

FRANCOIS LAKE FERRY AGREEMENT

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

BETWEEN:

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

as represented by the Minister Responsible for the Transportation Act
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 Facility and Watercraft located on Francois Lake, approximately 25 km south of Burns Lake, British Columbia;
- B. The Province wishes to engage the Contractor to utilize the Ferry Facility and Watercraft and to operate and provide the Ferry Service;
- 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 attached to this Agreement. In addition to the definitions contained in Schedule A, any capitalized terms defined elsewhere in this Agreement shall have the meanings so given to them.

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 AND RENEWAL TERM

- 3.1 The term of this Agreement shall be for a period of ten (10) Contract Years, commencing on June 1, 2018 and expiring on May 31, 2028. The initial five (5) years of this Agreement ("Initial Term") shall expire on May 31, 2023. The last five (5) years of this Agreement shall be for the period from June 1, 2023 and expiring on May 31, 2028 ("Renewal Term") and shall come into effect pursuant to Section 3.2 (together, the "Term").
- 3.2 Provided the Contractor duly and punctually observes and performs the covenants, agreements and provisos in this Agreement, this Agreement shall automatically renew for the Renewal Term upon all the terms, covenants, agreements and provisos contained in this Agreement except for the Service Fee and adjustments to it, pursuant to Subsections 3.3 and 3.4 below, and except a further right of renewal, subject to the Contractor delivering to the Province:
- (a) the proposed Service Fee for the Renewal Term; and
 - (b) written evidence that the bond securities (if the Contractor is furnishing bond securities, not an irrevocable letter of credit as security for the full and entire Term of this Agreement to May 31, 2028) and insurance requirements set forth in Schedule H will be kept in good standing for the Renewal Term no later than Friday, March 31, 2023.
- 3.3 The renewal of this Agreement is subject to, no later than April 2, 2023, updated bond documents (if the Contractor is furnishing bond securities, not an irrevocable letter of credit, as security for the full and entire Term of this Agreement to May 31, 2028) and certificates of insurance that meet or exceed the requirements set forth in Schedule H of this Agreement, with policies that will end no sooner than midnight on May 31, 2028.
- 3.4 The Service Fee and provisions that provide for adjustments to the Service Fee for the Renewal Term are subject to agreement between the Province and the Contractor provided that the Service Fee and the revision of the adjustments will not reduce the Service Fee to an amount less than what prevailed immediately prior to the Renewal Term provided that the Ferry Service as set out in Schedule B is not reduced by the Province. The Contractor shall furnish to the Province all relevant information reasonably required for the proper consideration of an amendment to the Service Fee for the Renewal Term, with such detail as the Province may reasonably require to enable it to properly consider such revisions and adjustments. This detail shall include a detailed summary of the prices, costs, charges and mark-ups in provision of the Ferry Service. If the revised Service Fee is not established on or before June 1, 2023 by mutual agreement, the Province shall thereupon pay the Service Fee that was in effect immediately prior to the Renewal Term and the Contractor shall have ninety (90 days) from June 1, 2023, being Wednesday, August 30, 2023, to provide the Province with written notice of the Contractor's intention to dispute the Service Fee for the Renewal Term, for resolution as a Dispute by Referee pursuant to Section 27.3.

- 3.5 If the Referee determines an increase in the Service Fee for the Renewal Term, the Province shall thereupon pay such arrears to the Contractor without interest or penalty within 60 days of the Referee's decision.
- 3.6 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.
4. CONTRACTORS TENURE ON LAND AND WATERCRAFT CHARTER
- 4.1 The Province and BCTFA have granted to the Contractor a charter over the Watercraft and a licence to use and occupy the Ferry Facility, that are attached as Schedule E and Schedule F, respectively.
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 for certainty and without limitation the Schedules B and N including all their appendices, the Charter and the Licence).

Pre-Commencement Date Obligations

- 5.2 The Contractor shall:
- (a) on or before the Commencement Date, provide 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) prepare the following plans to the Province's satisfaction and in accordance with Schedule B and its appendices, and deliver same to the Province by the time specified herein:
 - (i) the Transition Services Plan no later than 5 days after Contract Award;
 - (ii) the SMS and its operational documents no later than three weeks before the Commencement Date; and
 - (iii) no later than two weeks before the Commencement Date:
 - (A) Organization and Management Plan;
 - (B) Training Implementation Plan;
 - (C) Business Continuity Plan;
 - (D) Risk Management Plan;
 - (E) Communications Plan;
 - (F) Watercraft Maintenance Plan;
 - (G) MV Francois Forester Main Machinery Equipment Rebuild Plans;
 - (H) Ferry Facility Maintenance Plan; and
 - (c) complete the requirements set forth in Sections 7.1 and 7.2.

Risk

- 5.3 Except to the extent that the Province or BCTFA is responsible therefor pursuant to the express provisions of this Agreement, all risks, costs and expenses in relation to the performance by the Contractor of its obligations under this Agreement, the Charter and

the Licence, are allocated to, and accepted by, the Contractor as its entire and exclusive responsibility. As among the parties, the Contractor shall be solely responsible for the performance of all persons for whom the Contractor is in law responsible, and for the acts, 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, 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 by written Work Order issued and executed by the Province or, in the case of an emergency, authorized in advance by verbal authorization of the Province's Contact Person or Ministry Inland Ferry Manager.
- 5.5 The Contractor shall invoice the Province in accordance with the Direct Plus Rates in Schedule D within 30 days of fully completing the Additional Service with accompanying supporting documentation.
- 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 will be requiring from the Contractor during the Term.
- 5.7 The Contractor acknowledges and agrees that the Province has not made any representations, warranties, covenants or agreements as to whether the Province will use the Contractor to perform any Additional Services during the Term.
- 5.8 The Province may require the Contractor to perform Additional Services by way of Work Order, or may, with written notice to the Contractor, utilize another contractor to perform Additional Services or to complete Additional Services that were commenced by the Contractor pursuant to a Work Order where the Contractor failed to carry out or perform the Additional Services to the satisfaction of the Province.

No Cost to Users

- 5.9 The Contractor shall operate and provide the Ferry Service at no cost to the users thereof.
- 6. FEES
- 6.1 The Province shall, subject to and in accordance with the terms of this Agreement, pay the Contractor the Annual Service Fee as set out in Schedule D for performing the Work, except the Additional Services.
- 6.2 The Province shall, where the Province has authorized Additional Services, subject to and in accordance with the terms of this Agreement, pay the Contractor an Additional Fee for providing and performing the Additional Services at the Direct Plus Rates as set out in Schedule D.
- 6.3 The Contractor shall pay to the Province any such payments that become owing as set out in Schedule D, 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, offer continued employment to all non-management bargaining unit employees (including employees on leave or layoff immediately prior to the Commencement Date) in accordance with the same terms and conditions of the existing collective agreement between B.C. Government and Service Employees' Union and Waterbridge Equipment Inc. effective from April 1, 2014 to March 31, 2019.
- 7.2 The Contractor shall assume the existing 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 the Contractor hereby acknowledges the requirement to offer continued employment to non-management bargaining unit employees.
- 7.3 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 as such matters relate to the performance of the Contractor's obligations under this Agreement, the Charter and the Licence;
 - (b) it will 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.
- 7.4 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 will be a requirement in any future contracts.
- 7.5 The Contractor shall inform the union representing the Contractor's employees of the Contractor's obligations under Section 7.1.

8. INTENTIONALLY DELETED

9. MODULAR OPERATIONS OFFICE BUILDING

- 9.1 The Contractor shall maintain and operate, at its sole cost and expense, throughout the Term, the modular operations office building located at the north side ferry facility in which it will perform operational, management and administration tasks in relation to the provision of the Work, in accordance with the requirements set out in Schedule B and Schedule M and the Licence attached as Schedule F.

10. DELEGATED STATUTORY INSPECTION PROGRAM AND AUTHORIZED DELEGATED OPERATOR

- 10.1 In accordance with Schedule B Appendix B1, the Contractor is obligated to comply with the Transport Canada Delegated Statutory Inspection Program (the "DSIP") pursuant to the MV Francois Forester being enrolled in this program, and shall act as the Authorized Delegated Operator (the "ADO") (as that phrase is defined by Transport Canada pursuant to the DSIP).

11. INTENTIONALLY DELETED

12. INTENTIONALLY DELETED

13. COMMUNICATIONS AND REPORTING

- 13.1 The Contractor shall communicate with Stakeholders, the Province and Government Authorities, and provide reports and plans to the Province all as set out in Schedule B Appendices B3 and B4 and the Contractor's Communication Plan attached hereto as Schedule M.
- 13.2 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 will remain the exclusive property of the Province, including copyright, in accordance with and pursuant to Section 17.2.
- 13.3 The Contractor shall direct all media inquiries to the Province.

14. SAFETY AND ENVIRONMENTAL PROVISIONS

- 14.1 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 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 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 Completed Plans), the Charter, and the Licence;
 - (d) satisfy the requirements of an occupational health and safety program under the Workers Compensation Act and the Occupational Health and Safety Regulation thereunder; and

- (e) discharge the responsibilities of the Prime Contractor (as defined in the Workers Compensation Act) under the Workers Compensation Act 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 Completed Plans), the Charter, and the Licence.
- 14.2 The Contractor shall keep the Watercraft and Ferry Facility free of all Contaminants and shall not cause or permit the Watercraft or Ferry Facility or any parts thereof to be used for storage, treatment, generation, transportation, processing, handling, or disposal of Contaminants, except as may reasonably be required to provide the Work.
- 14.3 The Contractor shall, promptly upon becoming aware of any release, discharge, escape, migration, deposit or spill of a Contaminant, related to the Contractor's operations or occupation, whether on or in the Ferry Facility or any adjacent land or on or from the Watercraft during the Term:
 - (a) notify the Province in accordance with Schedule B Appendix B4;
 - (b) undertake and complete all removal and remedial actions necessary to contain, remove, remediate and clean up any Contaminant, as required by Law to 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 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.
- 14.4 If the Contractor does not comply with any and all lawful orders or requests issued under Section 14.3(c), the Province may at any time after the expiry of 10 days of such failure, undertake or carry out such lawful orders and requests and the Contractor will 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 others described above in this Section 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 and the activities of the Contractor on, or in any way related to, the Watercraft and Ferry Facility.

14.5 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 Facility or Watercraft other than those set out in Section 14.6, or
 - (ii) the occurrence of any event on or affecting the Watercraft or Ferry Facility which constitutes an offence or a breach, or is reportable under any Laws in regard to the protection of the environment; and
- (b) the Province has made disclosure about the presence of asbestos on the MV Omineca Princess.

Asbestos Management Requirements

14.6 The Contractor acknowledges and agrees that the MV Omineca Princess has asbestos management requirements and maintenance obligations which are set out in the Asbestos Management Program attached at Schedule B, Appendix B9. The Contractor shall perform, carry out and comply with the Asbestos Management Program in accordance with its requirements.

14.7 The covenants contained in this Section 14, except Subsection 14.6, shall survive the expiry or earlier termination of this Agreement, the Licence, and the Charter.

15. HAZARD

15.1 If at any time the Province believes that the Contractor's occupation or other use of the Watercraft and/or Ferry Facility pursuant to this Agreement, the Charter or the Licence represents a potential or actual hazard (as determined in the sole discretion of the Province), then the Province, without any liability or obligation whatsoever, and in addition to any other remedy to which the Province is entitled, may suspend this Agreement, and may suspend the Charter and/or Licence and the Contractor's access to the Watercraft and/or Ferry Facility for any reasonable period at the discretion of the Province.

16. REPEATER SYSTEM

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

17. DELIVERY AND OWNERSHIP OF MATERIAL

17.1 Where this Agreement requires the delivery of Materials, including the SMS, its operational documents and the Contractor's Completed Plans, to the Province, the regular installment or final payment for Work under this Agreement will not be made until such Material has been delivered.

17.2 The Material produced, received or acquired by, or provided to the Province or the BCTFA or both by the Contractor as a result of this Agreement will be the exclusive property of the Province, including copyright, and will, subject to the following proviso, be delivered by the Contractor to the Province in accordance with the terms of this Agreement and delivery requirements set forth herein, 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 the documents in which event the Contractor will 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 the return of 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 will survive the expiration or earlier termination of this Agreement, the Licence and the Charter.

18. CONFIDENTIALITY

18.1 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) this Agreement (including for certainty and without limitation the Contractor's Completed Plans), the Licence, and the Charter, and all of the contents hereof and thereof; 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 18.2 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.

18.2 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, pertaining to this Agreement or those agreements, which are in the custody of or under control of the Province, will be governed by the Freedom of Information and Protection of Privacy Act.

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

19.1 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.

- 19.2 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.
- 19.3 In respect of any records related to the Work, the Contractor shall:
- (a) use such records solely for the purpose of performance of 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 will immediately comply with such request).
- 19.4 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 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.
- 19.5 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 Completed Plans and the Licence only; and
 - (b) notwithstanding any other provisions of this Agreement, the Charter, the SMS its operational documents, the Contractor's Completed 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.

20. PROVINCIAL AUDITS AND REVIEW

- 20.1 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 Watercraft, Ferry Facility 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, 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 Watercraft, Ferry Facility and all of the Contractor's books of accounts and records respecting the provision and operation of the Work.
- 20.2 The Parties agree that the first audit conducted by the Province in any Contract Year will be at the Province's cost and expense. Should any additional audit(s) or follow up audit(s) be determined necessary within the same Contract Year by the Province in its sole and absolute discretion, any such additional or follow-up audit shall be at the Contractor'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 additional or follow-up audit in any Contract Year.
- 20.3 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 will stipulate a time period determined by the Province, acting reasonably, within which the Contractor will remedy the deficiencies. If the Contractor does not correct the deficiencies within the period of time stipulated in the Province's notice, then the Province may at its discretion and without further notice to the Contractor cure the deficiencies with another contractor performing that work. The Contractor will work in harmony and cooperation with this other contractor and permit and provide full and unrestricted access to the Watercraft and the Ferry Facility as the case may be, and the Contractor will continue to provide all other Work. The rights of the Province in this Section 20.3 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.

20.4 In the event the Province hires another contractor pursuant to Section 20.3, the Province may, in its discretion, 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.

20.5 The Contractor will not do, permit or suffer anything to be done or omitted to be done that will or may prejudice any warranty in respect of the work completed by another contractor hired pursuant to Section 20.3.

21. NON-CONFORMANCE REPORT

21.1 The Province will 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.

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

22. INDEMNITY

22.1 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 Facility, the Watercraft 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.

23. INSURANCE AND SECURITIES

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

24. CHANGES

- 24.1 The Province shall have the right to make Changes in accordance with the change procedure set out in Schedule J and the Change Order shall be attached to this Agreement as Schedule B Appendix B8.
- 24.2 The Contractor may make a Change Request in accordance with the change procedure set out in Schedule J attached to this Agreement.

25. EVENTS OF DEFAULT AND REMEDIES

- 25.1 Any of the following events will 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 within the time specified in the Non-Conformance Report or any 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;
- (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;
- (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 Watercraft represents a potential or actual hazard (in the Province's sole discretion);
- (u) any part of the Ferry Facility and/or Watercraft 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 Facility and/or Watercraft 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 Facility and/or Watercraft 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.

25.2 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 may, at its option, 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 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 the Province's 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 will be payable by the Contractor to the Province on demand and set off against any sums owing by the Province to the Contractor present or future, including any amount retained as a holdback under Section 25.2 (b);
- (d) require the Contractor to cure the Event of Default within a time period specified by the Province;
- (e) if the Event of Default is pursuant to Section 25.1 (u), then the Province without any liability whatsoever, and in addition to any other remedy to which the Province is entitled, may remove the same at the expense of the Contractor and may suspend the Charter and/or suspend the Licence for any period at the discretion of the Province;

- (f) demand that the Contractor, and the contractor shall upon such demand, at the expense of the contractor deliver up to the Province and the BCTFA possession of the Ferry Facility and all of the assets comprising the same including the Watercraft and any other vessels;
- (g) enter upon the lands, areas and buildings constituting the Ferry Facility and upon the Watercraft 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 reimburse the Province and the BCTFA in respect of any claim whatsoever arising from any and all damages to 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 25.2 (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 Section 25.2 (b)(i) or (ii), then the Province may keep the amount retained as a reduction of fees otherwise payable to the Contractor under Section 25.2 (b)(i) or (ii) and the Contractor and the Province agree that an amount equal to twice the value of the work not supplied, determined according to Section 25.2 (b)(i) or (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 Provinces 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 and if applicable, the expiration of any time period specified by a notice delivered pursuant to Section 25.2 (d).

25.3 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 will 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 will not preclude the simultaneous or later exercise by the Province of any other right, power or remedy.

- 25.4 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 will continue, will constitute a waiver by such party of its rights under this Agreement.
- 25.5 No interest will be payable by the Province or the BCTFA on any amount retained as a holdback in accordance with Section 25.2.

26 EARLY TERMINATION

- 26.1 This Agreement shall automatically terminate upon the early termination of the Charter and/or Licence.
- 26.2 The Term of this Agreement may be terminated by the Province at its sole discretion and for any reason upon twelve (12) months' written notice to the Contractor. Notwithstanding the foregoing, the Province at its sole discretion and for any reason may terminate this Agreement upon six (6) months prior to the Renewal Term by written notice to the Contractor. In the event the Province terminates this Agreement, the Province shall in no event be liable to the Contractor for any compensation whatsoever in respect of the termination, including, without limitation damages.

27. DISPUTE RESOLUTION

- 27.1 Upon a Dispute arising out of or in connection with any provision of this Agreement, the Charter or the Licence, either party may invoke the Dispute Resolution Protocol in Schedule G by written notice to the other in order to resolve the Dispute.
- 27.2 The Parties shall forthwith after entering into this Agreement, enter into a contract with a Referee in the form set out in Schedule I.
- 27.3 If a Dispute arises which the Parties cannot resolve by agreement, then it shall be resolved by the Referee.
- 27.4 If the Parties are unable to agree on a Referee with whom to contract, then a Referee shall be chosen by an arbitrator pursuant to the Commercial Arbitration Act, RSBC 1996, c 55.
- 27.5 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 its obligations under this Agreement (including for certainty and without limitation under the SMS), the Charter and the Licence.

28. CONTRACTOR'S REPRESENTATIONS AND WARRANTIES AND OTHER COVENANTS

- 28.1 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 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, 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 materially adversely affects or, so far as it can foresee, 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, will not constitute a breach by it of or a default by it under:
 - (i) applicable Laws;
 - (ii) its constating documents; or
 - (iii) any contract or agreement to which it is a party;
- (g) the authorized capital of the Contractor, if applicable, is as disclosed in Schedule K;
- (h) the legal and beneficial ownership and effective control of all of the authorized, issued and outstanding voting shares of the Contractor, if applicable, is as disclosed in Schedule K;
- (i) there are no agreements, options or rights of any kind held by any person with respect to any of the voting shares of the Contractor, if applicable, except as disclosed in Schedule K;

- (j) the Contractor has good safekeeping, marketable title to and possession of all its assets, free and clear of all liens, charges or encumbrances except those disclosed in Schedule K;
- (k) the Contractor is not party to, or threatened with, any litigation and has no knowledge or any claims against it that would materially affect its undertaking or financial condition;
- (l) there are no liabilities of the Contractor, contingent or otherwise, that are not disclosed or reflected in Schedule K herein except those incurred in the ordinary course of its business;
- (m) if the Contractor is a partnership or joint venture, then the identification of all of the partners of the partnership or all of the joint venturers and their respective interests in the partnership or joint venture are as disclosed in Schedule K;
- (n) if the Contractor is a partnership or joint venture and if any of the partners of the partnership or the joint venturers are corporate entities, then the information required by Sections 28.1(g), (h) and (i) with respect to each corporate partner or corporate joint venturer is as disclosed in Schedule K;
- (o) 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;
- (p) the Contractor is not in breach of any Laws applicable to the Contractor or its operations;
- (q) the Contractor holds all permits, licences, consents and authorities issued by any federal, provincial, regional or municipal government or an agency of any of them, that are necessary in connection with the operations of the Contractor;
- (r) the making of this Agreement, the Charter and the Licence, and the performance of and compliance with the terms of this Agreement does not conflict with and will not result in a breach of, or constitute a default under, the memorandum or articles of the Contractor or the acceleration of any indebtedness under, 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 or any judgment, decree, order, rule or regulation of any court or administrative body by which the Contractor is bound or, to the knowledge of the Contractor, any statute, regulation or bylaw applicable to the Contractor;
- (s) 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;

- (t) 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
 - (u) it has independently reviewed all labour relations issues related to the performance of the Contractor's obligations under this Agreement.
- 28.2 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.
- 28.3 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 will be deemed to be representations and warranties of the Contractor under this Agreement.
- 28.4 The provisions of Sections 28.1, 28.2 and 28.3 shall continue in full force and effect despite the fulfillment by the Contractor of any or all of its obligations 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.
- 28.5 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 Facility and Watercraft;
 - (b) ensure that the representations and warranties set forth herein are true and correct at all times during the Term and provide evidence to that effect to the Province on the written request of the Province from time to time;
 - (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 28.5 (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.
- 28.6 The Contractor will not, in any manner whatsoever, commit or purport to commit the Province or the BCTFA to the payment of any money to any person.
- 28.7 The Province may, from time to time, give such instructions to the Contractor as the Province considers necessary in connection with the operation and provision of the Ferry Service, which instructions the Contractor will comply with, but the Contractor will not be subject to the control of the Province with respect to the manner in which such instructions are carried out.
- 28.8 Always subject to the labour cost adjustment in Section 2.5 of Schedule D, the Contractor is solely responsible for the costs of its workforce, including without limitation, Transport Canada and other Government Authority certifications pursuant to the specimen MV Francois Forester Safety Management System in Schedule B Appendix B2 and resulting Contractor's Completed Safety Management System in Schedule N and all labour liabilities, costs and expenses including under, in connection with, or resulting from, the current Collective Agreement between B.C. Government and Service Employees' Union and Waterbridge Equipment Inc. effective from April 1, 2014 to March 31, 2019 (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 the Province is not 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.

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

29. BUSINESS OPPORTUNITIES

29.1 In the event the Contractor is desirous of utilizing the Ferry Facility and/or the Watercraft for purposes other than those described in this Agreement, the Charter or the Licence, it shall so notify the Province, detailing the proposed additional usages. The Province, at its sole discretion, shall consider the proposal and may or may not accede to the request of the Contractor, with or without conditions, or may reject the proposal. The Province shall be at liberty to arbitrarily and unreasonably withhold its consent to any proposal made by the Contractor or to impose any condition to its consent.

30. BC TRANSPORTATION FINANCING AUTHORITY

30.1 BCTFA is named as a party to this Agreement solely with respect to the grant of the Licence of the Ferry Facility and the Charter of the Watercraft and related matters expressly set out in this Agreement and in such Licence and Charter.

30.2 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.

