft Maintenance Plan;
- (G) Ferry Facility Maintenance Plan; and
- (iii) the SMS and its operational documents, no later than three weeks before the Commencement Date;
- (c) completed the requirements set forth in Section 7.1; and
- (d) completed the insurance and security requirements set forth in Schedule H to this Agreement.

Risk

- 5.3 Subject to the provisions of this Agreement, the Contractor shall be entirely and exclusively responsible for all risks, costs and expenses in relation to the performance of its obligations under this Agreement, the Charter and the Licence. As among the Parties, the Contractor shall be solely responsible for the acts, performances, defaults, omissions, breaches and negligence of all of its employees, contractors, subcontractors and other persons for whom the Contractor is in law responsible, as fully as if such acts, performances, defaults, omissions, breaches and negligence were those of the Contractor.

Additional Services

- 5.4 The Contractor shall not undertake any Additional Services unless authorized in advance of undertaking such Additional Services by written Work Order issued and executed by the Province or, in the case of an emergency, authorized in advance of undertaking such Additional Services by verbal authorization of the Province's Contact Person or Ministry Inland Ferry Manager.
- 5.5 The Contractor shall invoice the Province for the provision of Additional Services in accordance with section 3 of Schedule D to this Agreement.
- 5.6 The Contractor acknowledges and agrees that the Province has not made any representations, warranties, covenants or agreements on the amount of Additional Services that the Province shall be requiring from the Contractor during the Term or whether the Province shall use the Contractor to perform any Additional Services during the Term.
- 5.7 If the Province requires Additional Services to be performed, the Province shall have the right, exercisable in its sole discretion, to either (i) instruct the Contractor perform the Additional Services by way of Work Order, or (ii) utilize another contractor to perform the Additional Services.

- 5.8 In the event that Province selects the Contractor to perform the Additional Services pursuant to a Work Order and the Province determines, in its sole discretion, that the Contractor has failed to carry out or perform the Additional Services to the satisfaction of the Province, the Province shall have the right, exercisable in its sole discretion, to utilize another contractor to complete the Additional Service that were commenced by the Contractor.
- 5.9 In the event that the Province elects to use a contractor other than the Contractor to perform Additional Services pursuant to Section 5.7 or complete Additional Services commenced by the Contractor pursuant to Section 5.8, the Provinces shall provide the Contractor with written notice of such election prior to such other contractor performing the Additional Services.

No Cost to Users

- 5.10 The Contractor shall provide the Ferry Service at no cost to the users thereof.

6. FEES

- 6.1 The Province shall, in accordance with the terms of this Agreement, pay the Contractor the Annual Service Fee as set out in Schedule D to this Agreement for performing the Work, except the Additional Services.
- 6.2 If the Province has authorized the Contractor to perform Additional Services pursuant to a Work Order issued by the Province in accordance with Section 5.4, the Province shall, in accordance with the terms of this Agreement, pay the Contractor an Additional Fee for performing the Additional Services at the Direct Plus Rates as set out in Schedule D to this Agreement.
- 6.3 The Contractor shall pay to the Province any such payments that become owing as set out in Schedule D to this Agreement, and in addition to any other right or remedy available to the Province, the Province shall be entitled to set off such amounts owing to the Province against or from any amounts that are then due and payable by the Province to the Contractor.

7. PERSONNEL

- 7.1 The Contractor shall, effective as of the Commencement Date, assume the existing collective agreement between the BCGEU and Western Pacific Marine Ltd., effective April 1, 2014 to March 31, 2019 (the "Collective Agreement"), with the union representing the non-management, bargaining unit employees of the Contractor performing the Work (excluding Additional Services) immediately before the Commencement Date and offer continued employment to all non-management bargaining unit employees (including employees on leave or layoff immediately prior to the Commencement Date), on the terms and conditions of the Collective Agreement
- 7.2 The Contractor represents, warrants, acknowledges and agrees that:

- (a) it has been afforded the opportunity to and has independently reviewed all labour relations matters relating to this Agreement, the Charter and the Licence, including how such matters relate to the performance of the Contractor's obligations under this Agreement, the Charter and the Licence;
- (b) it shall retain, with respect to all employees referenced in Section 7.1 above, the exclusive rights and obligations as employer in all aspects of labour relations and of the employment relationship; and
- (c) it is the successor employer pursuant to the BC Labour Relations Code.

7.3 The Contractor acknowledges and agrees that the Province has made no representation, warranty, statement or promise whatsoever regarding whether or not the requirement to offer employment or the requirement to accept successorship shall be a requirement in any future agreements.

7.4 The Contractor shall inform the union representing the Contractor's employees of the Contractor's obligations under Section 7.1.

8. OPERATIONS OFFICE

8.1 The Contractor shall obtain, maintain and operate, at its sole cost and expense, throughout the Term, an operations office in accordance with section 2.4 of Appendix B1 of Schedule B to this Agreement.

9. DELEGATED STATUTORY INSPECTION PROGRAM AND AUTHORIZED DELEGATED OPERATOR

9.1 The Contractor acknowledges that, as at the date hereof, the MV Balfour and the CF Glade II are enrolled in the Transport Canada Delegated Statutory Inspection Program (the "DSIP"), and that the MV Osprey 2000, CF Harrop II and the Potential New Watercraft, if the Province decides, in its sole discretion, to deploy the Potential New Watercraft, shall be enrolled in DSIP either shortly after the execution of this Agreement or prior to delivery of the applicable watercraft to the Contractor, as applicable.

9.2 As a result of the MV Balfour and the CF Glade II being enrolled in DSIP as of the date hereof and the contemplated enrollment of the CF Harrop II, MV Osprey 2000 and the Potential New Watercraft in DSIP to occur either after the signing of this Agreement or prior to delivery of the applicable watercraft to the Contractor, the Contractor shall, in accordance with Appendix B1 of Schedule B to this Agreement, comply with all the requirements of DSIP, and shall act as the "Authorized Delegated Operator" (as that phrase is defined by Transport Canada pursuant to the DSIP).

10. SNACK BAR ON MV OSPREY 2000

10.1 The Contractor acknowledges that the MV Osprey 2000 has a snack bar on board (the "Snack Bar") and that the Contractor shall operate the Snack Bar throughout the Term in accordance with the provisions of this Agreement (including for certainty and without

limitation, the SMS and section 2.7 of Appendix B1 of Schedule B to this Agreement), the Charter and the Licence.

10.2 During the Term, as between the Province and the BCTFA on one hand and the Contractor on the other, the Contractor shall solely:

- (a) bear all costs and liabilities of any kind whatsoever in relation to; and
- (b) be entitled to all revenues derived from,

the operation of the Snack Bar, including, for greater certainty, any costs and liabilities incurred or otherwise arising from the operation of the Snack Bar by a subcontractor of the Contractor.

10.3 The Contractor's obligations under Section 10.2(a) shall survive the expiration or earlier termination of this Agreement to the extent that any costs and liabilities were incurred or otherwise arose before the expiration or earlier termination of this Agreement.

10.4 In addition to the indemnity set out in Section 20.1, the Contractor shall indemnify and save harmless the Province and the BCTFA and their respective servants, directors, officers, employees, deputies, delegates, representatives, and agents from and against all claims, liabilities, demands, losses, damages, costs and expenses (including legal costs on a solicitor and own client basis), fines, penalties, assessments and levies made against or incurred, suffered or sustained by any of them at any time or times (whether before or after the expiration or sooner termination of this Agreement) where the same or any of them arise directly or indirectly out of, in the course of, or in connection with, or as a result of the use or occupation of, or operation of, the Snack Bar by the Contractor, or a subcontractor of the Contractor, during the Term, which indemnity shall survive the expiration or sooner termination of this Agreement.

10.5 Except with the prior written consent of the Province, which consent may be unreasonably or arbitrarily withheld, no sub-contract in respect of the operation of the Snack Bar shall be for a term that ends after the expiry of the Term.

11. COMMUNICATIONS AND REPORTING

11.1 The Contractor shall communicate with Stakeholders, the Province and Government Authorities, and provide reports and plans to the Province all as set out in Appendices B3 and B4 of Schedule B to this Agreement and the Contractor's Communications Plan attached hereto as Schedule L to this Agreement.

11.2 All reports and plans (including but not limited to the SMS) required in accordance with the terms of this Agreement, the Charter and the Licence are and shall remain the exclusive property of the Province, including copyright, in accordance with and pursuant to Section 15.2.

11.3 The Contractor shall direct all media inquiries to the Province.

12. SAFETY AND ENVIRONMENTAL PROVISIONS

12.1 Notwithstanding any limitation in the Occupational Health and Safety Regulation which would exempt the Contractor from the requirement to initiate and maintain an occupational health and safety program, the Contractor shall ensure that the safety and environmental practices of the Contractor:

- (a) comply with all Laws including, without limitation, Transport Canada's regulations, examinations, certifications, training standards, rules and guidelines;
- (b) are designed to prevent injuries and occupational diseases within the contemplation of the *Workers Compensation Act* (British Columbia) and the Occupational Health and Safety Regulation thereunder;
- (c) provide for the establishment and maintenance of a system or process to ensure compliance with the *Workers Compensation Act* (British Columbia) and the Occupational Health and Safety Regulation thereunder in respect of the Work, this Agreement (including for certainty and without limitation the SMS, its operational documents, and the Contractor's Plans), the Charter, and the Licence;
- (d) satisfy the requirements of an occupational health and safety program under the *Workers Compensation Act* (British Columbia) and the Occupational Health and Safety Regulation thereunder; and
- (e) discharge the responsibilities of the "Prime Contractor" (as defined in the *Workers Compensation Act* (British Columbia)) under the *Workers Compensation Act* (British Columbia) and the Occupational Health and Safety Regulation thereunder, in connection with the Work, this Agreement (including for certainty and without limitation the SMS, its operational documents, and the Contractor's Plans), the Charter, and the Licence.

12.2 The Contractor shall keep the Watercrafts and Ferry Facilities free of all Contaminants and shall not cause or permit the Watercrafts or Ferry Facilities or any parts thereof to be used for storage, treatment, generation, transportation, processing, handling, or disposal of Contaminants, except as may be reasonably required to provide the Work.

12.3 The Contractor shall, promptly, and, in any event, in accordance with this Agreement (including Schedule B and its appendices), upon becoming aware of any release, discharge, escape, migration, deposit or spill of a Contaminant, related to the Contractor's operations or occupation of the Ferry Facilities or the Watercrafts, whether on or in the Ferry Facilities, any adjacent land to the Ferry Facilities or on or from the Watercrafts during the Term:

- (a) notify the Province in accordance with Appendix B4 of Schedule B to this Agreement;

- (b) undertake and complete all removal and remedial actions necessary to contain, remove, remediate and clean up any Contaminant, as required by Law to the reasonable satisfaction of the Province;
- (c) comply with all lawful orders or requests from the Province, or any Government Authorities, relating to the release, discharge, escape, migration, deposit or spill;
- (d) provide the Province with a copy of all notices from Government Authorities which the Contractor receives with respect to any past or present release, discharge, escape, migration, deposit or spill of any Contaminant or the threat of a release, discharge, escape, migration, deposit or spill of any Contaminant; and
- (e) upon request by the Province, obtain an environmental investigation from an independent and appropriately qualified and experienced consultant approved by the Province in writing verifying the removal and remediation of any Contaminant.

12.4 If the Contractor does not promptly, and, in any event, no later than 10 days after receipt of any lawful orders or requests issued under Section 12.3(c), comply with any and all such lawful orders or requests, the Province shall deliver written notice to the Contractor about such non-compliance and instruct the Contractor to remedy such non-compliance within 10 days following receipt of such notice. If the Contractor does not remedy the non-compliance specified in the notice within such 10 days period, the Province may, at any time after the expiry of the 10 day period, undertake or carry out such lawful orders and requests necessary to remedy the non-compliance and the Contractor shall immediately on demand pay to the Province all costs and expenses incurred by the Province in so doing. In addition to any other indemnity provided in this Agreement, the Charter or the Licence, the Contractor shall indemnify and save harmless the Province and BCTFA and their respective servants, directors, officers, employees, deputies, delegates, representatives and agents from any fines, penalties or expenses levied or charged against the Province or BCTFA or any of the other persons described above in this Section by any Government Authority, court or board pursuant to any law, by-law or regulation for the protection of the environment as a result of the use and occupation of and the activities of the Contractor on, or in any way related to, the Watercrafts and the Ferry Facilities.

12.5 The Contractor acknowledges and agrees that:

- (a) the Province has not made any representations, warranties, covenants or agreements with respect to:
 - (i) the presence or absence of a Contaminant on the Ferry Facilities or Watercrafts other than those set out in Section 12.6, or
 - (ii) the occurrence of any event on or affecting the Watercrafts or Ferry Facilities which constitutes an offence or a breach, or is reportable under any Laws with regard to the protection of the environment; and

- (b) the Province has made disclosure about the presence of asbestos on the MV Balfour and suspected presence of asbestos on the CF Harrop.

Asbestos Management Requirements

- 12.6 The Contractor acknowledges and agrees that the MV Balfour and CF Harrop have asbestos management requirements and maintenance obligations which are set out in the Asbestos Management Program attached at Appendix B8 of Schedule B to this Agreement. The Contractor shall perform, carry out and comply with the Asbestos Management Program in accordance with its requirements.
- 12.7 The covenants contained in this Article 12, except Section 12.6, shall survive the expiry or earlier termination of this Agreement, the Licence and the Charter.

13. HAZARD

- 13.1 If at any time the Province determines, in its sole discretion, that the Contractor's occupation or other use of the Watercrafts and/or Ferry Facilities pursuant to this Agreement, the Charter or the Licence represents a potential or actual hazard, then the Province shall have the right, exercisable in its sole discretion, without any liability or obligation whatsoever, and in addition to any other remedy to which the Province is entitled, to suspend any or all of this Agreement, the Charter, the Licence and the Contractor's access to the Watercrafts and/or Ferry Facilities for any reasonable period as determined by the Province, in its sole discretion.

14. REPEATER SYSTEM

- 14.1 The Province shall provide to the Contractor access to and use of the Repeater System without charge during the Term pursuant to Attachment 3 of Appendix B3 of Schedule B to this Agreement and the Contractor shall observe and comply with the terms and conditions set out in Attachment 3 of Appendix B3 of Schedule B to this Agreement.

15. DELIVERY AND OWNERSHIP OF MATERIAL

- 15.1 Where this Agreement requires the delivery of Materials, including the SMS, its operational documents and the Contractor's Plans, to the Province, the regular installment or final payment for Work performed by the Contractor under this Agreement shall not be made until such Material has been delivered. For the avoidance of doubt, in the event that a payment that is otherwise due to the Contractor is made at a later date as a result of the application of this Section 15.1, no interest or penalty shall be paid by the Province to the Contractor in respect of such later payment.
- 15.2 The Material produced, received or acquired by, or provided to the Province and/or BCTFA by the Contractor under or as a consequence of this Agreement shall be the exclusive property of the Province, including copyright, and shall, subject Section 15.3, be delivered by the Contractor to the Province in accordance with the terms of this Agreement and delivery requirements set forth herein,

- 15.3 The Province may, at any time or times prior to the expiration or sooner termination of this Agreement, give written notice to the Contractor requesting the earlier delivery by the Contractor to the Province of all or any part of the documents required to be delivered to the Province under or as a consequence of this Agreement, in which event the Contractor shall forthwith comply with such request. At the expiry or earlier termination of this Agreement, the Contractor shall supply the Province with all relevant Materials created or produced in regard to the provision of the Ferry Service and return all documents provided to the Contractor by the Province during the Term. Material and the Province's documents may have been created by mechanical, electronic, or other means and shall include all such forms. This provision shall survive the expiration or earlier termination of this Agreement, the Licence and the Charter.

16. CONFIDENTIALITY

- 16.1 The Contractor shall treat as confidential and shall not, without the prior written consent of the Province, publish or disclose or permit to be published or disclosed, either before or after the expiration or sooner termination of this Agreement, the Licence and the Charter:

- (a) any portion of this Agreement (including for certainty and without limitation the Contractor's Plans), the Licence, and the Charter; and
- (b) any information supplied to, obtained by, produced by or for, or which comes to the knowledge of the Contractor as a result of this Agreement, the Licence or the Charter, including without limitation the records described in Section 16.2 of this Agreement,

except insofar as such publication or disclosure is required by Law or is necessary to enable the Contractor to fulfill its obligations under this Agreement.

- 16.2 The Contractor acknowledges that public disclosure of this Agreement, the other agreements referred to herein, and any records, as defined in the *Freedom of Information and Protection of Privacy Act* (British Columbia), pertaining to this Agreement or those agreements, which are in the custody of or under control of the Province, shall be governed by the *Freedom of Information and Protection of Privacy Act* (British Columbia).

17. RECORDS, REVIEW, APPROVAL, OR INSPECTION BY THE PROVINCE

- 17.1 Records and other documents provided by or on behalf of the Province or BCTFA to the Contractor as a result of this Agreement, the Charter or the Licence are and remain the exclusive property of the Province or BCTFA, as the case may be.

- 17.2 The Contractor shall establish and maintain at a location within British Columbia:

- (a) accurate books of account and records (including supporting documents) to the satisfaction of the Province; and
- (b) written records pertaining to all aspects of the Work.

- 17.3 In respect of any records related to the Work, the Contractor shall:
- (a) use such records solely for the purpose of performing its covenants, obligations, agreements and provisos under this Agreement, the Charter and the Licence;
 - (b) permit the Province and BCTFA and their respective authorized representatives to inspect, review or copy such records at any time or times during business hours, for any purpose whatsoever, including for purposes of ensuring compliance with the terms of this Agreement, the Charter and the Licence; and
 - (c) subject to the following proviso, deliver to the Province or BCTFA, as the case may be, immediately following the expiration or sooner termination of this Agreement, all records or other documents related to the Work (provided that the Province may, at any time or times prior to the expiration or sooner termination of this Agreement give written notice to the Contractor requesting delivery by the Contractor to the Province of all or any part of such records in which event the Contractor shall immediately comply with such request).
- 17.4 Upon request of the Province from time to time, a Contractor that is a corporation or partnership shall make available to the Province for inspection or copying or both, all books and records of the Contractor which, alone or with other data, in the case of a Contractor that is a corporation, identify the ownership of all of the shares and securities of the Contractor and the directors and officers of the Contractor, and in the case of a Contractor that is a partnership, identify the partners of the Contractor and their respective interests in the partnership, all from the commencement of the Term or the date of earlier execution of this Agreement up to the date such books and records are made available to the Province.
- 17.5 If any review, approval, inspection, examination, audit, testing, determination, acceptance, certificate, certification, permission, consent, comment or objection is provided, performed or made by or on behalf of the Province or BCTFA, to the Contractor pursuant to, or in respect of, this Agreement, the Charter or the Licence, or if no comment or objection is made by the Province, or BCTFA:
- (a) such review, approval, inspection, examination, audit, testing, determination, acceptance, certificate, certification, permission, consent, comment or objection, or lack of comment or objection, shall be for assessment by the Province or BCTFA of general compliance by the Contractor with its obligations under the Agreement, the Charter, the SMS and its operational documents, the Contractor's Plans and the Licence only; and
 - (b) notwithstanding any other provisions of this Agreement, the Charter, the SMS and its operational documents, the Contractor's Plans or the Licence, no such review, approval, inspection, examination, audit, testing, determination, acceptance, certificate, certification, permission, consent, comment or objection, or lack of comment or objection, now or in the future, and whether or not

involving any negligent act or negligent omission or error on the part of the Province or BCTFA or any person for whom the Province is in Law responsible:

- (i) shall relieve or exempt or be deemed to relieve or exempt the Contractor or any other person for whom the Contractor is in Law responsible from any of its obligations and liabilities under this Agreement, the Charter or the Licence, or at law or in equity;
- (ii) shall constitute a waiver or release or be deemed to be a waiver or release by the Province or BCTFA of any duty or liability owed by the Contractor or any other person to the Province or BCTFA, or of any indemnity given by the Contractor to the Province under this Agreement, the Charter or the Licence;
- (iii) shall create or impose or be deemed to create or impose any requirement, liability, covenant, agreement or obligation on the Province or BCTFA, as a consequence of the review, approval, inspection, examination, audit, testing, determination, acceptance, certificate, certification, permission, consent, comment or objection, or lack of comment or obligation; or
- (iv) shall entitle or be deemed to entitle the Contractor to make any Claim against the Province or BCTFA for, or to recover from the Province or BCTFA, any Losses.

18. PROVINCIAL AUDITS AND REVIEW

- 18.1 The Province shall be at liberty at any time and from time to time to audit and/or inspect any and all aspects of the Watercrafts, the Ferry Facilities and the provision and operation of the Work by the Contractor, including, without limitation, operations and financial information with respect to the provision and operation of the Work, the Contractor's SMS, operational documents and Plans, and should the Province choose to do so, the Contractor shall permit and provide to the Province's servants, agents and authorized representatives full and unrestricted access to the Watercrafts, Ferry Facilities and all of the Contractor's books of accounts and records respecting the provision and operation of the Work.
- 18.2 The Parties agree that any audit conducted by the Province shall be at the Province's sole cost and expense. The Province reserves the right to set off against the Annual Service Fee any and all costs incurred by the Province for any such audit.
- 18.3 In the event an audit finds that the Contractor is not in compliance with or has not complied with any of its obligations set forth in this Agreement, the Charter or the Licence, the Province may, by written notice, provide the audit results to the Contractor and require the Contractor to complete such work identified by the audit in order for the Contractor to cure the deficiencies and conform to its obligations and the requirements of this Agreement, the Charter and the Licence. This notice shall stipulate the time

period determined by the Province, acting reasonably, within which the Contractor must remedy the deficiencies. If the Contractor does not correct the deficiencies within the time period stipulated in the Province's notice, then the Province shall have the right, exercisable in its sole discretion and without further notice to the Contractor, to utilize another contractor to remedy the deficiencies. In the event the Province elects to have another contractor remedy the deficiencies specified in the aforementioned notice, the Contractor shall provide the other contractor with full and unrestricted access to the Watercrafts and the Ferry Facilities as may be necessary to remedy the deficiencies and shall, if required by the Province, assist the other contractor in performing the work necessary to remedy the deficiencies. During this time, the Contractor shall continue to provide all other Work. The rights of the Province in this Section 18.3 are in addition to any other rights or remedies available to the Province under this Agreement, the Charter or the Licence, or at law or in equity.

18.4 In the event the Province hires another contractor pursuant to Section 18.3, the Province shall have the right, exercisable in its sole discretion, to set off from the Annual Service Fee payment or payments the direct cost of that other contractor, the cost of any experts and advisors hired by the Province to complete the work identified by the audit, plus a 15% mark-up for the Province's own administrative and overhead costs.

18.5 The Contractor shall not do, permit or suffer anything to be done or omitted to be done that shall or may prejudice any warranty in respect of the work completed by another contractor hired pursuant to Section 18.3.

19. NON-CONFORMANCE REPORT

19.1 Notwithstanding any other provision of this Agreement, the Province may issue and deliver to the Contractor a Non-Conformance Report when the Province determines that the Contractor is failing to comply with the requirements of this Agreement.

19.2 The Contractor shall remedy all non-conformances set out in the Non-Conformance Reports or any audit report within the time specified in the Non-Conformance Report or any audit report and shall confirm the rectification in writing to the Province.

20. INDEMNITY

20.1 The Contractor shall indemnify and save harmless the Province and the BCTFA and their respective servants, directors, officers, employees, deputies, delegates, representatives, and agents from and against all claims, liabilities, demands, losses, damages, costs and expenses (including legal costs on a solicitor and own client basis), fines, penalties, assessments and levies made against or incurred, suffered or sustained by any of them at any time or times (whether before or after the expiration or sooner termination of this Agreement) where the same or any of them arise directly or indirectly out of, in the course of, or in connection with, or as a result of the Work, or any component of the Work, or any use or occupation of, or event, loss or occurrence on or to the Ferry Facilities, the Watercrafts or any part thereof during the Term or an obligation or any acts or omissions of the Contractor, the contractor's agents,

employees, officers, directors or its subcontractors pursuant to this Agreement including any claim against the Province or the BCTFA for failure to supervise or inspect the Work which is performed by the Contractor pursuant to this Agreement, which indemnity shall survive the expiration or sooner termination of this Agreement.

21. INSURANCE AND SECURITIES

- 21.1 The Contractor shall obtain and keep in good standing during the Term the insurance and securities requirements set out in Schedule H to this Agreement (or any substitute pursuant to Section 2(c) of Schedule H to this Agreement) and shall comply with the terms and conditions set out in Schedule H to this Agreement.

22. CHANGES

- 22.1 The Province shall have the right to make Changes in accordance with the change procedure set out in Schedule J to this Agreement and the Change Order shall be attached to this Agreement at Schedule M.
- 22.2 The Contractor may make a Change Request in accordance with the change procedure set out in Schedule J to this Agreement.

23. EVENTS OF DEFAULT AND REMEDIES

- 23.1 Any of the following events shall constitute an "Event of Default" whether the event is voluntary, involuntary or results from the operation of law or any judgment or order of any court or administrative or government body:
- (a) the Contractor fails to observe, perform or comply with any provision of this Agreement (including, without limitation and for certainty, the SMS), the Charter or the Licence, on the part of the Contractor to be observed, performed or complied with;
 - (b) the Contractor's failure to remedy a non-conformance set out in a Non-Conformance Report or audit report within the time specified in such Non-Conformance Report or audit report;
 - (c) any representation or warranty made by the Contractor in this Agreement is materially untrue or incorrect;
 - (d) any information, statement, document, certificate or report furnished or submitted by or on behalf of the Contractor to the Province pursuant to this Agreement is materially untrue or incorrect;
 - (e) the Contractor fails to give written notice to the Province that there has occurred or is continuing a default under this Agreement, the Charter or the Licence and which specifies the particulars of the default;
 - (f) there is any bona fide action or proceeding, pending or threatened against the Contractor, which would, in the reasonable opinion of the Province, have a

material adverse effect upon the ability of the Contractor to fulfill its obligations under this Agreement, the Charter or the Licence;

- (g) an order is made, a resolution is passed or a petition is filed, for the liquidation or winding up of the Contractor;
- (h) a change occurs with respect to any of the properties, assets, conditions (financial or otherwise), business or operations of the Contractor which, in the reasonable opinion of the Province, materially adversely affects the ability of the Contractor to fulfill any of its obligations under this Agreement;
- (i) a floating charge granted by the Contractor crystallizes or becomes enforceable or any other action is taken to enforce any charge granted by the Contractor;
- (j) the Contractor becomes insolvent, commits an act of bankruptcy, makes an assignment for the benefit of its creditors or otherwise acknowledges its insolvency;
- (k) a bankruptcy petition is filed or presented against, or a proposal under the *Bankruptcy and Insolvency Act* (Canada) is made by, the Contractor;
- (l) a compromise or arrangement is proposed in respect of the Contractor under the *Companies' Creditors Arrangement Act* (Canada);
- (m) a receiver or receiver-manager of any property of the Contractor is appointed;
- (n) the Contractor permits any sum, which is not disputed to be due by it, to remain unpaid after legal proceedings have been commenced to enforce payment thereof;
- (o) the Contractor ceases, in the reasonable opinion of the Province, to carry on business as a going concern;
- (p) the Contractor, without the prior written approval of the Province, assigns, sells or in any manner disposes of or encumbers all or any of its interest in, or rights acquired under, this Agreement;
- (q) without the prior written consent of the Province, the direct or indirect legal or beneficial ownership and effective Change in Control of the Contractor from that represented in Schedule K to this Agreement;
- (r) any action is taken to enforce any security interest, charge or encumbrance granted, created or issued by the Contractor;
- (s) the failure of the Contractor to comply with the insurance requirements of Schedule H to this Agreement;
- (t) the failure of the Contractor to comply with all applicable safety laws, which in the Province's sole discretion is considered a material risk to person(s) and/or

property; or if the Contractor's use or occupation of the Watercrafts represents a potential or actual hazard as determined by the Province, in its sole discretion;

- (u) any part of the Ferry Facilities or Watercrafts is seized or confiscated under legal process or otherwise or is attached or becomes subject to any encumbrance, charge, claim or lien except as may arise through the acts of the Province or the BCTFA or other occupier of part of the Ferry Facilities or Watercrafts for whom the Contractor is not legally responsible and the same is not discharged or satisfied by the Contractor in a timely fashion as the Province in its sole discretion may determine;
- (v) any part of the Ferry Facilities or Watercrafts is abandoned, sold, transferred or encumbered by the Contractor;
- (w) there is an Event of Watercraft Loss as defined in the Charter;
- (x) there is an event of default as described in the Charter or in the Licence; or
- (y) after an Event of Force Majeure, the failure of the Contractor to recommence Work within three days following a determination from the Province or other Government Authority (or such other time period provided in that determination) that the Work, in whole or in part, is an essential service.

23.2 On the happening of an Event of Default, or at any time thereafter, the Province or the BCTFA may deliver written notice to the Contractor specifying the Event of Default and the Province shall have the right, in its sole discretion, to elect to do any one or more of the following:

- (a) pursue any remedy available to the Province or the BCTFA at law or in equity arising from the Event of Default, including any remedy available to it under the security;
- (b) retain a holdback to recover any overpayment to the Contractor or to recover any other sums which are due and payable to the Province by the Contractor, including:
 - (i) if the Event of Default is a failure to perform a Change in accordance with this Agreement, twice the value for the particular items involved in carrying out such a Change, or
 - (ii) if the Event of Default is a failure to perform the Ferry Service or Work in accordance with this Agreement and Contract Documents, an amount equal to twice the value of the Ferry Service not performed, such value to be determined by the Province, in its sole discretion.
- (c) take all actions in its own name or in the name of the Contractor that may reasonably be required to cure the Event of Default in which case all payments, costs and expenses incurred shall be payable by the Contractor to the Province

on demand and set off against any sums owing by the Province to the Contractor at the time of default or thereafter, including any amount retained as a holdback under Section 23.2(b);

- (d) require the Contractor cure the Event of Default within a period of time as determined by the Province, in its sole discretion;
- (e) if the Event of Default is pursuant to Section 23.1(u), then the Province without any liability whatsoever, and in addition to any other remedy to which the Province is entitled, shall have the right to remove the same at the expense of the Contractor and suspend the Charter and/or the Licence for a period of time as determined by the Province, in its sole discretion;
- (f) require the Contractor, at the Contractor's sole expense, to deliver possession of the Ferry Facilities and all of the assets comprising the same including the Watercrafts and any other vessels to the Province and the BCTFA;
- (g) enter upon the lands, areas and buildings constituting the Ferry Facilities and upon the Watercrafts and any other vessel and take immediate possession, and the Contractor hereby releases the Province and the BCTFA from any claim whatsoever and covenants to indemnify the Province and the BCTFA in respect of any claims, liabilities, demands, losses, damages, costs and expenses (including legal costs on a solicitor and own client basis), fines, penalties, assessments and levies made against or incurred, suffered or sustained by the Province and the BCTFA and their respective servants, directors, officers, employees, deputies, delegates, representatives, and agents whatsoever arising from any and all damage to the lands, buildings, or structures occasioned by such taking of possession;
- (h) make one or more drawings for the full amount or for part payments under any irrevocable letter of credit and make any claim or pursue any remedy under any bond or other form of security including any performance security;
- (i) if an Event of Default with respect to which an amount has been retained as a holdback under Section 23.2(b):
 - (i) has been cured by the Contractor to the satisfaction of the Province within a time period specified by the Province, then the Province may pay the holdback amount retained to the Contractor; or
 - (ii) is not curable or has not been cured by the Contractor to the satisfaction of the Province within a time period specified by the Province and the holdback resulted from an Event of Default identified in Sections 23.2(b)(i) or 23.2(b)(ii), then the Province may keep the amount retained as a reduction of fees otherwise payable to the Contractor under Sections 23.2(b)(i) or 23.2(b)(ii) and the Contractor and the Province agree that an amount equal to twice the value of the work not supplied, determined

according to Sections 23.2(b)(i) or 23.2(b)(ii), is an appropriate estimate of the losses and damages incurred by the Province arising from the Contractor's default, after taking into account, without limitation, the Province's increased administration costs, the costs of hiring an alternate contractor to perform the Ferry Service, the delays in the performance of the Ferry Service and the costs associated with traffic closures or delays, if any, which resulted from the Event of Default.

- (j) waive the Event of Default; and
- (k) terminate this Agreement, subject to, if applicable, the expiration of any time period specified by a notice delivered pursuant to Section 23.2(d).

23.3 The rights, powers and remedies conferred on the Province and the BCTFA under this Agreement, the Charter and the Licence are not intended to be exclusive and each shall be cumulative and in addition to and not in substitution for every other right, power and remedy existing or available to the Province and the BCTFA under this Agreement, the Charter and the Licence or any other agreement, at law or in equity and the exercise by the Province and the BCTFA of any right, power or remedy shall not preclude the simultaneous or later exercise by the Province of any other right, power or remedy.

23.4 No failure or delay on the part of any party to complain of an act or failure of another party or to declare such other party in default, irrespective of how long such act or failure to act shall continue, shall constitute a waiver by such party of its rights under this Agreement.

23.5 No interest shall be payable by the Province or the BCTFA on any amount retained as a holdback in accordance with Section 23.2.

24. EARLY TERMINATION

24.1 This Agreement shall automatically terminate upon the early termination of the Charter or the Licence.

24.2 The Province may, in its sole discretion, terminate this Agreement, for any reason, upon twelve (12) months' written notice to the Contractor. Notwithstanding the foregoing, the Province may, in its sole discretion and prior to the Renewal Term, terminate this Agreement, for any reason, upon six (6) months written notice to the Contractor. In the event the Province terminates this Agreement, the Province shall not be liable to the Contractor for any compensation whatsoever in respect of the termination, including, without limitation damages.

25. DISPUTE RESOLUTION

25.1 Upon a Dispute arising out of or in connection with any provision of this Agreement, the Charter or the Licence, either Party may, by written notice to the other Party, invoke the Dispute Resolution Protocol, set out at Schedule G to this Agreement, in order to resolve the Dispute.

- 25.2 The Parties shall, concurrently upon entering into this Agreement, enter into a contract with the Referee in the form set out in Schedule I to this Agreement.
- 25.3 If a Dispute arises which the Parties cannot resolve by agreement, then it shall be resolved by the Referee.
- 25.4 Subject to, and without prejudice to, the Province's rights of termination set forth in this Agreement, the Charter and the Licence, pending final resolution of any Dispute, the Contractor shall continue to fulfill all of its covenants, obligations and agreements under this Agreement (including for certainty and without limitation under the SMS), the Charter and the Licence.
26. CONTRACTOR'S REPRESENTATIONS AND WARRANTIES AND OTHER COVENANTS
- 26.1 The Contractor represents and warrants to the Province and the BCTFA on the execution of this Agreement, the Charter and the Licence and at all times thereafter during the Term, with the knowledge that the Province and the BCTFA shall rely upon these warranties and representations in entering into this Agreement and completing their obligations under this Agreement, that,
- (a) if the Contractor is:
 - (i) a corporation, then it is duly organized and validly existing under the laws of British Columbia, or under the laws of any other province or state in which case it is also registered extra-provincially in British Columbia, or
 - (ii) a partnership or joint venture, all of the partners or joint venturers that are corporations are duly organized and validly existing under the laws of British Columbia or under the laws of any other province or state in which case it is also registered extra-provincially in British Columbia, and the partnership or joint venture agreement is duly organized and validly existing under the laws of British Columbia;
 - (b) the Contractor has full power, capacity and legal right to enter into and perform its obligations under this Agreement and any agreements and other instruments referred to herein or delivered in connection with this Agreement;
 - (c) this Agreement, the Charter and the Licence have been duly authorized, executed and delivered and constitute valid and binding obligations of the Contractor enforceable in accordance with its terms;
 - (d) the Contractor has no knowledge of any fact that does materially adversely affect, or might materially adversely affect, its properties, assets, condition (financial or otherwise), business or operations or its ability to fulfill its obligations under this Agreement;

- (e) all information, statements, documents and reports furnished or submitted by the Contractor to the Province in connection with this Agreement, the Charter and the Licence are true;
- (f) the observance and performance of the terms and conditions of this Agreement, or any other agreement referred to herein, shall not constitute a breach of or a default by the Contractor under:
 - (i) applicable Laws;
 - (ii) its constating documents; or
 - (iii) any contract or agreement to which it is a party;
- (g) all information disclosed in Schedule K to this Agreement is true and accurate;
- (h) the Contractor is not party to, or threatened with, any litigation and has no knowledge of any claims against it that would materially affect its undertaking or financial condition;
- (i) the Contractor has filed all tax, corporate information and other returns, required to be filed by the laws of British Columbia, Canada and any other jurisdiction where it is required to file such returns, and has complied with all workers compensation legislation and other similar legislation to which it may be subject and has paid all taxes, fees and assessments calculated to be due by the Contractor under those laws as of the date of this Agreement;
- (j) the Contractor is not in breach of any Laws applicable to the Contractor or its operations;
- (k) the Contractor holds all permits, licences, consents and authorizations issued by all federal, provincial, regional or municipal governments or agencies of such governments, that are necessary in connection with the operations of the Contractor;
- (l) the entering into of this Agreement, the Charter and the Licence, and the performance of and compliance with the terms of this Agreement, the Charter and the Licence by the Contractor does not conflict with and shall not result in a breach of, or constitute a default under:
 - (i) the memorandum or articles of the Contractor;
 - (ii) any terms, provisions or conditions of, any indenture, mortgage, deed of trust, agreement, security agreement, licence, franchise, certificate, consent, permit, authority or other instrument to which the Contractor is a party or is bound that would result in the acceleration of any indebtedness of the Contractor;

- (iii) any judgment, decree, order, rule or regulation of any court or administrative body by which the Contractor is bound; or
 - (iv) to the knowledge of the Contractor, any statute, regulation or bylaw applicable to the Contractor;
 - (m) it has no knowledge of any untrue or incorrect representation or assurance, whether verbal or written, given by the Contractor, its directors or officers to the Province in connection with this Agreement, the Charter or the Licence;
 - (n) it has sufficient trained staff, facilities, materials, appropriate equipment and approved subcontractual agreements in place and available to enable it to fully perform the Ferry Service; and
 - (o) it has independently reviewed all labour relations issues related to the performance of the Contractor's obligations under this Agreement.
- 26.2 All representations, warranties, covenants and agreements made in this Agreement, the Charter and the Licence, and all certificates and other documents delivered by or on behalf of the Contractor are material and shall conclusively be deemed to have been relied upon by the Province and the BCTFA, despite any prior or subsequent investigation by the Province or the BCTFA.
- 26.3 All statements contained in any certificate or other document delivered by or on behalf of the Contractor to the Province or the BCTFA under this Agreement, the Charter or the Licence or in connection with any of the transactions contemplated by this Agreement, the Charter or the Licence shall be deemed to be representations and warranties of the Contractor under this Agreement.
- 26.4 The provisions of Sections 26.1, 26.2 and 26.3 shall survive the fulfillment by the Contractor of any or all of its covenants, obligations and agreements under this Agreement, the Charter or the Licence or the payment by the Province to the Contractor of any or all of the monies that the Province becomes liable to pay to the Contractor pursuant to this Agreement, the Charter or the Licence.
- 26.5 The Contractor shall:
- (a) observe, abide by and comply with all Laws that apply to the operation and provision of the Work and the use and occupation of the Ferry Facilities and Watercrafts;
 - (b) ensure that the representations and warranties set forth herein are true and correct at all times during the Term and provide to Province from time to time, on written request, evidence to that effect;
 - (c) maintain its corporate existence if applicable and in any event carry on and conduct its business in a proper business-like manner in accordance with good business practice and keep or cause to be kept proper books of account in

accordance with generally accepted accounting principles or international financing reporting standards (whichever is applicable to the Contractor) applied on a consistent basis;

- (d) punctually pay, as they become due, all accounts and expenses, including wages, salaries, taxes, levies, rates, fees, contributions and assessments required to be paid by it on any of its undertaking;
 - (e) provide and maintain all financial management, technical, human resource and labour, and all other expertise necessary for the Contractor to carry out its obligations under this Agreement, the Charter and the Licence;
 - (f) perform its obligations in this Agreement and in any agreement referred to herein in a good and workmanlike manner, free of defects or deficiencies and to the satisfaction of the Province;
 - (g) subject to Section 7, provide its own personnel for the operation and provision of the Ferry Service and ensure that its personnel is properly trained and qualified; and
 - (h) without limiting the generality of Section 26.5(a), observe and comply with all applicable Laws of any competent government authority or branch or agency thereof relating to the environment and to occupational health and safety, including without limitation the *Workers Compensation Act* (British Columbia) and the Occupational Health and Safety Regulation thereunder, directly or indirectly applicable to the Contractor or this Agreement, the Charter or the Licence, including by ensuring that the provision of and operation of the Ferry Service, complies with all such laws, by-laws, orders, directions, rules and regulations.
- 26.6 The Contractor shall not, in any manner whatsoever, commit or purport to commit the Province or the BCTFA to the payment of any money to any person.
- 26.7 The Province shall have the right, from time to time, to give such instructions to the Contractor as the Province considers necessary in connection with the operation and provision of the Work that the Contractor must comply with, but the Contractor shall not be subject to the control of the Province with respect to the manner in which such instructions are carried out.
- 26.8 Subject to the labour cost adjustment in section 2.4 of Schedule D to this Agreement, the Contractor is solely responsible for the costs of its workforce, including without limitation, Transport Canada and other Government Authority and Recognized Organization certifications pursuant to the specimen Safety Management Systems in Appendix B2 of Schedule B to this Agreement and resulting Contractor's Safety Management Systems in Schedule L to this Agreement and all labour liabilities, costs and expenses including under, in connection with, or resulting from, the Collective Agreement and no part of any such costs including any such liabilities, costs and expenses shall be passed on to the Province or BCTFA in any manner whatsoever including through any part of the Service

Fee or the Annual Service Fee, through any prices or costs under or relating to this Agreement, or through compromise or adverse impact to the performance of the Work (or any part thereof) including satisfaction of the Ferry Service Specifications or reduction in the obligations of the Contractor under this Agreement. For greater certainty, the Contractor acknowledges that neither the Province nor the BCTFA is a party to and shall not in any way whatsoever be responsible for or committed to any costs, expenses, liabilities, decisions, actions, matters or things whatsoever in connection with or arising from, or be bound by the Collective Agreement or any part thereof, and such Collective Agreement shall not be considered to and does not in any way whatsoever form part of or be considered to modify, amend or impact on any term of this Agreement, the Charter or the Licence.

- 26.9 No partnership, joint venture or agency shall be created or shall be deemed to be created by this Agreement or any action of the Parties under this Agreement.

27. BUSINESS OPPORTUNITIES

- 27.1 The Contractor shall only operate and utilize the Ferry Facilities and the Watercrafts to provide the Work and not for any other corporate or business opportunity, nor for any other use whatsoever.

28. BC TRANSPORTATION FINANCING AUTHORITY

- 28.1 BCTFA is named as a party to this Agreement solely with respect to the grant of the Licence of the Ferry Facilities and the Charter of the Watercrafts and related matters expressly set out in this Agreement, the Licence and the Charter.
- 28.2 BCTFA hereby grants to the Province the full right and authority to act on its behalf in respect of any and all matters affecting BCTFA in relation to this Agreement, the Licence, the Charter and generally the provision and operation of the Work by the Contractor which full right and authority includes, without limitation, the full right and authority to do anything, take any step, sign any document, enforce any right and pursue any remedy, or to refrain from doing any such thing or things as the case may be, without the Province having to seek or obtain from BCTFA any further approval or direction in respect of the foregoing.

29. EVENT OF FORCE MAJEURE

- 29.1 If an Event of Force Majeure is likely to occur:
- (a) the Party that shall be directly affected shall notify the other Parties immediately; and
 - (b) the Contractor and the Province shall enter into good faith negotiations with a view to entering into a mutually acceptable agreement that shall prevent the Event of Force Majeure from occurring.
- 29.2 If an Event of Force Majeure occurs:

- (a) the Party directly affected shall notify the other Parties immediately, and shall use its best efforts to remove, curtail or contain the cause of the delay, interruption or failure and shall use best efforts to resume with the least possible delay performance of its duties, covenants and obligations under this Agreement, the Charter and the Licence;
- (b) if the Party giving notice under Section 29.2(a) is the Contractor, then:
 - (i) the Province shall as soon as reasonably practicable, notify the Contractor whether or not the Province is satisfied, in its sole discretion, that the matter described in the notice constitutes an Event of Force Majeure described in Schedule A to this Agreement, and the Province's notice shall be final and binding;
 - (ii) notwithstanding the Contractor's inability to supply services while the Event of Force Majeure continues, the Contractor must reschedule the performance of all Work, where applicable, that had been scheduled for the period when the Event of Force Majeure occurred, to a date satisfactory to the Province;
 - (iii) for or in respect of each day during which the Event of Force Majeure subsists, the Province shall not be obligated to pay to the Contractor an amount equal to 1/365th of the Annual Service Fee for each day applicable to the Contract Year in which the Event of Force Majeure occurs, except that the Province, for or in respect of the period during which the Event of Force Majeure continues, shall pay to the Contractor, when payment of the monthly instalment of the Annual Service Fee is next payable, an amount equal to the direct costs incurred by the Contractor in relation to provision of the Work from the date that the Event of Force Majeure commenced to the date that the Event of Force Majeure no longer subsisted, including any costs for wages, salaries and benefits to employees, provided that the Province's obligation to make payment under this subsection is conditional on the Contractor providing to the Province a written statement of account in respect of the costs claimed, including evidence satisfactory to the Province of the direct costs of the Contractor described above, and in no event shall the Province be obliged to pay the Contractor under this subsection amounts in excess of 1/365th of the Annual Service Fee for the Contract Year during which the Event of Force Majeure occurs multiplied by the number of days during which the Event of Force Majeure continued, and
 - (iv) during the Event of Force Majeure, the Contractor shall not be required to perform unless the Province or a Government Authority deems that any obligation under this Agreement, the Charter or the Licence that the Contractor is prevented by the Event of Force Majeure from performing is an essential service; and

- (c) if the Party giving notice under Section 29.2(a) is the Province, then the Contractor shall enter into good faith negotiations with the Province with a view to resolving the Event of Force Majeure and to resume, with the least possible delay, the performance of this Agreement, the Charter and the Licence, and the Province shall not be obliged to make any payments to the Contractor in connection with this Agreement during the period that such Event of Force Majeure is continuing.

29.3 Subject to Section 23.1(w), to the extent that, and for so long as, the Contractor is prevented by the Event of Force Majeure from performing any obligation under this Agreement (other than those obligations arising as a result of the Event of Force Majeure in this Section 29), the Charter or the Licence, no other party shall exercise any right it would otherwise have under this Agreement to terminate this Agreement arising from the Contractor's inability to perform such obligation (provided that the Province may terminate this Agreement if the Contractor fails to comply with Section 20).

30. NOTICE

30.1 Any notice, document, statement, report, demand to be given or made under this Agreement, shall be in writing and may be given or made by personal delivery to the party to whom it is to be given or made, by mailing in Canada with postage prepaid addressed, by sending an e-mail or, in the case of any notice to be delivered to the Contractor by the Province, by posting such notice on the SharePoint Site

- (a) if to the Province and the BCTFA:

Ministry of Transportation and Infrastructure
P.O. Box 9850, Stn. Prov. Gov't
940 Blanshard Street
Victoria, B.C. V8W 9T5

Attention: Ministry Inland Ferry Manager, Marine Branch

or such other Contact Person or address as the Province may notify the Contractor from time to time;

Email: [●]

- (b) and if to the Contractor:

@ @

@ @

@ @

Attention: @ @

or such other Contact Person or address as the Contractor may notify the Province from time to time;

or SharePoint at <https://marinebranch.sp.th.gov.bc.ca/KLFagreement/>

and any such notice, document, statement, report, or demand so mailed shall be deemed given to and received by the addressee on the third Business Day after the mailing of the same except in the event of disruption of postal services in Canada in which case any such notice, document, statement, report, or demand shall be deemed given to and received by the addressee when actually delivered to the particular address set out above; or when so added on the SharePoint Site shall be conclusively deemed validly given to and received by the intended recipient when so added.

31. RIGHTS OF THE PROVINCE

31.1 Nothing in this Agreement, the Charter, the Licence or the other documents referenced or described in this Agreement fetters or otherwise interferes with or limits, or shall be construed to fetter or otherwise interfere with or limit, the rights, powers and authority of the Province or BCTFA or any minister, ministry, agency, board, commission, corporation or other entity of the Province:

- (a) to enact, amend, repeal or replace any enactment or regulation made under any enactment;
- (b) to exercise or refrain from exercising any discretion conferred under Laws; or
- (c) to administer, apply and enforce Laws.

32. NO ASSIGNMENT OR CHANGE OF CONTROL

32.1 The Contractor shall not, without the prior written consent of the Province, which consent may be unreasonably or arbitrarily withheld by the Province, assign, either directly or indirectly, this Agreement, the Charter or the Licence, or any right of the Contractor under this Agreement, the Charter or the Licence. In respect of any assignment of this Agreement, the Charter or the Licence, the Contractor shall reimburse the Province forthwith on demand for the Province's administrative and other costs, including legal costs on a full indemnity basis, in relation to the assignment.

32.2 The following events shall be deemed to be an assignment of the Contractor's rights and obligations under this Agreement, the Charter and the Licence requiring the Province's prior written consent which may be unreasonably or arbitrarily withheld:

- (a) if the Contractor is a corporation whose shares are not traded on any public stock exchange or in any public stock market, any transaction, amalgamation, reorganization, joint venture, trust or other agreement, or other disposition of shares or securities, which shall result in a direct or indirect Change in Control of such corporation or direct or indirect change of ownership of the corporation, during the Term; or
- (b) if the Contractor is a partnership:
 - (i) the cessation, other than through death, at any time during the Term by any person who at the time of the execution of this Agreement owns a

partner's interest, of such ownership, or a material change in the ownership of such partner's interest, as determined by the Province, in its sole discretion; or

- (ii) the occurrence of any event described in Section 32.2(a) above in relation to a partner, if such partner is a corporation whose shares are not traded on any public stock exchange or in any public stock market.

32.3 The Province may, in its sole discretion and without the consent of the Contractor, assign this Agreement, the Charter or the Licence, or all of them, or any right or obligation under this Agreement, the Charter or the Licence, to the BCTFA and, with the prior written consent of the Contractor, to any other person provided that the BCTFA or such other person, as applicable, agrees in writing to be bound by the terms of this Agreement, the Charter and the Licence, as the case may be, and perform all obligations of the Province under this Agreement, the Charter and the Licence, as the case may be, prior to such assignment taking place. The Province shall promptly notify the Contractor of any such assignment and provide a copy of the written agreement of the assignee confirming that it is bound by the terms of, and shall perform all of the obligations of the Province under this Agreement, the Charter or the Licence, or all of them, as the case may be.

33. TIME IS OF THE ESSENCE

33.1 Time is of the essence of this Agreement.

34. AMENDMENTS

34.1 This Agreement and any other agreement referred to herein may only be amended by a further written agreement executed by all the parties. Notwithstanding the foregoing, any Change Order shall be appended to and form part of this Agreement.

35. FURTHER ASSURANCES

35.1 Each of the Parties shall, upon the reasonable request of the other, make, do, execute or cause to be made, done or executed all further and other lawful acts, deeds, things, devices, documents, instruments and assurances whatever for the better or more perfect and absolute performance of the terms and conditions of this Agreement, the Charter and the Licence.

36. BINDING EFFECT

36.1 This Agreement shall enure to the benefit of and be binding upon the Province and BCTFA and their respective successors and assigns and the Contractor and its heirs, executors, administrators, successors and permitted assigns.

37. WAIVER

37.1 No waiver by any Party of a breach or default by another in the observance, performance or compliance of any of its obligations under this Agreement, the Charter or

the Licence shall be effective unless it is in writing and no such waiver shall be deemed or construed to be a waiver of any other breach or default, and failure or delay on the part of the Party to complain of an act or failure of the other Party or to declare such other Party in default, irrespective of how long such failure or delay continues, shall not constitute a waiver by such Party of any of its rights against the other Party. Without limiting the generality of the foregoing, a renewal of this Agreement, the Charter or the Licence shall not constitute a waiver of any default which arose or occurred in the period prior to renewal.

38. WAIVER OF CONTRA PROFERENTUM

- 38.1 The Parties waive the application of any rule of law which otherwise would be applicable in connection with the construction of this Agreement, the Charter or the Licence, and whose effect is that ambiguous or conflicting terms or provisions should be construed against the Party who (or whose counsel) prepared the executed agreement or any earlier draft of the same, or against the Party benefiting from such terms or provisions.

39. REMAINDER NOT AFFECTED BY INVALIDITY

- 39.1 If any provisions of this Agreement or any part of any provision or the application thereof to any person or circumstance is invalid or unenforceable to any extent, the remainder of this Agreement or the affected provision and the application of such provision to any other person or circumstance shall not be affected or impaired thereby and shall be valid and enforceable to the extent permitted by law.

40. SURVIVAL OF PROVISIONS

- 40.1 All provisions of this Agreement and all agreements referred to herein in favour of the Province and BCTFA or either of them, and all rights and remedies of the Province and BCTFA or either of them in this Agreement or any other agreement referred to herein or at law or in equity shall survive the expiration or sooner termination of this Agreement and all agreements referred to herein.

41. JOINT AND SEVERAL

- 41.1 If more than one person constitutes the Contractor, the covenants, agreements, representations, warranties and obligations on the part of the Contractor pursuant to this Agreement, the Charter and the Licence shall be joint and several covenants, agreements, representations, warranties and obligations of each such person. In addition, if the Contractor is a partnership (the "Contractor Partnership") each person who is presently a member of the Contractor Partnership, and each person who becomes a member of the Contractor Partnership, shall be jointly and severally liable for the covenants, agreements, representations, warranties and obligations on the part of the Contractor in this Agreement and in the Charter and the Licence, whether or not such person ceases to be a member of the Contractor Partnership.
- 41.2 Where a person is named as a guarantor and executes this Agreement, and the other agreements referred to herein, then such person is liable to the Province and BCTFA, on

a joint and several basis with the Contractor and not as a surety, for the due performance of all covenants, agreements and obligations on the part of the Contractor to be performed, and shall execute and deliver to the Province, prior to the commencement of the Term, an instrument of guarantee of the Contractor's obligations in a form satisfactory to the Province.

42. INDEPENDENT CONTRACTOR

- 42.1 The Contractor is an independent contractor and not the servant, employee, partner or agent of the Province or the BCTFA.
- 42.2 No partnership, joint venture or agency shall be created or shall be deemed to be created by this Agreement or any action of the Parties under this Agreement. Neither the Province nor the BCTFA have made any representation that the Contractor shall have or may have the benefit of any crown immunity howsoever arising.
- 42.3 The Contractor shall not, in any manner whatsoever, commit or purport to commit the Province or BCTFA to the payment of any money to any person.

43. SUBCONTRACTORS

- 43.1 The Contractor shall not subcontract any obligation of the Contractor under this Agreement, the Charter or the Licence to any person without the Province's prior written consent.
- 43.2 The Contractor shall cause every subcontractor to be bound by the terms of this Agreement, the Charter and the Licence so far as they apply to the particular aspect or aspects of the Work to be performed by each such subcontractor.
- 43.3 Nothing in this Agreement, the Charter or the Licence shall create any contractual relationship between the Province and a subcontractor of the Contractor.
- 43.4 Pursuant to Section 5.3, the appointment of any subcontractor or subcontractors by the Contractor shall not relieve the Contractor of its responsibility to perform and comply with all terms of this Agreement, the Charter and the Licence or for the quality of work, materials and services provided by it.
- 43.5 The Contractor shall at all times be held fully responsible to the Province for the acts and omissions of any and all of its subcontractors and persons employed by them and no subcontract entered into by the Contractor shall impose any obligation or liability upon the Province to any such subcontractor or any of its employees.

44. NO ADVERSE REFLECTION

- 44.1 Without limiting the Contractor's obligations to perform the Work, the Contractor shall not knowingly do or omit to do, or suffer or permit to be done or omitted to be done, anything that might reasonably be expected to detract, or that the Province gives notice to the Contractor would detract, from the image and reputation of the Province as a highway authority or otherwise or the reputation of the Province or BCTFA, provided that any

action taken or not taken in the course of performing the Work that is expressly required to be taken or not taken pursuant to this Agreement, the Charter or the Licence, or a direction or instruction issued by the Province shall not constitute a breach of the Contractor's obligations under this Section, and provided that this Section shall not prejudice an otherwise valid claim by the Contractor:

- (a) pursuant to any other express provision of this Agreement; or
- (b) in respect of any breach of any express obligation of the Province or BCTFA under this Agreement.

45. ENTIRE AGREEMENT

- 45.1 This Agreement together with the ancillary documents referred to herein including without limitation the Charter and the Licence constitute the entire agreement between the Parties in respect of the subject matter of this Agreement and no understandings, representations or agreements, oral or otherwise, exist between the Parties with respect to the subject matter of this Agreement except as expressly set out in this Agreement and such ancillary documents including without limitation the Charter and the Licence. The Contractor agrees that in entering into this Agreement, and all other agreements referred to herein, the Contractor has not and does not rely upon any previous representation of the Province or BCTFA, or of servants, employees, agents, or representatives of the Province or BCTFA, whether expressed or implied, or upon any inducement or agreement of any kind or nature. All prior understandings, negotiations, representations, contracts or agreements are hereby cancelled.

46. APPROPRIATION

- 46.1 Notwithstanding any other provision of this Agreement, the Charter or the Licence, the payment of money by the Province to the Contractor under this Agreement, the Charter or the Licence is subject to:
- (a) there being sufficient monies available in an appropriation, as defined in the *Financial Administration Act* (British Columbia), to enable the Province, in any fiscal year or part thereof when any payment of money by the Province to the Contractor falls due under this Agreement, the Charter or the Licence, to make that payment; and
 - (b) Treasury Board, as defined in the *Financial Administration Act* (British Columbia), not having controlled or limited, under the *Financial Administration Act* (British Columbia), expenditure under any appropriation referred to in Section 46.1(a).

47. SETOFF

- 47.1 Any amounts owed by the Contractor to the Province under this Agreement, the Charter or the Licence, or otherwise in respect of the Work, or any other amounts that the Province otherwise has the right to set off against or from any amounts that are then due and payable by the Province to the Contractor, may be setoff by the Province against the

Service Fee or may be deducted from any sum due or which at any time may become due to the Contractor under this Agreement, the Charter or the Licence. To the extent that any amounts are owing by the Contractor to the Province on the Expiry Date of this Agreement, and there is no further Annual Service Fee to setoff such amounts against and no other amount is due to the Contractor under this Agreement, the Charter or the Licence, then the Contractor shall pay such amounts directly to the Province on demand notwithstanding that this Agreement, the Charter or the Licence contemplates the setoff or deduction of such amounts against the Service Fee or otherwise pursuant to Schedule D to this Agreement.

- 47.2 For certainty, the Province's rights of setoff in this Agreement, the Charter and the Licence are in addition to and without prejudice to the right of setoff set out in the *Financial Administration Act* (British Columbia).

48. SCHEDULES

- 48.1 Each schedule attached to this Agreement, inclusive of any and all appendices attached thereto, is an integral part of this Agreement as if set out at length in the body of this Agreement. The schedules are as follows:

LIST OF SCHEDULES

Schedule A Definitions

Schedule B Description of Work

Appendix B1 – Ferry Service Specifications

Appendix B2 – Safety Management Systems Specifications

Appendix B3 – Communications Specifications

Attachment 1 – Current Sample Inland Ferries Section for
“Provincial Incident Response and Travel Advisory
Messaging Protocol”

Attachment 2 – Proposed Sample of New Inland Ferries Section for
“Provincial Incident Response and Travel Advisory
Messaging Protocol”

Attachment 3 – Repeater System

Appendix B4 – Reporting Specifications

Attachment 1 – Annual Report Specimens

Attachment 2 – Monthly Report Specimens

Attachment 3 – Downtime Report Specimens

Appendix B5 – Watercraft Maintenance Specifications

Appendix B6 – Ferry Facility Maintenance Specifications

Appendix B7 – Transition Services Specifications

Appendix B8 – Asbestos Management Program

Schedule C List of Assets

Schedule D Payment Schedule

Appendix D1 - Insurance Premium Adjustment Form

Schedule E Bare-Boat Charter

Schedule F Licence of Occupation
 Appendix F1 – Site Plans of Ferry Terminals
 Schedule G Dispute Resolution Protocol
 Schedule H Insurance and Securities
 Appendix H1– Certificate of Insurance H0111
 Schedule I Referee Services Agreement
 Schedule J Changes
 Schedule K Corporate Information
 Schedule L Contractor's Safety Management Systems and Plans
 Contractor's Safety Management Systems
 Organization and Management Plan
 Certification and Training Plan
 Business Continuity Plan
 Risk Management Plan
 Communications Plan
 Watercraft Maintenance Plan
 Ferry Facility Maintenance Plan
 Transition Services Plan
 Schedule M Change Orders

- 48.2 For certainty, once the Contractors' Plans have been completed to the Province's satisfaction, they shall be inserted into this Agreement and as amended from time to time at Schedule L to this Agreement, and shall be so incorporated into and form part of this Agreement.
- 48.3 For further certainty, once the Transition Services Plan has been completed to the Province's satisfaction, it shall be inserted into this Agreement at Schedule L to this Agreement, and shall be so incorporated into and form part of this Agreement.
49. CURRENCY
- 49.1 All dollar amounts expressed in this Agreement, the Charter and the Licence refer to lawful currency of Canada, exclusive of GST and inclusive of all other taxes, duties and charges.
50. GOVERNING LAW
- 50.1 This Agreement, the Charter and the Licence shall be governed by and construed and interpreted in accordance with the laws of the Province of British Columbia and Canada as applicable therein, and the courts of competent jurisdiction within the Province of British Columbia shall have exclusive jurisdiction with respect to any legal actions commenced to enforce the provisions of this Agreement, the Charter or the Licence.
51. INTERPRETATION
- 51.1 In this Agreement:

- (a) the headings or captions in this Agreement are inserted for convenience only and do not form a part of this Agreement and in no way define, limit, alter or enlarge the scope or meaning of any provision of this Agreement;
- (b) “person” includes a corporation, firm, association and any other legal entity and wherever the singular or masculine is used it shall be construed as if the plural, the feminine or the neuter, and wherever the plural or the feminine or the neuter is used it shall be construed as the singular or masculine, as the case may be, had been used where the context or the Parties so require;
- (c) unless otherwise specified, a reference to a statute by name means the statute of British Columbia by that name, as amended or replaced from time to time;
- (d) where there is a reference to an enactment of the Province of British Columbia or of Canada in this Agreement, that reference shall include a reference to every amendment to it, every regulation made under it and any subsequent enactment of like effect;
- (e) the words “including” and “includes”, when following any general term or statement are not to be construed as limiting the general term or statement to the specific items or matters set forth or to similar items or matters, but rather as permitting the general term or statement to refer to all other items or matters that could reasonably fall within the broadest possible scope of the general term or statement; and
- (f) whenever the word “discretion” is used with respect to the Province, it shall be deemed to mean the Province’s sole and absolute discretion.

51.2 With respect to the Province, any requirement set forth in this Agreement, the Charter or the Licence for the Province to act reasonably (including without limitation, any requirement for approval or consent by the Province not to be unreasonably withheld) shall not require the Province to act in a manner that is contrary to, or inconsistent with, any other policies, directives, executive directions, Treasury Board decisions, guidelines, rules, regulations, legislation, or other similar determinations of the Province.

52. CONFLICT AMONG PROVISIONS

52.1 Conflicts among provisions to this Agreement shall be resolved as follows:

- (a) a provision in the body of this Agreement shall prevail over any conflicting provision in, attached to or incorporated by reference into a schedule, unless that conflicting provision expressly states otherwise;
- (b) a provision in a schedule shall prevail over any conflicting provision in an appendix, another document attached to, or incorporated by reference into a schedule, unless the schedule expressly states otherwise;

- (c) a provision found elsewhere in this Agreement shall prevail over a relevant provisions of the manuals and drawings herein referenced; and
- (d) a provision in the Province's specimen Safety Management Systems shall prevail over any conflicting provision in, attached to or incorporated by reference into the Contractor's Safety Management System, unless that conflicting provision expressly states otherwise.

[Remainder of Page Left Intentionally Blank]

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date first stated above:

SIGNED on behalf of HER MAJESTY THE
QUEEN IN RIGHT OF THE PROVINCE OF
BRITISH COLUMBIA as represented by the
Minister Responsible for the Transportation Act

Deborah Bowman
Assistant Deputy Minister,
Transportation Policy and Programs

BC Transportation Financing Authority
Per:

Nancy Bain
Executive Financial Officer and
Corporate Secretary

@
Per:

@
@

Schedule A

Definitions

Unless otherwise provided in the Agreement (or in any Schedules attached to the Agreement), capitalized terms used in the Agreement and any Schedules to the Agreement shall have the meanings given to those terms in this Schedule A (*Definitions*).