31. EVENT OF FORCE MAJEURE

31.1 If an Event of Force Majeure is likely to occur:

- (a) the party that will 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 will prevent the Event of Force Majeure from occurring.

31.2 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 Sub-section (a) is the Contractor, then:
 - (i) the Province will as soon as reasonably practicable, notify the Contractor whether or not the Province is satisfied, in the Province's sole discretion, that the matter described in the notice constitutes an Event of Force

Majeure described in Schedule A, and the Province's notice will 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 and with the agreement from the Province that had been scheduled for the period when the Event of Force Majeure occurred,
- (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 to that date, including any costs for wages, salaries and benefits to employees, provided that the Province's obligation to make payment under this Sub-section 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 will the Province be obliged to pay the Contractor under this Sub-section 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 will 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 Sub-section (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.

31.3 Subject to Sub-section 25.1(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 31), 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 22).

32. NOTICE

32.1 Any notice, document, statement, report, demand to be given or made under this Agreement, will 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,

(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;

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

(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/FLFagreement/>

and any such notice, document, statement, report, or demand so mailed will 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 will 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 will be conclusively deemed validly given to and received by the intended recipient when so added.

33. RIGHTS OF THE PROVINCE

33.1 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.

34. NO ASSIGNMENT OR CHANGE OF CONTROL

34.1 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.

34.2 The following events will 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 but none of its shares are 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 will 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, in the opinion of the Province in its sole discretion, of such partner's interest; or
 - (ii) and any partner is a corporation but none of its shares are traded on any public stock exchange or in any public stock market, the occurrence of any event described in Subsection 34.2(a) above in relation to any such corporation.

34.3 The Province may, in its sole discretion and without the consent of the Contractor, assign this Agreement and or the Licence, or all of them, or any right or obligation under this Agreement or the Licence, to the BCTFA and, with the prior written consent of the Contractor, to any other person provided that such corporation or agency of the Province of British Columbia or other person 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 will 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 will 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.

35. TIME IS OF THE ESSENCE

35.1 Time is and shall be in all respects of the essence of this Agreement.

36. AMENDMENTS

36.1 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.

37. FURTHER ASSURANCES

37.1 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.

38. BINDING EFFECT

38.1 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.

39. WAIVER

39.1 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.

40. WAIVER OF CONTRA PROFERENTUM

40.1 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.

41. REMAINDER NOT AFFECTED BY INVALIDITY

- 41.1 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.

42. SURVIVAL OF PROVISIONS

- 42.1 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 will survive the expiration or sooner termination of this Agreement and all agreements referred to herein.

43. JOINT AND SEVERAL

- 43.1 If more than one person constitutes the Contractor, the covenants, agreements, representatives, 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, representatives, 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, will be jointly and severally liable for the covenants, agreements, representatives, 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.
- 43.2 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 to the satisfaction of the Province.

44. INDEPENDENT CONTRACTOR

- 44.1 The Contractor is an independent contractor and not the servant, employee, partner or agent of the Province or the BCTFA.
- 44.2 No partnership, joint venture or agency will be created or will 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.

- 44.3 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.
- 44.4 The Province may, from time to time, give such instructions to the Contractor as the Province considers necessary in connection with the conduct and performance of the Work, which instructions the Contractor shall 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.
45. SUBCONTRACTORS
- 45.1 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.
- 45.2 The Contractor will 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.
- 45.3 Nothing in this Agreement, the Charter or the Licence will create any contractual relationship between the Province and a subcontractor of the Contractor.
- 45.4 Pursuant to Section 5.3, the appointment of any subcontractor or subcontractors by the Contractor will 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.
- 45.5 The Contractor will 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 will impose any obligation or liability upon the Province to any such subcontractor or any of its employees.
46. NO ADVERSE REFLECTION
- 46.1 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 will 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.

47. ENTIRE AGREEMENT

47.1 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.

48. APPROPRIATION

48.1 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, 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, not having controlled or limited, under the Financial Administration Act, expenditure under any appropriation referred to in Sub-section (a) of this Section.

49. SETOFF

49.1 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 Section Schedule D.

49.2 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.

50. SCHEDULES

50.1 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 – Specimen MV Francois Forester Safety Management System

Appendix B3 – Communications Specifications

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

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

Schedule 3 - Repeater System

Appendix B4 – Reporting Specifications

Schedule 1 – Annual Report Specimen

Schedule 2 – Monthly Report Specimen

Schedule 3 – Downtime Report Specimen

Appendix B5 – Watercraft Maintenance Specifications

Appendix B6 – Ferry Facility Maintenance Specifications

Appendix B7 – Transition Services Specifications

Appendix B8 – Change Orders

Appendix B9 – Asbestos Management Program

Schedule C List of Assets

Schedule D Payment

Appendix D1 - Insurance Premium Adjustment Form

Schedule E Charter

Schedule F Licence of Ferry Facility

Appendix 1 – Site Plans of Francois Lake Ferry Terminals

Schedule G Dispute Resolution Protocol

Schedule H Insurance and Securities

Appendix 1– Certificate of Insurance H0111

Schedule I Referee Agreement

Schedule J Changes

Schedule K Corporate Information

Schedule L Contractor’s Proposal to the Francois Lake Island Ferry Service RFP

Schedule M Contractor’s Completed Plans

Contractor's Completed Safety Management System

Organization and Management Plan

Training Implementation Plan

Business Continuity Plan

Risk Management Plan

Communications Plan
 Watercraft Maintenance Plan
 MV Francois Forester Main Machinery Equipment Rebuild Plans
 Ferry Facility Maintenance Plan
 Transition Services Plan

50.2 For certainty, once the Contractors' Completed 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 M, and shall be so incorporated into and form part of this Agreement.

50.3 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 M, and shall be so incorporated into and form part of this Agreement.

51. CURRENCY

51.1 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.

52. GOVERNING LAW

52.1 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, and the courts of competent jurisdiction within the province of British Columbia will have exclusive jurisdiction with respect to any legal actions commenced to enforce the provisions of this Agreement, the Charter or the Licence.

53. INTERPRETATION

53.1 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 will include a reference to every amendment to it, every regulation made under it and any subsequent enactment of like effect;

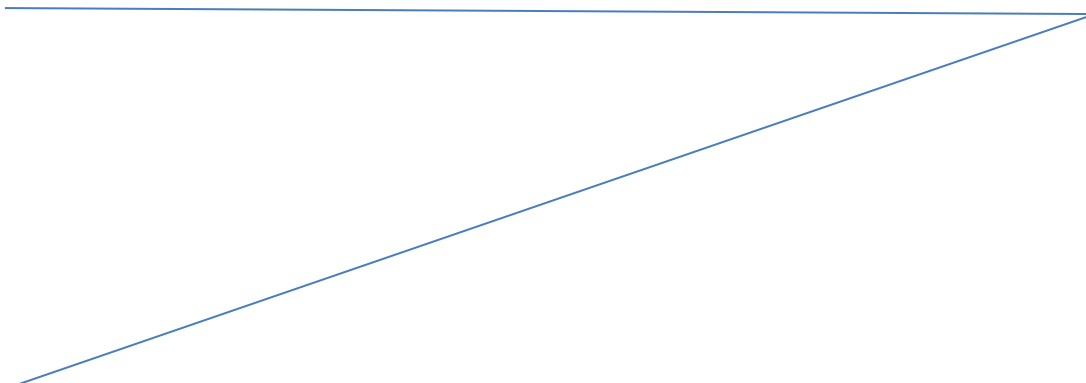
- (e) the Contractor, the Province, and the BCTFA are referred to as “the parties” and each of them as a “party”;
- (f) the words “including” and “includes”, when following any general term or statement are not to be construed as limiting the general term or statement to the specific items or matters 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
- (g) whenever the word “discretion” is used with respect to the Province, it will be deemed to mean the Province’s sole and absolute discretion.

53.2 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.

54. CONFLICT AMONG PROVISIONS

54.1 Conflicts among provisions to this Agreement will be resolved as follows:

- (a) a provision in the body of this Agreement will 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 will 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 will prevail over a relevant provisions of the manuals and drawings herein referenced; and



- (d) a provision in the Province's Specimen MV Francois Forester Safety Management System will prevail over any conflicting provision in, attached to or incorporated by reference into the Contractor's Completed Safety Management System, unless that conflicting provision expressly states otherwise.

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 this **Schedule A** (or in any Schedules attached to this Agreement), capitalized terms shall have the meanings given to those terms in this **Schedule A (Definitions)**. In addition to the definitions contained in this **Schedule A (Definitions)**, any capitalized terms defined elsewhere in this Agreement shall have the meanings so given to them.

“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 Services” means that Work performed by the Contractor pursuant to a Work Order issued by the Province to require the Contractor to carry out services pursuant to Section 5.4;

“Agreement” means this agreement including all schedules and appendices attached hereto and all appendices attached to all such schedules;

“Anniversary Date” means June 1, 2019 and each June 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;

"Asbestos Management Program" means all of the asbestos management requirements and maintenance obligations set out in the documents attached in Schedule B Appendix B9;

"Authorized Delegated Operator" and "ADO" has the meaning given to it in the Transport Canada Publication TP13585E "Delegated Statutory Inspection Program;"

“Authorized Representative” and "AR" means the “authorized representative” as that term is defined in the *Canada Shipping Act, 2001* (Canada) as amended from time to time;

“AEQ” or “Auto Equivalent” means deck space defined by a measurement of 20 feet in length by 7.5 feet in width;

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

"Change" has the meaning given to it in Schedule J;

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

“Change Order” means a written order by the Province to the Contractor pursuant to Schedule J;

"Change Request" means a request from the Contractor to the Province for a change to the

Ferry Service pursuant to 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;

“Claim” means any claim, demand, action, cause of action, suit or proceeding;

"Classification Society" has the same meaning as set out in the Transport Canada Publication TP13585E;

"Collective Agreement" has the meaning given to it in Section 7.1

“Commencement Date” means June 1, 2018;

“Contact Person” means the contact person set out for the Province and the Contractor in Section 32;

“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");

“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;

“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);

"Delegated Statutory Inspection Program" and "DSIP" means the TP13585E Manual of the same name prepared by Transport Canada;

"Direct Plus Rate(s)" means the rate(s) that will be paid by the Province to the Contractor for Additional Services as described in 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;

"Event of Default" means an event of default as described in Section 25;

"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;

"Expiry Date" means May 31, 2028;

"Ferry Facility" means the land and assets as set out in the License attached as Schedule F and as additionally detailed in Schedule C, Section 2;

"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 Completed Plans in Schedule M), the Charter and the Licence, but excluding Additional Services;

"Fuel Cost Adjustment(s)" has the meaning set forth in Schedule D;

"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;

"Initial Term" has the meaning set forth in Section 3.1;

"Inland Ferry Traffic System" or "IFTS" means a Microsoft Access 2003 application used by the Province for tracking ferry traffic information and ferry downtime information for its inland ferry routes;

"Insurance Cost Adjustment" has the meaning given to it in Section 2.2 of Schedule D;

"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;

"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 Facility, the Watercraft and Other Assets;

"Licence" means the licence attached in Schedule F;

"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 Contractor's appointed individual who performs the responsibilities set out in Schedule B;

"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 any Ministry Manager, Marine Branch, Ministry of Transportation and Infrastructure of which there are currently three as of the Commencement Date, which may increase or decrease from time to time without notice to the Contractor;

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

"OEM" means original equipment manufacturer;

"Other Asset(s)" means those provincial assets listed in Schedule C Section 3;

"Plans" and **"Contractor's Completed Plans"** means the Contractor's Plans that are listed and attached in Schedule M;

"Province Change Valuation" means a reasonable estimate prepared by Contractor of the net amount of all changes in costs incurred and/or saved by the Contractor to implement a Province Change;

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

"Referee" means the individual chosen by the parties hereto for the purpose of resolving disputes arising from this Agreement pursuant to Schedule I;

"Regular Hours of Operation" has the meaning set forth in Schedule B Appendix B1 Section 2.1;

"Renewal Term" has the meaning set forth in Section 3.1;

"Repair and Maintenance Service" means the repair and maintenance of the Ferry Facility and Watercraft described in Schedule B;

"Repeater System" means the repeater system described in Schedule B Appendix B3 Schedule 3;

"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 herein provided;

"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;

"Shuttle Mode" means maximizing the number of sailings of a ferry by loading, transiting and unloading as quickly as possible with no delays in between sailings and without reference to a schedule;

"SMS" 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.

"Stakeholders" has the meaning set forth in Schedule B Appendix B3;

"Term" means the period of time during which this Agreement is in effect as set out in Section 3;

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

"Watercraft" means the watercraft as further described in Schedule C, used in the provision of the Work, owned by the BCTFA and chartered to the Contractor;

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

“Work” means 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 and provide the Ferry Service traversing Francois Lake, providing year-round daily ferry service from the north side of Francois Lake to and from the rural community of Southside in accordance with all the specifications attached hereto as Appendices B1 – B9, the Contractor's Completed Plans in Schedule M, and the terms and conditions of this Agreement.

2.2 The Contractor shall operate and provide the Ferry Service utilizing the Watercraft bearing the name "MV Francois Forester". The Contractor shall operate and provide the Ferry Service utilizing alternative means such as tug assist or back up propulsion unit during any period in which the Watercraft is damaged, disabled, undergoing regularly scheduled maintenance or refit or otherwise not able to provide the Ferry Service.

2.3 The appendices that are attached hereto, are as follows:

Appendix B1 – Ferry Service Specifications

Appendix B2 – Specimen MV Francois Forester Safety Management System

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 – Change Orders

Appendix B9 – Asbestos Management Program

3. ADDITIONAL SERVICES

3.1 From time to time, the Province may require the Contractor to carry out Additional Services in accordance with this Agreement.

3.2 For clarity, the Additional Services are not included in the Service Fee.

Appendix B1

Ferry Service Specification

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.

All capitalized words and phrases in this specification shall have the same meaning as in the Agreement.

2. SCOPE OF FERRY SERVICE

The Contractor shall perform their obligations in accordance with a Safety Management System (SMS) and other Contractor Completed Plans attached to this Agreement as Schedule M.

Without limitation to the provisions in this 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* and its regulations.

The Contractor is responsible for providing all management, personnel with extensive marine management and ferry operation experience. The contractor shall also provide all 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 this Agreement.

2.1 Regular Hours of Operation

The Contractor shall operate and provide the Ferry Service traversing Francois Lake, providing year-round daily ferry service from the north side of Francois Lake to and from the rural community of Southside, BC.

Utilizing the MV Francois Forester, the Contractor shall provide ferry sailings approximately 18 hours per day in accordance with the following schedule at no cost to the users thereof:

South Side Departure	North Side Departure	Round Trip Cycle Time
5:30 AM	5:55 AM	50 min.
6:20	6:45	50 min.
7:10	7:35	50 min.
8:00	8:25	50 min.
8:50	9:15	50 min.
9:40	10:05	50 min.
10:30	11:00	60 min.
11:30	12:01 PM	60 min.
12:30 PM	1:00	60 min.
1:30	2:00	60 min.
2:30	2:55	60 min.
3:20	3:45	50 min.
4:10	4:35	50 min.
5:00	5:25	50 min.
5:50	6:15	50 min.
6:40	7:05	50 min.
7:30	8:00	60 min.
8:30	9:00	60 min.
9:30	10:00	60 min.
10:30	11:00	60 min.

Figure 1: MV Francois Forester Daily Schedule

When traffic is left behind on a run (ferry overload), the ferry service shall operate in Shuttle Mode until the ferry overload has been eliminated. Shuttle Mode must not interfere with scheduled school bus runs (Monday through Friday, 8:00 sailing from south side and 3:45 sailing from north side). The Marine Captain will determine the need for utilization of the Shuttle Mode and will advise the Marine Mate so that appropriate signage indicating “Shuttle Mode is Active” can be displayed at each terminal.

2.2 Emergency Response Ferry Services

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.

The MV Francois Forester and the Keefe tug shall be berthed overnight at the southside terminal to enable the ferry to rapidly respond to emergency situations that develop after the regularly scheduled hours of operation.

2.3 Utilities

The Contractor is responsible for all utilities in accordance with the Licence, 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 Facility and the Watercraft have continuous access to such utilities, water and supplies. Any interruptions to the supply shall be rectified as soon as possible.

3. DELEGATED STATUTORY INSPECTION PROGRAM AND AUTHORIZED DELEGATED OPERATOR

The MV Francois Forester is enrolled in the Transport Canada Delegated Statutory Inspection Program (the “DSIP”).

The Contractor shall assume the obligations of the DSIP's Authorized Delegated Operator (the “ADO”) with regard to the Watercraft, including:

- (a) for the Term of the Contract, retain the MV Francois Forester in the DSIP and retain, at its cost, a Classification Society that has been designated as a Recognized Organization by Transport Canada and that has been pre-approved in writing by the Province. There shall be no substitution of said Classification Society without the Province's written approval, which may be unreasonably withheld, and no less than six months written notice to the Province requesting this approval;
- (b) compliance with the inspection requirements, certification requirements, conditions and endorsements of the Classification Society and Transport Canada; and
- (c) without limiting Section 13.1 of this Agreement, deliver in a timely fashion to the Ministry Inland Ferry Manager all notices, requests for information, instructions, correspondences, requirements and all other correspondences with the Classification Society and Transport Canada.

4. SAFETY MANAGEMENT SYSTEM

The structure and content of the SMS shall comply with the specimen in Schedule B Appendix B2, meet the requirements of the ISM Code and this Agreement including its delivery pursuant to Section 5.2(b) of this Agreement.

The SMS, with its appended operational documents, shall serve 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.

The actual approach to Ferry Service and the approach as it is described in the SMS and its operational documents shall be the same.

The master version of the SMS shall be digital. All electronic files, folders and operational documents that constitute the master version of the SMS shall be hosted and accessed on the Province's SharePoint site at the following address:

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

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

4.1 Province's Contributions to SMS

The Province is responsible for:

- 1) Upon Contract Award, providing the specimen SMS and its operational documents, in a Microsoft Word electronic format, which will be substantially similar to the specimen SMS included in Schedule B Appendix B2 Specimen MV Francois Forester Safety Management System;
- 2) Reviewing of the Contractor's completed SMS and its operational documents for feedback and acceptance or recommendations for changes;
- 3) Cooperating with the Contractor in ongoing revisions and updates of the SMS and its operational documents; and
- 4) Undertaking inspections, audits, and reviews to ensure the Contractor's compliance with the SMS and its operational documents.

4.2 Contractor's Completed SMS

When completing the SMS pursuant to Schedule B Appendices B1 and B2 of this Agreement, the Contractor shall afford the Province no less than three (3) weeks before the Commencement Date to review the Contractor's submitted SMS for feedback and acceptance or recommendations for changes.

The SMS shall be completed in accordance with instructions provided within the specimen SMS in Schedule B Appendix B2 Specimen MV Francois Forester Safety Management System. All operational documents appended to the SMS shall be specific to the Ferry Service, and consistent with all core policies and commitments from the specimen SMS. Written procedures, instructions or plans shall be kept simple and unambiguous. The Contractor's completed SMS and its operational documents shall be to the Province's satisfaction.

Upon acceptance by the Province of the Contractor's completed SMS and its operational documents, the Contractor shall upload the completed SMS and its

operational documents to the SharePoint site and the parties will attach same to Schedule M of this Agreement.

4.3 Revision and Continuous Improvement of the Contractor's Completed Safety Management System (herein, the "SMS")

Throughout the Term, the Contractor shall maintain care and control of the SMS and its operational documents. The Contractor shall undertake inspections, audits, and reviews to ensure the SMS and its operational documents remain specific to the Ferry Service and shall continuously monitor the 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 improvements, updates and revisions to the SMS and its operational documents, including addressing discovered gaps in the SMS by developing and documenting the means, methods, techniques, sequences or procedures, operating conditions and organizational learning. The Province shall review proposed revisions to ensure they are consistent with all core policies and commitments from the Province's specimen SMS and the ISM Code.

Upon acceptance by the Province, all improvements, updates and revisions shall be added to the SharePoint site by the Contractor.

Only one version of the SMS and one version of its operational documents shall be posted on the Province's SharePoint site, throughout the Term, and the version that is posted shall be considered as the master version.

4.4 Distribution of SMS

The Marine Manager shall make a current version of the SMS and its operational documents available to all personnel involved with Ferry Service including its crew and management team, the Province, and if required Government Authorities. The Marine Manager shall ensure crew have a current version of the SMS and its operational documents on board and that they have read and are familiar with the SMS and its operational documents.

Any distribution copies of the SMS, by the Contractor's Marine Manager, shall be only pursuant to the procedure set forth in the SMS and its operational documents.

5. ORGANIZATION AND MANAGEMENT PLAN

At least two weeks before the Commencement Date, the Contractor shall complete the Organization and Management Plan (the "Plan" for the purposes of this Section) for the Ferry Service, and submit same for the Province's feedback and acceptance or recommendations for changes. This Plan shall:

- (a) Describe the team structure:
- (1) include an organization chart of the proposed team structure showing the key positions within the team and the reporting relationships within and outside the team;
 - (2) describe the reporting relationships within and outside the team; and
 - (3) describe measures to ensure that a cooperative working relationship is developed and maintained between the Province and the Contractor during the Term of the Agreement.
- (b) Identify the Management and Key Personnel:
- (1) include a completed Table 5, which is similar to Table 7.4.2 Management and Key Personnel of the RFP, confirming the individuals who accepted the responsibility for each of the key positions for the Ferry Service;

Table 5 Management and Key Personnel

KEY POSITION	MINIMUM AVERAGE WORK WEEK PER MONTH	INDIVIDUAL NAME
Superintendent	<i>1 week/month</i>	
Marine Manager	<i>Full time</i>	
Mechanical Technical Manager	<i>1 week/month</i>	
Human and Labour Relations Manager	<i>1 week/month</i>	
Standards and Training Manager	<i>1 week/month</i>	
Clerk	<i>Full time</i>	
Assistant Clerk	<i>1 week/month</i>	

- (2) shall not nominate the same individual to more than one Key Position and only one (1) individual shall be nominated to each key position;
- (3) provide the work schedule and location for each individual named in Table 7.4.2 Management and Key Personnel of RFP. The information

provided for each individual should adhere to the following sequence, format, and content:

- a) **Key Position:** use the key position titles described in Table 7.4.2 of RFP
 - b) **Name of Individual:** full name or commonly used name.
 - c) **Roles and Responsibilities:** an description of the individual's role(s) and responsibilities to be assumed in performing the key position;
 - d) **Employment Status:** specify if the individual is an employee (full or part time) or a subcontractor;
 - e) **Primary Work Location:** confirm individual's primary work location in performing the key position;
 - f) **Number of Hours onsite:** specify the minimum average number of days per month to be spent onsite at the Ferry Service in performing the key position;
 - g) **Number of Hours offsite and location:** confirm the minimum average number of days per month to be spent offsite (specify the location) in performing the key position; and
 - h) **Continuity:** specify if the individual is expected to retire or leave the organization prior to the end of the Term, and succession plans therefor.
- (c) confirm that the individual named in the Marine Manager position will be the Contractor's representative for all aspects of the Ferry Service with full authority to supervise the Ferry Service, to communicate with the Province, to act on behalf of and legally bind the Contractor in connection with the Ferry Service and the Contract including exchanging Notices with the Province, and will be available at all times to the Province.
- (d) describe management and key personnel education and experience:
- (1) for the Marine Manager, other key personnel (including, for clarity, management individuals and subcontractors), include descriptions of their relevant education, professional designations and/or technical standing, current marine certifications and training and work experience including recent and current relevant work that clearly demonstrates their skills and abilities; and
 - (2) for the Marine Manager, add a description of their relevant experience managing marine operations, resources (financial and human), and safety management systems for similar sized marine operations.

- (e) describe the Classification Society and its services:
 - (1) confirm the Classification Society the Proponent has retained as the Recognized Organization (RO) to supply the DSIP services;
 - (2) describe the Classification Society, including their experience with similar vessel types, providing similar services and their experience working with Transport Canada on delegated vessels, including:
 - a) double-ended RO-RO open-decked ferries;
 - b) vessels that have Marine Technical Review Board decisions allowing in-water surveys in lieu of drydocking;
 - c) vessels that operate in inland waters of BC;
 - d) fresh water, sheltered water operations; and
 - e) DSIP vessels that are not otherwise under Class.
 - (3) describe the scope of DSIP services that the Classification Society will provide, including the activities, attendances, audits, reviews and other actions and measures to be undertaken by the Classification Society;
 - (4) provide a proposed schedule including specific dates for all planned Classification Society inspections, attendances, audits, for the Term of the Contract; and
 - (5) provide a letter from the Classification Society to the Contractor confirming the services to be provided.

The Plan shall be to the Province's satisfaction.

Upon acceptance by the Province of the Plan, the Contractor shall upload the Plan to the SharePoint site and the parties will attach same to Schedule M of this Agreement.

The Plan may be amended upon mutual agreement from time to time and reviewed no less than annually by the Contractor for updating as changes necessitate in order to ensure the completed plan remains current.

A provision in the Plan will prevail over any conflicting provision in, attached to or incorporated by reference into a schedule to this Agreement, unless that conflicting provision expressly states otherwise.

5.1 Changes to Management and Key Personnel

There shall be no substitutions or replacements of the Contractor's Marine Manager and key personnel unless such change is approved by the Province.

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 Province's consent to the change.

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, education 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, will 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, education 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 the Province may request 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 request.

6. TRAINING IMPLEMENTATION PLAN

At least two weeks before the Commencement Date, the Contractor shall complete the Training Implementation Plan (the “Plan” for the purpose of this Section) for the Ferry Service, and submit same for the Province’s feedback and acceptance or recommendations for changes. The Plan shall fulfill the obligations of the SMS training guide (reference number FF-SOP-003) as attached in Appendix B Schedule B2, and will specify which personnel are to be trained, when and by whom.

Upon acceptance by the Province of the Plan, the Contractor shall upload the completed plan to the SharePoint site, and the parties will attach same to Schedule M of this Agreement.

The Plan may be amended upon mutual agreement from time to time and reviewed no less than annually by the Contractor for updating as changes necessitate in order to ensure the completed plan remains current.

7. BUSINESS CONTINUITY PLAN

At least two weeks before the Commencement Date, the Contractor shall complete the Business Continuity Plan (the “Plan” for the purpose of this Section) for the Ferry Service, and submit same for the Province’s feedback and acceptance or recommendations for changes.

The Plan shall describe how the organization is able to continue to perform the Ferry Service in accordance with this Agreement in event of the following:

- Retirement of a management team member;
- Departure of a management team member;

- Disability of a management team member; or
- Death of a management team member.

For each situation, the Contractor shall describe the expected changes to the management team, decision-making authorities of the team members, the organization, and corporate structures.

The plan shall describe the approach and strategies for attraction, retention, succession planning and training of each management and key personnel.

Upon acceptance by the Province of the Plan, the Contractor shall upload the Plan to the SharePoint site, and the parties will attach same to Schedule M of this Agreement.

The Plan may be amended upon mutual agreement from time to time and reviewed no less than annually by the Contractor for updating as changes necessitate in order to ensure the completed plan remains current.

8. 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, the Contractor shall submit a Risk Management Plan (the “Plan” for the purpose of this Section) for the Province’s feedback and acceptance or recommendations for changes. This Plan shall identify major risks that could cause disruption or interruption to the Ferry Service (whether or not it’s within the Contractor’s control) or materially affect the Contractor’s ability to provide the Ferry Service, and its plan for mitigating these risks, which 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 Watercraft/ Ferry Facility
 - b. Floods/ fires/ natural disasters

c. Nearby environmental incidents

The Plan shall identify the process of risk identification and the processes envisioned to assess, mitigate, document, and monitor risks.

The Plan shall be to the Province's satisfaction.

Upon acceptance by the Province of the Plan, the Contractor shall upload the Plan to the SharePoint site and the parties will attach same to Schedule M of this Agreement.

The Plan may be amended upon mutual agreement from time to time and reviewed no less than annually by the Contractor for updating as changes necessitate in order to ensure the completed plan remains current.

Appendix B2

Specimen MV Francois Forester Safety Management System

The specimen safety management system, and its operational documents, is available to Proponents as a reference document to the RFP. Follow instructions in Appendix B of the RFP to view the documents on the Province's SharePoint.

INSTRUCTIONS ON COMPLETING THIS SMS

The Ministry has developed a specimen SMS that requires the attention and input of the Contractor pursuant to this Appendix and Schedule B Appendix B1.

The specimen SMS is divided into two types of documents:

- 1) The main SMS document (filename "FrancoisForesterSMS.docx"); and
- 2) A series of operational documents that are incorporated by reference (with filenames like "FF-EMG-001 (SOPEP).docx", "FF-EMG-002 (Emergency Procedures).docx", "FF-ORG-007 (Confidentiality and Communications).docx", and the like).

The instructions on completing these documents are described below.

Instruction on completing the main SMS document

The 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 33 places where the Contractor is required to make an edit to the main SMS document, and on most of these occasions, the Contractor is directed to 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 Francois 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 Francois Lake Ferry Service in a manner that is safe, reliable, and efficient.

The edited text shall be formatted 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.

Instruction on completing the operational documents

The operational documents require **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 the 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” (FF-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.

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
Francois Lake Ferry		555-555-5557	All operational hours

The edited text shall be formatted so that it is consistent in font, size, and colour with the text that surrounds it.

Appendix B3**Communication Specifications****1 COMMUNICATION REQUIREMENTS**

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

At least two weeks before the Commencement Date, the Contractor shall submit the Communications Plan for the Province's feedback and acceptance or recommendations for changes.

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 defined by the *Transportation Safety Board Regulations*, SOR/2014-37, Section 3.1 and pollution and safety incidents;
- 2) Ferry Service disruptions, interruptions or closures, including unplanned and planned events;
- 3) Government Authorities and the Classification Society; and
- 4) Stakeholders.

The Communications Plan shall be to the Province's satisfaction.

Upon acceptance by the Province of the Contractor's completed Communications Plan, the Contractor shall upload the completed Communications Plan to the SharePoint site and the Parties shall attach same to Schedule M of this Agreement.

The completed Communications Plan may be amended upon mutual agreement between the Parties from time to time. The plan shall be updated by the Contractor whenever changes occur, with review and updates occurring at least annually, within twenty (20) Business Days of the Anniversary Date, all to the Province's satisfaction.

2 DEFINITIONS

For this Specification, the following capitalized words and phrases shall have the following meanings:

- 1) "Communications Platform" means the medium in which the Contractor communicates with Stakeholders including, but not limited to email, community websites, radio, newspapers, phone, social media on-line forums, overhead signs, portable message signs, traveller information systems.
- 2) "Highway User" means any person or persons, regardless of form of transportation, that use any lands or facilities within the jurisdiction of a provincial highway.

- 3) “Ferry User” means any person or persons, regardless of form of transportation, that uses the subject ferry owned by the BCTFA.
- 4) “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.
- 5) “Social Media Platform” means a form of electronic communication, including, but not limited to websites for social networking and microblogging, through which users create online communities to share information, ideas, personal messages, and other content.
- 6) “Stakeholder” 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.

3 GENERAL STANDARDS

The Contractor shall:

- 1) Ensure communications with the public, Stakeholders, Government Authorities, the Recognized Organization and 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 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.

4 COMMUNICATIONS FOR REPORTABLE OCCURRENCES, POLLUTION 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 defined by <i>Transportation Safety Board Regulations</i> , SOR/2014-37, Section 3.1.	Immediately: 1. Make personal contact with Ministry Inland Ferry Manager*; and 2. Proceed with SMS procedures
b) Any damage to the Watercraft or Ferry Facility, which is not covered by (a) above	Immediately: 1. Make personal contact with Ministry Inland Ferry Manager*; and 2. Proceed with 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: 1. Make personal contact with Ministry Inland Ferry Manager*; and 2. Proceed with SMS procedures
d) Any threat to the health, safety or security of the public, the crew, the environment, the Watercraft, or the Ferry Facility	Immediately: 1. Make personal contact with Ministry Inland Ferry Manager*; and 2. Proceed with SMS procedures
e) Any breach of Laws, including the Canada Shipping Act and the Workers' Compensation Act, or any warning or citation issued by a Government Authority or a Recognized Organization	Immediately: 1. Make personal contact with Ministry Inland Ferry Manager*; and 2. Proceed with SMS procedures

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

The Contractor's notification to the Ministry Inland Ferry Manager (or Ministry Inland Ferry Executive Director) should 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 Contaminants released on board or from the Watercraft
 - k. a description of any action taken or planned to protect persons, the environment, the Watercraft and Ferry Facility, and other property
- 2) Province personnel involved
 - 3) Incident responders such as police, fire, ambulance and others
 - 4) Highway maintenance contractors onsite
 - 5) Traffic management requirements
 - 6) Copies of all reports and communications with any Government Authority

5 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 updated from time to time. The current sample messaging for inland ferries, from Appendix A of the protocol document, is set out in Schedule 1 of this Specification.

Upon execution of this Agreement or sooner, the Province shall provide the Contractor with the current Provincial Incident Response and Travel Advisory Messaging Protocol document, and any updated versions thereafter from time to time during the Term.

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 will come into effect. The proposed sample of new inland ferries messaging protocols are described in Schedule 2 to this Appendix. The Contractor shall use the new Provincial Incident Response and Travel Advisory Messaging Protocol document upon provision from and notification by the Province.

5.1 Unplanned Ferry Service Events

Whenever Ferry Service is impacted, including events described in section 1.2 which result in a Ferry Service impact (such as disruption, interruption or closure), the Contractor shall immediately notify the Province and act as follows:

Event	Action
f) 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.	Immediately: 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
g) Sailing waits increase or decrease	Immediately: 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

5.2 Planned, Expected or Proposed Ferry Service Events

When a ferry service impact is planned, expected or proposed, the Contractor shall act as follows:

Event	Action
h) All planned maintenance, refits, cable changes, inspections, and drills, that will impact service	At least two weeks in advance: 1. Inform Ministry Inland Ferry Manager of proposed messaging; and then 2. Inform 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
i) 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: 1. Inform Ministry Inland Ferry Manager of proposed messaging; and then 2. Inform 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
j) Proposed ferry service impacts that are, or may be reasonably expected to be disruptive/controversial	At least two weeks in advance: 1. Inform Ministry Inland Ferry Manager of proposed messaging; and then 2. Inform Ministry's District office of proposed messaging; and then 3. Proactively communicate across various Communications Platforms (as defined in Section 2) 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

5.3 Unplanned and Planned Modifications to Ferry Service Hours

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

Event	Action
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k) Modifications to ferry service hours	<p>Immediately:</p> <ol style="list-style-type: none"> 1. Inform Ministry Inland Ferry Manager of proposed messaging; and then 2. Inform 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
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6 COMMUNICATIONS WITH GOVERNMENT AUTHORITIES and the CLASSIFICATION SOCIETY

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

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

Event*	Action
l) Scheduling inspections	Email communication and copy Ministry Inland Ferry Manager
m) Certification and registration	Email communication and copy Ministry Inland Ferry Manager
n) Requesting clarifications or information	Email communication and copy Ministry Inland Ferry Manager
o) Inspection reports and deficiencies notices	Email communication and copy Ministry Inland Ferry Manager

*Sample events; event types not limited to these.

7 COMMUNICATIONS WITH STAKEHOLDERS

7.1 Telephone Service

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

The Contractor's telephone number shall be listed and advertised in local directories and media and posted prominently on the Watercraft and at the Ferry Facility.

The Contractor's telephone service shall be staffed, as a minimum, during the hours of 8:00 a.m. to 5:00 p.m. daily (except Christmas and New Year's days) and shall be available for inquiries during those hours. The telephone service shall be available outside of these hours for the public to obtain recorded information regarding the Ferry Service, and to leave a voice message if required.

7.2 Operations Office

The Contractor shall ensure that personnel is available to respond to public inquiries at the operations office located at the north side Ferry Facility during Business Days.

7.3 Brochures

The Contractor shall prepare brochures describing the Francois Lake Ferry Service, the hours of operation and the Ferry Service website. The brochures shall be available at the operations office located at the north side Ferry Facility and shall be distributed to Tourism offices along the access routes including Highway 16 corridor from Prince George to Prince Rupert and along the Highway 97 corridor from Williams Lake to Fort St John.

7.4 Responses to Stakeholder Questions, Comments and Complaints

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

Event	Action
p) Phone calls, emails, and texts from Ministry Inland Ferry Manager, or Ministry District office	Respond within 4 hours
q) Written communication from the Province	Respond within 10 days
r) Incoming complaints, comments and requests received through various Communications Platforms or in person	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)
s) Incoming media inquiries	Defer to Province and immediately report to Ministry Inland Ferry Manager by phone, or email

8 COMMUNICATIONS EQUIPMENT

The Contractor shall maintain at all times during the Term in-house communications equipment including:

- 1) 7 portable radios for inter-crew communications (5 for each crew member on shift, 1 for the operations office, and 1 spare); and
- 2) Telephone lines for contact with the operations office and external parties, as follows:
 - a. 2 lines on the MV Francois Forester; and
 - b. 1 line at each terminal of the Ferry Facility; and
- 3) 1 cellular phone on the MV Francois Forester for contact with the operations office.

9 REPEATER SYSTEM

The repeater system terms and conditions are described in Schedule 3 to this Appendix.

10 LOCAL COMMUNITY SUPPORT

The Contractor shall support the local community in various ways. This involvement shall include the following:

- 1) Supply location for School District communications antennae;
- 2) Provide space at terminals at appropriate times for local artisans to display and sell crafts;
- 3) Provide schedule information to local tourism and community associations; and
- 4) Provide bulletin board space for local residents onboard the ferry and on the wall of the north side office.

Appendix B3 - Schedule 1

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>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 - Schedule 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 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.

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 – Schedule 3**Repeater System**

1. 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 Schedule.
2. The Contractor shall use the Repeater System solely for the purposes of performing the Work.
3. The Contractor shall supply all radio equipment to be used on the Repeater System.
4. The Contractor shall take all reasonable measures to maintain the proper working condition of all radio equipment supplied by the Contractor.
5. 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.
6. The Repeater System shall at all times remain the property of the Province.
7. 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.
8. 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.
9. 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.
10. The Contractor shall ensure that all of its radio equipment operating on the Repeater System is type approved for operation in Canada and licensed by Industry Canada.
11. 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 the Reporting Specifications 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.

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/FLFagreement/>

2 REPORTABLE OCCURRENCES, POLLUTION AND SAFETY INCIDENTS

2.1 Immediate Incident Reporting

Reportable occurrences, pollution and safety incidents, and requirements for immediate notification are listed in Schedule B Appendix B3 Communications Specifications Section 4 Communications for Reportable Occurrences, Pollution and Safety Incidents.

2.2 Initial Incident Report

Within 24 hours of the reportable occurrence, pollution or safety incident, the Contractor shall prepare and submit to the Province, in writing, an initial report containing all the information requested in Section 2.1 above and the following details:

- 1) Immediate and possible long-term results of the incident (including passenger or crew injury and damage to the Watercraft or Ferry Facility.);
- 2) 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 5 days of the reportable occurrence, pollution or safety incident, the Contractor shall prepare and submit to the Province, in writing, a subsequent incident report. The Province may, at its discretion, require the Contractor to provide further reports, for an ongoing or concluded incident, at any time. All subsequent incident reporting should 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 Watercraft or Ferry Facility.);

- 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 Law and any personnel or Governmental Authority who would be affected if the risk became an incident including:

- 1) Ferry Service 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 Inland Ferry Annual Report shall be prepared using the form provided in Schedule B – Appendix B4 - Schedule 1, 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 for Classification Society services;
- 4) Maintenance and repair expenses (excluding the Contractor's own labour costs) for the Watercraft broken down by category (e.g. Watercraft – Refits (quinquennial and other), Watercraft – General Repair and Maintenance, Watercraft – Other (Specify);
- 5) Maintenance and repair expenses (excluding the Contractor's own labour costs), for the Ferry Facility broken down by category (e.g. Docks – General Repair and Maintenance, Ferry Facility – General Repair and Maintenance, Ferry Facility – Other (Specify);

- 6) The cost of all utilities including, without restriction, water, hydro, propane, waste disposal, and sewage; and
- 7) 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 of the Contract, the Contractor shall prepare and submit a monthly report to the Province before the 10th day of the month for the immediately preceding month (the "Inland Ferry Monthly Report"). The Inland Ferry Monthly Report will include 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 in this Schedule B – Appendix B4 - Schedule 2.

4.2 Inland Ferry Traffic System

During the Term of this Agreement, the Contractor shall prepare and submit the traffic reports before the 20th day of the month for the immediately preceding month. The Contractor shall use the Province's Inland Ferry Traffic System (IFTS), which is to be supplied by the Province, to collect and record traffic information. The traffic reports will 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 Watercraft, and the reason in each case.

4.3 Inland Ferry Reporting Network

It is anticipated that the IFTS electronic reporting system in section 4.2 above may be, during the Term, 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 Watercraft.

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. The Contractor shall use the Inland Ferry Downtime Report form provided in this Schedule B – Appendix B4 - Schedule 3.

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.

Francois Lake Ferry Agreement		Schedule B – Appendix B4 - Schedule 1			
Francois 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, Class and Fuel Costs					
Total Labour Cost for Crew	\$ -	\$ -	\$ -	\$ -	\$ -
Total Labour Cost for Management & Key Personnel	\$ -	\$ -	\$ -	\$ -	\$ -
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

FRANCOIS LAKE

REPORT FOR MONTH OF:

SAFETY

INDICATE # OF EVENTS		PROVIDE DETAILS
What safety incidents have occurred this month?	Passengers/ Crew	Has the Province been notified of all incidents? Y / N
	Traffic accidents	
	TSB incidents	
	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	
	WorkSafe BC	
	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?	Hull, deck & apron			
	Lighting & electric			
	Hydraulic			
	Lines, tackle, anchor			
	Painting & coatings			
	Watertight integrity			
	Housekeeping			
	Other			
What inspections and what maintenance have been undertaken on the Ferry Facility this month?	Docks			
	Ramps			
	Buildings			
	Parking lots			
	Electrical			
	Septic System			
	Housekeeping			
	Other			
What 3 rd party re-certifications have been received?	Lifesaving Equip.			
	Firefighting Equip.			
	Other			



Ministry of
Transportation
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FRANCOIS LAKE

REPORT FOR MONTH OF:

EFFICIENCY

CHECK AS APPROPRIATE	DESCRIBE					
What is the total MV Francois Forester downtime during scheduled hours in the month? <table border="1"> <tr><td>No downtime</td></tr> <tr><td>Less than 2 hours</td></tr> <tr><td>Between 2 and 5 hours</td></tr> <tr><td>Over 5 hours</td></tr> </table>	No downtime	Less than 2 hours	Between 2 and 5 hours	Over 5 hours	Has the Province been notified of all downtime? Y / N	
No downtime						
Less than 2 hours						
Between 2 and 5 hours						
Over 5 hours						
What new initiatives have been undertaken towards improving efficiency this month? <table border="1"> <tr><td>Improving traffic flow</td></tr> <tr><td>Reducing wasted trips</td></tr> <tr><td>Minimizing wait times</td></tr> <tr><td>Reducing garbage</td></tr> <tr><td>Reducing fuel</td></tr> </table>	Improving traffic flow	Reducing wasted trips	Minimizing wait times	Reducing garbage	Reducing fuel	
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? <table border="1"> <tr><td>Shipboard operations</td></tr> <tr><td>Terminal operations</td></tr> <tr><td>Office operations</td></tr> <tr><td>Other</td></tr> </table>	Shipboard operations	Terminal operations	Office operations	Other					
Shipboard operations									
Terminal operations									
Office operations									
Other									
What updates have been undertaken to plans, policies, and procedures this month? <table border="1"> <tr><td>SMS</td></tr> <tr><td>Operational documents</td></tr> <tr><td>Org. & mgmt. plan</td></tr> <tr><td>Training plan</td></tr> <tr><td>Communications plan</td></tr> <tr><td>Watercraft maint. plan</td></tr> <tr><td>Ferry facility maint. plan</td></tr> <tr><td>Other</td></tr> </table>	SMS	Operational documents	Org. & mgmt. plan	Training plan	Communications plan	Watercraft maint. plan	Ferry facility maint. plan	Other	
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. <table border="1"> <tr><td>Vessel familiarization</td></tr> <tr><td>Emergency drill training</td></tr> <tr><td>Passenger Safety Mgmt</td></tr> <tr><td>Confined Space Entry</td></tr> <tr><td>TDG</td></tr> <tr><td>WHMIS</td></tr> <tr><td>Basic oil spill prevention</td></tr> <tr><td>Other</td></tr> </table>	Vessel familiarization	Emergency drill training	Passenger Safety Mgmt	Confined Space Entry	TDG	WHMIS	Basic oil spill prevention	Other	
Vessel familiarization									
Emergency drill training									
Passenger Safety Mgmt									
Confined Space Entry									
TDG									
WHMIS									
Basic oil spill prevention									
Other									
What feedback has been received on the Ferry Service this month? <table border="1"> <tr><td>Ministry's district staff</td></tr> <tr><td>Media</td></tr> <tr><td>Ferry users</td></tr> <tr><td>Community members</td></tr> <tr><td>Other</td></tr> </table>	Ministry's district staff	Media	Ferry users	Community members	Other				
Ministry's district staff									
Media									
Ferry users									
Community members									
Other									

FORM COMPLETED BY

(TYPE NAME)

DATE

Appendix B4 – Schedule 3

Downtime Report



FRANCOIS 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 the Watercraft Maintenance Specifications is to provide detailed requirements of the repair and maintenance services for the Watercraft listed in Schedule C.