"17th Master Agreement" has the meaning set out in section 2.4.1 of Schedule D;

"Additional Fee" means the sum payable by the Province, exclusive of GST and inclusive of all other applicable taxes, charges and duties, in consideration of the provision of Additional Services during a Contract Year pursuant to the provisions of Schedule D;

"Additional Part" or **"Additional Parts"** has the meaning set out in section 10.7 of Schedule E;

"Additional Services" means that Work performed by the Contractor pursuant to a Work Order issued by the Province pursuant to Section 5.4 of the Agreement;

"AEQ" means automobile equivalent;

"Affiliate" means, with respect to any person, any other person who directly or indirectly controls, is controlled by, or is under direct or indirect common control with, such person, and includes any person if such person possesses, directly or indirectly, the power to direct or cause the direction of the management and policies of such other person, whether through the ownership of voting securities, by contract or otherwise, and the term **"controlled"**, for the purposes of this definition, shall have a similar meaning;

"Agreement" means the Kootenay Lake Ferry Agreement entered into among the Province, the BCTFA and the Contractor on October 1, 2018 to which this Schedule A is attached and includes all schedules and appendices attached thereto, all appendices attached to all such schedules, and all attachments attached to all such appendices, and includes any amendments or Changes to the foregoing;

"Anniversary Date" means October 1, 2019 and each October 1st thereafter for the remainder of the Term;

"Annual Service Fee" means the sum payable by the Province to the Contractor, exclusive of GST and inclusive of all other applicable taxes, charges and duties, in consideration of the provision of the Ferry Service, during a Contract Year, as that sum may be adjusted pursuant to the provisions of Schedule D and Schedule J;

"Appendix" means an appendix to the Agreement;

"Asbestos Management Program" means all of the asbestos management requirements and maintenance obligations set out in the documents attached in Appendix B8 to Schedule B;

"Authorized Delegated Operator" has the meaning given to it in the Transport Canada

Publication TP13585E “Delegated Statutory Inspection Program;”

“**Base Amount**” has the meaning set out in section 2.2.1 of Schedule D;

“**BC Building Code**” means the *British Columbia Building Code Regulation*, BC Reg 264/2012;

“**BCGEU**” means the British Columbia Government and Service Employees’ Union;

“**BCTFA**” has the meaning set forth in the preamble to the Agreement;

“**Beginning of Term Transition Services**” has the meaning set out in section 1 of Appendix B7 to Schedule B;

“**B.P. 152**” means the Watercraft having such name in section 1A of Schedule C;

“**Business Continuity Plan**” means the business continuity plan to be delivered to the Province by the Contractor as set forth in Section 5.2(b)(ii) and having the content set out in section 8 of Appendix B1 to Schedule B;

“**Business Day**” means a day, other than a Saturday or Sunday, on which provincial government offices are open for normal business in British Columbia;

“**Business Hours**” means the hours between 08:00 AM and 17:00 PM Pacific Time;

“**Certification and Training Plan**” means the certification and training plan to be delivered to the Province by the Contractor as set forth in Section 5.2(b)(ii) and having the content set out in section 6 of Appendix B1 to Schedule B;

“**CF Glade II**”, “**Glade II**” and any other truncation thereof means the Watercraft having the name “Glade II” in section 3A of Schedule C;

“**CF Harrop**”, “**Harrop**” and any other truncation thereof means the Watercraft having the name “Harrop” in section 2A of Schedule C and in the Charter;

“**CF Harrop II**”, “**Harrop II**” and any other truncation thereof means the Watercraft having the name “Harrop II” in Section 4.2;

“**Change**” has the meaning set out in section 1 of Schedule J;

“**Change in Control**” means a change, directly or indirectly, in the persons having directly or indirectly, Control of the Contractor;

“**Change in Scope**” has the meaning set out in section 5 of Schedule J;

“**Change Order**” has the meaning set out in section 2 of Schedule J;

“**Change Request**” has the meaning set out in section 3(a) of Schedule J;

“**Change Valuation**” has the meaning set out in section 4.1 of Schedule J;

“**Charter**” means the bare-boat charter granted to the Contractor by the BCTFA to use the

Watercraft as described in Section 4.1 and as set out at Schedule E;

“Claim” means any claim, demand, action, cause of action, suit or proceeding and includes any commencement of legal proceedings, settlement discussions or alternative dispute resolution mechanisms and any termination, suspension, abandonment, discontinuance, appeal or review thereof;

“Classification Society” means a non-governmental organization, which is a member of the International Association of Classification Societies, that establishes and maintains technical standards for the construction and operation of ships;

“Classification Society’s Certificate of Class” means a certificate issued for a Watercraft by an International Association of Classification Societies marine classification society that confirms that the Watercraft has been surveyed and found in compliance with classification society rules;

“Collective Agreement” has the meaning given to it in Section 7.1

“Commencement Date” means October 1, 2018;

“Communications Platform” means the medium in which the Contractor communicates with Stakeholders including, but not limited to, email, community websites, radio, newspaper, phone, social media, online forums, overhead signs, portable message signs and traveller information systems;

“Communications Plan” means the communications plan to be delivered to the Province by the Contractor as set forth in Section 5.2(b)(ii) and having the content set out in Appendix B3 to Schedule B;

“Contact Person” means the contact person set out for each of the Province, BCTFA and the Contractor in Section 30.1;

“Contaminant(s)” means any radioactive materials, asbestos, asbestos-containing materials, urea formaldehyde, hydrocarbons, polychlorinated biphenyls (“PCBs”), PCB-containing equipment or materials, lead, pollutants, contaminants, deleterious substances, dangerous substances or goods, hazardous, corrosive or toxic substances, special waste, hazardous waste, waste, pesticides, defoliants or any other solid, liquid, gas, vapour, odour, heat, sound, vibration, radiation or combination of any of them described in any environmental law which is at the Commencement Date or thereafter prohibited, controlled or regulated;

“Contract Documents” means the Agreement and its schedules, the Charter and the Licence and the particular provisions of any manuals, drawings and publications referred to in the Agreement (the “Relevant Provisions of the Manuals and Drawings”);

“Contractor” has the meaning set out in the preamble to the Agreement;

“Contract Year” means, a period of twelve (12) consecutive months during the Term, commencing on the Commencement Date and thereafter on the Anniversary Date for the Term;

“Contractor Partnership” has the meaning set out in Section 41.1;

“Control” means any of the following:

- (a) the power to direct or cause the direction of the management, actions, policies or decisions of that person, whether directly or indirectly through other persons, and whether through the ownership of shares, voting securities, partnership interests, units of ownership, or other ownership interests, or by contract, or otherwise;
- (b) legal or beneficial ownership or control over equity or ownership interests in that person, whether directly or indirectly through other persons:
 - (i) having a subscribed value of more than one half of the subscribed value of all equity or ownership interests in that person; or
 - (ii) carrying more than one half of the voting rights for:
 - (A) the management, actions, policies or decisions of that person; or
 - (B) the election or appointment of directors or managers of that person; or
- (c) if the person is a corporation, “control” within the meaning of section 2(3) of the *Business Corporations Act* (British Columbia);

“Deadline” has the meaning set out in section 2.1.3(a) of Schedule D;

“Delegated Statutory Inspection Program” or **“DSIP”** means the TP13585E Manual of the same name prepared by Transport Canada;

“Designated Person Ashore” or **“DPA”** means the Designated Person referenced in the International Safety Management (ISM) Code, Part A, Section 4;

“Direct Plus Rate(s)” means, subject to section 3.1(b) of Schedule D, the rate(s) that will be paid by the Province to the Contractor for Additional Services as described in section 3.6 of Schedule D;

“Dispute” means any disagreement or difference of opinion between the Province and the Contractor regarding the interpretation of, or compliance or non-compliance (including determinations of Events of Default) with the terms;

“Downtime Report” has the meaning set out in section 5 of Appendix B4 to Schedule B;

“End of Term Transition Services” has the meaning set out in section 1 of Appendix B7 to Schedule B;

“Equipment Rental Guide” has the meaning set out in section 3.6.2(a)(i) of Schedule D;

“Event of Default” has the meaning set out in Section 23.1;

“Event of Force Majeure” means acts of God, wars (declared or undeclared), revolutions, riots, insurrections or strikes (including illegal work stoppages), but excluding strikes, work

stoppages or other labour unrest of or affecting the Contractor's employees, provided that any such event is a major disabling event or circumstance in relation to the normal operations of the party directly affected as a whole, which is beyond the reasonable control of that party and results in a material delay, interruption or failure by that party in carrying out its duties, covenants or obligations under this Agreement, the Licence and the Charter, provided always that lack of money, financing or credit to resolve such contingencies will not be deemed an Event of Force Majeure;

"Event of Watercraft Loss" has the meaning set out in section 12.1 of Schedule E;

"Event of Watercraft Loss Date" has the meaning set out in section 12.1 of Schedule E;

"Executive Director, Marine Branch" means an individual designated by the Province as the Executive Director, Marine Branch for the Ministry of Transportation and Infrastructure;

"Expiry Date" means September 30, 2028;

"Fee" has the meaning set out in section 3.1 of Schedule F;

"Ferry Facilities" means the land and assets as set out in the Licence and in sections 1B, 2B and 3B of Schedule C and the Licence, as may be amended or Changed from time to time, and **"Ferry Facility"** means any one of them;

"Ferry Facility Maintenance Plan" means the ferry facility maintenance plan to be delivered to the Province by the Contractor as set forth in Section 5.2(b)(ii), having the content set out in section 3.2 of Appendix B6 to Schedule B;

"Ferry Service" means all services and obligations to be performed by the Contractor in relation to this Agreement (including without limitation all services and obligations to be performed by the Contractor as described in Schedule B and all appendices thereto and all Contractor's Plans in Schedule L), the Charter and the Licence, but excluding Additional Services;

"Ferry Service Specifications" means the specifications for the Ferry Service set out at Appendix B1 to Schedule B;

"Ferry User" means any person or persons, regardless of form of ground transportation, that uses the Watercraft;

"Fuel Cost Adjustment(s) Calculation" has the meaning set out in section 2.1.3(a) of Schedule D;

"Glade Route" has the meaning set out in section 2.1 of Schedule B;

"Governmental Authority(ies)" means a federal, provincial, regional, municipal or local government or subdivision thereof, including an entity or person exercising executive, legislative, regulatory or administrative functions of, or pertaining to, any such government or subdivision having jurisdiction in any way over or in respect of any aspect of the performance of this Agreement, the Charter and the Licence;

“GST” means the Goods and Services Tax as defined in the *Excise Tax Act*, R.S.C. 1985, c. E-15, as amended from time to time, and the regulations prescribed thereunder;

“Harrop Route” has the meaning set out in section 2.1 of Schedule B;

“Highway User” means any person or persons, regardless of form of transportation, that uses any lands or facilities within the jurisdiction of the Province;

“IFTS” or **“Inland Ferry Traffic System”** has the meaning set out in section 4.2 of Appendix B4 to Schedule B;

“ILOC” has the meaning set out in section 2(a)(ii) of Schedule H;

“Improvements” has the meaning set out in section 1.1 of Schedule F;

“in Class” means, in respect of a Watercraft, a Watercraft that has been issued with a Classification Society’s Certificate of Class;

“Initial Term” has the meaning set out in Section 3.1;

“Inland Ferry Annual Report” has the meaning set out in section 3.1 of Appendix B4 to Schedule B;

“Inland Ferry Monthly Report” has the meaning set out in section 4.1 of Appendix B4 to Schedule B;

“ISM Code” means the International Safety Management Code, by the International Maritime Organization that provides an international standard for the safe management and operation of ships and for pollution protection;

“Kootenay Lake Advisory Committee” has the meaning set out in section 9 of Appendix B3 to Schedule B;

“Kootenay Lake Route” has the meaning set out in section 2.1 of Schedule B;

“Land” has the meaning set out in section 1.1 of Schedule F;

“Law(s)” means all laws (including the common law), statutes, regulations, treaties, judgments and decrees and all official directives, bylaws, rules, consents, approvals, authorizations, guidelines, standards, orders, rules and policies of any Governmental Authority having the force of law from time to time affecting, applicable to or otherwise relating to the Work, the Ferry Facilities, the Watercrafts and other assets;

“Licence” means the licence of occupation attached at Schedule F;

“List of Assets” means Schedule C;

“Losses” means any and all damages, losses, loss of revenue (including loss of all or portion of Annual Service Fees), loss of profit, liabilities, charges, judgments, court orders, penalties, fines, assessments, costs and expenses (including legal and other professional charges and expenses on a full indemnity basis and including reasonable

costs of mitigation) of any nature and kind whatsoever and howsoever arising, whether under statute or contract, at common law, in equity, in connection with judgments or criminal or quasi criminal proceedings, or otherwise, and whether direct, indirect or consequential, and "Loss" will be construed accordingly;

"Marine Manager" means the individual designated as such by the Contractor;

"Material" means working documents, findings, data, records, operational manuals, contractor's plans, specifications, drawings, reports, Contractor amendments to provincial materials, VDR files and CCTV recordings (and codes and passwords thereto) and other materials, whether in hardcopy or electronic formats, whether complete or not, that as a result of this Agreement are produced or provided by the Contractor or a subcontractor and includes the SMS and its operational documents;

"Ministry Inland Ferry Manager" means an individual designated by the Province as the Ministry Manager, Marine Branch, Ministry of Transportation and Infrastructure;

"MTRB" has the meaning set out in section 17.2.1 of Appendix B5 to Schedule B;

"MV Balfour", "M.V. Balfour", "Balfour" and any other truncation thereof means the Watercraft having the name "Balfour" in section 1A of Schedule C;

"MV Osprey 2000", "M.V. "Osprey 2000"", "MV "Osprey 2000"", "M.V. Osprey", "MV Osprey", "Osprey 2000", "Osprey" and any other truncation thereof means the Watercraft having the name "Osprey 2000" in section 1A of Schedule C;

"Non-Conformance Reports" means those reports issued in writing by the Province to the Contractor which document the Contractor's failure to comply with the Contractor's obligations in this Agreement, the Charter or the Licence;

"OEM" has the meaning set out in section 10.3 of Schedule E;

"On Demand" means, in respect of any service or activity, that such service or activity will be made available immediately when required;

"On-Site" means located at the operations office or onboard a Watercraft or at a Ferry Facility.

"Organization and Management Plan" means the organization and management plan to be delivered to the Province by the Contractor as set forth in Section 5.2(b)(ii) and having the content set out in section 7 of Appendix B1 to Schedule B;

"Parties" means the parties to the Agreement, and a reference to a **"Party"** means one of them;

"Plans" and **"Contractor's Plans"** means the Contractor's Plans that are listed and attached at Schedule L;

"Potential New Watercraft" has the meaning set out in Section 4.7;

"Preferred Proponent Notification Date" means the date that the notification identifying the Contractor of its selection as preferred proponent under the RFP was sent by the Province to such Contractor;

“Prime Contractor” has the meaning set out in Section 12.1(e);

“Province” has the meaning set out in the preamble to the Agreement;

“Realty Taxes” has the meaning set out in section 1.1 of Schedule F;

“Recognized Organization” has the same meaning as set out in the Transport Canada Publication TP13585E;

“Referee” means the individual designated as such by Schedule I;

“Renewal Term” has the meaning set forth in Section 3.1;

“Repeater System” means the repeater system described in Attachment 3 of Appendix B3 to Schedule B;

“RFP” means that certain request for proposal pursuant to which the Contractor submitted the preferred proposal and has successfully negotiated with the Province the right to operate and provide the Ferry Service as provided in the Agreement;

“Replaced Part” or **“Replaced Parts”** has the meaning set out in section 10.1 of Schedule E;

“Replacement Parts” or **“Replacement Parts”** has the meaning set out in section 10.1 of Schedule E;

“Replacement Watercraft” has the meaning set out in section 12.3 of Schedule E;

“Risk Management Plan” means the risk management plan to be delivered to the Province by the Contractor as set forth in Section 5.2(b)(ii) and having the content set out in section 9 of Appendix B1 to Schedule B;

“Routes” means, collectively, the Glade Route, the Harrop Route and the Kootenay Lake Route;

“Safety Management System(s)” or **“SMS(s)”** means the safety management system (including all its operational documents incorporated by reference) prepared by the Contractor and accepted by the Province in accordance with Schedule B.

“Service Fee” means the sum payable by the Province to the Contractor, exclusive of GST and inclusive of all other applicable taxes, charges and duties, in consideration of the provision of the Ferry Service as that sum may be adjusted pursuant to the provisions of Schedule D and Schedule J;

“SharePoint site” means the portal maintained by the Province at <https://marinebranch.sp.th.gov.bc.ca/KLFagreement/> or any replacement for that website maintained by the Province;

“Sign” mean a lettered board, message or other display which includes all regulatory, warning, guide or informational, advisory, and all special or other messages/displays under the Provincial jurisdiction as defined by the Province, but excluding electronically controlled messages/displays; a sign includes the Sign Face Overlay;

“Snack Bar” has the meaning set out in Section 10.1;

“Stakeholders” means a party that may be affected by the Contractor’s actions including, but not limited to Highway Users, Ferry Users, local governments, school districts, police authorities, emergency response providers, transportation organizations, tourism industry and businesses;

“Term” has the meaning set out in Section 3.1;

“Transition Services” means that work described as such in Schedule B;

“Transition Services Plan” means the transition services plan to be delivered to the Province by the Contractor as set forth in Section 5.2(b)(i) and having the content set out in section 2 of Appendix B7 to Schedule B;

“Watercrafts” means the watercrafts as further described in Schedule C and the Charter, as may be amended and Changed from time to time, used in the provision of the Work, owned by the BCTFA and chartered to the Contractor, and **“Watercraft”** means any one of them;

“Watercraft Maintenance Plan” means the watercraft maintenance plan to be delivered to the Province by the Contractor as set forth in Section 5.2(b)(ii) and having the content set out in section 2.2 of Appendix B5 to Schedule B;

“Weighted Average Fuel Cost per Litre” means the total actual cost of fuel divided by the total volume purchased;

“Work” means, collectively, the Ferry Service and Additional Services; and

“Work Order” means a written order by the Province to the Contractor authorizing itemized Additional Services. The Work Order may be a directive from the Province to the Contractor to perform the Additional Services with the payment of such work determined pursuant to the Direct Plus Rates in Schedule D.

Schedule B**Description of Work****1. WORK**

The Work is comprised of the Ferry Service and the Additional Services.

2. FERRY SERVICE

2.1 The Contractor shall operate the Watercrafts and Ferry Facilities and provide the Ferry Service on the following three (3) routes:

- a) the “**Kootenay Lake Route**” traversing Kootenay Lake from Balfour on the west side to and from Kootenay Bay on the east side,
- b) the “**Harrop Route**” crossing the west arm of Kootenay Lake; and,
- c) the “**Glade Route**” crossing the Kootenay River.

2.2 The Contractor shall operate and provide the Ferry Service in accordance with all the specifications attached hereto at Appendices B1 to B8 to this Schedule B, the Contractor's Safety Management Systems and Plans at Schedule L to the Agreement, and all applicable terms and conditions of the Agreement.

2.3 The Appendices that are attached hereto are as follows:

Appendix B1 – Ferry Service Specifications

Appendix B2 – Safety Management Systems Specifications

Appendix B3 – Communications Specifications

Appendix B4 – Reporting Specifications

Appendix B5 – Watercraft Maintenance Specifications

Appendix B6 – Ferry Facility Maintenance Specifications

Appendix B7 – Transition Services Specifications

Appendix B8 – Asbestos Management Program

3. ADDITIONAL SERVICES

3.1 From time to time, and only when authorized in advance by the Province in accordance with section 5.4 of the Agreement, the Province may require the Contractor to carry out Additional Services in accordance with the Agreement.

3.2 As part of the Additional Services (though without limiting the Additional Services to be provided by the Contractor), the Contractor shall provide and perform emergency services during Kootenay Pass highway closures, evacuation alerts or similar events, which may require extending the hours of scheduled ferry sailings beyond those set out Appendix B1 - Ferry Service Specifications or which require the use of an additional Watercraft or Watercrafts to augment the regularly scheduled service level for the Ferry Service.

- 3.3** The Province shall pay the Contractor for providing and performing Additional Services pursuant to the payment provisions for Additional Services at Schedule D to the Agreement as these services are not included in the Service Fee.
- 3.4** For greater certainty, in the event that the Province, following the replacement of the CF Harrop with the CF Harrop II pursuant to section 4.3 of the Agreement, requires the CF Harrop to remain in the care and custody of the Contractor, the Province shall be entitled, at its sole discretion, to issue a Work Order to the Contractor detailing the additional obligations required of the Contractor with respect to the CF Harrop, in which case, the Province shall pay the Contractor in accordance with section 3 of Schedule D to the Agreement as if such additional obligations were Additional Services.
- 3.5** For greater certainty, in the event that the Province, following the replacement of the MV Balfour with the Potential New Watercraft pursuant to section 4.8 of the Agreement, requires the MV Balfour to remain in the care and custody of the Contractor, the Province shall be entitled, at its sole discretion, to issue a Work Order to the Contractor detailing the additional obligations required of the Contractor with respect to the MV Balfour, in which case, the Province shall pay the Contractor in accordance with section 3 of Schedule D to the Agreement as if such additional obligations were Additional Services.

Appendix B1**Ferry Service Specifications****1. GENERAL REQUIREMENTS**

The Contractor shall deliver safe, reliable, and efficient inland ferry transportation, and support the continuous improvement of the personnel, assets and operations.

Except as otherwise provided herein, all capitalized words and phrases used in this specification shall have the same meaning as in the Agreement, including, for greater certainty, Schedule A.

2. SCOPE OF FERRY SERVICE

The Contractor shall utilize the Watercrafts and the Ferry Facilities to operate and provide the Work.

The Contractor shall provide all management key personnel. These management key personnel shall have extensive marine management and ferry operation experience.

In accordance with section 7 of the Agreement, the Contractor shall offer continued employment to all non-management bargaining unit employees performing the Work (excluding Additional Services) (including employees on leave or layoff immediately prior to the Commencement Date), on the terms and conditions of the Collective Agreement.

The Contractor shall ensure that the Watercrafts are manned with qualified, certified and medically fit ferry crews that meet the standards, qualifications and certifications required by each minimum safe manning certificate, the *Canada Shipping Act, 2001* (Canada), its regulations, and all Laws.

Without limitation to the provisions in the Agreement by which the Contractor is obligated to observe, abide by and comply with all Laws, the Contractor shall perform all inspections and obtain and carry all certifications mandated by the *Canada Shipping Act, 2001* (Canada) and its regulations.

The Contractor shall provide all management, labour, materials, supplies, consumables, provisions, tools, machinery, equipment, utilities and any other thing required for the performance of the Ferry Service.

The Contractor is responsible for the determination of all means, methods, techniques, sequences and procedures employed to provide the Ferry Service unless such means, methods, techniques, sequences or procedures are specifically set out in the Agreement.

2.1. Regular Hours of Operation

2.1.1. Kootenay Lake Route: MV Osprey 2000 Schedule

The Contractor shall provide the ferry sailings on the Kootenay Lake Route with the MV Osprey 2000 approximately 17 hours per day, 365 days per year in accordance with the following schedule of departure times:

Table 2.1.1 – MV Osprey 2000 Regular Hours of Operation

Watercraft Name	Departs Balfour Terminal	Departs Kootenay Bay Terminal
MV Osprey 2000	06:30 AM	07:10 AM
MV Osprey 2000	08:10 AM	09:00 AM
MV Osprey 2000	9:50 AM	10:40 AM
MV Osprey 2000	11:30 AM	12:20 PM
MV Osprey 2000	01:10 PM	02:00 PM
MV Osprey 2000	02:50 PM	03:40 PM
MV Osprey 2000	04:30 PM	05:20 PM
MV Osprey 2000	06:10 PM	07:00 PM
MV Osprey 2000	07:50 PM	08:40 PM
MV Osprey 2000	09:40 PM	10:20 PM

2.1.2. Kootenay Lake Route: MV Balfour Schedule

The Contractor shall operate the MV Balfour in accordance with the following summer schedule from the day in the third week of June that aligns with the MV Osprey 2000 crew rotation to the Monday of the Labour Day weekend, inclusive.

Table 2.1.2 – MV Balfour Summer Schedule

Watercraft Name	Departs Balfour Terminal	Departs Kootenay Bay Terminal
	SUMMER	SUMMER
MV Balfour	10:40 AM	11:30 AM
MV Balfour	12:20 PM	01:10 PM
MV Balfour	02:00 PM	02:50 PM
MV Balfour	03:40 PM	04:30 PM
MV Balfour	05:20 PM	06:10 PM

If the MV Osprey 2000 is unavailable for any reason (e.g. due to refit), then the Contractor shall use the MV Balfour to provide the scheduled ferry sailings on the Kootenay Lake Route in accordance with the schedule for the MV Osprey 2000 in Section 2.1.1.

2.1.3. Harrop Route

The Contractor shall provide the ferry sailings for the Harrop Route with the CF Harrop (and, upon replacement of the CF Harrop with the CF Harrop II, the CF Harrop II) on demand for 24 hours per day, 365 days per year.

2.1.4. Glade Route

The Contractor shall provide the ferry sailings 21.5 hours per day for the Glade Route with the CF Glade II on demand 365 days per year between the hours of 5:00 am and 2:30 a.m.

The Contractor shall provide an on-call emergency ferry service, available within 30 minutes, 24 hours a day in accordance with the Contractor's emergency service response procedures as outlined in the Safety Management System. Emergency services include fire, police and ambulance. The British Columbia Ambulance Service and the RCMP are able to request emergency ferry service via two designated emergency ferry operator contacts.

To enable the ferry to rapidly respond to emergency situations that develop after the regularly scheduled hours of operation, the Watercraft shall be berthed overnight at the CF Glade II terminal on the CF Glade II community side of the river.

2.2. Terminal Attendants

The Contractor shall provide terminal attendants onsite to assist with traffic management at both terminals on the Kootenay Lake Route as follows:

- a) during the MV Balfour summer schedule;
- b) when the MV Balfour replaces the MV Osprey 2000; and
- c) during emergency services.

2.3. Certified Flag Personnel

The Contractor shall ensure that certified flag personnel are present at the terminals on the Kootenay Lake Route to control vehicle traffic on the roadways and at the entrance and exit of the vehicle queuing lots when vehicle traffic from the Ferry Facility is impeding on the roadway.

2.4. Operations Office

The Contractor shall obtain, maintain and operate an operations office in which it will perform operational, management and administration tasks. The Contractor shall ensure that the office is located within reasonable walking distance of the Balfour terminal, accessible to and conveniently located for the Contractor's employees and the public and that the office be signed such that it is clearly identified as the Kootenay Lake Ferry Service operations office.

The Contractor shall ensure that, at a minimum, the office is staffed during Business Days and Business Hours with the office manager/administrator and the Contractor's clerks.

The Contractor shall ensure that the operations office is operated, maintained, staffed and located all to the Province's satisfaction, as determined by the Province, in its sole discretion.

2.5. Management Key Personnel On-Site

The Contractor shall ensure, at a minimum, that the Marine Manager or the superintendent, and the assistant marine manager, are available On-Site during Business Days and Business Hours. In extenuating circumstances, if a situation should arise whereby one of these management key personnel could not be On-site during Business Days and Business Hours for a period of more than one day, then the Contractor shall immediately advise the Province and provide the name and contact information of the alternate contact.

The Contractor shall ensure that one of the following management key personnel is available On-Site on non-Business Days: the Marine Manager or the superintendent or the assistant marine manager.

2.6. Storage Buildings

The Contractor shall obtain, maintain, and identify to the Province a main storage building in which it shall store the inventory of parts, spare parts and equipment for the Watercrafts and the Ferry Facilities. The Contractor shall ensure that the building is located within reasonable distance of the Balfour terminal and that the building is kept clean (e.g. free of vermin), dry, and secure. The Contractor shall ensure that all parts, spare parts and equipment intended for use on the Watercrafts and Ferry Facilities are organized, accessible, and segregated from all other materials and equipment that the Contractor may have. The Contractor shall make the building available to the Ministry for inspection upon request.

The Contractor shall ensure that the storage building is maintained and located to the Province's satisfaction, as determined by the Province, in its sole discretion.

The Contractor shall also maintain the existing small storage buildings/sheds located within the applicable Ferry Facilities in which it shall store materials, spill kits and other parts that should be at close proximity if required for operations.

2.7. MV Osprey 2000 Snack Bar

The Contractor shall operate the snack bar onboard the MV Osprey 2000 from which passengers may purchase light refreshments throughout the Term in accordance with the provisions of section 10 of the Agreement.

The Contractor shall ensure that, during the Term, no alcohol, drug or other intoxicating substance is sold or available for purchase on the Watercrafts or the Ferry Facilities.

2.8. Signage

2.8.1. Watercraft Signage

The Contractor shall ensure that, for each Watercraft, all Signs, nameplates, notices, markings and placards are fitted as required by all applicable Laws and by OEM and International Maritime Organization standards, including requirements for passenger safety, fire safety, security conditions and pollution prevention.

Without limiting the provisions above, the Contractor shall ensure that:

- 1) Extensive warning Signs are fitted concerning passenger and vehicle safety including “no smoking” and “set parking brakes” Signs;
- 2) Garbage placards are fitted as required by all Laws;
- 3) All markers, labels, notices and Signs in public spaces are coordinated, consistent in style, and of high contrast;
- 4) All wording is clear and concise and have a minimum of abbreviations in accordance with ASTM F1166 - 07 "Standard Practice for Human Engineering Design for Marine Systems, Equipment, and Facilities", Section 15 Labelling;
- 5) All Signs, markings, notices and nameplates are in the English language;
- 6) All Signs is attached in such a manner as to prevent theft, vandalism, and damage; and
- 7) The attachments (including adhesives, bolts, clips and hooks) for all markers, labels, notices and Signs are durable and suitable for the environment of operation.

The Contractor shall ensure that, for each Watercraft, all Signs, nameplates, notices, markings and placards are repaired and maintained in accordance with Appendix B5 to Schedule B.

2.8.2. Ferry Facilities Signage

The Contractor shall ensure that, for each Ferry Facility, all Signs, nameplates, notices, markings and placards are repaired and maintained in accordance with Appendix B6 to Schedule B.

The Contractor shall not modify any existing Ferry Facility Signs without the written permission of the Province.

Upon the request of the Province, the Contractor shall remove, install and replace the Ferry Facility Signs with new Signs provided by the Province.

2.9. Utilities

The Contractor is responsible for all utilities in accordance with the License, as well as internet services, consumables and other supplies, and services required to provide the Ferry Service.

The Contractor is to ensure that the Ferry Facilities and the Watercrafts have continuous access to such utilities, water and supplies. Any interruptions to the supply shall be rectified immediately, subject to an Event of Force Majeure.

3. DELEGATED STATUTORY INSPECTION PROGRAM & WATERCRAFT IN CLASS

The capitalized words and phrases defined in this Article 3 shall have the same meanings given to them by Transport Canada's Delegated Statutory Inspection Program Policy dated January 13, 2014.

- 3.1 The table below shows the status of each Watercraft with regards to the Transport Canada Delegated Statutory Inspection Program (the "DSIP") and the Classification Society's Certificate of Class:

Watercraft Name	Status of the Watercraft Under the DSIP	Status of Certificate of Class
MV Balfour	Currently enrolled in the DSIP	N/A
CF Glade II	Currently enrolled in the DSIP	Currently has a Certificate of Class
MV Osprey 2000	Enrolment in DSIP scheduled for Fall 2018	N/A
CF Harrop II	Enrolment in DSIP scheduled for Fall 2018	Scheduled to get a Certificate of Class in Fall 2018
CF Harrop	No enrolment scheduled	N/A

- 3.2 For any Watercrafts currently enrolled in the DSIP, and upon enrollment in the DSIP for any other Watercrafts, the Contractor shall assume the obligations of the DSIP's Authorized Delegated Operator with regard to each Watercraft, including, without limitation:

- a) for the Term of the Contract, retaining each Watercraft in DSIP and retainining, at its sole cost and expense, one Recognized Organization that has been approved by the Province;
- b) complying with the inspection requirements, certification requirements, conditions and endorsements of the Recognized Organization that has been approved by the Province and Transport Canada; and
- c) without limiting section 11.1 of the Agreement, delivering in a timely fashion to the Ministry Inland Ferry Manager all notices, requests for information, instructions, correspondences, requirements.

- 3.3** For any Watercrafts scheduled to be enrolled in DSIP during the Term of the Agreement, the Contractor shall coordinate and attend any associated enrollment meetings, including preparatory meetings, opening meetings, joint handover meetings, and closing meetings as may be required to successfully enroll the Watercrafts under the DSIP.
- 3.4** For any Watercrafts with a Certificate of Class or scheduled to get a Certificate of Class, the Contractor shall for the Term of the Agreement, maintain the Certificate of Class from a Classification Society that has been approved by the Province and that assigns a suitable notation.
- 3.5** All Watercrafts enrolled in DSIP and all Watercrafts maintained in Class shall be under one Classification Society. There shall be no substitution of said Classification Society without the Province's written approval, which may be unreasonably withheld. The Contractor shall provide no less than six (6) months written notice to the Province when requesting this approval.

4. MARINE TECHNICAL BOARD DECISIONS

The Contractor shall, for each Watercraft, comply with all Transport Canada Marine Technical Review Board Decisions and ensure that any conditions of the Marine Technical Review Board Decisions are met at all times.

All current Marine Technical Review Board Decisions are available at the following site: <http://wwwapps.tc.gc.ca/Saf-Sec-Sur/4/mtrbq-sridb/eng/decisions/>.

5. SAFETY MANAGEMENT SYSTEM

In accordance with Appendix B2 of Schedule B to the Agreement, a specific SMS shall be established and maintained for each of the following Watercrafts:

- a) CF Glade II;
- b) CF Harrop II;
- c) MV Osprey 2000; and
- d) MV Balfour.

The Contractor acknowledges that the current SMS for the CF Harrop shall be the SMS in effect for the CF Harrop during the portion of the Term that the Contractor operates the CF Harrop when providing the Work.

6. CERTIFICATION AND TRAINING PLAN

The Contractor shall ensure that the Watercrafts are manned with qualified, certified and medically fit ferry crews that meet the standards, qualifications and certifications required by each minimum safe manning certificate, the *Canada Shipping Act, 2001* (Canada), its regulations and all Laws.

The Contractor shall ensure that all crew obtain a marine medical certificate every two (2) years, in accordance with the Transport Canada Marine Personnel Regulations and TP2293.

The Contractor shall ensure all crew successfully complete training courses relevant to their certification, roles and responsibilities, and new personnel or personnel assigned to new areas of responsibility shall also be provided with proper familiarization and training with respect to their duties at the time of hire or reassignment. The Contractor shall support the career path of their crew by facilitating their training and advancement.

At least two (2) weeks before the Commencement Date pursuant to section 5.2(b)(ii) of the Agreement, the Contractor shall complete the Certification and Training Plan for the Ferry Service, and submit same to the Province.

The Contractor shall ensure that the Certification and Training Plan:

- a) fulfills the obligations of the SMS training guides (reference numbers OS-SOP-003, GL-SOP-003, HA-SOP-003, BA-SOP-003) as attached as Appendix B2 to Schedule B to the Agreement;
- b) specifies the courses to be provided to personnel (reflecting the list provided in SMS training guides), the personnel to be trained, when the courses shall be provided and who shall provide the courses;
- c) at least annually, includes an assessment of the training needs of the crew in all relevant training areas including, but not limited to:
 - i. Awareness of relevant rules, regulations, codes and policies;
 - ii. Occupational health and safety;
 - iii. Environmental awareness;
 - iv. Hazard identification;
 - v. Dangerous goods;
 - vi. Workplace operations;
 - vii. Emergency response training and exercises;
 - viii. Marine emergency duties training;
 - ix. Roll on – roll off passenger ships personnel training; and
 - x. Customer service.

The Contractor shall maintain the Certification and Training Plan to the Province's satisfaction, as determined by the Province, in its sole discretion.

The Contractor shall upload the Certification and Training Plan to the SharePoint site and the Parties shall attach same to Schedule L to the Agreement.

The Contractor shall review the Certification and Training Plan at least once per year for updating so as to ensure that the Certification and Training Plan remains current. Whenever changes occur that necessitate updating the Certification and Training Plan, the Contractor shall update the Certification and Training Plan promptly, and ensure

that the current Certification and Training Plan is uploaded to the SharePoint site at all times.

In accordance with section 18.1 of the Agreement, the Province shall have the right, exercisable at its sole discretion, at any time and from time to time to audit and inspect the Certification and Training Plan.

7. ORGANIZATION AND MANAGEMENT PLAN

The Contractor shall provide all management key personnel. These management key personnel shall have extensive marine management and ferry operation experience.

At least two (2) weeks before the Commencement Date pursuant to section 5.2(b)(ii) of the Agreement, the Contractor shall complete the Organization and Management Plan for the Ferry Service, and submit same to the Province.

The Contractor shall ensure that the Organization and Management Plan:

- a) describes the Contractor's team structure by:
 - (1) including an organization chart of the proposed team structure showing the key positions within the team and clear unambiguous reporting relationships within and outside the team; and
 - (2) describing the reporting relationships within and outside the team.
- b) identifies the Management and Key Personnel by:
 - (1) providing a completed Table 7 confirming the individuals who accepted the responsibility for each of the key positions for the Ferry Service;
 - (2) not nominating the same individual to more than one key position and only one individual shall be nominated to each key position;

Table 7 - Management Key Personnel of the RFP

KEY POSITION	MINIMUM AVERAGE WORK WEEK PER MONTH	INDIVIDUAL NAME
Superintendent	<i>2 weeks/month</i>	
Marine Manager	<i>Full time</i>	
Office Manager/Administrator	<i>Full time</i>	
Assistant Marine Manager, Cable Ferries	<i>Full time</i>	
Mechanical Technical Manager	<i>2 weeks/month</i>	
Human & Labour Relations Manager	<i>1 week/month</i>	
Standards & Training Manager	<i>1 week/month</i>	

- (3) provides the work schedule and location for each individual named in the Table. The information provided for each individual should adhere to the following sequence, format, and content:
- i. **Key Position:** use the key position titles described in Table 7 above;
 - ii. **Name of Individual:** full name or commonly used name of the individual;
 - iii. **Roles and Responsibilities:** a description of the individual's role(s), responsibilities and duties in performing the key position;
 - iv. **Employment Status:** specify if the individual is an employee (full or part time) or a subcontractor;
 - v. **Primary Work Location:** confirm the individual's primary work location in performing the key position;
 - vi. **Number of Hours onsite:** specify the minimum average number of days per month to be spent On-Site at the Ferry Facilities, the Watercrafts or the operations office by the individual in performing the key position;
 - vii. **Number of Hours offsite and location:** confirm the minimum average number of days per month to be spent offsite (specify the location) by the individual in performing the key position; and
 - viii. **Continuity:** specify if the individual is expected to retire or leave the organization prior to the end of the Term, and succession plans for such individual.
- c) confirms that the individual named in as Marine Manager shall be the Contractor's representative for all aspects of the Ferry Service with full authority to:
- (1) supervise the Ferry Service;
 - (2) communicate with Government Authorities and the Recognized Organization; and
 - (3) act on behalf of and legally bind the Contractor in connection with the Ferry Service and the Agreement, including exchanging Notices with the Province, and be available at all times to the Province.
- d) provides measures to ensure that a cooperative working relationship is developed and maintained between the Province and the Contractor during the Term of the Agreement; and
- e) identifies relevant training and development courses and opportunities to enhance the knowledge, abilities and skills of management key personnel.

The Contractor shall maintain the Organization and Management Plan to the Province's satisfaction, as determined by the Province, in its sole discretion.

The Contractor shall upload the Organization and Management Plan to the SharePoint site and the Parties shall attach same to Schedule L to the Agreement.

The Contractor shall review the Organization and Management Plan at least once per year for updating so as to ensure that the Organization and Management Plan remains current. Whenever changes occur that necessitate updating the Organization and Management Plan, the Contractor shall update the Organization and Management Plan promptly, and ensure that the current Organization and Management Plan is uploaded to the SharePoint site at all times.

In accordance with section 18.1 of the Agreement, the Province shall have the right, exercisable at its sole discretion, at any time and from time to time to audit and inspect the Organization and Management Plan.

7.1. Changes to Management and Key Personnel

The Contractor shall not substitute or replace its Marine Manager and key personnel, unless a written request for such change is submitted to the Province prior to such change and the Province, in its sole discretion, approves of the change. If for any reason a change occurs or the Contractor has knowledge that such a change is likely to occur, the Contractor must promptly deliver a written request to the Inland Ferry Manager for the aforementioned Provincial approval.

The Contractor shall include in such written request a comprehensive description of the change, the reason(s) for the change and sufficient information and documentation, including as to suitability, knowledge, skills, resources, experience, qualifications and abilities of the individuals involved in the change to enable the Province to consider, in its sole discretion, whether the change, if expressly consented to in writing by the Province, shall result in the Contractor and its Marine Manager and key personnel, considered separately and as a whole, meeting or exceeding the suitability, knowledge, skills, resources, experience, qualifications and abilities of the Contractor and its key personnel, considered separately and as a whole, before the change.

The Contractor shall provide such further information and documentation as requested by the Province, in its sole discretion, for the purpose of considering any such request for consent to a change, and any such request for consent to a change and any additional information and documentation so provided may, in the sole discretion of the Province, be considered and taken into account in the evaluation of a proposal.

8. BUSINESS CONTINUITY PLAN

At least two (2) weeks before the Commencement Date, pursuant to section 5.2(b)(ii) of the Agreement, the Contractor shall complete the Business Continuity Plan for the Ferry Service, and submit same to the Province.

The Contractor shall ensure that the Business Continuity Plan:

- a) describes processes, measures, and steps that the Contractor implements to attract and retain qualified management and personnel;
- b) describes how the organization is able to continue to perform the Ferry Service in accordance with this Agreement in event of the following:

- i. Retirement of a management team member;
 - ii. Departure of a management team member;
 - iii. Disability of a management team member; or
 - iv. Death of a management team member.
- c) for each situation above, describes the expected changes to the management team, the decision-making authorities of the team members, the organization, and corporate structures.

The Contractor shall maintain the Business Continuity Plan to the Province's satisfaction, as determined by the Province, in its sole discretion.

The Contractor shall upload the Business Continuity Plan to the SharePoint site and the Parties shall attach same to Schedule L to the Agreement.

The Contractor shall review the Business Continuity Plan at least once per year for updating so as to ensure that the Business Continuity Plan remains current. Whenever changes occur that necessitate updating the Business Continuity Plan, the Contractor shall update the Business Continuity Plan promptly, and ensure that the current Business Continuity Plan is uploaded to the SharePoint site at all times.

In accordance with section 18.1 of the Agreement, the Province shall have the right, exercisable at its sole discretion, at any time and from time to time to audit and inspect the Business Continuity Plan.

9. RISK MANAGEMENT PLAN

Risk management shall be a priority of the Contractor, and the Contractor shall perform the Ferry Services in a manner that minimizes risk to the crew, ferry users, Stakeholders, health and safety, the environment, the Contractor and the Province.

At least two weeks before the Commencement Date, pursuant to section 5.2(b)(ii) of the Agreement, the Contractor shall submit a Risk Management Plan to the Province.

The Contractor shall ensure that the Risk Management Plan:

- a) identifies major risks that could cause disruption or interruption to the Ferry Service (regardless of whether or not such risks are within the Contractor's control) or could materially affect the Contractor's ability to provide the Ferry Service,
- b) describes the process of risk identification and the processes envisioned to assess, mitigate, document, and monitor risks, and
- c) describes the plan for mitigating these risks.

Major risks include but are not necessarily limited to:

- 1) Political

- a. Regulatory changes
 - b. Terrorism
 - c. Protests/blockade
- 2) Economic
 - a. Disruptions in supply chains
 - b. Significant fluctuations to inflation rates
 - c. Significant fluctuations to interest rates
- 3) Societal/ Personnel
 - a. Union drives/strikes/lock-outs
 - b. Illness/ disease/epidemics/injury of employees
 - c. Quarrels/ disputes/and hostilities
- 4) Technological/Environmental
 - a. Catastrophic damage to Watercrafts/Ferry Facilities
 - b. Floods/fires/natural disasters
 - c. Nearby environmental incidents

The Contractor shall maintain the Risk Management Plan to the Province's satisfaction, as determined by the Province, in its sole discretion.

The Contractor shall upload the Risk Management Plan to the SharePoint site and the Parties shall attach same to Schedule L to the Agreement.

The Contractor shall review the Risk Management Plan at least once per year for updating so as to ensure that the Risk Management Plan remains current. Whenever changes occur that necessitate updating the Risk Management Plan, the Contractor shall update the Risk Management Plan promptly, and ensure that the current Risk Management Plan is uploaded to the SharePoint site at all times.

In accordance with section 18.1 of the Agreement, the Province shall have the right, exercisable at its sole discretion, at any time and from time to time to audit and inspect the Risk Management Plan.

Appendix B2

Safety Management Systems Specifications

Each specimen safety management system, and its operational documents, is available to Proponents of the RFP in the reference documents on the Province's RFP SharePoint site.

1. SAFETY MANAGEMENT SYSTEMS REQUIREMENTS

The Contractor acknowledges that the Province has developed four specimen SMSs that require the attention and input of the Contractor to fulfill its contract obligations:

- 1) Specimen MV Osprey 2000 Safety Management System;
- 2) Specimen MV Balfour Safety Management System;
- 3) Specimen CF Glade II Safety Management System; and
- 4) Specimen CF Harrop II Safety Management System.

Each specimen SMS is divided into two types of documents:

- a) A main SMS document (e.g. filename "Osprey2000SMS.docx"); and
- b) A series of operational documents that are incorporated by reference (e.g. filenames "OS-EMG-001 (SOPEP).docx", "OS-EMG-002 (Emergency Procedures).docx", "OS-ORG-007 (Confidentiality and Communications).docx").

On the Preferred Proponent Notification Date, the Contractor shall access each specimen SMS and its operational documents, which shall be substantially similar to each specimen SMS that was included as a reference document to the RFP, on the Province's SharePoint site at the following addresses:

- 1) For the MV Osprey 2000: <https://marinebranch.sp.th.gov.bc.ca/Osprey2000SMS>
- 2) For the MV Balfour: <https://marinebranch.sp.th.gov.bc.ca/BalfourSMS>
- 3) For the CF Glade II: <https://marinebranch.sp.th.gov.bc.ca/GladeIISMS>
- 4) For the CF Harrop II: <https://marinebranch.sp.th.gov.bc.ca/HarropIISMS>

Utilizing the specimens, the Contractor shall complete a SMS and its operational documents for each Watercraft. The instructions on completing each SMS and its operational documents are described in Attachment 1 to this Appendix B2 and within each specimen SMS.

At least three (3) weeks before the Commencement Date pursuant to section 5.2(b)(iii) of the Agreement, the Contractor shall complete each SMS and its operational documents and upload them to the SharePoint site, and the parties shall attach the same to Schedule L to the Agreement.

The Contractor acknowledges that the current SMS for the CF Harrop shall be the SMS in effect for the CF Harrop during portion of the Term that the Contractor operates the CF Harrop when providing the Work.

2. SCOPE OF SAFETY MANAGEMENT SYSTEMS

The Contractor shall ensure that:

- a) each SMS, with its appended operational documents, serves as the single, comprehensive and definitive source of all the Contractor's current policies, procedures, instructions, responsibilities and authorities, checklists, descriptions, lines of communication between ship and shore, records, logs, notes, memos, and audit systems associated with the Ferry Service;
- b) each SMS and its operational documents are specific to the Ferry Service, and consistent with all core policies and commitments from each specimen SMS;
- c) all written procedures, instructions or plans are simple and unambiguous;
- d) the actual approach to each Ferry Service and the approach as it is described in each respective SMS and its operational documents shall be the same; and
- e) the structure and content of each SMS, and its operational documents, complies with the specimens, meets the requirements of the ISM Code and the Agreement, and is to the Province's satisfaction.

The master version of each SMS, and its operational documents, shall be digital and shall be hosted and accessed on the SharePoint site. Only one version of each SMS and one version of its operational documents shall be posted on the SharePoint site, throughout the Term.

The Contractor shall follow the Province's instructions regarding the SharePoint site file structure, and the use of the SharePoint site to access, view, upload, download, edit, check-in, check-out, share, archive, and delete files and folders.

2.1 Revision and Continuous Improvement of the Contractor's SMS

Throughout the Term, the Contractor shall maintain care and control of each SMS and its operational documents. The Contractor shall undertake inspections, audits, and reviews to ensure each SMS and its operational documents remain specific to the Ferry Service and shall continuously monitor each SMS and its operational documents for relevance, consistency with actual practice, compliance with rules, regulations, and standards.

From time to time during the Term, the Contractor shall propose to the Province, which the Province shall be at liberty to accept, in its sole discretion, improvements, updates and revisions to each SMS and its operational documents, including addressing discovered gaps in each SMS by developing and documenting the means, methods, techniques, sequences or procedures, operating conditions and organizational learning. Prior to accepting such improvements, updates and revisions, the Province shall review

the proposed improvements, updates and revisions to ensure they are consistent with all core policies and commitments from each of the Province's specimen SMS and the ISM Code, and may provide feedback and recommendations.

Upon mutual agreement between the parties, all improvements, updates and revisions to the each SMS and its operational documents shall be uploaded by the Contractor to the SharePoint site.

The Province, in accordance with section 18.1 of the Agreement, shall have the right, in its sole discretion, to undertake inspections, audits, and reviews to ensure the Contractor's compliance with each SMS and its operational documents.

3. DISTRIBUTION OF CONTRACTOR'S SMS

The Contractor's Marine Manager shall:

- a) make a current version of each SMS and its operational documents available to all relevant personnel involved with Ferry Service including its crew and management team, the Province, and if required Government Authorities;
- b) ensure that each Watercraft has a current version of their specific SMS and its operational documents in the wheelhouse;
- c) ensure that the crew have read and are familiar with their specific SMS and its operational documents; and
- d) ensure that any distribution copies of each SMS is controlled and described within each SMS and its operational documents.

Attachment 1

Instructions to Complete SMS and Operational Documents

1. INSTRUCTION ON COMPLETING THE MAIN SMS DOCUMENT

Each main SMS document requires **limited** input from the Contractor. The areas that require input from the Contractor are highlighted and contained in square brackets **[like this]**. There are approximately 33 places where the Contractor shall make an edit to each main SMS document, and on most of these occasions, the Contractor shall replace **[Contractor Name]** with their name. For example, if the Contractor's name is "Maple Leaf Ferries", then text from page 1 of the specimen SMS document shall be modified as follows:

Extract from Specimen SMS:

The BC Ministry of Transportation and Infrastructure and **[Contractor Name]** are committed to operate the Kootenay Lake Ferry Service in a manner that is safe, reliable, and efficient.

Extract from SMS after input from Contractor:

The BC Ministry of Transportation and Infrastructure and Maple Leaf Ferries are committed to operate the Kootenay Lake Ferry Service in a manner that is safe, reliable, and efficient.

The Contractor shall edit text format so that it is consistent in font, size, and colour with the text that surrounds it. Outside of the highlighted text, the Contractor shall not make any other edits to the main SMS document.

2. INSTRUCTION ON COMPLETING THE OPERATIONAL DOCUMENTS

Each operational document requires **significant** input from the Contractor. Each operational document that contains highlighted text in square brackets **[like this]** describes instructions, notes, or guidance that the Contractor shall follow in order to satisfactorily complete each SMS. Within the operational documents, the Contractor shall replace the highlighted instructions with the content described by the instructions. For example, the specimen operational document called "CONTACT INFORMATION" (**BA-ORG-003**, GL-ORG-003, OS-ORG-003, HA-ORG-003) shall be modified as follows:

Extract from Specimen Operational Document "CONTACT INFORMATION":

Non-Emergency Contact Info

[Contractor to provide a table identifying titles, names, office telephone numbers, mobile telephone numbers, email addresses, and normal hours of availability for all key personnel including:

- The president;
- The Marine Manager;
- Any other member of the management team; and

- Masters (for MV Osprey 2000 and MV Balfour)
- Head Operators (CF Glade II and CF Harrop II)

Contractor to provide the telephone number used to contact the ferry].

Extract from Operational Document “CONTACT INFORMATION” after input from Contractor:

Non-Emergency Contact Info

Title	Name	Contact info	Availability
President	Jane Doe	Office: 555-555-5551 Cell: 555-555-5552 Email: jane@mapleleaf.ca	9 am – 5 pm, weekdays
Marine Manager	Sarah Adams	Office: 555-555-5551 Cell: 555-555-5553 Email: sarah@mapleleaf.ca	7 am – 3 pm, weekdays
Master A	Richard Roe	Cell: 555-555-5554 Email: richard@mapleleaf.ca	5 am – 1 pm, weekdays
Master B	John Smith	Cell: 555-555-5555 Email: john@mapleleaf.ca	12 pm – 8 pm, weekdays
Master C	Lisa Lin	Cell: 555-555-5556 Email: lisa@mapleleaf.ca	4pm – 12 am, weekdays
Kootenay Lake Ferry		555-555-5557	All operational hours

The Contractor shall edit text format so that it is consistent in font, size, and colour with the text that surrounds it.

Appendix B3**Communication Specifications****1 COMMUNICATIONS PLAN REQUIREMENTS**

The Contractor shall communicate appropriately, professionally, effectively and in a timely manner with the Stakeholders, Government Authorities, the Classification Society, the Recognized Organization and the Province as detailed herein.

At least two (2) weeks before the Commencement Date, pursuant to section 5.2(b)(ii) of the Agreement, the Contractor shall complete the Communications Plan and submit same to the Province.

The Communications Plan shall outline the Contractor's standards and practices, in accordance with requirements provided below, for communications related to:

- 1) Reportable occurrences, as set out in Section 3.1 of the *Transportation Safety Board Regulations*, SOR/2014-37, and environmental and safety incidents;
- 2) Ferry Service disruptions, interruptions or closures, including unplanned and planned events;
- 3) Government Authorities, the Classification Society and the Recognized Organization;
- 4) Stakeholders;
- 5) Communications equipment;
- 6) Emergency contacts; and
- 7) The Kootenay Lake Advisory Committee.

The Contractor shall maintain the Communications Plan to the Province's satisfaction, as determined by the Province, in its sole discretion.

The Contractor shall upload the Communications Plan to the SharePoint site and the Parties shall attach same to Schedule L to the Agreement.

The Contractor shall review Communications Plan at least once per year for updating so as to ensure that the Communications Plan remains current. Whenever changes occur that necessitate updating the Communications Plan, the Contractor shall update the Communications Plan promptly, and ensure that the current Communications Plan is uploaded to the SharePoint site at all times.

In accordance with section 18.1 of the Agreement, the Province shall have the right, exercisable at its sole discretion, at any time and from time to time to audit and inspect the Communications Plan.

2 GENERAL STANDARDS

The Contractor shall:

- 1) Ensure communications with the public, Stakeholders and the Province are clear, appropriate, timely, accurate, informative, concise;
- 2) Proactively communicate across various Communications Platforms;
- 3) Provide an automated acknowledgement on Communications Platforms, where technically feasible;
- 4) Provide emergency responders with contact information as directed by Ministry;
- 5) Inform the Ministry Inland Ferry Managers of any messages before they are posted;
- 6) Coordinate with the highway maintenance contractor for use of some Communications Platforms including, but not limited to, overhead signs, portable message signs.
- 7) Maintain Ferry Facility Signs at all times (with all changes to Signs being pre-approved by the Ministry) and replace Signs, from time to time, as directed by the Ministry; and
- 8) Maintain records of all communications activities.

3 COMMUNICATIONS FOR REPORTABLE OCCURRENCES, ENVIRONMENTAL AND SAFETY INCIDENTS

Whenever a significant ferry service event occurs as described below, the Contractor shall immediately notify the Province and take action as follows:

Event	Action
a) Any reportable occurrence as set out in Section 3.1 of the <i>Transportation Safety Board Regulations</i> , SOR/2014-37.	Immediately, the Contractor shall: 1. Make personal contact with the Ministry Inland Ferry Manager*; and 2. Proceed with applicable SMS procedures
b) Any damage to a Watercraft or a Ferry Facility, which is not covered by (a) above	Immediately, the Contractor shall: 1. Make personal contact with the Ministry Inland Ferry Manager*; and 2. Proceed with applicable SMS procedures
c) Any release or spill of Contaminants (including but not limited to discharge of oil, garbage, black water, grey water or emission outside of Government Authority(ies) allowable limits, whether on land or water	Immediately, the Contractor shall: 1. Make personal contact with the Ministry Inland Ferry Manager*; and 2. Proceed with applicable SMS procedures
d) Any threat to the health, safety or security of the public, the crew, the environment, a Watercraft, or a Ferry Facility	Immediately, the Contractor shall: 1. Make personal contact with the Ministry Inland Ferry Manager*; and 2. Proceed with applicable SMS procedures
e) Any breach of Laws, including the <i>Canada Shipping Act, 2001</i> (Canada) and the <i>Workers' Compensation Act</i> (British Columbia), or any warning or citation issued by a Government Authority or a Recognized Organization	Immediately, the Contractor shall: 1. Make personal contact with the Ministry Inland Ferry Manager*; and 2. Proceed with applicable SMS procedures

*If the Contractor is not able to make personal contact with the Ministry Inland Ferry Manager then the Contractor shall make personal contact with the Ministry Inland Ferry Executive Director.

The Contractor's notification to the Ministry Inland Ferry Manager (or the Ministry Inland Ferry Executive Director) shall include the following information:

- 1) Detailed event description, including, but not limited to, the following:
 - a. the date and time of the occurrence;
 - b. the name of the operator or master of the Watercraft;
 - c. if the Watercraft is equipped with a voyage data recorder or a simplified voyage data recorder, any action taken or planned to save the data on the recorder;
 - d. the last point of departure, including the date and time of departure;
 - e. the number of crew members, passengers and other persons on board at the time of the occurrence;
 - f. the number of crew members, passengers and other persons involved in the occurrence who were killed or sustained serious injuries as a result of the occurrence;
 - g. the local weather, water and, if applicable, ice conditions at the time of the occurrence;
 - h. the location of the occurrence by reference to an easily defined geographical point, or by latitude and longitude;
 - i. a description of the occurrence and the extent of any resulting damage to the Watercraft and Ferry Facility, the environment and other property;
 - j. a list of any dangerous goods released on board or from the Watercraft; and
 - k. a description of any action taken or planned to protect persons, the environment, the Watercraft and Ferry Facility, and other property;
- 2) the Provincial personnel involved;
- 3) the incident responders involved, such as police, fire, ambulance and others;
- 4) the highway maintenance contractors onsite;
- 5) the traffic management requirements; and
- 6) Copies of all reports and communications with any Government Authority.

4 COMMUNICATIONS FOR FERRY SAILING DISRUPTIONS, INTERRUPTIONS OR CLOSURES

In the event of ferry sailing disruptions, interruptions or closures, the Contractor shall follow the Provincial Incident Response and Travel Advisory Messaging Protocol (revised October 2015), as may be amended, updated or revised, from time to time. The current sample messaging for inland ferries, from Appendix A of the protocol document, is set out in Attachment 1 to this Appendix B3.

The Province shall, no later than the Commencement Date, provide the Contractor with the current Provincial Incident Response and Travel Advisory Messaging Protocol document, and any amended, updated or revised versions of such document thereafter from time to time during the Term.

The Contractor acknowledges that it is anticipated that the DriveBC system may be updated within the first Contract Year, or thereabouts, and the proposed new inland ferries portion of the Provincial Incident Response and Travel Advisory Messaging Protocol shall come into effect. The proposed sample of new inland ferries messaging protocols are described in Attachment 2 to this Appendix B3.

The Contractor shall use the new Provincial Incident Response and Travel Advisory Messaging Protocol document upon provision from and notification by the Province.

4.1 Unplanned Ferry Service Events

Whenever the Ferry Service is impacted, such as from a ferry sailing disruption, interruption or closure, the Contractor shall immediately notify the Province and act as follows:

Event	Action
a) Any event that impacts the Contractor's ability to continue Ferry Service according to contract requirements that causes a service suspension of more than 20 minutes, including weather events, system failure, structural failure, equipment failure, vehicle accidents, medical emergencies, labour action, or security issues.	<p>Immediately, the Contractor shall:</p> <ol style="list-style-type: none"> 1. Notify the Ministry Inland Ferry Manager by phone, or email; and then 2. Notify the Ministry's District office by phone, or email; and then 3. Update DriveBC in accordance with the Provincial Incident Response and Travel Advisory Messaging Protocol, and then when conditions change, and every hour until the event is resolved, and then 4. Communicate across various Communications Platforms during and after the event.
b) Sailing waits increase or decrease.	<p>Immediately, the Contractor shall:</p> <ol style="list-style-type: none"> 1. Notify the Ministry Inland Ferry Manager by phone, or email; and then 2. Notify the Ministry's District office by phone, or email; and then 3. Update DriveBC in accordance with the Provincial Incident Response and Travel Advisory Messaging Protocol, and then when conditions change, and every hour until no further sailing waits, and then 4. Communicate across various Communications Platforms during and after the event.

4.2 Planned, Expected or Proposed Ferry Service Events

When an impact on the Ferry Service (including a ferry sailing disruption, interruption or closure) is planned, expected or proposed, the Contractor shall act as follows:

Event	Action
a) All planned maintenance, refits, cable changes, inspections, and drills, that will impact service.	At least two weeks in advance, the Contractor shall: <ol style="list-style-type: none"> 1. Inform the Ministry Inland Ferry Manager of proposed messaging; and then 2. Inform the Ministry's District office of proposed messaging; and then 3. Proactively communicate across various Communications Platforms in advance, during and after the event, and then 4. Update DriveBC in accordance with the Provincial Incident Response and Travel Advisory Messaging Protocol for planned events.
b) Time periods when seasonal environmental conditions, historical traffic demands, or other factors have potential to cause sailing waits, to interrupt travellers or to impose temporary restrictions on ferry use.	At least two weeks in advance, the Contractor shall: <ol style="list-style-type: none"> 1. Inform the Ministry Inland Ferry Manager of proposed messaging; and then 2. Inform the Ministry's District office of proposed messaging; and then 3. Proactively communicate across various Communications Platforms in advance, during and after the event, and then 4. Update DriveBC in accordance with the Provincial Incident Response and Travel Advisory Messaging Protocol for planned events.
c) Proposed ferry service impacts that are, or may be reasonably expected to be disruptive/controversial.	At least two weeks in advance, the Contractor shall: <ol style="list-style-type: none"> 1. Inform the Ministry Inland Ferry Manager of proposed messaging; and then 2. Inform the Ministry's District office of proposed messaging; and then 3. Proactively communicate across various Communications Platforms 4. Monitor and receive feedback regarding the delivery of service and adjust when possible, and then 5. Update DriveBC in accordance with the Provincial Incident Response and Travel Advisory Messaging Protocol for planned events.

4.3 Unplanned and Planned Additional Services

If Ferry Service hours are extended, as directed by the Province, the Contractor shall act as follows:

Event	Action
a) Modifications to ferry service hours.	<p>Immediately, the Contractor shall:</p> <ol style="list-style-type: none"> 1. Inform the Ministry Inland Ferry Manager of proposed messaging; and then 2. Inform the Ministry's District office of proposed messaging; and then 3. Proactively communicate across various Communications Platforms in advance, during and after the event, and then 4. Update DriveBC in accordance with the Provincial Incident Response and Travel Advisory Messaging Protocol for planned events.

5 COMMUNICATIONS WITH GOVERNMENT AUTHORITIES, THE CLASSIFICATION SOCIETY AND THE RECOGNIZED ORGANIZATION

The Contractor shall maintain positive, professional relationships with all Government Authorities, including but not limited to Transport Canada, WorkSafeBC, Department of Fisheries and Oceans, and Environment Canada, the Classification Society and the Recognized Organization.

The Contractor shall engage in proactive and regular communication with the Province, provincial and federal regulators, the Classification Society and the Recognized Organization regarding regulatory matters, and shall keep a record of all such communications.

The Contractor shall communicate with Government Authorities, the Classification Society and the Recognized Organization as follows:

Event*	Action
a) Scheduling inspections	Email communication and copy the Ministry Inland Ferry Manager
b) Certification and registration	Email communication and copy the Ministry Inland Ferry Manager
c) Requesting clarifications or information	Email communication and copy the Ministry Inland Ferry Manager
d) Inspection reports and deficiencies notices	Email communication and copy the Ministry Inland Ferry Manager

*Sample events; event types not limited to these.

6 COMMUNICATIONS WITH STAKEHOLDERS

6.1 At Operations Office

The Contractor shall ensure that, at a minimum, a clerk is available at the operations office to respond to Stakeholder inquiries during Business Days and Business Hours.

6.2 Telephone Service

The Contractor shall establish and continuously maintain a business telephone number for contact with the Stakeholders.

The Contractor shall ensure that its telephone number is listed and advertised in local directories and media and posted prominently on the Watercrafts and at the Ferry Facilities.

The Contractor shall ensure that its telephone service is staffed on Business Days during Business Hours and that a clerk is available to respond to Stakeholders inquiries during those hours.

The Contractor shall ensure that the telephone service is available outside Business Days and Business Hours for the public to obtain recorded information regarding the Ferry Service, and to leave a voice message if required.

6.3 Responses to Stakeholder Questions, Comments and Complaints

When requested, the Contractor shall be responsive to Stakeholders as follows:

Event	Action
a) Phone calls, emails, and texts from Ministry Inland Ferry Manager, or Ministry District office.	The Contractor shall respond as soon as possible, at least within 4 hours.
b) Written communication from the Province.	The Contractor shall respond within 5 days.
c) Incoming complaints, comments and requests received through various Communications Platforms or in person.	The Contractor shall monitor, receive, and respond, and document the result of those communications in a timely manner. Response times are as follows: <ul style="list-style-type: none"> • phone calls (within 24 hours) • emails (within 48 hours) • regular post (within 10 days) • social media (within 24 hours)
d) Incoming media inquiries.	The Contractor shall defer to the Province and immediately report to the Ministry Inland Ferry Manager by phone, or email.

6.4 Brochures

The Contractor shall prepare brochures describing the Ferry Service, the hours of operation and the Ferry Service website and shall distribute such brochures on the Watercrafts, at the operations office and to the regional tourism offices.

6.5 Local Community Support

The Contractor is to support the local community in various ways. The Contractor acknowledges that this involvement may include, but is not limited to, activities such as the provision of additional ferry sailings during community special events (e.g. summer music festival).

7 COMMUNICATIONS EQUIPMENT

The Contractor shall maintain all communications equipment and services necessary to deliver the Ferry Service in accordance with the Agreement and all applicable Laws. Such communications equipment and services may include, but are not limited to, the following:

- 1) Telephone land line, internet equipment and service, in the operations office;
- 2) One portable radio each for all on-shift personnel, including Watercraft crew, terminal attendants, and certified flaggers, and a minimum of one portable radio for the operations office;
- 3) Sufficient cellular telephones and services onboard the Watercrafts for communications with the operations office and emergency responders. Presently, the number of cellular telephones available on board the Watercrafts are as follows: two on the MV Osprey 2000; one on the MV Balfour; two on the CF Harrop; and one on the CF Glade II;
- 4) Sufficient cellular telephones and services for key personnel and the head ferry operators; and
- 5) Internet equipment and service, as required, onboard the Watercrafts. Presently, there is internet service for operational use onboard the MV Osprey 2000.

Upon the deployment of the CF Harrop II on the Harrop Route, the Contractor shall transfer the cellular telephones and services presently on board the CF Harrop to the CF Harrop II for use on such Watercraft.

8 EMERGENCY CONTACT

The Contractor shall have a minimum of two (2) individuals on call 24 hours a day, 365 days a year to respond to emergencies if requested.

The Contractor shall provide emergency contact information for the Marine Manager and all individuals who may, at any time, be on call.

The Contractor shall ensure that the Province receives updated contact information within 24 hours of any change to such information.

9 KOOTENAY LAKE ADVISORY COMMITTEE

The Contractor shall maintain a committee (the “**Kootenay Lake Advisory Committee**”) that shall meet at least yearly to discuss ferry operations and to obtain input from the Stakeholders. The Committee is including, without limitation, representatives from the Province, various business associations, local industry, and the Marine Manager.

Appendix B3 - Attachment 1

CURRENT: Sample Inland Ferries Section for “Provincial Incident Response and Travel Advisory Messaging Protocol”

Type of Messaging	Highway ‘#’ Direction(s) of Impact	Message Example
INLAND FERRIES		
Unplanned Incident – Closures (Ferry Out of Service)	Kootenay Lake Ferry Both Directions	Ferry Out of Service at Kootenay Lake. <i>Estimated Time of Opening between 3 p.m. – 6 p.m. Next update 2 p.m. Alternate Route from Castlegar to Creston via Hwy 3. Alternate Route from Balfour to Creston via Hwy 3A, Hwy 6, Hwy 3.</i> Updated on Wed Dec 7 at 1:15 p.m. (ID# 116870)
Unplanned Incident – Delays (Ferry Service Interruption)	Arrow Park Ferry Both Directions	Ferry Service Interruption at Junction of Upper and Lower Arrow Lakes, <i>due to high traffic volume. Expect 1 sailing wait. until 5:00 pm. Next update 4:00 p.m.</i> Updated on Wed Dec 7 at 2:31 p.m. (ID# 116871)
Ferry-related Highway Message	Highway 3A between Castlegar and Creston Both Directions	Closed in both directions from Balfour Ferry Landing, in Balfour to Kootenay Bay Ferry Landing, in Kootenay Bay (8.4 km) because of Ferry Out of Service. <i>Estimated Time of Opening between 3:00 p.m. – 6:00 p.m. Next update 2:00 p.m. Alternate Route from Castlegar to Creston via Hwy 3. Alternate Route from Balfour to Creston via Hwy 3A, Hwy 6, Hwy 3.</i> Updated on Wed Dec 7 at 4:02 p.m. (ID# 116872)
PLANNED EVENTS – closures (ferry out of service) or delays (ferry service interruption)		
Proactive – Ferry Out of Service	McClure Ferry Both Directions	Ferry Out of Service at north Thompson River starting Sun Jan 1 at 8:00 a.m. through Wed Feb 29 at 5:00 p.m., <i>due to ice on river. Alternate route via Westside Road. Next update February 15.</i> Updated on Thu Jan 5 at 2:55 p.m. (ID# 30635)
Proactive – Ferry Service Interruptions	Kootenay Lake Ferry Both Directions	Ferry Service Interruption at Kootenay Lake starting Fri Jan 6 at 8:00 a.m. through Fri Jan 13 at 5:00 p.m. <i>Osprey 2000 receiving maintenance, MV Balfour running regular schedule. Expect 1 sailing delay.</i> Updated on Thu Jan 5 at 2:45 p.m. (ID# 30634)
Current – Ferry Out of Service	McClure Ferry Both Directions	Ferry Out of Service at north Thompson River through Wed Feb 29 at 5:00 p.m., <i>due to ice on river. Alternate route via Westside Road. Next update February 15.</i> Updated on Thu Jan 5 at 2:57 p.m. (ID# 30635)
Current – Ferry Service Interruptions	Kootenay Lake Ferry Both Directions	Ferry Service Interruption at Kootenay Lake through Fri Jan 13 at 5:00 p.m. <i>MV Osprey 2000 receiving maintenance, MV Balfour running regular schedule. Expect 1 sailing wait.</i> Updated on Thu Jan 5 at 2:45 p.m. (ID# 30634)

Appendix B3 - Attachment 2

PROPOSED: Sample of New Inland Ferries Section for “Provincial Incident Response and Travel Advisory Messaging Protocol”

Type of Messaging	Impacted Ferry Service/ Direction	Message Example
INLAND FERRIES - UNPLANNED EVENTS		
Sailing waits* *applies to high traffic volume, replacement of MV Osprey by smaller capacity MV Balfour.	Francois Lake Ferry, southbound	Syntax: [Ferry name] has a [#] sailing wait for [direction of impacted traffic] due to [reason]. Expect delays up to [#] hours. Next update [time]. Example: Francois Lake Ferry has a 2 sailing wait for southbound traffic due to high traffic volume. Expect delays up to 2 hours. Next update at 3pm PDT.
Delayed departure* *applies to operational delays, medical emergencies, maintenance, safety inspections, safety drills, and environmental conditions	Upper Arrow Lake Ferry, both directions	Syntax: [Ferry name] is operating [#] mins behind schedule due to [reason]. Next update [time]. Example: Upper Arrow Lake Ferry is operating 30 mins behind schedule due to a medical emergency. Next update at 2pm PDT.
Unplanned service interruption	Adams Lake Cable Ferry, both directions	Syntax: [Ferry name] is currently out of service. Next update in one hour. Example: Adams Lake Cable Ferry is currently out of service. Next update in one hour.
Unplanned additional service *such as temporary	Kootenay Lake Ferry, both	Syntax: [Ferry name] will run [scope of additional service and reason]. Normal schedule resumes [time].