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

All capitalized words and phrases shall have the same meaning as in this Agreement.

1.1 Objective

To provide a safe environment for crew and users of the Ferry Service and to maximize the functional life of the Watercraft in keeping the Watercraft seaworthy and shipshape by way of regular and efficient inspection, cleaning, and maintenance and repairs work.

1.2 Minimum Requirements

In addition to the maintenance requirements stipulated in the Charter, the Contractor is required to meet or exceed the maintenance stipulated in the Watercraft Maintenance Specifications, the SMS, and this Agreement, while always providing safe, reliable, efficient, and courteous service to the users of the Ferry Service in the course of its maintenance activities.

1.3 Scope of Watercraft Maintenance

Always in accordance with the terms of the Charter, the Contractor shall be responsible for overseeing and supplying all management, labour, materials, supplies, provisions, tools, machinery, equipment and any other thing required for the maintenance of the Watercraft.

The Contractor shall be responsible for the determination of all means, methods, techniques, sequences and procedures employed to repair and maintain the Watercraft unless such means, methods, techniques, sequences or procedures are specifically set out in this Agreement.

1.4 Standard of Work

All such maintenance work is to be completed in accordance with:

- 1) the original design specification for that component or system;
- 2) standards set out in Article 9 of the Charter;
- 3) manufacturers' specifications and requirements; and
- 4) recognized industry standards,

whichever is the highest applicable standard.

1.5 Materials and Parts

The Contractor shall use only new materials that are aesthetically pleasing and meet or exceed applicable standards as set out in section 1.4 above. Materials without standards, or alternative materials that do not meet the standards, must be approved by the Province prior to use.

All part replacements, alterations, modifications, additions must be done in accordance with Section 10 of the Charter.

Transportation, handling and storage of materials used in conjunction with the specifications must adhere to all Laws.

1.6 Engineer's Approval

Where required by the Province, by notice in writing to the Contractor, Laws, manufacturer's specifications and requirements, recognized industry standards, whichever is the highest applicable standard, the maintenance and repair work pursuant to Section 9 and 10 of the Charter shall be approved by a qualified professional engineer.

1.7 Utilities & Supplies

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

2 WATERCRAFT MAINTENANCE PLAN

At least two weeks before the Commencement Date, the Contractor shall submit the Watercraft Maintenance Plan, specific to the Ferry Service, for the Province's feedback and acceptance or recommendations for changes.

All repair and maintenance must be completed in accordance with these Watercraft Maintenance Specifications, sections 9 and 10 of the Charter and the Agreement. In doing so, the Contractor's Plan shall include, but not be limited to:

- 1) procedures for inspecting, assessing, repairing, and maintaining the Watercraft;
- 2) procedures for ensuring that the Watercraft is clean and tidy;
- 3) schedules of tasks and procedures for ensuring that work is completed on schedule and adheres to maximum response times;
- 4) procedures for documenting observations and work completed; and
- 5) a continuous survey program, in conjunction with an inspection program as required by Transport Canada.

The Contractor is solely responsible for providing, at its own cost, all equipment, facilities, subcontractors and personnel required to repair and maintain the Watercraft as listed in Schedule C of this Agreement. Although the Omineca Princess and the floating dry dock are not utilized for ferry service, the Contractor shall fulfill the obligations for the Other Assets in accordance with Attachment 3. A full description of the Other Assets is provided in Section 3 of Schedule C to the Agreement.

The Watercraft Maintenance Plan shall be to the Province's satisfaction.

Upon acceptance by the Province of the Contractor's completed plan, the Contractor shall upload the completed plan to the SharePoint site and the parties shall attach same to Schedule M of this Agreement.

The completed Watercraft Maintenance Plan may be amended upon mutual agreement between the Parties from time to time. The plan shall be updated by the Contractor whenever changes occur, with review and updates occurring at least annually, within twenty (20) Business Days of the Anniversary Date, all to the Province's satisfaction.

2.1 Annual Watercraft Maintenance Work Plan

At least two weeks before the Commencement Date, the Contractor shall submit to the Province, for its feedback and acceptance or recommendations for changes, an Annual Watercraft Maintenance Work Plan, prepared by its mechanical technical manager, specific to the Ferry Service, broken down by month outlining repair and maintenance key activities and initiatives that are to take place during the Contract Year.

The annual work plans shall be to the Province's satisfaction.

Upon acceptance by the Province of the Contractor's completed plan, the Contractor shall upload the completed annual work plan to the SharePoint site and the parties shall attach same to Schedule M of this Agreement.

The Contractor shall submit an annual work plan for the Province's feedback and acceptance or recommendations for changes, each upcoming Contract Year no later than twenty (20) business days after the Anniversary Date.

2.2 Monthly Inspection

The Contractor shall conduct and document a monthly inspection of the Watercraft to assess and identify:

- 1) whether repair and maintenance work has been completed in accordance with the annual work plan;
- 2) any new damage, missing parts or areas requiring repair and maintenance work; and
- 3) if there is a change in the condition or rate of deterioration.

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

2.3 Monthly Reporting

All reporting requirements identified throughout this Appendix are to be addressed and submitted in the Inland Ferry Monthly Report that is described and provided in Schedule B Appendix B4 Reporting Specifications of the Agreement.

3 MAXIMUM RESPONSE TIMES

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.

The response times provided herein are maximum time limits that are not intended by the Province to provide to the Contractor a definition of or parameter for reasonable performance

when there is a risk to public safety; the Contractor shall respond immediately for such events where public safety is a factor.

Where there is a safety or structural deficiency on any part of the Watercraft, immediately inspect the affected portion of the Watercraft and notify the Province. Continue inspections as required to ensure safety.

Notwithstanding any requirements set out in these specifications, the Contractor shall not 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 equipment, parts and materials that are aesthetically pleasing and meet or exceed applicable quality standards. All replacements, alterations, modifications, or additions to equipment, parts or materials must be done in accordance with section 10 of the Charter. The Province must approve any equipment, parts and materials without standards, or alternative materials that do not meet the standards, prior to use.

An inventory of spare parts shall be monitored and controlled in accordance with the Agreement and manufacturers' specifications.

Transportation and handling of equipment, parts or materials used in conjunction with the specifications must adhere to all Laws.

5 SIGNAGE

Contractors must ensure that all signage on the Watercraft is clean and clearly visible to passengers. The Contractor shall not permit advertising or commercial announcements on the Watercraft without prior written consent pursuant to section 9.2 (g) in the Charter.

Regulatory and warning signs must be cleaned, reset, repaired, and/or relocated within 24 hours.

The Contractor must inspect, report and repair damage or replace missing or broken signs within 1 month or sooner if circumstances dictate.

6 GRAFFITI AND VANDALISM

The Contractor shall maintain the Watercraft free from graffiti and 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.

Graffiti shall be permanently removed or covered within one 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. 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, 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 Watercraft 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, damage from vandalism shall be 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.

7 WASTE MANAGEMENT AND CONTAMINANTS

The management and disposal of surplus materials, waste and Contaminants is the responsibility of the Contractor and must be handled in accordance with all Laws. Surplus materials, waste and Contaminants must not be stored on the Watercraft.

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

7.1 Waste from Operations

Day-to-day operations will produce waste consisting of liquids, solids and recyclables, which may contain Contaminants. All such waste and Contaminants shall be disposed of in conformance with all Laws, utilizing qualified personnel or subcontractors.

In discharging or receiving any waste or 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.

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

Contaminants spilled, collecting, or remaining on the vehicle decks or other surfaces shall not be discharged in the marine environment and shall be contained and disposed of according to all Laws.

7.3 Dangerous Goods & Hazardous Materials

Dangerous goods and hazardous materials shall not be stored on the Watercraft. No hazardous material may be discharged into the environment.

8 SNOW AND ICE REMOVAL

The Contractor is responsible for ensuring that the Watercraft 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.

Ice and snow shall be removed from areas that may interfere with the operation of ramps prior to each departure. Snow and ice removed from the Watercraft shall be disposed of in accordance with this specification and all Laws.

Ice and snow removal will include, but not be limited to, the areas described in sections 8.1 to 8.6 inclusive:

8.1 Passenger Accesses

The vehicle deck and all passenger entry points shall be kept clear of ice and snow before every loading to facilitate safe access.

8.2 Emergency Muster Points and Boarding Areas

Areas where passengers may be required to muster or access life saving appliances shall be kept clear of ice and snow at all times during Watercraft operation.

8.3 Mooring Stations

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

8.4 Doors and Ramps

Ice and snow shall be 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, snow and ice shall be removed from vehicle decks and disposed of in accordance with these specifications and all Laws.

Snow shall also be removed from the deck of the Keefe tug daily as required to facilitate safe operation.

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

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

9 PAINTING AND COATINGS

Pursuant to section 9.2 (c) in the Charter, the Contractor is responsible for ensuring that:

- 1) The integrity of the Watercraft's coatings are maintained;
- 2) The appearance of the Watercraft are maintained in accordance with the Province's livery plans;
- 3) The materials used to paint and coat the Watercraft 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 Watercraft.

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

9.1 Coating After Repairs

Where the Watercraft structure has been repaired, it shall be prepared for coating and coated immediately. All coating layers shall be applied within 72 hours of repairs.

9.2 Misapplied Coatings

Any coating inadvertently applied to adjacent areas, windows, port glasses, light covers, gaskets, etc. shall be removed within 48 hours of application.

9.3 Coating Damage or Deterioration

Coating defects include visible rust, streaks, discolouration, cracking, chipping, fading, or peeling. Coatings shall be generally in good appearance.

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, coatings shall be touched up within two weeks.

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, coatings shall be touched up within one week.

Where a coating defect is discovered on machinery spaces, decks, store rooms, or control rooms, remediation shall be carried out within two weeks of discovery of the defect.

9.4 Coating Frequency

Full coatings on all internal and external surfaces shall be not more than 2 years old.

10 WATERTIGHT INTEGRITY

It is the Contractor's responsibility to ensure that the Watercraft watertight integrity 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 the 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 Watercraft.

Wherever watertight integrity of the Watercraft is or may be affected, repairs shall be carried out immediately. Seepage shall be repaired within 48 hours.

10.1 Scuppers, Grates, Drains and Pipes

Rubbish and waste materials shall be 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.

Liquids shall be drained from internal decks and compartments. Each scupper, grate, drain and pipe shall be not less than 50% functional. Each scupper, grate, drain and pipe shall be fully functional and shall be cleared or repaired within 48 hours of discovery of diminished flow capacity.

10.2 Voids

The Contractor shall inspect and repair any damage, including fittings, welds, areas of corrosion and missing coating, and areas of compromised, with a view to keeping all voids watertight, clean and in dry condition at all times.

10.3 Tanks

All tanks shall be coated in accordance with the original construction specifications for the Watercraft. Coatings shall be inspected regularly and repaired and recoated as necessary.

11 WATERCRAFT HOUSEKEEPING AND CLEANLINESS

The Contractor is responsible for regularly inspecting and ensuring that the Watercraft is clean, in good condition, functionally suitable and properly maintained to provide safe, clean and pleasant surroundings for Ferry Services users and crew.

11.1 Refuse and Recycling Containers

Refuse containers shall be appropriately placed throughout the Watercraft and shall be lined with appropriate plastic garbage bags. Plastic garbage bags shall not be reused and shall be replaced after each use.

Recycling collection containers shall be appropriately placed throughout the Watercraft.

All refuse and recycling containers shall be emptied before reaching no more than 75% capacity and at the end of each day.

11.2 Passenger Areas and Lounges

Passenger areas and lounges (including all furniture and appliances) shall be kept dry and clean, and free of debris, marks, spills and litter at all times. All visible surfaces in public areas including, without limitation, walls, ceilings, floors, doors, windows and furniture shall be kept clean and free of dust, debris, marks, spills, cobwebs, graffiti and other unsightly items. All seats, tables and other surfaces shall be washed or wiped clean at all times.

Floors shall be swept or washed (as appropriate) at least once per day.

Light fixtures shall be kept clean, functional and properly assembled.

Any necessary work to restore condition shall be completed within 10 minutes of discovery.

11.3 Crew Areas and Galley

Crew areas and galley (including all furniture and appliances) shall be inspected at the end of each shift and shall be restocked and made dry and clean, and free of debris, marks, spills and litter prior to shift change.

11.4 Lockers

Lockers include the fire equipment locker, crew locker, CO₂ locker, and the ramp tower lockers. Storage lockers shall be lockable, with their purpose identified on the outside. The locker space shall have contents tidily stowed, shelving or other containers secure and in good condition at all times. Stored items shall be 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.

11.5 Bridge, Wheelhouse and Engineer's Office

All equipment, bookshelves, storage areas, fittings and fixtures shall be secure at all times. Wiring and wiring conduit shall be secured, and enclosed where possible. All equipment shall be maintained in good working condition at all times.

Where equipment, fixtures or fittings have been replaced, the surrounding surfaces shall be returned to original finish and standards at the same time.

The bridge, wheelhouse and engineer's office areas shall be inspected at the end of each shift and shall be made dry and clean, and free of debris, marks, spills and litter prior to shift change.

11.6 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.

11.7 Passageways

Passageways shall be clear of garbage, dollies and other material at all times. Passageways shall not be used for storage.

11.8 Washrooms

Passenger washroom shall be inspected and spot cleaned at the end of each trip. Passenger washrooms shall be fully cleaned and stocked every 4 hours or sooner if needed.

Crew washrooms shall be inspected, cleaned and stocked at the end of each shift.

Cleanings shall be scheduled to take place outside of peak use periods. Cleanings shall ensure 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.

Decks and doors shall be cleaned and disinfected. Floor drains shall be maintained operational and traps disinfected daily or more often as required.

Bulkheads and partitions shall be cleaned and disinfected weekly, or more often as required.

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

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

All seats, tables and like surfaces shall be washed and/or wiped clean daily and floors shall be swept or washed at least once per day. Light fixtures shall be kept clean, functional and properly assembled.

11.10 Interior Walls/Bulkheads and Ceiling/Deckheads

All interior walls/bulkheads and ceilings/deckheads shall be cleaned daily.

11.11 Decks and Deck Coverings

11.11.1 Vehicles Decks

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

11.11.2 Passenger and Crew Decks

Decks and stairs shall be swept daily, vacuumed or washed at least once per week, or more often as required.

11.11.3 Deck Coverings

All deck coverings shall be scrubbed and waxed (where applicable) once per month, or more often as required.

12 MV FRANCOIS FORESTER WATERCRAFT MAINTENANCE AND REPAIR

The Contractor shall ensure that the MV Francois Forester remains 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, temporary repairs to damaged areas and items in crew and working areas shall be carried out in order to maintain functionality while awaiting permanent repairs or new equipment/furniture.

Damage to furniture and equipment shall be repaired, or damaged items replaced, with materials that match the existing decor and meet or exceed existing aesthetic and quality standards.

Equipment that becomes redundant, inoperable or fails to meet specifications shall be replaced with equipment designed to the specifications of the day at the time of replacement.

12.1 Deck Surfaces

All damage to deck surfaces affecting the functionality or safety of the surface shall be temporarily repaired and made safe or cordoned off until permanent repairs are made.

This includes corrosion, damage, loss of watertight integrity, function or support, or replace missing, loose or damaged components of the deck surface and apron assembly including deck plates, bulwarks, bollards, ramps, hinges, stanchions, davits and ramp tower.

- 1) Hazardous situations shall be addressed immediately; and
- 2) Non-hazardous damage shall be temporarily repaired within 8 hours.

All damage to deck surfaces affecting the appearance, functionality or safety of the surface shall be fully repaired to original condition (normal wear and tear excepted) or better within 1 month.

12.2 Deck Surface and Apron Assembly

The Contractor must inspect, and repair corrosion, damage, loss of watertight integrity, function or support, or replace missing, loose or damaged components of the deck surface and apron assembly including deck plates, bulwarks, bollards, ramps, hinges, stanchions, davits and ramp towers, within a 30-day period.

12.3 Exterior Structure

Exterior structure shall be clean, fully coated, and free from discoloration, defects and damage.

The exterior structure shall be washed down on a weekly basis.

Marks and scratches shall be removed and surfaces brought back to original condition (normal wear and tear excepted) or better within 24 hours.

All outside fittings including shall be secure, clean and functional. Any necessary work to restore condition shall be completed within 48 hours of discovery.

All other necessary work to restore condition shall be completed within 1 week of discovery.

Coatings shall be maintained in good repair. Any necessary work to restore condition shall be completed according to section 9 of this Appendix.

12.4 Interior Walls/Bulkheads and Ceilings/Deckheads

12.4.1 Interior Walls/Bulkheads and Ceilings/Deckheads

Interior walls/bulkheads and ceilings/deckheads shall be clean, fully coated, and free from discoloration, defects and damage.

Marks and scratches shall be removed and surfaces brought back to original condition (normal wear and tear excepted) or better within 24 hours.

All other necessary work to restore condition shall be completed within 1 week of discovery.

12.4.2 Fittings

Deckhead fittings (wiring conduit, light fittings, fans, piping, ventilation shafts, etc.) shall be secure, clean and functional. Any necessary work to restore condition shall be completed within 48 hours of discovery.

12.4.3 Panelling

Panelling shall be properly secured, clean, and damage-free with coatings in good repair. Any loose or damaged sections/panelling in the bulkhead shall be secured within 48 hours.

Any necessary work to restore condition shall be completed within 1 month of discovery.

Panelling with damage that cannot be repaired shall be replaced within 6 months.

12.4.4 Coatings

Coatings shall be maintained in good repair. Any necessary work to restore condition shall be completed according to section 9.

Deckheads with no panelling shall be clean, coatings damage free, and in good condition. Any necessary work to restore condition shall be completed within 6 months of discovery.

12.5 Doors

All doors to open decks shall be kept weather tight at all times.

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 to be kept fully operable, lubricated, secure, free from rattle, and fault-free.

Any necessary work to restore condition shall be completed within 48 hours of discovery.

12.5.1 Doors to Restricted Areas

Doors to restricted areas shall be capable of being locked or secured and the securing mechanism shall be in good and operable condition. Any necessary work to restore condition shall be completed within 24 hours of discovery.

12.6 Windows and Ports

12.6.1 Windows and Ports

All exterior windows and ports shall be kept weather tight at all times.

All windows and port components, including closures, gaskets, hinges and retainers shall be kept in fully functional condition. All glass to be damage free. Any necessary work to restore condition, including replacement of broken and cracked glass shall be completed within 24 hours of discovery.

12.6.2 Window and Port Accessories

Bridge window heating elements, clear-view screens, window wipers and washers, sun screens and closures shall be in good condition. Any necessary work to restore condition shall be completed within 1 week of discovery.

12.7 Fixed Furniture

All fixed furniture including mess room tables, working desks, benches, gear lockers and shelving and partitions in lockers shall be clean, secure and in good functional condition. Any necessary work to restore condition shall be completed within 48 hours of discovery.

Surfaces of furniture shall be in good condition with no unsafe ridges, burrs, protrusions or edges. Any necessary work for unsafe conditions shall be completed immediately; permanent repairs to restore original or better condition shall be made within 5 days of discovery.

Drawers and cabinet doors operable, furniture surfaces in good condition. Any necessary work to restore condition shall be made within 1 week of discovery.

12.8 Moveable Furniture

Chairs and other moveable furniture shall be in good condition, secure, and with tie-down capability meeting applicable marine standards at all times. Passenger areas furniture and equipment shall be repaired or replaced with materials that match the existing decor and meet or exceed existing aesthetic and quality standards.

Damaged furniture or equipment shall be removed immediately from the passenger areas until repaired or replaced.

Any necessary work to restore condition shall be completed within 1 week of discovery.

12.9 Fixtures and Fittings

12.9.1 Navigation and Emergency Lighting

Navigation and emergency lighting must be repaired or replaced within 24 hours of discovery.

12.9.2 Light bulbs and fixtures

Broken or non-functional light bulbs and fixtures shall be replaced within 24 hours of discovery.

12.9.3 Other Fixtures and Fittings

All other fixtures and fittings, their covers and components shall be securely fitted and fully functional at all times. Damaged and faulty items shall be repaired or replaced within 48 hours.

12.10 Plumbing

12.10.1 Leaks

Slow leaks and drips shall be turned off and isolated inside 24 hours and repaired as soon as practicable where leak or drip is contained within a sink, toilet, basin, or other plumbing unit.

All other leaks that are not contained as set out above shall be immediately isolated and repaired or replaced within 48 hours.

12.10.2 Fixtures, Systems and Components

Faulty systems or components shall be repaired or replaced within 48 hours.

All basins, toilets, urinals, showers, sinks and ancillary fixtures and fittings shall be stain free, crack free and fully functional. Any necessary work to restore condition shall be completed within 7 days of discovery.

12.10.3 Pipes, Valves and Ancillary Parts

Pipes, valves and ancillary parts for all water supply, fire main and sprinkler systems shall be properly secured, free from leaks and seepage, and fully functional. Any necessary work to restore condition shall be completed within 48 hours of discovery.

12.11 Carpentry/Shipwright Repairs

All damage to woodwork or other material requiring a tradesman's attention shall be temporarily repaired and made safe or cordoned off until permanent repairs are made. Hazardous situations shall be addressed immediately; Non-hazardous damage shall be temporarily repaired within 8 hours.

All damage to woodwork or other material requiring a tradesman's attention shall be fully repaired to original condition (normal wear and tear excepted) or better within 1 week.

13 FIREFIGHTING AND LIFESAVING EQUIPMENT MAINTENANCE AND REPAIR

The Contractor must comply with the requirements of section 9.2(h) in the Charter.

All firefighting and lifesaving equipment shall be regularly inspected 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 equipment shall conform to all the Laws, including the *Canada Shipping Act 2001*, bylaws, orders, regulations, standards, and rules of any competent governmental authority.

Firefighting or lifesaving equipment that is damaged or has missing or broken components must be repaired within 24 hours.

14 MACHINERY AND EQUIPMENT MAINTENANCE AND REPAIR

The Contractor must comply with the requirements of section 9.1 and 9.2(b) in the Charter.

All shipboard machinery and equipment shall be regularly inspected to ensure they are in good condition, functionally suitable and shall be properly maintained such that the life of the machinery and equipment are optimized. Shipboard machinery and equipment includes:

- 1) main machinery equipment
- 2) electrical equipment
- 3) navigation equipment
- 4) auxiliary systems which comprise the following systems: fuel oil, lubricating oil & dirty oil, fire & bilge, sanitary, hot & cold fresh water, engine heat, ventilation, welding, tanks and waste heat.
- 5) shore connection equipment
- 6) deck machinery equipment
- 7) auxiliary machinery and equipment
- 8) outfit equipment

The Contractor shall manage the maintenance of all shipboard machinery, equipment and systems listed above in accordance with:

- 1) Transport Canada – Marine Safety requirements;
- 2) Classification Society requirements pertinent to the vessel under the DSIP;
- 3) The manufacturer's specifications, recommendations and requirements, as updated from time to time;
- 4) The manufacturer's recommended intervals based on hours of service except where time is the identified service interval (e.g. daily, weekly, monthly).