Type of Messaging	Impacted Ferry Service/ Direction	Message Example
extension of scheduled service hours	directions	Example: Kootenay Lake Ferry will run 24 hours a day throughout the weekend due to Highway 3 closure. Normal schedule resumes Monday.
INLAND FERRIES - PLANNED EVENTS		
Planned service interruption* *applies to maintenance safety drills, safety inspections, and seasonal shutdowns	Adams Lake Cable Ferry, both directions	Syntax: [Ferry name] will be out of service between [start time] and [finish time] due to [reason]. Example: Adams Lake Cable Ferry will be out of service between 11 pm Jun 1 and 1 am Jun 2 due to maintenance.
Possible service interruptions * *applies to high river current, debris in water, and safety inspections	Lytton Ferry, both directions	Syntax: Service on [Ferry name] may be interrupted between [start time] and [finish time] due to [reason]. Example: Service on Lytton Ferry may be interrupted between Mar 15 and Mar 20 due to freshet.
Planned additional service *such as temporary extension of scheduled service hours	Kootenay Lake Ferry, both directions	Syntax: [Ferry name] will run [scope of additional service and reason]. Normal schedule resumes [time]. Example: Kootenay Lake Ferry will run 24 hours a day throughout the weekend due to Highway 3 closure. Normal schedule resumes Monday.

Appendix B3 – Attachment 3**Repeater System**

1. **“Repeater System”** means the Central Kootenay North Trunk, Channel 2, Nelson Repeater, the Central Kootenay North Trunk, Channel 3, Kootenay Lake Repeater, Channel 3, Kootenay Lake Repeater, control console equipment, telecommunications circuits, satellite back-up systems, and control room operating staff provided by the Province.
2. The Province shall provide the Repeater System to the Contractor without charge for the use of the Contractor in performing the Work on the terms and conditions set out in this Attachment.
3. The Contractor shall use the Repeater System solely for the purposes of performing the Work.
4. The Contractor shall supply all radio equipment to be used on the Repeater System.
5. The Contractor shall take all reasonable measures to maintain the proper working condition of all radio equipment supplied by the Contractor.
6. The Province may, in its sole discretion, require the Contractor to discontinue, for any reason, the use of any of the radio equipment supplied by the Contractor.
7. The Repeater System shall at all times remain the property of the Province.
8. The Province shall, at the Province's expense, provide routine maintenance of the Repeater System as the Province, in its sole discretion, may consider necessary from time to time.
9. If the Repeater System is damaged, stolen, destroyed or otherwise fails to work, upon becoming aware of this damage, theft, destruction or failure, the Contractor shall notify the Province forthwith. Within a reasonable time after receiving this notice, the Province shall replace or repair the Repeater System.
10. The Province may replace the Repeater System or any part of the Repeater System which the Province determines, in its sole discretion, has exceeded its useful life expectancy.
11. The Contractor shall ensure that all of its radio equipment operating on the Repeater System is approved for operation in Canada and licensed by Industry Canada.
12. The Contractor shall use radios on the Repeater System which have the following specifications:
 - Operating frequency 142-150Mhz
 - Maximum power output of 50W
 - Sub audible tone capable (CTCSS)
 - Narrow band channel spacing
 - Minimum of 24 channels
 - 12 button DTMF key pad
 - Transmitter time-out timer

Appendix B4**Reporting Specifications****1 GENERAL REQUIREMENTS**

The purpose of this Appendix B4 is to provide detailed requirements for the Contractor to report appropriately, professionally, effectively and in a timely manner to the Province.

The Province in its discretion may change reporting specifications and/or provide new or updated forms for use by the Contractor from time to time. The Contractor shall thereafter use the stipulated form in its reports to the Province.

The Contractor shall ensure that all reports outlined in this Appendix B4 are completed for each Watercraft, as required and that all forms, reports, files and documents are to be submitted to the Province electronically on the Province's SharePoint website at the following address:

<https://marinebranch.sp.th.gov.bc.ca/KLFagreement/>

2 REPORTABLE OCCURRENCES, ENVIRONMENTAL AND SAFETY INCIDENTS**2.1 Immediate Incident Reporting**

The Contractor acknowledges that the requirements for the immediate notification of reportable occurrences and environmental and safety incidents are listed in section 3 of Appendix B3 to Schedule B to the Agreement.

2.2 Initial Incident Report

Within 24 hours of the reportable occurrence, environmental incident or safety incident, the Contractor shall prepare and submit to the Province, in writing, an initial report containing the following details:

- 1) The immediate and possible long-term results of the incident (including passenger or crew injury and damage to the Watercrafts or Ferry Facilities);
- 2) The immediate steps taken to rectify the situation; and
- 3) A summary of any communication with or notification provided to any Government Authority.

2.3 Subsequent Incident Report

If requested by the Province, within five days of the reportable occurrence, environmental incident or safety incident, the Contractor shall prepare and submit to the Province, in writing, a subsequent incident report. The Province may, in its sole discretion, require the Contractor to provide further reports, for an ongoing or concluded incident, at any time. The Contractor shall ensure that all subsequent incident reporting include, at a minimum, the following information:

- 1) Any new outcomes or after-effects of the incident (including passenger or crew injury and damage to Watercrafts or Ferry Facilities);
- 2) On-going steps taken to rectify the situation;

- 3) Copies of all communications with all regulatory agencies from the incident onset to when the incident is concluded, and comments with respect to all reports sent to any Government Authority;
- 4) An analysis of the incident, including root causes; and
- 5) Long-term corrective and/or preventive actions planned to minimize or prevent such an incident(s) or after-effects from recurring.

2.4 Notification to the Province of On-going Safety or Environmental Risk

Where circumstances arise that present an ongoing safety or environmental risk, the Contractor shall forthwith notify the Province, all Governmental Authorities as required by applicable Laws and any personnel or Governmental Authority who would be affected if the risk became an incident, including, but not limited to:

- 1) Ferry Users;
- 2) Police and/or emergency services;
- 3) Municipal or district authorities;
- 4) Media; and
- 5) Adjacent property owners or residents.

3 ANNUAL REPORTING

3.1 Annual Report

The Contractor shall prepare and submit to the Province within one month of the end of each Contract Year, an Annual Report that is certified by the Contractor's owner, or financial officer or accountant to be true and correct with respect to all of the expenses incurred in the operation of the Ferry Service during the Contract Year (the "Inland Ferry Annual Report").

The Contractor shall ensure that the Inland Ferry Annual Report is prepared using the form provided at Attachment 1 to this Appendix B4 to Schedule B to the Agreement and shall include, but not be limited to:

- 1) The cost and volume of fuel consumed;
- 2) The number of crew (full-time and auxiliary), shift pattern, aggregate hours of crew time and the total remuneration paid to the crew;
- 3) The total remuneration paid to management and key personnel;
- 4) The total costs incurred with training;
- 5) The total costs incurred for Classification Society and Recognized Organization services;
- 6) Maintenance and repair expenses (excluding the Contractor's own labour costs) for the Watercrafts broken down by category (e.g. Watercrafts – Refits (quinquennial and other), Watercrafts – General Repair and Maintenance, Watercrafts – Other (Specify));
- 7) Maintenance and repair expenses (excluding the Contractor's own labour costs), for the Ferry Facilities broken down by category (e.g. Docks – General Repair and

Maintenance, Ferry Facilities – General Repair and Maintenance, Ferry Facilities – Other (Specify));

- 8) The cost of all utilities including, without restriction, water, hydro, propane, waste disposal, and sewage; and
- 9) Such further information with respect to the expenses and operations of the Ferry Service as the Province may reasonably request.

4 MONTHLY REPORTING

4.1 Monthly Report

During the Term, the Contractor shall prepare and submit a monthly report to the Province before the 10th day of each month for the immediately preceding month (commencing on the first month following the Commencement Date) (the "Inland Ferry Monthly Report"). The Contractor shall ensure that the Inland Ferry Monthly Report includes information and statistics about safety, reliability, efficiency and continuous improvement of the Ferry Service. The Contractor shall use the Inland Ferry Monthly Report form provided at Attachment 2 to this Appendix B4 to Schedule B to the Agreement.

4.2 Inland Ferry Traffic System

During the Term, the Contractor shall prepare and submit the traffic reports before the 20th day of each month for the immediately preceding month (commencing on the first month following the Commencement Date).

The Contractor shall use the Province's Inland Ferry Traffic System (the "IFTS") provided by the Province to the Contractor prior to or on the Commencement Date, which is to be supplied by the Province, to collect and record traffic information. The Contractor shall ensure that the traffic reports include the following information:

- 1) Number of vehicles by vehicle type for each sailing;
- 2) Number of passengers, both foot and vehicle for each sailing;
- 3) Number and types of vehicles left behind for each sailing;
- 4) Number of trips, including emergency trips; and
- 5) Amount of downtime for vehicle-carrying Watercrafts, and the reason in each case.

4.3 Inland Ferry Reporting Network

The Contractor acknowledges that it is anticipated that the IFTS electronic reporting system referenced in Section 4.2 above may, during the Term, be replaced by the Province and may be expanded to include additional Contractor reporting functionality, increase communication between crew and supervisors, access to manuals, policies and guides, and real time monitoring of the Watercrafts.

If requested by the Province, the Contractor shall employ the Province's digital systems, platforms, applications and tools for collecting and sharing various operational and trip information between crew, management, and/or the Province.

The Province shall determine requirements and pay for all hardware, software, and Contractor training.

5 DOWNTIME REPORTING

The Contractor shall prepare and submit a “Downtime Report” whenever a sailing is missed or a ferry is out of service. The Contractor shall use the Inland Ferry Downtime Report form provided at Attachment 3 to this Appendix B4 to Schedule B to the Agreement.

6 ON-DEMAND REPORTING

The Contractor shall, upon request of the Province from time to time, fully inform the Province of work identified, scheduled and completed by the Contractor in connection with the provision and operation of the Ferry Service, and any Additional Services.

7 REFIT REPORTING

The Contractor shall comply with the refit reporting requirements of Appendix B5 to Schedule B to the Agreement.

Kootenay Lake Ferry Agreement			Schedule B – Appendix B4 - Attachment 1		
Kootenay Lake - Annual Report Specimen					
	Contract Year 1	Contract Year 2	Contract Year 3	Contract Year 4	Contract Year 5
Operational Information					
Number of Employees - Full Time					
Number of Employees - Auxiliary					
Shift Pattern In Use (deckhands) (eg. 4 on 2 off)					
Shift Pattern In Use (captains) (e.g. 6 on 3 off)					
Number of Emergency situations <u>within regular hours of operation</u>					
Number of Emergency situations <u>outside</u> regular hours of operation thus requiring a crew call out					
Number of <u>incidents</u> resulting in downtime					
Total number of <u>hours</u> of downtime					
Number of hours in operation under Province contract					
Number of hours in operation for <u>non-ministry</u> purposes					
Labour, Training, Class and Fuel Costs					
Total Labour Cost for Crew	\$ -	\$ -	\$ -	\$ -	\$ -
Total Labour Cost for Management & Key Personnel	\$ -	\$ -	\$ -	\$ -	\$ -
Total Costs for Training	\$ -	\$ -	\$ -	\$ -	\$ -
Total Costs for Classification Society	\$ -	\$ -	\$ -	\$ -	\$ -
Total Fuel Costs	\$ -	\$ -	\$ -	\$ -	\$ -
Total Litres Consumed					
Repair and Maintenance Costs					
Watercraft - Refits	\$ -	\$ -	\$ -	\$ -	\$ -
Watercraft - General Repair & Maintenance	\$ -	\$ -	\$ -	\$ -	\$ -
Watercraft - Other (specify)	\$ -	\$ -	\$ -	\$ -	\$ -
Subtotal - Watercraft	\$ -	\$ -	\$ -	\$ -	\$ -
Docks - General Repair & Maintenance	\$ -	\$ -	\$ -	\$ -	\$ -
Ferry Facility - General Repair & Maintenance					
Ferry Facility - Other (specify)	\$ -	\$ -	\$ -	\$ -	\$ -
Subtotal - Ferry Facility	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL - Repair and Maintenance Costs	\$ -	\$ -	\$ -	\$ -	\$ -
Utility Costs (as applicable)					
Water, Hydro, Propane, etc.	\$ -	\$ -	\$ -	\$ -	\$ -
Waste Disposal and Sewage	\$ -	\$ -	\$ -	\$ -	\$ -
Total Utility Costs	\$ -	\$ -	\$ -	\$ -	\$ -



Ministry of
Transportation
and Infrastructure

MV OSPREY 2000

REPORT FOR MONTH OF:

SAFETY

INDICATE # OF EVENTS		PROVIDE DETAILS
What safety incidents have occurred this month?	Crew Lost Time Injury	
	Crew Medical Aid	
	Crew First Aid	
	Passenger Injury	
	Near Misses	
	Property Damage	
	Rescues	
	Other	
		Has the Province been notified of all incidents? Y / N
		Are any of the incidents TSB reportable? Y / N
What pollution incidents have occurred this month?	Oil	
	Air	
	Sewage	
	Other	
		Has the Province been notified of all incidents? Y / N
What security incidents have occurred this month?	Threats to people	
	Vandalism	
	Other	
		Has the Province been notified of all incidents? Y / N
What drills have occurred this month?	MOB	
	Fire	
	Evacuation	
	Other	
What site inspections by regulators have occurred this month?	Transport Canada	
	Class Society	
	WorkSafeBC	
	Other	
What regulatory deficiencies or orders remain open at the end of the month?	Transport Canada	
	Class Society	
	WorkSafeBC	
	Other	

RELIABILITY

	CHECK	INSP	MAINT	DESCRIBE FINDINGS & WORK DONE
What inspections and what maintenance have been undertaken on the Watercraft this month?	Steelwork			
	Engines & Drives			
	Electrical System			
	Command & Control			
	Piping Systems			
	Outfit			
	Housekeeping			
	Other			
What inspections and maintenance have been undertaken on the Ferry Facility this month?	Docks			
	Ramps			
	Buildings			
	Parking lots			
	Electrical			
	Paving			
	Housekeeping			
Other				



Ministry of
Transportation
and Infrastructure

MV OSPREY 2000

REPORT FOR MONTH OF:

What 3rd party re-
certifications have
been received?

Lifesaving Equip.

Firefighting Equip.

Other

EFFICIENCY

CHECK AS APPROPRIATE

DESCRIBE

What is the total vessel
downtime during
scheduled hours in the
month?

No downtime

Less than 2 hours

Between 2 and 5 hours

Over 5 hours

Has the Province been notified of all downtime? Y / N

What new initiatives have
been undertaken towards
improving efficiency this
month?

Improving traffic flow

Reducing wasted trips

Minimizing wait times

Reducing garbage

Reducing fuel

What quantity of fuel has been bunkered this month?

CONTINUOUS IMPROVEMENT

INDICATE # OF EVENTS BY TYPE

DESCRIBE RESULTS

What internal audits have
been undertaken this
month?

Shipboard operations

Terminal operations

Office operations

Other

What updates have been
undertaken to plans,
policies, and procedures
this month?

SMS

Operational documents

Org. & mgmt. plan

Training plan

Communications plan

Watercraft maint. plan

Ferry facility maint. plan

Other

What training have crew
received this month? Also
indicate total number of
hours.

Vessel familiarization

Emergency drill training

Passenger Safety Mgmt

Confined Space Entry

TDG

WHMIS

Basic oil spill prevention

Other

What feedback has been
received on this operation
this month?

Ministry's district staff

Media

Ferry users

Community members

Other

FORM COMPLETED BY

(TYPE NAME)

DATE



Ministry of
Transportation
and Infrastructure

MV BALFOUR

REPORT FOR MONTH OF:

SAFETY

INDICATE # OF EVENTS		PROVIDE DETAILS
What safety incidents have occurred this month?	Crew Lost Time Injury	Has the Province been notified of all incidents? Y / N Are any of the incidents TSB reportable? Y / N
	Crew Medical Aid	
	Crew First Aid	
	Passenger Injury	
	Near Misses	
	Property Damage	
	Rescues	
	Other	
What pollution incidents have occurred this month?	Oil	Has the Province been notified of all incidents? Y / N
	Air	
	Sewage	
	Other	
What security incidents have occurred this month?	Threats to people	Has the Province been notified of all incidents? Y / N
	Vandalism	
	Other	
What drills have occurred this month?	MOB	
	Fire	
	Evacuation	
	Other	
What site inspections by regulators have occurred this month?	Transport Canada	
	Class Society	
	WorkSafeBC	
	Other	
What regulatory deficiencies or orders remain open at the end of the month?	Transport Canada	
	Class Society	
	WorkSafeBC	
	Other	

RELIABILITY

CHECK	INSP	MAINT	DESCRIBE FINDINGS & WORK DONE
What inspections and what maintenance have been undertaken on the Watercraft this month?	Steelwork		
	Engines & Drives		
	Electrical System		
	Command & Control		
	Piping Systems		
	Outfit		
	Housekeeping		
	Other		
What inspections and maintenance have been undertaken on the Ferry Facility this month?	FERRY FACILITY MAINTANCE IS REPORTED ON THE MONTHLY REPORT FOR MV OSPREY 2000		
What 3 rd party re-certifications have been received?	Lifesaving Equip.		
	Firefighting Equip.		
	Other		



Ministry of
Transportation
and Infrastructure

MV BALFOUR

REPORT FOR MONTH OF:

EFFICIENCY

CHECK AS APPROPRIATE	DESCRIBE
What is the total vessel downtime during scheduled hours in the month? <div> <input type="checkbox"/> No downtime <input type="checkbox"/> Less than 2 hours <input type="checkbox"/> Between 2 and 5 hours <input type="checkbox"/> Over 5 hours </div>	Has the Province been notified of all downtime? Y / N
What new initiatives have been undertaken towards improving efficiency this month? <div> <input type="checkbox"/> Improving traffic flow <input type="checkbox"/> Reducing wasted trips <input type="checkbox"/> Minimizing wait times <input type="checkbox"/> Reducing garbage <input type="checkbox"/> Reducing fuel </div>	
What quantity of fuel has been bunkered this month?	

CONTINUOUS IMPROVEMENT

INDICATE # OF EVENTS BY TYPE	DESCRIBE RESULTS
What internal audits have been undertaken this month? <div> <input type="checkbox"/> Shipboard operations <input type="checkbox"/> Office operations <input type="checkbox"/> Other </div>	
What updates have been undertaken to plans, policies, and procedures this month? <div> <input type="checkbox"/> SMS <input type="checkbox"/> Operational documents <input type="checkbox"/> Org. & mgmt. plan <input type="checkbox"/> Training plan <input type="checkbox"/> Communications plan <input type="checkbox"/> Watercraft maint. plan <input type="checkbox"/> Other </div>	
What training have crew received this month? Also indicate total number of hours. <div> <input type="checkbox"/> Vessel familiarization <input type="checkbox"/> Emergency drill training <input type="checkbox"/> Passenger Safety Mgmt <input type="checkbox"/> Confined Space Entry <input type="checkbox"/> TDG <input type="checkbox"/> WHMIS <input type="checkbox"/> Basic oil spill prevention <input type="checkbox"/> Other </div>	
What feedback has been received on this operation this month? <div> <input type="checkbox"/> Ministry's district staff <input type="checkbox"/> Media <input type="checkbox"/> Ferry users <input type="checkbox"/> Community members <input type="checkbox"/> Other </div>	

FORM COMPLETED BY

(TYPE NAME)

DATE



Ministry of
Transportation
and Infrastructure

CF HARROP II

REPORT FOR MONTH OF:

SAFETY

INDICATE # OF EVENTS		PROVIDE DETAILS
What safety incidents have occurred this month?	Crew Lost Time Injury	
	Crew Medical Aid	
	Crew First Aid	
	Passenger Injury	
	Near Misses	
	Property Damage	
	Rescues	
	Other	
		Has the Province been notified of all incidents? Y / N
		Are any of the incidents TSB reportable? Y / N
What pollution incidents have occurred this month?	Oil	
	Air	
	Sewage	
	Other	
		Has the Province been notified of all incidents? Y / N
What security incidents have occurred this month?	Threats to people	
	Vandalism	
	Other	
		Has the Province been notified of all incidents? Y / N
What drills have occurred this month?	MOB	
	Fire	
	Evacuation	
	Other	
What site inspections by regulators have occurred this month?	Transport Canada	
	Class Society	
	WorkSafeBC	
	Other	
What regulatory deficiencies or orders remain open at the end of the month?	Transport Canada	
	Class Society	
	WorkSafeBC	
	Other	

RELIABILITY

CHECK	INSP	MAINT	DESCRIBE FINDINGS & WORK DONE
What inspections and what maintenance have been undertaken on the Watercraft this month?	Steelwork		
	Engine & Drive		
	Guide & Drive		
	Cables		
	Electrical System		
	Command & Control		
	Piping Systems		
	Outfit		
	Housekeeping		
Other			
What inspections and maintenance have been undertaken on the Ferry Facility this month?	Ramps		
	Shore Structures		
	Signage		
	Electrical		
	Housekeeping		
Other			
What 3 rd party re-	Lifesaving Equip.		



Ministry of
Transportation
and Infrastructure

CF HARROP II

REPORT FOR MONTH OF:

certifications have been received?	Firefighting Equip.	
	Other	

EFFICIENCY

CHECK AS APPROPRIATE	DESCRIBE
What is the total vessel downtime during scheduled hours in the month?	<div> <div>No downtime</div> <div>Less than 2 hours</div> <div>Between 2 and 5 hours</div> <div>Over 5 hours</div> </div> <div>Has the Province been notified of all downtime? Y / N</div>
What new initiatives have been undertaken towards improving efficiency this month?	<div> <div>Improving traffic flow</div> <div>Reducing wasted trips</div> <div>Minimizing wait times</div> <div>Reducing garbage</div> <div>Reducing fuel</div> </div>
What quantity of fuel has been bunkered this month?	

CONTINUOUS IMPROVEMENT

INDICATE # OF EVENTS BY TYPE	DESCRIBE RESULTS
What internal audits have been undertaken this month?	<div> <div>Shipboard operations</div> <div>Terminal operations</div> <div>Office operations</div> <div>Other</div> </div>
What updates have been undertaken to plans, policies, and procedures this month?	<div> <div>SMS</div> <div>Operational documents</div> <div>Org. & mgmt. plan</div> <div>Training plan</div> <div>Communications plan</div> <div>Watercraft maint. plan</div> <div>Ferry facility maint. plan</div> <div>Other</div> </div>
What training have crew received this month? Also indicate total number of hours.	<div> <div>Vessel familiarization</div> <div>Emergency drill training</div> <div>Passenger Safety Mgmt</div> <div>Confined Space Entry</div> <div>TDG</div> <div>WHMIS</div> <div>Basic oil spill prevention</div> <div>Other</div> </div>
What feedback has been received on this operation this month?	<div> <div>Ministry's district staff</div> <div>Media</div> <div>Ferry users</div> <div>Community members</div> <div>Other</div> </div>

FORM COMPLETED BY

(TYPE NAME)

DATE



Ministry of
Transportation
and Infrastructure

CF GLADE II

REPORT FOR MONTH OF:

SAFETY

INDICATE # OF EVENTS		PROVIDE DETAILS
What safety incidents have occurred this month?	Crew Lost Time Injury	Has the Province been notified of all incidents? Y / N Are any of the incidents TSB reportable? Y / N
	Crew Medical Aid	
	Crew First Aid	
	Passenger Injury	
	Near Misses	
	Property Damage	
	Rescues	
	Other	
What pollution incidents have occurred this month?	Oil	Has the Province been notified of all incidents? Y / N
	Air	
	Sewage	
	Other	
What security incidents have occurred this month?	Threats to people	Has the Province been notified of all incidents? Y / N
	Vandalism	
	Other	
What drills have occurred this month?	MOB	
	Fire	
	Evacuation	
	Other	
What site inspections by regulators have occurred this month?	Transport Canada	
	Class Society	
	WorkSafeBC	
	Other	
What regulatory deficiencies or orders remain open at the end of the month?	Transport Canada	
	Class Society	
	WorkSafeBC	
	Other	

RELIABILITY

	CHECK	INSP	MAINT	DESCRIBE FINDINGS & WORK DONE
What inspections and what maintenance have been undertaken on the Watercraft this month?	Steelwork			
	Engine & Drive			
	Guide & Drive			
	Cables			
	Electrical System			
	Command & Control			
	Piping Systems			
	Outfit			
	Housekeeping			
	Other			
What inspections and maintenance have been undertaken on the Ferry Facility this month?	Ramps			
	Shore Structures			
	Signage			
	Electrical			
	Housekeeping			
What 3 rd party re-	Lifesaving Equip.			



Ministry of
Transportation
and Infrastructure

CF GLADE II

REPORT FOR MONTH OF:

certifications have been received?	Firefighting Equip.	
	Other	

EFFICIENCY

CHECK AS APPROPRIATE	DESCRIBE
What is the total vessel downtime during scheduled hours in the month?	<div> <div>No downtime</div> <div>Less than 2 hours</div> <div>Between 2 and 5 hours</div> <div>Over 5 hours</div> </div> <div>Has the Province been notified of all downtime? Y / N</div>
What new initiatives have been undertaken towards improving efficiency this month?	<div> <div>Improving traffic flow</div> <div>Reducing wasted trips</div> <div>Minimizing wait times</div> <div>Reducing garbage</div> <div>Reducing fuel</div> </div>
What quantity of fuel has been bunkered this month?	

CONTINUOUS IMPROVEMENT

INDICATE # OF EVENTS BY TYPE	DESCRIBE RESULTS
What internal audits have been undertaken this month?	<div> <div>Shipboard operations</div> <div>Terminal operations</div> <div>Office operations</div> <div>Other</div> </div>
What updates have been undertaken to plans, policies, and procedures this month?	<div> <div>SMS</div> <div>Operational documents</div> <div>Org. & mgmt. plan</div> <div>Training plan</div> <div>Communications plan</div> <div>Watercraft maint. plan</div> <div>Ferry facility maint. plan</div> <div>Other</div> </div>
What training have crew received this month? Also indicate total number of hours.	<div> <div>Vessel familiarization</div> <div>Emergency drill training</div> <div>Passenger Safety Mgmt</div> <div>Confined Space Entry</div> <div>TDG</div> <div>WHMIS</div> <div>Basic oil spill prevention</div> <div>Other</div> </div>
What feedback has been received on this operation this month?	<div> <div>Ministry's district staff</div> <div>Media</div> <div>Ferry users</div> <div>Community members</div> <div>Other</div> </div>

FORM COMPLETED BY

(TYPE NAME)

DATE



Ministry of
Transportation
and Infrastructure

CF GLADE II

REPORT FOR MONTH OF:

Appendix B4 – Attachment 3

Downtime Report



KOOTENAY LAKE FERRY AGREEMENT DOWNTIME REPORT

PARTICULARS

VESSEL NAME

DATE/ TIME OF SERVICE SUSPENSION

DATE/ TIME OF SERVICE RESUMPTION

ACTUAL DOWNTIME

OF MISSED TRIPS

DETAILS

REASON/ COMMENTS

STAFF INVOLVED

EXTRA TRIPS REQUIRED TO CLEAR TRAFFIC?

IF YES, WHO APPROVED THE EXTRA TRIPS?

IF YES, HOW MANY EXTRA TRIPS

SIGN-OFF

FORM COMPLETED BY

DATE

Appendix B5

Watercraft Maintenance Specifications

1. GENERAL REQUIREMENTS

The purpose of this Appendix B5 is to provide detailed requirements for repair and maintenance of the Watercrafts listed in both Schedule C to the Agreement and the Charter.

The matters addressed in this Section 1 apply to all aspects of the Ferry Service.

Unless otherwise defined herein, all capitalized words and phrases used in this Appendix B5 shall have the meaning set out in the Agreement, including, for greater certainty, Schedule A.

1.1 Objective

The Contractor shall provide a safe environment for crew and users of the Ferry Service and maximize the functional life of the Watercrafts in keeping the Watercrafts seaworthy and shipshape by way of regular and efficient inspections, maintenance work, repairs, cleaning and refits.

1.2 Minimum Requirements

In addition to the maintenance requirements stipulated in the Charter, the Contractor shall meet or exceed the maintenance requirements stipulated in this Appendix B5 and the SMS and its operational documents, while always providing safe, reliable, efficient, and courteous service to the Ferry Users in the course of its maintenance activities.

At the end of the Term or earlier expiry of the Agreement, the Contractor shall return the Watercrafts to the Province in the condition as required by the Charter.

1.3 Scope of Watercraft Maintenance

The Contractor shall carry out all maintenance, including all general housekeeping, all inspections, repairs and minor and major refits, on the Watercrafts in accordance with this Appendix B5, the SMS and its operational documents, the Contractor's Watercraft Maintenance Plan, and the terms of the Charter.

The Contractor is solely responsible for providing, overseeing and supplying, all at its sole cost and expense, all management, labour, materials, supplies, provisions, tools, machinery, equipment, facilities, subcontractors, personnel and any other thing required to maintain, utilize and operate the Watercrafts.

The Contractor shall:

- 1) Determine all means, methods, techniques, sequences and procedures employed to repair and maintain the Watercrafts unless such means, methods, techniques, sequences or procedures are specifically set out in the Agreement;
- 2) Monitor changes to maintenance standards;
- 3) Prepare, update and revise all documentation associated with Watercrafts maintenance;
- 4) Document maintenance activities, and safeguard all maintenance records;

- 5) Ensure all maintenance procedures, all material incorporated by reference, and all maintenance record templates are available to the crew.

1.4 Standard of Work

The Contractor shall complete all such maintenance work in accordance with the following:

- 1) The *Canada Shipping Act, 2001* (Canada) and its regulations;
- 2) To the approval of the Government Authorities, the Classification Society and the Recognized Organization, where applicable;
- 3) Manufacturers' specifications and requirements as updated from time to time, including manufacturer's recommended intervals based on hours of service except where time is the identified service interval (e.g. daily, weekly, monthly); and
- 4) The original design specification for that component or system;
- 5) The standards set out in article 9 of the Charter; and
- 6) Recognized industry standards.

In the event that there is a conflict between any two or more of the above standards, the Contractor shall complete all such maintenance work in accordance with whichever applicable standard is the highest.

1.5 Engineer's Approval

The Contractor shall ensure the maintenance and repair work pursuant to Section 9 and 10 of the Charter is approved by a qualified professional engineer under the following conditions:

- 1) Where required by the Province, by notice in writing to the Contractor;
- 2) By applicable Laws;
- 3) By manufacturer's specifications and requirements;
- 4) By recognized industry standards;

In the event that there is a conflict between any two or more of the above standards, the Contractor shall ensure that the maintenance and repair work is approved by a qualified professional engineer in accordance with whichever applicable standard is the highest.

1.6 Utilities & Supplies

The Contractor is responsible for obtaining and paying for all utilities, consumables and other supplies and services required to repair and maintain the Watercrafts.

2 WATERCRAFT MAINTENANCE DELIVERABLES

2.1 Watercraft Maintenance Procedures and Maintenance Records

The Contractor shall complete all Watercraft maintenance procedures and maintenance records for each Watercraft in accordance with each SMS and its operational documents, this Appendix B5, sections 9 and 10 of the Charter, and the Agreement.

At least three weeks before the Commencement Date, and in accordance with Appendix B2 to Schedule B to the Agreement, the Contractor shall complete, as part of each SMS and its operational documents, the Watercraft maintenance procedures (OS-SOP-005, BA-SOP-005, HA-SOP-005, GL-SOP-005) and template maintenance records (OS-SOP-006, BA-SOP-006, HA-SOP-006, GL-SOP-006) and upload the same to the SharePoint site.

The Contractor's Watercraft maintenance procedures and template maintenance records shall include, but not be limited to:

- 1) Procedures for assessing, repairing, and maintaining the Watercrafts;
- 2) Procedures for ensuring that the Watercrafts are clean and tidy; and
- 3) Checklists of daily, weekly, monthly, semi-annual, and annual duties, activities, checks, readings, measurements, tests, inspections, and recordings.

The Contractor shall upload the Watercraft maintenance procedures and the template maintenance records to the SharePoint site and the Parties shall attach same to Schedule L to the Agreement.

The Contractor shall ensure the Watercraft maintenance procedures and template maintenance records are to the Province's satisfaction at all times, as determined by the Province, in its sole discretion.

The Contractor shall review the Watercraft maintenance procedures and template maintenance records at least once per year to ensure that they remain current. Whenever changes occur that necessitate updating, the Contractor shall promptly update the Watercraft maintenance procedures and template maintenance records included in the SMS and ensure that the current versions are uploaded to the SharePoint site at all times.

In accordance with section 18.1 of the Agreement, the Province shall have the right, exercisable at its sole discretion, at any time and from time to time to audit and inspect the Watercraft maintenance procedures and maintenance records.

2.2 Watercraft Maintenance Plan

At least two weeks before the Commencement Date, pursuant to section 5.2(b)(ii) of the Agreement, the Contractor shall complete the Watercraft Maintenance Plan and submit same to the Province.

The Contractor shall ensure that the Watercraft Maintenance Plan for each Watercraft and Contract Year in the Term, identifies and schedules all maintenance work not otherwise part of the Watercraft maintenance procedures and maintenance records, which are addressed in Section 2.1 of this specification and are included in the SMS.

The Contractor shall ensure that the maintenance shall include, but not be limited to:

- 1) Overhauls, rebuilds, and replacement of main machinery equipment;
- 2) Structural repairs, additions, reconfigurations and modifications;
- 3) Coating renewal;
- 4) Strip-out, replacement, renewal, upgrades, and installation of new shipboard equipment, outfit and systems; and
- 5) Regulatory and specialized tests, trials, and inspections.

For the upcoming Contract Year only, the Contractor shall ensure that the Watercraft Maintenance Plan shall, for each Watercraft, also include a description of:

- 1) The work to be undertaken;
- 2) The manner in which the work shall be completed;

- 3) The resources needed to complete the work;
- 4) A timeline for completion; and
- 5) Measures for mitigating service interruptions.

The Contractor shall perform the maintenance while providing continuous delivery of the posted ferry sailings. If the maintenance is to be completed during minor and major refits, thereby rendering the Watercraft unavailable, then the Contractor shall make arrangements to ensuring continuation of ferry sailings in accordance with this Agreement.

The Contractor shall also adhere to unique requirements for the Watercraft Maintenance Plans for the MV Osprey 2000, MV Balfour, CF Glade II and CF Harrop II which are included in this specification in Sections 15, 17 and 18.

The Contractor shall update the Watercraft Maintenance Plan annually and resubmit such plan at least 20 days before every Anniversary Date.

The Contractor shall maintain the Watercraft Maintenance Plan to the Province's satisfaction, as determined by the Province, in its sole discretion.

The Contractor shall upload the Watercraft Maintenance Plan to the SharePoint site and the Parties shall attach same to Schedule L to the Agreement.

Whenever changes occur that necessitate updating the Watercraft Maintenance Plan, the Contractor shall update the Watercraft Maintenance Plan promptly, and ensure that the current Watercraft Maintenance Plan is uploaded to the SharePoint site at all times.

In accordance with section 18.1 of the Agreement, the Province shall have the right, exercisable at its sole discretion, at any time and from time to time to audit and inspect the Watercraft Maintenance Plan.

2.3 Refit Reporting

When maintenance work renders a Watercraft unavailable for the continuous delivery of the posted ferry service, the Contractor shall complete and submit refit reporting to the Province as follows:

- 1) A pre-refit report at least six (6) months prior to commencement of the refit on a Watercraft. The pre-refit report shall include:
 - a) the scope of the work proposed by the Contractor;
 - b) summary of all preparation discussions with Transport Canada, the Recognized Organization and other agencies regarding the proposed work, schedules, and related regulatory concerns; and
 - c) where and when the work is going to be done and who the work shall be done by.
- 2) A post-refit report no later than 20 Business Days after a Watercraft returns to normal active service. The post refit report shall:
 - a) Detail the complete scope of work, materials and processes involved in the refit;
 - b) Provide the date the Watercraft engine refit is carried out.

- c) Provide a digital photo record showing the before and after work as completed on the Watercraft; and
- d) Provide copies of all documentation, certificates and any refit related comments written or verbal made by Transport Canada (as may be directed by the BCTFA or the Province during the Term).

2.4 Monthly Inspection and Reporting

The Contractor shall conduct and document a monthly inspection of the Watercrafts, on or before the 10th day of each month, to assess and identify:

- 1) Whether repair and maintenance work has been completed for the prior month in accordance with the Watercraft Maintenance Plan and Watercraft maintenance procedures;
- 2) Any new damage, missing parts or areas requiring repair and maintenance work;
- 3) If there is a change in the condition or rate of deterioration; and
- 4) Whether repair and maintenance work done in respect of a Watercraft has been recorded.

The Contractor shall retain documentation to demonstrate completion of the inspections and actions taken for periodic audit review by the Province.

The Contractor shall ensure that all reporting requirements identified throughout this Appendix B5 are addressed and submitted in the Inland Ferry Monthly Report that is described and provided in Appendix B4 to Schedule B to the Agreement.

2.5 Maintenance Records

The Contractor shall create and maintain a record of all repair and maintenance work done to the Watercrafts and the Contractor shall, upon request by the Province, provide the Province with all such requested repair and maintenance work records.

3 MAXIMUM RESPONSE TIMES

The Contractor acknowledges that the maximum response times specified in this specification for undertaking specific activities are maximum time periods permitted when conditions do not normally pose a threat to passengers, crew, the public and/or the environment and that the response times provided herein are time limits that are not intended by the Province to provide the Contractor with a definition of or parameter for reasonable performance when there is a risk to public safety; the Contractor shall respond immediately to events where public safety is a factor.

Where there is a safety or structural deficiency on any part of a Watercraft, the Contractor shall immediately inspect the affected portion of such Watercraft and notify the Province of such structural deficiency, and shall continue inspections as required to ensure its safety and until the deficiency is rectified.

Notwithstanding any requirements set out in this Appendix B5, the Contractor shall not, at any time, put the environment, the health or safety of passengers, crew or the public at risk.

4 EQUIPMENT, PARTS & MATERIALS

The Contractor shall use only new materials that are aesthetically pleasing and meet or exceed the applicable standards set out in Section 1.4.

Replacement Parts and service shall first be sourced from the OEM except as permitted by article 10 of the Charter.

Prior to the Contractor using equipment, parts or materials without standards or alternative materials that do not meet the standards, the Contractor shall, by written Notice, request the Province's consent to use such equipment, part or material. The Contractor shall not use any of the aforementioned equipment, parts or materials without the express written consent of the Province, which consent the Province may, in its sole discretion, deny or withhold.

The Contractor shall maintain an inventory of spare parts which is monitored and controlled in accordance with the Agreement, the Charter and manufacturers' specifications and the Contractor shall, upon request by the Province, provide the Province with such inventory.

The Contractor shall ensure that the transportation and handling of equipment, parts or materials used in conjunction with the specifications shall adhere to all applicable Laws.

5 SIGNAGE

Contractors shall ensure that all Signs on the Watercrafts as identified in Attachment 1 to Appendix B5 of Schedule B, are repaired and maintained and remain clean and clearly visible to passengers. The Contractor shall not permit advertising or commercial announcements on the Watercrafts prior to obtaining the written consent of the Province pursuant to section 9.2 (g) in the Charter.

The Contractor shall ensure that regulatory and warning Signs are cleaned, reset, repaired, and/or relocated within 24 hours of discovery by the Contractor.

The Contractor shall inspect, report and repair damage or replace missing or broken Signs within one month or sooner of discovery if circumstances dictate.

6 GRAFFITI AND VANDALISM

The Contractor shall maintain the Watercrafts free from graffiti and unsightly damage caused by acts of vandalism.

6.1 Graffiti

The Contractor shall temporarily remove or cover graffiti visible to Watercraft users within 24 hours of discovery.

The Contractor shall ensure that graffiti is permanently removed or covered within one (1) week of discovery except during winter months, when graffiti on external surfaces shall be permanently removed or covered as soon as possible but not later than May 31 of that Contract Year and that the surface is returned to as close to original condition (normal wear and tear excepted) as possible.

If the graffiti material cannot be removed, the Contractor shall apply covering paint of an appropriate colour in a manner to minimize the aesthetic impacts of the repair and in accordance with the paint manufacturer's specifications.

6.2 Vandalism

The Contractor shall immediately report acts of vandalism and misuse of the Watercrafts to the police and the Province.

The Contractor shall temporarily repair or cover damage from vandalism visible to Watercraft users within 24 hours of discovery.

Unless there is a Watercraft maintenance specification that establishes a shorter time frame for repair of the specific component, the Contractor shall ensure that damage from vandalism is permanently repaired within one (1) week of discovery except during winter months, when the damage on external surfaces shall be repaired as soon as possible but not later than May 31 of the Contract Year.

7 CONTAMINANTS AND WASTE MANAGEMENT

The Contractor acknowledges that it is solely responsible for the management and disposal of surplus materials, waste and Contaminants and that it shall handle such surplus materials, waste and Contaminants in accordance with all applicable Laws. The Contractor shall ensure that surplus materials and Contaminants are not stored on the Watercrafts.

The Contractor is responsible for managing and disposing of Contaminants from the Watercrafts in a manner that minimizes impact on the environment, safety and health.

7.1 Waste from Operations

The Contractor acknowledges that the day-to-day operations of the Watercrafts shall produce waste consisting of liquids, solids and recyclables. The Contractor shall ensure that all such waste is disposed of in conformance with all applicable Laws, utilizing qualified personnel or subcontractors.

The Contractor shall ensure that Watercraft liquid wastes consisting of oily bilge water, sewage, and galley and bathroom wastes shall not exceed 85% capacity of the holding tanks at any time.

7.2 Contaminants on Watercraft

The Contractor shall ensure that Contaminants spilled, collecting, or remaining on the Watercrafts are not discharged in the marine environment and that they shall be contained and disposed of according to all applicable Laws.

In discharging or receiving any Contaminant, the Contractor shall take precautions to ensure that the risk of accidental spillage is minimized, and that measures and materials are on hand to contain and clean up any spill.

The Contractor shall ensure that snow and ice removed from the Watercrafts is disposed of in accordance with this specification and all applicable Laws.

7.3 Dangerous Goods & Hazardous Materials

The Contractor shall ensure that dangerous goods and hazardous materials are not stored on the Watercrafts nor discharged into the environment.

7.4 Asbestos Management Program

The Contractor acknowledges that the MV Osprey 2000 and the CF Harrop have asbestos management requirements and maintenance obligations which are set out in the documents which comprise Schedule B8 to the Agreement.

The Contractor shall perform, carry out, and comply with the Asbestos Management Program in accordance with its requirements, including but not limited to inspection of the MV Osprey 2000 and the CF Harrop annually for the condition of the existing asbestos and submission of the asbestos checklist to the Province.

8 SNOW AND ICE REMOVAL

The Contractor shall ensure that the Watercrafts are at all times safe to access, safe to operate, and that the safety of passengers and crew is not compromised as a result of ice and snow build-up.

The Contractor shall ensure that ice and snow is removed from areas that may interfere with the operation of ramps prior to each departure and that snow and ice removed from the Watercrafts is disposed of in accordance with all applicable Laws.

The Contractor shall ensure that ice and snow is removed from, without limitation, the areas described in Sections 8.1 to 8.6 of this Appendix B5.

8.1 Passenger Accesses

The Contractor shall ensure that the vehicle deck and all passenger entry points are kept clear of ice and snow before every loading to facilitate safe access.

8.2 Emergency Muster Points and Boarding Areas

The Contractor shall ensure that areas where passengers may be required to muster or access life saving appliances are kept clear of ice and snow at all times during Watercraft operation.

8.3 Mooring Stations

The Contractor shall ensure that the mooring stations and equipment are kept clear of ice to maintain safe and operable working condition and that ice and snow are removed from areas that may interfere with the operation of ramps before arrival at docks and prior to departure.

8.4 Doors and Ramps

The Contractor shall ensure that ice and snow is removed from areas that may interfere with the operation or watertight integrity of doors and ramps prior to each departure.

8.5 Snow and Ice on Vehicle Decks

To facilitate safe movement of passengers and vehicles and to aid unimpeded water flow to drains and scuppers, the Contractor shall ensure that snow and ice is removed from vehicle decks and disposed of in accordance with these specifications and all applicable Laws.

8.6 Air Vents, Filling Manifolds, Sounding Pipes and Appliance and Equipment Controls.

The Contractor shall ensure that all air vents, filling manifolds, sounding pipes, and appliance and equipment controls are kept clear of ice and snow accumulations so that normal operations can be maintained at all times.

9 STRUCTURES AND OUFIT CLEANLINESS

The Contractor shall ensure that the Watercrafts are regularly inspected and are clean, in good condition, functionally suitable and properly maintained to provide safe, clean and pleasant surroundings for Ferry Users and crew.

9.1 Refuse and Recycling Containers

The Contractor shall ensure that refuse containers are appropriately placed throughout the Watercrafts and are lined with appropriate plastic garbage bags. The Contractor shall ensure that plastic garbage bags are not reused and are replaced after each use.

The Contractor shall ensure that recycling collection containers are appropriately placed throughout the Watercrafts.

The Contractor shall ensure that all refuse and recycling containers are appropriately identified and that garbage placards are provided in accordance with Transport Canada requirements.

The Contractor shall ensure that all refuse and recycling containers are emptied before reaching no more than 75% capacity and at the end of each day.

9.2 Passenger Areas, Lounges and Snack Bar

The Contractor shall ensure that all passenger areas, lounges and the Snack Bar (including all furniture and appliances) are kept dry and clean, and free of debris, marks, spills and litter at all times. The Contractor shall ensure that all visible surfaces in public areas including, without limitation, walls, ceilings, floors, doors, windows and furniture are kept clean and free of dust, debris, marks, spills, cobwebs, graffiti and other unsightly items and that all seats, tables and other surfaces are washed or wiped clean at all times.

The Contractor shall ensure that floors are swept or washed (as appropriate) at least once per day and that light fixtures are kept clean, functional and properly assembled.

The Contractor shall ensure that any necessary work to restore condition is completed within 10 minutes of discovery.

9.3 Crew Areas, Crew Galley and Snack Bar Galley

The Contractor shall ensure that crew areas, the crew galley and the Snack Bar galley (including all furniture and appliances) are inspected at the end of each shift and are restocked and made dry and clean, and free of debris, marks, spills and litter prior to shift change.

9.4 Lockers

For the purposes of this Section 9.4, “lockers” include the fire equipment locker, crew locker, CO2 locker, and the ramp tower lockers.

The Contractor shall ensure that storage lockers are lockable, with their purpose identified on the outside, that the contents of the locker space are tidily stowed and that shelving and other containers are secure and in good condition at all times. The Contractor shall ensure that stored items are as identified on the outside of locker.

The Contractor shall inspect prior to the end of each shift, all lockers to ensure that all equipment is in place and in good working order and that all deckhead and bulkhead linings are in good condition.

9.5 Bridge, Wheelhouse and Control Room

The Contractor shall ensure that all equipment, bookshelves, storage areas, fittings and fixtures are secure at all times and that wiring and wiring conduit are secured and enclosed, where possible. The Contractor shall ensure that all equipment is maintained in good working condition at all times.

The Contractor shall ensure that, where equipment, fixtures or fittings have been replaced, the surrounding surfaces are returned to original finish and standards at the same time.

The Contractor shall ensure that the bridge, wheelhouse and control room areas are inspected at the end of each shift and that they are made dry and clean, and free of debris, marks, spills and litter prior to shift change.

9.6 Machinery Compartments

The Contractor shall inspect machinery compartments daily and keep all machinery and machinery compartments dry, clean and free of debris at all times.

9.7 Passageways

The Contractor shall ensure that passageways are clear of garbage, dollies and other material at all times and that passageways are not used for storage.

9.8 Washrooms

The Contractor shall ensure that passenger washrooms are inspected and spot cleaned at the end of each trip and that passenger washrooms are fully cleaned and stocked every four (4) hours or sooner, if needed.

The Contractor shall ensure that crew washrooms are inspected, cleaned and stocked at the end of each shift.

The Contractor shall ensure that washroom cleanings are scheduled to take place outside of peak use periods and that, following such cleanings, all plumbing fixtures are clean; chrome, brass or similar fixtures are bright and shiny; all door knobs, sinks, toilet bowls, seats, urinals and dispensers are clean and disinfected; all dispensers are clean, disinfected and stocked with supplies; mirrors are clean; and there is no litter present.

The Contractor shall ensure that all decks and doors are cleaned and disinfected and that floor drains are maintained operational and traps disinfected daily or more often as required.

The Contractor shall ensure that bulkheads and partitions are cleaned and disinfected weekly, or more often as required.

9.9 Doors, Windows, Ports, Furniture, Lights & Fixtures

The Contractor shall ensure that all visible surfaces including, but not limited to, doors, windows, ports, furniture, lights and fixtures, are kept dry and clean, and free of debris, marks, spills, litter, dust, cobwebs, graffiti and other unsightly items.

The Contractor shall ensure that all seats, tables and like surfaces are washed and/or wiped clean daily and floors are swept or washed at least once per day and that light fixtures are kept clean, functional and properly assembled.

9.10 Interior Walls/Bulkheads and Ceiling/Deckheads

The Contractor shall ensure that all interior walls/bulkheads and ceilings/deckheads are cleaned daily.

9.11 Decks and Deck Coverings**9.11.1 Vehicles Decks**

The Contractor shall ensure that vehicle decks are kept clean and cleaned daily and that local accumulation and spills are cleaned as they occur where able and no later than after the last crossing of the day.

9.11.2 Passenger and Crew Decks

The Contractor shall ensure that decks and stairs are swept daily and vacuumed or washed at least once per week, or more often as required.

9.11.3 Deck Coverings

The Contractor shall ensure that all deck coverings are scrubbed and waxed (where applicable) once per month, or more often as required.

10 STRUCTURES AND OUFIT MAINTENANCE AND REPAIR

The Contractor shall ensure that the Watercrafts remain in good repair and aesthetically pleasing, retaining the original colour schemes, materials and functions and that crew areas outside the machinery spaces remain in good repair and suitable for the intended use.

Where practicable, the Contractor shall ensure that temporary repairs to damaged areas and items in crew and working areas are carried out to maintain functionality while awaiting permanent repairs or new equipment/furniture.

The Contractor shall ensure that damage to furniture and equipment is repaired, or damaged items replaced, with materials that match the existing decor and meet or exceed existing aesthetic and quality standards.

The Contractor shall ensure that equipment that becomes redundant, inoperable or fails to meet specifications is replaced with equipment designed to the specifications of the day at the time of replacement.

10.1 Deck Surfaces and Apron Assembly

The Contractor shall ensure that all damage to deck surfaces affecting the functionality or safety of the surface (including, but not limited to, corrosion, damage, loss of watertight integrity, loss of function or loss of support) is temporarily repaired and made safe or cordoned off until permanent repairs are made. The Contractor shall ensure that all damage to deck surfaces affecting the appearance, functionality or safety of the surface is fully repaired to original condition (normal wear and tear excepted) or better within one (1) month of discovery.

The Contractor shall replace missing, loose or damaged components of the deck surface and apron assembly including deck plates in way of bulwarks, bollards, ramps, hinges, stanchions, davits and ramp tower.

The Contractor shall ensure that all hazardous situations are addressed immediately and that non-hazardous damage is temporarily repaired within eight (8) hours of discovery.

10.2 Exterior Structure

The Contractor shall ensure that the exterior structure, including the hull, is clean, fully coated, and free from discoloration, defects and damage and that the exterior structure above the waterline is washed down on a weekly basis.

The Contractor shall ensure that marks and scratches are removed and surfaces brought back to original condition (normal wear and tear excepted) or better within 24 hours of discovery.

The Contractor shall ensure that all outside fittings are secure, clean and functional and that any necessary work to restore condition is completed within 48 hours of discovery.

The Contractor shall ensure that all other necessary work to restore the exterior structure to its original condition (normal wear and tear excepted) is completed within one (1) week of discovery.

The Contractor shall ensure that coatings are maintained in good repair and that any necessary work to restore condition is completed in accordance with Section 9.

10.3 Interior Walls/Bulkheads and Ceilings/Deckheads

10.3.1 Interior Walls/Bulkheads and Ceilings/Deckheads

The Contractor shall ensure that interior walls/bulkheads and ceilings/deckheads are clean, fully coated, and free from discoloration, defects and damage and that marks and scratches are removed and surfaces brought back to original condition (normal wear and tear excepted) or better within 24 hours of discovery.

The Contractor shall ensure that all other necessary work to restore the interior walls/bulkheads and ceilings/deckhands to its original condition (normal wear and tear excepted) is completed within one (1) week of discovery.

10.3.2 Fittings

The Contractor shall ensure that deckhead fittings (wiring conduit, light fittings, fans, piping, ventilation shafts, etc.) are secure, clean and functional and that any necessary work to restore condition is completed within 48 hours of discovery.

10.3.3 Panelling

The Contractor shall ensure that panelling is properly secured, clean, and damage-free with coatings in good repair and that any loose or damaged sections/panelling in the bulkhead is secured within 48 hours of discovery.

The Contractor shall ensure that any necessary work to restore panelling to its original condition (normal wear and tear excepted) is completed within one (1) month of discovery and that panelling with damage that cannot be repaired is replaced within six (6) months of discovery.

10.3.4 Coatings

The Contractor shall ensure that coatings are maintained in good repair and that any necessary work to restore condition is completed according to Section 9.

The Contractor shall ensure that deckheads with no panelling are clean, coatings damage free, and in good condition and that any necessary work to restore condition is completed within six months of discovery.

10.4 Doors

The Contractor shall ensure that all doors to open decks are kept weather tight at all times and that door components, including hinges, handles, retainers, magnetic retainers on fire doors, lock sets, clash plates, closers, lintels, frames, gaskets, storm steps, glass sections, glass retainers and the door structure itself are kept fully operable, lubricated, secure, free from rattle, and fault-free.

The Contractor shall ensure that any necessary work to restore doors to their original condition (normal wear and tear excepted) is completed within 48 hours of discovery.

10.4.1 Doors to Restricted Areas

The Contractor shall ensure that doors to restricted areas are capable of being locked or secured and the securing mechanism is in good and operable condition. The Contractor shall ensure that any necessary work to restore doors to restricted areas to their original condition (normal wear and tear excepted) is completed within 24 hours of discovery.

10.5 Windows and Ports**10.5.1 Windows and Ports**

The Contractor shall ensure that all exterior windows and ports are kept weather tight at all times, all windows and port components, including closures, gaskets, hinges and retainers are kept in fully functional condition and all glass is damage free. The Contractor shall ensure that any necessary work to restore windows and ports to their original condition, including replacement of broken and cracked glass is completed within 24 hours of discovery.

10.5.2 Window and Port Accessories

The Contractor shall ensure that bridge window heating elements, clear-view screens, window wipers and washers, sun screens and closures are in good condition and that any necessary work to restore condition is completed within one (1) week of discovery.

10.6 Fixed Furniture

The Contractor shall ensure that all fixed furniture, including mess room tables, working desks, benches, gear lockers and shelving and partitions in lockers, are clean, secure and in good functional condition and that any necessary work to restore condition is completed within 48 hours of discovery.

The Contractor shall ensure that surfaces of furniture are in good condition with no unsafe ridges, burrs, protrusions or edges and that any necessary work for unsafe conditions is completed immediately with permanent repairs to restore the furniture surface to original or better condition being completed within five (5) days of discovery.

The Contractor shall ensure that drawers and cabinet doors are operable and in good condition and that any necessary work to restore condition is made within one (1) week of discovery.

10.7 Moveable Furniture

The Contractor shall ensure that chairs and other moveable furniture are in good condition, secure, and with tie-down capability meeting applicable marine standards at all times and that passenger area furniture and equipment is repaired or replaced with materials that match the existing decor and meet or exceed existing aesthetic and quality standards. The Contractor shall ensure that damaged furniture or equipment is removed immediately from the passenger

areas until repaired or replaced and that any necessary work to restore condition is completed within one (1) week of discovery.

10.8 Fixtures and Fittings

10.8.1 Navigation and Emergency Lighting

The Contractor shall ensure that navigation and emergency lighting is repaired or replaced within 24 hours of discovery.

10.8.2 Light bulbs and fixtures

The Contractor shall ensure that broken or non-functional light bulbs and fixtures are replaced within 24 hours of discovery.

10.8.3 Other Fixtures and Fittings

The Contractor shall ensure that all other fixtures and fittings, their covers and components are securely fitted and fully functional at all times and that damaged and faulty items are repaired or replaced within 48 hours of discovery.

10.9 Plumbing

10.9.1 Leaks

The Contractor shall ensure that slow leaks and drips are turned off and isolated inside 24 hours of discovery and repaired as soon as practicable where leak or drip is contained within a sink, toilet, basin, or other plumbing unit.

The Contractor shall ensure that all other leaks that are not contained as set out above are immediately isolated and repaired or replaced within 48 hours of discovery.

10.9.2 Fixtures, Systems and Components

The Contractor shall ensure that faulty systems or components are repaired or replaced within 48 hours of discovery and that all basins, toilets, urinals, showers, sinks and ancillary fixtures and fittings are stain free, crack free and fully functional with any necessary work to restore condition completed within seven (7) days of discovery.

10.9.3 Pipes, Valves and Ancillary Parts

The Contractor shall ensure that pipes, valves and ancillary parts for all water supply, fire main and sprinkler systems are properly secured, free from leaks and seepage, and fully functional and that any necessary work to restore condition is completed within 48 hours of discovery.

10.10 Carpentry/Shipwright Repairs

The Contractor shall ensure that all damage to woodwork or other material requiring a tradesman's attention is temporarily repaired and made safe or cordoned off until permanent repairs are made, that hazardous situations are addressed immediately and that non-hazardous damage is temporarily repaired within eight hours of discovery.

The Contractor shall ensure that all damage to woodwork or other material requiring a tradesman's attention is fully repaired to original condition (normal wear and tear excepted) or better within one (1) week of discovery.

11 PAINTING AND COATINGS MAINTENANCE AND REPAIR

Pursuant to section 9.2(c) of the Charter, the Contractor shall ensure that:

- 1) The integrity of the Watercrafts' coatings are maintained;
- 2) The appearance of the Watercrafts is maintained in accordance with the Province's livery plans;
- 3) The materials used to paint and coat the Watercrafts are protected and the life of these materials is optimized;
- 4) Full coatings are applied to maintain appearance;
- 5) Full coatings are applied in accordance with manufacturer's specification; and
- 6) Coatings are inspected at times of survey and repaired/recoated as necessary.

The Contractor shall maintain records of the preparation and application of paints and coatings to all surfaces aboard the Watercrafts.

Before applying paints and coatings, the Contractor shall ensure that the surfaces are properly prepared in accordance with manufacturer's recommendations and that paints and coatings are compatible in type, quality and colour with the paints and coatings in place at the time of application.

11.1 Coating After Repairs

Where a Watercraft's structure has been repaired, the Contractor shall ensure that such Watercraft is prepared for coating and is coated immediately, with all coating layers applied within 72 hours of repairs.

11.2 Misapplied Coatings

The Contractor shall ensure that any coating inadvertently applied to adjacent areas, windows, port glasses, light covers, gaskets, etc. is removed within 48 hours of application.

11.3 Coating Damage or Deterioration

For the purposes of this Section 11.3, "coating defects" include visible rust, streaks, discolouration, cracking, chipping, fading, or peeling.

The Contractor shall ensure that coatings are generally in good appearance.

The Contractor shall ensure that: (i) whenever the coating on the external deckhouses and superstructure has deteriorated or been damaged, exposing the previous layer over more than 10% of a component surface area, such coatings are touched up within two (2) weeks; and (ii) whenever the coating on the internal bulkheads, decks and deckheads has deteriorated or been damaged, exposing the previous layer over more than 10% of a component surface area, such coatings are touched up within one (1) week.

The Contractor shall ensure that when a coating defect is discovered on machinery spaces, decks, store rooms, or control rooms, remediation is carried out within two (2) weeks of discovery of the defect.

11.4 Coating Frequency

The Contractor shall ensure that full coatings on all internal and external surfaces are not more than two (2) years old.

12 WATERTIGHT INTEGRITY MAINTENANCE AND REPAIR

The Contractor shall ensure that the watertight integrity of the Watercrafts is maintained at all times and that ventilation to internal tanks and spaces is available at all times.

The Contractor shall inspect all components affecting the watertight integrity of each Watercraft on a daily basis including: gaskets, compression plates, and closing and securing mechanisms of all doors, ports, windows and hatches through which water may enter the interior of the Watercrafts and that wherever watertight integrity of the Watercrafts is or may be affected, repairs are carried out immediately and seepage is repaired within 48 hours of discovery.

12.1 Scuppers, Grates, Drains and Pipes

The Contractor shall ensure that rubbish and waste materials are kept clear of closures and drainage systems to facilitate the free flow of drainage and the closing of doors, hatches and ports at all times.

The Contractor shall ensure that liquids are drained from internal decks and compartments, each scupper, grate, drain and pipe are not less than 50% functional and any necessary work to restore function is completed immediately upon discovery, and fully repaired and cleaned within 48 hours of discovery.

12.2 Voids

For Watercrafts with bolted hatches, the Contractor shall take soundings of the voids at least weekly and open the voids at least once every 6 months. For Watercrafts with quick opening hatches, the Contractor shall open the voids at least once every month. The Contractor shall remove all standing water from any void within three days of discovery.

The Contractor shall repair any damage, including fittings, welds and areas of corrosion and missing coating, and areas of compromised coating, to ensure all voids are watertight, clean and in dry condition at all times. The Contractor shall ensure access hatches seal tight to ensure no water from deck enters the voids.

12.3 Tanks

The Contractor shall ensure that all tanks are coated in accordance with the original construction specifications for the Watercrafts and that coatings are inspected regularly and repaired and recoated as necessary.

13 FIREFIGHTING AND LIFESAVING EQUIPMENT MAINTENANCE AND REPAIR

The Contractor must comply with the requirements of the *Canada Shipping Act, 2001* (Canada) and its regulations, the Agreement and section 9.2 of the Charter.

The Contractor shall ensure that all firefighting and lifesaving equipment is regularly inspected, serviced, endorsed and certified to ensure it is in good condition, functionally suitable and properly maintained such that the life of the equipment is optimized and/or replace if required. The Contractor shall ensure that all firefighting and lifesaving equipment is inspected, serviced, endorsed and certified by authorized third parties when required by a condition of its approval, or when requested by Transport Canada, the Recognized Organization or the Classification Society. The Contractor shall ensure that the equipment conforms to the conditions of its approval and to all applicable Laws (including the *Canada Shipping Act, 2001* (Canada) and its

regulations), bylaws, orders, regulations, standards, and rules of any competent governmental authority.

For the purposes of this Section 13, “firefighting and lifesaving equipment” includes:

- 1) Fire equipment, including: fire detection equipment; firefighting/control system; fire smothering (fixed system), fire extinguishers (portable); fire rescue personal gear; and insulation (structural fire protection);
- 2) Evacuation and emergency equipment, including: marine evacuation system; lifeboat equipment, emergency boat, emergency boat equipment, emergency boat outboard, emergency boat davit; and
- 3) General ship safety equipment.

The Contractor shall ensure that firefighting and lifesaving equipment that is damaged or has missing or broken components is repaired within 24 hours of discovery.

14 MACHINERY AND EQUIPMENT MAINTENANCE AND REPAIR

The Contractor shall comply with the requirements of the *Canada Shipping Act, 2001* (Canada) and its regulations, the Agreement and the Charter.

The Contractor shall ensure that all shipboard machinery and equipment is regularly inspected to ensure it is in good condition, functionally suitable and properly maintained such that the life of the machinery and equipment is optimized. The Contractor shall ensure that the inspection and maintenance intervals schedule is maintained in accordance with Section 1.4, including manufacturers’ specifications.

For the purposes of this Section 14, “shipboard machinery and equipment” includes:

- 1) Main machinery equipment, including:
 - a. Propulsion (e.g. engine, main propulsion units; starting and control system; gearing, reduction system; shafting; electric drive, propulsion; propellers; steering gear; and stabilizers); and
 - b. Ship service systems (e.g. battery system and UPS; generator, auxiliary generator; electrical distribution; lighting; heating (boiler) system; air conditioning; air handling system; ventilation system; sewage system; compressed air system; hydraulic system; fresh water system; refrigeration system; fire system; welding; and waste heat);
- 2) Auxiliary machinery and equipment (e.g. elevators; mooring system; anchoring system; garbage containment equipment; fuel supply and transfer system; oil supply and transfer system; bilge and ballast system; lifting gear; and test equipment);
- 3) Outfit equipment;
- 4) Deck machinery equipment;
- 5) Electrical equipment (e.g. distribution panels, ship service generators, emergency generator, switchboards, transformers, starters, inverters, alternators);
- 6) Instrumentation and controls (e.g. navigation systems; alarm and monitoring systems; propulsion and command controls; power management system; and instrumentation);
- 7) Shore connection equipment;

- 8) Communication equipment (e.g. cell, phone and public address systems; radios; general alarms, horns and buzzers; closed circuit video; and data networks, equipment and software); and
- 9) Food service equipment

15 MAIN MACHINERY OVERHAULS AND REBUILDS

The Contractor shall overall and rebuild the main machinery on each Watercraft in accordance with Section 1.4, including manufacturers' specifications.

For the MV Osprey 2000, the Contractor shall perform overhauls and rebuilds of each main engine (see Finning letter dated October 14, 2010 in RFP reference documents), each generator, and rotation and service of each drive.

For the MV Osprey 2000, the Contractor shall perform overhauls and rebuilds of each main engine, each generator, and service of drives.

For the CF Glade II and CF Harrop II, the Contractor shall perform overhauls and rebuilds of main engines, drive liner changes, and guide and drive cable changes.

16 MAIN MACHINERY AND EQUIPMENT SPARES

The Contractor shall utilize the equipment spares, which are identified in Attachment 2 to this Appendix B5, to replace existing main machinery and equipment when such machinery and equipment is required to be removed from the Watercrafts for maintenance. Unless otherwise specified by the manufacturer of the relevant equipment, the Contractor shall store the spares in an upright position in a clean, dry, secure space that is protected from the elements, free from the effects of dampness, salt, or corrosive materials. The Contractor shall attach a packing slip. When needed, the Contractor shall install the spare on the applicable Watercraft, shall suitably configure the spare, shall comply with all manufacturer recommendations, all regulatory requirements, and shall attend to any maintenance while the spare is installed on such Watercraft. The Contractor shall rebuild or overhaul machinery and equipment removed from the Watercrafts in the manner recommended by the manufacturer of the removed equipment, and shall re-store that machinery and equipment in the manner described above, such that it shall thereby become the new equipment spare.

17 REGULATORY INSPECTIONS

The Contractor shall conduct all inspections and obtain all approvals for the Watercrafts from Transport Canada and/or the Recognized Organization. The Contractor is responsible, at its sole cost and expense, for obtaining Transport Canada and/or the Recognized Organization approvals and providing continuous service during the inspections, in accordance with the Agreement.

17.1 Annual Inspections

The Contractor acknowledges that the *Canada Shipping Act, 2001* (Canada), and its regulations requires that all ships undergo annual inspections.

The Contractor shall schedule and carry out the annual inspections on all passenger-carrying Watercrafts with Transport Canada and/or the Recognized Organization.

Prior to this annual inspection, the Contractor shall schedule and complete all maintenance work on the Watercrafts in accordance with this Agreement, the Charter and all applicable Laws.

17.2 Quinquennial (5-year) Inspections

The Contractor acknowledges that the *Canada Shipping Act, 2001* (Canada), and its regulations, requires that domestic passenger ships undergo hull inspection every 5 years, either by dry docking or by conducting an in-water survey.

The Contractor shall schedule and conduct the quinquennial hull inspections on all passenger-carrying Watercrafts with Transport Canada and/or the Recognized Organization.

Prior to the hull inspection, the Contractor shall schedule and complete all maintenance work on the Watercrafts in accordance with this Agreement and all applicable Laws.

17.2.1 MV Osprey 2000

The Contractor acknowledges that the quinquennial hull inspection of the MV Osprey 2000 is due in the spring of 2023. The Contractor shall comply with the existing Marine Technical Review Board (“MTRB”) decision number 9373 for the MV Osprey 2000 which allows for in-water survey instead of the quinquennial drydocking provided the conditions of the MTRB are met.

17.2.2 MV Balfour

The Contractor acknowledges that the Province does not anticipate that a quinquennial hull inspection of the MV Balfour shall occur during the Term.

17.2.3 CF Harrop II

The Contractor acknowledges that the Province does not anticipate a quinquennial hull inspection of the CF Harrop II shall occur during the Initial Term.

17.2.4 CF Glade II

The Contractor acknowledges that the quinquennial hull inspection of the CF Glade II is due in spring 2023. The Contractor shall comply with the anticipated MTRB for the CF Glade II which shall allow for in-water survey instead of the quinquennial drydocking on similar conditions to those of MTRB decision number 9373.

17.2.5 CF Harrop

The Contractor acknowledges that the Province does not anticipate a quinquennial hull inspection of the CF Harrop shall occur during the Initial Term.

18 SCHEDULING OF MAINTENANCE AND REFITS

The Contractor shall make all arrangements for continuation of uninterrupted service on the Routes, including arrangements for replacement vessels and/or tug assist, use of dry dock facilities, underwater inspection and other professional services, as required, while the maintenance and refit work is being performed on the Watercrafts. Prior to putting the Watercrafts back into service, the Contractor shall obtain sign-off of all professionals (as needed), and the Province, which such sign-off the Province may withhold, in its sole discretion.

The Contractor shall ensure if maintenance and refit work renders the MV Osprey 2000 unavailable for the continuous delivery of the posted ferry sailings in section 2.1.1 of Appendix B1 of Schedule B to the Agreement, that work is carried out in late spring and late fall, provided the MV Osprey 2000 is not unavailable for more than two weeks and that the MV Balfour is available for the continuous delivery of the posted ferry sailings in section 2.1.1 of Appendix B1 of Schedule B to the Agreement.

The Contractor shall ensure if maintenance and refit work renders the MV Balfour unavailable for the continuous delivery of the posted ferry sailings in section 2.1.2 of Appendix B1 of Schedule B to the Agreement, that work is carried out in spring or in fall, provided that the MV Osprey 2000 is available for the continuous delivery of the posted ferry sailings in section 2.1.2 of Appendix B1 of Schedule B to the Agreement.

In addition, and despite the Contractor's best efforts to ensure continuation of uninterrupted service, if maintenance work necessarily renders the CF Glade II, the CF Harrop or the CF Harrop II unavailable for the continuous delivery of the Ferry Service, the Contractor shall ensure that means for transporting passengers due to medical emergency shall be available within 15 minutes of request by the Ferry User. The Contractor shall make available a crew member that is certified to operate the Watercrafts' emergency boat which shall be used to transport the Ferry User.

19 DRIVES AND GUIDE CABLES

For CF Glade II and CF Harrop II, the Contractor shall ensure drive and guide cables are fit for purpose, inspected regularly, and replaced with new cables whenever cable deterioration is discovered.

The Contractor shall ensure all new drive and guide cables meet the following specifications:

- 1) Cable Coating: none
- 2) Diameter: 1"
- 3) Type: Wire Rope 6x26
- 4) Lay: Regular
- 5) Minimum Breaking Strength: 46.9 mt
- 6) Linear Weight: 2.75 kg/m

The Contractor shall ensure all new cables are pre-tensioned as follows:

Table 19 – Cable Tensions

Watercraft	Guide Cable Pre-Tension	Drive Cable Pre-Tension
CF Glade II	0.65 t	0.62 t
CF Harrop II	1.40 t	1.20 t

The Contractor shall replace all drive and guide cables within one month of discovery of mechanical damage, fatigue, or abrasion. The Contractor shall, at a minimum, replace each drive and guide cable annually.

20 WORK BARGE AND DRY DOCK MAINTENANCE

The Contractor shall ensure that the work barge and dry dock are safe and secure at all times.

At a minimum, the Contractor shall on a monthly basis:

- 1) check the anchors;
- 2) check the bilge levels; and
- 3) inspect all tackle, equipment and machinery .

The Contractor shall ensure that any repair or maintenance work necessary to rectify the condition of the work barge and dry dock is reported to the Province within 48 hours of discovery.

Appendix B5 - Attachment 1

Watercrafts Signage

The Signs on the Watercraft shall include but not be limited to the following, with additional details in the table below:

- 1) muster stations
- 2) muster station directions
- 3) lifejackets
- 4) children's lifejackets
- 5) emergency boat
- 6) CO2 release warning
- 7) CO2 release instructions
- 8) alarm instructions
- 9) Lifejacket fitting instructions
- 10) emergency procedures
- 11) no smoking
- 12) use parking brake
- 13) crew only
- 14) garbage sign
- 15) not used
- 16) CO2 battery location
- 17) CO2 location warning
- 18) fire extinguishers
- 19) fire dampers
- 20) fire doors
- 21) exit lights
- 22) first aid equipment
- 23) hearing protection
- 24) gate warning
- 25) general safety message

Item #	Label Name	Material /Colour	Size (WxH), mm, Approximate	Mounting Notes	Example
1	Muster Station	Self Adhesive Vinyl - Photoluminescent green and white	300 x 300	Top of sign 3.35m (8') above main deck on railing between MES and rescue boat	 Muster station
2	Muster Station Direction	Self Adhesive Vinyl - Photoluminescent green and white	300 x100	Top of sign 2.1m (5') above main deck at forward, mid, and aft deckhouse inboard bulkhead facing vehicle deck	 Muster station
3	Life Jackets	Self-Adhesive Photoluminescent green and white	300 x300	Top of sign 2.1m (5') above main deck on under-stair locker door (aft, port). Also on side of or on top of life jacket locker.	 Lifejacket
4	Childrens Life Jackets	Self-Adhesive Photoluminescent, green and white	300 x300	Top of sign 2.1m (5') above main deck on under-stair locker next to item #3 above	 Childs lifejacket
5	Emergency Boat	Self-Adhesive with aluminum plate backing; Photoluminescent, green and white	300 x 300	Locate near emergency boat, example shown has 'Rescue Boat', this should read 'Emergency Boat'	 Rescue boat
6	CO ₂ Release Warning	Self Adhesive Vinyl, colour TBD	TBD	To be located at the CO ₂ release, located beside the forward engine room door outside of the space.	TBD
7	CO ₂ release Instructions	Self Adhesive Vinyl, colour TBD	TBD	At CO ₂ release controls	Provided with CO ₂ system
8	Alarm instructions	TBD	TBD	General alarm and fire alarm instructions	TBD
9	Lifejacket fitting instructions	Self Adhesive Vinyl, photoluminescent, colour TBD	See Detail 1-3	Top of sign 2.1m (5') above main deck in muster area on transverse bulkhead.	See Detail 1-3
10	Emergency procedures	Self Adhesive Vinyl, photoluminescent, black letters on white background	See Detail 1-5	Top of sign 2.1m (5') above main deck at midship on inboard deckhouse bulkhead, black lettering on white background.	See Detail 1-5
11	No Smoking	Self Adhesive Vinyl, red black and white	300 x 300	Top of sign 3.35m (8') above main deck on inboard longitudinal bulkhead, 2.1, (5') above deck on ramp support structures.	

Item #	Label Name	Material /Colour	Size (WxH), mm, Approximate	Mounting Notes	Example
12	Use Parking Brake	Self Adhesive Vinyl, Sign to be as shown but with black letters and white background.	300 x 500	Top of sign 2.4m (8'-0") above main deck.	
13	Crew Only	Self Adhesive Vinyl, white lettering, black background	300 x 75	Top of sign 1.1m (3'-7") above main deck. Exterior face of doors to crew room, CO ₂ room, machinery room, chain with sign hung at bottom of stair and ladder to deckhouse top.	
14	Garbage sign	Self Adhesive Vinyl, white lettering, blue background	130 x 230	Top of sign 2m (6'-7") above main deck. See Detail 1-6 on sheet 1 for text.	
15	Not used				
16	CO ₂ Battery Location	Self-Adhesive Vinyl, red, black, and white	150 x 150	Located 1.52m (5'-0") above main deck beside CO ₂ space door inside and outside space	
17	CO ₂ Location Warning	Self-Adhesive Vinyl, red, black, and white	150 x 150	Need to be on outside of each machinery door and at two conspicuous locations inside the space.	
18	Fire Extinguishers	Self-Adhesive Vinyl, red, blue, green, and white	See Detail 1-2	Mounted on extinguishers	See Detail 1-2
19	Fire Dampers	Self-Adhesive Vinyl, green, black, and white	50 x 50	On each Fire Damper	
20	Fire Doors	Self-Adhesive Vinyl, red and white	150 x 50	Top of sign 1.1m (3'-7") above main deck at middle of machinery room door, exterior.	
21	Exit Lights	Illuminated via emergency power, red and white	Letters 50 high	Hung from deck head or bulkhead at interior of crew room and machinery space near doors.	TBD
22	First Aid Equipment	Self-Adhesive Vinyl, green and white	300 x 500	Above or on First Aid cabinet door in crew room	
23	Hearing Protection	Self-Adhesive Vinyl, blue and white	300 x 300	On each entrance to the machinery space	
24	Gate Warning	Self-Adhesive Vinyl, blue and white	See Detail 1-1	Shown on Ramp support structure	See Detail 1-1
25	General Safety Message	1 painted aluminum (on shore) and 1 self adhesive vinyl (on vessel)	See Detail 1-4	On vessel: Top of sign 2.1m (6'-11") above main deck at midship on inboard deckhouse bulkhead, black lettering on white background.	See Detail 1-4

Appendix B5 - Attachment 2

Main Machinery and Equipment Spares

The Contractor shall utilize the spares identified in this Attachment for performance of maintenance on the Watercrafts in accordance with Section 16.

MV Osprey 2000

Engine Model	Caterpillar 3512B
Rated Speed	820-1500kW(1100-2012hp)@1200-1800RPM
Number of cylinders	V12
Engine type	4-Cycle
Bore and stroke, mm	170x190
Length, mm	1590
Height, mm	1117
Weight, kg	1678
Note	Located at Finning, Cranbrook, BC
Quantity	1

Engine Model	Caterpillar 3306
Rated Speed	93-243kW(125-325hp)@1500-2200RPM
Number of cylinders	6
Engine type	4-Cycle
Bore and stroke, mm	121x152
Length, mm	1505
Height, mm	1171
Weight, kg	1000
Note	Located at Finning, Cranbrook, BC
Quantity	1

SRAD Model	Rolls Royce 900H
Located at Pacific Star Marine, Maple Ridge (1 pc)	

CF Harrop II and CF Glade II



Engine Model	John Deere 4045AFM85
Rated Speed	119-168kW(160-225hp)@2300-2600RPM
Number of cylinders	4
Engine type	In-Line, 4-Cycle
Bore and stroke, mm	107x 127
Length, mm	1105
Height, mm	964
Weight, kg	578
Note	Located at Western Pacific Marine office location
Quantity	1

Appendix B6**Ferry Facility Maintenance Specifications****1 GENERAL REQUIREMENTS**

The purpose of this Appendix B6 is to provide detailed requirements for repair and maintenance of the Ferry Facilities listed in Schedule C to the Agreement and at attachment 1 to the Licence.

The matters addressed in this Section 1 apply to all aspects of the Ferry Service.

Unless otherwise defined herein, all capitalized words and phrases used in this Appendix B6 shall have the meaning set out in the Agreement, including, for greater certainty, Schedule A.

1.1 Objective

The Contractor shall provide a safe environment for crew and Ferry Users and maximize the functional life of the Ferry Facilities by way of regular and efficient inspection, maintenance, repair, cleaning and replacement.

1.2 Minimum Requirements

In addition to the maintenance requirements stipulated in the Licence, the Contractor shall meet or exceed the maintenance requirements stipulated in this Appendix B6, and the SMS and its operational documents, while always providing a safe, reliable, functionally sound and efficient Ferry Facilities.

At the end of the Term or earlier expiry of the Agreement, the Contractor must return the Ferry Facilities to the Province in the condition as required by the Licence.

1.3 Scope of Ferry Facility Maintenance

The Contractor shall carry out all maintenance, including all general housekeeping, all inspections and repairs on the Ferry Facilities in accordance with this Appendix B6, the SMS and its operational documents and the terms of the Licence.

The Contractor is solely responsible for providing, overseeing and supplying, all at its sole cost and expense, all management, labour, materials, supplies, provisions, tools, machinery, equipment facilities, subcontractors, personnel and any other thing required to repair, utilize, operate and maintain the Ferry Facilities.

The Contractor shall:

- 1) Determine all means, methods, techniques, sequences and procedures employed to repair and maintain the Ferry Facilities unless such means, methods, techniques, sequences or procedures are specifically set out in the Agreement;
- 2) Monitor changes to maintenance standards;
- 3) Prepare, update and revise all documentation associated with Ferry Facilities maintenance;
- 4) Document maintenance activities, and for safeguarding all maintenance records; and
- 5) Ensure that all maintenance procedures, all material incorporated by reference, and all maintenance record templates are available to the crew.

1.4 Standard of Work

The Contractor shall complete all Ferry Facilities maintenance work in accordance with:

- 1) The original design specification for that component or system;
- 2) Standards set out in article 4 of the Licence;
- 3) Manufacturers' or materials' specifications and requirements; and
- 4) Recognized industry standards.

In the event that there is a conflict between any two or more of the above standards, the Contractor shall complete all such maintenance work in accordance with whichever applicable standard is the highest.

1.5 Engineer's Approval

Where required by the Province, applicable Laws, manufacturer's specifications and requirements, recognized industry standards or good engineering practice, whichever is the highest applicable standard, the maintenance and repair work described in these specifications shall be approved by a qualified professional engineer.

1.6 Utilities and Supplies

Pursuant to section 4.1 of the Licence, the Contractor is solely responsible for paying for all charges for electricity, gas, water and other utilities supplied to the Land, at its sole cost and expense and for paying, at its sole cost and expense, for all consumables and other supplies as well as any costs of repair and maintenance services, whether by subcontract or its own forces.

2 MATERIALS, EQUIPMENT & PARTS

The Contractor shall use only new materials that meet or exceed applicable quality and aesthetic standards as specified herein.

Prior to the Contractor using materials without standards, or alternative materials that do not meet the standards, the Contractor shall, by written Notice, request the Province's consent to use such materials. The Contractor shall not use any of the aforementioned materials without the express written consent of the Province, which consent the Province may, in its sole discretion, deny or withhold.

During the Term, the Contractor shall maintain an inventory of spare parts and equipment which shall be monitored and controlled in accordance with the Agreement, the Licence and manufacturers' specifications and the Contractor shall, upon request by the Province, provide the Province with such inventory.

The Contractor shall ensure that the transportation, handling and storage of materials used in conjunction with maintenance of the Ferry Facilities adheres to all applicable Laws.

Whenever this specification references materials and/or procedures, the Contractor shall use materials and/or procedures in accordance with:

- a) the standard material specifications described in Sections 2.1 to 2.9;
- b) the Province's recognized products list as published by the Province and updated periodically; or

- c) as approved in writing by the Province.

2.1 Timber:

2.1.1 Decking and Cross-ties

The Contractor shall ensure that:

- 1) Laminated decking material are preservative-treated;
- 2) Re-decking planks are of number 1 grade and wane free, SIS2E, heart-side surfaced, 100 mm X 250 mm Douglas Fir, in minimum 4.9 metre lengths laid heart-side down; and
- 3) Cross-ties are number 1 or better grade, S2S Douglas Fir, cross-ties are a minimum of 150 mm X 150 mm by the full width the Dock. Size tolerance is plus or minus 3 mm and maximum wane allowed is 10 mm on any surface and cross-ties must be preservative-treated.

2.1.2 Ekki Wood

Ekki wood, where specified for use by the Province, is normally ordered by actual dimensions and the Contractor shall ensure that such Ekki wood in accordance with the following requirements:

- 1) Minimum modulus of rupture in static bending must be 150 MPa;
- 2) Minimum crushing strength shall be 70 MPa;
- 3) Timbers must be free of Heartwood, Sapwood, and Wane except members larger than 350 mm by 350 mm which may contain Boxed Heartwood;
- 4) Sound, tight and well-spaced knots not larger than 50 mm are permitted at a maximum of one knot per linear metre of board length;
- 5) Maximum crook must be 25 mm. Surface checks and splits must have a maximum length of 150 mm. Slope of grain shall be 1:10 maximum;
- 6) Size tolerance must be plus or minus 3 mm; and
- 7) Galvanized lag bolts must be used on Ekki Wood decking.

2.2 Steel:

2.2.1 Reinforcing

The Contractor shall ensure that steel reinforcing is supplied in accordance with the following:

- 1) Reinforcing steel: billet steel, deformed bars to CAN/CSA-G30.18, unless indicated otherwise; plain finish
- 2) Reinforcing steel: weldable low alloy steel deformed bars to CAN/CSA-G30.18.
- 3) Plain round bars: to CAN/CSA-G40.21.
- 4) Deformed steel wire for concrete reinforcement: to CSA-G30.14.
- 5) Fabricate reinforcing steel in accordance with CSA A23.1, ACI 315, and Reinforcing Steel Manual of Standard Practice – by Reinforcing Steel Institute of Canada.

2.2.2 Bolts and Nuts

The Contractor shall ensure that steel bolts and nuts are supplied in accordance with the following:

- 1) All carbon steel bolts must be hot-dip galvanized and supplied in accordance with ASTM A307
- 2) All carbon steel nuts must be supplied in accordance with ASTM A563

2.3 Paint Specifications:**2.3.1 Steel**

The Contractor shall ensure that paint is high build epoxy with abrasive resistant properties or similar approved coating system.

2.3.2 Timber

The Contractor shall ensure that paint shall be alkyd or modified alkyd (silicone or urethane modified) or similar approved coating system.

2.4 Pavement materials:**2.4.1 Asphalt concrete**

Upon written request by the Contractor, the Province shall provide, in writing, the performance requirements for the use of asphalt concrete, specific to the site location being repaired. The Contractor shall then submit an asphalt concrete job mix formula to the Province for approval, two (2) weeks prior to commencing any paving activities. The Contractor shall not use any asphalt concrete without the express written approval of the Province, which approval the Province may, in its sole discretion, deny or withhold.

2.5 Rock Armor (rip-rap):**2.5.1 Small**

- 1) The Contractor shall ensure that all rock used have a density the same or greater than 2.65t/m³
- 2) The Contractor shall ensure that the rocks conform to the gradation outlined by Province depending on the location of the repair works.

2.6 Concrete:**2.6.1 General Use**

The Contractor shall ensure that the concrete be supplied in accordance with the following:

- 1) CSA-A5, Portland Cement
- 2) CSA-A23.1, Concrete Materials and Methods of Concrete Construction
- 3) CSA-A23.2, Methods of Test for Concrete
- 4) CSA—A23.5, Supplementary Cementing Materials.
- 5) CAN-CSA-S269.-M, Concrete Formwork

2.7 Welding

The Contractor shall ensure that:

- 1) All welding is completed with a submitted copy of the welding contractor's QA/QC manual and welding procedures;
- 2) Pressure welding shall require welder qualifications to ASME Section IX, with continuity log. A minimum 10% non-destructive examination shall be required. Acceptance criteria to ASME B31.3 Normal Service; and
- 3) Non-pressure & structural welding shall require Canadian Welding Bureau welder qualifications. A minimum 10% non-destructive examination shall be required.

2.8 General Electrical

The Contractor shall ensure that all electrical materials supplied is new, of current manufacture, and shall bear the CSA Group seal of approval, or other certification mark acceptable in the Province of British Columbia.

2.9 General Buildings

- 1) Cladding – The Contractor shall ensure that material used matches existing in-situ material, if this cannot be achieved then approval from the province shall be sort before proceeding.
- 2) Roofing – The Contractor shall ensure that material used for roofing matches existing in-situ material. If this cannot be achieved then the Contractor shall ask for the Province's consent before proceeding with roofing. The Contractor shall not proceed without the express written approval of the Province, which approval the Province may, in its sole discretion, deny or withhold.
- 3) Windows – The Contractor shall ensure that glass used for windows matches the existing glass used. If this cannot be achieved then the Contractor shall ask for the Province's consent before proceeding with replacing the glass used for windows. The Contractor shall not proceed without the express written approval of the Province, which approval the Province may, in its sole discretion, deny or withhold.
- 4) Plumbing – The Contractor shall ensure that the materials supplied for plumbing purposes are in accordance with the current BC Building Code.

3 FERRY FACILITY MAINTENANCE DELIVERABLES

3.1 Ferry Facility Maintenance Procedures and Maintenance Records

The Contractor shall complete all Ferry Facility maintenance procedures and maintenance records for each Ferry Facility in accordance with this Appendix B6, the Licence, and the Agreement no later than 20 days following the Commencement Date.

The Contractor's Ferry Facility maintenance procedures shall include, but not be limited to:

- 1) Procedures for inspecting, assessing and maintaining each Ferry Facility;
- 2) Procedures for ensuring that each Ferry Facility is clean and tidy; and
- 3) Checklists of daily, weekly, monthly, semi-annual, and annual duties, activities, checks, readings, measurements, tests, inspections, and recordings.

The Contractor shall ensure that all written procedures, instructions and schedules are kept simple and unambiguous.

The Contractor shall upload the Ferry Facility maintenance procedures and template maintenance records to the SharePoint site and the Parties shall attach same to Schedule L to the Agreement.

The Contractor shall maintain the Ferry Facility maintenance procedures and template maintenance records to the Province's satisfaction at all times, as determined by the Province, in its sole discretion.

The Contractor shall review the Ferry Facility maintenance procedures and template maintenance records at least once per year for updating so as to ensure that they remain current. Whenever changes occur that necessitate updating, the Contractor shall promptly update them, and ensure that the current versions are uploaded to the SharePoint site at all times.

In accordance with section 18.1 of the Agreement, the Province shall have the right, exercisable at its sole discretion, at any time and from time to time to audit and inspect the Ferry Facility maintenance procedures and maintenance records.

3.2 Ferry Facility Maintenance Plan

At least two weeks before the Commencement Date, pursuant to section 5.2(b)(ii) of the Agreement, the Contractor shall complete the Ferry Facility Maintenance Plan and submit same to the Province.

The Contractor shall ensure that the Ferry Facility Maintenance Plan for each Ferry Facility and Contract Year in the Term, identifies and schedules all maintenance work not otherwise part of the Ferry Facility maintenance procedures and template maintenance records, which are addressed in Section 3.1 of this specification.

The Maintenance Plan shall include, but not be limited to:

- 1) Dock repair and maintenance;
- 2) Repair and maintenance of buildings;
- 3) Painting and coating renewal; and
- 4) Parking lots pavement repairs.

For the upcoming Contract Year only, the Contractor shall ensure that the Ferry Facility Maintenance Plan shall, for each Ferry Facility, also include a description of:

- a) The work to be undertaken;
- b) The manner in which the work shall be completed;
- c) The resources needed to complete the work;
- d) A timeline for completion, and .
- e) Measures for mitigating service interruptions.

The Contractor shall perform the maintenance on the Ferry Facilities while providing continuous delivery of the posted ferry sailings.

The Contractor shall update the Ferry Facility Maintenance Plan annually and resubmit such plan at least 20 days before every Anniversary Date.

The Contractor shall maintain the Ferry Facility Maintenance Plan to the Province's satisfaction, as determined by the Province, in its sole discretion.

The Contractor shall upload the Ferry Facility Maintenance Plan to the SharePoint site and the Parties shall attach same to Schedule L to the Agreement.

Whenever changes occur that necessitate updating the Ferry Facility Maintenance Plan, the Contractor shall update the Ferry Facility Maintenance Plan promptly, and ensure that the current Ferry Facility Maintenance Plan is uploaded to the SharePoint site at all times.

In accordance with section 18.1 of the Agreement, the Province shall have the right, exercisable at its sole discretion, at any time and from time to time to audit and inspect the Ferry Facility Maintenance Plan.

3.3 Monthly Inspection and Reporting

The Contractor acknowledges that it shall be deemed to have comprehensive knowledge of the condition of the Ferry Facilities, including all docks and associated components, to identify deficiencies that require maintenance, and to identify any other conditions that could affect the safety or functionality of the Ferry Facilities.

The Contractor shall ensure that deficiencies and changes to the integrity of structures and their components are monitored and that the Province is notified of any hazardous or deficient conditions or potentially hazardous conditions that are not covered by the Agreement, the Licence, or this specification.

The Contractor shall conduct and document a monthly inspection of the Ferry Facilities, on or before the 10th day of each month, to assess and identify:

- 1) Whether repair and maintenance work has been completed for the prior month in accordance with the Ferry Facility maintenance procedures and the Ferry Facility Maintenance Plan;
- 2) Any new damage, missing parts or areas requiring repair and maintenance work;
- 3) If there is a change in the condition or rate of deterioration; and
- 4) Whether maintenance completed has been documented in the maintenance records.

The Contractor shall retain documentation to demonstrate completion of the inspections and actions taken for periodic audit review by the Province.

The Contractor shall ensure that all reporting requirements identified throughout this Appendix B6 are addressed and submitted in the Inland Ferry Monthly Report that is described and provided in Appendix B4 to Schedule B to the Agreement.

3.4 Maintenance records

The Contractor shall create and maintain a record of for all repair and maintenance work done to the Ferry Facilities and the Contractor shall, upon request by the Province, provide the Province with all such requested repair and maintenance work records.

4 MAXIMUM RESPONSE TIMES

The Contractor acknowledges that the maximum response times specified in this Appendix B6 for undertaking maintenance activities are maximum time periods permitted when conditions

do not normally pose a threat to passengers, crew, the public and/or the environment and that the response times provided herein are time limits that are not intended by the Province to provide the Contractor with a definition of or parameter for reasonable performance when there is a risk to public safety; the Contractor shall respond immediately to events where public safety is a factor.

Where there is a safety or structural deficiency on any part of the Ferry Facilities, the Contractor shall immediately inspect the affected portion of the Ferry Facility, notify the Province of such structural deficiency and continue inspections of such affected portion as required to ensure its safety and until the deficiency is rectified.

Notwithstanding any requirements set out in this Appendix B6, the Contractor shall not, at any time, put the environment, the health or safety of passengers, crew or the public at risk.

5 SIGNAGE

The Contractor shall ensure that all Signs at the Ferry Facilities are in good working order, clean, visible, unambiguous, complete, and safely installed.

The Contractor shall:

- 1) Clean and repair existing Signs;
- 2) Reset Signs that are accidentally knocked or blown down; and
- 3) Relocate Signs that need to be removed and re-installed due to seasonal requirements or due to changing needs or conditions.

If regulatory and warning Signs are not clear, visible, complete, and safely installed, the Contractor shall ensure that they are cleaned, reset, repaired, and/or relocated within 24 hours of discovery by the Contractor.

If any other Signs are not clear, visible, complete, and safely installed, the Contractor shall ensure that they cleaned, reset, repaired, and/or relocated within one (1) week of discovery by the Contractor.

The Contractor shall not permit advertising or commercial announcements at the Ferry Facilities without the prior written consent of the Ministry.

6 GRAFFITI AND VANDALISM

The Contractor shall maintain the Ferry Facilities free from graffiti and unsightly damage caused by acts of vandalism.

6.1 Graffiti

The Contractor shall temporarily remove or cover graffiti visible to Ferry Facility users within 24 hours of discovery.

The Contractor shall ensure that graffiti is permanently removed or covered within one (1) week of discovery except during winter months, when the graffiti on external surfaces shall be permanently removed or covered as soon as possible but not later than May 31 of that Contract Year and that the surface shall be returned to as close to original condition (normal wear and tear excepted) as possible.

If the graffiti material cannot be removed, the Contractor shall apply covering paint of an appropriate colour in a manner to minimize the aesthetic impacts of the repair and in accordance with the paint manufacturer's specifications.

6.2 Vandalism

The Contractor shall immediately report acts of vandalism and misuse of any component of the Ferry Facilities to the police and the Province.

The Contractor shall temporarily repair or cover damage from vandalism visible to the Ferry Facility users within 24 hours of discovery.

Unless there is a Ferry Facility maintenance specification that establishes a shorter time frame for repair of the specific component, the Contractor shall ensure that damage from vandalism is permanently repaired within one (1) week of discovery except during winter months, when the damage on external surfaces shall be repaired as soon as possible but not later than May 31 of that Contract Year.

7 CONTAMINANTS AND WASTE MANAGEMENT

The Contractor acknowledges that it is solely responsible for the management and disposal of surplus materials, equipment, parts and Contaminants and that it shall be handled in accordance with all applicable Laws. The Contractor shall ensure that surplus materials, equipment, parts and Contaminants required for operations are handled in accordance with all environmental regulations and other applicable Laws and that surplus materials, equipment, parts and Contaminants that are not required for operations are not stored at the Ferry Facilities.

The Contractor is responsible for managing and disposing of Contaminants from the Ferry Facilities in a manner that minimizes impact on the environment, safety and health.

7.1 Waste from Operations

The Contractor acknowledges that day-to-day operations of the Ferry Facilities shall produce waste consisting of liquids, solids and recyclables and that the Contractor shall ensure that all such waste is disposed of in conformance with all applicable Laws, utilizing qualified personnel or subcontractors.

7.2 Contaminants on Ferry Facility

The Contractor shall ensure that Contaminants spilled, collecting, or remaining at the Ferry Facilities are discharged in the environment and that they shall be contained and disposed of according to all applicable Laws.

In discharging or receiving any material that is a Contaminant, the Contractor shall take precautions to ensure that the risk of accidental spillage is minimized, and that measures and materials are on hand to contain and clean up any spill.

7.3 Dangerous Goods & Hazardous Materials

The Contractor shall ensure that dangerous goods and hazardous materials required for operations are handled in accordance with all applicable environmental regulations and all applicable Laws, that dangerous goods and hazardous materials not required for operations

are not stored on the Ferry Facilities and that no hazardous substance is discharged into the environment.

8 CLEANING AND LITTER CONTROL

The Contractor shall ensure that the Ferry Facilities have a well-groomed and orderly appearance, are safe, and have clear drainage.

The Contractor shall ensure that undesirable objects found at the Ferry Facilities which pose a real or potential safety hazard to users, create obstructions at catch basins, manholes and/or ditch inlets, or create an unsightly appearance are disposed of in accordance with all applicable Laws and regulations.

8.1 Litter and Debris

The Contractor shall ensure that any litter or debris that presents a potential hazard to the public or delay to operations, such as debris accumulation from storms or accidents, is removed immediately and that all animal excrement found in parking lots, pedestrian walkways, and near Ferry Facility buildings is removed as soon as possible, and within 30 minutes of discovery.

The Contractor shall ensure that all litter and debris at the Ferry Facilities is removed no less than every three (3) days or when litter containers are full, whichever is sooner and that abandoned vehicles or equipment are reported to the police promptly.

8.2 Impaired Drainage

The Contractor shall ensure that foreign objects from any surfaces where free drainage of the surface is impaired or where they may cause moisture retention on surfaces are removed within 14 days of discovery.

9 SNOW AND ICE REMOVAL, AND DE-ICING

The Contractor shall restore surface traction and prevent slippery surface conditions from occurring on all roadways, shoulders, parking areas, marshalling areas and pedestrian walkways.

The Contractor shall plan and execute an effective snow and ice control program such that the Ferry Facilities' surfaces are cleared of snow and ice in a timely and systematic manner and there is no snow or ice encroaching, overhanging or otherwise accumulating above any area used by crew or the public. The Contractor shall ensure that snow and ice removed from the Ferry Facilities is disposed of in accordance with this Appendix B6 and all applicable Laws.

The Contractor shall ensure that, following an overnight weather event, all snow and ice is cleared 60 minutes prior to the first scheduled crossing of the day, or earlier if required.

The Contractor shall ensure that snow and ice control operations are performed with due diligence to prevent damage to the Ferry Facilities and in accordance with the Ministry of Transportation and Infrastructure Maintenance Specification 3-310, *Winter Abrasive and Chemical Snow and Ice Control*. The Contractor shall be responsible, at its sole cost and expense, for repairing any damage to the Ferry Facilities or private property caused by snow and ice control operations.

The Contractor shall undertake snow and ice control operations as required by and in accordance with this specification on the ramps and approaches thereto, from the water levels to the furthest of the limit of the Ferry Facilities or the point on the adjacent roadway where the road and bridge maintenance contractor's snow and ice control operations terminate.

10 VEGETATION CONTROL

The Contractor is responsible for inspecting and controlling vegetation at the Ferry Facilities, including trees, brush, weeds and grass. The Contractor acknowledges that the height of grass and other vegetation may only be controlled by mowing and cutting.

The Contractor shall ensure that, at all areas surrounding buildings, walkways and public areas, the height of grass is maintained to a typical commercial appearance and that vegetation does not obscure the visibility of signs, delineators, or other roadside features or impede drainage.

The Contractor shall ensure that all vegetation is cut a minimum of twice per year in perimeter ditches, adjoining fenced areas and at all other areas, within one (1) metre from pavement edge and that the spread of noxious weeds is controlled.

The Contractor is responsible for all actions to reducing possible fire hazards due to vegetation.

11 FENCES AND GATES

The Contractor is responsible for keeping all gates and fencing, including chain link and wire mesh fencing, in good repair for aesthetic, safety and security reasons.

The Contractor shall ensure that the Ferry Facilities' fences are kept in good repair with no broken or distorted elements or hardware, and are kept within 10° of vertical. The Contractor shall ensure that fences at the Ferry Facilities that have an opening large enough to allow access to persons or which lean more than 10° of vertical are repaired within two (2) weeks of discovery.

The Contractor shall maintain all framing components of the gates at the Ferry Facilities in good repair and within 5° of vertical and complete maintenance or repairs within two (2) weeks of discovery. The Contractor shall ensure that hinges are maintained in proper operating condition and lubricated at all times.

12 PARKING LOTS

12.1 Sweeping

The Contractor shall ensure that all paved surfaces are swept clean at least once per year before June 1st or when the application of winter abrasives is no longer anticipated and at all other times as necessary to keep gravel, sand and dirt accumulation below 2mm.

Regardless of the time of year, the Contractor shall ensure that spills or accumulations of any material including sand, gravel, or stones that obscures pavement marking or could be dangerous to Ferry Facility users are cleared within two hours of discovery.

The Contractor shall undertake sweeping activities in a manner that prevents the creation of dust clouds, minimizes detrimental effects on traffic flow, and does not otherwise create a hazard or nuisance.

12.2 Pavement Marking

The Contractor shall ensure that pavement markings are clear and understandable to enable safe and orderly movement of traffic at the Ferry Facilities. The Contractor shall ensure that all pavement markings are uniform in design, position and application as detailed in the *Manual of Standard Traffic Signs and Pavement Markings*, Ministry of Transportation and Infrastructure as modified by this Appendix B6 and all applicable Laws.

The Contractor shall ensure that painting of line markings and symbols are to Provincial standard quality or better, using paints, additives, and equipment appropriate for asphalt concrete pavement applications and that the pavement markings shall be clearly visible day and night, year-round, at all times.

12.3 Pavement Repair

The Contractor shall ensure that asphalt concrete pavements are maintained in a smooth, stable and safe condition to maximize the functional life of the pavements and continue to provide the service for which they were originally designed.

The Contractor shall supply and use all materials in accordance with the *Standard Specifications for Highway Construction*, Ministry of Transportation and Infrastructure.

12.3.1 Cracks, Potholes and Vertical Displacement

The Contractor shall advise the Province of areas of extensive cracks, pothole development or vertical displacement at any area of the Ferry Facilities.

12.3.2 Sealing

With the exception of the Balfour terminal, the Contractor shall ensure that all areas of pavement or concrete ramps are sealed by October 31 of each Contract Year in accordance with *Maintenance Specification Chapter 1-100 Highway Pavement Patching and Crack Sealing*, Ministry of Transportation and Infrastructure.

12.3.3 Water Ponding

The Contractor shall ensure that water ponding on all asphalt concrete pavement greater than 1 m² in area and greater than 25 mm in depth is repaired by October 31 of each Contract Year.

12.4 Curbs, Gutters, Sewers, Manholes and Catchbasins

The Contractor shall ensure that pavement surfaces are safely and efficiently drained of surface water from rain or snow and drainage appliances are able to capture and constrain storm water runoff efficiently and effectively by directing it to storm sewers and ditches that pass alongside roadways and parking areas.

The Contractor is also responsible to ensure side slopes are protected from erosion resulting from unconstrained and/or uncontained water spilling over its embankments; and appliances continue to retain their design capacities for accepting, holding, managing and discharging storm water.

13 ELECTRICAL SYSTEM

The Contractor shall ensure that a continuous supply of electrical power is provided to the Ferry Facilities from Nelson Hydro (Balfour), FortisBC (Kootenay Bay) and to ensure that all electrical equipment and lighting at the Ferry Facilities is operating in a safe and efficient manner.

The Contractor is responsible for taking appropriate action of a prudent owner or retaining the services of a qualified electrical Contractor to assess the implications of any electrical incident and respond accordingly to ensure service is safe and reliable. The Contractor shall report acts of vandalism to police and the Province immediately.

The Contractor shall inspect, maintain, and replace all electrical equipment in accordance with *Electrical Maintenance Specifications for BC Highways* as updated or replaced from time to time.

The Contractor shall have a qualified electrical contractor onsite within one hour where the electrical equipment or power distribution system:

- 1) Poses an existing or potential safety hazard;
- 2) Has been damaged; or
- 3) Where parts are broken, loose or missing.

For all other electrical equipment or power distribution repairs, The Contractor shall coordinate required maintenance and repair services within five days.

14 PAINTING AND COATINGS

The Contractor shall inspect and maintain previously painted and coated surfaces and apply new paint and coatings as required on the Ferry Facilities.

The Contractor shall ensure that whenever the paint or coating is deteriorated, broken or damaged, steel is corroding and rust is apparent, or wood is absorbing moisture, painting and coatings are, within each Contract Year, in accordance with *Maintenance Specification Chapter 6-570 Minor Painting of Bridge Structures*, Ministry of Transportation and Infrastructure.

The Contractor shall ensure that, where any component of the Ferry Facilities has been repaired and requires coating after repairs, such component is prepared for coating and coated immediately. The Contractor shall ensure that all coating layers are applied in accordance with the manufacturer's specifications.

The Contractor shall ensure that the paint system is in accordance with Section 2.3.

15 HOUSEKEEPING AND CLEANLINESS**15.1 Public Areas and Buildings**

The Contractor shall plan and execute cleaning of the business office, buildings and all public areas with a view to achieving the objectives stated in Section 1.1 of this Appendix B6. The Contractor acknowledges that the Ferry Facilities include storage and equipment buildings, gate shacks, and all landside and marine structures and grounds, as shown in attachment 1 of the Licence and as listed in Schedule C of the Agreement.

15.2 Docks and Ramps

The Contractor shall wash the ramps and structures to remove and ensure they are free of salt, sand, dirt, debris and other deleterious material. The Contractor shall ensure that washing is conducted at least once in the Spring and once in the Fall, or more often if required.

The Contractor shall ensure that any surfaces where the accumulation of dirt, debris, deleterious material or foreign objects restricts free drainage of the surface or retains moisture on the surface are cleaned or removed within 14 days of discovery.

16 REPAIR AND MAINTENANCE OF BUILDINGS

The Contractor shall ensure that the buildings remain in good repair and aesthetically pleasing, retaining the original colour schemes, materials and functions and are suitable for intended use.

16.1 Floor Surfaces

The Contractor shall ensure that all damage to floor surfaces affecting the functionality or safety of the surface are temporarily repaired and made safe or cordoned off until permanent repairs are made.

The Contractor shall ensure that all hazardous situations as they relate to the floor surfaces of the Ferry Facilities are addressed immediately and non-hazardous damage is temporarily repaired within eight hours of discovery.

The Contractor shall ensure that all damage to floor surfaces affecting the appearance, functionality or safety of the surface is fully repaired to original condition (normal wear and tear excepted) or better within one month of discovery.

16.2 Walls and Ceilings***16.2.1 Exterior Walls***

The Contractor shall ensure that exterior walls and sidings are clean and free from discoloration, defects and damage and that marks and scratches shall be removed and surfaces brought back to original condition (normal wear and tear excepted) or better within one week of discovery.

The Contractor shall ensure that all other necessary work to restore exterior walls to their original condition (normal wear and tear excepted) is completed within one month of discovery or as weather permits.

16.2.2 Interior Walls and Ceilings

The Contractor shall ensure that all interior walls, wall coverings and ceilings are clean, fully coated, and free from discoloration, defects and damage and that marks and scratches shall be removed and surfaces brought back to original condition (normal wear and tear excepted) or better within 24 hours of discovery.

The Contractor shall ensure that all other necessary work to restore interior walls and ceilings to their original condition (normal wear and tear excepted) is completed within one week of discovery.

16.2.3 Fittings

The Contractor shall ensure that all fittings (wiring conduit, light fittings, fans, piping, ventilation shafts, etc.) are secure, clean and functional and that any necessary work to restore them to their original condition (normal wear and tear excepted) is completed within two days of discovery.

16.3 Doors

The Contractor shall ensure that door components and the door structure itself are kept fully operable, lubricated, secure, free from rattle, and fault-free and that any necessary work to restore them to their original condition (normal wear and tear excepted) is completed within one day of discovery.

16.3.1 Doors to Restricted Areas

The Contractor shall ensure that doors to restricted areas are capable of being locked or secured, that the securing mechanism is in good and operable condition and that any necessary work to restore such doors to their original condition (normal wear and tear excepted) is completed within one day.

16.4 Windows

The Contractor shall ensure that all windows are kept in fully functional condition, that all glass is damage free and that any necessary work to restore such windows to their original condition (normal wear and tear excepted), including replacement of broken and cracked glass, is completed within two days.

16.5 Lights and Electrical Fixtures and Fittings**16.5.1 Lights**

The Contractor shall ensure that broken or non-functional light bulbs and fixtures are replaced within one day of discovery.

16.5.2 Electrical Fixtures and Fittings

The Contractor shall ensure that all other electrical fixtures and fittings, their covers and components are securely fitted and fully functional at all times and that damaged and faulty items are be repaired or replaced within two days of discovery.

16.6 Notices

Immediately upon discovery and until damaged or unsafe items have been repaired or removed, the Contractor shall display notices warning of any safety hazards in the affected area of the Ferry Facilities.

17 DOCK REPAIR AND MAINTENANCE

The Contractor acknowledges that, for the purpose of this Section 17, “docks” includes all components of the loading ramp, ramp abutment, ramp pontoons, wingwalls, line dolphins, turning dolphins, mooring dolphins, pilings, stringers, cross-ties and handrails (see Schedule C in the Agreement).

The Contractor is responsible for maintaining docks in an operational, safe and structurally sound condition at all times, through planned routine maintenance and repairs in accordance with these specifications.

The Contractor shall ensure that dock repair and maintenance includes inspection and repair of:

- 1) Ramps, timber planks, posts, railings, steel grating, complete or major portions of timber decks, pilings, stringers, cross-ties, pontoons, floating leads, and aprons;
- 2) Electrical and hydraulic systems, bearings, cables, cable saddles, pins, pin plates, pin locking systems, hinges, cable blocks; and
- 3) Other electrical/movable/mechanical components at that docks are required to be kept lubricated and maintained at all times and in any case no less frequently than outlined in this Appendix B6.

17.1 Ramps and Pontoons

The Contractor shall ensure that the ramps are kept clean, illuminated, free of ice and snow, safe and secure at all time.

The Contractor shall inspect and perform routine maintenance on ramps to ensure they are maintained operational, safe and in structurally sound condition.

The Contractor shall ensure that the maintenance and repair of ramps occurs within 10 days of identification of a deficiency.

Not less than once a year, the Contractor shall maintain and repair the ramp and all ramp components including the above-water support structure, the deck, all railings, tackle and machinery.

17.2 Ramp Aprons

The Contractor shall ensure that the ramp aprons, at all times, are kept clean, illuminated, free of ice and snow, safe and secure.

The Contractor shall inspect and repair all components of the ramp apron on a daily basis, including all tackle, welds and machinery.

The Contractor shall ensure that aprons are maintained and repaired within 10 days of identification of a deficiency.

17.3 Abutment

The Contractor shall inspect and clean abutments on an annual basis.

17.4 Pilings, Stringers, Cross-ties, and Floating Leads

No less than four times per year, the Contractor shall conduct a visual inspection of all pilings, stringers, cross-ties and floating leads.

The Contractor shall ensure that any new damage, missing parts or areas requiring repair and maintenance work and/or change in the condition or rate of deterioration of all pilings, stringers, cross-ties and floating leads is reported to the Province.

17.5 Wingwalls and Dolphins

The Contractor shall conduct a weekly visual inspection and repair and replace tires, tackle and tie-up lines for the wingwalls and dolphins.

18 RAMP WALKWAY

The Contractor shall ensure that, at all times, the walkway are kept clean, illuminated, free of ice and snow, safe and secure. The Contractor shall inspect and perform routine maintenance on walkway to ensure it is maintained in a safe and in structurally sound condition.

No less than once a year, the Contractor shall inspect and repair the walkway including the above-water support structure, the deck, all railings, and tackle.

Appendix B7**Transition Services Specifications****1 GENERAL REQUIREMENTS**

The purpose of this Appendix B7 is to provide detailed requirements for the provision of the Transition Services prior to the Commencement Date ("Beginning of Term Transition Services"), and prior to the Expiry Date ("End of Term Transition Services").

Unless otherwise provided herein, all capitalized words and phrases used in this Appendix B7 shall have the meaning set out in the Agreement, including, for greater certainty, Schedule A.

2 CONTRACTOR'S TRANSITION SERVICES PLAN

No later than five (5) days after the Preferred Proponent Notification Date, the Contractor shall complete the Transition Services Plan, specific to the Ferry Service, and submit for the Province's feedback and acceptance.

The Contractor shall ensure that the Transition Services Plan:

- 1) describes the Contractor's transition service tasks, methodology and approach, including the schedule and use of third parties or subcontractors;
- 2) lists the names, titles and contact information for each of the Contractor's transition team members as well as their roles and responsibilities; and
- 3) clearly demonstrates that there shall be a seamless transition of services.

The Province shall provide feedback to the Contractor regarding the Contractor's Transition Services Plan within five (5) days after submission of the Transition Services Plan by the Contractor. The Contractor shall amend its Transition Services Plan based on the feedback received by the Province and resubmit the Transition Services Plan to the Province. The Contractor acknowledges that this process of the Province providing feedback to the Transition Services Plan and the Contractor amending and resubmitting such plan shall continue until the Province determines, in its sole discretion, to accept the Contractor's Transition Services Plan.

The Contractor shall maintain the Transition Services Plan to the Province's satisfaction, as determined by the Province, in its sole discretion.

Upon acceptance of the Transition Services Plan by the Province, the Contractor shall upload the Transition Services Plan to the SharePoint site and the Parties shall attach the same to Schedule L to the Agreement

Whenever changes occur that necessitate updating the Transition Services Plan, the Contractor shall update the Transition Services Plan promptly, and ensure that the current Transition Services Plan is uploaded to the SharePoint site at all times.

In accordance with section 18.1 of the Agreement, the Province shall have the right, exercisable at its sole discretion, at any time and from time to time to audit and inspect the Transition Services Plan.

3 BEGINNING OF TERM TRANSITION SERVICES

The Contractor shall ensure that all Beginning of Term Transition Services outlined in this section are completed by the earlier of the Commencement Date or the times specified below.

3.1 Inspection and Review

The Contractor shall arrange with the Province to inspect and review the following:

- 1) the Watercrafts;
- 2) the Ferry Facilities;
- 3) the inventory; and
- 4) all documents and records.

3.2 Administrative Tasks

3.2.1 *Emergency Contact Names*

The Contractor shall provide the names and contact information for a minimum of two 24-hour emergency contacts in (i) the Transition Service Plan, (ii) directly to the Province and (iii) to those emergency service responders (including police, fire and ambulance services) located closest to the Ferry Facilities.

3.2.2 *Consumables & Utilities*

The Contractor is responsible for ensuring that all necessary goods and services are available as at the Commencement Date, which responsibilities include:

- 1) negotiating the acquisition of consumables (e.g. lumber for Ferry Facility, uniforms, etc.) with the outgoing contractor.
- 2) establishing new accounts for BC Hydro and other utilities, as required.

3.3 Documentation and Sign-off

The Contractor shall ensure that all documentation, insurance, securities, registrations and sign-offs are completed prior to the Commencement Date, including:

3.3.1 *SMS and Contractor's Plans*

The Contractor shall submit to the Province the following plans:

- 1) each completed SMS, and its operational documents, at least three weeks before the Commencement Date;
- 2) the Organization and Management Plan, the Certification and Training Plan, the Business Continuity Plan, the Risk Management Plan, the Communications Plan, the Watercraft Maintenance Plan and the Ferry Facility Maintenance Plan, at least two weeks before the Commencement Date; and
- 3) the Transition Services Plan, as set out in Section 2 above.

3.3.2 *Insurance, Securities and Registration*

The Contractor shall provide the Province with security documents, certificates of insurance and confirmation or registration with WorkSafeBC, the Canada Revenue Agency and any other applicable Government Authority.

3.3.3 *Asset Condition and Environmental Review Sign-off*

The Contractor shall provide the Province with written acknowledgement that it has reviewed all Ferry Service documentation regarding the condition of all assets including the Ferry Facilities, and the Watercrafts.

3.4 **Handover of Watercrafts, Ferry Facilities, Inventory and Documentation**

The Contractor shall provide written acknowledgement that it has completed the handover and assumes control of all the Watercrafts, Ferry Facilities, inventory, records and documentation.

4 **END OF TERM TRANSITION SERVICES**

The Contractor shall use its best efforts to co-operate with the Province and any other parties, as requested by the Province, to affect a reasonable seamless transition in performance of the Ferry Service as a result of the expiration or termination of the Agreement, and this obligation shall survive such expiration or termination.

The Contractor shall ensure that all End of Term Transition Services outlined in this section are completed by the earlier of the Expiry Date or the date specified below.

4.1 **Transition Team**

The Contractor shall provide the names, titles and contact information for each of the Contractor's transition team members as well as roles and responsibilities.

4.2 **Condition and Housekeeping Surveys**

At least five months and not earlier than nine months prior to the Expiry Date, the Contractor shall participate and facilitate the conduct of:

- 1) condition surveys of the Watercrafts conducted by independent qualified marine surveyors, appointed by the Province;
- 2) condition surveys of the Ferry Facilities, including marine structures, by independent qualified surveyors, appointed by the Province;
- 3) environmental housekeeping survey of the Ferry Facilities by independent qualified surveyors, appointed by the Province;
- 4) any operational or other surveys by independent qualified professionals, appointed by the Province; and
- 5) inventory of materials.

4.3 Remediation

4.3.1 Remediation Plan

Within three (3) weeks of receipt of the condition surveys and environmental housekeeping survey referred to in Section 4.2 above, the Contractor shall submit remediation plans for the Watercrafts and Ferry Facilities.

4.3.2 Remediation Work

The Contractor shall, no later than 30 days prior to the Expiry Date, complete its remediation work and remedy all other deficiencies in the Watercrafts (per section 15.4 of the Charter), the Ferry Facilities, housekeeping, inventory and records and documentation.

4.4 Inspection, Review & Signoff

The Contractor shall fully cooperate with all inspections to be carried out by the new contractor, including inspection of the Ferry Facilities, the Watercrafts, and all records.

The Contractor shall arrange for the Province to inspect and review the:

- 1) remediation plan;
- 2) completion of the remediation work;
- 3) condition of the Watercrafts and Ferry Facilities;
- 4) inventory; and
- 5) records and documentation.

4.5 Administrative Tasks

4.5.1 Consumables & Utilities

The Contractor is responsible for ensuring that all necessary goods and services are available as at the Expiry Date, which responsibilities include:

- 1) negotiating the purchase or transfer of consumables or uniforms with incoming contractor; and
- 2) transferring accounts for BC Hydro and other utilities.

4.6 Handover Sign-off

No earlier than three (3) Business Days prior to the Expiry Date, the Contractor and the Province shall meet at the Ferry Facility agreed to by the Parties and the Contractor shall sign-off and agree to handover to the Province upon the Expiry Date, the following:

- 1) the Watercrafts and Ferry Facilities;
- 2) the inventory; and
- 3) the records and documentation.

Schedule B Appendix B8 Asbestos Management Requirements

- ☐ **Asbestos Management Program** dated October 2009, as prepared by North West Environmental Group Ltd.
- ☐ Kootenay Lake: M.V. Balfour - **Asbestos Survey and Assessment** dated May 2008 (Rev. September 2009), as prepared by North West Environmental Group Ltd.
- ☐ Kootenay Lake: M.V. Balfour - **Asbestos Survey and Assessment Checklist** dated May 2008 (Rev. September 2009), as prepared by North West Environmental Group Ltd.
- ☐ Kootenay Lake: Harrop Cable Ferry - **Asbestos Survey and Assessment** dated May 2008, as prepared by North West Environmental Group Ltd.
- ☐ Kootenay Lake: Harrop Cable Ferry - **Asbestos Survey and Assessment Checklist** dated May 2008, as prepared by North West Environmental Group Ltd.

Asbestos Management Program

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SECTION 1. BACKGROUND

1.1. What is Asbestos?

Asbestos is a fibrous material used in many products because it adds strength, heat-resistance, and chemical-resistance. Despite its many uses, asbestos is a hazardous material. Three types of asbestos have been used commercially:

Chrysotile (white asbestos) is the most commonly used form of asbestos.

Amosite (brown asbestos) has been used in sprayed coatings, in heat insulation products, and in asbestos cement products where greater structural strength is required.

Crocidolite (blue asbestos) is no longer used in B.C. and is rarely found. Before 1973 it was commonly used in sprayed coatings on structural steelwork for fire protection and for heat or noise insulation. It was also used in gasket materials and asbestos cement pipe.

Other types of asbestos are actinolite, anthophyllite, and tremolite. These usually have had little commercial value or use.

Asbestos Containing Materials (ACM) is often referred to as friable and non-friable. Friable materials are materials that, when dry, can be easily crumbled or powdered by hand. This term may also refer to materials that are already crumbled and powdered. Some non-friable materials, such as vinyl-asbestos floor tile or asbestos cement products have the potential to become friable if they are disturbed and/or handled in an aggressive manner (for example, sanded with a power sander) or dropped from a height.

1.2. Health Effects of Asbestos

Asbestos is a hazardous material. Its' fibres are extremely fine and can stay in the air for hours; workers exposed to asbestos contaminated air can inhale the fibres. If handled without caution, asbestos may cause serious chronic health problems.

Asbestosis is a chronic lung disease resulting from prolonged exposure to asbestos dust. The fibres gradually cause the lung to become scarred and stiff, making breathing difficult. Asbestosis is a progressive disease, meaning that scars keep forming in the lung after the exposure to asbestosis has stopped.

Lung cancer **may** be caused by asbestos fibres in the lung. No one knows exactly how asbestos causes lung cancer. Researchers have shown, however, that the combination of smoking tobacco and inhaling asbestos fibres greatly increases the risk of lung cancer. Again, asbestos may be one of many causes of lung cancer.

Mesothelioma is a rare but very malignant form of cancer affecting the lining of the chest or the abdominal cavity. This cancer spreads rapidly and is always fatal. The exact mechanism of the disease is unknown. There is a strong link between asbestos exposure and mesothelioma.

1.3. Occupational Health and Safety Regulation

The Workers' Compensation Board of British Columbia Regulation for asbestos are found in Section 6.2 to 6.32 in Part 6 of the General Hazard Requirements (Book 2 of 3).

Asbestos Containing Materials Applications:

Vessel and Building-specific surveys of friable and non-friable asbestos containing material have been conducted at BC MoT facilities. Asbestos-containing materials identified in the surveys include:

-
- Pipe, elbow and other fitting insulations;
 - Silencer insulation;
 - Marine Panels on bulkheads and deck heads;
 - Cement Asbestos Board;
 - Ductwork Caulking;
 - Mechanical insulation on exhaust vents;
 - Vinyl floor tile and sheet flooring;
 - Caulking and penetration materials;
 - Mastic/glue used to adhere tiles to decking;
 - Gaskets on Valves and Flanges;
 - Sound attenuating mastics on deck head;
 - Deck Scree;
 - Anti Sweat paints;
 - Hard face spray coating.

SECTION 2. ADMINISTRATIVE CONTROLS

2.1. Key Personnel

The personnel involved with the administration of the Management Plan are as follows:

- BC MoT:
 - Manager Corporate Safety
 - Director of Marine Branch
 - Managers of Marine Branch
- WaterBridge Equipment (Ferry Contractor for service on Francois Lake)
 - President: Mr. John Harding
 - Marine Manager Francois Lake
 - Ship's Captain
 - Safety Committee (Asbestos Management Designate)
 - Employees'
- Western Pacific Marine (Ferry Contractor for services on Upper Arrow Lake, Arrow Park, Needles, and Adams Lake)
 - President: Mr. Graham Clarke
 - Marine Manager Arrow Lake
 - Ship's Captain
 - Safety Committee (Asbestos Management Designate)
 - Employees
- Western Pacific Marine (Ferry Contractor for services on Kootenay Lake and Harrop)
 - President: Mr. Graham Clarke
 - Marine Manager Kootenay Lake
 - Ship's Captain
 - Safety Committee (Asbestos Management Designate)
 - Employees
- Asbestos Consultants
- WORK SAFE BC Occupational Hygiene Officers

The BC MoT Manager Corporate Safety and the Director of the Marine Branch share the overall responsibility for the coordination of this Asbestos Management Plan. The Ferry Contractor President along with their respective designates and the Asbestos Consultant and the chosen Asbestos Contractors have responsibilities as per relevant WORKSAFE BC Regulations (Part 4, 5 and 6), WORKSAFE BC publications and this Program.

2.2. Employee Education and Training

The BC MoT Manager Corporate Safety shall view the Asbestos Consultant chosen by the Marine Branch to facilitate the appropriate training to update employees to applicable changes and policies with respect to the Asbestos Management Plan and the current WORKSAFE BC Regulation. Information provided at these seminars is as follows:

- Introduction, properties and uses of asbestos
- Health effects of asbestos
- Legislation
- Personal Protective Equipment (PPE)
- Low, moderate and high-risk work activities
- Hands-on demonstration of types of asbestos

-
- Review their Vessel's "Asbestos Survey and Assessment" specifically the "Actions Required" and the recommended "Asbestos Maintenance/Monitoring Program" as prepared by Northwest Environmental Group Ltd.

2.3. WORKSAFE BC Notification of Planned Asbestos Abatement

2.3.1 Low- and Moderate-Risk Asbestos Work

The Ferry Contractor and the Asbestos Contractor are responsible to ensure that a "Notice of Project" (NOP) is filed for each project concerning any Asbestos removal or disturbance to the Workers' Compensation Board and that a copy is forwarded to the BC MoT Manager Corporate Safety. The NOP notice will define the extent and nature of this Asbestos Management Plan and ongoing work procedures employed at BC MoT vessels and facilities. Note, this may be completed yearly for all low-risk asbestos work, at the discretion of the BC MoT Manager Corporate Safety and the WORKSAFE BC Occupational Hygiene Officer.

2.3.2 High-Risk Asbestos Work

Each individual high-risk work procedure requires its own "Notice of Project". Any asbestos contractor hired by Marine Branch for specific high-risk projects must be pre-approved by the BC MoT Manager Corporate Safety. The Asbestos Contractor shall be responsible for filing for their own NOP, and ensure that a copy is posted at the work site and that a copy of the NOP is sent to the BC MoT Manager Corporate Safety and the applicable Asbestos Consultant.

BC MoT will be filing NOPs on-line. The BC MoT Manager Corporate Safety will maintain hard copies of the NOPs within project files and as Asbestos issues are managed or resolved, the related "Vessel Asbestos Inventory" will be adjusted accordingly.

2.4. Dioctyl Phthalate (D.O.P) or Polyalphaolefin (P.A.O) Testing

All HEPA filtered vacuums and negative air units will undergo DOP or PAO testing annually. This may be completed at a higher frequency depending on use. DOP/AO testing will be provided by a qualified Asbestos contractor or consultant.

2.5. Semi-annual ACM Survey

2.5.1 Frequency

The BC MoT Manager Corporate Safety or designate shall reassess the condition of Asbestos-Containing Materials (ACMs) noted in the inventories (See Appendix 1) semi-annually or as deemed appropriate but not less than annually.

2.5.2 Survey Methodology (Checklist)

The following procedures shall be followed when completing the semi-annual ACM survey:

1. The survey methodology is based on Environmental Protection Agency (EPA) guidelines and recommendations. The EPA assessment algorithms should be reviewed prior to proceeding. All information for the survey shall be entered in the vessels checklist.
2. The survey shall proceed on a functional area basis. All accessible spaces within the facility envelope should be evaluated, as per the original survey.

-
3. The asbestos containing material in each functional area is assessed for Condition. The Condition is rated as either Good (no water or physical damage or deterioration), Moderate (minor damage or deterioration) or Poor.
 4. Record a specific controls option or recommended actions, if applicable.

2.5.3 Control Recommendations

The BC MoT Manager Corporate Safety or designate shall determine control recommendations in accordance with the following protocol:

1. Compare the control options with the previous Annual Assessment (if applicable). If a significant change has occurred, then immediate action should be taken.
2. If no significant change in the above noted assessment criteria has occurred, then maintain the previous control recommendations.

2.6. Asbestos Abatement Plan

The BC MoT Manager Corporate Safety will be responsible for issuing an updated asbestos removal plan on a yearly basis for all areas of BC MoT facilities. The plan will be based on the survey of ACM within the facilities.

Design and air monitoring services are available from experienced Industrial Hygiene Consultants.

Due to the complexity of "high-risk" asbestos abatement, all specialized asbestos abatement work will be reviewed by the BC MoT Manager Corporate Safety. Moderate- and low-risk asbestos work procedures will continue to be completed by trained and experienced Ferry Contractor employees, or Asbestos Contractors as per the procedures in Appendix 2. If a low- or moderate-risk procedure is to be performed that is not included in this program, the project will require review by the BC MoT Manager Corporate Safety. In such abatement plans, the BC MoT Manager Corporate Safety with direction from the WORKSAFE BC publication, "Safe Work Practices for Handling Asbestos", will determine air sampling frequency and location unless otherwise noted in Specific Work Procedures (Appendix I).

SECTION 3. RISK ASSESSMENTS AND CLASSIFICATION

3.1. Risk Assessment

A risk assessment is to be completed prior to any minor or major asbestos work commencing by the Ferry Contractor or his designates (minor work) or with the asbestos consultant (major work). A copy of the assessment must be forwarded to the BC MoT Manager Corporate Safety. The following elements are included in risk assessment:

- All Facilities and Vessels:

Conduct a risk assessment of the potential for exposure to any of the asbestos-containing materials. The Ferry Contractor (for minor) and the Asbestos Consultant (for major) must also ensure that qualified persons perform a formal risk assessment to determine which workers may be exposed to asbestos and the extent of any exposure.

- Demolition:

Risk assessment is required in the demolition planning stage, as per the WORKSAFE BC Regulation 20.112 Hazardous Materials, in Part 20 Construction, Excavation and Demolition. There are several conditions under which a NOP is required in addition to asbestos work. Please see Section 20.2, Part 20 of WORKSAFE BC Regulations.

- Pre-Job Risk Assessment:

To be completed prior to any demolition, alteration or repair of machinery, equipment or structures where asbestos may be disturbed. Assessment and sampling of potential ACM shall precede any planned renovations that may impact these materials. The job will be classified as low-, moderate-, or high-risk activity as per the guidelines listed below. In such assessments, the Ferry Contractor and the Asbestos Consultant and/or Asbestos Contractor with direction from the WORKSAFE BC publication, "Safe Work Practices for Handling Asbestos, will determine air sampling frequency and location unless otherwise noted in Specific Work Procedures (Appendix 2).

- Pre-Abatement:

Risk assessment applies not only to the asbestos itself, but also to the methods used to remove or handle it. A Risk Assessment will also include other elements such as other hazardous materials (i.e. PCBs, mercury, and lead), chemicals, noise, vibration, heat and radiation.

- Pre- and/or During-Abatement:

If the risk assessment performed by a qualified person identifies increased risks in activities normally considered moderate-risk, employers must upgrade controls to effectively address these risks. This may include implementing high-risk controls. Also, should any previously unidentified hazard or hazardous material be discovered as the project commences, work shall stop immediately. The Ferry Contractor and/or the Asbestos Consultant shall immediately perform another risk assessment and submit the appropriate paper work to WORKSAFE BC and the BC MoT Manager Corporate Safety before the project can proceed, if applicable.

-
- Abatement / Working near ACM:

The need for and type of respirators are two of the elements that will have been determined during the risk assessment, which establishes whether the work involves low-risk, moderate-risk, or high-risk activity, and during the development of the Exposure Control Plan and the site work procedures. Further guidance for the use of respirators is available from the WORKSAFE BC Respiratory Protection Program document.

NOTE: Where asbestos abatement / working around ACM project includes T-bar / suspended ceilings, sample collection must be completed prior to any work to determine presence/non-presence of asbestos. The project will be planned accordingly.

For more information about the elements of Exposure Control Plans, see Section 5.54 of the WORKSAFE BC Regulation.

3.2. Classifications

3.2.1 Low-Risk Work Activity

Low-risk work activities include working near undisturbed friable asbestos-containing materials. Another example is moving asbestos-containing waste material that is contained within a cleaned, sealed bag and then double bagged. Please see Appendix 1 for the Disposal of Asbestos work procedure.

Workers involved in such activities should have some knowledge of the hazards of asbestos and the location of the materials.

Employers must clearly identify all locations of asbestos-containing materials and ensure that all workers have been instructed in any work procedure restrictions needed to prevent contact with asbestos-containing materials.

3.2.2 Moderate-Risk Work Activity

Moderate-risk work activities require specific procedures to ensure the safety of workers and others who may be affected by the activities.

Activities that carry a moderate risk of exposure to airborne asbestos fibres include:

- Using hand tools to cut, shape, drill, grind or remove non-friable manufactured products containing asbestos, e.g., asbestos cement pipe;
- Drilling (with wetting agents, or with local exhaust ventilation) through non-friable asbestos-containing materials;
- Backing mounting screws out of asbestos cement products and removing the boards or tiles intact;
- Buffing floor tiles with a coarse disc;
- Collecting asbestos samples for laboratory analysis;
- Analyzing samples of asbestos or asbestos-containing materials in a laboratory;
- Removing any part of a false ceiling to gain access to a work area (for example, during inspection) when friable asbestos-containing materials are, or are likely to be, lying on the surface of the false ceiling;
- Removing drywall materials where joint-filling materials containing asbestos have been used;
- Removing vinyl-asbestos floor coverings or other non-friable materials where the procedures do not create any friable waste;

-
- Removing an entire piece of equipment or pipe with the asbestos-containing material remaining effectively intact;
 - Demolishing a block wall (of cement, for instance) that has asbestos debris in its cavity. Note the amount of asbestos contamination found when the cavity is open may change the risk level to high;
 - Dismantling a treated enclosure at completion of an asbestos removal project;
 - Setting up and removing a glove bag apparatus for the removal of pipe insulation when the insulation is in good condition;
 - Using a prefabricated glove bag to remove asbestos insulation from piping systems.

Cleanup activities that carry a moderate risk of exposure to airborne asbestos fibres includes:

- Using a HEPA-filter vacuum to clean ceiling tiles or light fixtures with light to moderate contamination;
- Using a HEPA filter vacuum to clean an area before setting up an enclosure.

If there is any doubt whether the above work activities fall within the Moderate Risk activities, the Ferry Contractor or Asbestos Contractor shall consult the appropriate WORKSAFE BC regulations and then determine the adequate air sampling plan.

3.2.3 High-Risk Work Activity

High-risk work activities require specific procedures to ensure the safety of workers and others who may be affected by the activities.

Activities that carry a high risk of exposure to airborne asbestos include:

- Removing, encapsulating or enclosing friable asbestos-containing materials during the repair, alteration, maintenance, demolition or dismantling of a building, structure, machine or piece of equipment;
- Cleaning, maintaining or removing air-handling equipment in buildings/vessels where sprayed fireproofing materials containing asbestos have been applied to the airways or ventilation ducts or have been used as spray-on insulation;
- Repairing, altering or dismantling any part of a boiler, furnace, kiln or similar device in which insulating materials containing asbestos have been used or applied;
- Demolishing, dismantling, altering or repairing any part of a building or structure in which insulating materials containing asbestos were used or in which asbestos-containing material products were manufactured;
- Removing non-friable materials in circumstances where the materials will be damaged, resulting in friable asbestos waste or a significant release of fibres.

Anyone involved in any high-risk work activity must follow written work procedures similar to those described in WORKSAFE BC Publication, 'Safe Work Practices for Handling Asbestos'. As per above, risk assessment is required for all tasks not included in this Program and will be completed by the Ferry Contractors' designate or the Asbestos Consultant. The risk assessment includes consideration of air sampling frequency and locations.

SECTION 4. GENERAL WORK PROCEDURES

In the absence of a work procedure in Appendix 2 of this program, the following general procedures are required for moderate-risk work:

Anyone involved in any moderate-risk work activity must follow written work procedures similar to those described here. These procedures provide an outline only, and are not specific to any one job. The procedures must be adapted to provide specific work instructions for each individual job.