14.1 Main Machinery Equipment

The inspection and maintenance intervals schedule for the main machinery equipment are provided in Attachment 2. The Contractor must adhere to the inspection and maintenance intervals schedule provided in the tables.

At the beginning of the Term, the main engines will have approximately 89,000 hours of service. The MV Francois Forester's main engines are typically operated at 650 rpm or 240 kW. The Contractor must immediately advise the Province if the condition of the engines show any signs of deterioration during the Term.

At the beginning of the Term, Z-Peller drives #1 and #2 will have approximately 78,000 and 69,000 hours of service, respectively. These drives are rated for 1800 hp continuous duty, but with the MV Francois Forester's operational profile they transmit less than 300 hp. The Contractor must immediately advise the Province if the condition of the drives show any signs of deterioration during the Term.

Requirements for main machinery equipment rebuilds are described in Attachment 1.

15 KEEFE TUG MAINTENANCE AND REPAIR

If the MV Francois Forester is unable to deliver the Ferry Service under its own power, the Keefe tugboat is to be used to assist the MV Francois Forester in order to provide the Ferry Service. For this reason, the Keefe must be regularly inspected and maintained in a condition that is ready for use at all times.

When the Keefe is in use providing the Work, the maintenance requirements will be the same as for the MV Francois Forester. When the Keefe is not in use providing the Work, the Contractor shall maintain it as follows:

- 1) Daily: The Contractor shall, check bilge levels and inspect to confirm that the Keefe is ready for use at any time; and
- 2) Weekly: The Contractor shall:
 - a. Inspect batteries, fuel tanks, air receivers, sea chests, tie up lines and apron levels on a to ensure that it is ready for use at any time.
 - b. Thoroughly clean and conduct all housekeeping tasks.
 - c. Run the engine for a minimum period of 15 minutes.
- 3) Every 250 Running Hours: The Contractor shall change the engine oil and gear oil.
- 4) Annually: The Contractor shall inspect and repair all coatings.

Any repair or maintenance work necessary to rectify the condition of the Keefe shall be completed immediately or in accordance with these specifications or within the timeframes of the manufacturer's specifications, as appropriate.

16 THRUSTMASTER BACKUP

The Thrustmaster backup is expected to be delivered in summer 2018. The unit is an alternate means of propulsion to be used if one of the Niigata Z-pellers installed on the vessel becomes unavailable. Unless otherwise specified by the manufacturer, the backup shall be stored 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. A packing slip shall be appended. When needed, the Contractor shall install the backup on the MV Francois Forester, shall suitably configure the backup, shall comply with all manufacturer recommendation, all regulatory requirements, and shall attend to any maintenance while the backup is installed on the MV Francois Forester. When no longer needed aboard the vessel, the Contractor shall uninstall the

backup, and return the backup to a state of readiness as recommended by the manufacturer, and shall re-store the backup in the manner described above.

17 NIIGATA SPARE Z-PELLER

The Niigata spare is to be used to replace existing Niigata Z-pellers. Unless otherwise specified by the manufacturer, the spare Z-peller shall be stored 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. A packing slip shall be appended. When needed, the Contractor shall install the Z-peller on the MV Francois Forester, shall suitably configure the Z-peller, shall comply with all manufacturer recommendation, all regulatory requirements, and shall attend to any maintenance while the Z-peller is installed on the MV Francois Forester. The Z-peller removed from the vessel shall be rebuilt in the manner recommended by the manufacturer, and shall be re-stored in the manner described above, thereby becoming the new spare.

ATTACHMENT 1 TO APPENDIX B5**MV FRANCOIS FORESTER MAIN MACHINERY EQUIPMENT REBUILD REQUIREMENTS****1 MV Francois Forester Main Machinery Equipment Rebuild Plans**

The Contractor shall prepare and submit a MV Francois Forester main machinery equipment rebuild plan whenever any main machinery equipment undergoes a rebuild by the Contractor and at least 6 months prior to commencement of the work.

The plan shall detail:

- 1) The scope of the work proposed by the mechanical technical manager who shall plan and oversee the work;
- 2) Summary of all preparation discussions with Transport Canada, the Classification Society, other agencies, third parties and subcontractors regarding the proposed work, schedules, and related regulatory concerns;
- 3) Where and when the work is going to be done and by whom;
- 4) How the work will be undertaken to avoid and/or minimize impacts to operational hours; and
- 5) Stakeholder communications.

2 Scope of Work

The Contractor's obligations with regard to the preservation of the Watercraft as set out in the Ferry Agreement shall also include the main machinery equipment rebuilds described in the following sections 2.1 and 2.2. All costs associated with the main machinery equipment rebuilds shall be borne solely by the Contractor.

2.1 Main Engines

The Contractor shall complete rebuilds of the MV Francois Forester main engines. The rebuilds are to be completed when each unit has reached approximately 128,000 hours of service. The work shall be performed in accordance with manufacturer requirements.

2.2 Niigata Z-Pellers (Right Angle Drives)

The Contractor shall complete replacement and rebuilds of the MV Francois Forester right-angle drives when each unit has reached approximately 84,000 hours of service. The work shall be performed in accordance with manufacturer requirements. There is a Niigata spare right-angle drive onsite which is to the same specifications as the right-angle drives currently installed and in use on the MV Francois Forester. This spare unit is to replace one of the current units when a unit is pulled out for rebuild. The unit that is pulled out will be rebuilt in order to be ready for future use and will become the Niigata spare. The Contractor shall store the spare safely and securely in a dry weather-proof enclosure as noted in section 17 of this specification.

3 Regulatory Compliance

The Contractor shall ensure that, at the conclusion of the rebuilds, the MV Francois Forester is in full compliance with the requirements of the Agreement, the Charter, and all requirements of Government Authorities having jurisdiction, including Transport Canada, and the Classification Society.

4 Post-Rebuild Reports

A post-rebuild report shall be submitted to the Province no later than twenty (20) Business Days after the completion of the rebuild. The report shall:

- 1) Detail the complete scope of work, materials and processes involved in the rebuild;
- 2) Provide the dates on which the rebuild was completed;
- 3) Provide a digital photo record showing the equipment before the rebuild, the rebuild in-progress, and the equipment after the rebuild;
- 4) Provide details regarding issues and challenges and how these were resolved;
- 5) For the Niigata z-peller, confirm the status of the unit that has been removed; and
- 6) Provide copies of all reports, documentation, certificates and any rebuild related comments written or verbal made by Transport Canada and the Classification Society (as may be directed by the BCTFA or the Province during the life of the Agreement).

ATTACHMENT 2 TO APPENDIX B5**MV FRANCOIS FORESTER
MAINTENANCE INTERVALS SCHEDULES
MAIN MACHINERY****MAIN ENGINES No. 1 & 2**

Model: Wartsila 4L-20

No. 1 Engine Serial #: PAAE005640

No. 2 Engine Serial #: PAAE005641

500 HOUR SERVICE:

- Clean and lubricate linkages
- Send oil sample to Finning Lab
- Clean turbo - compressor side

1000 HOUR SERVICE:

- Replace F.O. filters
- Clean spinner
- Check valve lash
- Coolant sample to Finning Lab
- Oil sample to Finning Lab
- Wash air filter
- Clean turbo - compressor side

1500 HOUR SERVICE:

- L.O. sample to Finning Lab
- In house coolant test
- Clean turbo - compressor side

2000 HOUR SERVICE:

- Change oil in governor
- Change F.O. filters
- Check valve lash
- Clean spinner
- Wash air filter
- Coolant sample to Finning Lab
- Oil sample to Finning Lab
- Check water side of charge air cooler
- Clean turbo - compressor side
- Change lube oil

4000 HOUR SERVICE

- Change oil in governor
- Change F.O. filters
- Change lube oil
- Check valve lash
- Clean spinner
- Wash air filter
- Oil sample to Finning Lab
- Check water side of charge air cooler--Drain small amount of coolant and check for sludge
- Check cylinder pressure
- Check all electrical connections for tightness
- Inspect contact faces of the camshaft
- Check lube oil cooler performance
- Clean and inspect lube oil filter candles Check fuel nozzle operation
- Check flanges for tightness
- Clean turbo – compressor side

8000 HOUR SERVICE

- 4000 hour service +
- Clean & inspect HT thermostatic V/V – LT control V/V
- Clean & inspect oil thermostatic valve

12000 HOUR SERVICE

- 4000 hour service
- Change oil filter candles

16000 HOUR SERVICE

- 4000 hour service +
- Open & inspect vibration damper, oil sample from same to Finning

20000 HOUR SERVICE

- 4000 hour service +
- Inspect big end bearings
- Check thrust bearing clearance
- Inspect cylinder heads, and overhaul, as required
- Inspect cylinder liners, inside & coolant side
- Inspect fuel injection pumps, and overhaul, as required
- Inspect pistons & rings
- Inspect 1 main bearing
- Inspect camshaft bearings
- Inspect valve mechanism bearings

24000 HOUR SERVICE

- 4000 hour service +
- Inspect con rod screws, and replace, as required
- Inspect crankshaft
- Check foundation bolts
- Check operation & wear of governor
- Check overspeed trip
- Inspect turbocharger bearings, and replace, as required

48000 HOUR SERVICE

- 24000 hour service +
- Inspect turbocharger rotor, and replace, as required

64000 HOUR SERVICE

- General Overhaul

Table 1: Main Engine Maintenance Intervals**NIIGATA Z-PELLARS FWD & AFT**

Model: Niigata - ZP-21

FWD DRIVE Serial #: PO650

AFT DRIVE Serial #: PO651

250 HOUR SERVICE:

- Clean magnetic duplex 150 mesh L.O. filter
- Tighten connector on servo valve (pump stroker)

500 HOUR SERVICE:

- Inspect piping and housing for leaks
- Check hydraulic hoses for wear and leaks
- Clean magnetic duplex 150 mesh L.O. filter

750 HOUR SERVICE:

- Lube oil samples to Finning (lubricating and steering systems)
- Clean magnetic duplex 150 mesh L.O. filter
- Grease cardane shaft and universal joints – 3 shots, check all bolts for tightness
- Check bolt tightness on input shaft bearing

1000 HOUR SERVICE:

- Check upper drive unit hold down bolts for tightness
- Clean magnetic duplex 150 mesh L.O. filter

MONTHLY 1st:

- Clean, 100 mesh gauze wire, simplex, oil pump suction filter

EVERY 6 MONTHS – MAY 1ST – NOVEMBER 1ST

- Replace 10 micron paper cartridge simplex filter Nigata PN10002015NCL
- Replace filter on steering skid filter, Nigata P/N PL: DHD160G10B

YEARLY – JUNE 1st:

- Clean oil cooler

12000 HOURS OR 5 YEAR:

- Overhaul

Table 2: Z-Peller Maintenance Intervals

GENERATORS No. 1 & 2

Model: Mitsubishi 6D16

No. 1 Generator Serial #: 6D16 967529

No. 2 Generator Serial #: 6D16 966142

250 HOUR SERVICE:

- Change lube oil
- Change L.O. filter
- Check air cleaner

500 HOUR SERVICE:

- Change engine oil
- Change lube oil filter
- Change fuel oil filter
- L.O. sample to Finning Lab

750 HOUR SERVICE:

- Grease water pump seal – 1 shot, petroleum grease only
- Change lube oil
- Change L.O. filter
- Check air cleaner

1000 HOUR SERVICE:

- Check bolts and brackets, head bolts
- Check governor controls and linkages
- Change lube oil
- Change L.O. filter
- Change F.O. filter
- Clean and service injector nozzles
- Check valve lash
- Check air cleaner
- L.O. sample to Finning Lab

Table 3: Main Generators Maintenance Intervals**EMERGENCY GENERATOR**

Model: Mitsubishi S4 K-D

Serial #: 50003

250 HOUR SERVICE:

- Grease water pump seal
- Change lube oil
- Check air cleaner

500 HOUR SERVICE:

- Change engine oil
- Change lube oil filter
- Change fuel oil filter
- Grease water pump seal
- L.O. sample to Finning Lab

750 HOUR SERVICE:

- Grease water pump seal

- Change lube oil
- Check air cleaner

1000 HOUR SERVICE:

- Check bolts and brackets, head bolts
- Lube oil and filter replacement
- Change F.O. filter
- Check valve lash
- Check air cleaner
- Coolant sample to Finning Lab
- L.O. sample to Finning Lab
- Do in house coolant test

Table 4: Emergency Generator Maintenance Intervals

ATTACHMENT 3 TO APPENDIX B5**OTHER ASSETS****Omineca Princess**

The Contractor shall routinely inspect the Omineca Princess twice daily to ensure an acceptable general condition. Inspection shall include heaters and fans, and bilge levels. Any work necessary to rectify back to an acceptable level shall be completed within immediately.

The Contractor shall also check batteries, fuel tanks, air receivers, sea chests, tie up lines and apron levels on a weekly basis. Any work necessary to rectify back to an acceptable level shall be completed immediately or within the timeframes of the manufacturer's specifications if appropriate.

The Contractor shall inspect the Omineca Princess annually for the condition of the existing asbestos, and submit the asbestos checklist to the Province. The Asbestos Management Program is described in Schedule B Appendix B9.

Dry Dock

Once a year, the Contractor shall lift the dry dock out of the water to inspect and report to the Province on the condition of the dry dock, including: air lines, valves, block pulleys, cables, and timber bumpers. In addition the Contractor shall inspect and adjust the tie-up lines.

The Contractor shall advise the Province with respect to any repairs or maintenance that may be required.

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

The purpose of the Ferry Facility Maintenance Specifications is to provide detailed requirements for repair and maintenance of the Ferry Facility listed in Schedule C and Schedule F.

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

All capitalized words and phrases shall have the same meaning as the Ferry Agreement.

1.1 Objective

To provide a safe environment for crew and users of the Ferry Service and to maximize the functional life of the Ferry Facility 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 is required to meet or exceed the maintenance stipulated in these Ferry Facility Maintenance Specifications and this Agreement, while always providing a safe, reliable, functionally sound and efficient Ferry Facility.

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

1.3 Scope of Ferry Facility Maintenance

Always in accordance with the terms of the Licence, the Contractor shall be responsible for overseeing and supplying all management, labour, materials, supplies, provisions, tools, machinery, equipment and any other thing required for the repair and maintenance of the Ferry Facility except for the following components of the docks: pilings, stringers and cross-ties.

The Contractor shall be responsible for the determination of all means, methods, techniques, sequences and procedures employed to repair and maintain the Ferry Facility unless such means, methods, techniques, sequences or procedures are specifically set out in the Agreement.

1.4 Standard of Work

All such maintenance work is to be completed in accordance with:

- 1) the original design specification for that component or system;
- 2) covenants set out in Article 4 of the Licence;
- 3) manufacturers' or materials' specifications, standards and requirements; and
- 4) recognized industry standards,

whichever is the higher standard.

1.5 Engineer's Approval

Where required by the Province, by notice in writing to the Contractor, 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 responsible for paying for all charges for electricity, gas, water and other utilities supplied to the Land, and the Contractor is responsible for paying for consumables and other supplies as well as any costs of repair and maintenance services, whether by subcontract or its own forces.

2 MATERIALS

The Contractor shall use only new materials that meet or exceed applicable quality and aesthetic standards as specified herein. Materials without standards, or alternative materials that do not meet the standards, must be approved by the Province prior to use.

Transportation, handling and storage of materials used in conjunction with maintenance of the Ferry Facility must adhere to all Laws.

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

- a) Standard material specifications described in the following sections 2.1 to 2.9;
- b) 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**

- 1) Laminated decking material must be preservative-treated;
- 2) Re-decking planks must be 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 must be number 1 or better grade, S2S Douglas Fir, cross-ties must be 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 must be 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 must be in accordance with the following requirements:

- 4) minimum modulus of rupture in static bending must be 150 MPa;
- 5) minimum crushing strength will be 70 MPa;
- 6) timbers must be free of Heartwood, Sapwood, and Wane except members larger than 350 mm by 350 mm which may contain Boxed Heartwood;

- 7) 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;
- 8) maximum Crook must be 25 mm. Surface checks and Splits must have a maximum length of 150 mm. Slope of Grain will be 1:10 maximum;
- 9) size tolerance must be plus or minus 3 mm; and

Galvanized lag bolts must be used on Ekki Wood Decking

2.2 Steel

2.2.1 Reinforcing

Steel reinforcing shall be supplied in accordance with the following:

- 1) Reinforcing Steel: billet steel, deformed bars to CAN/CSA-G30.18, unless indicated otherwise; [Plain] [Galvanized] [Epoxy coated] 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

Steel bolts and nuts shall be 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

Paint shall be High Build Epoxy with abrasive resistant properties or similar approved coating system.

2.3.2 Timber

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 request, the Province will provide in writing, the performance requirements of the asphalt concrete, specific to the site location being repaired. The Contractor shall submit an asphalt concrete job mix formula to the Province for approval, two weeks prior to commencing any paving activities.

2.5 Rock Armor (Rip-Rap)

2.5.1 Small

- 1) All rock shall have a density the same or greater than 2.65t/m³
- 2) Rocks shall conform to the gradation outlined by the Province depending on the location of the repair works.

2.6 Concrete*2.6.1 General Use*

Concrete shall 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

- 1) All welding shall be complete with a submitted copy of the welding contractors QA/QC manual and welding procedures.
- 2) Pressure welding shall require welder qualifications to ASME Section IX, with continuity log. A minimum 10% NDE will be required. Acceptance criteria to ASME B31.3 Normal Service.
- 3) Non-Pressure & Structural welding shall require CWB welder qualifications. A minimum 10% NDE will be required.

2.8 General Electrical

All electrical materials supplied shall be new, of current manufacture, and shall bear the C.S.A. seal of approval, or other certification mark acceptable in the Province of British Columbia.

2.9 General Buildings

- 1) Cladding – Material used shall match existing in-situ material, if this cannot be achieved then the Province shall approve the materials.
- 2) Roofing – Material used shall match existing in-situ material, if this cannot be achieved then the Province shall approve the materials.
- 3) Windows – Glass used shall match existing, if this cannot be achieved then approval from the Province shall approve the materials.
- 4) Plumbing – Materials to be supplied in accordance with the current BC Building Code.

3 FERRY FACILITY MAINTENANCE PLAN

At least two weeks before the Commencement Date, the Contractor shall submit the Ferry Facility Maintenance Plan for the Province's feedback and acceptance or recommendations for changes.

The Ferry Facility Maintenance Plan should reflect the Contractor's procedures, plans, schedules and instructions for repairing and maintaining the Ferry Facility, including:

- 1) Repair and Maintenance Tasks and Schedules;
- 2) Inspection;
- 3) Reporting;
- 4) Documentation Plan; and
- 5) Internal Audit and Review Plan.

All written procedures, instructions, schedules or plans should be kept simple and unambiguous. Checklists may be of considerable help in ensuring that all routines are covered.

The Contractor is solely responsible for providing, at its own cost, all equipment, facilities, subcontractors and personnel required to repair and maintain the Ferry Facility.

The Ferry Facility Maintenance Plan shall be prepared to the Province's satisfaction.

Upon acceptance by the Province of the Contractor's completed plan, the Contractor shall upload the completed plan to the SharePoint site and the parties will attach same to Schedule M of this Agreement.

The completed Ferry Facility Maintenance Plan may be amended upon mutual agreement between the Parties from time to time. The plan shall be updated by the Contractor whenever changes occur, with review and updates occurring at least annually, within twenty (20) Business Days of the Anniversary Date, all to the Province's satisfaction.

3.1 Annual Ferry Facility Maintenance Work Plan

At least two weeks before the Commencement Date, the Contractor shall submit to the Province, for its feedback and acceptance or recommendations for changes, an Annual Ferry Facility Maintenance Work Plan, specific to the Ferry Service, broken down by month outlining repair and maintenance key activities and initiatives that are to take place during the Contract Year.

The annual work plans shall be to the Province's satisfaction.

Upon acceptance by the Province of the Contractor's completed plan, the Contractor shall upload the completed plan to the SharePoint site and the parties shall attach same to Schedule M of this Agreement.

The Contractor shall submit an annual work plan for the Province's feedback and acceptance or recommendations for changes, each upcoming Contract Year no later than twenty (20) business days after the Anniversary Date.

3.2 Monthly Inspection

The Contractor shall have comprehensive knowledge of the condition of the Ferry Facility 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 Facility.

Deficiencies and changes to the integrity of structures and their components shall be monitored and the Province 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 Facility to assess and identify:

- 1) whether repair and maintenance work has been completed in accordance with the annual work plan;
- 2) any new damage, missing parts or areas requiring repair and maintenance work; and
- 3) if there is a change in the condition or rate of deterioration.

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

3.3 Monthly Reporting

All reporting requirements identified throughout this Appendix are to be addressed and submitted in the Inland Ferry Monthly Report that is described and provided in Schedule B Appendix B4 Reporting Specifications of the Agreement.

4 MAXIMUM RESPONSE TIMES

The maximum response times prescribed in these specifications 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; the Contractor shall respond immediately in such events where public safety is a factor.

Where there is a safety or structural deficiency on any part of the Ferry Facility, immediately inspect the affected portion of the Ferry Facility and notify the Province.

Notwithstanding any requirements set out in these specifications, the Contractor shall not put the health or safety of passengers, crew or the public at risk.

5 EQUIPMENT AND PARTS

The Contractor shall use only new equipment and parts that meet or exceed applicable quality and aesthetic standards as specified herein. Equipment and parts without standards, or alternative materials that do not meet the standards, must be approved by the Province prior to use.

An inventory of spare parts and equipment shall be monitored and controlled during the Term.

Transportation and handling of equipment, or parts used in conjunction with maintenance of the Ferry Facility must adhere to all Laws.

6 SIGNAGE

The Contractor is to ensure that the signage system is in good working order, clean, visible, unambiguous, complete, and safely installed. The Contractor shall:

1. clean and repair existing signage;
2. reset signs that are accidentally knocked or blown down;
3. relocate signage and pickets that need to be removed and re-installed due to seasonal requirements or due to changing needs or conditions; and
4. replace reflectors and pickets.

The requirements for signage are specified in the specifications for BC Highways as updated or replaced from time to time.

(http://www.th.gov.bc.ca/BCHighways/contracts/maintenance/standards_and_specs.htm).

Regulatory and warning signs must be cleaned, reset, repaired, and/or relocated within 24 hours.

All other signs must be cleaned, reset, repaired, and/or relocated within 1 week.

7 GRAFFITI AND VANDALISM

The Contractor shall maintain the Ferry Facility to remain free from graffiti and damage caused by acts of vandalism.

7.1 Graffiti

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

If removal is not possible, graffiti is to be painted with an appropriate, matching colour to minimize the effect of the repair.

7.2 Vandalism

The Contractor shall immediately report acts of vandalism and misuse of any component of area of the Ferry Facility to the police and the Province. The Contractor shall temporarily repair or cover damage from vandalism visible to Ferry Facility users within 24 hours of discovery.

Unless there is a specification that establishes a shorter time frame for repair of the specific component, damage from vandalism shall be permanently repaired within 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 the Anniversary Date.

8 CONTAMINANTS AND WASTE MANAGEMENT

The management and disposal of waste and Contaminants is the responsibility of the Contractor and must be handled and disposed of in accordance with all Laws. Surplus materials and Contaminants may not be stored on the Ferry Facility.

8.1 Waste from Operations

Day-to-day operations will produce waste consisting of liquids, solids and recyclables, which may contain Contaminants. All such waste and Contaminants shall be disposed of in conformance with all Laws, utilizing qualified personnel or subcontractors.

In discharging or receiving any waste or 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.

Liquid wastes shall not exceed 85% capacity of any holding tank at any time.

8.2 Contaminants on Ferry Facility

Contaminants spilled, collecting, or remaining on the Ferry Facility shall not be discharged in the environment and shall be contained and disposed of according to all Laws.

8.3 Dangerous Goods & Hazardous Materials

Dangerous goods and hazardous materials shall not be stored on the Ferry Facility.

9 CLEANING AND LITTER CONTROL

The Contractor is to ensure the Ferry Facility has a well-groomed and orderly appearance, is safe, and has clear drainage.

Undesirable objects found at the Ferry Facility 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 shall be disposed of in accordance with Laws and regulations.

9.1 Litter and Debris

Removal of any litter or debris that presents a potential hazard to the public or delay to operations, such as debris accumulation from storms or accidents, shall be immediate.

All animal excrement found in parking lots, pedestrian walkways, waiting areas and near facility buildings shall be removed as soon as possible, and within 30 minutes of discovery.

Additional removal operations for localized litter problems, such as dumping, shall be completed within 24 hours of discovery of problem.

All other litter and debris at the Ferry Facility shall be removed on a regular basis, at least once per week.

Abandoned vehicles or equipment are to be reported to the police.

9.2 Impaired Drainage

Clean and remove foreign objects from any surfaces where free drainage of the surface is impaired or where they cause moisture retention on surfaces, within 14 days.

10 SNOW AND ICE REMOVAL, AND DE-ICING

The Contractor is responsible for ensuring the Ferry Facility is at all times safe to access, that traffic moves safely and efficiently, and that the safety of Ferry Facility users, including passengers and crew, is not compromised as a result of ice and snow build-up.

The Contractor shall remove snow, slush, compact snow and ice, and minimize the development of slippery surface conditions on the Ferry Facility and facilitate the removal of snow, slush and compact snow and ice by application of winter abrasives and/or chemicals, always in accordance with environmental Laws.

Snow, slush and compact snow, and ice accumulation shall not exceed 5 cm on travelled portions of the Ferry Facility.

The Contractor shall anticipate and response in advance of a snowfall. When snowfall is forecast, the Contractor shall proactively increase monitoring and reviewing of current weather station information, deploy resources which are sufficient to respond to anticipated snowfall, and communicate internally and externally of actions to be taken.

11 VEGETATION CONTROL

The Contractor is responsible for inspecting and controlling vegetation at the Ferry Facility, including trees, brush, weeds and grass. The height of grass and other vegetation may only be controlled by mowing and cutting.

At all areas surrounding buildings, walkways and public areas, the height of grass shall be maintained to a typical commercial appearance.

Vegetation shall not obscure the visibility of signs, delineators, or other roadside features. All vegetation within a 5 m perimeter of docks shall be cleared.

Vegetation shall not impede drainage. All vegetation shall be cut a minimum of twice per year in perimeter ditches, adjoining fenced areas and at all other areas, within 3 m from pavement edge.

The spread of noxious weeds shall be controlled. The Contractor is responsible for all actions to reducing possible fire hazards due to vegetation.

12 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.

Ferry Facility fences shall be kept in good repair with no broken or distorted elements or hardware, and shall be kept within 10° of vertical. Ferry Facility fences that have an opening large enough to allow access to persons or which lean more than 10° of vertical shall be repaired within 2 weeks of discovery.

The Contractor shall maintain all framing components of facility gates in good repair and within 5° of vertical. All maintenance or repairs shall be completed within 2 weeks of discovery. Hinges shall be maintained in proper operating condition and lubricated at all times.

13 PARKING LOTS**13.1 Sweeping**

All paved surfaces shall be swept clean at least once per year before June 1st or when the application of winter abrasives is no longer anticipated and at other times as necessary to keep gravel, sand and dirt accumulation below 10 mm.

Regardless of the time of year, spills or accumulations of any material including sand, gravel, or stones, that obscures pavement marking or could be dangerous to Ferry Facility users shall be cleared within 2 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.

13.2 Pavement Marking

The Contractor shall ensure that pavement markings are clear and understandable to enable safe and orderly movement of traffic at the Ferry Facility. The Contractor shall ensure that all pavement markings are uniform in design, position and application as detailed in the Transportation Association of Canada's Manual of Uniform Traffic Control Devices and other

publications, as modified by these Ferry Facility Specifications and any enactments under the Motor Vehicle Act (British Columbia) and all Laws.

Painting of line markings and symbols shall be to Provincial standard quality or better, using paints, additives, and equipment appropriate for asphalt concrete pavement applications. The pavement markings shall be clearly visible day and night, year round, at all times.

The continuity of line markings which have faded or which have been broken up over more than 5 m, or more than 50% of their original length, due to routine maintenance activities, accidents, or any other causes, shall be re-established within 10 days of discovery.

13.3 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.

13.3.1 Cracks, Potholes and Vertical Displacement

All areas of pavement or concrete ramps showing an opening greater than 5 mm in width shall be sealed by October 31.

A vertical displacement of more than 25 mm in height shall be repaired within 10 days of discovery.

Potholes in asphalt concrete pavement greater than 150 mm in width and/or 75 mm in depth shall be repaired within 48 hours of discovery. The Province shall be advised of areas of extensive pothole development (greater than 10 m²).

13.3.2 Water Ponding

Water ponding on all asphalt concrete pavement greater than 1 m² in area and greater than 25 mm in depth shall be repaired by October 31.

13.4 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.

14 ELECTRICAL SYSTEM

The Contractor is responsible to ensure a continuous supply of electrical power to the Ferry Facility from BC Hydro and to ensure that all electrical equipment and lighting on the Ferry Facility 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 the BCMOTI Electrical Maintenance Specifications for BC Highways as updated or replaced from time to time.

The Contractor must have a qualified Electrical Contractor onsite within 1 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, coordinate required maintenance and repair services within 5 days.

15 PAINTING AND COATINGS

The Contractor is responsible for inspecting and maintaining previously coated surfaces and applying newly coated surfaces to the Ferry Facility. Whenever the coating has deteriorated or been damaged, exposing the previous layer over more than 10% of a component surface area, coatings shall be touched up within 2 weeks.

The Contractor is responsible for preventing rot in wooden components, painting wooden safety railing, posts and wheelguards, and for presenting a neat and tidy appearance by maintaining previously coated surfaces or applying new coating to surfaces.

Where any component of the Ferry Facility has been repaired and requires coating after repairs, it shall be prepared for coating and coated immediately. All coating layers shall be applied within 72 hours of repairs.

16 HOUSEKEEPING AND CLEANLINESS

The Contractor shall plan and execute cleaning to achieve the objectives stated in section 1.1. The Ferry Facility includes all landside and marine structures, tanks and grounds as shown in Appendix 1 of the Licence and as listed in Schedule C of the Agreement.

Ferry Facility buildings include:

- 1) Modular office buildings;
- 2) Maintenance building;
- 3) Manifold and compressor sheds;
- 4) Steel container; and
- 5) Public washrooms.

16.1 General Cleanliness

All visible surfaces in public areas including, without limitation, walls, ceilings, floors, doors, windows and furniture shall be kept clean and free of dust, debris, marks, spills, cobwebs, graffiti and other unsightly items. All seats, tables and other surfaces shall be washed or wiped clean (as appropriate). Any necessary work to restore condition shall be completed within 10 minutes of discovery.

Floors shall be swept, vacuumed or washed (as appropriate) at least once per day. Hardwood floors shall be scrubbed and waxed as appropriate monthly.

Light fixtures shall be kept clean, functional and properly assembled.

16.2 Washrooms

Washroom facilities shall be cleaned a minimum of 3 times per day. Cleanings shall be scheduled to take place outside of peak use periods. Cleanings shall ensure 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; no litter.

Floors and doors shall be cleaned and disinfected. Floor drains shall be maintained operational and disinfected daily or more often as required.

For security reasons, washrooms shall be locked from 10:00 pm to 06:00 am daily.

16.3 Interior Environment

Where temperature controls exist, indoor public areas temperature shall be maintained to at least 21 degrees Celsius at all times during the Term.

In all indoor public areas, all lights shall be continuously lit during normal hours of operation or automatically lit upon entry by the public. Broken or non-functional light bulbs and fixtures shall be replaced within 48 hours of discovery.

16.4 Refuse and Recycling Containers

Refuse containers shall be appropriately placed throughout the Ferry Facility (including within buildings) and shall be lined with appropriate plastic garbage bags. Plastic garbage bags shall not be reused and shall be replaced after each use. All refuse containers shall be emptied before reaching no more than 75% capacity.

Recycling collection containers shall be appropriately placed throughout the Ferry Facility (including within buildings). All recycling containers shall be emptied before reaching no more than 75% capacity. 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.

Damage to furniture and equipment shall be repaired, or damaged items replaced, with materials that match the existing decor and meet or exceed existing aesthetic and quality standards. Where practicable, temporary repairs to damaged areas and items shall be carried out in order to maintain functionality while awaiting permanent repairs or new equipment or furniture.

Equipment that becomes redundant, inoperable or fails to meet specifications shall be replaced with equipment designed to the specifications of the day at the time of replacement.

16.5 Floor Surfaces

All damage to floor surfaces affecting the functionality or safety of the surface shall be temporarily repaired and made safe or cordoned off until permanent repairs are made.

- 1) Hazardous situations shall be addressed immediately; and
- 2) Non-hazardous damage shall be temporarily repaired within 8 hours.

All damage to floor surfaces affecting the appearance, functionality or safety of the surface shall be fully repaired to original condition (normal wear and tear excepted) or better within 1 month.

16.6 Walls and Ceilings

16.6.1 Exterior Walls

Exterior walls and siding shall be clean and free from discoloration, defects and damage. Marks and scratches shall be removed and surfaces brought back to original condition (normal wear and tear excepted) or better within 1 week.

All other necessary work to restore condition shall be completed within 1 month of discovery or as weather permits.

16.6.2 Interior Walls and Ceilings

Walls, wall coverings and ceilings shall be clean, fully coated, and free from discoloration, defects and damage. Marks and scratches shall be removed and surfaces brought back to original condition (normal wear and tear excepted) or better within 24 hours.

All other necessary work to restore condition shall be completed within 1 week of discovery.

16.6.3 Fittings

Fittings (wiring conduit, light fittings, fans, piping, ventilation shafts, etc.) shall be secure, clean and functional. Any necessary work to restore condition shall be completed within 48 hours of discovery.

16.7 Doors

Door components and the door structure itself are to be kept fully operable, lubricated, secure, free from rattle, and fault-free. Any necessary work to restore condition shall be completed within 24 hours.

16.7.1 Doors to Restricted Areas

Doors to restricted areas shall be capable of being locked or secured and the securing mechanism shall be in good and operable condition. Any necessary work to restore condition shall be completed within 24 hours.

16.8 Windows

All windows shall be kept in fully functional condition. All glass is to be damage free. Any necessary work to restore condition, including replacement of broken and cracked glass shall be completed within 48 hours.

16.9 Fixed Furniture

All fixed furniture including tables, working desks, shelving and partitions in lockers shall be clean, secure and in good functional condition. Any necessary work to restore condition shall be completed within 1 week.

Surfaces of furniture shall be in good condition with no unsafe ridges, burrs, protrusions or edges. Any necessary work for unsafe conditions shall be completed immediately; permanent repairs to restore original or better condition shall be made within 1 week of discovery.

Drawers and cabinet doors operable, furniture surfaces in good condition. Any necessary work to restore condition shall be made within 1 week of discovery.

16.10 Moveable Furniture

Moveable furniture shall be in good condition and shall be repaired or replaced with materials that match the existing decor and meet or exceed existing aesthetic and quality standards. Damaged furniture or equipment shall be removed immediately until repaired or replaced.

Any necessary work to restore condition shall be completed within 1 week of discovery.

16.11 Lights and Electrical Fixtures and Fittings

16.11.1 Lights

Broken or non-functional light bulbs and fixtures shall be replaced within 24 hours.

16.11.2 Electrical Fixtures and Fittings

All other electrical fixtures and fittings, their covers and components shall be securely fitted and fully functional at all times. Damaged and faulty items shall be repaired or replaced within 48 hours.

16.12 Plumbing

16.12.1 Leaks

Slow leaks and drips shall be turned off and isolated inside 24 hours and repaired as soon as practicable where leak or drip is contained within a sink, toilet, basin, or other plumbing unit.

All other leaks that are not contained as set out above shall be immediately isolated and repaired or replaced within 48 hours.

16.12.2 Fixtures, Systems and Components

Faulty systems or components shall be repaired or replaced within 48 hours.

All toilets, urinals, sinks and ancillary fixtures and fittings shall be stain-free, crack-free and fully functional. Any necessary work to restore condition shall be completed within 7 days.

16.12.3 Pipes, Valves and Ancillary Parts

Pipes, valves and ancillary parts for all water supply, fire main and sprinkler systems shall be properly secured, free from leaks and seepage, and fully functional. Any necessary work to restore condition shall be completed within 48 hours.

16.13 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.

17 SEPTIC SYSTEM

The shore septic system shall be maintained and serviced by the Contractor.

- 1) There is not a septic field on the Northside terminal. There are two holding tanks for the modular office building and the public washroom that shall be pumped out by a local Contractor before they reach the maximal capacity;
- 2) The Southside terminal washroom sewage is pumped to a sewage field located above the runaway lane.
- 3) The Forester sewage goes to an holding tank and then is pumped in the same sewage field located above the runaway lane

- 4) There are two separate septic fields above the runaway lane.. The Contractor must switch between the fields every spring and then monitor the fields during the summer to determine if they should be switched earlier. The Contractor shall mow the septic fields regularly
- 5) All pumps and other components of the shore septic field shall be maintained and repair as required and logged accordingly.

18 FRANCOIS BUBBLE SYSTEM

The compressor / bubbler systems on the North side and Southside shall be maintained and serviced by the Contractor to:

- 1) ensure the compressor systems and associated air line systems above and below the waterline are maintained and ready for immediate and continuous service between October 1st and March 30th of each Contract Year.
- 2) maintain the structures and associated equipment in good repair in accordance with these specifications.

All materials shall be equivalent to the existing materials as determined by the Province and shall be supplied by the Contractor including but not limited to the following:

- 1) Oil and filters shall be changed annually (this can be waived if the hour meters indicate that less than 100 hours of operating time has occurred in the given year).
- 2) Air filters shall be checked twice weekly when the compressors are on line, and they shall be changed annually (this can be waived if the hour meters indicate that less than 100 hours of operating time has occurred in the given year).

Both compressors are to be started monthly and operated for 2 hours with all zones charged (activity to be logged in the respective log books).

Log books are to be maintained and stop and start times recorded.

When continuous operation occurs, operating temperatures, pressures, oil levels must all be logged every two hours and initialled by the Engineer or Oiler performing the checks.

Regulator valves must be serviced annually and logged accordingly.

Any air line diving must be performed by a WorkSafeBC approved diving company.

19 DOCKS AND RAMPS HOUSEKEEPING

The Contractor shall wash the ramps and structures to remove and ensure they are free of salt, sand, dirt, debris and other deleterious material. Washing shall be conducted at least once in the spring and once in the fall, or more often if required.

Any surfaces where accumulation of dirt, debris, deleterious material or foreign objects restricts free drainage of the surface or retains moisture on the surface shall be cleaned or removed within 14 days.

20 DOCK REPAIR AND MAINTENANCE

Docks include all components of the loading ramp, ramp abutment, head frame towers, wingwalls, line dolphins, turning dolphins, mooring dolphins, and ice shield (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 and manufacturer's recommendations.

Dock repair and maintenance includes inspection and repair of ramps, aprons, electric motor gear boxes, bearings, cables, cable saddles, pins, pin plates, pin locking systems, hinges, cable blocks, counterweight guides, ramp elevator pin adjuster arm mechanisms, and other movable/mechanical components at docks are kept lubricated and maintained at all times and in any case no less frequently than outlined in this specification.

20.1 Northside Berth No. 1, Southside Berth No. 1 and Side of Southside Birth No. 1

20.1.1 Ramp Towers

The Contractor shall inspect all components of the ramp towers including the above-water portions of the piles and bracing. Tighten nuts and bolts and repair painting and coating, as needed.

20.1.2 Ramp

At all times, the ramps shall be kept clean, illuminated, free of ice and snow, safe and secure. The Contractor shall inspect and perform routine maintenance on ramps to ensure they are maintained operational, safe and in structurally sound condition.

Adjust ramps and movable ramp structures for water level, or emergency removal from the water of ferry dock ramps and movable ramps within 4 hours.

No less than once a year, the Contractor shall inspect and repair the ramp and all ramp components including the above-water support structure, the deck, all railings, tackle and machinery.

Maintenance and repair of ramps to occur within 10 days of identification of deficiency.

20.1.3 Ramp Apron

Maintain and repair aprons within 10 days.

The Contractor shall inspect and repair all components of the ramp apron on a daily basis, including all tackle, welds and machinery.

20.1.4 Abutment

Inspect and clean abutments on an annual basis.

20.1.5 Wingwalls, Dolphins and Ice Shield

The Contractor shall conduct a weekly visual inspection and repair and replace tires, tackle and tie-up lines for the wingwalls, dolphins and the ice shield as required.

20.1.6 Walkway Beside Southside Berth 1

At all times, the walkway shall be 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.

20.2 New Northside Ramp (Berth No. 2)

Inspect and repair steel sheet pile wall areas for damage and corrosion on a weekly basis. Inspect, repair and replace all broken components on the rubber fender tires and associated connecting hardware. Inspect and repair riprap and gravel wedge to ensure that it is in serviceable condition with no visible evidence of voids or sloughing. Inspect mooring lines on a daily basis and replace as necessary.

Appendix B7**Transition Services Specifications****1 GENERAL REQUIREMENTS**

The purpose of the Transition Services Specifications is to provide detailed requirements for 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").

All capitalized words and phrases shall have the same meaning as in the Ferry Agreement.

2 CONTRACTOR'S TRANSITION SERVICES PLAN

Not later than five (5) days after Contract Award, the Contractor shall complete the Transition Services Plan (the Plan for the purposes of this Appendix), specific to the Ferry Service, and submit for the Province's feedback and acceptance. The plan shall describe the Contractor's transition service tasks, methodology and approach, including the schedule and use of third parties or subcontractors. The plan shall include the names, titles and contact information for each of the Contractor's transition team members as well as roles and responsibilities. The plan must demonstrate that there will be a seamless transition of services.

The Plan shall be to the Province's satisfaction.

Upon acceptance by the Province of the Plan, the Contractor shall upload the Plan to the SharePoint site.

Once accepted by the Province, the Plan will be attached in Schedule N to the Agreement and will thereby become part of the Agreement.

3 BEGINNING OF TERM TRANSITION SERVICES

All Beginning of Term Transition Services outlined in this section must be completed by the earlier of the Commencement Date or the times specified below.

3.1 Inspection, Review & Signoff

The Contractor shall arrange with the Province to inspect and review the following:

- 1) Watercraft;
- 2) Ferry Facility;
- 3) Inventory;
- 4) Contractor's tug;
- 5) 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 the Transition Service Plan and directly to the Province and to emergency service responders including police, fire and ambulance services.

3.2.2 Consumables & Utilities

The Contractor is responsible for ensuring that all necessary goods and services are available as at the Commencement Date. Responsibilities include the following:

- 1) Negotiate acquisition of consumables (e.g. lumber for Ferry Facility, uniforms, etc.) with out-going contractor.
- 2) Establish new accounts for BC Hydro and other utilities, as required.

3.3 Documentation and Sign-off

The Contractor must ensure that all documentation, insurance, securities, registrations and sign-offs are completed prior to the Commencement Date, including:

3.3.1 SMS and Plans

The Contractor shall submit the following plans:

- 1) A completed SMS, and its operational documents, to the Province's satisfaction no later than three (3) weeks before the Commencement Date pursuant to Section 5.2 (b) of this Agreement.
- 2) All other completed Plans to the Province's satisfaction in accordance with Section 5.2 (b).

3.3.2 Insurance, Securities and Registration

The Contractor must 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 in accordance with the terms of this Agreement.

3.3.3 Asset Condition and Environmental Review Sign-off

The Contractor must provide the Province with written acknowledgement that it has reviewed all Ferry Service documentation regarding the condition of all assets including the Ferry Facility, and the Watercraft.

3.4 Handover of Watercraft, Ferry Facility, Inventory and Documentation

The Contractor must provide written acknowledgement that it has completed the handover and assumes control of all of the Watercraft, Ferry Facility, 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 and seamless transition in performance of the Ferry Service as a result of the expiration or termination of this Agreement, and this obligation will survive such expiration or termination.

All end of term Transition Services outlined in this section must be completed by the Expiry Date or the date specified below, whichever is the earlier.

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 5 months and not earlier than 9 months prior to the Expiry Date, the Contractor shall participate and facilitate the conduct of:

- 1) Condition surveys of the Watercraft conducted by independent qualified marine surveyors, appointed by the Province;
- 2) Condition surveys of the Ferry Facility, including marine structures, by
- 3) Environmental housekeeping survey of the Ferry Facility 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 3 weeks of receipt of the condition surveys and environmental housekeeping survey referred to in 4.2 above, the Contractor shall submit remediation plans for the Watercraft and Ferry Facility.

4.3.2 Remediation Work

The Contractor shall complete its remediation work and remedy all other deficiencies in the Watercraft, Ferry Facility, housekeeping, inventory, records and documentation no later than 30 days prior to the Expiry Date.

4.4 Inspection, Review & Signoff

The Contractor must fully cooperate with all inspections to be carried out by the new contractor, including inspection of the Ferry Facility, Watercraft, and all records.

The Contractor must arrange for the Province to inspect and review the:

- 1) Remediation plan;
- 2) Completion of the remediation work;
- 3) Watercraft and Ferry Facility condition;

- 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. Responsibilities include the following:

- 1) Negotiate purchase or transfer of consumables or uniforms with incoming contractor.
- 2) Transfer accounts for BC Hydro and other utilities.