To ensure that anyone in or near the work area is not exposed to airborne asbestos fibres, the following must be done:

1. Clearly mark the designated work area boundary by placing barricades, fences, or similar structures around the work area.
2. Place signs around the work area warning people not to enter the work area unless authorized to do so.
3. Wear appropriate protective clothing:
 - Clothing material must resist penetration by asbestos fibres. Clothing must be impervious to penetration by asbestos fibres if workers are permitted to wear street clothing underneath.
 - Clothing must cover the body and fit snugly at the neck, wrists, and ankles.
 - Clothing must include head covering and laceless rubber boots that are acceptable for the specific worksite conditions.
 - Immediately repair or replace torn protective clothing.
4. Wear a respirator fitted with a “100” (HEPA) filter. For more information about respirators, refer to BC MoT Respiratory Protection Policy.
5. Do not use compressed air to clean up or remove dust or materials from work surfaces or clothing.
6. Use polyethylene (poly) drop sheets and seal windows, doorways, and other openings to prevent the spread of asbestos dust to other work areas.
7. Before starting any work that is likely to disturb friable asbestos-containing materials on the surfaces of anything in the work area, clean up the friable materials by damp-wiping or using a vacuum cleaner equipped with a HEPA-filtered exhaust.
8. During the work, clean up dust and waste (wetted if possible) using a vacuum cleaner equipped with a HEPA-filtered exhaust, or by wet-wiping or mopping.
9. Immediately upon finishing the work, complete the following tasks:
 - Glue out the drop sheets and barriers using a suitable gluing agent such as Towerthon
 - Fold them to contain any remaining dust.
 - Bag or place them in a sealable container.
 - Dispose of them as asbestos waste.
10. Before leaving the work area, complete the following tasks:
 - Clean protective equipment and clothing by damp wiping or using a vacuum cleaner equipped with an HEPA-filtered exhaust before taking them outside the contaminated work area.

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- Leave any protective clothing worn in the work area in the designated storage area or facility for cleaning, or place disposable protective clothing in a sealable container and dispose of it as asbestos waste.
 - Launder non-disposable clothing, if applicable, as described in WORKSAFE BC publication 'Safe Work Practices for Handling Asbestos'.
11. Place asbestos waste in a sealable container and label the container to identify its contents, hazard(s), and the necessary precautions for handling the waste materials. To prevent any interference with the work activity, do not allow containers of asbestos waste to accumulate in the work area. Remove containers from the work area at the end of each work shift, if not more often, and ensure that the containers remain under effective control if they are stored at the worksite before being disposed of.
 12. Before removing asbestos waste containers from the work area, clean their external surfaces by wiping with a damp cloth or using a vacuum cleaner equipped with a HEPA filtered exhaust. Double bagging is a good practice.
 13. After completing the work, provide the owner or employer occupying the area with documentation stating that it is safe for unprotected workers to re-enter the work area.

SECTION 5. RECORD KEEPING

Both the Ferry Contractor and the BC MoT Manager Corporate Safety are required to keep records indefinitely of the actions taken to prevent exposure to asbestos fibres (includes low-, moderate and high-risk activities and procedures). All records associated with asbestos must be copied to the BC MoT Manager Corporate Safety to ensure all records of facility and vessel inventories are kept both intact and up to date. Additionally, these records must be provided to the Marine Branch Manager so the associated Vessel History Files are updated.

- Keep and copy all records of asbestos inventories, risk assessments, inspections, and air-monitoring results.
- Keep and copy all records of corrective actions, Notices of Project (NOPs), and training and instruction of workers.

SECTION 6. EMERGENCY WORK PROCEDURES

The purpose of this section is to provide a course of action for all Ferry Contractor staff and their trained Asbestos designates who may encounter an asbestos release incident. If they are required, Outside Fire and Rescue support personnel at the ferry sites will also have their own response plans that need to be considered.

For all release incidents, whether minor or major as defined in the following sections, do the following:

- Isolate the area (i.e. put up barrier tape, warning signs and information tags around the immediate area of the release). If possible, isolate a room around the area by closing and marking doorways.
- Cordon off area appropriately, allowing adequate step back distance from the exclusion zone.
- Notify the appropriate personnel. First notify your Captain who in turn will notify the Ferry Contractor. The Ferry Contractor will in turn notify BC MoT Manager Corporate Safety.
- Wait for further direction from the Ferry Contractor or their Asbestos Consultant or Contractor.

6.1. Minor Release Episode

A minor fibre release episode is one that conforms to the moderate-risk classification as outlined in Section 3, Risk Assessment and Classification. Disturbance or damage to a small amount of friable asbestos material would be classified as a minor fibre release episode.

The work procedure would include the following:

1. Thoroughly saturate the ACM debris with water;
2. Clean the area using HEPA vacuums and wet rags or mops;
3. Place the asbestos debris in sealed, impermeable containers and dispose of as provided in the Waste Disposal section of this document;
4. Repair the area of damaged ACM with non-asbestos materials such as spackling compound, insulation tape or fabric, and seal with a penetrating or bridging encapsulate in a timely manner. See Specific Work Procedures, Appendix 2;
5. Notify the Ship's Captain who in turn shall notify the Ferry Contractor, who in turn shall notify the BC MoT Manager Corporate Safety and the Marine Branch Director/Managers in a timely manner;
6. The Ferry Contractor and the Asbestos Consultant shall make a record of the incident and submit NOP(s) to WORKSAFE BC, and copied to the BC MoT Manager Corporate Safety, who will in turn record the incident together with the other permanent records pertaining to asbestos-containing materials.

6.2. Major Release Episode

A major fibre release episode is one that conforms to the high-risk classification as outlined in Section 3, Risk Assessment and Classification. Disturbance or damage to a large amount of friable asbestos material would be classified as a major fibre release episode.

Work practices for a major release episode would include:

1. Shut off or temporarily modify air handling systems to prevent the distribution of fibres to other areas of the building/vessel;
2. Isolate and evacuate the affected area of damage;
3. Properly post appropriate warning signs to prevent entry by unauthorised personnel; and
4. Notify the Ship's Captain and Ferry Contractor in a timely manner, who in turn shall promptly notify both the BC MoT Manager Corporate Safety, the Asbestos Consultant and the Marine Branch Director/Managers.
5. The Ferry Contractor and/or their Asbestos Consultant shall make a record of the incident and submit an NOP(s) to WORKSAFE BC and immediately copy the BC MoT Manager Corporate Safety. The NOP copy will be kept with other permanent records pertaining to ACM.

The Ferry Contractor or their designate shall:

1. Assess the affected area and perform air monitoring in the affected and surrounding areas to determine the levels of airborne fibres.
2. Arrange for clean up of all loose debris, wet clean all surfaces, HEPA vacuum any residual ACM and dispose of ACM in sealed impermeable containers in a manner consistent with current regulation.

SECTION 7. MEDICAL EMERGENCY PROCEDURES

If a medical emergency occurs in an asbestos work area as a result of an incident or collapse, standard protective measures may be temporarily ignored if they would otherwise cause an immediate threat to the worker's life or recovery. For example, a worker's respirator may be immediately removed so that mouth-to-mouth resuscitation can be performed, or a worker's contaminated clothing may be left on if a spinal injury is suspected.

If protective equipment and clothing can be left in place without interfering with the emergency care of the injured worker in a contaminated area, they should not be removed until the worker has been brought to an uncontaminated area. On-site decontamination procedures should be carried out only if they do not interfere with medical emergency procedures.

When first aid, ambulance, or other emergency personnel have to enter a contaminated area, they must be warned of the hazard and be provided with, and told how to use, respirators, coveralls, and head protection before entering the area. (In view of the hazard, some emergency responders may refuse to enter the contaminated area.)

Employers must ensure that emergency procedures and preparations provide emergency personnel with clear instructions, provisions, and the means to adequately decontaminate or clean up themselves and the injured worker before leaving the work site. For example, first aid or ambulance personnel accompanying an injured worker can remove contaminated equipment and clothing in the equipment holding room to minimize the risk of contaminating other areas outside the containment area.

Injured workers who have not been decontaminated must be covered in such a way as to minimize contamination of clean areas. The cover should not hinder access to the worker by first aid or ambulance personnel. Someone familiar with the handling and disposal of asbestos-contaminated clothing should accompany the injured worker to the hospital. If the worker is still contaminated with asbestos upon arrival at the hospital, the employer must inform hospital staff of this and instruct them on the appropriate disposal of contaminated clothing. Please refer to Section 9 Waste Disposal of this program. If appropriate consult with BC MoT Manager Corporate Safety.

The Ferry Contractor must ensure adequate records of any asbestos related medical emergency procedure are completely documented and copied to the employee's personnel file, WORKSAFE BC, and to the BC MoT Manager Corporate Safety.

SECTION 8. PERSONAL PROTECTION EQUIPMENT (PPE)

As per job please view moderate-work procedures above, WORKSAFE BC document 'Safe Work Practices for Handling Asbestos', Specific Work Procedure (Appendix 2) and/or Work Procedure designed for the specific job for PPE instruction.

For reference in this program, the following table refers to Respirator Selection as it relates to potential asbestos exposure levels:

Table 1 - Respirator Selection

Respirator	Protection Factor	Maximum Use Concentration
Half-mask	10	1 f/ml
Full-facepiece	50	5 f/ml
Powered Air Purifying Respirator	100	10 f/ml
Pressure Demand Full-facepiece	1,000	100 f/ml
Continuous Flow Full-facepiece	100	10 f/ml
SCBA Pressure Demand	10,000	1,000 f/ml

SECTION 9. WASTE DISPOSAL

All asbestos waste and associated contaminated items (i.e. sponges, rags, clothing, etc.) shall be disposed of in sealed, impermeable 6 mil polyethylene bags. These bags are yellow in colour and pre-printed with "CAUTION-Contains Asbestos Fibres, Avoid Creating Dust, and Breathing Asbestos Dust May Cause Serious Bodily Harm".

An asbestos storage area will be established at each facility. Asbestos waste will be secured into this area overnight during projects that take consecutive work days to complete. The storage area will be locked and the key shall be controlled by either the Ferry Contractor or their Asbestos designate employee, or the Asbestos Contractor.

Upon completion of the project, the Ferry Contractor or their Asbestos Contractor will make arrangements for the waste asbestos to be collected by a licensed waste hauler. The landfill will conform to all provincial and municipal requirements for the disposal of asbestos waste. The waste hauler will transport the asbestos waste to a municipal landfill following all applicable Transportation of Dangerous Goods requirements. A waste manifest must be completed by the Ferry Contractor and the waste hauler for each load of waste. Copies of the waste manifest must be submitted to the BC Environment Hazardous Waste Unit as per instructions on the back of each manifest form and also copied to the BC MoT Manager Corporate Safety for recording and asbestos related inventory adjustments.

SECTION 10. CONTRACTORS

Where multiple contractors will be utilized for asbestos work, please refer to page 24 of the WORKSAFE BC publication, 'Safe Work Practices for Handling Asbestos'. Contractors are required to follow WORKSAFE BC Regulations.

Prior to work, BC MoT is required to provide the asbestos inventory to contractors working in areas that contain asbestos. This will be communicated to the contractor via the BC MoT Manager Corporate Safety, or the Marine Manager responsible for the ferry contract.

Contractors are required to provide the BC MoT Manager Corporate Safety with copies of all NOP(s) prior to the start of asbestos work. In addition, air-monitoring results will be provided to BC MoT in a timely fashion. Both are provided to the BC MoT Manager Corporate Safety via the contractor and/or person responsible for contract work while on site. The BC MoT Manager Corporate Safety will store them.

SECTION 11. REFERENCES

1. Guide for Controlling Asbestos-Containing Materials in Buildings, U.S. Environmental Protection Agency, Washington, D.C.: Office of Toxic Substances, 1985.
2. Managing Asbestos in Place - A Building Owner's Guide to Operations and Maintenance Programs for Asbestos-Containing Materials, U.S. Environmental Protection Agency, Washington DC. Office of Pesticides and Toxic Substances, 1990.
3. Safe Work Practices for Handling Asbestos, Worker's Compensation Board of British Columbia, 1996.
4. Report of the Royal Commission on Matters of Health and Safety Arising from the use of Asbestos in Ontario, J. Stefan Dupre, 1984.
5. Occupational Health & Safety Regulation, Part 5 (Chemical and Biological Substances) and Part 6.1 – 6.32 Asbestos, Worker's Compensation Board of British Columbia.

APPENDIX 1

Ministry of Transportation and Infrastructure Marine Branch Summary Table "Asbestos Survey and Assessment"

The following Vessels and Facilities were inspected for Asbestos content by North West Environmental Group Ltd. in 2008. The related Asbestos concerns have been categorized into either "Actions Required" or included within an "Operations and Management Program".

The summary of the reports are below. For greater detail it is necessary to review the individual report for each vessel or facility:

Vessel/ Facilities	Asbestos Samples Analyzed	Positive Asbestos Results (at time of 2008 survey)	Operations & Management Program Checklist required
Vessel:			
D.E.V. Galena	33	9	Yes
M.V. Shelter Bay	28	14	Yes
Arrow Park (Cable Ferry)	8	2	Yes
B.P. 451 (Tug)	1	-	No
Harrop (Cable Ferry)	14	-	Yes
M.V. Balfour	20	5	Yes
M.V. Omineca Princess	34	15	Yes
Keefe Tug	3	-	No
Facilities:			
Arrow Park Shed	-	-	No
Harrop Shed	1	-	No
Balfour Guard Shack	-	-	No
Balfour Fuel Shed	-	-	No
*Balfour Washroom Facility	-	-	No
Francois Lake (Dome)	-	-	No
Manifold Shed Compressor Shed (North side)	-	-	No
Washrooms (Southside)	-	-	No
Office Trailer	-	-	No
Washrooms (North side)	-	-	No
TOTAL:	142	45	

APPENDIX 2

SPECIFIC WORK PROCEDURES

Appendix 2 includes the following specific work procedures:

- Bulk Sample Collection of Material Suspected of Containing Asbestos
- Cleaning of Asbestos Vacuum
- Disposal of Asbestos
- Encapsulation of Mechanical Insulation
- Deck Repair
- Deck Removal
- Use of Glove box Apparatus For Asbestos Deck Removal
- Gasket Removal
- Deckhead Tile Repair and/or Removal
- Thermal Insulating Tape Removal
- Glove bag Asbestos Removal
- Grout and/or Fire stop Material Removal
- Medical Emergency in an Asbestos Work Area
- Bulkhead/Deckhead Removal
- Removing or Cutting Holes in Cement Asbestos Board Material
- Advancing Holes in Asbestos Material (Including Installation of Bulkhead Hangings Using Nails and Screws)
- Advancing Holes in Asbestos Material (Including Cutting Access Holes and Holes for Running Cables)

ACM Spray-on insulation, tank/pipe insulation, cement floor/walls, cable wraps, mastic/caulking removal will be assessed, as per Risk Assessment section by the Project Officer – Industrial Hygiene along with contractor, architect, employees, supervisor, etc., as per job. These particular removal tasks will be completed on a non-regular basis and/or require specific attention to the job. The level of risk will be determined at the time of risk assessment.

Note: removal of friable spray-on insulation and friable tank/pipe insulation are high-risk work procedures.

These procedures are for asbestos containing material only.

NOTE: Where asbestos abatement / working around ACM project includes T-bar / suspended ceilings, sample collection must be completed prior to any work to determine presence/non-presence of asbestos. The project will be planned accordingly.

APPENDIX 2A

BULK SAMPLE COLLECTION OF MATERIAL SUSPECTED OF CONTAINING ASBESTOS

(To Be Collected by Project Officer – Industrial Hygiene)

This procedure is for asbestos containing material. Bulk samples of materials suspected of containing asbestos are collected in order to analyse for content by a qualified laboratory. The qualified person collecting the sample will do the following:

1. Use appropriate moderate – risk activity precautions and work area preparations.
2. Sample materials when the immediate area is not in use and all unprotected workers have been moved to a safe location.
3. Spray the material with a light mist of amended water to prevent fibre release during sampling. Do not disturb the material any more than necessary.
4. If pieces of material break off during sampling, the contaminated area must be cleaned up with a vacuum cleaner equipped with a HEPA filter or by wet cleaning. Where necessary, use plastic drop-sheets.
5. Take a representative sample from within the materials suspected of containing asbestos by penetrating the entire depth of the materials (since the materials may have been applied in more than one layer or covered with paint or another protective coating).
6. Take one sample for each floor or area of materials having the same colour or texture to ensure the materials of a different appearance are sampled separately.
7. Place samples in sealable, impervious containers and label them with “Asbestos Sample”, or “Suspected ACM”. Also include the date, location, room number, material description.
8. Place any small amounts of the waste materials in poly bags or in impervious containers, label and seal the bags or containers, and dispose of as asbestos waste (See Section 9 Waste Disposal).
9. In addition, any worker near the sampling area must use a respirator depending on the condition of the materials; sampling can generate significant amounts of airborne fibres.

APPENDIX 2B

CLEANING OF ASBESTOS VACUUM

This procedure is for asbestos containing material only. This procedure is intended for the removal and replacement of vacuum cleaner bags from an asbestos vacuum. This procedure is to be carried out in an unoccupied area, preferably outside the building. Please ensure that potential pathways i.e. open windows, pedestrian traffic areas, are controlled so as to not contaminate other areas.

If the vacuum is not at full capacity during use, vacuum bag may be full. Please obtain replacement vacuum bags for the vacuum model.

1.0 EQUIPMENT

- 1.1 Half –face respirator equipped with HEPA filter.

2.0 SUPPLIES

- 2.1 Disposable coveralls with hood and elastic cuffs approved for asbestos use.
- 2.2 Disposable foot covering or laceless rubber boots.
- 2.3 Disposable plastic drop sheets.
- 2.4 Asbestos waste bags or containers.
- 2.5 Sponges, buckets and other cleaning supplies.
- 2.6 Barrier tape and signs.

3.0 PROCEDURES

- 3.1 Acquire any documentation or parts necessary for vacuum cleaner.
- 3.2 Erect barrier tape and signage, and place equipment and washdown bucket with amended water and sponge inside the work area.
- 3.3 Don respirators and disposable clothing prior to the start of the work.
- 3.4 Place disposable drop sheets under the vacuum.
- 3.5 Open vacuum and place vacuum parts/components on drop sheet.
- 3.6 Remove bag from vacuum and place in waste bag (mist continually with amended water).
- 3.7 Damp wipe all parts and place all cleaning materials into the disposal bags.
- 3.8 When all parts are clean, install new bag.
- 3.9 Wash all equipment used and remove from the work area.
- 3.10 Damp wipe drop sheets and place into waste bag, then remove any visible signs dust on coveralls then place in waste asbestos labelled bags (seal all bags and double bag).
- 3.11 Ensure all exposed skin is washed using bucket, amended water and sponge.
- 3.12 Wash respirator and seal up filter cartridges with duct tape or dispose of filters as waste.
- 3.13 Store respirator in plastic bag.
- 3.14 Remove all signs and barrier tape from the work area.

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- 3.15 If asbestos waste is generated daily, ensure that there is a secured area for storage. Refer to Waste Disposal (Section 9) for further information.

APPENDIX 2C

DISPOSAL OF ASBESTOS

This procedure is for asbestos containing material only.

1. Non-asbestos waste must be segregated for removal to a non-asbestos location.
2. All asbestos waste must be contained in well-marked and sealed 6 millimetre plastic bags while inside the enclosed asbestos work area. Seal the bag securely with duct tape.
3. Decontaminate the outside of these bags by cleaning with a vacuum equipped HEPA exhaust or wet wiping.
4. Ensure the bags will not be punctured during handling and transportation by double-bagging them.
5. By the end of each work day, and preferably by the end of each work shift, place all asbestos waste materials in sealed bags.
6. Transite, ACM drywall and solid pieces of asbestos containing material must be wrapped in plastic, HEPA vacuumed or wet-wiped and clearly labelled.
7. Any material wrapped or in bags which have been damaged must be rebagged or re-wrapped using Moderate-risk work procedures including use of proper personal protective equipment, material should be wetted down and then rebagged and on completion the whole area should be wet wiped down.
8. If the asbestos waste bag should split open during handling or transportation and cause a release of asbestos material, then refer to Section 6, Emergency Procedures.
9. Be sure that the asbestos waste generated on your site is stored in the established location. Check with your Supervisor for specific instructions.
10. Please refer to WORKSAFE BC publication, 'Safe Work Practices for Handling Asbestos' to determine respiratory protection instructions or defer to site practices.
11. To make arrangements for an authorized waste disposal company to pick up the waste, contact the Project Officer - Industrial Hygiene.

APPENDIX 2D

ENCAPSULATION OF MECHANICAL INSULATION

This procedure is for asbestos containing material only.

1.0 PREPARATION

- 1.1 A barrier and/or banner tape and warning signs shall be placed at all access points to the work area restricting entry to authorised personnel only.
- 1.2 All heating, cooling and air-conditioning system (HVAC) components that supply or pass through the work area will be shut down and isolated. All intake and exhaust vents in the work area will be sealed with tape and polyethylene.
- 1.3 All fixed objects within the work area shall be precleaned with a HEPA vacuum and or wet wiping, covered with polyethylene (minimum 6 mil.) and sealed with duct tape if necessary.
- 1.4 Use drop sheets if practical or some other means of isolating the work area to prevent the spread of asbestos dust to other work areas.
- 1.5 Ensure that there are adequate wash up facilities at the work site.

2.0 WORKER PROTECTION

- 2.1 Workers shall wear respiratory equipment that is appropriate to the hazard (i.e. half face or higher with HEPA cartridges). Determine all additional hazards when choosing the appropriate respirator and cartridges.
- 2.2 Workers shall wear full body, impermeable, disposable type coveralls. Laceless rubber boots are recommended or seal laces of work boots with duct tape.
- 2.3 Workers shall wear other body protection and safety equipment as required.

3.0 WORK PROCEDURES

- 3.1 Before beginning work remove visible dust and debris from surfaces in the work area. Use HEPA vacuum, or damp wiping. Do not use compressed air.
- 3.2 If applicable, carefully remove any disturbed asbestos, keeping it wet by gently misting with amended water.
- 3.3 Remove any remaining dust by vacuuming with HEPA filtered vacuums and or wet wiping.
- 3.4 Seal the work surface with encapsulant as per the method (spraying, painting with a brush and/or roller). Determine the method of application of encapsulant that best suits your need prior to job start.
- 3.5 An air clearance sample must be collected and reviewed by the Project Officer Industrial Hygienist or alternate qualified person before any enclosure is taken down. In addition occupational and/or area air samples may be taken at the discretion of the Project Officer Industrial Hygienist.

4.0 CLEAN UP & DISPOSAL

- 4.1 Asbestos waste shall not be allowed to accumulate or to dry out before final bagging.
- 4.2 Waste shall be placed in labelled plastic bags, sealed then double bagged ready for disposal.

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- 4.3 Asbestos waste shall be placed at predetermined locations for the facility and be protected from mechanical damage.

5.0 DECONTAMINATION PROCEDURES

- 5.1 Coveralls, boots and other protective equipment shall be cleaned with a HEPA vacuum or by damp wiping.
- 5.2 Boots and protective equipment shall be washed using amended water.
- 5.3 All exposed skin surfaces shall be washed prior to removal of the respirator.
- 5.4 Use tape to completely seal inlet of the respirator's HEPA filters, or dispose of the filters as asbestos waste.
- 5.5 Coveralls shall be disposed of as asbestos waste.

APPENDIX 2E

DECK REPAIR

This procedure is for asbestos containing material only including Vinyl Asbestos Tiles (VAT) and Vinyl Sheet Flooring (VSF).

Asbestos can be found in the vinyl layer and/or in the backing layer and/or in the glue layer. Please refer to the Asbestos Inventory for your facility for clarification.

1.0 PREPARATION

- 1.1 Vacate the room for the work period and use the room as a work zone (i.e. close the door and erect a decontamination area at the entrance). Place a warning sign on the door to the room during the work period.
- 1.2 If the work is to be performed in a public area, cordon off a work area by means of a barrier and/or banner tape and warning signs. This zone should be approximately 3m from the work face.
- 1.3 Cover all potential pathways (i.e. windows, doors, vertical chases, crawlspace, etc.) within the work zone with poly and duct tape prior to the work.
- 1.4 Assemble all cleaning equipment including bucket, water, sponge, PPE and any other items in the work zone.

2.0 WORKER PROTECTION

- 2.1 Before work commences ensure all personnel have been instructed in the hazards of asbestos, respirator use, protective clothing, entry and exit procedures from the work area and work procedures and protective measures.
- 2.2 Workers shall wear respiratory equipment that is appropriate to the hazard (i.e. half face with HEPA cartridges). Determine all additional hazards when choosing the appropriate respirator and cartridges.
- 2.3 Workers shall wear full body, impermeable, disposable type coveralls. Laceless rubber boots are recommended or seal laces of work boots with duct tape.
- 2.4 Workers shall wear other body protection and safety equipment as required.

3.0 WORK PROCEDURES

There are 3 options for floor repair that may be utilized depending on the degree of floor damage/deterioration as noted below. These repair measures are designed only as a temporary step before abatement work has begun.

- 3.1 Use work practices or any other controls necessary, such as wet methods, protective clothing, HEPA vacuums, drop sheets, and enclosures to prevent the release of asbestos fibre. Follow work procedures for Moderate risk asbestos removal.
- 3.2 Prepare and pour epoxy material into the damaged floor area using the manufacturers' preparation instructions. Epoxy repair is applicable for floor damage including small nicks, small cracks and areas where flooring has not severely delaminated.
- 3.3 As an alternative to epoxy fix, clean the floor surface adjacent to damaged areas. Apply high-quality duct tape over the damaged area. Overlap sections of duct tape to well cover the damaged section of flooring. A duct tape repair is applicable for larger areas of floor damage including seams, large cracks. A duct

tape repair is not adequate for where flooring has severely delaminated. Ensure a tripping hazard has not been introduced.

- 3.4 For areas of severe floor delamination, use 3.3 for the application of duct tape. In addition, cut rubber floor matting material to cover the damaged floor section. Adhere the edges of the matting with duct tape. This is recommended for high traffic areas. Ensure a tripping hazard has not been introduced.
- 3.5 HEPA vacuum all repaired surfaces.
- 3.6 An air clearance sample must be collected and reviewed by the Project Officer Industrial Hygienist or alternate qualified person before any enclosure is taken down. In addition occupational and/or area air samples may be taken at the discretion of the Project Officer Industrial Hygienist.

4.0 CLEAN UP & DISPOSAL

- 4.1 Clean all tools and equipment by wet wiping before passing them out into the decontamination area.
- 4.2 Asbestos waste shall not be allowed to accumulate or to dry out before final bagging.
- 4.3 Waste shall be placed in labelled plastic bags, sealed, wet wiped or vacuumed then double bagged ready for disposal.
- 4.4 Asbestos waste shall be placed at predetermined locations for the facility and be protected from mechanical damage.

5.0 DECONTAMINATION PROCEDURES

- 5.1 Coveralls, boots and other protective equipment shall be cleaned with a HEPA vacuum or by damp wiping.
- 5.2 Boots and protective equipment shall be washed using soap and water.
- 5.3 All exposed skin surfaces shall be washed prior to removal of the respirator.
- 5.4 Use tape to completely seal inlet of the respirator's HEPA filters, or dispose of the filters as asbestos waste.
- 5.5 Coveralls shall be disposed of as asbestos waste.

APPENDIX 2F

DECK COATING REMOVAL

This procedure is for asbestos containing material only including Vinyl Asbestos Tiles (VAT) and Vinyl Sheet Flooring (VSF) (Note: Vinyl Sheet Flooring may be high risk depending on the amount of material to be removed).

Asbestos can be found in the vinyl layer and/or in the backing layer and/or in the glue layer. Please refer to the Asbestos Inventory for your facility for clarification.

1.0 PREPARATION

- 1.1 If the work is to be performed in a room, vacate the room for the work period and use the room as a work zone (i.e. close the door). Place a warning sign on the door to the room during the work period.
- 1.2 If the work is to be performed in a public area, cordon off a work area by means of a barrier and/or banner tape and warning signs. This zone should be approximately 1m from the work face.
- 1.3 A barrier and/or banner tape and warning signs shall be placed at all access points to the work area restricting entry to authorised personnel only.
- 1.4 All heating, cooling and air-conditioning system (HVAC) components that supply or pass through the work area will be shut down and isolated. All intake and exhaust vents in the work area will be sealed with tape and polyethylene.
- 1.5 All fixed objects within the work area shall be pre-cleaned with a HEPA vacuum and or wet wiping, covered with polyethylene (minimum 6 mil.) and sealed with duct tape if necessary.
- 1.6 Cover all potential pathways (i.e. windows, doors, vertical chases, crawlspace, etc.) within the work zone with poly and duct tape prior to the work.
- 1.7 Establish an enclosure equipped with a decontamination room to prevent the spread of asbestos dust to other work areas. Establish negative pressure within the work zone relative to outside the work zone.
- 1.8 The decontamination room should be constructed of poly reinforced with structural supports or prefab panel construction. An air lock will be placed at the entrance to the decon area (double poly, overlapped door with weighted corners) and at the entrance from the decon area into the work zone. This will be the only entrance/exit into the work zone.
- 1.9 Assemble all cleaning equipment including bucket, water, sponge, PPE and any other items in the decontamination room.

2.0 WORKER PROTECTION

- 2.1 Before work commences ensure all personnel have been instructed in the hazards of asbestos, respirator use, protective clothing, entry and exit procedures from the work area and work procedures and protective measures.
- 2.2 Workers shall wear respiratory equipment that is appropriate to the hazard (i.e. half face with HEPA cartridges). Determine all additional hazards when choosing the appropriate respirator and cartridges.
- 2.3 Workers shall wear full body, impermeable, disposable type coveralls. Laceless rubber boots are recommended or seal laces of work boots with duct tape.

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- 2.4 Workers shall wear other body protection and safety equipment as required.

3.0 WORK PROCEDURES

- 3.1 Use work practices or any other controls necessary, such as wet methods, protective clothing, HEPA vacuums, drop sheets, and enclosures to prevent the release of asbestos fibre. Follow work procedures for Moderate risk asbestos removal.
- 3.2 Heat or cool floor tiles to aid removal. Remove tiles in manufactured sections where possible using hand tools only.
- 3.3 Remove Vinyl Sheet Flooring in sections that are easily bagged. Do not overload waste bags.
- 3.4 No power tools are to be used for floor removal.
- 3.5 Remove the mastic floor tile adhesive with an acceptable solvent.
- 3.6 HEPA vacuum all surfaces from which ACM has been removed.
- 3.7 An air clearance sample must be collected and reviewed by the Project Officer Industrial Hygienist or alternate qualified person before any enclosure is taken down. In addition occupational and/or area air samples may be taken at the discretion of the Project Officer Industrial Hygienist.

4.0 CLEAN UP & DISPOSAL

- 4.1 Clean all tools and equipment by wet wiping before passing them out into the decontamination area.
- 4.2 Asbestos waste shall not be allowed to accumulate or to dry out before final bagging.
- 4.3 Waste shall be placed in labelled plastic bags, sealed, wet wiped or vacuumed then double bagged ready for disposal.
- 4.4 Asbestos waste shall be placed at predetermined locations for the facility and be protected from mechanical damage.

5.0 DECONTAMINATION PROCEDURES

- 5.1 Coveralls, boots and other protective equipment shall be cleaned with a HEPA vacuum or by damp wiping.
- 5.2 Boots and protective equipment shall be washed using soap and water.
- 5.3 All exposed skin surfaces shall be washed prior to removal of the respirator.
- 5.4 Use tape to completely seal inlet of the respirator's HEPA filters, or dispose of the filters as asbestos waste.
- 5.5 Coveralls shall be disposed of as asbestos waste.

APPENDIX 2G

USE OF GLOVEBOX APPARATUS FOR ASBESTOS FLOOR REMOVAL

Floor areas in various facilities require removal of failing sections of flooring materials. Repair of these areas requires removal of sections of Vinyl Sheet Flooring (VSF) and Vinyl Asbestos Tile (VAT).

Various flooring materials contain different amounts of asbestos. The asbestos content in Vinyl Sheet Flooring ranges from 5-75%. The asbestos content in floor tile ranges from 5-25%. The asbestos content in Levelling Compounds found beneath flooring materials ranges from 1-5%.

The floor removal work involves the use of a fabricated box equipped with intrinsic arms. The box is placed over the section of flooring to be removed and is used similar to a glovebag to conduct removal.

Risk Classification:

The use of the glove box is classified as a **Moderate Risk Activity** (meaning that there is a moderate risk of being exposed to airborne asbestos fibres) requiring written work procedures that reflect that risk. The WORKSAFE BC work procedures entitled "Safe Work Practices for Handling Asbestos" have been used for guidance.

1.1 Equipment and Materials:

The following equipment and materials are required:

- High Efficiency Particulate Aerosol (HEPA)-equipped filtered vacuum cleaner;
- Tyvek coveralls or equivalent (non-breathable);
- 1 garden spray bottle filled with water;
- 1 garden spray bottle filled with encapsulant (preferably Towerthon);
- (6 mil) Polyethylene (asbestos disposal) bags;
- Duct tape;
- Half-face Air Purifying Respirator (APR) fitted with HEPA P100 cartridges.
- Chisel, hammer, carpet knife, scraper;

1.2 Initial Work Site Preparation:

1. Inform staff of the intended work activity.
2. Place tools into glove box.
3. Place glove box over floor area that requires removal. Tape the glove box firmly to the floor.
4. Assemble all of the equipment and materials, listed above, at the proposed work site.
5. Set up the HEPA vacuum so that the hose enters the glove box through the appropriate access port.
6. Attach waste bag onto glove box at appropriate access port.
7. Have garden spray bottles of water and sealant within reach.

1.3 Worker Preparation:

1. Put on respirator and perform a positive and/or negative fit test to ensure a proper seal is obtained.

Note: The WORKSAFE BC of BC OH&S Regulation section 8.39 (2) requires the wearer of a respirator to be clean-shaven where the respirator seals with the face.

Only those workers who have received instruction in the use, care and storage of the respirator they are to wear, and who have undergone and passed a qualitative fit test protocol are permitted to perform maintenance work where respirators are required to be worn. A fit test form documenting this must be completed and available on site.

2. Put on Tyvek suit.

1.4 Removal of Flooring:

1. Turn on the vacuum.
2. Place your arms into the intrinsic gloves of the glove box.
3. Use a knife to score flooring. Use scraper or knife to removal vinyl flooring.
4. Place larger pieces of flooring material into the waste bag attached to the glove box. Use vacuum to remove finer pieces of flooring material.
5. Insert garden spray bottle nozzle in through make up air flap and wet floor area with water.
6. Use wet-cutting methods for removing flooring materials.
7. When removal of all flooring materials is complete, use a cloth to wipe up all surface areas within the glove box.
8. Place all waste into the attached waste bag. Remove air from the waste bag into the glove box by squeezing gently. Twist the bag and seal with duct tape.
9. Thoroughly glue out the entire inner surface of the glove box by inserting spray wand through the make up air flap and finally through the waste access port by inserting the nozzle through what remains of the waste bag, such that all areas within the glove box receive a coating of glue.
10. Wipe down all tools within the glove box. Pass the tools out through the make up air flap.
11. Remove Tyvek suit and respirator.
12. Wait a minimum of 4 hours for the glue to dry before removing the box.

1.5 Final Work Site Preparation:

1. Disassemble the glove box.
2. Seal any edges of flooring with glue and/or silicone.
3. Remove all equipment.
4. Use other flooring materials and/or other materials (i.e. Wood) to mend floor until reinstallation is undertaken. Do not leave an uneven area that may be a tripping hazard.

APPENDIX 2H

GASKET REMOVAL

This procedure is for asbestos containing material only.

1.0 PREPARATION

- 1.1 A barrier and/or banner tape and warning signs shall be placed at all access points to the work area restricting entry to authorised personnel only.
- 1.2 All heating, cooling and air-conditioning system (HVAC) components that supply or pass through the work area will be shut down and isolated. All intake and exhaust vents in the work area will be sealed with tape and polyethylene.
- 1.3 All fixed objects within the work area shall be precleaned with a HEPA vacuum and or wet wiping, covered with polyethylene (minimum 6 mil.) and sealed with duct tape if necessary.
- 1.4 Use drop sheets if practical or some other means of isolating the work area to prevent the spread of asbestos dust to other work areas.
- 1.5 Ensure that there are adequate wash up facilities at the work site.

2.0 WORKER PROTECTION

- 2.1 Before work commences ensure all personnel have been instructed in the hazards of asbestos, respirator use, protective clothing, entry and exit procedures from the work area and work procedures and protective measures.
- 2.2 Workers shall wear respiratory equipment that is appropriate to the hazard (i.e. half face with HEPA cartridges). Determine all additional hazards when choosing the appropriate respirator and cartridges.
- 2.3 Workers shall wear full body, impermeable, disposable type coveralls, laceless rubber boots are recommended or seal laces with duct tape.
- 2.4 Workers shall wear other body protection and safety equipment as required.

3.0 WORK PROCEDURES

- 3.1 There should be no dry removal.
- 3.2 Do not use compressed air, dry abrasives or other equipment or techniques that generate excessive airborne fibres in the removal procedure.
- 3.3 Gasket removal to be performed with scraper, with continual misting being performed during the removal procedure. A gasket removal compound may be used if required, provided application of the compound does not create elevated airborne fibre levels. Immediately place asbestos gasket materials into labelled disposal bags.
- 3.4 Ensure complete removal of gasket and residual materials utilising damp wiping and/or HEPA vacuum equipment.
- 3.5 Replace gasket with non-asbestos-containing gasket.
- 3.6 An air clearance sample must be collected and reviewed by the Project Officer Industrial Hygienist or alternate qualified person before any enclosure is taken down. In addition occupational and/or area air samples may be taken at the discretion of the Project Officer Industrial Hygienist.

4.0 CLEAN UP & DISPOSAL

- 4.1 Asbestos waste shall not be allowed to accumulate or to dry out before final bagging.
- 4.2 Waste shall be placed in labelled plastic bags, sealed then double bagged ready for disposal.
- 4.3 Asbestos waste shall be placed at predetermined locations and protected from mechanical damage.

5.0 DECONTAMINATION PROCEDURES

- 5.1 Coveralls, boots and other protective equipment shall be cleaned with a HEPA vacuum or by damp wiping.
- 5.2 Boots and protective equipment shall be washed using soap and water.
- 5.3 All exposed skin surfaces shall be washed prior to removal of the respirator.
- 5.4 Use tape to completely seal inlet of the respirator's HEPA filters, or dispose of the filters as asbestos waste.
- 5.5 Coveralls shall be disposed of as asbestos waste.

APPENDIX 2I

CEILING TILE REPAIR AND REMOVAL

This procedure is for asbestos containing material only including ceiling tiles. This is for suspended ceiling tiles only. If you are removing tiles that are glued to a deck, follow the procedures for removal of Vinyl Asbestos Tile (VAT) (see Appendix 2 – Flooring Removal or Flooring Repair). This procedure is for ceiling tile removal. For repair of damaged ceiling tiles see Section 3 of this work procedure.

1.0 PREPARATION

- 1.1 Vacate the room for the work period and use the room as a work zone (i.e. close the door and erect a decontamination area at the entrance). Place a warning sign on the door to the room during the work period. A decontamination area may not be required for repair work or removal of less than 3 ceiling tiles.
- 1.2 For removal of more than 2 ceiling tiles in a public area, erect an enclosure with an attached decontamination area. Establish negative pressure within the work zone relative to outside the work zone.
- 1.3 Cover all potential pathways (i.e. windows, doors, vertical chases, crawlspace, etc.) within the work zone with poly and duct tape prior to the work.
- 1.4 A decontamination room should be constructed of poly reinforced with structural supports or prefab panel construction. An air lock will be placed at the entrance to the decon area (double poly, overlapped door with weighted corners) and at the entrance from the decon area into the work zone. This will be the only entrance/exit into the work zone.
- 1.5 Assemble all cleaning equipment including bucket, water, sponge, PPE and any other items in the decontamination room. Where a decontamination room is not required, this equipment should be kept at the work site.

2.0 WORKER PROTECTION

- 2.1 Before work commences ensure all personnel have been instructed in the hazards of asbestos, respirator use, protective clothing, and work procedures and protective measures.
- 2.2 Workers shall wear respiratory equipment that is appropriate to the hazard (i.e. half face with HEPA cartridges). Determine all additional hazards when choosing the appropriate respirator and cartridges.
- 2.3 Workers shall wear full body, impermeable, disposable type coveralls, laceless rubber boots are recommended or seal laces with duct tape.
- 2.4 Workers shall wear other body protection and safety equipment as required.

3.0 WORK PROCEDURES

- 3.1 Before and during repair of small areas of damaged ceiling tiles, use a HEPA equipped vacuum to remove and control residual tile debris and dust. Apply high-quality clear sheathing tape over the damaged area. Overlap sections of the tape to well cover the damaged section of tile. Such a repair is applicable for small areas of damage including nicks, missing corners, etc. A tape repair is not adequate for where tiles have been severely damaged by physical means or by recent and/or historic water damage. A tape repair is a temporary measure until replacement of the tile can be made as per the procedure below.

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- 3.2 Carefully spray with amended water the work surface.
 - 3.3 Remove ceiling tiles by means of hand tools. Break tiles into pieces that can be easily bagged.
 - 3.4 See waste disposal options for larger pieces of tile, if applicable.
 - 3.5 Remove any waste dust by vacuuming with HEPA filtered vacuums and or wet wiping.
 - 3.6 Replace ceiling tiles with non-asbestos ceiling tiles.
 - 3.7 Be aware of other asbestos-containing materials in the area, i.e. spray-applied insulation located on the deck above the tiles. For spray insulation a separate procedure will be produced. Please refer to the notes at the beginning of Appendix 2 for more information.

An air clearance sample must be collected and reviewed by the Project Officer Industrial Hygienist or alternate qualified person before any enclosure is taken down. In addition occupational and/or area air samples may be taken at the discretion of the Project Officer Industrial Hygienist.

4.0 CLEAN UP & DISPOSAL

- 4.1 Use the HEPA equipped vacuum or wet wiping to clean the wall surface and floor surface in the work area.
- 4.2 Use the HEPA equipped vacuum and wet wiping to clean all tools.
- 4.3 Place the sponge/rag and any ACM debris into the appropriate waste asbestos bags.
- 4.4 Waste shall be placed in labelled plastic bags, sealed, wet wiped or HEPA vacuumed and then double bagged ready for disposal.

5.0 DECONTAMINATION PROCEDURES

- 5.1 Coveralls, boots and other protective equipment shall be cleaned with a HEPA vacuum or by damp wiping.
- 5.2 Boots and protective equipment shall be washed using soap and water.
- 5.3 All exposed skin surfaces shall be washed prior to removal of the respirator.
- 5.4 Use tape to completely seal inlet of the respirator's HEPA filters, or dispose of the filters as asbestos waste.
- 5.5 Coveralls shall be disposed of as asbestos waste.

APPENDIX 2J

THERMAL INSULATING TAPE REMOVAL

1.0 PREPARATION

- 1.1 A barrier and/or banner tape and warning signs shall be placed at all access points to the work area restricting entry to authorised personnel only.
- 1.2 All intake and exhaust vents in the work area will be sealed with tape and polyethylene.
- 1.3 All fixed objects within the work area shall be precleaned with a HEPA vacuum and or wet wiping, covered with polyethylene (minimum 6 mil.) and sealed with duct tape if necessary.
- 1.4 Use drop sheets if practical to capture any asbestos debris.

2.0 WORKER PROTECTION

- 2.1 Before work commences ensure all personnel have been instructed in the hazards of asbestos, respirator use, protective clothing, entry and exit procedures from the work area and work procedures and protective measures.
- 2.2 Workers shall wear respiratory equipment that is appropriate to the hazard (i.e. half face with HEPA cartridges). Determine all additional hazards when choosing the appropriate respirator and cartridges.
- 2.3 Workers shall wear full body, impermeable, disposable type coveralls, laceless rubber boots are recommended or seal laces with duct tape.
- 2.4 Workers shall wear other body protection and safety equipment as required.

3.0 WORK PROCEDURES

- 3.1 Use a spray bottle with amended water to gently mist the surface of the tape.
- 3.2 Do not use compressed air, dry abrasives or other equipment or techniques that generate excessive airborne fibres in the removal procedure.
- 3.3 Tape removal to be performed with appropriate non-powered hand tools, with continual misting being performed during the removal procedure. Immediately place asbestos tape materials into labelled disposal bags.
- 3.4 For repair, follow 3.3 above, removing only damaged tape sections. Reapply non-asbestos-containing thermal insulating tape.
- 3.5 Ensure complete removal of tape and residual materials utilising damp wiping and/or HEPA vacuum equipment.
- 3.6 Replace thermal insulating tape with non-asbestos materials.
- 3.7 An air clearance sample must be collected and reviewed by the Project Officer Industrial Hygienist or alternate qualified person before any enclosure is taken down. In addition occupational and/or area air samples may be taken at the discretion of the Project Officer Industrial Hygienist.

4.0 CLEAN UP & DISPOSAL

- 4.1 Asbestos waste shall not be allowed to accumulate or to dry out before final bagging.

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- 4.2 Waste shall be placed in labelled plastic bags, sealed then double bagged ready for disposal.
 - 4.3 Asbestos waste shall be placed at predetermined locations and protected from mechanical damage.

5.0 DECONTAMINATION PROCEDURES

- 5.1 Coveralls, boots and other protective equipment shall be cleaned with a HEPA vacuum or by damp wiping.
- 5.2 Boots and protective equipment shall be washed using soap and water.
- 5.3 All exposed skin surfaces shall be washed prior to removal of the respirator.
- 5.4 Use tape to completely seal inlet of the respirator's HEPA filters, or dispose of the filters as asbestos waste.
- 5.5 Coveralls shall be disposed of as asbestos waste.

APPENDIX 2K

GLOVEBAG ASBESTOS REMOVAL

1.0 PREPARATION

- 1.1 A barrier and/or banner tape and warning signs shall be placed at all access points to the work area restricting entry to authorised personnel only.
- 1.2 All heating, cooling and air-conditioning system (HVAC) components that supply or pass through the work area will be shut down and isolated. All intake and exhaust vents in the work area will be sealed with tape and polyethylene.
- 1.3 All fixed objects within the work area shall be precleaned with a HEPA vacuum and or wet wiping, covered with polyethylene (minimum 6 mil.) and sealed with duct tape if necessary.
- 1.4 Ensure that there are adequate wash up facilities at the work site.
- 1.5 A glovebag is a containment device installed on the pipe and is sealed at the ends of the bag around the pipe. Some glove bags are designed for and allow progressive movement along the pipe.
- 1.6 When using glove bags, follow the manufacturers' instructions.

2.0 WORKER PROTECTION

- 2.1 Before work commences ensure all personnel have been instructed in the hazards of asbestos, respirator use, protective clothing, entry and exit procedures from the work area and work procedures and protective measures.
- 2.2 Workers shall wear respiratory equipment that is appropriate to the hazard (i.e. half face with HEPA cartridges). Determine all additional hazards when choosing the appropriate respirator and cartridges.
- 2.3 Workers shall wear full body, impermeable, disposable type coveralls, laceless rubber boots are recommended or seal laces with duct tape.
- 2.4 Workers shall wear other body protection and safety equipment as required.

3.0 WORK PROCEDURES

- 3.1 Shut off all sources of heat to pipes and allow to cool.
- 3.2 Where practical remove all materials and equipment from the work area. Plastic drop sheets will be used below the work area.
- 3.3 All tools and necessary equipment shall be placed in the glovebag before it is sealed to the pipe. A pocket is available within the glovebag for storage of tools.
- 3.4 Place the glovebag onto the pipe and seal by closing the lap on the top of the glovebag with duct tape. Seal any other gaps in the seam with duct tape.
- 3.5 Fit nylon shoulder straps (if applicable) around glovebag shoulders and tighten to seal onto the pipe. If the insulation is damaged, cover the damaged area with polyethylene and duct tape prior to securing the straps.
- 3.6 Once the glovebag has been sealed to the pipe it shall not be reopened during the remainder of the asbestos removal procedure.
- 3.7 Material to be removed shall be wetted continuously with amended water from a mister through an opening in the bag from outside of the bag.

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- 3.9 Place arms in the integral gloves.
 - 3.10 Insulation shall be removed and the pipe cleaned with a wire brush.
 - 3.11 Material shall be cut along seams where possible to reduce airborne fibres.
 - 3.12 Insert the nozzle of the spray pump in the valve opening, wash down the pipe surface and the upper portion of the bag and wet down the insulation to the lower portion of the bag.
 - 3.13 While the glovebag is still on the pipe, but after stripping has been completed, all surfaces from which asbestos containing materials have been removed shall be wire brushed and wet sponged to remove all visible material. Surfaces being cleaned shall be kept wet during this work. No residue materials shall be left to dry which could release fibres into the air when dry. High pressure washing equipment shall not be used for cleaning.
 - 3.14 Rough edges of the area that held the asbestos material shall be sealed with an encapsulant if required.
 - 3.15 To dispose of bag after completion of stripping, wash the top portion of the bag and clean all tools thoroughly. Put all tools in one hand (glove) and pull hand out inverted. Twist to create a separate pouch and double tape to seal. Cut between the tape to place in next glove bag or into a water bucket. Open pouch under water or in next glovebag and clean tools and then allow to dry.
 - 3.16 A HEPA vacuum shall be run inside the glovebag when material has been removed to create a negative pressure and to clean up any airborne asbestos residue in the top section of the glovebag.
 - 3.17 While the glovebag is still on the pipe but after tools have been removed, slip a labelled waste disposal bag over the glovebag. Unfasten shoulder straps and remove duct tape. Fold top section of glovebag over the glovebag over and lower into the waste disposal bag. Seal the disposal bag with tape.
 - 3.18 Prior to encapsulating the pipe inspect the pipe to ensure that it is clean.
 - 3.19 The exposed ends of the remaining asbestos insulation may be sealed with encapsulant.
 - 3.20 Inspect and seal the pipe with glue.

Note: Where it has been determined that removal of asbestos –containing material is not possible due to an obstruction or inaccessibility, the material remaining shall be sealed over by applying an approved surface forming encapsulant using an airless sprayer. A rigid airtight barrier must then be constructed over the material, where possible.

- 3.20 When the glovebag procedure has been completed the entire work area and all equipment will be wet cleaned.

Note: while the area outside the glovebag is considered a moderate-risk area, the work activity inside a glovebag is considered high-risk; if a glovebag is torn or punctured, the risk level outside the bag automatically increases and the site-specific emergency procedures must be implemented.

- 3.21 An air clearance sample must be collected and reviewed by the Project Officer Industrial Hygienist or alternate qualified person before any enclosure is taken down. In addition occupational and/or area air samples may be taken at the discretion of the Project Officer Industrial Hygienist.

4.0 CLEAN UP & DISPOSAL

- 4.1 Asbestos waste shall not be allowed to accumulate or to dry out before final bagging.
- 4.2 Waste shall be placed in yellow labelled plastic bags, sealed then double bagged ready for disposal.
- 4.3 Asbestos waste shall be placed at predetermined locations and protected from mechanical damage.

5.0 DECONTAMINATION PROCEDURES

- 5.1 Coveralls, boots and other protective equipment shall be cleaned with a HEPA vacuum or by damp wiping.
- 5.2 Boots and protective equipment shall be washed using soap and water.
- 5.3 All exposed skin surfaces shall be washed prior to removal of the respirator.
- 5.4 Use tape to completely seal inlet of the respirator's HEPA filters, or dispose of the filters as asbestos waste.
- 5.5 Coveralls shall be disposed of as asbestos waste.

APPENDIX 2L

GROUT AND/OR FIRESTOP MATERIAL REMOVAL

1.0 PREPARATION

- 1.1 A barrier and/or banner tape and warning signs shall be placed at all access points to the work area restricting entry to authorised personnel only.
- 1.2 All heating, cooling and air-conditioning system (HAVAC) components that are in supply, or pass through the work area will be shut down and isolated. All intake and exhaust vents in the work area will be sealed with tape and polyethylene.
- 1.3 All fixed objects within the work area shall be precleaned with a HEPA vacuum and or wet wiping, covered with polyethylene (minimum 6 mil.) and sealed with duct tape if necessary.
- 1.4 Use drop sheets if practical or some other means of isolating the work area to prevent the spread of asbestos dust to other work areas.
- 1.5 Ensure that there is adequate wash up facilities at the work site.

2.0 WORKER PROTECTION

- 2.1 Before work commences ensure all personnel have been instructed in the hazards of asbestos, respirator use, protective clothing, entry and exit procedures from the work area and work procedures and protective measures.
- 2.2 Workers shall wear respiratory equipment that is appropriate to the hazard (i.e. half face with HEPA cartridges). Determine all additional hazards when choosing the appropriate respirator and cartridges.
- 2.3 Workers shall wear full body, impermeable, disposable type coveralls, laceless rubber boots are recommended or seal laces with duct tape.
- 2.4 Workers shall wear other body protection and safety equipment as required.

3.0 WORK PROCEDURES

- 3.1 Use work practices or any other controls necessary, such as wet methods, protective clothing, HEPA vacuums, drop sheets, and enclosures to prevent the release of asbestos fibre. Follow work procedures for Moderate risk asbestos removal.
- 3.2 Only hand tools are to be used to cut, shape or drill the grout/fire stop material containing asbestos; the product should be wetted to minimise release of airborne asbestos fibres.
- 3.3 Clean-up dust and waste by vacuuming with HEPA equipped filter or wet sweeping or damp mopping.
- 3.4 An air clearance sample must be collected and reviewed by the Project Officer Industrial Hygienist or alternate qualified person before any enclosure is taken down. In addition occupational and/or area air samples may be taken at the discretion of the Project Officer Industrial Hygienist.

4.0 CLEAN UP & DISPOSAL

- 4.1 Asbestos waste shall not be allowed to accumulate or to dry out before final bagging.

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- 4.2 Waste shall be placed in labelled plastic bags, sealed then double bagged ready for disposal.
 - 4.3 Asbestos waste shall be placed at predetermined locations and protected from mechanical damage, i.e. asbestos barrier tape placed around the bags. The appropriate department shall be contacted for proper disposal of the asbestos containing material.

5.0 DECONTAMINATION PROCEDURES

- 5.1 Coveralls, boots and other protective equipment shall be cleaned with a HEPA vacuum or by damp wiping.
- 5.2 Boots and protective equipment shall be washed using soap and water.
- 5.3 All exposed skin surfaces shall be washed prior to removal of the respirator.
- 5.4 Use tape to completely seal inlet of the respirator's HEPA filters, or dispose of the filters as asbestos waste.
- 5.5 Coveralls shall be disposed of as asbestos waste.

APPENDIX 2M

MEDICAL EMERGENCY IN ASBESTOS WORK AREA

Where a medical emergency arises in an asbestos work area as a result of an accident or collapse, usual protective measures may be temporarily ignored if they would otherwise cause an immediate threat to the workers life or recovery, e.g. removal of respirators for mouth to mouth resuscitation, or leaving worker fully clothed if spinal injury is suspected.

Where protective equipment and clothing can be left in place without interfering with the emergency management of the injured worker in a contaminated area, it should not be removed until an uncontaminated area has been reached. On-site decontamination procedures should only be carried out if they do not interfere with medical emergency procedures.

When first aid, ambulance or other emergency personnel are required to enter a contaminated area, they shall be warned of the hazard and provided with, and advised on proper use of respirators, coveralls and head protection before entry.

On leaving the area, first aid or ambulance personnel accompanying the injured worker shall remove contaminated clothing in the “equipment Transfer Room” if applicable.

If it has not been possible to decontaminate the injured worker, he shall be covered in such a way as to minimise contaminating clean area. The cover should not hinder access to the patient by first aid or ambulance personnel. If the injured worker is still contaminated with asbestos on arrival at the hospital, the hospital staff must be informed and advised of the appropriate disposal of the contaminated clothing. Please refer to Section 9 Waste Disposal of this program. If appropriate consult with BC MoT Manager Corporate Safety.

APPENDIX 2N

BULKHEAD REMOVAL

1.0 PREPARATION

- 1.1 If the work is to be performed in an occupied room, vacate the room for the work period and use the room as a work zone (i.e. close the door and erect a decontamination area at the entrance). Place a warning sign on the door to the room during the work period.
- 1.2 If the work is to be performed in a public area, erect an enclosure with an attached decontamination area.
- 1.3 Cover all potential pathways (i.e. windows, doors, vertical chases, crawlspace, etc.) within the work zone with poly and duct tape prior to the work.
- 1.4 Establish an enclosure equipped with a decontamination room to prevent the spread of asbestos dust to other work areas. Establish negative pressure within the work zone relative to outside the work zone.
- 1.5 The decontamination room should be constructed of poly reinforced with structural supports or prefab panel construction. An air lock will be placed at the entrance to the decon area (double poly, overlapped door with weighted corners) and at the entrance from the decon area into the work zone. This will be the only entrance/exit into the work zone.
- 1.6 Assemble all cleaning equipment including bucket, water, sponge, PPE and any other items in the decontamination room.

2.0 WORKER PROTECTION

- 2.1 Before work commences ensure all personnel have been instructed in the hazards of asbestos, respirator use, protective clothing, and work procedures and protective measures.
- 2.2 Workers shall wear respiratory equipment that is appropriate to the hazard (i.e. half face with HEPA cartridges). Determine all additional hazards when choosing the appropriate respirator and cartridges.
- 2.3 Workers shall wear full body, impermeable, disposable type coveralls, laceless rubber boots are recommended or seal laces with duct tape.
- 2.4 Workers shall wear other body protection and safety equipment as required.

3.0 WORK PROCEDURES

- 3.1 Carefully spray with amended water the work surface.
- 3.2 Remove drywall sections by means of hand tools. Break wall sections into pieces that can be easily bagged.
- 3.3 See waste disposal options for larger pieces of drywall, if applicable.
- 3.4 Remove any waste dust by vacuuming with HEPA filtered vacuums and or wet wiping.
- 3.5 Seal the work surface with encapsulant if applicable.
- 3.6 Replace drywall sections and mud in with non-asbestos taping compound.

-
- 3.7 Be aware of other asbestos-containing materials in the area, i.e. plaster behind the drywall. Be sure to follow appropriate precautions for moderate-risk work activities.
 - 3.8 An air clearance sample must be collected and reviewed by the Project Officer Industrial Hygienist or alternate qualified person before any enclosure is taken down. In addition occupational and/or area air samples may be taken at the discretion of the Project Officer Industrial Hygienist.

4.0 CLEAN UP & DISPOSAL

- 4.1 Use the HEPA equipping vacuum or wet wiping to clean the wall surface and floor surface in the work area.
- 4.2 Use the HEPA equipped vacuum and wet wiping to clean all tools.
- 4.3 Place the sponge/rag and any ACM debris into the appropriate waste asbestos bags.
- 4.4 Waste shall be placed in labelled plastic bags, sealed then double bagged ready for disposal.

5.0 DECONTAMINATION PROCEDURES

- 5.1 Coveralls, boots and other protective equipment shall be cleaned with a HEPA vacuum or by damp wiping.
- 5.2 Boots and protective equipment shall be washed using soap and water.
- 5.3 All exposed skin surfaces shall be washed prior to removal of the respirator.
- 5.4 Use tape to completely seal inlet of the respirator's HEPA filters, or dispose of the filters as asbestos waste.
- 5.5 Coveralls shall be disposed shall be disposed of as asbestos waste.

APPENDIX 20

REMOVING OR CUTTING HOLES IN TRANSITE MATERIAL

1.0 PREPARATION

- 1.1 A barrier and/or banner tape and warning signs shall be placed at all access points to the work area restricting entry to authorised personnel only.
- 1.2 All heating, cooling and air-conditioning system (HAVAC) components that are in supply, or pass through the work area will be shut down and isolated. All intake and exhaust vents in the work area will be sealed with tape and polyethylene.
- 1.3 All fixed objects within the work area shall be precleaned with a HEPA vacuum and or wet wiping, covered with polyethylene (minimum 6 mil.) and sealed with duct tape if necessary.
- 1.4 Use drop sheets if practical or some other means of isolating the work area to prevent the spread of asbestos dust to other work areas.
- 1.5 Ensure that there is adequate wash up facilities at the work site.

2.0 WORKER PROTECTION

- 2.1 Before work commences ensure all personnel have been instructed in the hazards of asbestos, respirator use, protective clothing, entry and exit procedures from the work area and work procedures and protective measures.
- 2.2 Workers shall wear respiratory equipment that is appropriate to the hazard (i.e. half face with HEPA cartridges). Determine all additional hazards when choosing the appropriate respirator and cartridges.
- 2.3 Workers shall wear full body, impermeable, disposable type coveralls, laceless rubber boots are recommended or seal laces with duct tape.
- 2.4 Workers shall wear other body protection and safety equipment as required.

3.0 WORK PROCEDURES

- 3.1 Carefully remove/cut the ACM, keeping it wet by spraying with amended water.
- 3.2 Hold the nozzle of a HEPA filtered vacuum a few inches away from the work surface to capture any airborne asbestos fibres.
- 3.3 Remove any remaining dust by vacuuming with HEPA filtered vacuums and or wet wiping.
- 3.4 Seal the work surface with encapsulant if necessary.
- 3.5 An air clearance sample must be collected and reviewed by the Project Officer Industrial Hygienist or alternate qualified person before any enclosure is taken down. In addition occupational and/or area air samples may be taken at the discretion of the Project Officer Industrial Hygienist.

4.0 CLEAN UP & DISPOSAL

- 4.1 Asbestos waste shall not be allowed to accumulate or to dry out before final bagging.
- 4.2 Waste shall be placed in labelled plastic bags, sealed then double bagged ready for disposal.

-
- 4.3 Asbestos waste shall be placed at predetermined locations and protected from mechanical damage.

5.0 DECONTAMINATION PROCEDURES

- 5.1 Coveralls, boots and other protective equipment shall be cleaned with a HEPA vacuum or by damp wiping.
- 5.2 Boots and protective equipment shall be washed using soap and water.
- 5.3 All exposed skin surfaces shall be washed prior to removal of the respirator.
- 5.4 Use tape to completely seal inlet of the respirator's HEPA filters, or dispose of the filters as asbestos waste.
- 5.5 Coveralls shall be disposed of as asbestos waste.

APPENDIX 2P

ADVANCING HOLES IN ASBESTOS MATERIAL (INCLUDING INSTALLATION OF WALL HANGINGS USING NAILS AND SCREWS)

1.0 PREPARATION

- 1.1 If the work is to be performed in a room, vacate the room for the work period and use the room as a work zone (i.e. close the door). Place a warning sign on the door to the room during the work period.
- 1.2 If the work is to be performed in a public area, cordon off a work area by means of a barrier and/or banner tape and warning signs. This zone should be approximately 1m from the work face.
- 1.3 Place a bucket with water and a sponge adjacent to the work area.

2.0 WORKER PROTECTION

- 2.1 Before work commences ensure all personnel have been instructed in the hazards of asbestos, respirator use, protective clothing, and work procedures and protective measures.
- 2.2 Workers shall wear respiratory equipment that is appropriate to the hazard (i.e. half face with HEPA cartridges). Determine all additional hazards when choosing the appropriate respirator and cartridges.
- 2.3 Workers shall wear full body, impermeable, disposable type coveralls, laceless rubber boots are recommended or seal laces with duct tape.
- 2.4 Workers shall wear other body protection and safety equipment as required.

3.0 WORK PROCEDURES

- 3.1 Carefully spraying with amended water the work surface.
- 3.2 If using a HEPA equipped power tool, turn the vacuum on while advancing the hole.
- 3.3 If using a non-powered hand tool, hold the nozzle of a HEPA filtered vacuum a few inches away from the work surface to capture any airborne asbestos fibres.
- 3.4 Remove any waste dust by vacuuming with HEPA filtered vacuums and or wet wiping.
- 3.5 Seal the work surface with encapsulant if necessary.
- 3.6 An air clearance sample must be collected and reviewed by the BC MoT Manager Corporate Safety or alternate qualified person before any enclosure is taken down. In addition occupational and/or area air samples may be taken at the discretion of the Ferry Contractor, their Asbestos designate, or BC MoT Manager Corporate Safety.

4.0 CLEAN UP & DISPOSAL

- 4.1 Use the HEPA equipping vacuum or wet wiping to clean the wall surface and floor surface in the work area.
- 4.2 Use the HEPA equipped vacuum and wet wiping to clean all tools.
- 4.3 Place the sponge/rag into the appropriate waste asbestos bags.

-
- 4.4 Waste shall be placed in labelled plastic bags, sealed then double bagged ready for disposal.

5.0 DECONTAMINATION PROCEDURES

- 5.1 Coveralls, boots and other protective equipment shall be cleaned with a HEPA vacuum or by damp wiping.
- 5.2 Boots and protective equipment shall be washed using soap and water.
- 5.3 All exposed skin surfaces shall be washed prior to removal of the respirator.
- 5.4 Use tape to completely seal inlet of the respirator's HEPA filters, or dispose of the filters as asbestos waste.
- 5.5 Coveralls shall be disposed of as asbestos waste.

APPENDIX 2Q

ADVANCING HOLES IN ASBESTOS MATERIAL (INCLUDING CUTTING ACCESS HOLES, INSPECTION HOLES AND HOLES FOR RUNNING CABLES)

1.0 PREPARATION

- 1.1 If the work is to be performed in a room, vacate the room for the work period and use the room as a work zone (i.e. close the door). Place a warning sign on the door to the room during the work period.
- 1.2 If the work is to be performed in a public area, cordon off a work area by means of a barrier and/or banner tape and warning signs. This zone should be approximately 3m from the work face.
- 1.3 Place a bucket with water and a sponge adjacent to the work area.
- 1.4 If the hole is to be left for a period of time, cover it with poly and duct tape.
- 1.5 If the hole is to be cut adjacent to an HVAC open component (i.e. diffuser, vent, grille, etc.) cover the component with poly and duct tape prior to work.
- 1.6 If the hole is to be cut adjacent to any potential pathways (i.e. windows, doors, vertical chases, crawlspace, etc.) cover these with poly and duct tape prior to the work.

2.0 WORKER PROTECTION

- 2.1 Before work commences ensure all personnel have been instructed in the hazards of asbestos, respirator use, protective clothing, and work procedures and protective measures.
- 2.2 Workers shall wear respiratory equipment that is appropriate to the hazard (i.e. half face with HEPA cartridges). Determine all additional hazards when choosing the appropriate respirator and cartridges.
- 2.3 Workers shall wear full body, impermeable, disposable type coveralls, laceless rubber boots are recommended or seal laces with duct tape.
- 2.4 Workers shall wear other body protection and safety equipment as required.

3.0 WORK PROCEDURES

- 3.1 Carefully spray with amended water the work surface.
- 3.2 If using a HEPA equipped power tool, turn the vacuum on while cutting the hole.
- 3.3 If using a non-powered hand tool, hold the nozzle of a HEPA filtered vacuum a few inches away from the work surface to capture any airborne asbestos fibres.
- 3.4 Remove any waste dust by vacuuming with HEPA filtered vacuums and or wet wiping.
- 3.5 Seal the work surface with encapsulant if necessary.
- 3.6 An air clearance sample must be collected and reviewed by the BC MoT Manager Corporate Safety or alternate qualified person before any enclosure is taken down. In addition occupational and/or area air samples may be taken at the discretion of the BC MoT Manager Corporate Safety.

4.0 CLEAN UP & DISPOSAL

- 4.1 Use the HEPA equipping vacuum or wet wiping to clean the wall surface and floor surface in the work area.
- 4.2 Use the HEPA equipped vacuum and wet wiping to clean all tools.
- 4.3 Place the sponge/rag and any ACM debris into the appropriate waste asbestos bags.
- 4.4 Waste shall be placed in labelled plastic bags, sealed then double bagged ready for disposal.

5.0 DECONTAMINATION PROCEDURES

- 5.1 Coveralls, boots and other proactive equipment shall be cleaned with a HEPA vacuum or by damp wiping.
- 5.2 Boots and protective equipment shall be washed using soap and water.
- 5.3 All exposed skin surfaces shall be washed prior to removal of the respirator.
- 5.4 Use tape to completely seal inlet of the respirator's HEPA filters, or dispose of the filters as asbestos waste.
- 5.5 Coveralls shall be disposed shall be disposed of as asbestos waste.

Prepared for:



MV Balfour

Asbestos Survey and Assessment



Prepared by:



**North West
Environmental Group Ltd.**

#3 -835 Devonshire Road
Victoria, British Columbia
V9A 4T5

May 2008

Revised September 2009

General Notes

The following is the latest Asbestos Insulation Inventory Report and Risk Assessment for this vessel.

NOTE – Because the MOT continues with its asbestos removal and abatement program there may have been some changes made after this report was printed.

Material identification noted herein and in the accompanying drawings is based on visual and *non-destructive* material bulk sampling aboard the vessel. In any case of uncertainty, all material must be considered 'asbestos containing' until it has properly been identified.

Material identification noted herein and in the accompanying drawings is based on visual and *non-destructive* material bulk sampling aboard the vessel.