4.6 Handover Sign-off

Within 3 Business Days prior to the Expiry Date, the Contractor and the Province shall meet at the Ferry Facility and the Contractor shall sign-off and agree to handover to the Province upon the Expiry Date, the following:

- 1) Watercraft and Ferry Facility;
- 2) Inventory; and
- 3) Records and documentation.

Appendix B8

Change Orders

(To be inserted pursuant to section 24.1 of this Agreement.)

Appendix B9

Asbestos Management Program

- ☐ ***Asbestos Management Program*** dated October 2009, as prepared by North West Environmental Group Ltd.
- ☐ Francois Lake: M.V. Omineca Princess - ***Asbestos Survey and Assessment*** dated December 2008 (Rev. September 2009), as prepared by North West Environmental Group Ltd.
- ☐ Francois Lake: M.V. Omineca Princess - ***Asbestos Survey and Assessment Checklist*** dated December 2008 (Rev. September 2009), as prepared by North West Environmental Group Ltd.

Asbestos Management Program

Prepared for:



Contact:

Kirk Handrahan
Director, Marine Branch
Ministry of Transportation
940 Blanshard St
Victoria, BC
V8W 3E6



Prepared by:



North West
Environmental Group Ltd.

#3 -835 Devonshire Road
Victoria, British Columbia
V9A 4T5

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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, Harrop and Glade)
 - 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.

-
- 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
Glade (Cable Ferry)	8	-	Yes
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
Glade Shed	1	1	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:	151	46	

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:



François Lake:

M.V. Omineca Princess

Asbestos Survey and Assessment



Prepared by:



**North West
Environmental Group Ltd.**

#3 -835 Devonshire Road
Victoria, British Columbia
V9A 4T5

Dec 2008
(Rev. 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. Most of the asbestos containing hard face over sprayed mineral fibre and asbestos containing marine panels were removed by Waterbridge in March of 2009. Some minor amounts of these materials remain were noted in this risk assessment.

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 gaskets may be present around the perimeter of fire doors throughout the ship. The 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;
- Electrical conduit and cable trays;
- Inside and/or between fixed equipment; and
- 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).



Labeling 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 4 Bridge Deck		Wheelhouse				
Inspection Zone	Insulation	Condition	Accessibility	Friability	Recommendation	Picture
Deckhead						
Bulkhead	Marine Panels and asbestos containing hardface behind both forward and aft control panels.	GOOD	HIGH	MODERATE	Maintain in an intact condition. Include in Operations & Management Program.	
Lagging	None observed					
Deck	12" Gray tiles and caulking over green scree (may contain asbestos)	UNKNOWN (Scree)	LOW	LOW	Maintain concealed deck scree. Sample scree prior to disturbance.	
Comments	Putties and Caulkings around all conduits and penetrations and Gaskets are suspected to contain asbestos. Asbestos Containing hardface over sprayed mineral fibre insulation on deckhead and almost all asbestos marine panels removed by Waterbridge Mar. 2009.					


Deck 4 Bridge Deck		Wheelhouse Stairs				
Inspection Zone	Insulation	Condition	Accessibility	Friability	Recommendation	Picture
Deckhead	n/a					
Bulkhead						
Lagging	None observed					
Deck	12" Gray tiles and caulking over green scree (may contain asbestos)	UNKNOWN (Scree)	LOW	LOW	Maintain concealed deck scree. Sample scree prior to disturbance.	
Other						
Comments	Putties and Caulkings around all conduits and penetrations and Gaskets are suspected to contain asbestos. Asbestos Containing hardface over sprayed mineral fibre insulation and asbestos marine panels removed by Waterbridge March 2009.					


Deck 4 Bridge Deck		Forward and Aft Control Panels				
Inspection Zone	Insulation	Condition	Accessibility	Friability	Recommendation	Picture
Deckhead	n/a					
Bulkhead	Marine panels, insulation and hard face (asbestos) coatings behind control panel.					
Lagging						
Deck						
Other						
Comments	Putties and Caulkings around all conduits and penetrations and Gaskets are suspected to contain asbestos. Asbestos Containing hardface over sprayed mineral fibre insulation and asbestos marine panels removed by Waterbridge March 2009.					



Deck 3 Boat Deck		Crew's Washroom				
Inspection Zone	Insulation	Condition	Accessibility	Friability	Recommendation	Picture
Deckhead						
Bulkhead						
Lagging						
Deck	Scree (may contain asbestos)	FAIR	LOW	LOW	Patch damaged areas under moderate risk procedures. Include in Operations & Management Program.	
Other	Explosion-proof lights: gaskets may contain asbestos					
Comments	Putties and Caulkings around all conduits and penetrations and Gaskets are suspected to contain asbestos. Asbestos Containing hardface over sprayed mineral fibre insulation and asbestos marine panels removed by Waterbridge March 2009.					


Deck 3 Boat Deck		Under Wheelhouse Stairs (fuse box storage)				
Inspection Zone	Insulation	Condition	Accessibility	Friability	Recommendation	Picture
Deckhead	Steel					
Bulkhead	Small amounts of asbestos containing hardface over sprayed mineral fibre behind steel forward bulkhead	FAIR	HIGH	MODERATE	Caulk and Seal Marine Panels. Maintain in an intact condition. Include in Operations & Management Program.	
Lagging	None observed					
Deck	Scree (may contain asbestos)	FAIR	LOW	LOW	Patch damaged areas under moderate risk procedures. Include in Operations & Management Program.	
Other						
Comments	Putties and Caulkings around all conduits and penetrations are suspected to contain asbestos. Asbestos marine panels removed by Waterbridge March 2009.					


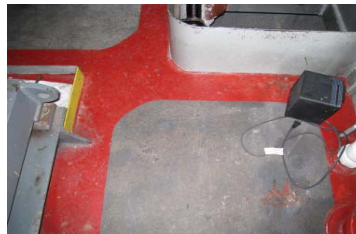
Deck 3 Boat Deck		Galley				
Inspection Zone	Insulation	Condition	Accessibility	Friability	Recommendation	Picture
Deckhead						
Bulkhead	Small amounts of asbestos containing hardface over sprayed mineral fibre behind port hole frame.	FAIR	LOW	LOW	Maintain in an intact condition. Include in Operations & Management Program.	
Lagging	None observed					
Deck	12" Gray tiles and caulking over scree (may contain asbestos)	Scree: GOOD	LOW	LOW	Maintain deck scree in an intact condition. Sample scree prior to disturbance.	
Other	Incandescent lights, gaskets may contain asbestos					
Comments	Putties and Caulkings around all conduits and penetrations are suspected to contain asbestos. Asbestos Containing hardface over sprayed mineral fibre insulation and asbestos marine panels removed by Waterbridge March 2009.					


Deck 3 Boat Deck		Crew's Mess				
Inspection Zone	Insulation	Condition	Accessibility	Friability	Recommendation	Picture
Deckhead						
Bulkhead	Small amounts of asbestos containing hardface over sprayed mineral fibre behind port hole frame.	FAIR	LOW	LOW	Maintain in an intact condition. Include in Operations & Management Program.	
Lagging	None observed					
Deck	12" Gray tiles and caulking over scree (may contain asbestos)	Scree: GOOD	LOW	LOW	Maintain deck scree in an intact condition. Sample scree prior to disturbance.	
Other	explosion proof lights: gaskets may contain asbestos					
Comments	Putties and Caulkings around all conduits and penetrations are suspected to contain asbestos. Asbestos Containing hardface over sprayed mineral fibre insulation and asbestos marine panels removed by Waterbridge March 2009.					



Deck 3 Boat Deck		Office				
Inspection Zone	Insulation	Condition	Accessibility	Friability	Recommendation	Picture
Deckhead						
Bulkhead	Small amounts of asbestos containing hardface over sprayed mineral fibre behind port hole frame.	FAIR	LOW	LOW	Maintain in an intact condition. Include in Operations & Management Program.	
Lagging	None observed					
Deck	12" Gray tiles and caulking over scree (may contain asbestos)	Scree: GOOD	LOW	LOW	Maintain deck scree in an intact condition. Sample scree prior to disturbance.	
Other	Explosion proof lights: gaskets may contain asbestos					
Comments	Putties and Caulkings around all conduits and penetrations are suspected to contain asbestos. Asbestos Containing hardface over sprayed mineral fibre insulation and asbestos marine panels removed by Waterbridge March 2009.					



Deck 3 Boat Deck		Fan Room				
Inspection Zone	Insulation	Condition	Accessibility	Friability	Recommendation	Picture
Deckhead	Foil-faced fibreglass					
Bulkhead	Foil-faced fibreglass					
Lagging	Extruded foam (Armaflex) on pipes.					
Deck	Steel					
Other	Asbestos containing caulking on ducts	FAIR	HIGH	LOW	Maintain in an intact condition. Include in Operations & Management Program.	
Comments	Putties and Caulkings around all conduits and penetrations and Gaskets are suspected to contain asbestos.					



Deck 3 Boat Deck		Life Jacket Locker				
Inspection Zone	Insulation	Condition	Accessibility	Friability	Recommendation	Picture
Deckhead	Steel					
Bulkhead	Steel and foil-faced fibreglass					
Lagging	None observed					
Deck	Steel					
Other						
Comments	Putties and Caulkings around all conduits and penetrations are suspected to contain asbestos.					



Deck 2 Main Car Deck		Generator Compartment				
Inspection Zone	Insulation	Condition	Accessibility	Friability	Recommendation	Picture
Deckhead						
Bulkhead						
Lagging						
Deck	Steel					
Comments	Putties and Caulkings around all conduits and penetrations and Gaskets are suspected to contain asbestos. Asbestos Containing hardface over sprayed mineral fibre insulation and lagging removed by Waterbridge March 2009.					



Deck 2 Main Car Deck		Silencer Room				
Inspection Zone	Insulation	Condition	Accessibility	Friability	Recommendation	Picture
Deckhead						
Bulkhead						
Lagging						
Deck	Steel					
Comments	Putties and Caulkings around all conduits and penetrations and Gaskets are suspected to contain asbestos. Asbestos Containing hardface over sprayed mineral fibre insulation and lagging removed by Waterbridge March 2009.					



Deck 2 Main Car Deck			Male and Female Washrooms			
Inspection Zone	Insulation	Condition	Accessibility	Friability	Recommendation	Picture
Deckhead						
Bulkhead	Marine Panels (do not contain asbestos)					
Lagging	None observed					
Deck	Green base over deck scree on steel (scree may contain asbestos)	Scree: UNKNOWN-POOR	LOW	LOW	Maintain concealed deck scree. Sample scree prior to disturbance.	
Other						
Comments	Putties and Caulkings around all conduits and penetrations are suspected to contain asbestos. Asbestos Containing hardface over sprayed mineral fibre insulation removed by Waterbridge March 2009.					



Deck 2 Main Car Deck		Passenger Salon				
Inspection Zone	Insulation	Condition	Accessibility	Friability	Recommendation	Picture
Deckhead						
Bulkhead						
Lagging	None observed					
Deck	Green base over deck scree on steel (scree may contain asbestos)	Scree: UNKNOWN-POOR	LOW	LOW	Maintain concealed deck scree. Sample scree prior to disturbance.	
Other						
Comments	Putties and Caulkings around all conduits and penetrations are suspected to contain asbestos. Asbestos Containing hardface over sprayed mineral fibre insulation and asbestos marine panels removed by Waterbridge March 2009.					


Deck 2 Main Car Deck		Passenger Salon Storage				
Inspection Zone	Insulation	Condition	Accessibility	Friability	Recommendation	Picture
Deckhead						
Bulkhead	Marine Panels (sample 8875-24) show non asbestos containing. See comment below*					
Lagging	None observed					
Deck	Scree (may contain asbestos)	POOR	HIGH	LOW	Patch damaged areas under moderate risk procedures. Include in Operations & Management Program.	
Comments	Putties and Caulkings around all conduits and penetrations are suspected to contain asbestos. *appears to be newer marine panels, however a risk assessment must be carried out prior to disturbance or renovation.					



Deck 1 Machinery Spaces		Steering Gear Compartment				
Inspection Zone	Insulation	Condition	Accessibility	Friability	Recommendation	Picture
Deckhead						
Bulkhead						
Lagging	Armaflex and fibreglass pipe insulation					
Deck	Checker Plate Steel					
Comments	Asbestos Containing hardface over sprayed mineral fibre insulation removed by Waterbridge March 2009. Putties and Caulkings around all conduits and penetrations are suspected to contain asbestos.					



Deck 1 Machinery Spaces		Main Engine Rooms				
Inspection Zone	Insulation	Condition	Accessibility	Friability	Recommendation	Picture
Deckhead						
Bulkhead						
Lagging						
Penetration Caulking	Contains asbestos	GOOD	HIGH	LOW	Maintain in an intact condition. Include in Operations & Management Program.	
Deck	Checker Plate Steel					
Comments	<p>Putties and Caulkings around all conduits and penetrations and Gaskets are suspected to contain asbestos.</p> <p>Asbestos Containing hardface over sprayed mineral fibre insulation and lagging and exhaust blankets removed by Waterbridge March 2009.</p>					

Deck 1 Machinery Spaces		Control Room				
Inspection Zone	Insulation	Condition	Accessibility	Friability	Recommendation	Picture
Deckhead						
Bulkhead	Marine Panels (contain asbestos) by controls	FAIR	HIGH	MODERATE	Maintain in an intact condition. Include in Operations & Management Program.	
Lagging	None observed					
Deck	12" grey deck tile and mastic over possible scree (scree may contain asbestos)	Scree: UNKNOWN-POOR	LOW	LOW	Maintain concealed deck scree if present in an intact condition. Sample scree prior to disturbance.	
Comments	Putties and Caulkings around all conduits and penetrations and Gaskets are suspected to contain asbestos. Asbestos Containing hardface over sprayed mineral fibre insulation and asbestos marine panels removed by Waterbridge March 2009. See Bulkhead comments above for location of remaining asbestos materials.					

Deck 1 Machinery Spaces		Forward Workshop Locker				
Inspection Zone	Insulation	Condition	Accessibility	Friability	Recommendation	Picture
Deckhead						
Bulkhead						
Lagging	Armaflex and fibreglass pipe insulation					
Deck	Checker Plate Steel					
Other						
Comments	Putties and Caulkings around all conduits and penetrations and Gaskets are suspected to contain asbestos. Asbestos Containing hardface over sprayed mineral fibre insulation removed by Waterbridge March 2009.					

Deck 1 Machinery Spaces		Washroom				
Inspection Zone	Insulation	Condition	Accessibility	Friability	Recommendation	Picture
Deckhead	Steel					
Bulkhead	Wooden Panels					
Lagging	None observed					
Deck	Checker Plate Steel					
Other						
Comments	Putties and Caulkings around all conduits and penetrations and Gaskets are suspected to contain asbestos.					

Deck 1 Machinery Spaces		Parts Compartment				
Inspection Zone	Insulation	Condition	Accessibility	Friability	Recommendation	Picture
Deckhead	Steel					
Bulkhead						
Lagging	Fibreglass on pipe runs to unit heaters					
Deck	Checker Plate Steel					
Other	Some spare gaskets	GOOD	HIGH	LOW	Should be sampled prior to use. Include in Operations & Management Program.	
Comments	Putties and Caulkings around all conduits and penetrations and Gaskets are suspected to contain asbestos. Asbestos Containing hardface over sprayed mineral fibre insulation removed by Waterbridge March 2009.					

Deck 1 Machinery Spaces		Void Spaces				
Inspection Zone	Insulation	Condition	Accessibility	Friability	Recommendation	Picture
Deckhead						
Bulkhead						
Lagging	None observed					
Deck	Steel					
Comments	Putties and Caulkings around all conduits and penetrations and Gaskets are suspected to contain asbestos. Asbestos Containing hardface over sprayed mineral fibre insulation removed by Waterbridge March 2009.					

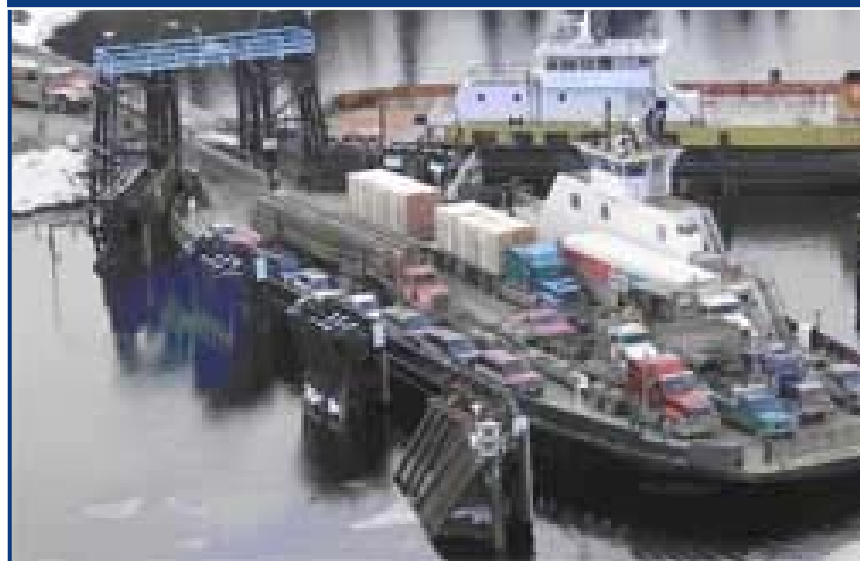
Prepared for:



François Lake:

M.V. Omineca Princess

Asbestos Survey and Assessment Checklist



Prepared by:



**North West
Environmental Group Ltd.**

#3 -835 Devonshire Road
Victoria, British Columbia
V9A 4T5

Dec 2008
(Rev. 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. Most of the asbestos containing hard face over sprayed mineral fibre and asbestos containing marine panels were removed by Waterbridge in March of 2009. Some minor amounts of these materials remain were noted in this risk assessment.

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 gaskets may be present around the perimeter of fire doors throughout the ship. The 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.




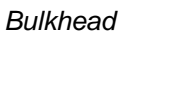
NOTE 2 – Asbestos containing debris may exist in the following locations:




- Cavities and access areas behind bulkhead panels;
- Electrical conduit and cable trays;
- Inside and/or between fixed equipment; and
- 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).




Labeling 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	
Bulkhead 	Marine Panels and asbestos containing hardface behind both forward and aft control panels.				
Deck 	12" Gray tiles and caulking over green scree (may contain asbestos)				
Comments		Putties and Caulkings around all conduits and penetrations are suspected to contain asbestos. Asbestos Containing hardface over sprayed mineral fibre insulation on deckhead and almost all asbestos marine panels removed by Waterbridge Mar. 2009.			
Wheelhouse Stairs		Good	Moderate	Poor	
Deck 	12" Gray tiles and caulking over green scree (may contain asbestos)				
Comments		Putties and Caulkings around all conduits and penetrations are suspected to contain asbestos. Asbestos Containing hardface over sprayed mineral fibre insulation on deckhead and almost all asbestos marine panels removed by Waterbridge Mar. 2009.			
Forward and Aft Control Panels		Good	Moderate	Poor	
Bulkhead 	Marine panels, insulation and hard face (asbestos) coatings behind control panel.				
Comments		Putties and Caulkings around all conduits and penetrations are suspected to contain asbestos. Asbestos Containing hardface over sprayed mineral fibre insulation on deckhead and almost all asbestos marine panels removed by Waterbridge Mar. 2009.			





Inspection Zone		Condition			Remarks
Deck 3 – Boat Deck					
Crew's Washroom		Good	Moderate	Poor	
Deck	Scree (may contain asbestos)				
					
Other	Explosion-proof lights: gaskets may contain asbestos				
Comments		Putties and Caulkings around all conduits and penetrations are suspected to contain asbestos. Asbestos Containing hardface over sprayed mineral fibre insulation and asbestos marine panels removed by Waterbridge March 2009.			
Under Wheelhouse Stairs (fuse box storage)		Good	Moderate	Poor	
Bulkhead	Small amounts of asbestos containing hardface over sprayed mineral fibre behind steel forward bulkhead				
					
Deck	Scree (may contain asbestos)				
					
Comments		Putties and Caulkings around all conduits and penetrations are suspected to contain asbestos. Asbestos marine panels removed by Waterbridge March 2009.			




Inspection Zone		Condition			Remarks
Deck 3 – Boat Deck					
Galley		Good	Moderate	Poor	
Bulkhead 	Small amounts of asbestos containing hardface over sprayed mineral fibre behind port hole frame.				
Deck	12" Gray tiles and caulking over scree (may contain asbestos)				
Other	Incandescent lights, gaskets may contain asbestos				
Comments		Putties and Caulkings around all conduits and penetrations are suspected to contain asbestos. Asbestos Containing hardface over sprayed mineral fibre insulation and asbestos marine panels removed by Waterbridge March 2009.			
Crew's Mess		Good	Moderate	Poor	
Bulkhead 	Small amounts of asbestos containing hardface over sprayed mineral fibre behind port hole frame.				
Deck	12" Gray tiles and caulking over scree (may contain asbestos)				
Other	explosion proof lights: gaskets may contain asbestos				
Comments		Putties and Caulkings around all conduits and penetrations are suspected to contain asbestos. Asbestos Containing hardface over sprayed mineral fibre insulation and asbestos marine panels removed by Waterbridge March 2009.			
Office		Good	Moderate	Poor	
Bulkhead 	Small amounts of asbestos containing hardface over sprayed mineral fibre behind port hole frame.				







Inspection Zone		Condition			Remarks
Deck 3 – Boat Deck					
Office - continued		Good	Moderate	Poor	
<i>Deck</i>	12" Gray tiles and caulking over scree (may contain asbestos)				
<i>Other</i>	explosion proof lights: gaskets may contain asbestos				
<i>Comments</i>	Putties and Caulkings around all conduits and penetrations are suspected to contain asbestos. Asbestos Containing hardface over sprayed mineral fibre insulation and asbestos marine panels removed by Waterbridge March 2009.				
Fan Room		Good	Moderate	Poor	
<i>Other</i>	Asbestos containing caulking on ducts				
					
<i>Comments</i>	Putties and Caulkings around all conduits and penetrations are suspected to contain asbestos.				
Life Jacket Locker		Good	Moderate	Poor	
					
<i>Comments</i>	No asbestos observed. See General Notes. Putties and Caulkings around all conduits and penetrations are suspected to contain asbestos.				





Inspection Zone		Condition			Remarks
Deck 2 – Main Car Deck					
Generator Compartment		Good	Moderate	Poor	
	No asbestos observed. See General Notes.				
Comments Putties and Caulkings around all conduits and penetrations and Gaskets are suspected to contain asbestos. Asbestos Containing hardface over sprayed mineral fibre insulation and lagging removed by Waterbridge March 2009.					
Silencer Room		Good	Moderate	Poor	
	No asbestos observed. See General Notes.				
Comments Putties and Caulkings around all conduits and penetrations and Gaskets are suspected to contain asbestos. Asbestos Containing hardface over sprayed mineral fibre insulation and lagging removed by Waterbridge March 2009.					
Male and Female Washrooms		Good	Moderate	Poor	
Deck 	Green base over deck scree on steel (scree may contain asbestos)				
Comments Putties and Caulkings around all conduits and penetrations and Gaskets are suspected to contain asbestos. Asbestos Containing hardface over sprayed mineral fibre insulation and lagging removed by Waterbridge March 2009.					
Male and Female Washrooms		Good	Moderate	Poor	
Deck 	Green base over deck scree on steel (scree may contain asbestos)				
Comments Putties and Caulkings around all conduits and penetrations and Gaskets are suspected to contain asbestos. Asbestos Containing hardface over sprayed mineral fibre insulation and lagging removed by Waterbridge March 2009.					