Plywood marine bulkhead and deckhead panels are the primary covering used throughout the vessel.

Asbestos gasket may be present around perimeter of fire doors throughout the ship. Interior of Fire Doors are suspected to contain asbestos insulation unless otherwise stated. Older fire hoses (non-butyl or non-duroid canvas style) may be asbestos containing.

Asbestos gaskets may be present on flanges, valves, and equipment. All gasket materials are suspected to contain asbestos insulation unless otherwise stated.

All pipe and electrical penetration caulking materials are suspected to contain asbestos unless otherwise stated.

All floor tile and floor sheeting beneath carpets are suspected to contain asbestos unless otherwise stated.

Textured anti-sweat coating, if present, may contain asbestos and should be sampled prior to any disturbance. Vermiculite is a non-homogenous material and depending on where the sample was collected, the actual concentration of asbestos fibres can be higher or lower than the lab results reflect.

All exterior and interior deck scree (any cement-like material or anti-skid coatings) along with any other concealed and or exposed materials (ex: brake pads, clutches, and all electrical components within the vessel) must be considered asbestos containing until there has been proper identification.

NOTE 1 –An asbestos risk assessment by qualified personnel must be completed prior to any removal and/or alteration work aboard the vessel. Removal and/or alteration work requires control measures to be implemented in accordance with WorkSafeBC regulations and MOT specific requirements. Protective personal equipment is required during any work or major alteration that may disturb synthetic or asbestos insulation and/or dust that may be present.

NOTE 2 – Asbestos containing debris may exist in the following locations:

- Cavities and access areas behind bulkhead panels.
- Inside and/or between fixed equipment.
- Within and on mastic materials.

Safe work procedures must be implemented prior to exposing or disturbing any of these areas/materials (also see note 1).



Labelling of asbestos containing materials must be carried out as part of the Operations management program aboard the vessel. In addition, workers must be made aware that asbestos containing materials are present on the vessel and of their location and risk of exposures.



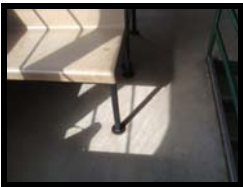
WorkSafeBC treats asbestos as an ALARA substance, meaning exposure levels must be kept As Low As Reasonably Achievable. Disturbance or Disposal of the material should only be undertaken by a qualified contractor.

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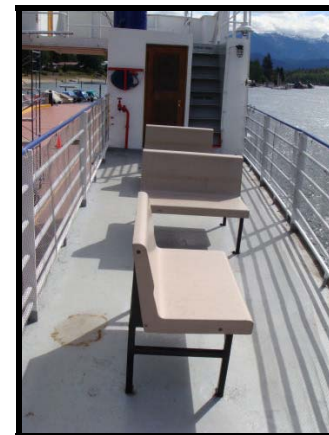
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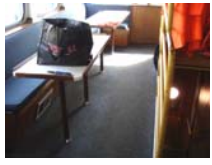
Deck 4 Bridge Deck		Wheelhouse				
Inspection Zone	Insulation	Condition	Accessibility	Friability	Recommendation	Picture
Deckhead	perforated 12x12 metal tile - double layer donna conna ceiling tile - fibreglass over bare steel					
Bulkhead	Arborite wooden marine panels over fibreglass thermal insulation					
Lagging	none					
Deck	Carpet over wood					
Other	Incandescent lights, gaskets may contain asbestos					
Comments	Putties and Caulkings around all conduits and penetrations are suspected to contain asbestos.					





Deck 3 Passenger Deck		Passenger Lounge				
Inspection Zone	Insulation	Condition	Accessibility	Friability	Recommendation	Picture
Deckhead	perforated 12x12 metal donna conna tiles, pink fibreglass over antisweat paint	UNKNOWN*	LOW	LOW		
Bulkhead	wood marine panels inboard: wood panels and pink fibreglass shipside: wood panels, no insulation over antisweat paint	UNKNOWN*	LOW	LOW		
Lagging	none					
Deck	Sheet flooring over wood substrate					
Other						
Comments	<p>Putties and Caulkings around all conduits and penetrations are suspected to contain asbestos.</p> <p>*Vermiculite is a non-homogenous material and depending on where the sample was collected, the actual concentration of asbestos fibres can be higher or lower than the lab results reflect. While samples 8830-08 & 10 were found to be negative, if work is to be done on this area more samples must be collected.</p>					




Deck 3 Passenger Deck		Passenger Lounge Outer Deck				Picture
Inspection Zone	Insulation	Condition	Accessibility	Friability	Recommendation	
Deckhead	n/a					
Bulkhead	n/a					
Lagging	Penetration: Fire Stop Caulking	GOOD	HIGH	LOW	Maintain caulking in an intact condition. Include in an Operations & Management Program.	
Deck	Scree (may contain asbestos) over steel	GOOD	LOW	LOW	Maintain deck scree in an intact condition. Sample scree prior to disturbance.	
Other						
Comments	Putties and Caulkings around all conduits and penetrations are suspected to contain asbestos.					








Deck 3 Passenger Deck		Port Safety Boat Launch				
Inspection Zone	Insulation	Condition	Accessibility	Friability	Recommendation	Picture
Deckhead	n/a					
Bulkhead	n/a					
Lagging	Penetration: Fire Stop Caulking	GOOD	HIGH	LOW	Maintain caulking in an intact condition. Include in an Operations & Management Program.	
Deck	Scree (may contain asbestos) over steel	GOOD	LOW	LOW	Maintain deck scree in an intact condition. Sample scree prior to disturbance.	
Other						
Comments	Putties and Caulkings around all conduits and penetrations are suspected to contain asbestos.					





Deck 3 Passenger Deck		Crew's Mess				
Inspection Zone	Insulation	Condition	Accessibility	Friability	Recommendation	Picture
Deckhead	perforated 12x12 metal tile - double layer donna conna ceiling tile - fibreglass over bare steel					
Bulkhead	wood marine panels and pink fibreglass shipside: wood panels, no insulation over antisweat paint	UNKNOWN*	LOW	LOW		
Lagging	none					
Deck	Carpet over Steel					
Other	Incandescent lights, gaskets may contain asbestos					
Comments	<p>Putties and Caulkings around all conduits and penetrations are suspected to contain asbestos.</p> <p>*Vermiculite is a non-homogenous material and depending on where the sample was collected, the actual concentration of asbestos fibres can be higher or lower than the lab results reflect. While samples 8830-08 & 10 were found to be negative, if work is to be done on this area more samples must be collected.</p>					



Deck 2 Main Car Deck		Crew's Washroom				
Inspection Zone	Insulation	Condition	Accessibility	Friability	Recommendation	Picture
Deckhead	Antisweat Paint	FAIR*	HIGH	LOW		
Bulkhead	Inboard: Steel Outboard: wood marine panel					
Lagging	none					
Deck	Checker plate steel					
Other	explosion proof lights: gaskets may contain asbestos mastic on ducts					
Comments	<p>Putties and Caulkings around all conduits and penetrations are suspected to contain asbestos.</p> <p>*Vermiculite is a non-homogenous material and depending on where the sample was collected, the actual concentration of asbestos fibres can be higher or lower than the lab results reflect. While samples 8830-08 & 10 were found to be negative, if work is to be done on this area more samples must be collected.</p>					



Deck 2 Main Car Deck		Men's Washroom				
Inspection Zone	Insulation	Condition	Accessibility	Friability	Recommendation	Picture
Deckhead	Antisweat Paint	FAIR*	HIGH	LOW		
Bulkhead	Antisweat Paint	FAIR*	HIGH	LOW		
Lagging	none					
Deck	Steel with scree (may contain asbestos) around perimeter	GOOD	LOW	LOW	Maintain deck scree in an intact condition. Sample scree prior to disturbance.	
Other	explosion proof lights: gaskets may contain asbestos mastic on ducts					
Comments	<p>Putties and Caulkings around all conduits and penetrations are suspected to contain asbestos.</p> <p>*Vermiculite is a non-homogenous material and depending on where the sample was collected, the actual concentration of asbestos fibres can be higher or lower than the lab results reflect. While samples 8830-08 & 10 were found to be negative, if work is to be done on this area more samples must be collected.</p>					


Deck 2 Main Car Deck		Women's Washrooms				
Inspection Zone	Insulation	Condition	Accessibility	Friability	Recommendation	Picture
Deckhead	Antisweat Paint	GOOD*	HIGH	LOW		
Bulkhead	Antisweat Paint	GOOD*	HIGH	LOW		
Lagging	none					
Deck	Steel with scree (may contain asbestos) around perimeter	GOOD	LOW	LOW	Maintain deck scree in an intact condition. Sample scree prior to disturbance.	
Other	explosion proof lights: gaskets may contain asbestos mastic on ducts					
Comments	<p>Putties and Caulkings around all conduits and penetrations are suspected to contain asbestos.</p> <p>*Vermiculite is a non-homogenous material and depending on where the sample was collected, the actual concentration of asbestos fibres can be higher or lower than the lab results reflect. While samples 8830-08 & 10 were found to be negative, if work is to be done on this area more samples must be collected.</p>					



Deck 2 Main Car Deck		Port Engine Compartment				
Inspection Zone	Insulation	Condition	Accessibility	Friability	Recommendation	Picture
Deckhead	lead lining over thermal fibreglass insulation					
Bulkhead	lead lining over thermal fibreglass insulation					
Lagging	Insulation blankets comprised of high temperature fibreglass with 17 ounce canvas jacketing Armaflex on hot and cold water piping					
Deck	Checker plate steel					
Other	explosion proof lights: gaskets may contain asbestos gaskets on flanges and valves					
Comments	Putties and Caulkings around all conduits and penetrations are suspected to contain asbestos.					


Deck 2 Main Car Deck		Starboard Engine Compartment				
Inspection Zone	Insulation	Condition	Accessibility	Friability	Recommendation	Picture
Deckhead	lead lining over thermal fibreglass insulation					
Bulkhead	lead lining over thermal fibreglass insulation					
Lagging	Insulation blankets comprised of high temperature fibreglass with 17 ounce canvas jacketing Armaflex on hot and cold water piping					
Deck	Checker plate steel					
Other	explosion proof lights: gaskets may contain asbestos gaskets on flanges and valves					
Comments	Putties and Caulkings around all conduits and penetrations are suspected to contain asbestos.					


Deck 1 Machinery Spaces		Engine Control Room				
Inspection Zone	Insulation	Condition	Accessibility	Friability	Recommendation	Picture
Deckhead	Asbestos containing perforated cement board removed May 2009 (Waterbridge).					
Bulkhead	Perforated sheet metal over thermal fibreglass insulation					
Lagging	none					
Deck	Steel					
Other						
Comments	All flange, valve and equipment gaskets are to be assumed asbestos containing until proven otherwise. Putties and Caulkings around all conduits and penetrations are suspected to contain asbestos.					

Deck 1 Machinery Spaces			Engine Room			
Inspection Zone	Insulation	Condition	Accessibility	Friability	Recommendation	Picture
Deckhead	Antisweat Paint from 1 end to Control Room	GOOD*	HIGH	LOW		
Bulkhead	Steel Antisweat paint in forward end	GOOD*	HIGH	LOW		
Lagging	Insulation blankets comprised of high temperature fibreglass with 17 ounce canvas jacketing. Asbestos containing silencer insulation removed May 2009 (Waterbridge).	FAIR	HIGH	HIGH		
Deck	Checker plate steel					
Other	Explosion proof lights: gaskets may contain asbestos. All flange, valve and equipment gaskets are to be assumed asbestos containing until proven otherwise.					
Comments	<p>All flange, valve and equipment gaskets are to be assumed asbestos containing until proven otherwise. Putties and Caulkings around all conduits and penetrations are suspected to contain asbestos.</p> <p>*Vermiculite is a non-homogenous material and depending on where the sample was collected, the actual concentration of asbestos fibres can be higher or lower than the lab results reflect. While samples 8830-08 & 10 were found to be negative, if work is to be done on this area more samples must be collected.</p>					

Deck 1 Machinery Spaces			Engine Room, Center Line Main Engine			
Inspection Zone	Insulation	Condition	Accessibility	Friability	Recommendation	Picture
Deckhead	Steel					
Bulkhead	n/a					
Lagging						
Deck	Checker plate steel					
Other						
Comments	Putties and Caulkings around all conduits and penetrations are suspected to contain asbestos M. Asbestos containing mastic coating material removed May 2009 (Waterbridge).					

Deck 1 Void Spaces		Void Space #1 – Cable Compartment				
Inspection Zone	Insulation	Condition	Accessibility	Friability	Recommendation	Picture
Deckhead	Painted Steel.					
Bulkhead	Painted Steel.					
Lagging	none					
Deck	Painted Steel					
Other						
Comments	Putties and Caulkings around all conduits and penetrations are suspected to contain asbestos.					

Deck 1 Void Spaces		Void Space #2				
Inspection Zone	Insulation	Condition	Accessibility	Friability	Recommendation	Picture
Deckhead	Painted Steel					
Bulkhead	Painted Steel					
Lagging	none					
Deck	Painted Steel					
Other						
Comments	Putties and Caulkings around all conduits and penetrations are suspected to contain asbestos.					

Deck 1 Void Spaces		Void Space #3 – Sewage Insulation Tank				
Inspection Zone	Insulation	Condition	Accessibility	Friability	Recommendation	Picture
Deckhead	Painted Steel					
Bulkhead	Painted Steel					
Lagging	none					
Deck	Painted Steel					
Other	Urethane insulation on sewage holding tank					
Comments	Putties and Caulkings around all conduits and penetrations are suspected to contain asbestos.					

Deck 1 Void Spaces		Void Space #4				
Inspection Zone	Insulation	Condition	Accessibility	Friability	Recommendation	Picture
Deckhead	Painted Steel					
Bulkhead	Painted Steel					
Lagging	none					
Deck	Painted Steel					
Other						
Comments	Putties and Caulkings around all conduits and penetrations are suspected to contain asbestos.					

Prepared for:



MV Balfour

Asbestos Survey and Assessment Checklist



Prepared by:



**North West
Environmental Group Ltd.**

#3 -835 Devonshire Road
Victoria, British Columbia
V9A 4T5

May 2008

Revised September 2009

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All floor tile and floor sheeting beneath carpets are suspected to contain asbestos unless otherwise stated.

Textured anti-sweat coating, if present, may contain asbestos and should be sampled prior to any disturbance. Vermiculite is a non-homogenous material and depending on where the sample was collected, the actual concentration of asbestos fibres can be higher or lower than the lab results reflect.

All exterior and interior deck scree (any cement-like material or anti-skid coatings) along with any other concealed and or exposed materials (ex: brake pads, clutches, and all electrical components within the vessel) must be considered asbestos containing until there has been proper identification.

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- Cavities and access areas behind bulkhead panels.
- Inside and/or between fixed equipment.
- Within and on mastic materials.




Safe work procedures must be implemented prior to exposing or disturbing any of these areas/materials (also see note 1).


Labelling of asbestos containing materials must be carried out as part of the Operations management program aboard the vessel. In addition, workers must be made aware that asbestos containing materials are present on the vessel and of their location and risk of exposures.

WorkSafeBC treats asbestos as an ALARA substance, meaning exposure levels must be kept As Low As Reasonably Achievable. Disturbance or Disposal of the material should only be undertaken by a qualified contractor.



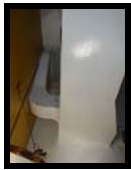
Inspection Zone		Condition			Remarks
Deck 4 – Bridge Deck					
Wheelhouse		Good	Moderate	Poor	
Other	Incandescent lights, gaskets may contain asbestos				
					
Comments	Putties and Caulkings around all conduits and penetrations are suspected to contain asbestos.				





Inspection Zone		Condition			Remarks
Deck 3 – Passenger Deck					
Passenger Lounge		Good	Moderate	Poor	
	No asbestos observed. See General Notes				
Comments Putties and Caulkings around all conduits and penetrations are suspected to contain asbestos. *Vermiculite is a non-homogenous material and depending on where the sample was collected, the actual concentration of asbestos fibres can be higher or lower than the lab results reflect. While samples 8830-08 & 10 were found to be negative, if work is to be done on this area more samples must be collected.					
Passenger Lounge Outer Decks		Good	Moderate	Poor	
Deck	Scree (may contain asbestos) over steel				
					
Comments Putties and Caulkings around all conduits and penetrations are suspected to contain asbestos.					
Port Safety Boat Launch		Good	Moderate	Poor	
Deck	Scree (may contain asbestos) over steel				
					
Comments Putties and Caulkings around all conduits and penetrations are suspected to contain asbestos.					




Inspection Zone		Condition			Remarks
Deck 3 – Passenger Deck					
Crew's Mess		Good	Moderate	Poor	
<i>Other</i> 	Incandescent lights, gaskets may contain asbestos				
Comments Putties and Caulkings around all conduits and penetrations are suspected to contain asbestos. *Vermiculite is a non-homogenous material and depending on where the sample was collected, the actual concentration of asbestos fibres can be higher or lower than the lab results reflect. While samples 8830-08 & 10 were found to be negative, if work is to be done on this area more samples must be collected.					




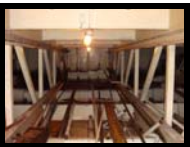
Inspection Zone		Condition			Remarks
Deck 2 – Main Car Deck					
Crew's Washroom		Good	Moderate	Poor	
Other 	explosion proof lights: gaskets may contain asbestos mastic on ducts				
Comments Putties and Caulkings around all conduits and penetrations are suspected to contain asbestos. *Vermiculite is a non-homogenous material and depending on where the sample was collected, the actual concentration of asbestos fibres can be higher or lower than the lab results reflect. While samples 8830-08 & 10 were found to be negative, if work is to be done on this area more samples must be collected.					
Men's Washroom		Good	Moderate	Poor	
Deck 	Steel with scree (may contain asbestos) around perimeter				
Other 	Explosion proof lights gaskets may contain asbestos Mastic on ducts				
Comments Putties and Caulkings around all conduits and penetrations are suspected to contain asbestos. *Vermiculite is a non-homogenous material and depending on where the sample was collected, the actual concentration of asbestos fibres can be higher or lower than the lab results reflect. While samples 8830-08 & 10 were found to be negative, if work is to be done on this area more samples must be collected.					
Women's Washroom		Good	Moderate	Poor	
Other	Explosion proof lights gaskets may contain asbestos Mastic on ducts				
Comments Putties and Caulkings around all conduits and penetrations are suspected to contain asbestos. *Vermiculite is a non-homogenous material and depending on where the sample was collected, the actual concentration of asbestos fibres can be higher or lower than the lab results reflect. While samples 8830-08 & 10 were found to be negative, if work is to be done on this area more samples must be collected.					



Inspection Zone		Condition			Remarks
Deck 2 – Main Car Deck					
Port Engine Compartment		Good	Moderate	Poor	
<i>Other</i> 	Explosion proof lights gaskets may contain asbestos gaskets on flanges and valves				
<i>Comments</i>	Putties and Caulkings around all conduits and penetrations are suspected to contain asbestos.				
Starboard Engine Compartment		Good	Moderate	Poor	
<i>Other</i> 	Explosion proof lights gaskets may contain asbestos gaskets on flanges and valves				
<i>Comments</i>	Putties and Caulkings around all conduits and penetrations are suspected to contain asbestos.				

Inspection Zone		Condition			Remarks
Deck 1 – Machinery Spaces					
Engine Control Room		Good	Moderate	Poor	
Deckhead  Asbestos containing perforated cement board removed May 2009 (Waterbridge).					
Comments		All flange, valve and equipment gaskets are to be assumed asbestos containing until proven otherwise. Putties and Caulkings around all conduits and penetrations are suspected to contain asbestos.			
Engine Room		Good	Moderate	Poor	
Lagging  Insulation blankets comprised of high temperature fibreglass with 17 ounce canvas jacketing. Asbestos containing silencer insulation removed May 2009 (Waterbridge).					
Other Explosion proof lights: gaskets may contain asbestos. All flange, valve and equipment gaskets are to be assumed asbestos containing until proven otherwise.					
Comments		All flange, valve and equipment gaskets are to be assumed asbestos containing until proven otherwise. Putties and Caulkings around all conduits and penetrations are suspected to contain asbestos. *Vermiculite is a non-homogenous material and depending on where the sample was collected, the actual concentration of asbestos fibres can be higher or lower than the lab results reflect. While samples 8830-08 & 10 were found to be negative, if work is to be done on this area more samples must be collected.			
Engine Room, Center Line Main Engine		Good	Moderate	Poor	
 No asbestos observed. See General Notes.					
Comments		Putties and Caulkings around all conduits and penetrations are suspected to contain asbestos M. Asbestos containing mastic coating material removed May 2009 (Waterbridge).			



Inspection Zone		Condition			Remarks
Deck 1 – Void Spaces					
Void Space #1 – Cable Compartment		Good	Moderate	Poor	
	No asbestos observed. See General Notes.				
<i>Comments</i>	Putties and Caulkings around all conduits and penetrations are suspected to contain asbestos.				
Void Space #2		Good	Moderate	Poor	
	No asbestos observed. See General Notes.				
<i>Comments</i>	Putties and Caulkings around all conduits and penetrations are suspected to contain asbestos.				
Void Space #3		Good	Moderate	Poor	
	No asbestos observed. See General Notes.				
<i>Comments</i>	Putties and Caulkings around all conduits and penetrations are suspected to contain asbestos.				
Void Space #4		Good	Moderate	Poor	
	No asbestos observed. See General Notes.				
<i>Comments</i>	Putties and Caulkings around all conduits and penetrations are suspected to contain asbestos.				



Prepared for:



Cable Ferry Harrop

Asbestos Survey and Assessment



Prepared by:



**North West
Environmental Group Ltd.**

#3 -835 Devonshire Road
Victoria, British Columbia
V9A 4T5

May 2008

GENERAL NOTES

The following is the latest Asbestos Insulation Inventory Report and Risk Assessment for this vessel.

NOTE – Because the MOT continues with its asbestos removal and abatement program there may have been some changes made after this report was printed.

Material identification noted herein and in the accompanying drawings is based on visual and *non-destructive* material bulk sampling aboard the vessel. In any case of uncertainty, all material must be considered 'asbestos containing' until it has properly been identified.

Material identification noted herein and in the accompanying drawings is based on visual and *non-destructive* material bulk sampling aboard the vessel.

Asbestos gasket may be present around perimeter of fire doors throughout the ship. Interior of Fire Doors are suspected to contain asbestos insulation unless otherwise stated. Older fire hoses (non-butyl or non-duroid canvas style) may be asbestos containing.

Asbestos gaskets may be present on flanges, valves, and equipment. All gasket materials are suspected to contain asbestos insulation unless otherwise stated.

All pipe and electrical penetration caulking materials are suspected to contain asbestos unless otherwise stated.

All floor tile and floor sheeting beneath carpets are suspected to contain asbestos unless otherwise stated.

Textured anti-sweat coating, if present, may contain asbestos and should be sampled prior to any disturbance. Vermiculite is a non-homogenous material and depending on where the sample was collected, the actual concentration of asbestos fibres can be higher or lower than the lab results reflect.

All exterior and interior deck scree (any cement-like material or anti-skid coatings) along with any other concealed and or exposed materials (ex: brake pads, clutches, and all electrical components within the vessel) must be considered asbestos containing until there has been proper identification.

NOTE 1 –An asbestos risk assessment by qualified personnel must be completed prior to any removal and/or alteration work aboard the vessel. Removal and/or alteration work requires control measures to be implemented in accordance with WorkSafeBC regulations and MOT specific requirements. Protective personal equipment is required during any work or major alteration that may disturb synthetic or asbestos insulation and/or dust that may be present.

NOTE 2 – Asbestos containing insulation debris may exist in the following locations:

- Cavities and access areas behind bulkhead panels
- Inside and/or between fixed equipment.
- Within and on mastic materials.





Labelling of asbestos containing materials must be carried out as part of the Operations management program aboard the vessel. In addition, workers must be made aware that asbestos containing materials are present on the vessel and of their location and risk of exposures.



WorkSafeBC treats asbestos as an ALARA substance, meaning exposure levels must be kept As Low As Reasonably Achievable. Disturbance or Disposal of the material should only be undertaken by a qualified contractor.




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Deck 3 Bridge Deck		Wheelhouse				
Inspection Zone	Insulation	Condition	Accessibility	Friability	Recommendation	Picture
Deckhead	Marine panels over pink fibreglass insulation					
Bulkhead	Marine panels over pink fibreglass insulation					
Lagging	none					
Deck	sheet flooring over wood substrate					
Other						
Comments						

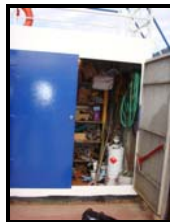
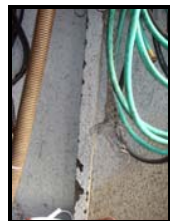

Deck 3 Bridge Deck		Outer Bridge Wings				
Inspection Zone	Insulation	Condition	Accessibility	Friability	Recommendation	Picture
Deckhead	n/a					
Bulkhead	n/a					
Lagging	Insulation blankets comprised of high temperature fibreglass with 17 ounce canvas jacketing					
Deck	Deck Scree (may contain asbestos)					
Other	Explosion proof lights: may contain asbestos gaskets					
Comments						



Deck 2 Main Car Deck		Passenger Lounge				
Inspection Zone	Insulation	Condition	Accessibility	Friability	Recommendation	Picture
Deckhead	Marine panels (assume over fibreglass)					
Bulkhead	Marine panels (assume over fibreglass)					
Lagging	none					
Deck	checkered steel					
Other	Incandescent light fixture: gasket may contain asbestos					
Comments						

Deck 2 Main Car Deck		Machinery Spaces				
Inspection Zone	Insulation	Condition	Accessibility	Friability	Recommendation	Picture
Deckhead	Antisweat Paint	Poor*	High	Moderate	If positive: carry out repair under moderate risk asbestos procedures. Encapsulate exposed edges. Include in Asbestos Management Plan	
Bulkhead	Antisweat Paint	Poor*	High	Moderate	If positive: carry out repair under moderate risk asbestos procedures. Encapsulate exposed edges. Include in Asbestos Management Plan	
Lagging	Insulation blankets comprised of high temperature fibreglass with 17 ounce canvas jacketing Styrofoam-urethane packing around electrical cables through deckhead to wheelhouse					
Deck	checkered steel					


Deck 2 Main Car Deck		Machinery Spaces				
Inspection Zone	Insulation	Condition	Accessibility	Friability	Recommendation	Picture
Other	Explosion proof lights: may contain asbestos gaskets Gaskets present on flanges and valves: may contain asbestos Peg board					
Comments	Putties and Caulkings around all conduits are suspected to contain asbestos. Sliding metal door filler may contain ACMs. Asbestos containing fire door gaskets removed May 2009 (Waterbridge).					

Deck 2 Main Car Deck		Machinery Spaces - Washroom				
Inspection Zone	Insulation	Condition	Accessibility	Friability	Recommendation	Picture
Deckhead	metal sheeting over mineral fibre insulation					
Bulkhead	metal sheeting over mineral fibre insulation					
Lagging	none					
Deck	sheet flooring over wood substrate					
Other	metal sheeting over mineral fibre insulation					
Comments						

Deck 2 Main Car Deck		Storage Compartment				
Inspection Zone	Insulation	Condition	Accessibility	Friability	Recommendation	Picture
Deckhead	Antisweat Paint	Poor*	High	Moderate	If positive: carry out repair under moderate risk asbestos procedures. Encapsulate exposed edges. Include in Asbestos Management Plan	
Bulkhead	Antisweat Paint	Poor*	High	Moderate	If positive: carry out repair under moderate risk asbestos procedures. Encapsulate exposed edges. Include in Asbestos Management Plan	
Lagging	none					
Deck	checkered steel					
Comments	*Vermiculite is a non-homogenous material and depending on where the sample was collected, the actual concentration of asbestos fibres can be higher or lower than the lab results reflect. While samples 8828-10 & 11 were found to be negative, if work is to be done on this area more samples must be collected.					



Deck 2		Main Car Deck				
Inspection Zone	Insulation	Condition	Accessibility	Friability	Recommendation	Picture
Deckhead	n/a					
Bulkhead	n/a					
Lagging	none					
Deck	checkered steel					
Other	Explosion proof lights: may contain asbestos gaskets					
Comments						

Deck 1 Void Spaces		Void Space #1				
Inspection Zone	Insulation	Condition	Accessibility	Friability	Recommendation	Picture
Deckhead	Painted Steel					
Bulkhead	Painted Steel					
Lagging	none					
Deck	Painted Steel					
Other						
Comments						

Deck 1 Void Spaces		Void Space #2				
Inspection Zone	Insulation	Condition	Accessibility	Friability	Recommendation	Picture
Deckhead	Painted Steel.					
Bulkhead	Painted Steel.					
Lagging	None					
Deck	Painted steel					
Other						
Comments						

Deck 1 Void Spaces		Void Space #3				
Inspection Zone	Insulation	Condition	Accessibility	Friability	Recommendation	Picture
Deckhead	Painted Steel.					
Bulkhead	Painted Steel.					
Lagging	None					
Deck	Painted steel					
Other						
Comments						

Deck 1 Void Spaces		Void Space #4				
Inspection Zone	Insulation	Condition	Accessibility	Friability	Recommendation	Picture
Deckhead	Painted Steel.					
Bulkhead	Painted Steel.					
Lagging	None					
Deck	Painted steel					
Other						
Comments						

Deck 0 Fuel Storage Shed		Harrop Shore				
Inspection Zone	Insulation	Condition	Accessibility	Friability	Recommendation	Picture
Deckhead	wood with metal roof					
Bulkhead	wood					
Lagging	none					
Deck	wood					
Other	Explosion proof lights: may contain asbestos gaskets. Vermiculite used as an absorbent on floor.					
Comments						

Prepared for:



Cable Ferry Harrop

Asbestos Survey and Assessment Checklist



Prepared by:



**North West
Environmental Group Ltd.**

#3 -835 Devonshire Road
Victoria, British Columbia
V9A 4T5

May 2008

GENERAL NOTES

The following is the latest Asbestos Insulation Inventory Report and Risk Assessment for this vessel.

NOTE – Because the MOT continues with its asbestos removal and abatement program there may have been some changes made after this report was printed.

Material identification noted herein and in the accompanying drawings is based on visual and *non-destructive* material bulk sampling aboard the vessel. In any case of uncertainty, all material must be considered 'asbestos containing' until it has properly been identified.

Material identification noted herein and in the accompanying drawings is based on visual and *non-destructive* material bulk sampling aboard the vessel.

Asbestos gasket may be present around perimeter of fire doors throughout the ship. Interior of Fire Doors are suspected to contain asbestos insulation unless otherwise stated. Older fire hoses (non-butyl or non-duroid canvas style) may be asbestos containing.

Asbestos gaskets may be present on flanges, valves, and equipment. All gasket materials are suspected to contain asbestos insulation unless otherwise stated.

All pipe and electrical penetration caulking materials are suspected to contain asbestos unless otherwise stated.

All floor tile and floor sheeting beneath carpets are suspected to contain asbestos unless otherwise stated.

Textured anti-sweat coating, if present, may contain asbestos and should be sampled prior to any disturbance. Vermiculite is a non-homogenous material and depending on where the sample was collected, the actual concentration of asbestos fibres can be higher or lower than the lab results reflect.

All exterior and interior deck scree (any cement-like material or anti-skid coatings) along with any other concealed and or exposed materials (ex: brake pads, clutches, and all electrical components within the vessel) must be considered asbestos containing until there has been proper identification.



NOTE 1 –An asbestos risk assessment by qualified personnel must be completed prior to any removal and/or alteration work aboard the vessel. Removal and/or alteration work requires control measures to be implemented in accordance with WorkSafeBC regulations and MOT specific requirements. Protective personal equipment is required during any work or major alteration that may disturb synthetic or asbestos insulation and/or dust that may be present.

NOTE 2 – Asbestos containing insulation debris may exist in the following locations:






- Cavities and access areas behind bulkhead panels
- Inside and/or between fixed equipment.
- Within and on mastic materials.

Labelling of asbestos containing materials must be carried out as part of the Operations management program aboard the vessel. In addition, workers must be made aware that asbestos containing materials are present on the vessel and of their location and risk of exposures.


WorkSafeBC treats asbestos as an ALARA substance, meaning exposure levels must be kept As Low As Reasonably Achievable. Disturbance or Disposal of the material should only be undertaken by a qualified contractor.

Inspection Zone		Condition			Remarks
Deck 3 – Bridge Deck					
Wheelhouse		Good	Moderate	Poor	
 No asbestos observed. See General Notes.					
Outer Bridge Wings		Good	Moderate	Poor	
Deck  Deck Scree (may contain asbestos)					
Other Explosion proof lights: may contain asbestos gaskets					



Inspection Zone		Condition			Remarks
Deck 2 – Main Car Deck					
Passenger Lounge		Good	Moderate	Poor	
Other 	Incandescent light fixture: gasket may contain asbestos				
Machinery Spaces		Good	Moderate	Poor	
Other 	Explosion proof lights: may contain asbestos gaskets Gaskets present on flanges and valves: may contain asbestos Peg board				
Comments		Putties and Caulkings around all conduits are suspected to contain asbestos. Sliding metal door filler may contain ACMs. Asbestos containing fire door gaskets removed May 2009 (Waterbridge).			
Machinery Spaces - Washroom		Good	Moderate	Poor	
	No asbestos observed. See General Notes.				
Storage Compartment		Good	Moderate	Poor	
	No asbestos observed. See General Notes.				
Main Car Deck		Good	Moderate	Poor	
Other 	Explosion proof lights: may contain asbestos gaskets				



Inspection Zone	Condition			Remarks
Deck 1 – Void Spaces				
Void Space #1	Good	Moderate	Poor	
No asbestos observed. See General Notes.				
Void Space #2	Good	Moderate	Poor	
 No asbestos observed. See General Notes.				
Void Space #3	Good	Moderate	Poor	
No asbestos observed. See General Notes.				
Void Space #4	Good	Moderate	Poor	
No asbestos observed. See General Notes.				



Schedule C - List of Assets

1. Kootenay Lake Route

1A. WATERCRAFT

Name	Osprey 2000
Route	Kootenay Lake
Route Location	Across Kootenay Lake, 35 kilometres east of Nelson on Highway 3A, between Balfour (west side) and Kootenay Bay (east side)
Type of Vessel	Free-Running Vessel
Propulsion	Self-propelled
Method of Propulsion	Diesel engine
Official Number	821039
Designer	Kootenay Ferry Builders
Builder	Kootenay Ferry Builders - Vancouver Ship Yards
Year Built	2000
Construction Material	Steel
Length (metres)	80.2
Breadth (metres)	23.4
Depth (metres)	4.87
Tonnage (Gross)	1480
Tonnage (Net)	525.36
Engine	4 X Cat 3512B
Vehicle Capacity (AEQ)	80
Passenger Capacity	250
Crew	6
Last Major Refit	April 2018
Last Third Party Condition Assessment	April 2018
Crossing Distance	5.5 nm
Crossing Time	35 minutes
Serves	Residential, tourist and industrial traffic
Owner	BCTFA
Current Care & Control	Western Pacific Marine Ltd. (Kootenay Lake)
Canada Shipping Act, 2001 (Canada) Voyage Classification	Sheltered Waters
Transport Canada Inspection	May 10, 2018 (performed annually)
Delegated Statutory Inspection Program	Before end of 2018
Certificate of Registry Expires	July 31, 2021



Schedule C - List of Assets

Kootenay Lake Route – Watercraft continued

Name	Balfour
Route	Kootenay Lake
Route Location	Across Kootenay Lake, 35 kilometres east of Nelson on Highway 3A, between Balfour (west side) and Kootenay Bay (east side)
Type of Vessel	Free-Running Vessel
Propulsion	Self-propelled
Method of Propulsion	Diesel engine
Official Number	195808
Year Built	1954
Builder	Yarrows Ltd.
Construction Material	Steel
Length (metres)	51.97
Breadth (metres)	14.63
Depth (metres)	2.47
Tonnage (Gross)	509
Tonnage (Net)	395
Engine	Outboard: 2 x GM 8V92, and inboard Cat 3406
Vehicle Capacity (AEQ)	28
Passenger Capacity	150
Crew	6
Last Major Refit	April 2018
Last Third Party Condition Assessment	April 2018
Crossing Distance	5.5 nm
Crossing Time	35 minutes
Serves	Serves residential, tourist, and some industrial traffic
Owner	BCTFA
Current Care & Control	Western Pacific Marine Ltd. (Kootenay Lake)
Canada Shipping Act, 2001 (Canada) Voyage Classification	Sheltered Waters
Recognized Organization Inspection	March 2018
Delegated Statutory Inspection Program	March 2018
Certificate of Registry Expires	July 31, 2021



Schedule C - List of Assets

Kootenay Lake Route – Watercraft continued

Name	B.P. 152
Route	Kootenay Lake
Type of vessel	Floating Dry Dock
Propulsion	None
Method of Propulsion	Non-propelled
Official Number	197862
Builder	Victoria Machinery Depot Co. Ltd.
Year Built	1955
Construction Material	Steel
Length (metres)	45.72
Breadth (metres)	18.59
Depth (metres)	2.29
Tonnage (Gross)	848
Tonnage (Net)	848
Last Third Party Condition Assessment	February 2018
Owner	BCTFA
Current Care & Control	Western Pacific Marine Ltd. (Kootenay Lake)
Certificate of Registry Expires	July 31, 2021



Schedule C - List of Assets

Kootenay Lake Route – Watercraft continued

Name	Work Barge
Route	Kootenay Lake
Type of Vessel	Work Barge
Construction Material	Steel
Length (metres)	27.43
Breadth (metres)	6.1
Owner	BCTFA
Last Third Party Condition Assessment	February 2018
Current Care & Control	Western Pacific Marine Ltd. (Kootenay Lake)

Schedule C - List of Assets

Kootenay Lake Route - continued

1B. FERRY FACILITY

Facility Name	Balfour Terminal
Size	2.69 acres
Legal Plan/Drawing	Refer to Schedule F: Attachment 1 – Site Plan of Balfour Ferry Terminal Facilities in District Lots 184, & 16035, Kootenay District
Landside Structures	Parking Lot (approx 120 cars) – asphalt (Size: unknown) Crew Parking Lot Excludes: Public Washrooms and Rest Area
Buildings	<ul style="list-style-type: none"> – Guard house – Storage shed
Marine Structures	<ul style="list-style-type: none"> – timber approach ramp – steel ramp and apron assembly – pontoon with hydraulics and electrics – dolphins and wingwalls; and – night berth and dolphins
Equipment and installations	Any and all equipment and installations of any kind whatsoever attached or affixed or otherwise used in relation to the foregoing
Last Third Party Condition Assessment	November 17, 2017
Owner	BCTFA
Current Care & Control	Licensed to Western Pacific Marine Ltd.



Timber Approach Ramp



Ramp, apron, pontoon, and dolphins

Schedule C - List of Assets

Kootenay Lake Route – Ferry Facility continued

Name	Kootenay Bay Terminal
Size	0.74 + acres
Legal Plan/Drawing	Refer to Schedule F: Attachment 1 – Site Plan of Kootenay Bay Ferry Terminal Facilities in District Lots 2155, 15872, and 16036, Kootenay District
Landside Structures	Parking Lot (approx 100 cars) - asphalt (Size: unknown)
	Excludes: Picnic Areas, Public Washrooms and Public Parking
Buildings	– Guard house
Marine Structures	<ul style="list-style-type: none"> – concrete abutment and steel ramp – pontoon with hydraulics and electrics – dolphins, wingwalls, and floating leads – head frame tower piles – head frame structural ramp and apron wing walls – berthing dolphins – turning dolphin – ice deflector
Equipment and installations	Any and all equipment and installations of any kind whatsoever attached or affixed or otherwise used in relation to the foregoing
Last Third Party Condition Assessment	November 17, 2017
Owner	BCTFA
Current Care & Control	Licensed to Western Pacific Marine Ltd.



Schedule C - List of Assets

Kootenay Lake Route – Ferry Facility continued

Name	Sunshine Bay Dry Dock Facility
Legal Plan/Drawing	Refer to Schedule F: Attachment 1 – Sunshine Bay Dry Dock Facility – Contractor Area of Responsibility - Map1
Marine Structures	Floating breakwater Dry Dock Securing Dolphins (assembly)
Equipment and installations	Any and all equipment and installations of any kind whatsoever attached or affixed or otherwise used in relation to the foregoing
Owner	BCTFA
Current Care & Control	Licensed to Western Pacific Marine Ltd.



Schedule C - List of Assets

2. Harrop Route

2A. WATERCRAFT

Name	Harrop (to be decommissioned prior end of 2018)
Route	Kootenay Lake
Route Location	Across Kootenay River, on Highway 3A, 24.5 kilometres northeast of Nelson and 8 kilometres west of Balfour to the communities of Harrop and Procter (on the south bank)
Type of Vessel	Cable ferry
Propulsion	Self-propelled
Method of Propulsion	Cable
Official Number	816510
Year Built	1992 (rebuilt)
Construction Material	Steel
Length (metres)	38.1
Breadth (metres)	13.32
Depth (metres)	1.46
Tonnage (Gross)	244
Tonnage (Net)	244
Engine	110KW
Vehicle Capacity (AEQ)	18
Passenger Capacity	74
Crew	1
Last Major Refit	January 2015
Last Third Party Condition Assessment	November 24, 2015
Crossing Distance	1/4 (one quarter) nm
Crossing Time	5 minutes
Serves	Residential and agricultural traffic
Owner	BCTFA
Current Care & Control	Western Pacific Marine Ltd. (Kootenay Lake)
Canada Shipping Act, 2001 (Canada) Voyage Classification	Sheltered Waters
Transport Canada Inspection	July 2017 (performed annually)
Certificate of Registry Expires	July 31, 2021



Schedule C - List of Assets

Harrop Route - continued

2B. FERRY FACILITY

Name	Harrop Terminals
Legal Plan/Drawing	Refer to Schedule F: Attachment 1 – Site Plan of Harrop Ferry Terminal Facilities in District Lots 222 and 1313, Kootenay District and over Unsurveyed Crown Land (being the bed of Kootenay Lake)
South side Terminal	Storage building – 19m ² , 3.8m x 5m
	Wooden sand box (traction)
	Concrete Ramp (7m x 15.2m)
North side Terminal	Sand box (traction)
	Concrete Ramp (7m x 15.2m)
Equipment and installations	Any and all equipment and installations of any kind whatsoever attached or affixed or otherwise used in relation to the foregoing
Last Third Party Condition Assessment	November 17, 2017
Owner	BCTFA
Current Care & Control	Licensed to Western Pacific Marine Ltd.



North Side Terminal



South Side Terminal

Schedule C - List of Assets

3. Glade Route

3A. WATERCRAFT

Name	Glade II
Route	Kootenay Lake
Route Location	Across the Kootenay River on Highway 3A (22.5 kilometres west of Nelson) to Glade.
Type of Vessel	Cable ferry
Propulsion	Self-propelled
Method of Propulsion	Cable
Official Number	841338
Year Built	June 2016
Construction Material	Steel
Length (metres)	28.80
Breadth (metres)	10.50
Depth (metres)	1.75
Tonnage (Gross)	158
Tonnage (Net)	47
Engine	110KW
Vehicle Capacity (AEQ)	10
Passenger Capacity	48
Crew	1
Last Third Party Condition Assessment	February 2018
Crossing Distance	1/4 (one quarter) nm
Crossing Time	3 minutes
Serves	Residential and agricultural traffic
Owner	BCTFA
Current Care & Control	Western Pacific Marine Ltd. (Kootenay Lake)
<i>Canada Shipping Act, 2001 (Canada)</i> Voyage Classification	Sheltered Waters
Recognized Organization Inspection	February 26, 2018 (performed annually)
Certificate of Class Expires	February 25, 2023
Certificate of Registry Expires	January 31, 2021



Schedule C - List of Assets

Glade Route - continued

3B. FERRY FACILITY

Name	Glade Terminals
Legal Plan/Drawing	Refer to Schedule F: Attachment 1 – Site Plan of Glade Ferry Terminal Facilities in District Lot 1239, Kootenay District
East side Terminal	Concrete Ramp (10m wide)
	Storage Building : Sea container
	Community message board (outside the licensed area)
	Wooden sand box (traction) (outside the licensed area)
West side Terminal	Concrete Ramp (10m wide)
Equipment and installations	Any and all equipment and installations of any kind whatsoever attached or affixed or otherwise used in relation to the foregoing
Last Third Party Condition Assessment	May 3, 2018
Owner	BCTFA
Current Care & Control	Licensed to Western Pacific Marine Ltd.



West Side Terminal



East Side Terminal

Schedule D

Payment Schedule

1. SERVICE FEE

- 1.1 The Province shall, subject to the terms of the Agreement, pay the Contractor the Service Fee as set out in this Schedule and as it may be adjusted from time to time in accordance with Section 2 herein, and the Contractor agrees to accept the Service Fee as full payment, including labour, materials, equipment and overhead to perform the Ferry Services. For greater clarity, Additional Services shall not form part of the Service Fee and shall be subject to a Work Order issued and executed by the Province in accordance section 5.4 of the Agreement and with the payment provisions in this Schedule.
- 1.2 The Contractor shall prepare and submit to the Province by the 15th day of each month, starting in the first month following the Commencement Date, no more than monthly and in respect of each month, in arrears, a payment application setting out 1/12th of the Annual Service Fee which is due and owing for the applicable month.
- 1.3 The Province shall, within 30 business days of the receipt of the Contractor's payment application, make a payment equal to the sum of:
- (a)
 - (i) 1/12th of the Annual Service Fee; and
 - (ii) any outstanding payment adjustments as authorized by the Agreement; minus:
 - (b)
 - (i) any amounts previously paid, or deemed to be paid, to the Contractor in accordance with this Agreement, in respect of the applicable month; and
 - (ii) any Provincial set off and holdback.
- 1.4 The Annual Service Fee for each Contract Year is:

Contract Year	Annual Service Fee			
	Kootenay Lake Route	Harrop Route	Glade Route	Total
First Year				
Second Year				
Third Year				
Fourth Year				
Fifth Year				
Total				

- 1.5 In the event that the Contractor fails to discharge or satisfy any security interest, encumbrance, charge, claim or lien required to be discharged or satisfied by the Contractor under the Agreement, the Charter or the License in a timely fashion as the Province may determine, in its sole discretion, then the Province may, in its sole discretion, in addition to any other remedy to which it is entitled, pay the amount required to obtain a discharge of any such security interest, encumbrance, charge, claim or lien, in the name of the Contractor, and any amount so paid together with all disbursements and legal costs in respect of such process on a solicitor and own client basis, shall forthwith be due and payable by the Contractor to the Province and may, in the sole discretion of the Province, be setoff from the Service Fee payable under Section 1 of this Schedule.

2. ADJUSTMENTS

2.1 FUEL COST ADJUSTMENT

- 2.1.1 During the initial term, the Contractor acknowledges that the annual budgeted fuel volume and the budgeted average fuel costs per litre shall be as follows:

- (a) the annual budgeted fuel volume is:
 - (i) 1,120,000 litres for the MV Osprey 2000,
 - (ii) 150,000 litres for the MV Balfour,
 - (iii) 80,000 litres for the CF Harrop and CF Harrop II, collectively, and
 - (iv) 50,000 litres for the CF Glade II; and

- (b) the budgeted average fuel cost per litre is \$1.20 per litre;

- 2.1.2 The Contractor acknowledges that, on or before Renewal Term, pursuant to section 3 of the Agreement, the Province shall provide notice of the budgeted fuel volume and the budgeted average fuel costs per litre to the Contractor for the Renewal Term;

- 2.1.3 The Contractor acknowledges that the Province shall adjust annually the Service Fee for each Contract Year to reflect any increase or decrease in the actual cost of fuel, as opposed to the budgeted cost, as follows:

- (a) within 60 days of the end of the immediately preceding Contract Year (the "Deadline" for the purposes of this Section 2.1.3), the Contractor shall calculate in arrears and remit to the Province, a fuel cost adjustment calculation (the "Fuel Cost Adjustment Calculation") accompanied by copies of all invoices from fuel suppliers, which, for each Watercraft, shall be calculated as follows:
 - (i) calculate the Contractor's Weighted Average Fuel Cost per Litre for the immediately preceding Contract Year for each Watercraft;
 - (ii) subtract \$1.20 per litre; and
 - (iii) for each respective Watercraft, multiply that amount by the volume of litres set out in Section 2.1.1(a) for such Watercraft;
- (b) upon review and verification of the Fuel Cost Adjustment Calculation in Section 2.1.3(a) above by the Province for each Watercraft:
 - (i) if the amount calculated is positive, the Province shall pay the amount calculated to the Contractor;
 - (ii) if the amount is negative, the Contractor shall pay the amount calculated to the Province, or the Province shall have the right, exercisable in its sole

discretion, to set off such amount against any payment owed by the Province to the Contractor;

- (c) Any payment owing by the Province to the Contractor pursuant to Section 2.1.3(b)(i) shall be made, as the case may be, no later than 60 days from remittance by the Contractor of the Fuel Cost Adjustment Calculation and accompanying invoices described in Section 2.1.3(a) above. Likewise, if the Province does not elect to set off the amount owing by the Contractor to the Province pursuant to Section 2.1.3(b)(ii) against any payment owed by the Province to the Contractor or, if the Province does elect to set off such amount as against any payment owed by the Province to the Contractor but there is still, after such set off, payment owing by the Contractor to the Province, any payment owing by the Contractor to the Province pursuant to Section 2.1.3(b)(ii) or after the aforementioned set off, as applicable, shall be made, as the case may be, within 60 days of the Province notifying the Contractor of the amount due;
- (d) the Contractor's failure to remit the Fuel Cost Adjustment Calculation and accompanying invoices to the Province by the Deadline may result in forfeiture of the Contractor's right to any fuel cost adjustment payment for that immediately preceding Contract Year; and
- (e) in the event the Contractor fails to remit the Fuel Cost Adjustment Calculation and the accompanying invoices to the Province by the Deadline, the Province may, when it believes a negative fuel cost adjustment could be the result and a payment or setoff in favour of the Province pursuant to Section 2.1.3(b)(ii) may be due and owing, in its sole discretion, audit the records, accounts and documentation of the Contractor pursuant to section 18 of the Agreement in order to perform its own Fuel Cost Adjustment Calculation. In the event that a negative fuel cost adjustment is the result, the Contractor shall make the required payment within 60 days of the Province notifying the Contractor of the amount due, or the Province shall have the right to set off such amount against any payment owed by the Province to the Contractor and, if any amount is owing to the Province by the Contractor after such set off, the Contractor shall pay the Province such amount within 60 days of the Province notifying the Contractor of the amount due. For certainty, in the event that a positive amount is the result, Section 2.1.3(b)(i) above shall apply.

2.2 INSURANCE COST ADJUSTMENT

2.2.1 For the first Contract Year, the Contractor shall bear the costs of the insurance premium quote (the "Base Amount") for any insurance required pursuant to the Agreement. This Base Amount is \$@@. Thereafter, in the ensuing Contract Years, the Province shall be responsible for reimbursing the Contractor for 80% of the cost of any increase over the Base Amount with the Contractor being responsible for the remaining 20% of any increase. In the event the cost of insurance in any year is less than the Base Amount the Contractor shall pay the Province an amount equal to 80% of such reduction. Provided always, however:

- (a) the Contractor shall be solely responsible for bearing the increased costs of any insurance premiums above the Base Amount resulting from any claims made in previous years occasioned by the acts or omissions of the Contractor or its servants, agents or employees or anyone else for whom the Contractor is legally responsible;
- (b) this adjustment is subject to the Province determining, to its satisfaction:

- (i) that any such increase reflects a general increase in the annual premiums for such insurance based on the availability or otherwise of alternative quotes that may be obtained on a competitive basis for the renewal or replacement of such insurance; and
- (ii) that the initial amount of the Base Amount or any subsequent annual premium amounts was not based solely or in part on an agreement or arrangement, written or otherwise, by any person to artificially adjust such amounts;
- (c) In making the determination set out at Section 2.2.1(b), the Province shall have the right to request whatever documents or information it may deem fit, including but not limited to statutory declarations in a form satisfactory to the Province, from the Contractor and insurer(s) involved; and
- (d) the Contractor shall provide to the Province, on or before each Anniversary Date, written verification, issued by the Contractor's insurer using the specimen form attached at Appendix D1 to this Schedule, of the total amount payable as the annual premium for the renewal or replacement of all insurance to be obtained and kept in good standing by the Contractor as required in this Agreement. The Contractor's failure to provide this written verification, on or before each Anniversary Date, may result in the forfeiture of the Contractor's right to an insurance adjustment as set out in this Section 2.2.1, for the immediately preceding Contract Year.

2.3 MISSED SAILING ADJUSTMENT

2.3.1 The Contractor shall adhere to the daily schedule of departure times and hours of service for the ferry sailings as set out at Appendix B1 to Schedule B to the Agreement, and must at all times ensure that the Ferry Service is available on a year-round basis.

2.3.2 In the event that:

- (a) in respect of the Kootenay Lake Route, in any calendar month, more than one (1) round-trip sailing of the MV Osprey 2000 or the MV Balfour are missed, the Province may withhold or deduct from the Service Fee owed to the Contractor for such calendar month, the amount of \$2,500.00 for each missed round-trip sailing of the MV Osprey 2000 in excess of one such missed round-trip sailings in that month, and the amount of \$850.00 for each missed round-trip sailing of the MV Balfour in excess of one such missed round-trip sailings in that month;
- (b) the Glade Route is not available for a period of time exceeding five (5) hours in any calendar month, the Province may withhold or deduct from the Service Fee owed to the Contractor for such calendar month, the amount of \$200.00 for each hour that the Glade Route is unavailable in excess of five (5) hours in that calendar month; and
- (c) the Harrop Route is not available for a period of time exceeding five (5) hours in any calendar month, the Province may withhold or deduct from the Service Fee owed to the Contractor for such calendar month, the amount of \$200.00 for each hour that the Harrop Route is unavailable in excess of five (5) hours in that calendar month,

provided that:

- (d) no missed sailing shall be counted for these purposes when the cause of the missed sailing was beyond the control of the Contractor, however the Parties

acknowledge and agree that mechanical difficulties shall not be considered to be a cause beyond the Contractor's control; and

- (e) the imposition of any penalty described herein is in addition to any other remedy to which the Province is entitled.

2.3.3 The Province may withhold or set off the missed sailing adjustment stipulated in Section 2.3.2 from any amount or payment owing to the Contractor.

2.3.4 In the event of a missed sailing, the Contractor shall prepare and submit a Downtime Report pursuant to section 5 of Appendix B4 to Schedule B to the Agreement, in the form set out at Attachment 3 to Appendix B4 to Schedule B to the Agreement.

2.3.5 The withholding or deducting of any amount described in this Section 2.3 is in addition to any other remedy to which the Province may be entitled.

2.4 LABOUR COST ADJUSTMENT

2.4.1 The Contractor acknowledges that the Collective Agreement expires on March 31, 2019 and that the 17th Master Agreement between the Government of the Province of British Columbia, represented by the BC Public Service Agency and the BCGEU expires on March 31, 2019 (the "17th Master Agreement").

2.4.2 Upon the Contractor entering into a new collective agreement with the BCGEU, if the Contractor's labour costs exceed the labour costs provided in the Collective Agreement, the Province shall reimburse the Contractor in arrears for each Contract Year or portion thereof for such increased labour costs, subject to:

- (a) the Government of British Columbia entering into the eighteenth and subsequent Master Agreements with the BCGEU;
- (b) the wage increases not exceeding, in percentage, the wage increases between each subsequent Master Agreement as against the immediately prior Master Agreement (i.e. the seventeenth Master Agreement and the eighteenth Master Agreement, and so on);
- (c) the job classification grid levels remaining as they are in appendix 1 of the Collective Agreement;
- (d) the Province not reimbursing the Contractor for any amounts which are deemed to be, as determined by the Province, in its sole discretion, due to the Contractor failing to sufficiently and professionally manage its labour force and costs thereof; and
- (e) the Contractor providing to the Province all relevant information and supporting documentation so that the Province may independently verify the Contractor's application and the Province shall be entitled to receive such relevant documents it may deem fit to review as part of its determination.

2.4.3 The Province shall, upon review and verification of the Contractor's application and accompanying information, supporting documentation and all relevant information, reimburse the Contractor in arrears for those retirement allowances paid to BCGEU employees in accordance with the Collective Agreement that were not reasonably foreseeable or reasonably anticipated at the time the Contractor submitted its proposal to the Province's RFP for the Ferry Service.

3. ADDITIONAL SERVICES

3.1 The Province shall, on the basis of the issuance of a Work Order and subject to the terms of this Agreement, pay to the Contractor for the provision of Additional Services:

- (a) subject to Section 3.1(b), on the basis of the Direct Plus Rates set out in Section 3.6 below as full and final payment for such Additional Services; or
- (b) if determined by the Province, in its sole discretion, a fixed amount to be negotiated by the Parties, as full and final payment for such Additional Services. For greater certainty, if the Parties are unable to negotiate a fixed amount for the provision of the Additional Services by the deadline specified in the Work Order, the Province shall pay the Contractor on the basis of the Direct Plus Rates set out in Section 3.6 below.

3.2 The Province may, from time to time, in its sole discretion, modify or replace this Section 3 of this Schedule or any part of it, in writing.

3.3 The payment of fees under this Section 3 is subject to the Contractor providing to the Province written statements of account in respect of any and all fees claimed, including evidence satisfactory to the Province, of recorded time and hourly rates of pay for labour and supervision, as the case may be.

3.4 The Contractor shall prepare and submit to the Province, no more than monthly and in respect of each month, in arrears, a payment application setting out any Additional Fee claimed under this Section which is due and owing for the applicable month.

3.5 The Province shall, within 30 Business Days of the receipt of the Contractor's payment application, make a payment for amounts deemed due and owing to the Contractor by the Province, in its sole discretion.

3.6 DIRECT PLUS RATES

3.6.1 LABOUR

- (a) Fees for labour for Additional Service shall, subject to the terms of this Agreement, be an amount equal to the total of:
 - (i) the actual wages and salaries, including benefits, paid or incurred directly by the Contractor in respect of the Contractor's labour and supervisory personnel who are actively and necessarily engaged on the particular Additional Service performed by the Contractor, if supported by written statements of account establishing, to the satisfaction of the Province, recorded time, hourly rates of pay, and benefits for that labour and supervision;
 - (ii) plus 20% of the total costs calculated under Section 3.6.1(i) above to cover the Contractor's profit, and any and all other costs of the Contractor, including without limitation, the Contractor's overhead, supervision, insurance and bonding costs and expenses.
- (b) The fees for labour shall not include:
 - (i) any payment or costs incurred by the Contractor for operators of hired equipment;
 - (ii) labour costs incurred by the Contractor in connection with or under subcontracts; or

- (iii) costs incurred by the Contractor for general supervision, administration, or management time spent on the time of work.

3.6.2 EQUIPMENT

- (a) Fees for equipment shall, subject to the terms of the Agreement, be an amount equal to the total of the following items, plus 15%:
 - (i) for equipment owned or leased by the Contractor, an amount equal to the applicable "All Found Less Operator" rate set out in the "Equipment Rental Guide" published by the B.C. Road Builders & Heavy Construction Association and authorized by the Province, in effect at the time that the item of work is performed, or, if the Equipment Rental Rate Guide is silent as to the applicable rate, the rate shall be the rate that is agreed upon by the Province and the Contractor prior to the use of the equipment in the performance of the applicable item of work, being full payment and reimbursement for all fuel, oil, lubrication, repairs, maintenance, and other costs incidental to owning and operating the equipment; and
 - (ii) for hired equipment, an amount equal to the applicable "All Found" rate set out in the Equipment Rental Guide, referenced in Section 3.6.2(a)(i) above, and authorized by the Province, in effect at the time that the applicable item of work is performed, or, if the Equipment Rental Rate Guide is silent as to the applicable rate, the rate shall be the rate that is agreed upon by the Province and the Contractor prior to use of the equipment in the performance of the applicable item of work is performed, being full payment and reimbursement for the operator, and for all fuel, oil, lubrication, repairs, maintenance, and other costs incidental to owning and operating the equipment.

3.6.3 MATERIALS

- (a) Fees for materials shall, subject to the terms of the Agreement, be an amount equal to the actual costs incurred by the Contractor for materials supplied in the performance of the applicable item of work at invoice costs (which includes all freight and express charges, all taxes except GST, and all other costs incurred by the Contractor to supply the materials delivered and used to perform the applicable item of work, at the site), plus 10%.

3.6.4 SUBCONTRACTS

- (a) Fees for subcontracts shall be an amount equal to the costs incurred by the Contractor for subcontracts with subcontractors in the performance of the applicable item of work at invoice costs, exclusive of GST, plus 10%.

4. END OF TERM WITHHOLDING

- 4.1 The Province shall pay to the Contractor the final monthly instalment of the Service Fee of the Term within 60 days of the Contractor providing to the Province all information specified in section 4 of Appendix B7 to Schedule B to the Agreement of this Agreement and such information that the Province may require to determine the adjustments described in Section 2 of this Schedule, which the Contractor shall deliver to the Province no later than 60 days after the last day of the Term, provided that the Province may withhold and setoff from such final instalment any amount owing or otherwise payable to the Province by the Contractor, or any amount for which the Contractor is

liable to the Province, pursuant to this Agreement or otherwise, including, without limiting the generality of the foregoing:

- (a) any amount(s) owing or payable to the Province by the Contractor on account of the fuel cost adjustments and/or insurance cost adjustments for the final Contract Year of the Term;
- (b) any amount(s) owing or payable to the Province by the Contractor arising from the failure by the Contractor to duly perform all of its obligations pursuant to the Agreement, the Licence, Charter or any other agreement between the Province and the Contractor with respect to the operation or provision of the Work; and
- (c) any amount(s) equal to costs incurred or reasonably estimated by the Province to be incurred to restore the Watercrafts and the Ferry Facilities to the same condition they were in at the commencement of the Term, subject to reasonable wear and tear.

4.2 If the amount to be set off is insufficient to satisfy, in full, the amount due by the Contractor to the Province as herein provided, the Contractor shall pay to the Province the amount representing the shortfall within 60 days from the date the Contractor provides the Province with the information set out in Section 4.1 above.

Schedule D - APPENDIX D1**Insurance Premium Adjustment Form**

(to be completed by an authorized representative of the insurer)

Contractor: _____	Name of Authorized Representative of Insurer _____
	Name of Insurance Broker (if different) _____
Contract #: _____	Adjustment Year: _____ From yy/mm/dd
Contract Term: _____ From yy/mm/dd	To yy/mm/dd
_____	Contract Year (____) to Year (____)

General Liability Coverage

Required Limit of Liability \$ _____

	Insurer	Last Term Premium	Adjustment Term Premium	Total Term Premium
Primary				
Excess				
TOTAL				

Marine Liability Coverage

Required Limit of Liability \$ _____

	Insurer	Last Term Premium	Adjustment Term Premium	Total Term Premium
Primary				
TOTAL				

Total Coverage General Liability and Marine Liability

Last Term Premium	Adjustment Term Premium	Total Term Premium

*Signature of Authorized Representative of Insurer*_____
Company Name_____
*Name of Authorized Representative of Insurer (printed)*_____
Date yy/mm/dd

Schedule E

BARE-BOAT CHARTER

This Charter is dated for reference this 1st day of October, 2018.

BETWEEN

**HER MAJESTY THE QUEEN IN RIGHT OF THE PROVINCE
OF BRITISH COLUMBIA**

**as represented by the Minister Responsible for the Transportation Act and her agents,
servants, representatives, contractors and employees with the following address:**

**c/o The Ministry of Transportation and Infrastructure,
Marine Branch**

**940 Blanshard Street
Victoria, British Columbia V8W 9T5**

(the "Province")

AND:

**BC TRANSPORTATION FINANCING AUTHORITY,
with the following address:**

**c/o The Ministry of Transportation and Infrastructure
Marine Branch**

**940 Blanshard Street
Victoria, British Columbia V8W 9T5**

(the "BCTFA")

AND:

@@@

(the "Contractor")

WHEREAS:

- A.** The BCTFA is the owner of the Watercrafts; and
- B.** The Contractor has entered into the Ferry Agreement and as a condition of same has agreed to be bound by the terms of this Charter; and
- C.** Pursuant to and in accordance with the Ferry Agreement, the BCTFA has granted authority to the Province to act on BCTFA's behalf.

NOW THEREFORE WITNESSETH that in consideration of the premises and the good and valuable consideration, the receipt and sufficiency of which the Parties hereto acknowledge, the Parties agree as follows, that is to say:

Definitions

In this Charter, the following definitions shall apply:

“**Additional Part**” or “**Additional Parts**” has the meaning set out in Section 10.7;

“**Charter**” means this bare boat charter;

“**Change**” has the meaning ascribed to it in schedule A to the Ferry Agreement;

“**Contact Person**” means the contact person set out in Section 16.1;

“**Event of Watercraft Loss**” has the meaning set out in Section 12.1;

“**Event of Watercraft Loss Date**” has the meaning set out in Section 12.1;

“**Ferry Agreement**” means the Kootenay Lake Ferry Agreement entered into among the Province, the BCTFA and the Contractor on October 1, 2018 and includes all schedules and appendices attached thereto, all appendices attached to all such schedules, and all attachments attached to all such appendices, and includes any amendments or Changes to the foregoing;

“**Ferry Facilities**” has the meaning ascribed to it in schedule A to the Ferry Agreement;

“**Ferry Service**” has the meaning ascribed to it in schedule A to the Ferry Agreement;

“**Government Authority**” has the same meaning ascribed to it in schedule A to the Ferry Agreement;

“**OEM**” has the meaning set out in Section 10.3;

“**Parties**” means the parties to this Charter and a reference to “**Party**” means any one of them;

“**Replaced Part**” or “**Replaced Parts**” has the meaning set out in Section 10.1;

“**Replacement Part**” or “**Replacement Parts**” has the meaning set out in Section 10.1;

“**Replacement Watercraft**” has the meaning set out in Section 12.3;

“**Term**” has the same meaning ascribed to it in schedule A to the Ferry Agreement;

“**Watercrafts**” means the MV Osprey 2000, MV Balfour, B.P. 152, Work Barge, CF Harrop, and CF Glade II, together, and such other watercraft detailed in Schedule C of the Ferry Agreement, as may be amended or Changed from time to time, and “**Watercraft**” means any one of them;

“Work” has the meaning ascribed to it in schedule A to the Ferry Agreement; and

“Work Order” has the meaning ascribed to it in schedule A to the Ferry Agreement.

1. GRANT

- 1.1 The BCTFA hereby grants to the Contractor and the Contractor hereby accepts from the BCTFA a charter of the Watercrafts, including all equipment, machinery, accessories and appurtenances, but without supply of master and crew, for the purpose of the provision of the Work.
- 1.2 The Contractor shall have quiet enjoyment of the Watercrafts, subject to the rights of the BCTFA hereunder.

2. CHARTER PERIOD

- 2.1 This Charter shall be for the Term and shall, notwithstanding any other provision herein, automatically terminate upon the early termination or expiry of the Ferry Agreement.

3. USE OF THE WATERCRAFTS

- 3.1 The Watercrafts shall be used only for the provision of the Work.
- 3.2 The Watercrafts shall be used for no other purpose except as required in an emergency or as otherwise specifically authorized in writing by the Contact Person.

4. CHARTER FEE AND OTHER PAYMENT

- 4.1 Upon and subject to the terms and conditions set out herein, the Contractor shall pay to the BCTFA, as consideration for the charter of the Watercrafts as herein provided, the sum of \$5.00 (exclusive of taxes) for the Term.
- 4.2 The Contractor shall be responsible for all other payments associated with the operation and possession of the Watercrafts, including but not limited to the master and crew remuneration, licensing fees, fuel, maintenance, alterations, taxes, dues, insurance, assessments, fines, service and supply contracts, and replacement or repair of equipment, machinery, accessories and improvements associated with the Watercrafts.
- 4.3 The Contractor acknowledges that this Charter shall be absolutely fiscally carefree to the BCTFA.

5. TITLE TO THE WATERCRAFTS

- 5.1 The Watercrafts shall at all times remain the property of the BCTFA and shall continue to be registered in the name of the BCTFA throughout the Term and any renewal thereof.
- 5.2 The Contractor shall at all times protect and defend, at its own cost and expense, the title of the BCTFA from and against all encumbrances, charges, claims, liens and other security interests except as may arise through the acts of the BCTFA, and the Contractor shall keep the Watercrafts and this Charter free and clear of all such encumbrances, charges, claims, liens and other security interest.
- 5.3 The Contractor shall forthwith give the Contact Person notice of any alleged security interest, encumbrance, charge, claim, lien or the like regarding the Watercrafts or this Charter of which the Contractor may become aware and of the Contractor's intended course of action with respect thereto.
- 5.4 In the event that the Contractor fails to discharge or satisfy any such security interest, encumbrance, charge, claim, or lien in a timely fashion, as the BCTFA in its sole discretion may determine, then the BCTFA may (but shall not be obliged to), in addition to any other remedy to which it is entitled, pay the amount required to obtain a discharge of any such security interest, encumbrance, charge, claim or lien, in the name of the Contractor, and any amount so paid together with all disbursements and legal costs in respect of such process on a solicitor and own client basis, shall forthwith be due and payable by the Contractor to the BCTFA and may, at the direction of the BCTFA be deducted from the Annual Service Fee payable under the Ferry Agreement.

6. DELIVERY

- 6.1 Except for those Watercrafts that may be added to Schedule C to the Ferry Agreement and delivered to the Contractor following the commencement of the Term, delivery of the Watercrafts under this Charter shall be deemed to have been made and this Charter shall commence on the first day of the Term.
- 6.2 Watercrafts that are added to Schedule C to the Ferry Agreement and delivered to the Contractor following the commencement of the Term shall be deemed to have been delivered on the actual date of delivery to the Contractor.
- 6.3 The Contractor accepts the Watercrafts on an "as is" basis and acknowledges that neither the BCTFA nor the Province have made representations or warranties with respect to the condition of the Watercrafts; and, in particular, but not so as to limit the foregoing, no representations or warranties as to the Watercrafts' seaworthiness, type, design, operation, merchantability, fitness for purpose, or suitability for use.

7. OPERATION

- 7.1 Subject to the terms of the Ferry Agreement, the Contractor shall have full use and control of the Watercrafts for the purpose of providing the Ferry Service in accordance with the terms of this Charter and the Ferry Agreement.
- 7.2 The Contractor shall operate the Watercrafts in a safe and efficient manner and in accordance with all applicable laws.
- 7.3 The Contractor shall bear sole responsibility for the Watercrafts and acknowledges that it shall assume the entire risk of loss of or damage to the Watercrafts from any cause whatsoever, including loss of or damage to the hull, machinery, spare parts, equipment, accessories, supplies and additions and accessories incorporated therein or affixed thereto.

8. ASSIGNMENT

- 8.1 The Contractor shall not assign or mortgage, pledge or otherwise charge or transfer this Charter or sublet, licence or lend all or any part of the Watercrafts without the prior written consent of the BCTFA, which consent may be unreasonably or arbitrarily withheld by the BCTFA.
- 8.2 The Contractor shall not, without the prior written consent of the Province, which consent may be unreasonably or arbitrarily withheld by the Province, assign or transfer, either directly or indirectly, this Charter, or any right of the Contractor under this Charter. In respect of any assignment or transfer of this Charter, the Contractor shall reimburse the Province forthwith on demand for the Province's administrative and other costs, including legal costs on a full indemnity basis, in relation to the assignment.
- 8.3 The following events shall be deemed to be an assignment of the Contractor's rights and obligations under this Charter requiring the Province's prior written consent which may be unreasonably or arbitrarily withheld:
 - (a) if the Contractor is a corporation whose shares are not traded on any public stock exchange or in any public stock market, any transaction, amalgamation, reorganization, joint venture, trust or other agreement, or other disposition of shares or securities, which shall result in a direct or indirect Change in Control of such corporation or direct or indirect change of ownership of the corporation, during the Term; or
 - (b) if the Contractor is a partnership:
 - (i) the cessation, other than through death, at any time during the Term by any person who at the time of the execution of this Charter owns a partner's interest, of such ownership, or a material change in the ownership of such partner's interest, as determined by the Province, in its sole discretion; or

- (ii) the occurrence of any event described in Section 8.3(a) above in relation to any such partner. if such partner is a corporation whose shares are not traded on any public stock exchange or in any public stock market.

8.4 Upon request of the BCTFA from time to time, a Contractor that is a corporation or partnership shall make available to the BCTFA for inspection or copying or both, all books and records of the Contractor which, alone or with other data, in the case of the Contractor that is a corporation, identify the ownership of all of the shares and securities of the partners of the Contractor and their respective interests in the partnership, all from the commencement of the Term or the date of earlier execution of this Charter up to the date such books and records are made available to the BCTFA.

9. MAINTENANCE

9.1 During the Term, the Contractor shall, at the Contractor's sole expense, at all times maintain and preserve, or cause to be maintained or preserved, the Watercrafts in good running order and repair in accordance with the specifications in Appendix B5 to Schedule B to the Ferry Agreement so that the Watercrafts shall be, insofar as due diligence can ensure, tight, staunch, strong and well and sufficiently tackled, apparelled, furnished, equipped and in every respect seaworthy and in good operating condition; and the Contractor shall, at its sole expense, keep or cause to be kept, the Watercrafts and its machinery, appurtenances and spare parts, in shipshape condition.

9.2 Without limiting the generality of the foregoing, the Contractor shall:

- (a) comply with any and all laws, bylaws, orders, regulations, standards, and rules applicable to the use, maintenance and operation of the Watercrafts, and if such laws, bylaws, orders, regulations, standards, and rules, require alteration to the Watercrafts, the Contractor shall, promptly, upon becoming aware of any such required alteration, give written notice to the BCTFA of any such required alteration and the applicable law, bylaw, order, regulation, standard or rule, or any of them as the case may be;
- (b) operate, service, repair, alter, modify and maintain the Watercrafts, at its sole expense, so as to keep the Watercrafts;
 - (i) in all respects seaworthy, and in a condition and state of operation, service, and maintenance that complies at all times with all laws, including the *Canada Shipping Act, 2001* (Canada), and all bylaws, orders, regulations, standards, and rules of any competent Government Authority or Recognized Organization applicable to the Watercrafts, to the Ferry Service and to this Charter;
 - (ii) in the operating condition in which it was delivered as at the date of this Charter, subject to ordinary wear and tear; and

- (iii) in a clean and tidy state;
 - (c) paint or cause all presently painted surfaces of the Watercrafts above the waterline to be painted, in the same colors in which the Watercrafts was delivered by the BCTFA to the Contractor;
 - (d) obtain, acquire, keep and maintain all records, log-books and any other documentation required by the *Canada Shipping Act, 2001* (Canada) and by any other laws, bylaws, orders, regulations, standards, and rules of any competent Government Authority, in respect of the Watercrafts;
 - (e) upon written request from the BCTFA, deliver to the BCTFA copies of any and all marine surveys, and inspection certificates related to the Watercrafts, and any or all records (including supporting documents), log-books and other documentation referred to in Section 9.2(f);
 - (f) permit the BCTFA at all reasonable times to inspect, examine, review, and copy any and all records, log-books and any other documentation that has been kept, produced, prepared, received or acquired by the Contractor in connection with the Watercrafts and pursuant to the *Canada Shipping Act, 2001* (Canada) or any other laws, bylaws, orders, regulations, standards, and rules of any competent Government Authority;
 - (g) not permit advertising, commercial announcements or signage of any kind whatsoever to be displayed from, affixed to or painted on the Watercrafts without the prior written consent of the BCTFA; and
 - (h) ensure that all safety devices and equipment, including life saving devices and equipment, and fire fighting equipment, life rings, inflatable life rafts, life jackets and life jacket lockers are provided and maintained at all times on and in connection with the Watercrafts as required by the laws, including the *Canada Shipping Act, 2001* (Canada), bylaws, orders, regulations, standards, and rules of any competent Government Authority.
- 9.3 Despite any other provisions in this Article or elsewhere in this Charter, in the event the Watercrafts shall be placed in dry-dock for re-fit by the Contractor during the Term pursuant to the Ferry Agreement, the Contractor shall ensure that, at the conclusion of the re-fit, the Watercrafts complies with all requirements of Transport Canada and all other authorities having jurisdiction and with all requirements set out in the Ferry Agreement and the Charter.

10. PARTS REPLACEMENT, ALTERATIONS, MODIFICATIONS, ADDITIONS

- 10.1 If any part, instrument, appurtenance, accessory, machinery or other equipment of whatever nature which is or may from time to time be incorporated or installed in or attached to the Watercrafts and which may from time to time become worn out, lost, stolen, destroyed, damaged beyond repair or permanently rendered unfit for use for any reason whatsoever (hereafter call the "Replaced Part" or the

“Replaced Parts”) then the Contractor shall, at its own cost and expense, promptly provide and install replacement parts (hereinafter called the “Replacement Part” or the “Replacement Parts”).

- 10.2 The Contractor shall ensure that any Replacement Parts are free and clear of any security interests, charges, claims, liens or other encumbrances and shall be in as good operating condition as, shall have a value, utility, quality and specifications at least equal or similar to, the Replaced Parts, and shall be in the condition, maintenance and repair required by the terms of the Ferry Agreement and this Charter.
- 10.3 The Contractor shall ensure that Replacement Parts and service for the Replacement Parts shall first be sourced from the original equipment manufacturer (“OEM”). If the Contractor seeks to utilize non-OEM Replacement Parts and services and OEM Replacement Parts and services are available, the Contractor shall, prior to obtaining such non-OEM Replacement Parts and services, be required to obtain the Province’s prior written consent, which consent may be unreasonably or arbitrarily withheld or conditioned. In seeking such consent, the Contractor shall provide the Province with all documents and information necessary, as determined by the Province, in its sole discretion, in order to demonstrate how the fit, finish, safety, reliability, durability and longevity of the non-OEM Replacement Part or service shall not compromise the equipment and the Watercrafts. If the Contractor seeks to utilize non-OEM Replacement Parts and services because OEM Replacement Parts and services are not available, then the Contractor shall so notify the Province, and upon the Province’s request, the Contractor shall provide the Province with all information and documents necessary, as determined by the Province, in its sole discretion, to demonstrate how the fit, finish, safety, reliability, durability and longevity of the non-OEM Replacement Part or service shall not compromise the equipment or the Watercrafts, and the Province shall have the right, in its sole discretion, to impose any condition to the Contractor’s use of non-OEM Replacement Parts or services as it sees fit, including, as to how any cost savings resulting from the use of such non-OEM Replacement Parts or services are to be shared among the Province and the Contractor.
- 10.4 All Replaced Parts at any time removed from the Watercrafts shall remain the property of the BCTFA no matter where located.
- 10.5 The Contractor acknowledges that immediately upon the acquisition of a Replacement Part, title to such Replacement Part shall vest in the BCTFA free and clear of any security interest, lien, charges, claims or other encumbrance.
- 10.6 The Contractor acknowledges that, immediately upon the installation of a Replacement Part in or on a Watercraft as above provided:
 - (a) such Replacement Part shall be deemed to be part of applicable Watercraft, and become subject to this Charter; and

- (b) the Contractor shall perform a thorough test to ensure that such Replacement Part shall have the necessary fit, finish, facing, durability and longevity such that its use in the applicable Watercraft, and the Watercraft itself, are in compliance with all of the applicable terms of the Ferry Agreement and this Charter and provide the results of such test to the Province.
- 10.7 In addition to its obligations to install Replacement Parts in or on the Watercrafts, the Contractor shall, at its sole cost and expense, if required in order to meet the requirements or standards of any applicable laws, ordinances, regulations, requirements, standards and rules applicable to the use, maintenance and operation of the Watercrafts, or may, if the Contractor deems desirable in the proper conduct of its business, make alterations and modifications in and additions to the Watercrafts (hereinafter such additional parts are called the "Additional Part" or the "Additional Parts"), provided that:
 - (a) subject to Section 10.8, no such alteration, modification or addition diminishes the value, utility or condition of the Watercrafts below the value, utility or condition of the Watercrafts immediately prior to such alteration, modification or addition;
 - (b) the Watercrafts then has the seaworthiness, utility and condition required to be maintained by the terms of this Charter;
 - (c) any and all such alterations, modifications or additions shall be at the sole cost of the Contractor; and
 - (d) the BCTFA has given it prior written approval, which approval shall not be unreasonably withheld.
- 10.8 A Contractor shall, if required in order to meet the requirements or standards of any applicable laws, ordinances, regulations, requirements, standards and rules applicable to the use, maintenance and operation of the Watercrafts, be permitted to make an alteration, modification or addition that diminishes the value, utility or condition of the Watercrafts if the Contractor demonstrates to the Province, and the Province determines, in its sole discretion, that there are no alternative alterations, modifications or additions that could be made to the Watercrafts in order to meet the requirements or standards of any applicable laws, ordinances, regulations, requirements, standards and rules applicable to the use, maintenance and operation of the Watercrafts, that would result in no or a lesser diminishment in the value, utility or condition of the Watercrafts immediately prior to such alteration, modification or addition.
- 10.9 Title to any and all Additional Parts shall vest in the BCTFA immediately upon the acquisition of each Additional Part by the Contractor, free and clear of any security interest, charge, claim, lien or other encumbrance, and any and all such Additional Parts shall be subject to this Charter and be deemed part of the applicable Watercraft.

- 10.10 Subject to an alteration, modification or addition made to a Watercraft pursuant to Section 10.8, the Contractor shall, on the earlier of the date 60 days prior to the expiration of the Term and a date within 10 days following the termination of this Charter for any reason whatsoever, notify the Province and BCTFA in writing of any alteration, modification or addition to the Watercrafts or of any property damage or loss not constituting an Event of Watercraft Loss which would, in the Contractor's reasonable opinion, impair or negatively impact upon the value, utility or condition of the Watercrafts. If, in the BCTFA's opinion, any such modification, alteration, or addition has impaired or negatively impacted upon the value, utility or condition of the Watercrafts, the Contractor shall restore the affected Watercrafts, at its sole expense, to a condition in which, in the opinion of the Province, the Watercrafts shall have the value, utility or condition which they would have had if such alteration, modification, addition, property damage or loss had not occurred. Restoration shall be carried out by the Contractor, at its sole expense, prior to the return of the Watercrafts to the BCTFA.

11. INSURANCE

- 11.1 The Contractor shall obtain and keep in good standing insurance on the Watercrafts with loss payable to the Province as described in Schedule H to the Ferry Agreement and shall comply with any obligations of the Contractor with respect to insurance as set out in Schedule H to the Ferry Agreement.

12. EVENT OF WATERCRAFT LOSS

- 12.1 If a Watercraft is lost, stolen, destroyed, damaged beyond economic repair or to an extent resulting in an insurance settlement with respect thereto on the basis of a total or constructive total loss, expropriated or confiscated in circumstances beyond the reasonable control of the Contractor by any authority for any reason or is rendered unfit for normal use for any reason other than because the Watercraft has become, or is deemed by the Contractor to have become, obsolete (hereinafter individually referred to as an "Event of Watercraft Loss"), the Contractor shall notify the BCTFA and the Contractor's insurers in writing of the Event of Watercraft Loss as soon as is practicable but not later than 5 days after the date of the Event of Watercraft Loss (that date being hereinafter called the "Event of Watercraft Loss Date") or such shorter time as may be required pursuant to the applicable policy insurance.
- 12.2 If an Event of Watercraft Loss occurs, the Contractor shall pay to the BCTFA the full insurable value of the applicable Watercraft.
- 12.3 Upon payment of the full insurable value of the Watercraft as hereinbefore provided, this Charter shall terminate with respect to such Watercraft and the BCTFA may, at its sole discretion, replace the applicable Watercraft by delivering to the Contractor another Watercraft (the "Replacement Watercraft") for the purpose of the performance of the Ferry Service, and upon delivery of the Replacement Watercraft by the BCTFA to the Contractor, the term "Watercrafts"

and "Watercraft" in this Charter shall include the Replacement Watercraft unless the context otherwise requires, and with respect to the Replacement Watercraft, the BCTFA and the Contractor agree to be bound by the terms and conditions of this Charter.

13. THIRD PARTY CONTRACTS

- 13.1 If the Contractor shall assume any supply, service or rental contracts associated with the Watercrafts, the Contractor shall keep them in good standing until they terminate.
- 13.2 The Contractor may enter into new supply, service or rental contracts during the Term provided that the neither the BCTFA nor the Province shall have any liability with respect to any of these contracts, either during or after the expirations of the Term.

14. INSPECTION AND SURVEY OF THE WATERCRAFTS

- 14.1 The Contractor represents and warrants to the BCTFA and agrees with the BCTFA as follows:
 - (a) that the Contractor has been afforded the opportunity, prior to executing this Charter, to inspect and examine the Watercrafts and that the Contractor has inspected and examined the same and has satisfied itself with respect thereto; and
 - (b) that the Contractor has satisfied itself in all respects, prior to executing this Charter, as to the Watercrafts including as to the condition, situation, status, quality, fitness and standard of the Watercrafts.

15. RETURN OF WATERCRAFTS

- 15.1 Upon the expiration of the Term or sooner termination of this Charter, the Contractor, at its sole cost and expense, shall deliver the Watercrafts to the BCTFA at a location designated by the BCTFA.
- 15.2 The Watercrafts shall be in the same condition as when it was delivered to the Contractor, subject to reasonable wear and tear.
- 15.3 On redelivery of the Watercrafts, the Parties shall do the following, and the sole cost of the Province:
 - (a) conduct an inventory of the Watercrafts; and
 - (b) conduct a marine off-hire condition survey by an independent qualified marine surveyor, appointed by the Province.
- 15.4 Upon receipt by the Contractor and the BCTFA of the off-hire survey report, the Contractor shall, at its sole cost and expense, remedy any and all defects and

damages set out in the survey report, subject to defects attributable to reasonable wear and tear and those existing at the time of delivery of the Watercrafts as provided in the on-hire survey at the time and that were not rectified by the BCTFA.

16. NOTICE

- 16.1 Any notice, document, statement, report, or demand to be given or made under this Charter, shall be in writing and may be given or made by personal delivery to the Party to whom it is to be given or made, or by mailing in Canada with postage prepaid addressed, by sending an e-mail or, in the case of any notice to be delivered to the Contractor by the Province, by posting such notice on the SharePoint site.

if to the BCTFA or the Province (or both of them):

Ministry of Transportation and Infrastructure
P.O. Box 9850, Stn. Prov. Gov't
940 Blanshard Street
Victoria, B.C. V8W 9T5

Attention: Ministry Inland Ferry Manager, Marine Branch

or such other contact person or address as the Province may notify the Contractor from time to time;

Email: [●]

If to the Contractor:

@ @

@ @

@ @

@ @

Attention: @ @

or such other contact person or address as the Province may notify the Contractor from time to time;

Email: [●]

or SharePoint at <https://marinebranch.sp.th.gov.bc.ca/KLFagreement/>

and any such notice, document, statement, report, or demand so mailed shall be deemed given to and received by the addressee on the third business day after the mailing of the same except in the event of disruption of postal services in Canada in which case any such notice, document, statement, report, or demand shall be deemed given to and received by the addressee when actually delivered

to the particular address set out above; or when so added on the SharePoint site shall be conclusively deemed validly given to and received by the intended recipient when so added.

- 16.2 Either Party may, from time to time, advise the other by notice in writing of any change of address of the Party giving such notice and, from and after the giving of such notice, the address therein specified shall, for purposes of this Charter, be deemed to be the address of the Party giving such notice.

17. ASSUMPTION OF RISK

- 17.1 Except as may be expressly provided herein and in the Ferry Agreement, the Contractor shall be solely responsible for the Watercrafts and the Contractor assumes the entire risk of loss or damage to the Watercrafts from any cause whatsoever, including, without limitation, loss of or damage to the hull, machinery, spare parts, equipment, accessories, supplies and additions and accessories incorporated therein or affixed thereto.

18. INDEMNITY PROVISIONS

- 18.1 The Contractor shall indemnify and save harmless the BCTFA and the Province, their servants, directors, officers, employees, deputies, delegates, representatives and agents (together, the "Indemnitees"), from and against all claims, demands, losses, damages, costs, liabilities, expenses, fines, penalties, assessments and levies, including without limitation fees of solicitors and other professional advisors, made against or incurred, suffered or sustained by any of the Indemnitees at any time or times (whether before or after the expiration or termination of this Charter or the Ferry Agreement) where the same or any of them are based upon or arise out of:
- (a) any breach, violation or non-performance by the Contractor of any covenant, condition or term in this Charter;
 - (b) any bodily injury, death or property damage or loss of use thereof occurring or happening in, on or off the Ferry Facilities in any way relating to this Charter;
 - (c) any fines, penalties or expenses levied or charged against the Indemnitees or the Contractor by any Government Authority, court or board pursuant to any law, by-law or regulation for the protection of the environment as a result of the use and occupation of the activities of the Contractor on, or in any way related to, the Watercrafts, or
 - (d) any act or omission taken or maintained or the exercise of any rights by the Contractor (or others for whom the Contractor is responsible at law) pursuant to any provisions of this Charter.

- 18.2 The indemnity contained in this Article shall survive the expiration or earlier termination of this Charter and the Ferry Agreement.

19. MISCELLANEOUS

- 19.1 Any public announcement relating to this Charter shall be arranged by the BCTFA in consultation with the Contractor.
- 19.2 The Contractor shall treat as confidential and shall not, without the prior written consent of the BCTFA, publish, or disclose or permit to be published or disclosed either before or after the expiration or sooner termination of this Charter, any information supplied to, obtained by, or which comes to the knowledge of the Contractor as a result of this Charter except insofar as such publication, or disclosure is required by law or is necessary to enable the Contractor to fulfill the obligations of the Contractor under this Charter.
- 19.3 This Charter and the Ferry Agreement and related documents constitute the entire agreement between the Parties in respect of the subject matter of this Charter and no understandings, representations or agreements, oral or otherwise, exist between the Parties with respect to the subject matter of this Charter.
- 19.4 Each of the Parties shall, upon the reasonable request of the other, make, do, execute or cause to be made, done or executed all further and other lawful acts, deeds, things, devices, documents, instruments and assurances whatever for the better or more perfect and absolute performance of the terms and conditions of this Charter.
- 19.5 Public disclosure of this Charter shall be governed by the *Freedom of Information and Protection of Privacy Act*, R.S.B.C. 1996, c. 165.
- 19.6 This Charter shall enure to the benefit of and be binding upon the BCTFA and its assigns and the Contractor and its successors and permitted assigns.
- 19.7 No waiver by either Party of a breach or default by the other Party in the observance, performance or compliance of any of its obligations under this Charter shall be effective unless it is in writing and no such waiver shall be deemed or construed to be a waiver of any other breach or default and failure or delay on the part of a Party to complain of an act or failure of the other Party or to declare such other Party in default, irrespective of how long such failure or delay continues, shall not constitute a waiver by such Party of any of its rights against the other.
- 19.8 If any provision of this Charter or the application thereof to any person or circumstance is invalid or unenforceable to any extent, the remainder of this Charter and the application of such provision to any other person or circumstance shall not be affected or impaired thereby and shall be valid and enforceable to the extent permitted by law

- 19.9 This Charter may only be amended by a further written agreement executed by the parties.
- 19.10 Time is of the essence of this Charter.
- 19.11 BCTFA has granted, to the Province pursuant to section 28.2 of the Ferry Agreement, the full right and authority to act on BCTFA's behalf in respect of any and all matters affecting this Charter.

20. INTERPRETATION

- 20.1 The headings or captions in this Charter are inserted for convenience only and do not form a part of this Charter and in no way define, limit, or alter or enlarge the scope or meaning of any provision of this Charter.
- 20.2 In this Charter, "person" includes a corporation, firm, association and any other legal entity and wherever the singular or masculine is used it shall be construed as if the plural, the feminine or the neuter, and shall wherever the plural or the feminine or the neuter is used it shall be construed as the singular or masculine, as the case may be, had been used where the context or the parties so require.
- 20.3 In this Charter, the words "including" and "includes", when following any general term or statement, are not to be construed as limiting the general term or statement to the specific items or matters set forth or to similar items or matters, but rather as permitting the general term or statement to refer to all other items or matters that could reasonably fall within the broadest possible scope of the general term or statement.
- 20.4 All dollar amounts expressed in this Charter refer to lawful currency of Canada, exclusive of all applicable taxes.
- 20.5 This Charter shall be governed by and construed and interpreted in accordance with the laws of the Province of British Columbia and of Canada as applicable therein.

[Remainder of Page Left Intentionally Blank]

IN WITNESS WHEREOF, the parties have executed this Charter as of the date first stated above.

SIGNED on behalf of HER MAJESTY THE
QUEEN IN RIGHT OF THE PROVINCE OF
BRITISH COLUMBIA as represented by the
Minister Responsible for the Transportation Act

Deborah Bowman
Assistant Deputy Minister,
Transportation Policy and Programs

BC Transportation Financing Authority
Per:

Nancy Bain
Executive Financial Officer and
Corporate Secretary

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Per:

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@

THIS AGREEMENT is dated for reference October 1, 2018

BETWEEN:

HER MAJESTY THE QUEEN IN RIGHT OF THE PROVINCE OF BRITISH COLUMBIA, as represented by the Minister of Transportation and Infrastructure and her agents, servants, representatives, contractors and employees, with the following address: The Ministry of Transportation and Infrastructure, Marine Branch, 940 Blanshard Street, Victoria, British Columbia V8W 9T5

(the "Province")

AND:

BC TRANSPORTATION FINANCING AUTHORITY, a corporation continued under the *Transportation Act* with the following address: 940 Blanshard Street Victoria, British Columbia V8W 9T5

("BCTFA")

(together, the "Licensor")

AND:

XXX

(the "Licensee")

WHEREAS:

- A. The BCTFA is the registered owner in fee simple of the water covered land and the remainder of the land under license hereto is a provincial public highway (as defined in the *Transportation Act*) and, in accordance with Section 58 of the *Transportation Act*, the BCTFA holds all of the Province's right in and title to the soil and freehold of such land; and
- B. The Licensee, the Province and the BCTFA have entered into the Ferry Agreement and, as a condition of the same, have agreed to be bound by the terms of this Agreement.
- C. The Licensee wishes to use and occupy the Land and the Licensor has agreed to permit it to do so in accordance with the terms and conditions of this Agreement.
- D. Pursuant to and in accordance with the Ferry Agreement, the BCTFA has granted authority to the Province to act on BCTFA's behalf.

For valuable consideration, the parties agree as follows:

ARTICLE 1 - DEFINITIONS

1.1 In this Agreement,

“**Agreement**” means this licence of occupation;

“**BCTFA**” has the meaning set out in the preamble to this Agreement;

“**Commencement Date**” means October 1, 2018;

“**Event of Force Majeure**” means the Event of Force Majeure as defined in the Ferry Agreement;

“**Fee**” means the fee set out in Article 3;

“**Ferry Agreement**” means the Kootenay Lake Ferry Agreement entered into between the parties on October 1, 2018;

“**Improvement**” or “**Improvements**” includes anything made, constructed, erected, built, altered, repaired or added to, in, on or under the Land, and attached to it or intended to become a part of it, and also includes any clearing, excavating, digging, drilling, tunnelling, filling, grading or ditching of, in, on or under the Land;

“**Licensee**” has the meaning set out in the preamble to this Agreement;

“**Licensor**” has the meaning set out in the preamble to this Agreement;

“**Land**” means the land and the water-covered land as outlined in Attachment 1;

“**Province**” has the meaning set out in the preamble to this Licence;

“**Realty Taxes**” means all taxes, rates, levies, duties, charges and assessments lawfully levied or charged, at any time, by any competent governmental authority which relate to the Land, the Improvements or both of them;

“**Security**” means the security referred to in Section 6.1, as replaced or supplemented in accordance with Section 6.2;

“**Term**” means the period of time set out in Section 2.2; and

“**Work**” has the meaning ascribed to it in the Ferry Agreement.

ARTICLE 2 - GRANT AND TERM

- 2.1 On the terms and conditions set out in this Agreement, the Licensor grants the Licensee a licence of occupation over the Land and Improvements, including all equipment, machinery and accessories thereon, for the purpose of conducting the Work pursuant to the Ferry Agreement and the Licensee acknowledges that this Agreement does not grant it the exclusive use and occupancy of the Land and Improvements.
- 2.2 The “Term” of this Agreement shall be concurrent with the term set out in the Ferry Agreement and this Agreement shall, notwithstanding Article 8 (“Cancellation”), automatically terminate upon the early termination or expiry of the Ferry Agreement.

ARTICLE 3 - FEE

- 3.1 The Licensor acknowledges receipt from the Licensee of \$3.00 as the fee for the Term.

ARTICLE 4 - COVENANTS

- 4.1 The Licensee must
- (a) pay, when due:
 - (i) the Realty Taxes,
 - (ii) all charges for electricity, gas, water and other utilities supplied to the Land; and

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- (iii) telephone, internet services and other supplies, consumables and services required to provide the Work.
 - (b) deliver to the Licensor, immediately upon demand, receipts or other evidence of the payment of Realty Taxes, those payments required to be made under Section 4.1(a)(ii) and 4.1(a)(iii) and all other money required to be paid by the Licensee under this Agreement;
 - (c) observe, abide by and comply with:
 - (i) all applicable laws, bylaws, orders, directions, ordinances and regulations of any competent governmental authority in any way affecting the Land and the Improvements, or their use and occupation, and
 - (ii) the provisions of this Agreement;
 - (d) keep the Land and the Improvements in a safe, clean and sanitary condition satisfactory to the Province, and at the Province's written request, make the Land and the Improvements safe, clean and sanitary and notwithstanding the generality of Section 4.1(c)(i), such clean up shall be completed in compliance with environmental laws;
 - (e) not commit any wilful or voluntary waste, spoil or destruction on the Land or do anything on the Land that may be or become a nuisance or annoyance to an owner or occupier of land in the vicinity of the Land;
 - (f) use and occupy the Land only in accordance with and for the purposes set out in Section 2.1;
 - (g) not construct, place or affix any Improvement on or to the Land except as necessary for the purposes set out in Section 2.1;
 - (h) pay all accounts and expenses as they become due for labour or services performed on, or materials supplied to, the Land except for money that the Licensee is required to hold back under the *Builders Lien Act* (British Columbia);
 - (i) if any claim of lien over the Land is made under the *Builders Lien Act* (British Columbia), immediately take all steps necessary to have the lien discharged, unless the claim of lien is being contested in good faith by the Licensee and the Licensee has taken the steps necessary to ensure that the claim of lien shall not subject the Land or any interest of the Licensee's under this Agreement to sale or forfeiture;
 - (j) cut or remove timber on or from the Land:
 - (i) only to address an unsafe condition or for the purposes set out in Section 2.1, and
 - (ii) in accordance with an agreement issued to the Licensee under the *Forest Act* (British Columbia) to permit the harvest of Crown timber on the Land unless the minister responsible for the *Forest Act* (British Columbia) permits the harvest of timber on the Land without the issuance of an agreement under the *Forest Act* (British Columbia);
 - (k) permit the Licensor, or its authorized representatives, to enter on the Land at any time to inspect the Land and the Improvements;
 - (l) indemnify and save the BCTFA, the Province and their respective servants, employees, officers, directors and agents harmless against all claims, demands, actions, causes of action, losses, damages, fines, penalties, costs and liabilities, including fees of solicitors and other professional advisors, arising out of or in connection with:
 - (i) the Licensee's breach, violation or nonperformance of a provision of this Agreement,

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- (ii) any personal injury, bodily injury (including death) or property damage occurring or happening on or off the Land by virtue of the Licensee's entry upon, use or occupation of the Land, and
 - (iii) without limiting paragraph (ii), any environmental liability on or off the Land related to the Licensee's entry upon, use or occupation of the Land, including, without limitation, any contamination or any liability related to any toxic, hazardous, dangerous or potentially dangerous substances migrating from the Land,

and the amount of all such losses, damages, fines, penalties, costs, expenses and liabilities shall be payable to the Licensor immediately upon demand; and

- (m) release the BCTFA, the Province and their respective servants, employees, officers, directors and agents from and against all claims, demands, actions, causes of action, losses, damages, fines, penalties, costs, expenses and liabilities arising out of or in connection with any environmental liability on or off the Land related to the Licensee's entry upon, use or occupation of the Land, including, without limitation, any contamination or any liability related to any toxic, hazardous, dangerous or potentially dangerous substances migrating from the Land; and
- (n) on the termination of this Agreement:
 - (i) peaceably quit and deliver to the Licensor possession of the Land and, subject to paragraphs (ii) and (iii), the Improvements in a safe, clean and sanitary condition (including, without limitation, free of any environmental contamination related to the Licensee's entry upon, use or occupation of the Land),
 - (ii) within 60 days of such termination, remove from the Land any Improvement the Licensee wants to remove, if the Improvement was placed on or made to the Land by or for the Licensee, is in the nature of a tenant's fixture normally removable by tenants and is not part of a building or part of the Land,
 - (iii) remove from the Land any Improvement that was placed on or made to the Land by or for the Licensee, and that the Licensor, in writing, directs or permits the Licensee to remove, and
 - (iv) restore the surface of the Land as nearly as may reasonably be possible to the same condition as it was on the Commencement Date, to the Licensor's satisfaction, but if the Licensee is not directed or permitted to remove an Improvement under paragraph (ii) or (iii), this paragraph shall not apply to that part of the surface of the Land on which that Improvement is located,

and to the extent necessary, this covenant shall survive the termination of this Agreement.

4.2 The Licensee shall not permit any person to do anything it is restricted from doing under this Article.

ARTICLE 5 - LIMITATIONS

5.1 The Licensee agrees with the Licensor that:

- (a) the Licensor is under no obligation to provide access or services to the Land or to maintain or improve existing access roads;
- (b) the Licensor may, without the Licensee's consent, make other dispositions of or over the Land;
- (c) the Licensee shall make no claim for compensation, in damages or otherwise, in respect of a disposition made under subsection (b);
- (d) all of the Licensee's costs and expenses, direct or indirect, that arise out of any interference with its rights under this Agreement as a result of a disposition made by the Licensor under subsection (b) shall be borne solely by the Licensee;

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- (e) the Licensee releases and discharges the Licensors from all claims for loss or damage arising directly or indirectly out of any interference with the Licensee's rights under this Agreement as a result of a disposition made by the Licensors under subsection (b);
 - (f) the Licensee shall not remove or permit the removal of any Improvement from the Land except as expressly permitted or required under this Agreement;
 - (g) any interest the Licensee may have in the Improvements ceases to exist and becomes the property of the Licensors upon the termination of this Agreement, except where an Improvement may be removed under Sections 4.1(n)(ii) or 4.1(n)(iii) in which case any interest the Licensee may have in that Improvement ceases to exist and becomes the property of the Licensors if the Improvement is not removed from the Land within the time period set out in Section 4.1(n)(ii) or the time period provided for in the direction or permission given under Section 4.1(n)(iii); and
 - (h) if, after the termination of this Agreement, the Licensors permits the Licensee to remain in possession of the Land and the Licensors accepts money from the Licensee in respect of such possession, the Licensee shall be deemed to be a monthly licensee only subject to all of the provisions of this Agreement, except as to duration, in the absence of a written agreement to the contrary.

ARTICLE 6 - INSURANCE AND SECURITY

- 6.1 The Licensee must, without limiting its obligations or liabilities under this Agreement, at its expense, maintain during the Term the insurance and securities required by section 21 of the Ferry Agreement and schedule H to the Ferry Agreement;
- 6.2 The Licensee acknowledges that the Licensors may, from time to time, notify the Licensee to:
 - (a) change the form or amount of the security; and
 - (b) provide and maintain another form of security in replacement of or in addition to the security posted by it under the Ferry Agreement;

and the Licensee shall, within 30 days of receiving such notice, deliver to the Licensors written confirmation that the change has been made or the replacement or additional form of Security has been provided by the Licensee.

ARTICLE 7 - ASSIGNMENT

- 7.1 The Licensee must not sublicense, assign, mortgage or transfer this Agreement, or permit any person to use or occupy the Land, without the Licensors's prior written consent, which consent it may withhold in its sole discretion.
- 7.2 A change of control of the Contractor as described in section 32.2 of the Ferry Agreement shall be deemed to be a transfer of this Agreement and shall require the Licensors's prior written consent which may be unreasonably or arbitrarily withheld.
- 7.3 Section 7.2 does not apply to the Licensors, if the Licensors is a corporation whose shares which carry votes for the election of the directors of the Licensors trade on a stock exchange located in Canada.
- 7.4 Prior to considering a request for consent under Section 7.1, the Licensors may require the Licensee to meet certain conditions, including without limitation, that it provide to the Licensors a "site profile", "preliminary site investigation" or "detailed site investigation" (as those terms are defined in the *Environmental Management Act* (British Columbia)) for the Land and or other similar type of investigation of the Land.

ARTICLE 8 - CANCELLATION

- 8.1 The Licensee agrees with the Licensors that
 - (a) if the Licensee:

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-
- (i) defaults in the payment of any money payable by it under this Agreement , or
 - (ii) fails to observe, abide by and comply with the provisions of this Agreement,
- and its default or failure pursuant to (i) and (ii) herein continues for three (3) days after the BCTFA gives written notice of the default or failure to the Licensee;
- (b) if, in the Licensor's opinion, the Licensee fails to make diligent use of the Land for the purposes set out in this Agreement, and its failure continues for three (3) days after the Licensor gives written notice of the failure to the Licensee;
 - (c) if the Licensee:
 - (i) becomes insolvent or makes an assignment for the general benefit of its creditors,
 - (ii) commits an act which entitles a person to take action under the *Bankruptcy and Insolvency Act* (Canada) or a bankruptcy petition is filed or presented against it or it consents to the filing of the petition or a decree is entered by a court of competent jurisdiction adjudging it bankrupt under any law relating to bankruptcy or insolvency, or
 - (iii) voluntarily enters into an arrangement with its creditors;
 - (d) if the Licensee is a corporation, and:
 - (i) a receiver or receiver-manager is appointed to administer or carry on its business, or
 - (ii) an order is made, a resolution passed or a petition filed for its liquidation or winding up;
 - (e) if the Licensee is a society, it converts into a company in accordance with the *Society Act* (British Columbia) without the Licensor's prior written consent; or
 - (f) if this Agreement is taken in execution or attachment by any person;

the Licensee, at the Licensor's option, with or without notification, shall be in default of this Agreement and the Licensor may utilize any and all remedies afforded to the Province pursuant to the Ferry Agreement as a default of this Agreement shall be a default of the Ferry Agreement, and without limitation the Licensor may, with or without entry, terminate the Licensee's right of occupation in the Land, which shall be absolutely forfeited to the Licensor.

8.2 If the condition set out in Sections 8.1(a) or 8.1(b) (other than the payment of any money payable by the Licensee under this Agreement) reasonably requires more time to cure than three (3) days, the Licensee shall be deemed to have complied with the remedying of such condition if the Licensee commences remedying or curing the condition within three (3) days and diligently completes the same.

8.3 The Licensee agrees with the Licensor that

- (a) the Licensor may, on three (3) days' written notice to Licensor, terminate this Agreement if the Licensor requires the Land for any purpose; and
- (b) it shall make no claim for compensation, in damages or otherwise, upon the lawful termination of this Agreement under Sections 2.2, 8.1 or 8.3(a) of this Agreement or under subsection 62(5) of the *Transportation Act* (British Columbia).

ARTICLE 9 - DISPUTE RESOLUTION

9.1 If any dispute arises under this Agreement, the parties shall attempt to resolve the dispute pursuant to Section 25 ("Dispute Resolution") in the Ferry Agreement.

ARTICLE 10 - NOTICE

- 10.1 Any notice or other document to be given or made under this Agreement, shall be in writing and may be given or made by personal delivery to the party to whom it is to be given or made, by mailing in Canada with postage prepaid addressed, by sending an e-mail or, in the case of any notice or document to be delivered to the Licensee by the Licensor, by posting such notice on the SharePoint site:

- (a) if to the Licensor:

Ministry of Transportation and Infrastructure
P.O. Box 9850, Stn. Prov. Gov't
940 Blanshard Street
Victoria, B.C. V8W 9T5
Attention: Ministry Inland Ferry Manager, Marine Branch

or such other contact person or address as the Licensor may notify the Licensee from time to time;

E-mail: [●]

- (b) and if to the Licensee:

@ @
@ @
@ @
Attention: @ @

or such other contact person or address as the Licensee may notify the Licensor from time to time;

E-mail: [●]

or SharePoint at <https://marinebranch.sp.th.gov.bc.ca/KLFagreement/>

and any such notice or other document to be given or made when so mailed shall be deemed given to and received by the addressee on the third business day after the mailing of the same except in the event of disruption of postal services in Canada in which case any such notice, document, statement, report or demand shall be deemed given to and received by the addressee when actually delivered to the particular address set out above; or when so added on the SharePoint site shall be conclusively deemed validly given to and received by the intended recipient when so added.

- 10.2 The delivery of all money payable to the Licensor under this Agreement shall be effected by hand, courier or prepaid regular mail to the Licensor's address specified in or otherwise established under Section 10.1, or by any other payment procedure agreed to by the parties, such deliveries to be effective on actual receipt.

ARTICLE 11 - MISCELLANEOUS

- 11.1 No provision of this Agreement shall be considered to have been waived unless the waiver is in writing, and a waiver of a breach of a provision of this Agreement shall not be construed as or constitute a waiver of any further or other breach of the same or any other provision of this Agreement, and a consent or approval to any act requiring consent or approval shall not waive or render unnecessary the requirement to obtain consent or approval to any subsequent same or similar act.
- 11.2 No remedy conferred upon or reserved to the Licensor under this Agreement is exclusive of any other remedy in this Agreement or provided by law, but that remedy shall be in addition to all other remedies in this Agreement and the Ferry Agreement or then existing at law, in equity or by statute.
- 11.3 The grant of a sublicense, assignment or transfer of this Agreement does not release the Licensee from its obligation to observe and perform all the provisions of this Agreement on its part to be observed and performed

unless the Licensor specifically releases the Licensee from such obligation in its consent to the sublicense, assignment or transfer of this Agreement.

- 11.4 This Agreement extends to, is binding upon and enures to the benefit of the parties, their heirs, executors, administrators, successors and permitted assigns.
- 11.5 If, due to an Event of Force Majeure, the Licensee is delayed in performing any of its obligations under this Agreement, the time for the performance of that obligation shall be extended by a period of time equal to the period of time of the delay so long as the Licensee
- (a) gives notice to the Licensor within 30 days of the commencement of the delay setting forth the nature of the delay and an estimated time frame for the performance of its obligation; and
 - (b) diligently attempts to remove the delay.
- 11.6 The Licensee agrees with the Licensor that
- (a) the Licensor is under no obligation, express or implied, to provide financial assistance or to contribute toward the cost of servicing, creating or developing the Land or the Improvements and the Licensee is solely responsible for all costs and expenses associated with its use of the Land and the Improvements for the purposes set out in this Agreement;
 - (b) nothing in this Agreement constitutes the Licensee as an agent, joint venturer or partner of the BCTFA or Her Majesty the Queen in right of the Province of British Columbia or gives it any authority or power to bind the BCTFA or Her Majesty the Queen in right of the Province of British Columbia in any way; and
 - (c) any information regarding this Agreement or the Licensee may be disclosed or required to be disclosed under the *Freedom of Information and Protection of Privacy Act* (British Columbia), governmental policy or otherwise.
- 11.7 There is no representation or warranty by the Licensor as to the validity of its title or interest to the Land.
- 11.8 Except as set out in the Ferry Agreement and any agreements ancillary thereto, there are no warranties, representations, collateral agreements or conditions affecting this Agreement except as set out in this Agreement.

ARTICLE 12 - JOINT AND SEVERAL

- 12.1 If more than one person constitutes the Licensee, the covenants, agreements, representations, warranties and obligations on the part of the Licensee shall be joint and several covenants, agreements, representations, warranties and obligations of each such person.
- 12.2 Where a person is named as and executes this Agreement and the other agreements referred to herein as a guarantor, then such person is primarily liable to the Licensor, on a joint and several basis with the Licensee and not as a surety, for the due performance of all covenants, agreements and obligations on the part of the Licensee to be performed, and shall execute and deliver to the Licensor, prior to the commencement of the Term, an instrument of guarantee of the Licensee's obligations in a form to the satisfaction of the Licensor.

ARTICLE 13 - INTERPRETATION

- 13.1 In this Agreement, "person" includes a corporation, firm or association and wherever the singular or masculine form is used in this Agreement it shall be construed as the plural or feminine or neuter form, as the case may be, and vice versa where the context or parties require.
- 13.2 The captions and headings contained in this Agreement are for convenience only and do not define or in any way limit the scope or intent of this Agreement.
- 13.3 This Agreement shall be interpreted according to the laws of the Province of British Columbia and of Canada as applicable therein.

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- 13.4 Where there is a reference to an enactment of the Province of British Columbia or of Canada in this Agreement, that reference shall include a reference to every amendment to it, every regulation made under it and any subsequent enactment of like effect and, unless otherwise indicated, all enactments referred to in this Agreement are enactments of the Province of British Columbia.
- 13.5 If any section of this Agreement, or any part of a section, is found to be illegal or unenforceable, that section or part of a section, as the case may be, shall be considered separate and severable and the remainder of this Agreement shall not be affected and this Agreement shall be enforceable to the fullest extent permitted by law.
- 13.6 Each schedule to this Agreement is an integral part of this Agreement as if set out at length in the body of this Agreement.
- 13.7 This Agreement, as an appended schedule to the Ferry Agreement, the Ferry Agreement itself and its other appended scheduled agreements including the Charter (for the purposes of this Section 13.7, the “**Agreements**”) constitute the entire agreement between the parties and no understanding or agreement, oral or otherwise, exists between the parties with respect to the subject matter of this Agreement except as expressly set out in the Agreements and this Agreement may not be modified except by subsequent agreement in writing between the parties.
- 13.8 If there is a conflict between this Agreement and the Ferry Agreement, the Ferry Agreement shall prevail.
- 13.9 Each party shall, upon the request of the other, do or cause to be done all lawful acts necessary for the performance of the provisions of this Agreement.
- 13.10 All provisions of this Agreement in the Licensor’s favour and all of its rights and remedies, either at law or in equity, shall survive the termination of this Agreement.
- 13.11 Time is of the essence of this Agreement.
- 13.12 Wherever this Agreement provides that an action may be taken, a consent or approval must be obtained or a determination must be made then each party shall act reasonably in taking such action, deciding whether to provide such consent or approval or making such determination; but where this Agreement states that a party has sole discretion to take an action, provide a consent or approval or make a determination, there shall be no requirement to show reasonableness or to act reasonably in taking that action, providing that consent or approval or making that determination.
- 13.13 BCTFA hereby grants to the Province the full right and authority to act on its behalf in respect of any and all matters affecting BCTFA in relation to this Agreement, the Ferry Agreement and generally the provision of the Work by the Licensee which full right and authority includes, without limitation, the full right and authority to do anything, take any step, sign any document, enforce any right and pursue any remedy, or to refrain from doing any such thing or things as the case may be, without the Province having to seek or obtain from BCTFA any further approval or direction in respect of the foregoing.

The parties have executed this Agreement as of the date of reference of this Agreement.

SIGNED on behalf of
HER MAJESTY THE QUEEN IN RIGHT OF THE PROVINCE OF BRITISH COLUMBIA
as represented by the Minister Responsible for the Transportation Act

Deborah Bowman
Assistant Deputy Minister,
Transportation Policy and Programs

SIGNED by an authorized signatory of
BC TRANSPORTATION FINANCING AUTHORITY

Nancy Bain
Executive Financial Officer and Corporate Secretary

SIGNED on behalf of **XXX**
by its authorized signatories

XXX

Authorized Signatory:

ATTACHMENT 1

“Land” means the land and the water-covered land shown outlined by a bold line on the following plans:

- 1) Site Plan of Balfour Ferry Terminal Facilities in District Lots 184, and 16035, Kootenay District prepared by Ward Engineering and Land Surveying Ltd. dated May 17, 2018;
- 2) Site Plan of Kootenay Bay Ferry Terminal Facilities in District Lots 2155, 15872, and 16036, Kootenay District prepared by Ward Engineering and Land Surveying Ltd. dated May 17, 2018;
- 3) Site Plan of Harrop Ferry Terminal Facilities in District Lots 222 and 1313, Kootenay District, and over Unsurveyed Crown Land (being the bed of Kootenay Lake) prepared by Ward Engineering and Land Surveying Ltd. dated May 17, 2018; and
- 4) Site Plan of Glade Ferry Terminal Facilities in District Lot 1239, Kootenay District prepared by Ward Engineering and Land Surveying Ltd. dated May 17, 2018; and
- 5) Site Plan of Sunshine Bay Dry Dock Facility, Map 1 of 1 (undated).

SITE PLAN OF BALFOUR FERRY
TERMINAL FACILITIES IN DISTRICT LOTS
184, AND 16035, KOOTENAY DISTRICT.

BCGS 82F.066

SCALE 1: 500



This plan shows horizontal ground level distances in metres.

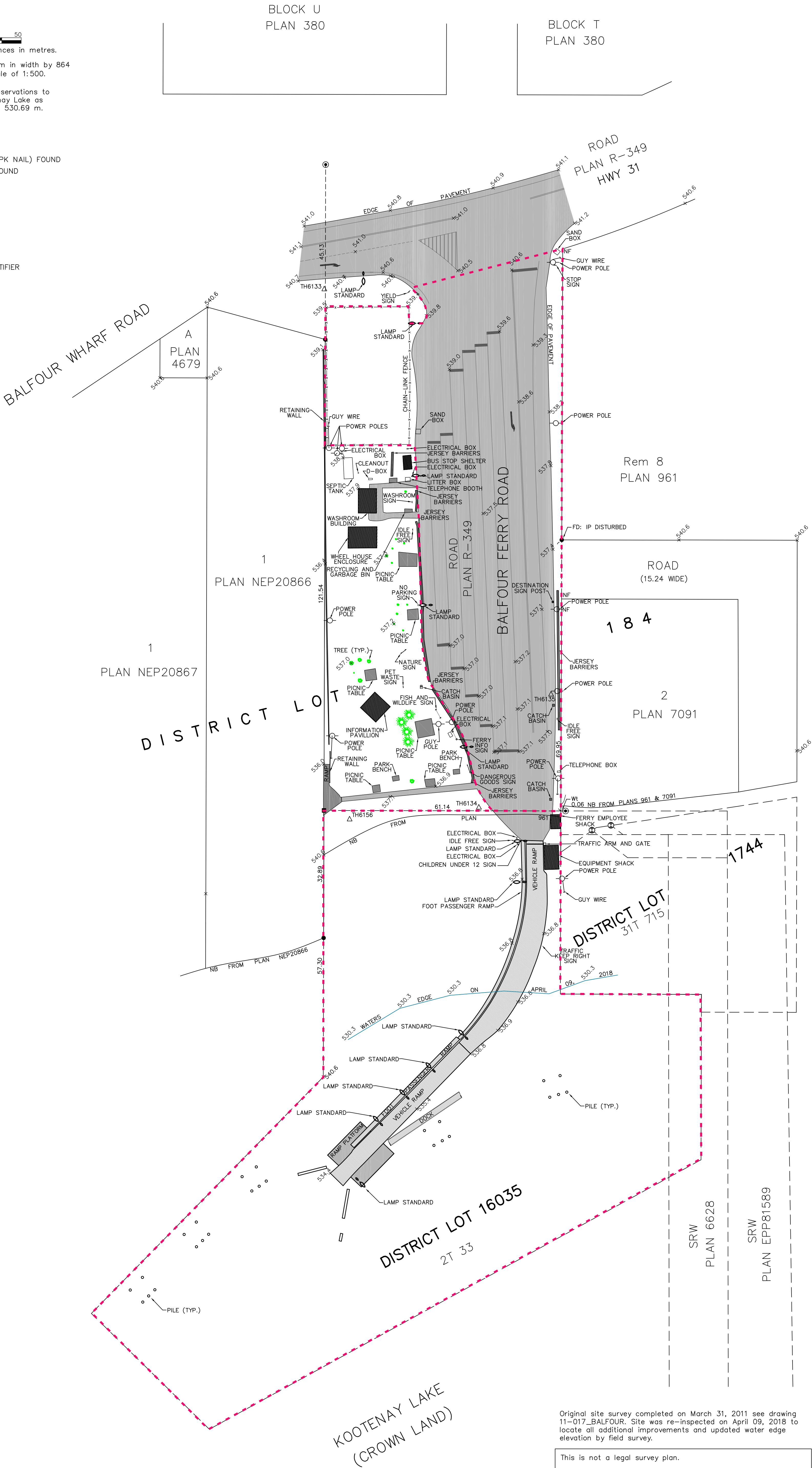
The intended plot size of this plan is 560 mm in width by 864 mm in height (D size) when plotted at a scale of 1:500.

Elevations are geodetic, and are based on observations to Kootenay Lake, where the elevation of Kootenay Lake as published by Fortis, BC for March 31, 2011= 530.69 m.

LEGEND

- DENOTES STANDARD IRON POST FOUND
- DENOTES STANDARD LEAD PLUG (WITH PK NAIL) FOUND
- ⊙ DENOTES STANDARD CONCRETE POST FOUND
- Wt DENOTES WITNESS
- DENOTES POWER POLE & GUY WIRE
- ⋈ DENOTES SPOT ELEVATION
- x-x- DENOTES FENCELINE
- NF DENOTES NO EVIDENCE FOUND
- NB DENOTES NATURAL BOUNDARY
- TH6112△ DENOTES TRAVERSE HUB AND TAG IDENTIFIER
- DENOTES LAMP STANDARD
- - - DENOTES LICENCE AREAS

Note: This plan shows one or more witness posts which are set along the production of the property boundary unless otherwise noted.



Original site survey completed on March 31, 2011 see drawing 11-017_BALFOUR. Site was re-inspected on April 09, 2018 to locate all additional improvements and updated water edge elevation by field survey.

This is not a legal survey plan.
This plan is for the exclusive use of the Ministry of Transportation and Infrastructure.
Do not position new buildings using this plan. If building layout is required, a field survey should be arranged.

SITE PLAN OF KOOTENAY BAY FERRY TERMINAL
FACILITIES IN DISTRICT LOTS 2155, 15872, AND 16036,
KOOTENAY DISTRICT.

BCGS 82F.066

SCALE 1: 500



This plan shows horizontal ground level distances in metres.

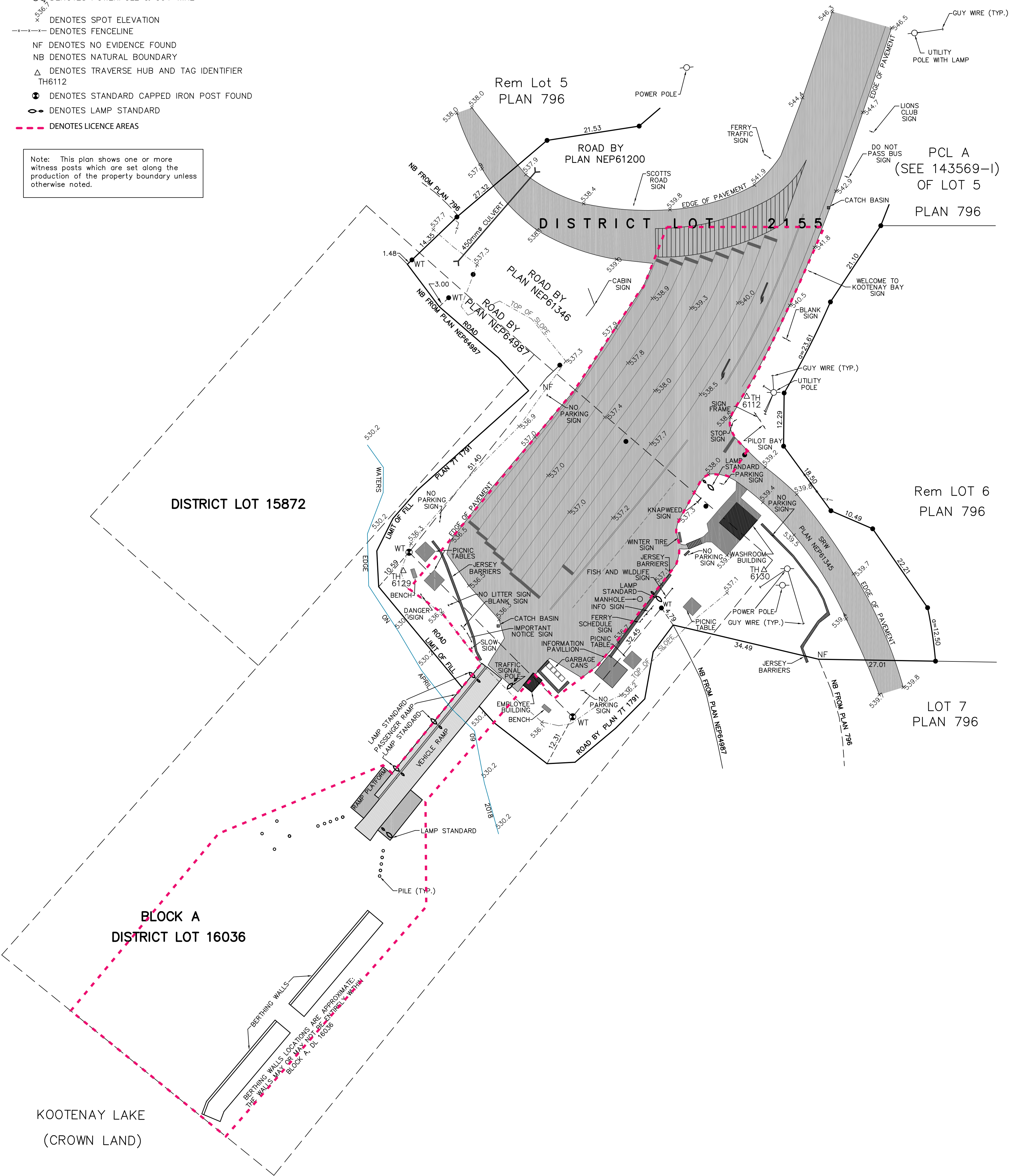
The intended plot size of this plan is 560 mm in width by 864 mm in height (D size) when plotted at a scale of 1:500.

Elevations are based on observations to Kootenay Lake, where the elevation of Kootenay Lake as published by Fortis, BC for March 25, 2011= 530.78 m.

LEGEND

- DENOTES STANDARD IRON POST FOUND
- Wt DENOTES WITNESS
- DENOTES POWERPOLE & GUY WIRE
- x536.3 DENOTES SPOT ELEVATION
- x-x-x- DENOTES FENCELINE
- NF DENOTES NO EVIDENCE FOUND
- NB DENOTES NATURAL BOUNDARY
- △ DENOTES TRAVERSE HUB AND TAG IDENTIFIER TH6112
- ⊙ DENOTES STANDARD CAPPED IRON POST FOUND
- DENOTES LAMP STANDARD
- - - DENOTES LICENCE AREAS

Note: This plan shows one or more witness posts which are set along the production of the property boundary unless otherwise noted.



Original site survey completed on March 17, 2011 see drawing 11-017_KOOTENAY_BAY_REV1. Site was re-inspected on April 09, 2018 to locate all additional improvements and updated water edge elevation by field survey.

This is not a legal survey plan.

This plan is for the exclusive use of the Ministry of Transportation and Infrastructure.

Do not position new buildings using this plan. If building layout is required, a field survey should be arranged.

SITE PLAN OF HARROP FERRY TERMINAL FACILITIES IN DISTRICT LOTS 222 AND 1313, KOOTENAY DISTRICT, AND OVER UNSURVEYED CROWN LAND (BEING THE BED OF KOOTENAY LAKE).

BCGS 82F.065

SCALE 1: 500



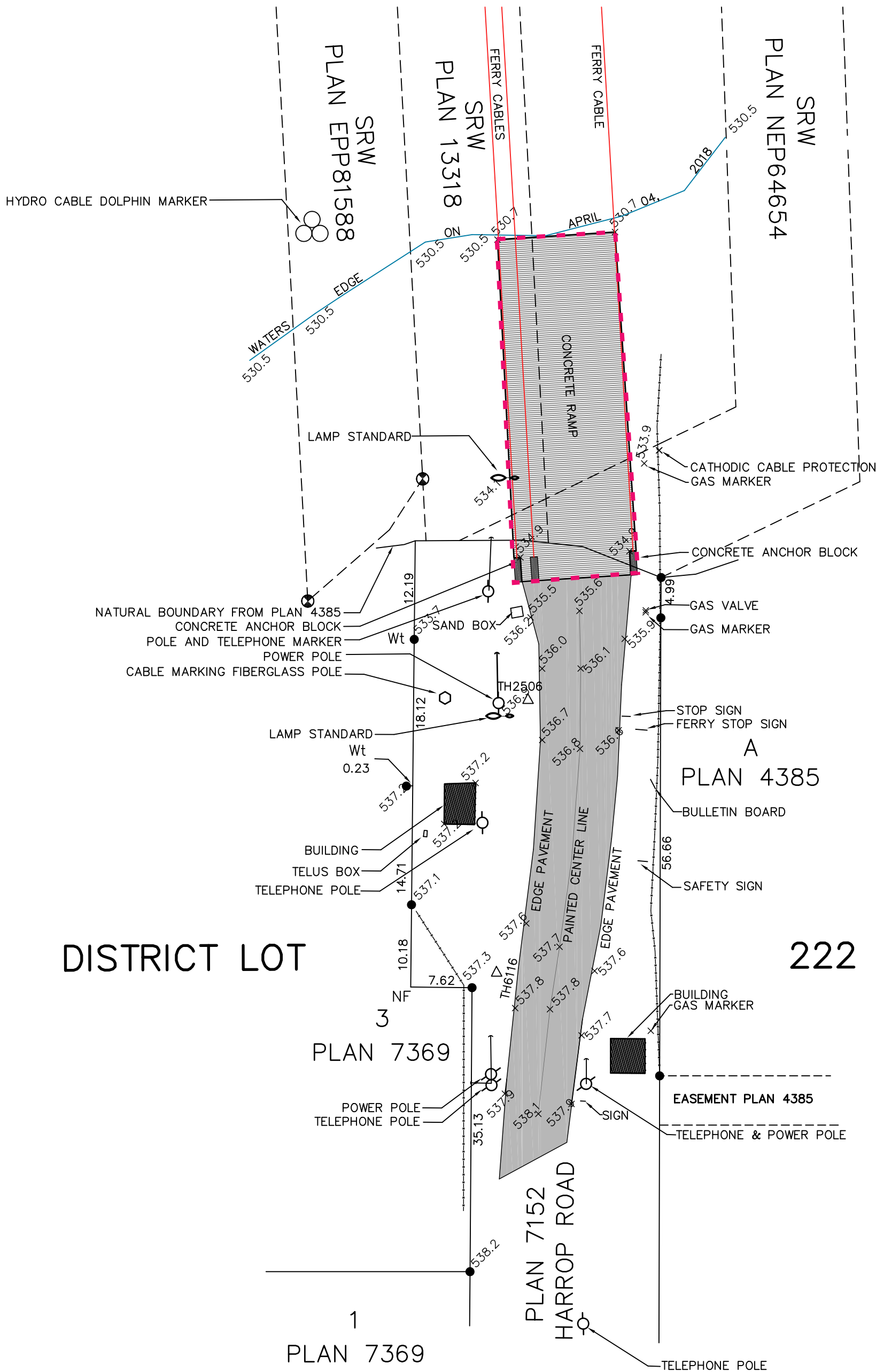
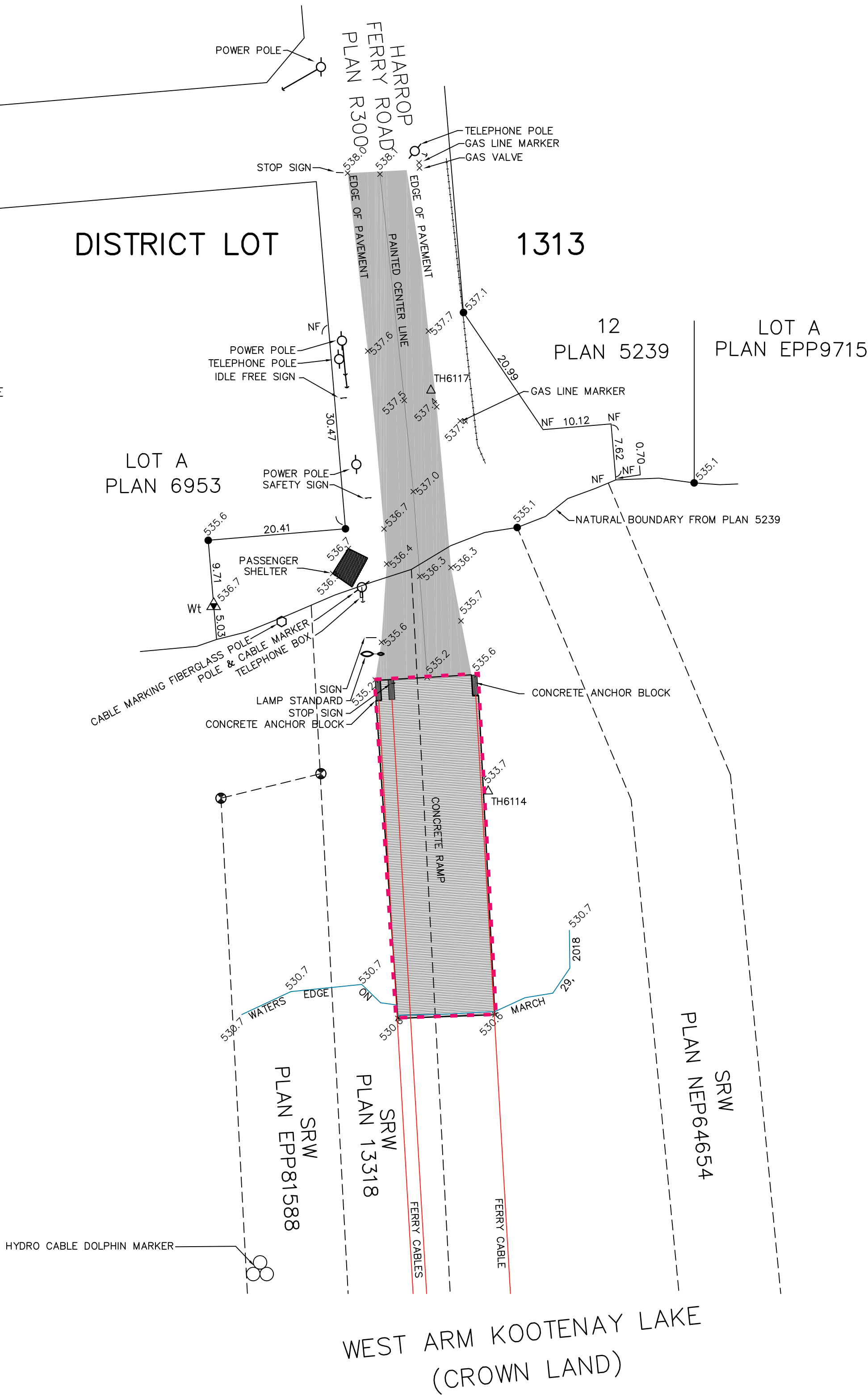
This plans shows horizontal ground level distances in metres.

The intended plot size of this plan is 560 mm in width by 864 mm in height (D size) when plotted at a scale of 1:500.

Elevations are based on observations to Kootenay Lake, where the elevation of Kootenay Lake as published by Fortis, BC for March 17, 2011= 530.75 m.

LEGEND

- DENOTES STANDARD IRON POST FOUND
- ⊙ DENOTES STANDARD PIPE POST FOUND
- Wt DENOTES WITNESS
- ⊗ DENOTES POWER POLE OR TELEPHONE POLE AND GUY WIRE
- ⚡ DENOTES ANGLE IRON FOUND
- ⬆ DENOTES SPOT ELEVATION
- DENOTES FENCELINE
- NF DENOTES NO EVIDENCE FOUND
- △ DENOTES TRAVERSE HUB AND TAG IDENTIFIER
- TH6112
- ⊙ DENOTES LAMP STANDARD
- DENOTES CABLE MARKING FIBERGLASS POLE
- ⊗ DENOTES HYDRO CABLE DOLPHINS
- - - DENOTES LICENCE AREAS



WARD ENGINEERING AND LAND SURVEYING LTD.
1014 Seventh Street
Nelson, British Columbia
V1L 7C2
Tel: (250) 354-1660
Fax: (250) 354-1670
FILE 18-039
DRAWING: 18-039 Harrop Site Plan R1
DATE: MAY 17, 2018

This plan lies within the Regional District of Central Kootenay.

Original site survey completed on March 17, 2011 see drawing 11-017_HARROP_SITE_PLAN. Site was re-inspected on March 29, 2018 (Hwy Side) and April 04, 2018 (Harrop Side) to locate all additional improvements and updated water edge elevation by field survey.

This is not a legal survey plan.

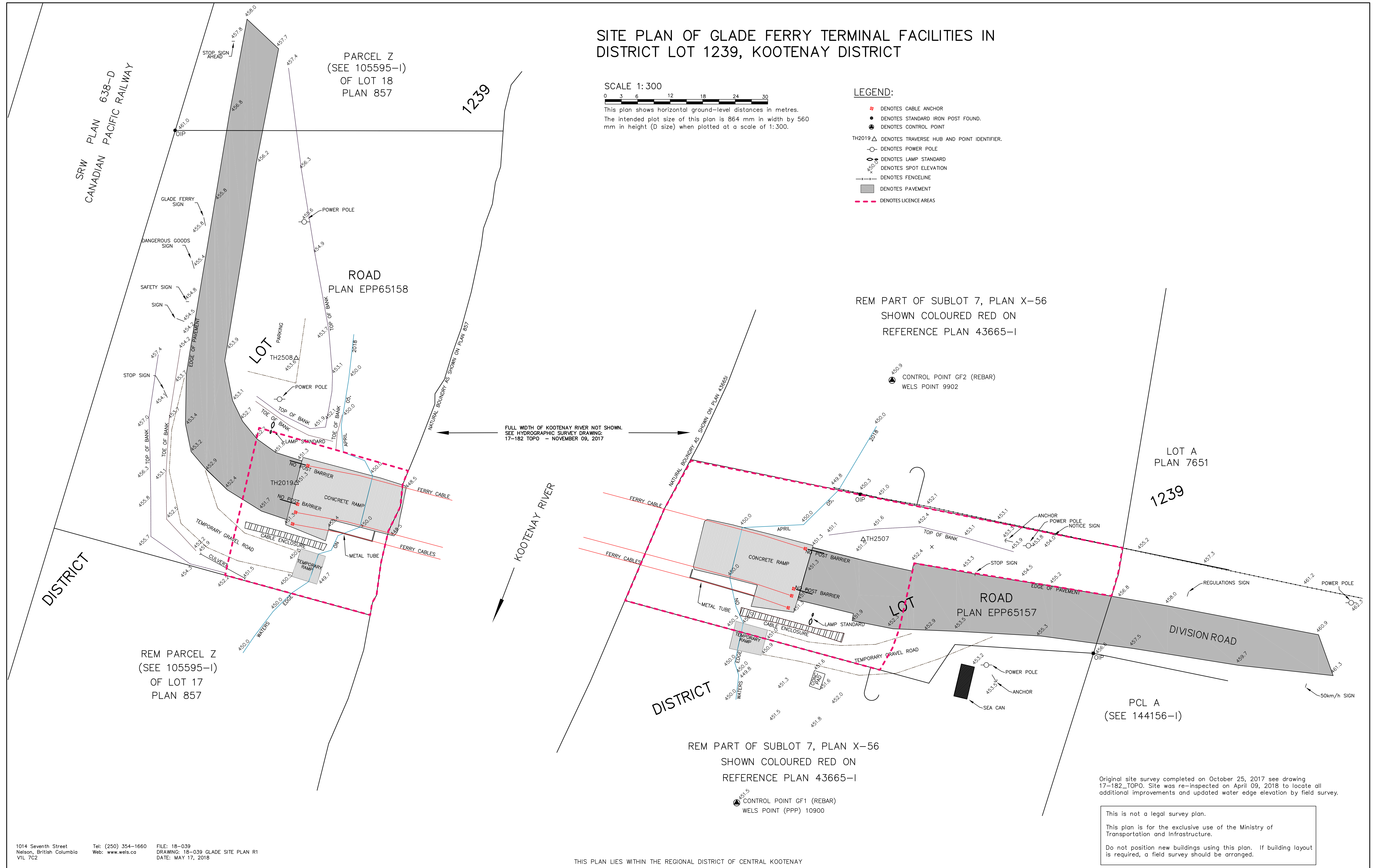
This plan is for the exclusive use of the Ministry of Transportation and Infrastructure.

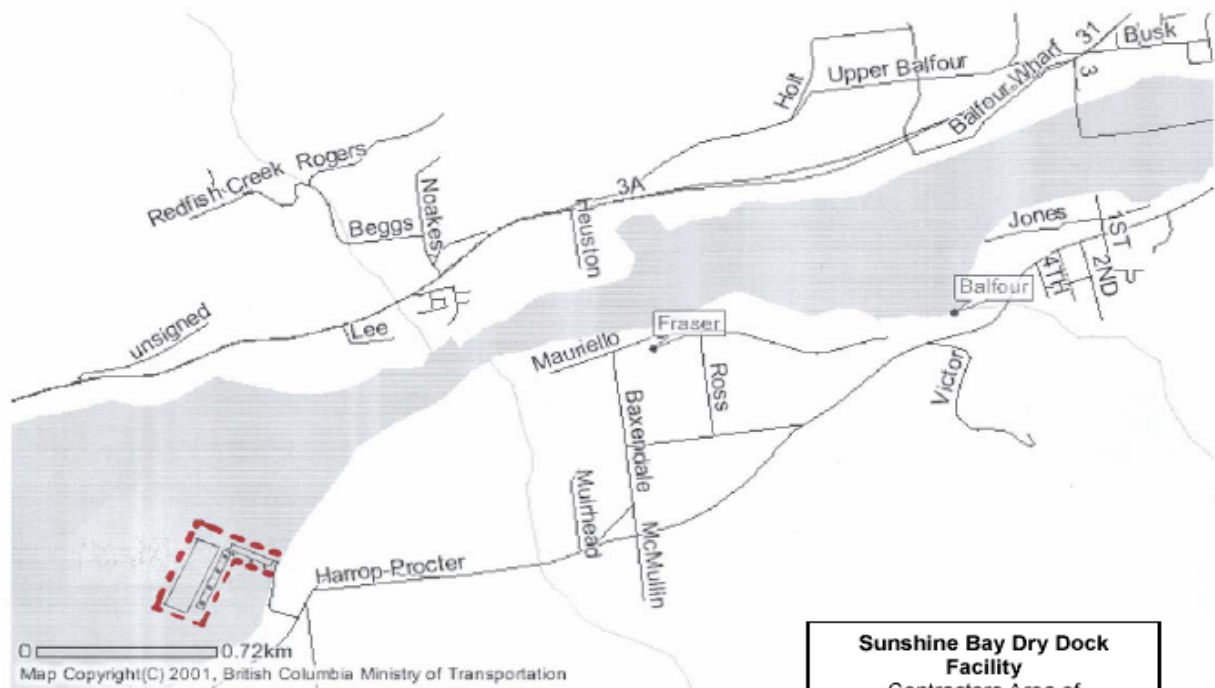
Do not position new buildings using this plan. If building layout is required, a field survey should be arranged.

SITE PLAN OF GLADE FERRY TERMINAL FACILITIES IN
DISTRICT LOT 1239, KOOTENAY DISTRICT

SCALE 1:300
This plan shows horizontal ground-level distances in metres.
The intended plot size of this plan is 864 mm in width by 560 mm in height (D size) when plotted at a scale of 1:300.

- LEGEND:
- DENOTES CABLE ANCHOR
 - DENOTES STANDARD IRON POST FOUND.
 - DENOTES CONTROL POINT
 - TH2019 Δ DENOTES TRAVERSE HUB AND POINT IDENTIFIER.
 - DENOTES POWER POLE
 - DENOTES LAMP STANDARD
 - DENOTES SPOT ELEVATION
 - DENOTES FENCELINE
 - DENOTES PAVEMENT
 - DENOTES LICENCE AREAS





**Sunshine Bay Dry Dock
Facility**
Contractors Area of
Responsibility
Map 1 of 1
- - - - - Licensed Area

Schedule G**Dispute Resolution Protocol**

1. The Contact Person for each of the Province and the Contractor shall meet to discuss and attempt to resolve the dispute.
2. If, following the meeting set out in Section 1, no resolution has been reached within 10 Business Days, the Contractor shall set out its position and proposed resolution for the dispute in writing, stating the applicable section of the Agreement involved, and forward this proposal to the Executive Director, Marine Branch.
3. The Executive Director, Marine Branch, on behalf of the Province, shall, within 20 Business Days of receipt of the Contractor's proposal as set out in Section 2, provide a written response to the Contractor. This response shall either:
 - (a) Indicate agreement with the Contractor's position and propose a resolution;
 - (b) Propose an alternative to the Contractor's resolution with written reasons for the alternative; or
 - (c) Reject the Contractor's resolution with written reasons for the rejection.
4. If the Province fails to provide a written response pursuant to 3 above, within this time period, the Contractor may elect to immediately refer the matter to the Referee.
5. If either Section 3(b) or Section 3(c) above occurs, the Contractor may elect to either (i) accept the Province's response, or (i) refer the matter to the Referee. If the Contractor does not refer the matter to the Referee within 10 Business Days of receiving the Province's response, the Contractor shall be deemed to have accepted the Province's response.
6. If necessary, the Parties may agree, in writing, to extend the time limits set out in Sections 2, 3 and 5 above by mutual written agreement, however, such extensions must not exceed 10 Business Days.
7. All disputes arising under this Agreement shall follow procedure set forth in this Schedule G.
8. The Parties shall, forthwith after entering into this Agreement, enter into a contract with the Referee in the form set out at Schedule I to the Agreement.

9. When a Dispute is referred to the Referee, the decision of the Referee shall be final and binding on the Parties, unless the contrary is specifically noted for any specific Dispute in this Agreement.

Schedule H Insurance and Securities

1. Insurance

(a) General Insurance Provisions

The Contractor shall, at the Contractor's expense, obtain and maintain insurance coverage, in wording and in amounts as hereinafter specified, all in form and content satisfactory to the Province. Such insurance shall remain in full force and effect during the term of the Agreement, of which these insurance requirements are a part.

All insurance coverage shall be issued with insurers acceptable to the Province and issued by an insurance carrier or agent licensed to transact business in the Province of British Columbia and Canada. For clarity, the Province means Her Majesty the Queen in right of the Province of British Columbia as represented by the Minister of Transportation and Infrastructure.

In the event of loss, the Contractor shall immediately notify the Province with full details of the incident. The Contractor shall act in the best interests of the Province and any adjustment of the loss with insurers and any repairs to the vessel shall be carried out subject to the instruction of the Province.

The Province may from time to time, require that the Contractor increase the minimum coverage and/or limits of insurance and in this regard, the Province will provide 30 days written notice to the Contractor.

Evidence of Coverage:

- a) Evidence that the insurance requirements have been met shall be delivered to the Province upon execution of the Agreement by way of a duly completed:
 - (i) Ministry of Transportation and Infrastructure "Certificate of Insurance" Form H0111 in all form and content acceptable to the Province; and
 - (ii) with respect to automobile liability insurance, either a duly executed I.C.B.C. APV47 or APV250L form, or a Ministry Certificate of Insurance H-0111 form. Evidence shall be provided to the address set out in the Agreement.
- b) The Contractor shall, upon request by an authorized official of the Province, deliver originals or signed certified copies of all policies, renewals and endorsements. Evidence of renewals or extensions shall be received by the Province at least 30 days prior to the expiration of any and all policies provided hereunder.

The Contractor shall ensure that all insurance coverage required herein will not be lapsed, cancelled, reduced, materially altered or changed without the insurer

or insurers providing not less than thirty (30) days prior written notice to the Province by registered mail to the address set out in the Agreement.

(b) Specific Policies Required

(i) Commercial General Liability Insurance

The Contractor shall obtain and maintain commercial general liability insurance with inclusive limits of not less than TEN MILLION DOLLARS (\$10,000,000), for bodily injury or death and property damage arising from any one accident or occurrence. The insurance coverage shall apply to liability arising from the work or operations of the Contractor or the Province in any way related to, including under, the Agreement (including but not limited to each and every boat, tug, barge, or vessel which may be used in connection with, or in any way related to, including under, the Agreement). A deductible not exceeding TEN THOUSAND DOLLARS (\$10,000) for all claims arising from a single event will be allowed. Deductibles are payable by the Contractor.

The policy shall contain the following provisions:

“The insurance as is afforded by this policy shall apply in the same manner and to the same extent as though a separate policy had been issued to each insured. Any breach of a condition of the policy by any Insured shall not affect the protection given by this policy to any other insured. The inclusion herein of more than one Insured shall not operate to increase the limit of liability under this policy.”

“All policies of insurance shall also contain a waiver of subrogation against “Her Majesty the Queen in right of the Province of British Columbia as represented by the Minister of Transportation and Infrastructure and BC Transportation Financing Authority and their respective servants, directors, officers, employees, deputies, delegates, representatives and agents.”

The policy shall include the Province and BCTFA as additional named insureds on the following terms:

“BC Transportation Financing Authority, and Her Majesty the Queen in right of the Province of British Columbia as represented by the Minister of Transportation and Infrastructure, together with any of their employees, agents, and servants, hereinafter referred to as the Additional Named Insureds, are added as Additional Named Insureds, in respect of liability arising from the work or operations of the Insured and any of the Additional Named Insureds, in connection with contracts entered into between the Insured and the Additional Named Insureds.”

Products and completed operations hazard coverage shall be provided and such coverage shall remain in full force and effect for a period of twelve (12) months after the work has been completed, irrespective of the expiry date of the policy.

Extension Of Coverage: The policy shall contain liability insurance including all liability arising out of completed operations, contractual liability, contingent employers liability, non-owned automobile liability and liability assumed by the Contractor in connection with and applicable to the Agreement.

In addition, such liability insurance will cover pollution liability (minimum coverage, sudden and accidental) in amounts not less than FIVE MILLION DOLLARS (\$5,000,000).

Exclusions Not Permitted: The policy shall not exclude claims arising out of the legal liability imposed upon the insured at common law and extended by statute for bodily injury or death to employees of the Insured. However, exclusions applicable to liability imposed upon or assumed by the Insured under any workers' compensation statutes or for assessment by any Workers' Compensation Board will be allowed.

Hazardous operations such as excavation, pile driving, shoring, blasting, under-pinning, or demolition work or any other operation or work to be performed by the Contractor shall not be excluded from insurance coverage, where such type of work or operation is to be performed under the Agreement.

(ii) Protection and Indemnity Insurance

The Contractor shall obtain and maintain through a protection and indemnity club, protection and indemnity insurance with inclusive limits of not less than **ONE HUNDRED AND FIFTY MILLION DOLLARS (\$150,000,000)**, providing indemnity for bodily injury or death and property damage arising from any one accident or occurrence for all vessels that are owned, leased, rented or operated by the Contractor. Such protection and indemnity insurance will include four-fourths collision liability insurance. The Contractor will be responsible for ensuring that any changes to the requirements of the *Marine Liability Act* and/or the regulations of the *Marine Liability Act* are reflected in the insurance coverage provided. Notwithstanding the requirements of the *Marine Liability Act*, the limits must not be less than **ONE HUNDRED AND FIFTY MILLION DOLLARS (\$150,000,000)**. The insurance coverage shall apply to liability arising from the work or operations of the Contractor in any way related to, including under, the Agreement and liability to persons while being transported on, embarking on or debarking from the vessel, and to property of every kind and description while being transported on, loaded.

The policy shall contain the following provision:

“The insurance as is afforded by this policy shall apply in the same manner and to the same extent as though a separate policy had been issued to each insured. Any breach of a condition of the policy by any insured shall not affect the protection given by this policy to any other insured. The inclusion herein of more than one insured shall not operate to increase the limit of liability under this policy.”

The policy shall include the Province and BCTFA as additional named insureds on the following terms:

“BC Transportation Financing Authority, and Her Majesty the Queen in right of the Province of British Columbia as represented by the Minister of Transportation and Infrastructure, together with the employees, agents, and servants of the Minister, hereinafter referred to as the Additional Named Insured, is added as an Additional Named Insured, in respect of liability arising from the work or operations of the Insured and the Additional Named Insured, in connection with contracts, entered into between the Insured and the Additional Named Insured”

(iii) Hull Insurance

The Contractor shall obtain and maintain hull insurance as follows:

- a. The following Watercraft/vessel owned or leased by BCTFA or the Province shall be insured (at the insurance effective date and subsequent renewal date):

‘MV Osprey 2000’ in an amount not less than \$17,000,000.00

‘MV Balfour’ in an amount not less than \$555,000.00

‘CF Glade II’ cable ferry in an amount not less than \$6,500,000.00

‘B.P. 152’ in an amount not less than \$845,000.00

‘Work Barge’ in an amount not less than \$10,000.00

- b. The following Watercraft/vessel owned or leased by BCTFA or the Province shall be insured as follows:

‘CF Harrop’ cable ferry in an amount not less than \$200,000.00
(at the insurance effective date for a period of 3 months)

‘CF Harrop II’ cable ferry in an amount not less than \$8,500,000.00
(from the date the vessel enters in service (TBD) and subsequent renewal date)

- c. The named insureds on the insurance policies required above shall include:

“Her Majesty the Queen in right of the Province of British Columbia as represented by the Minister of Transportation and Infrastructure and the BC Transportation Financing Authority are added as Additional Named Insureds”

- d. Loss Payable – the insurance policy must contain a loss payable clause directing payment to either the Province or BCTFA as directed by the Province at the time of the loss.

In respect of the above insurance requirement, a deductible of up to 5% of the value of the vessel (determined at the time of the insurance effective or renewal date) or \$5,000.00, whichever is the greater. Payment of any deductible shall be the responsibility of the Contractor.

(iv) Automobile Liability Insurance

If any licensed vehicles are owned, leased, rented or used in the performance of or in any way related to the Agreement, then Automobile Liability coverage with inclusive limits of not less than **TWO MILLION DOLLARS (\$2,000,000)** providing third party liability and accident benefits insurance.

(v) Aircraft Insurance

If aircraft (including helicopters) are owned, leased, rented or used in the performance of or in any way related to the Agreement, then third party liability coverage with inclusive limits of not less than **TWENTY MILLION DOLLARS (\$20,000,000)** must be provided.

2. Contract Securities

(a) General Securities Provisions

The Contractor shall provide and maintain the security hereinafter referred to in place for the full Term of the Agreement to which this schedule is attached all in form and substance acceptable to the Province and in keeping with the Agreement.

The Contractor will retain and maintain security in place for the full ten (10) year Term of the Agreement all in the form and content acceptable to the Province.

OR

The initial security will cover security for the first five (5) years of the Agreement, to be renewed before the commencement of the second five (5) years of the Agreement. This form of security shall contain a commitment from the issuer to

the Province that the form of security shall stay in place for a period of five (5) years.

The Contractor will, within fourteen (14) days of being notified of award and before commencement of any work, deliver to the Province, the security documents that the Proponent selected in its' proposal submitted pursuant to the RFP (based upon the security selected by the Proponent) namely, either:

- (i) a **Performance Bond** and a **Labour and Material Payment Bond** in the same form and content as in the specimens attached hereto.

Each bond must be in the amount of \$2,000,000.

The bonds shall contain a commitment from the issuer to the Province that the bonds shall remain in effect for at least the first 5 years of the Agreement (the "Initial Term" in respect of the bonds) or the full and entire Term of the Agreement.

If the surety notifies either party that the bonds are no longer in force, the Contractor must obtain and provide the Province with valid security which comply with the requirements of this schedule for any remainder of the Term of the Agreement.

OR

- (ii) an **Irrevocable Letter of Credit ("ILOC")** in the amount of **SEVEN HUNDRED TWENTY FIVE THOUSAND DOLLARS (\$725,000)**. This ILOC shall be in form and substance the same as the specimen attached hereto.

The \$725,000 ILOC shall remain in effect for at least the first 5 years of the Agreement (the "Initial Term" in respect of the ILOC) or the full and entire Term of the Agreement.

In no event shall the Province be liable to the Contractor for drawing down funds under the ILOC or for paying funds which the Contractor is obligated to do under the Agreement.

In the event that the Agreement is terminated prior to the end of the Term as a result of default by the Contractor, then the Province may, at its sole discretion, call on the \$725,000 ILOC, and any amount or amounts thereby paid to the Province shall be on account of damages and not as a penalty.

The Irrevocable Letter of Credit shall be held by the Beneficiary until all contractual obligations in the Agreement have been fulfilled by the Customer and the Beneficiary shall deliver to the Issuer written notice of the date that all said obligations in the Agreement have been fulfilled.

(b) Extension or Change of Security for Last 5 Years of the Agreement

The Contractor shall, no later than 90 days prior to the expiry of the Initial Term of the Agreement, deliver to the Province a written notice of extension or change in the security or that substitute securities pursuant to Subsection (c) below, will be provided, as and where applicable.

In the event of an alternate surety for the Renewal Term, the Contractor shall, no later than 60 days prior to the expiry of the Initial Term of the bonds, deliver a completed and executed consent of surety for the issuance of a Performance Bond and a Labour and Material Payment Bond, by an alternate surety, such consent being in the format set out in Appendix D of the RFP. Thereafter the Contractor shall, no later than 30 days prior to the expiry of the Initial Term of the Bonds, deliver the bonds issued by that alternate surety, which have the same penal amount and terms and conditions as the Bonds and which secure the observance and performance of the Contractor under the Agreement commencing on the Renewal Term (as that phrase is defined in the bonds specimen) and for the remainder of the Term of the Agreement.

The Contractor shall, with regard to a change in the issuer of the ILOC security, no later than 60 days prior to the expiry of the Initial Term of the Agreement, deliver an "Undertaking to Provide an ILOC" in the form set out in the RFP to secure the issuance of the \$725,000 ILOC so as to secure the observance and performance by the Contractor of the Agreement for the Renewal Term. No later than 30 days prior to the expiry of the Initial Term of the Agreement, the substitute ILOC by the alternate issuer on the form provided in this Schedule H shall be delivered to the Province.

(c) Substitute Securities

The Contractor may request, and the Province may at its sole discretion agree, during the Term to substitute one form of security with another form of security, provided that in the sole opinion of the Province, the Contractor maintains the security in good standing during the Term.

Appendix 1
SPECIMEN - ILOC

IRREVOCABLE LETTER OF CREDIT

TO HER MAJESTY THE QUEEN IN RIGHT OF THE PROVINCE OF BRITISH COLUMBIA
AS REPRESENTED BY THE MINISTER RESPONSIBLE FOR THE TRANSPORTATION ACT
(The Beneficiary)

IRREVOCABLE LETTER OF CREDIT

In reference to

Performance of the Kootenay Lake Ferry Agreement (the "Agreement")

At the request of _____
(Full name of the Customer)

we, _____
(the Issuer)

do hereby issue this Irrevocable Letter of Credit to guarantee payment on demand to the Beneficiary on the following Terms and Conditions:

1) This Irrevocable Letter of Credit becomes effective immediately and shall remain in effect until at least noon on **September 30, 2023**.

2) This Irrevocable Letter of Credit shall be automatically renewed for successive and consecutive periods of 180 days from the above date or any future expiration date, until either:

- a) the Beneficiary provides notice of release to the issuer; or
- b) the Issuer provides notice of non-renewal to the Beneficiary.

3) Any notice of release or nonrenewal to have effect shall be provided to the other party in writing by registered mail at least 30 days prior to the next effective expiration date.

4) Presentation of sight drafts or letters of demand for payment to be made against this Irrevocable Letter of Credit shall be at the discretion of the Beneficiary without requirement of further documentation, notice or prejudice to the rights of any party. Partial and multiple drawings are permitted under this Letter of Credit.

5) We shall honour any demand(s) for payment signed by **Executive Director, Marine Branch of the Ministry of Transportation and Infrastructure**, your representative, without inquiring as to whether you have the right as between yourselves and our customer to make such demand and without recognizing any claim(s) of our said customer or any other party.

6) Presentation for payment may be made at our offices located at **(financial institution address)** in the municipality of **Victoria**, British Columbia, or at our offices located at **(financial institution address)** in the municipality of **Vancouver**, British Columbia.

7) Payment(s) shall be made payable to the **Minister of Transportation and Infrastructure**, and shall be in the amount(s) specified by your representative, but shall not in the aggregate exceed, **CAD \$725,000 (Seven Hundred Twenty Five Thousand Canadian Dollars)**.

8) We covenant to hold the Beneficiary, its employees, agents and representatives safe from any and all claims for costs or damages which may arise out of any act, error or omission related to the handling, storage or presentation of this Irrevocable Letter of Credit. # **(financial institution filing #)**.

Unless otherwise stated this credit is subject to the Uniform Customs and Practice for Documentary Credits 2007 Revision, I.C.C., Publication Number 600.

Executed under Seal, this _____ day of _____, 20____.

SEAL

Signature for the Issuer

Countersigned

Appendix 2
SPECIMEN SET - BONDS

LABOUR AND MATERIAL PAYMENT BOND
(British Columbia Government Form)

No. _____ \$ _____

Note: This Bond is issued simultaneously with a Performance Bond in favour of the Obligees conditioned for the full and faithful performance of the contract.

KNOW ALL PERSONS BY THESE PRESENTS, that Contractor's Name as principal ("the Principal") and Surety / Insurance Company or Companies name(s) and address(es) a corporation or corporations created and existing under the laws of Canada, and duly authorized to transact the business of suretyship in Canada, as surety, hereinafter called the "Surety" if one surety is named in this Bond and the "Co-Sureties" if more than one, is/are held and firmly bound, jointly and severally in the case of Co-Sureties, unto HER MAJESTY THE QUEEN IN RIGHT OF THE PROVINCE OF BRITISH COLUMBIA AS REPRESENTED BY THE MINISTER RESPONSIBLE FOR THE TRANSPORTATION ACT, as obligee, hereinafter called the Obligees, for the use and benefit of the Claimants, their and each of their heirs, executors, administrators, successors and assigns, in the amount of _____ Dollars (\$ _____) in lawful money of Canada (the "Bond Amount"), for the payment of which sum, well and truly to be made, the Principal and the Surety, or Co-Sureties, as the case may be, bind themselves, their heirs, executors, administrators, successors and assigns, jointly and severally, firmly by these presents.

WHEREAS, the Principal has entered into a multi-year contract with the Obligees, dated the ___ day of 20___ for the operation and maintenance of the existing Kootenay Lake Ferry Agreement ("the Contract") for a term of October 1, 2018 to September 30, 2023 ("Initial Term") that shall automatically renew for the period from October 1, 2023 to September 30, 2028 (the "Renewal Term") provided the Contract is not terminated in accordance with its provisions, which document is incorporated by reference as part of this Bond;

AND WHEREAS, concurrently with the issuance of this Bond, the Surety has issued a Performance Bond which names Her Majesty the Queen in Right of the Province of British Columbia as represented by the Minister responsible for the Transportation Act, as Obligees (the "Performance Bond").

NOW, THEREFORE, THE CONDITIONS OF THIS OBLIGATION are such that, if the Principal shall make payment to all Claimants (as hereinafter defined) for all labour and material used or reasonably required for use in the performance of the Contract then this obligation shall be null and void; otherwise it shall remain in full force and effect, subject, however, to the following conditions:

1. A Claimant for the purpose of this Bond is defined as one having a direct contract with the Principal for labour, material, or both, used or reasonably required for use in the performance of the Contract, labour and material being construed to include that part of water, gas, power, light, heat, oil, gasoline, telephone service or rental equipment directly applicable to the Contract; provided that a person, firm or corporation who rents equipment to the Principal to be used in the performance of the Contract under a contract which provides that all or any part of the rent is to be applied towards the purchase price thereof, shall only be a Claimant to the extent of the prevailing industrial rental value of such equipment for the period during which the equipment was used in the performance of the Contract. The prevailing industrial value of equipment shall be determined, insofar as it is practical to do so, in accordance with and in the manner provided for in the latest revised edition of the publication of the Canadian Construction Association titled "Rental Rates on Contractors Equipment" published before the period during which the equipment was used in the performance of the Contract.

2. The Principal and the Surety or Co-Sureties, as the case may be, hereby jointly and severally agree with the Obligees that every Claimant who has not been paid as provided for under the terms of their contract with the Principal, before the expiration of a period of ninety (90) days after the date on which the last of such Claimant's work or labour was done or performed or materials were furnished by such Claimant, may use the name of the Obligees to sue on and enforce the provisions of this bond, prosecute the suit to final judgment for such sum or sums as may be justly due to such Claimant under the terms of their contract with the Principal and have execution thereon subject to the following terms and conditions: the Obligees is not to be obliged to do or take any act, action or proceeding against the Surety on behalf of the Claimants, or any of them, to enforce the provisions of this Bond; and if any act, action or proceeding is taken either in the name of the Obligees or by joining the Obligees as a party to such proceeding, then such act, action or proceeding, shall be taken on the understanding and basis that the Claimants, or any of them, who take such act, action or proceeding shall indemnify and save harmless the Obligees against all costs, charges and expenses or liabilities incurred thereon and any loss or damage resulting to the Obligees by reason thereof.
3. No suit or action shall be commenced hereunder by any Claimant:
 - (a) unless such Claimant shall have given written notice within the time limits hereinafter set forth to each of the Principal, the Surety or Co-Sureties, as the case may be, and the Obligees, stating with substantial accuracy the amount claimed and at least 90 days shall have passed since the notice was given. Such notice shall be served by mailing the same by registered mail to the Principal, the Surety and the Obligees, at any place where an office is regularly maintained for the transaction of business by such persons or served in any manner in which legal process may be served in the Province or other part of Canada in which the subject matter of the contract is located. Such notice shall be given:
 - (1) in respect of any claim for the amount or any portion thereof, required to be held back from the Claimant by the Principal, under either the terms of the Claimant's contract with the Principal or under the builders lien Legislation applicable to the Claimant's contract with the Principal (whichever is the greater), within one hundred and twenty (120) days after such Claimant should have been paid in full under the Claimant's contract with the Principal.
 - (2) in respect of any claim other than for the holdback, or portion thereof, referred to above, within one hundred and twenty (120) days after the date upon which such Claimant did, or performed, the last of the work or labour or furnished the last of the materials for which such claim is made, under the Claimant's contract with the Principal;
 - (b) after the expiration of one (1) year following the earlier of:
 - (1) the expiry of the Initial Term if the Surety elects not to extend this Bond for the Renewal Term; or
 - (2) the date on which the Principal ceased work on the Contract, including work performed under the guarantees provided in the Contract.
 - (c) other than in a Court of competent jurisdiction in a Province or Territory of Canada in which the subject matter of the contract, or any part thereof, is situated and not elsewhere, and the parties hereto agree to submit to the jurisdiction of such Court.
4. The Surety or Co-Sureties, as the case may be, agree(s) not to take advantage of Article 2365 of the Civil Code of the Province of Quebec in the event that, by an act or an omission of a Claimant, the Surety can no longer be subrogated in the rights, hypothecs and privileges of said Claimant.
5. The amount of this Bond shall be reduced by, and to the extent of any payment or payments made in good faith, and in accordance with the provisions hereof, inclusive of the payment by

the Surety or Co-Sureties, as the case may be, of builders liens which may be filed of record against the subject matter of the contract, whether or not claim for the amount of such lien be presented under and against this Bond.

6. The Surety or Co-Sureties, as the case may be, shall not be liable for a greater sum than the specified penalty of this Bond.
7. Although the term of the Contract is ten years commencing on October 1, 2018 and ending on September 30, 2028, the term of this Bond is for the Initial Term only. The Initial Term may be extended, solely at the option of the Surety, for the Renewal Term. If the surety elects not to extend the bond at the end of the Initial Term, it must so inform the Oblige in writing prior to ninety (90) days before the Initial Term ends. If the surety does not so inform the Oblige of its intention not to extend the bond at the end of the Initial Term as stated herein, this Bond will automatically be deemed extended for the Renewal Term.
8. If the Surety or Co-Sureties elect(s) not to extend this Bond and the Performance Bond for the Renewal Term, the Principal and the Surety or Co-Sureties shall remain liable hereunder and in accordance with the terms hereof for all of the obligations of the Principal for the Initial Term or those Renewal Term(s) by which this Bond was extended, exclusive, in the case of the Surety or Co-Sureties, of the obligation to provide replacement bonds for the remainder of the term of the Contract to the Expiry Date of the Contract. The Surety's election not to renew this Bond and the Performance Bond for a Renewal Term is not intended to diminish the Oblige's rights, as against the Principal only, for any breach of the Contract.
9. The Bond Amount is not and shall not be deemed to be cumulative in the event this Bond and the Performance Bond are extended for a Renewal Term(s).
10. If this Bond is issued by Co-Sureties, then the Co-Surety that signs the first signature block on this Bond shall be designated as the "Lead Surety" for the purposes of this Bond and the Co-Sureties hereby jointly and severally irrevocably: appoint and authorize the Lead Surety to act as the sole representative of and agent for the Co-Sureties, and with authority to bind the Co-Sureties, in all dealings and matters between the Co-Sureties and the Oblige arising from or relating to this Bond, including without limitation the receipt on behalf of the Co-Sureties of a written notice, of any demand or draw on this Bond issued by the Oblige and in the investigation, payment, compromise, settlement and defence of any claims, demands and draws on, arising from or related to this Bond; and, agree and acknowledge that the Oblige shall be entitled to assume that any act done, document executed or entered into or waiver given by the Lead Surety to the Oblige arising from or related to this Bond has been duly authorized by each Co-Surety and is binding upon each Co-Surety without the Oblige being under any obligation to enquire into the authority of the Lead Surety in such matters.

IN WITNESS WHEREOF, the Principal and the Surety have Signed and Sealed this Bond
this ____ day of _____ 20

SIGNED and SEALED
In the presence of:

For the Principal

SEAL

For the Surety

Attorney-in-fact

SEAL

Appendix 2: SPECIMEN SET - BONDS continued'**PERFORMANCE BOND**

NO. _____

\$ _____

KNOW ALL PERSONS BY THESE PRESENTS, that Contractor's Name as principal ("the Principal") and Surety / Insurance Company's or Companies' name(s) and address(es), a corporation or corporations created and existing under the laws of Canada, and duly authorized to transact the business of suretyship in Canada, as surety (hereinafter the "Surety(ies)" if one Surety is named in this Bond and the "Co-Sureties" if more than one), is/are held and firmly bound, jointly and severally in the case of Co-Sureties, unto HER MAJESTY THE QUEEN IN RIGHT OF THE PROVINCE OF BRITISH COLUMBIA AS REPRESENTED BY THE MINISTER RESPONSIBLE FOR THE TRANSPORTATION ACT, as obligee ("the Obligee") in the amount of _____ Dollars (\$ _____), lawful money of Canada (the "Bond Amount"), for the payment of which sum, well and truly to be made, the Principal and the Surety, or Co-Sureties, as the case may be, bind themselves, their heirs, executors, administrators, successors and assigns, jointly and severally, firmly by these presents.

WHEREAS, the Principal has entered into a multi-year contract with the Obligee, dated the _____ day of _____ 20____ for the operation and maintenance of the existing Kootenay Lake Ferry Agreement ("the Contract") for a term of October 1, 2018 to September 30, 2023 ("Initial Term") that shall automatically renew for the period from October 1, 2023 to September 30, 2028 ("Renewal Term") provided the Contract is not terminated in accordance with its provisions, which document is incorporated by reference as part of this Bond;

AND WHEREAS concurrently with the issuance of this Performance Bond the Surety has issued a Labour and Material Payment Bond which names Her Majesty the Queen in Right of the Province of British Columbia as represented by the Minister responsible for the Transportation Act, as Obligee (the "L&M Payment Bond").

NOW, THEREFORE, THE CONDITIONS OF THIS OBLIGATION are such that if the Principal shall promptly and faithfully perform that portion of the Contract that corresponds with the Initial Term or Renewal Term (as those terms are defined herein), as the case may be, then this Obligation shall be null and void; otherwise it shall remain in full force and effect, subject, however, to the following conditions:

1. If the Obligee declares an Event of Default, as defined in the Contract, then upon written notice of same being given by the Obligee to the Surety or Co-Sureties as the case may be, the following shall apply:
 - (a) if the work is not taken out of the Principal's hands, by the Obligee, the Obligee may require the Surety or Co-Sureties, to remedy the default giving rise to the Event of Default, in which case the Surety or Co-Sureties shall cause the Principal to remedy the Event of Default within thirty (30) days of the date the Surety or Co-Sureties received the written notice from the Obligee or, if the Principal has not remedied the Event of Default, the Surety or Co-Sureties shall, subject to the Bond Amount, remedy the Event of Default within a further period of fifteen (15) days; and/or;
 - (b) the Obligee may, whether or not the Contract is terminated, and whether or not the Contract is taken out of the Principal's hands by the Obligee, to take reasonable steps to cure the Event of Default itself or to cause the Event of Default to be cured by other persons, and then make demand under this Bond for indemnification by the Principal and Surety or Co-Sureties for the costs thereof after making all reasonable adjustments and credits under the Contract, in which case the resulting cost, including but not limited to the costs of the Event of Default and administrative costs of the Obligee, determined by the Obligee, shall be paid by the Principal

within thirty (30) days of demand by the Obligee or, failing payment by the Principal, shall be paid, subject to paragraph 2 of this Bond, by the Surety or Co-Sureties within the following fifteen (15) day period; and/or

- (c) the Obligee may take the Contract out of the Principal's hands, in which case:
 - (i) if after written notice has been given to the Surety or Co-Sureties of the Event of Default, the Surety or Co-Sureties and the Obligee agree in writing, the Surety or Co-Sureties may complete or cause to be completed the Contract, through methods including, but not limited to using the employees, equipment and subcontractors of the Principal;
 - (ii) absent such agreement,
 - (1) the Obligee will request proposals from not less than two ferry service contractors who are then performing ferry services in other areas in British Columbia;
 - (2) the Obligee will, with consultation from the Surety or Co-Sureties, if requested by the Surety or Co-Sureties, evaluate all proposals PROVIDED THAT the final selection of a replacement contractor shall be within the sole discretion of the Obligee, after consultation with the Surety or Co-Sureties.

If the Obligee considers the Event of Default to represent a material risk to public safety then the Obligee may take immediate steps to protect public safety by engaging others (the "Emergency Forces") to perform such services as the Obligee may reasonably decide are required for the purpose of ensuring services, works, safeguards, environmental protection and public safety are maintained and, further, to ensure that necessary work shall reasonably proceed with minimal interruption. The Obligee and the Surety will meet at the reasonable request of the Surety, to explore methods of completing the work under the Contract, including engaging a permanent replacement contractor pursuant to the provisions of Clause 1(c) of this Bond. The Emergency Forces may remain in place until a replacement contractor is appointed or until other arrangements for completing the work or the Contract, acceptable to the Obligee, are made by the Surety or Co-Sureties.

Upon selection by the Obligee of a bidder acceptable to the Obligee, the Obligee will contract with such bidder. The Surety or Co-Sureties will pay, at the direction of the Obligee, not less frequently than every thirty (30) days, as work progresses, whether by Emergency Forces or by a replacement contractor or both, sufficient funds to pay by monthly instalments the difference between the cost of completion of all the obligations of the Principal under the Contract and the balance of the Contract price; but not exceeding, including other costs and damages for which the Surety or Co-Sureties may be liable hereunder, the Bond Amount. The term "balance of the Contract price" as used in this Bond means the total amount payable by the Obligee to the Principal under the Contract, less the amount properly paid by the Obligee to the Principal.

- 2. Unless otherwise agreed in writing by the Surety or Co-Sureties and the Obligee, all payments under this Bond will be made on a monthly basis such that within thirty (30) days of the end of any month for which a claim is made under this Bond, the Surety or Co-Sureties will pay to or at the direction of the Obligee:

- (a) the difference between:
 - (i) the amount of the payment that would have been due from the Obligee to the Principal for that month pursuant to the Contract, but for the default of the Principal; and
 - (ii) the amount paid by the Obligee to other contractors to complete the obligations of the Principal under the contract for that month.

- and -

(b) the reasonable additional and actual direct costs incurred by the Obligee to select and retain the other contractors required to complete the work of the Principal and to direct the completion of the work for that month.

The cumulative total of the monthly payments will be subject to the final adjustment after the expiry of the original term of the Contract when all costs are known.

3. The requirement to make payment under this Bond will arise solely on the written demand for payment by the Obligee in respect of an Event of Default under the Contract or this Bond and the making of any payment under or pursuant to this Bond shall not be deemed to be an admission of liability on behalf of the Principal or Surety or Co-Sureties and will be made without prejudice to any right or cause of action which either or both the Principal or Surety or Co-Sureties may have against the Obligee. If payment has been made under or pursuant to the Bond by the Surety or if the Principal has paid to remedy the Event of Default or paid the cost of completion under the Contract, either the Principal or Surety or Co-Sureties may challenge the validity of the declaration of the Event of Default, the demand under this Bond, the accounting for Contract monies, the reasonableness or validity of the completion costs, or any other claim they may have relating to the Obligee's performance under the Contract and this Bond and make claim against the Obligee for damages.
4. Nothing herein contained shall release the Obligee from any duty to operate with the utmost good faith and to mitigate any costs or damages incurred as a result of the Event of Default. PROVIDED ALWAYS that the provision as to mitigation shall not be construed as requiring the Obligee to allow the Principal to complete the Contract.
5. Either or both the Principal or Surety or Co-Sureties may, by giving written notice to the Obligee within fourteen (14) days of receiving notice of an Event of Default from the Obligee, take the position that the notice of the Event of Default was wrongfully issued by the Obligee and claim for damages by suit, arbitration, or otherwise, provided however that neither delivery of such notice, nor any litigation, arbitration or other dispute resolution process, actual or contemplated, shall in any way delay payment from the Principal or failing payment by the Principal then from the Surety or Co-Sureties, and any payment will be made without prejudice to the right of the Principal or Surety or Co-Sureties to pursue any claim against the Obligee by litigation, arbitration or otherwise.
6. If a Court of competent jurisdiction, or an arbitrator in any arbitration proceeding between the Obligee and any one or more of the Principal and Surety or Co-Sureties, where the agreement to arbitrate provides that the decision is to be final and binding on the parties, holds that funds are owing by the Obligee to the Principal or Surety in connection with the Contract or Bond, the Obligee shall, after the period for appeals has expired, provided no appeals have been filed, remit the amount of any judgement or award to either the Principal or the Surety or Co-Sureties, with interest as determined in accordance with the provisions of B.C. Regulation 215/83 entitled "Interest on Overdue Accounts Payable Regulation", as amended from time to time from the date of such decision by the Court or arbitrator. Subject to the judgement or award, such payment obligation shall be without prejudice to any rights available to the Obligee.
7. The Obligee shall account for any unpaid Contract monies, including any holdback monies, relating to the Contract up to the date of the Event of Default as declared by the Obligee, which are payable to the Principal, and upon written notice from the Surety or Co-Sureties shall apply those monies:
 - (a) first, to pay for labour, material, equipment and services used by the Principal in the performance of the Contract prior to the Event of Default;
 - (b) second, to reimburse the Obligee for the difference between the cost of completion and the balance of the Contract price.

Any excess and all remaining Contract monies shall be paid by the Obligee to the Surety or Co-Sureties. Subject to the terms of this Bond and the Bond Amount, the Surety or Co-Sureties shall be liable for and pay the Obligee for the difference between the cost of completion under the

Contract and the balance of the Contract price if the cost of completion exceeds the Contract price, and such other costs of completing the obligations of the Principal, including reasonable additional administrative costs of the Oblige, as determined by the Oblige, acting reasonably.

8. The Surety or Co-Sureties shall not be liable for any amount in excess of the Bond Amount. The Surety shall deliver to the Oblige timely notice of the amount from time to time paid under this Bond, and the Bond Amount shall be reduced by any amounts paid by the Surety to remedy or to cause to be remedied any Event of Default, notice of which has been provided by the Oblige to the Surety, with demand for payment, and by any amounts paid by the Surety under, or pursuant to its obligations under, this Bond.
9. The Oblige, whether or not an Event of Default has occurred or been declared, may advise the Surety or Co-Sureties in writing whenever:
 - (a) a Non-Conformance Report is issued by the Oblige to the Principal pursuant to section 19 of the Contract;
 - (b) the Oblige issues written notice of an Event of Default to the Principal pursuant to section 23 of the Contract; or
 - (c) the Oblige retains any holdback from any payment which, but for the holdback and the Oblige's reason for the holdback, would be due to the Principal under the Contract.
10. Copies of the Non-Conformance Report, notice of an Event of Default and notice of holdback may be provided to the Surety or Co-Sureties with the notice advising the Surety or Co-Sureties of same. Unless accompanied by a notice of a non-conformance or Event of Default and a written demand by the Oblige to the Surety or Co-Sureties requiring the Surety or Co-Sureties to fulfil its obligations under the Bond, such advice and copies of such documents shall be considered to be for general information only and shall not constitute a declaration of an Event of Default nor a call upon this Bond.
11. Although the term of the Contract is ten years commencing on October 1, 2018 and ending on September 30, 2028, the term of this Bond is for the Initial Term only. The Initial Term may be extended, solely at the option of the Surety, for the Renewal Term. If the Surety elects not to extend this Bond at the end of the Initial Term, it must so inform the Oblige in writing prior to ninety (90) days before the Initial Term ends. If the Surety does not so inform the Oblige of its intention not to extend this Bond at the end of the Initial Term as stated herein, this Bond will automatically be deemed extended for the Renewal Term.
12. If the Surety or Co-Sureties elect(s) not to extend this Bond and the Labour and Material Bond for the Renewal Term, the Principal and the Surety or Co-Sureties shall remain liable hereunder and in accordance with the terms hereof for all of the obligations of the Principal for the Initial Term or those Renewal Term(s) by which this Bond was extended, exclusive, in the case of the Surety or Co-Sureties, of the obligation to provide replacement bonds for the remainder of the term of the Contract to the Expiry Date of the Contract. The Surety's election not to renew this Bond and the Labour and Material Bond for a Renewal Term is not intended to diminish the Oblige's rights, as against the Principal only, for any breach of the Contract.
13. The Bond Amount is not and shall not be deemed to be cumulative in the event this Bond and the Labour and Material Bond are extended for a Renewal Term(s).
14. No suit or action shall be instituted by the Oblige against the Surety, or by the Surety or Co-Sureties or the Principal against the Oblige, under or pursuant to this Bond, after the expiration of two years from:
 - (a) the expiry of the Initial Term if the Surety elects not to extend this Bond and the Labour and Material Payment Bond for a Renewal Term, or
 - (b) the last date on which final payment under the Contract is due,

whichever is applicable.

15. If this Bond is issued by Co-Sureties, then the Co-Surety that signs the first signature block on this Bond shall be designated as the "Lead Surety" for the purposes of this Bond and the Co-Sureties hereby jointly and severally irrevocably: appoint and authorize the Lead Surety to act as the sole representative of and agent for the Co-Sureties, and with authority to bind the Co-Sureties, in all dealings and matters between the Co-Sureties and the Obligee arising from or relating to this Bond, including without limitation the receipt on behalf of the Co-Sureties of a written notice, of any demand or draw on this Bond issued by the Obligee and in the investigation, payment, compromise, settlement and defence of any claims, demands and draws on, arising from or related to this Bond; and, agree and acknowledge that the Obligee shall be entitled to assume that any act done, document executed or entered into or waiver given by the Lead Surety to the Obligee arising from or related to this Bond has been duly authorized by each Co-Surety and is binding upon each Co-Surety without the Obligee being under any obligation to enquire into the authority of the Lead Surety in such matters.
16. All notices and demands to be given to the Surety under this Bond shall be given to the Surety at the following address:

(Name of Surety)

(Address of Surety)

Attention: _____

IN WITNESS WHEREOF, the Principal and the Surety have Signed and Sealed this bond this _____ day of _____, 20 ____.

SIGNED and SEALED

In the presence of:

For the Principal

SEAL

For the Surety

Attorney-in-fact

SEAL



CERTIFICATE OF INSURANCE

Contracts/Leases/Agreements/Permits Number, Location and Description:	Brokers' Reference No.
	Award or Effective Date _____ (yyyy/mm/dd)

INSURED

Name _____

Business Address _____

BROKER Name _____
Business Address _____

Type of Insurance	Company and Policy Number	Policy Dates Effective	yyyy/mm/dd Expiry	Limits of Liability / Amounts
Commercial General Liability (including Non-Owned Automobile Liability)				Bodily Injury and Property Damage \$ _____ Inclusive \$ _____ Aggregate \$ _____ Deductible \$ _____ SIR
Additional Insureds:				
Automobile Liability				Bodily Injury and Property Damage \$ _____ Inclusive
Umbrella/Excess Liability				\$ _____ Limits excess of \$ _____ General Liability excess of \$ _____ Automobile
<input type="checkbox"/> Builders Risk <input type="checkbox"/> Installation Floater <input type="checkbox"/> Other:				\$ _____ Site \$ _____ Other Location \$ _____ Transit
Equipment Insurance				\$ _____ Limit
Professional Liability Errors and Omissions				\$ _____ Each Claim \$ _____ Aggregate \$ _____ Deductible
<input type="checkbox"/> Protection & Indemnity <input type="checkbox"/> Hull & Machinery <input type="checkbox"/> Builders Risk (Vessels) <input type="checkbox"/> Ship Repairers' Liability				\$ _____ Limit \$ _____ Limit \$ _____ Limit \$ _____ Limit
Other:				\$ _____ Limit

The undersigned certifies the undersigned has reviewed the policies of insurance described above and Page 2 of this certificate and further certify that those policies have been issued to the insured named above and are in full force and effect and comply with the insurance requirements set out in the agreement / contract / lease / permit identified above, including the requirements set out on Page 2 of this certificate.

Signature of person authorized to sign on behalf of Insurers
certifying Page 1 and Page 2 of this Certificate

Print or Type Name

Date (vvv/mm/dd)

ADDITIONAL CONDITIONS ARE SHOWN ON PAGE 2 OF THIS CERTIFICATE OF INSURANCE

Notwithstanding any other terms, conditions or exclusions elsewhere in the insurance policy(s), it is understood and agreed that the insurance policy(s) are extended to include insurance conditions as follows:

**CONDITIONS APPLICABLE TO:
COMMERCIAL GENERAL LIABILITY**

1. Additional Named Insured Clause for Ministry Contracts

Her Majesty the Queen in right of the Province of British Columbia as represented by the Minister of Transportation and Infrastructure, together with the employees, agents, and servants of the Minister, hereinafter referred to as the Additional Named Insured, is added as an Additional Named Insured, in respect of liability arising from the work or operations of the Insured and the Additional Named Insured, in connection with contracts, entered into between the Insured and the Additional Named Insured.

2. Extension of Coverage

Such liability insurance shall also include all liability arising out of completed operations, blanket written contractual, contingent employers liability, non-owned automobile liability, and liability assumed by the Contractor in connection with and applicable to the contract.

3. Cross Liability

The insurance as is afforded by this policy shall apply in the same manner and to the same extent as though a separate policy had been issued to each Insured. Any breach of a condition of the policy by any Insured shall not affect the protection given by this policy to any other Insured. The inclusion herein of more than one Insured shall not operate to increase the limit of liability under this policy.

4. Exclusions Not Permitted

If hazardous operations such as excavation, pile driving, shoring, blasting, underpinning, or demolition work or any other operation or work is to be performed by the Ministry or the Contractor, then this type of work or operation shall not be excluded from insurance coverage where such type of work or operation is to be performed by either party under the contract, subject to prior notification to the insurer by the Contractor.

Claims arising out of the legal liability imposed upon the Insured at common law and extended by Statute for bodily injury or death to employees of the Insured. However, exclusions applicable to liability imposed upon or assumed by the Insured under any Workers' Compensation Statutes or for assessment by any Workers' Compensation Board will be allowed.

Liability assumed by the Insured under contract with railroad companies for the use and operation of railway sidings or crossings.

5. Products and Completed Operations Hazard

Products and Completed Operations Hazard coverage shall be provided and such coverage shall remain in full force and effect for a period of twelve (12) months after the contracted work has been completed (twenty four (24) months for Design Build Minor Contracts), irrespective of the expiry date of the policy.

**CONDITIONS APPLICABLE TO:
PROPERTY TYPE OF INSURANCE POLICIES
(WHERE IT IS A REQUIREMENT OF THE CONTRACT,
AGREEMENT, LEASE OR PERMIT)**

1. Additional Named Insured Clause

Her Majesty the Queen in right of the Province of British Columbia as represented by the Minister of Transportation and Infrastructure, is added as an Additional Named Insured.

2. Loss Payable Clause

Her Majesty the Queen in right of the Province of British Columbia as represented by the Minister of Transportation and Infrastructure.

3. Waiver of Subrogation

In the event of any physical loss or damage to the work or Contractor's equipment, the settlement or payment of the subsequent claim shall be made without the right of subrogation against Her Majesty the Queen in right of the Province of British Columbia as represented by the Minister of Transportation and Infrastructure or any of the employees, servants or agents of the Minister.

**CONDITIONS APPLICABLE TO:
ALL POLICIES EXCEPT AUTOMOBILE LIABILITY INSURANCE
ISSUED BY I.C.B.C. AND PROFESSIONAL LIABILITY (E&O)
INSURANCE**

1. Cancellation

This policy shall not be cancelled, removed, reduced, materially changed or altered without thirty (30) days prior notice in writing by Registered Mail to:

**CORPORATE INSURANCE AND BONDS MANAGER
MINISTRY OF TRANSPORTATION & INFRASTRUCTURE
PO BOX 9850 STN PROV GOVT
VICTORIA BC V8W 9T5**

or

Ministry Representative, as noted in the contract.

**CONDITION APPLICABLE TO:
PROFESSIONAL LIABILITY / ERRORS AND OMISSIONS
INSURANCE**

1. Cancellation

The required insurance shall not be cancelled, or endorsed to reduce limits of liability, without thirty (30) days notice in writing by Registered Mail to: The Corporate Insurance and Bonds Manager, Ministry of Transportation and Infrastructure, PO Box 9850, Stn Prov Govt, 940 Blanshard Street, Victoria, B.C. V8W 9T5. Notification of the policy being endorsed to restrict coverage mid-term, must be provided in writing by Registered Mail to the same address, no later than the effective date of such change.

Issuance of this certificate shall not limit or restrict the right of the Ministry of Transportation and Infrastructure to request any time certified copies of any insurance policy(s).

Schedule I

Referee Services Agreement

This Agreement is dated for reference this 1st day of October, 2018.

THE PARTIES TO THIS AGREEMENT ARE:

HER MAJESTY THE QUEEN in Right of the Province of British Columbia

As represented by the Minister of Transportation and Infrastructure and her agents,
servants, representatives, contractors and employees
c/o The Ministry of Transportation and Infrastructure
Marine Branch
940 Blanshard Street
Victoria, BC V8W 9T5
Phone: (250) 387-3417
Fax: (250) 356-0897

(the "Province")

AND:

@ @

(the "Contractor")

AND:

@ @

(the "Referee")

WHEREAS:

- A. The Province and the Contractor have entered into a contract entitled Kootenay Lake Ferry Agreement dated the 1st day of October, 2018 herein referred to as the "Contract", and
- B. Pursuant to the Contract calls for the appointment of a referee to fairly and expeditiously dispose of any disputes which may arise between the Province and the Contractor.

NOW, THEREFORE, FOR GOOD AND VALUABLE CONSIDERATION, THE RECEIPT AND SUFFICIENCY OF WHICH IS HEREBY ACKNOWLEDGED, THE PROVINCE, THE CONTRACTOR AND THE REFEREE HEREBY AGREE AS FOLLOWS:

1. Appointment

- 1.1 The Province and the Contractor hereby appoint @ to act as Referee in accordance with the Contract.

1.2 The Referee hereby accepts the appointment and acknowledges receipt of a complete copy of the Contract.

1.3 The appointment of the Referee and any rights, responsibilities and obligations arising out of this Agreement are personal to the Referee and may not be assigned.

2. Bias

2.1 The Referee has disclosed to the parties, and shall promptly disclose in the future, any facts or circumstances which may give rise to a reasonable apprehension of bias by the Province or the Contractor.

3. Duties

3.1 The Referee shall promptly and faithfully perform all duties and discharge all responsibilities and obligations assigned to the Referee as specified in this Agreement and in the Contract.

3.2 The Referee shall, upon the written request of either party, attend or facilitate meetings between the Province and the Contractor.

4. Cooperation

4.1 The Province and the Contractor shall cooperate with each other and with the Referee to allow the Referee to perform their duties and discharge all responsibilities as expeditiously as possible.

5. Communications

5.1 Except for matters of a purely administrative nature, the Referee shall not communicate orally with the Province or the Contractor, or their representatives, respecting any matters arising out of this Agreement unless both Parties, or both of their representatives, are present or a party to the communication.

5.2 The Referee shall send copies of any written communications sent to either party or received by the Referee from either party, to the other party as well.

6. Notices

6.1 Any notices or other documentation required to be given under this Agreement shall be given in writing to the respective parties by delivery to the addresses for service shown in the preamble to this Agreement or such other addresses as notified by the Parties.

7. Evidence

7.1 The Referee is not bound by the strict rules of evidence.

8. Confidentiality

8.1 The Referee shall hold in strict confidence and shall not reveal, copy or disclose to any person, other than an expert retained under this Agreement, any documents or information provided to the Referee or to which the Referee gains

access in the course of performing the duties or discharging the responsibilities under this Agreement, without the prior, written permission of both the Province and the Contractor.

9. Experts

- 9.1 The Referee may retain any legal or technical experts the Referee considers necessary.
- 9.2 The Referee shall impose on all experts the restrictions and obligations which are imposed on the Referee by Article 5 and Article 8 of this Agreement.
- 9.3 The Referee shall promptly notify the Province and the Contractor of the names and the terms of appointment of any experts retained.
- 9.4 The Referee shall direct all experts to give their advice or report, either orally or in writing, simultaneously to the Referee, the Province, and the Contractor.

10. Fees and Disbursements

- 10.1 The Province shall pay the Referee monthly in arrears upon receipt of an invoice from the Referee, a minimum monthly fee of \$200.00.
- 10.2 In addition to the minimum monthly fee stated above, the Province shall pay upon receipt of an invoice from the Referee, monthly in arrears for:
 - (a) services rendered by the Referee in excess of seven (7) hours in any month, at a rate of \$ @ per hour;
 - (b) all actual and reasonable disbursements made by the Referee in the performance of its duties under this Agreement, including but not limited to travel, board, lodging, administrative services, sundry disbursements; and
 - (c) any fees and costs reasonably incurred in connection with obtaining any expert advice in accordance with Article 9 of this Agreement.
- 10.3 In the event of termination of this Agreement, the Province shall promptly reimburse the Referee for all fees and disbursements incurred prior to the effective date of termination and all costs reasonably associated with an orderly termination of service.
- 10.4 The Contractor agrees that without further notice, the Province may recover from any payments otherwise payable to the Contractor, an amount equal to fifty percent (50%) of all payments made in good faith by the Province to the Referee.
- 10.5 Total payments to the Referee shall not exceed \$ @ for the Term.

11. Liability

- 11.1 The Referee shall not be liable to either party for any act or omission in connection with any of the duties, responsibilities or obligations performed in good faith by the Referee.

12. Termination

- 12.1 The Province and the Contractor may, by mutual agreement and by written notice to the Referee, terminate this Agreement at any time; and such notice of termination shall be effective immediately upon delivery unless otherwise stated.
- 12.2 The Referee may by giving thirty (30) days' written notice to the Province and the Contractor, terminate this Agreement.

13. Completion of Agreement

- 13.1 The Contractor and Province shall jointly advise the Referee by written notice of the effective date when the Referee's services under this Agreement are no longer required and on that effective date the obligations of the Referee will be terminated and this Agreement shall terminate.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date first stated above.

SIGNED on behalf of **Her Majesty the Queen
in Right of the Province of British Columbia
as represented by the Minister of Transportation
and Infrastructure**

Deborah Bowman
Assistant Deputy Minister, Transportation Policy & Programs

[The Contractor]

(Authorized Signatory)

Print Name and Title

(Authorized Signatory)

Print Name and Title

[The Referee]

Print Name

Schedule J

Changes

1. DEFINITION OF “CHANGES”

“Change” means a written variation or change to the Agreement or a Schedule to the Agreement, made in accordance with the provisions of the Agreement, which variation or change shall be applied for the remainder of the Term in accordance with the terms and procedure set out herein.

2. CHANGE ORDER

The Province may, in writing, pursuant to section 22 of the Agreement and the terms of this Schedule J, make Changes to:

- (i) the Work (excluding Additional Services) to be performed pursuant to the Agreement; and
- (ii) the Watercraft that are subject to the Agreement, as contemplated in sections 4.2 to 4.14 of the Agreement,

that is an ongoing change for the remainder of the Term (“Change Order”). Unless a Change Order results in a Change in Scope (as defined in Section 5), the Contractor acknowledges that there shall be no resulting amendment to the Annual Service Fee or Schedule D to the Agreement.

3. CONTRACTOR CHANGE REQUEST

- (a) The Contractor may request, in writing, pursuant to section 22 of this Agreement and the terms of this Schedule, a Change to the Work (excluding Additional Services) that is an ongoing change for the remainder of the Term. The Contractor shall ensure that such request includes all relevant information reasonably required by the Province for the proper consideration of such proposed Change (“Change Request”).
- (b) The Parties acknowledge that a Change Request may have an impact on the Contractor’s delivery and performance of the Work and in some circumstances, on the cost to the Contractor of providing such Work. Subject to Section 5, no Change Order issued by the Province in response to a Change Request by the Contractor shall result in a Change to the Annual Service Fee or to Schedule D to this Agreement.

- (c) No Change Request shall be implemented or incorporated as part of the Work unless such Change Request has been approved by the Province and a Change Order has been issued and executed by the Province and the Province shall have the right to set out any additional terms or conditions prior to granting its approval to any Change Request, which shall be incorporated into the Change Order. All decisions and actions of the Province with respect to a Change, including those which may be made under this Section 3(c), shall be made at the Province's sole discretion.

4. CHANGE VALUATION

4.1 Process for Changes in Work

If the Province desires to make the type of Change set out at Section 2(i) or to implement a Change set out in a Change Request submitted by the Contractor, the Province shall, prior to issuing the Change Order, notify the Contractor about such proposed Change and the Contractor shall, within 10 Business Days of receiving such notice, prepare and submit to the Province, at its own cost, a change valuation, which shall be a reasonable estimate of the net amount of all changes in costs incurred or saved by the Contractor to implement the proposed Change (the "Change Valuation"). The Contractor shall ensure that the Change Valuation includes such detail as the Province may reasonably require to enable it to properly evaluate the Change Valuation (including, but not limited to, a detailed summary of the prices, costs, charges and mark-ups).

4.2 Process for Changes to the Watercraft

If the Province makes the type of Change set out at Section 2(ii) in respect of the Potential New Watercraft, then six months following the date that the Contractor begins using the Potential New Watercraft, the Contractor shall, if it determines that there is a direct change to its operating costs following the deployment of the Potential New Watercraft, prepare and submit to the Province, prepared at its own cost, a Change Valuation. The Contractor shall ensure that the Change Valuation includes such detail as the Province may reasonably require to enable it to properly evaluate the Change Valuation (including, but not limited to, a detailed summary of the prices, costs, charges and mark-ups).

4.3 Final Determination of Change Valuation

On receipt of any Change Valuation, whether pursuant to Sections 4.1 or 4.2 above, the Province shall have 10 Business Days to either agree with the Contractor's Change Valuation, or deliver its own Change Valuation to the Contractor, which the Contractor shall have 10 Business Days to either accept or reject. If the Parties are unable to agree

to the Change Valuation, the Province may, in its sole discretion, withdraw the proposed Change or Change Order. If the Province does not withdraw the proposed Change, either Party may refer the matter to Dispute Resolution, as set out in section 25 of the Agreement, for final determination by the Referee.

4.4 Change Valuation for Changes to Work to be Determined Prior to Change Order

The Contractor acknowledges that, in respect of a Change made pursuant to Sections 2(i) or 3(a), the Change Valuation shall be determined prior to issuance of the Change Order by the Province in respect of such Change.

5. SCOPE CHANGES

The Contractor acknowledges that if a Change proposed to be made pursuant to Sections 2(i) or 3(a), or a Change made pursuant to Section 2(ii), in respect of the Potential New Watercraft, constitutes a 1% or greater (whether positive or negative) change to either (a) the timing of the performance of scheduled obligations under the Agreement, as determined by the Province, in its sole discretion, or (b) the cost to the Contractor of performing the Work, as determined by a Change Valuation, then such Change shall be considered a change in scope ("Change in Scope").

5.1 Scope Change Amendments

The Contractor acknowledges that if a Change proposed made pursuant to Sections 2(i) or 3(a) (for greater certainty, a proposed Change to the Work to be performed pursuant to the Agreement) constitutes a Change in Scope, the Change Order issued by the Province in respect of such Change shall detail (i) amendments to Schedule D to the Agreement, (ii) the timeframes for the performance of the relevant scheduled obligation(s), and/or (iii) any other amendments to relevant portions of the Agreement that the Province deems necessary (including the Schedules to the Agreement).

5.2 Scope Changes for Changes to the Watercraft

Subject to Section 5.4, if a Change made pursuant to Section 2(ii) with respect to the Potential New Watercraft constitutes a Change in Scope, the Province shall, in addition to issuing a Change Order in connection with the deployment of the Potential New Watercraft, issue a second Change Order which shall detail (i) amendments made to Schedule D to the Agreement, (ii) the timeframes for the performance of the relevant scheduled obligation(s), and/or (iii) any other amendments to relevant portions of the Agreement that the Province deems necessary (including the Schedules to the Agreement).

5.3 Cost Decreases Resulting from Province Change Order for Changes of Work

The Contractor acknowledges that if a Change made pursuant to Sections 2(i) and 3 constitutes a Change in Scope that shall result in a decrease in the cost to the Contractor of performing the Work, the amount of such decrease shall be for the exclusive benefit of the Province, as set forth in the Change Order.

5.4 Cost Decreases Resulting from Province Change Order for Changes to the Watercraft

The Contractor acknowledges that, notwithstanding Section 5.2, if a Change made pursuant to Section 2(ii) in respect of the Potential New Watercraft results in any decrease in the cost to the Contractor of performing the Work, as determined by the applicable Change Valuation, the amount of such decrease shall be for the exclusive benefit of the Province and the Service Fee shall be commensurately decreased, as set forth in the second Change Order issued after the initial Change Order (for greater certainty, the Change Order issued in connection with the deployment of the Potential New Watercraft).

5.5 Cost Decreases Resulting from Change Request

The Contractor acknowledges that if a Change made as a result of a Change Request constitutes a Change in Scope that shall result in a decrease in the cost to the Contractor of performing the Work, the amount of such decrease shall be shared equally by the Province and the Contractor as set forth in the applicable Change Order.

6. BEST VALUE

In respect of any Change Order issued and executed by the Province, the Contractor shall obtain the best value for money when procuring any work, services, supplies, materials or equipment required by such Change Order and shall comply with good procurement practices when obtaining any of the foregoing.

7. CONTRACTOR TO PROCEED

If the Province requires a Change Order be immediately proceeded with, the Province may direct the Contractor to promptly perform the Work required by such Change Order, notwithstanding that the resulting costs and amendments to Schedule D remains subject to either (a) agreement by the Parties as to the Change Valuation as set out in Sections 4.1 and 4.2, as applicable, or (b) a determination made by the Referee pursuant to Dispute Resolution set out in section 25 of the Agreement.

8. CONSEQUENTIAL CHANGES TO FERRY AGREEMENT

The Contractor acknowledges that, further to section 22 of the Agreement, any Change Order issued and executed by the Province shall be appended to the Agreement as Schedule M to the Agreement.

Schedule K**Corporate Information**

1. In the event that the Contractor is a corporate entity, all of the Affiliates, directors and officers of the Contractor and all shareholders holding in excess of 20% of the Contractor's shares, and the jurisdiction of residence of each of the foregoing, are as follows:

2. In the event that the Contractor is a partnership, all Affiliates and partners of the Contractor, and the jurisdiction of residence of each of the foregoing, are as follows:

3. In the event that the Contractor is a consortium or joint venture, all Affiliates, consortium or joint venture members of the Contractor, and the jurisdiction of the residence of each of the foregoing, are as follows:

4. In the event that the Contractor is a trust, all Affiliates, trustees and beneficiaries of the Contractor, and the jurisdiction of residence of each of the foregoing, are as follows:

5. There are no agreements, options or rights of any kind held by any person with respect to any of the voting shares, trust units, partnership interests or other equity interests, as applicable, of the Contractor, except as follows:

6. The Contractor has good safekeeping, marketable title to and possession of all of its assets, free and clear of all liens, charges or encumbrances except as follows:

7. There are no liabilities for the Contractor, contingent or otherwise, that are not disclosed or reflected herein, except those incurred in the ordinary course of business:

8. In the event that a constituent member of the Contractor which is a corporation, partner, consortium member, joint venture member or trust is itself a corporation, partner, consortium member, joint venture member or trust, the following is a list which provides the same details for such constituent member as required in Sections 1, 2, 3, 4, 5, 6 and 7, as applicable:

Schedule L

Contractor's Safety Management Systems and Plans

- ☐ **Contractor's Safety Management Systems (and its operational documents)**
- ☐ **Contractor's Organization and Management Plan**
- ☐ **Contractor's Training Implementation Plan**
- ☐ **Contractor's Business Continuity Plan**
- ☐ **Contractor's Risk Management Plan**
- ☐ **Contractor's Communications Plan**
- ☐ **Contractor's Watercraft Maintenance Plan**
- ☐ **Contractor's Ferry Facility Maintenance Plan**
- ☐ **Contractor's Transition Services Plan**

(To be submitted by Contractor and inserted into Agreement upon commencement)

Schedule M

Change Orders