Inspection Zone		Condition			Remarks
Deck 2 – Main Car Deck					
Passenger Salon Storage		Good	Moderate	Poor	
<i>Deck</i> 	Scree (may contain asbestos)				
<i>Comments</i> Putties and Caulkings around all conduits and penetrations and Gaskets are suspected to contain asbestos. Asbestos Containing hardface over sprayed mineral fibre insulation and lagging removed by Waterbridge March 2009.					

Inspection Zone		Condition			Remarks
Deck 1 – Machinery Spaces					
Steering Gear Compartment		Good	Moderate	Poor	
	No asbestos observed. See General Notes.				
Comments		Asbestos Containing hardface over sprayed mineral fibre insulation and lagging removed by Waterbridge March 2009. Putties and Caulkings around all conduits and penetrations and Gaskets are suspected to contain asbestos.			
Main Engine Room		Good	Moderate	Poor	
Penetration Caulking	Contains asbestos				
					
Comments		Putties and Caulkings around all conduits and penetrations and Gaskets are suspected to contain asbestos. Asbestos Containing hardface over sprayed mineral fibre insulation and lagging and exhaust blankets removed by Waterbridge March 2009.			
Control Room		Good	Moderate	Poor	
Bulkhead	Marine Panels (contain asbestos) by controls				
					
Deck	12" grey deck tile and mastic over possible scree (scree may contain asbestos)				
					
Comments		Putties and Caulkings around all conduits and penetrations and Gaskets are suspected to contain asbestos. Asbestos Containing hardface over sprayed mineral fibre insulation and asbestos marine panels removed by Waterbridge March 2009. See Bulkhead comments above for location of remaining asbestos materials.			



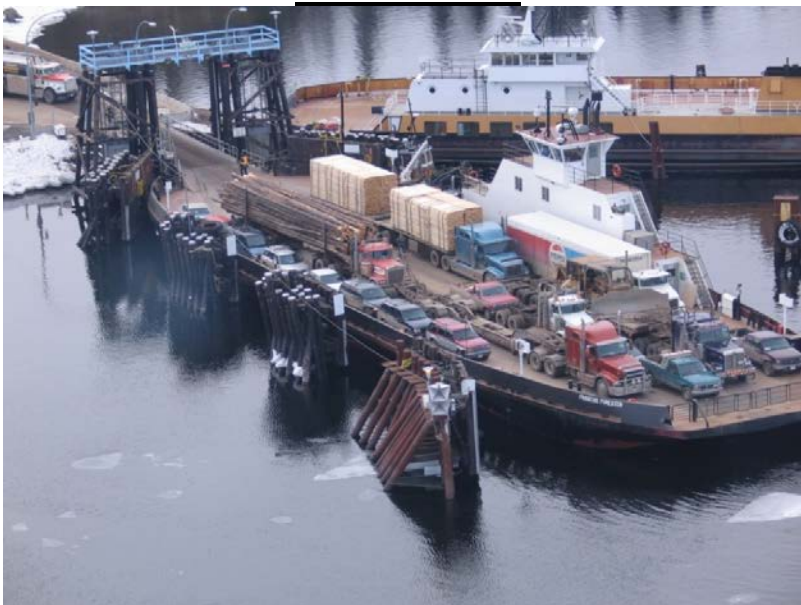
Inspection Zone		Condition			Remarks
Deck 1 – Machinery Spaces					
Forward Workshop Locker		Good	Moderate	Poor	
	No asbestos observed. See General Notes.				
Comments		Putties and Caulkings around all conduits and penetrations and Gaskets are suspected to contain asbestos. Asbestos Containing hardface over sprayed mineral fibre insulation and lagging removed by Waterbridge March 2009.			
Washroom		Good	Moderate	Poor	
	No asbestos observed. See General Notes.				
Comments		Putties and Caulkings around all conduits and penetrations and Gaskets are suspected to contain asbestos.			
Parts Compartment		Good	Moderate	Poor	
	No asbestos observed. See General Notes.				
Comments		Putties and Caulkings around all conduits and penetrations and Gaskets are suspected to contain asbestos. Asbestos Containing hardface over sprayed mineral fibre insulation and lagging removed by Waterbridge March 2009.			
Void Spaces		Good	Moderate	Poor	
	No asbestos observed. See General Notes.				
Comments		Putties and Caulkings around all conduits and penetrations and Gaskets are suspected to contain asbestos. Asbestos Containing hardface over sprayed mineral fibre insulation and lagging removed by Waterbridge March 2009.			



Schedule C

LIST OF ASSETS

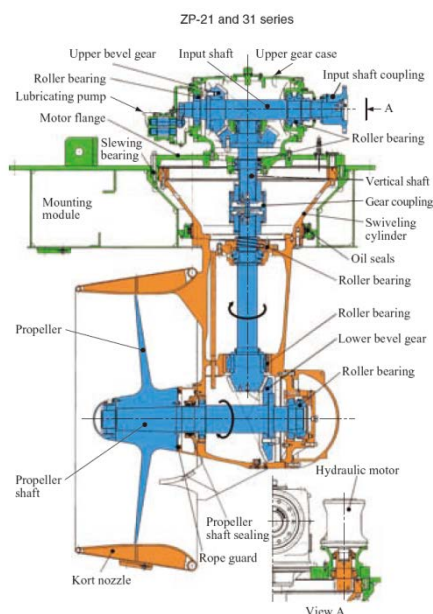
WATERCRAFT



Name of Vessel	MV Francois Forester
Route	Francois Lake
Route Location	Across Francois Lake, approximately 26 km south of Burns Lake
Type of Vessel	Free-Running
Propulsion	Self-propelled
Method of Propulsion	Diesel engine
Official Number	820154
Designer	Polar Design
Builder	Waterbridge Equipment Inc.
Year Built	2004
Construction Material	Steel
Length (meters)	64.38
Breadth (meters)	19.51
Depth (meters)	3.43
Tonnage (Gross)	861
Tonnage (Net)	258
Engine	2 x Wärtsilä Engines, L20
Vehicle Capacity (AEQ)	52
Passenger Capacity	145
Crew	5
Crossing Distance	1.5 nm
Crossing Time	15 minutes
Serves	Industrial and residential traffic
Owner	BCTFA
Current Care & Control	Waterbridge Equipment Inc.
CSA 2001 Voyage Classification	Sheltered Waters
Delegated Statutory Inspection Program	Lloyds Register – October 2015
Lloyds Register Inspection	Sep 21, 2017 (performed annually)
Certificate of Registry Expires	October 2019
Last Major Refit	Built 2004
Last Third Party Condition Assessment	October 2017



Name of Vessel	Keefe
Route	Francois Lake
Type of Vessel	Tug
Propulsion	Self-propelled
Method of Propulsion	Diesel engine
Official Number	320049
Designer	Diesel
Builder	Allied Shipbuilders Ltd.
Year Built	1963
Construction Material	Steel
Length (meters)	10.58
Breadth (meters)	3.66
Depth (meters)	1.34
Tonnage (Gross)	10.74
Tonnage (Net)	7.30
Engine	GM 8V71
Crew	1
Owner	BCTFA
Current Care & Control	WaterBridge Equipment Inc.
CSA 2001 Voyage Classification	Sheltered Waters
Certificate of Registry Expires	July 2018
Last Major Refit	1998
Last Third Party Condition Assessment	October 2017

WATERCRAFT EQUIPMENT**Niigata
spare****Thrustmaster
backup**

Model	ZP-21
Description	Direct drive well-mounted z-peller
Max. Cont. Input kWm/PS	1323/1800
Input Speed, min⁻¹	750-1800
Propeller Dia, mm	2000
Bollard pull, @100%/110%	45/48
Mass, t	15.5
Intended use	Serves as spare for main drive unit

Note: Enclosure located at south side terminal.



Model	Thrustmaster OD300N
Description	Hydraulic driven deck-mounted outboard drive
HP Range	300-350
Propeller Dia, mm	1000
Mass, t	4.7
Intended use	Serves as backup propulsion on temporary basis, when one main drive not available

Note: Expected to be delivered summer 2018. Unit will be stored at the south side terminal.

2. FERRY FACILITY**2.1 North side Terminal**

Size	4.48 acres
Legal Plan/Drawing	Refer to Schedule F: Appendix 1 – North Side Site Plan
Landside Structures	Modular Office Building (Size: two ATCO trailers total 7.3m by 14m)
	Public Washroom (Size: 4.3m by 6.7m)
	Compressor Shed (Size: 7.4m by 3.12m)
	Parking Lot (36 cars) – asphalt (Size: unknown)
	Public Picnic Area (Size: unknown)
	Septic Tank (Size: unknown)
Marine Structures	Dock - Berth 1 (inactive) – secures MV Omineca Princess <ul style="list-style-type: none"> - Ramp Towers - Ramp - Ramp Abutment - Ramp Apron - Wingwalls - Line Dolphin - Turning Dolphin - Mooring Dolphin - Ice Shield - Bubbler System (air compressor, hoses, nozzles)
	Dock - Berth 2 – actively used by Francois Forester: <ul style="list-style-type: none"> - Steel sheet Pile Wall - Rubber Fender - Riprap
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 WaterBridge Equipment Inc.
Photos	Shown below
Last Third Party Condition Assessment	October 10, 2017

2.1 continued....PHOTOS: North side Terminal



North side Parking Lot



Ferry Operator's Office with Picnic Area



Public Washroom



Compressor Shed

2.1 continued...PHOTOS: North side Terminal



Berth 1 - North side (inactive)



Berth 2 - North side (active)

2.2 Southside Terminal

Size	4.5 acres
Legal Plan/Drawing	Refer to Schedule F: Appendix 1 – Southside Terminal Drawing
Landside Structures	Public Washroom (Size: 5.5m by 7.4m)
	Maintenance building
	Manifold Shed (Size: 2.4m by 3.0m) – no picture
	Parking Lot (22 cars) - asphalt (Size: unknown)
	Crew parking lot – gravel (Size: unknown)
	Septic Field for the ferry service (no picture)
	Picnic Area (no picture)
	Keefe Park (no picture)
Marine Structures	Dock - Berth 1 – actively used by Francois Forester <ul style="list-style-type: none"> - Ramp Towers - Ramp - Ramp Abutment - Ramp Apron - Wingwalls

	<ul style="list-style-type: none"> - Line Dolphin - Turning Dolphin - Mooring Dolphin - Bubbler System (air compressor, hoses, nozzles)
	Dock - side of Berth 1 – actively used by Keefe tug <ul style="list-style-type: none"> - Walkway - Apron
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 WaterBridge Equipment Inc.
Photos	Shown below
Last Third Party Condition Assessment	July 23, 2008

2.2 continued....PHOTOS: Southside Terminal



Public Washroom



Maintenance Building



Southside Parking Lot

2.2 continued....PHOTOS: Southside Terminal



Crew Parking Lot



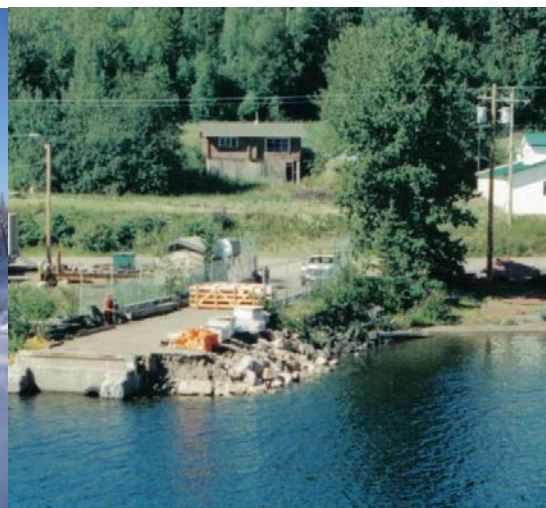
Berth No.1 - Southside

2.3 Dry Dock Area

Size	2.8 acres
Location	Approx. ¼ km from Southside ferry terminal along Uncha Lake Rd.
Legal Plan/Drawing	Refer to Schedule F: Appendix 1 – Dry Dock Area Drawing
Landside Structures	Manifold Shed
	Steel Container (Spare Niigata Drive Leg)
Marine Structures	Dry-dock Jetty
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 WaterBridge Equipment Inc.
Photos	Shown below
Last Third Party Condition Assessment	None



Steel Container and Manifold Shed



Dry Dock Jetty

3. OTHER ASSETS

3.1 Floating Dry Dock

The structure was designed to lift the MV Omineca Princess. It could not lift the MV Francois Forester in its current state.



Name of Vessel	BP 1026
Route	Francois Lake
Type of Vessel	Floating dry dock
Propulsion	None
Method of Propulsion	None
Official Number	371657
Builder	Belaire Shipyard Ltd. North Vancouver
Year Built	1976
Construction Material	Steel
Length (meters)	49.68
Breadth (meters)	24.84
Depth (meters)	2.90
Tonnage (Gross)	912
Tonnage (Net)	912
Owner	BCTFA
Current Care & Control	Ministry of Transportation and Infrastructure
Certificate of Registry Expires	July 2018
Last Third Party Condition Assessment	October 18, 2008

3.2 Omineca Princess (long-term lay-up)



Name of Vessel	MV Omineca Princess (long-term lay-up)
Route	Francois Lake
Type of Vessel	Free-Running
Propulsion	Self-propelled
Method of Propulsion	Diesel engine
Official Number	370059
Designer	Talbot-Jackson and Assoc. Ltd.
Builder	Allied Shipbuilders Ltd.
Year Built	1976
Construction Material	Steel
Length (meters)	58.52
Breadth (meters)	17.07
Depth (meters)	2.93
Tonnage (Gross)	765
Tonnage (Net)	437
Engine	2 x Cat 379
Vehicle Capacity (AEQ)	34
Passenger Capacity	145
Crew	5
Crossing Distance	1.5 nm
Crossing Time	N/A
Serves	Vessel not currently in service
Owner	BCTFA
Current Care & Control	Ministry of Transportation & Infrastructure
CSA 2001 Voyage Classification	Sheltered Waters
Transport Canada Inspection	Vessel not currently in service
Certificate of Registry Expires	N/A
Last Major Refit	2000
Last Third Party Condition Assessment	October 2017 (IHM survey)

Schedule D**Payment Schedule****1. SERVICE FEE**

- 1.1 The Province shall, subject to the terms of this 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 of this Agreement and with the payment provisions in this Schedule.
- 1.2 The Contractor will prepare and submit to the Province, 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 will, within 30 business days of the receipt of the Contractor's payment application, make a payment equal to the sum of:
- (a) 1/12th of the Annual Service Fee; and
 - (b) any outstanding payment adjustments as authorized by this Agreement minus:
 - (i) any amounts previously paid, or deemed to be paid, to the Contractor in accordance with this Agreement; and
 - (ii) any Provincial set off and holdback.
- 1.4 The Annual Service Fee for each Contract Year is:

Contract Year	Annual Service Fee
first Contract Year	
second Contract Year	
third Contract Year	
fourth Contract Year	
fifth Contract Year	
Total	

- 1.5 In the event that the Contractor fails to discharge or satisfy any security interest, encumbrance, charge, claim or lien under this Agreement, the Charter or the License in a timely fashion as the Province in its discretion may determine, then the Province 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 Province and may, at the 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 The Service Fee for each Contract Year shall be adjusted annually to reflect any increase or decrease in the actual cost of fuel, as opposed to the budgeted cost, as follows:

- (a) the annual budgeted fuel volume is 500,000 litres;
- (b) the budgeted average fuel cost per litre is \$1.05 per litre;
- (c) on or before renewal, pursuant to Section 3 of the Agreement, the Province will provide notice of the budgeted fuel volume and the budgeted average fuel cost per litre to the Contractor for the Renewal Term;
- (d) the Contractor shall calculate in arrears and remit to the Province, a fuel cost adjustment calculation accompanied by copies of all invoices from fuel suppliers, within 60 days of the end of the immediately preceding Contract Year (the "Deadline" for the purposes of this section 3.2), which shall be calculated as follows:
- (e) calculate Contractor's Weighted Average Per Litre Fuel Cost for the immediately preceding Contract Year;
 - (i) subtract \$1.05 per litre; and
 - (ii) multiply that amount by the volume of litres shown above;
- (f) upon review and verification of the fuel cost adjustment calculation in subsection (d) above by the Province:
 - (i) in the event the result is positive, a positive fuel cost adjustment shall be paid by the Province to the Contractor;
 - (ii) in the event the result is negative, a negative fuel cost adjustment shall be paid by the Contractor to the Province, or the Province shall have the right to setoff such amount against any payment to the Contractor; and

payment shall be made by the Province or the Contractor, 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 (d) above;

- (g) 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

- (h) 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 subsection (f)(ii) may be due and owing, in its discretion, audit the records, accounts and documentation of the Contractor pursuant to section 19 of the Ferry 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 setoff such amount against any payment to the Contractor. For certainty, in the event that a positive amount is the result, subsection (f)(i) above will apply.

2.2 INSURANCE COST ADJUSTMENT

2.2.1 Regarding insurance, the actual cost of insurance, as evidenced by the premium quote or quotes obtained by the Contractor from an insurer or insurers, and signed by a duly authorized representative of such insurer or insurers, to provide the insurance coverage required under this Agreement for the first Contract Year (the "Base Amount") shall be borne by the Contractor. 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 25% 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 bear the responsibility for all increased premiums of insurance 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 the following 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;
 - (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) the Province will be entitled to request whatever documents or information it may deem fit, including but not limited to statutory declarations in a form determined by the Province, from the Contractor and insurer(s) involved, as part of the above determinations; 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 Appendix D1 attached, 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 by the deadline imposed in this subsection (d) may forfeit the Contractor's right to an insurance adjustment for the immediately preceding Contract Year.

2.3 MISSED SAILING ADJUSTMENT

- 2.3.1 The Contractor shall rigidly adhere to the daily schedule of departure times and hours of service for the ferry sailings as set out in the Appendix B1 - Ferry Service Specifications, and must at all times ensure that the Ferry Service is available on a year-round basis.
- 2.3.2 In the event that more than two scheduled round-trip sailings are missed in any calendar month, the amount of \$600 for each missed round-trip sailing in excess of two missed round-trip sailings in that calendar month may be adjusted as a reasonable estimation of the Province's costs resulting therefrom, provided that no missed sailing shall be counted for these purposes when the cause of the missed sailing was beyond the control of the Contractor.
- 2.3.3. The Parties agree that mechanical difficulties shall not be considered to be a cause beyond the Contractor's control pursuant to Section 2.3.2.
- 2.3.4 The Province may withhold or setoff the missed sailing adjustment stipulated in Section 2.3.2 from any amount or payment owing to the Contractor.
- 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 is entitled.

2.4 EMERGENCY RESPONSE SERVICE

- 2.4.1 Where the Contractor's actual round-trip emergency service runs that occur outside of the regular hours of operation (as that phrase is defined in Schedule B Appendix B1) exceeds 30 such round-trip emergency service runs in one Contract Year, the Province will pay to the Contractor, in arrears within 60 days of the last day of that Contract Year in which the Contractor incurred such cost, \$1,500 for each such additional emergency round-trip service runs, or such other sum the parties may agree from time to time pursuant to Section 2.4.2 below.
- 2.4.2 In the event the Province's total amount payable for such emergency service runs is close to or is reasonably forecasted to exceed a threshold of \$25,000 in one Contract Year (the "Threshold"), the Contractor will provide written notice to the Province and the parties will review this matter and the parties may agree to amend the Threshold and/or the payment to the Contractor for each additional emergency service run, in writing.
- 2.4.3 Section 2.4.1 shall survive the expiry or earlier termination of this Agreement, the Licence, and the Charter.

2.5 LABOUR COST ADJUSTMENT

- 2.5.1 The collective agreement dated April 1, 2015 between Waterbridge Equipment Inc. and the B.C. Government and Service Employees' Union ("BCGEU") expires on March 31, 2019 (the "Francois Lake Collective Agreement"). 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").

2.5.2 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 Francois Lake Collective Agreement, the Province will, 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 the seventeenth Master Agreement and eighteenth Master Agreement, and the eighteenth Master Agreement and nineteenth Master Agreement and so on;
- (c) the job classification grid levels remaining as they are in Appendix 1 of the Francois Lake Collective Agreement;
- (d) the Province not reimbursing the Contractor for any amounts which are deemed to be, in the opinion of the Province, 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.

2.5.3 The Province will, 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 Francois Lake 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 Francois Lake 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 on the basis of Direct Plus Rates set out in Section 3.6 below as full and final payment.

3.2 The Province may, from time to time, in the discretion of the Province, 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 is conditional on 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 will 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 will, 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.

3.6 DIRECT PLUS RATES

3.6.1 LABOUR

- (a) Fees for labour will, 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 item of work performed by the Contractor, if supported by written statements of account establishing to the satisfaction of the Minister, recorded time, hourly rates of pay, and benefits for that labour and supervision;
 - (ii) plus 20% of the total costs calculated under subsection;
 - (ii) 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 will 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 will, subject to the terms of this Agreement, be an amount equal to the total of the following items, plus 15%:
 - (i) fees for equipment owned or leased by the Contractor will be 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 will 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, being full payment and reimbursement for all fuel, oil, lubrication, repairs, maintenance, and other costs incidental to owning and operating the equipment; and
 - (ii) fees for hired equipment will be an amount equal to the applicable "All Found" rate set out in the Equipment Rental Rate Guide, referenced in (a) above, 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 will 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 will, subject to the terms of this 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 will 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 Schedule B, Appendix B7, section 4 ("End of Term Transition Services") 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 this 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 Watercraft and the Ferry Facility to the same condition it was in at the commencement of the Term, reasonable wear and tear excepted.
- 4.2 If the amount to be setoff 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 as described 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: _____
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 June, 2018.

BETWEEN

**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 Watercraft; 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:

"Charter" means this bare boat charter;

"Contact Person" means the contact person set out in Section 16.1 of this Charter;

"Event of Watercraft Loss" has the meaning set out in Section 12 of this Charter;

"Ferry Agreement" means that certain agreement entered into between the parties hereto and Her Majesty the Queen in right of the Province of British Columbia, as represented by the Minister responsible for the Transportation Act (the

“Province”) of even date with respect to the operation of the Ferry Service;

“**Ferry Facility**” has the meaning ascribed to it in the Ferry Agreement;

“**Ferry Service**” has the meaning ascribed to it in the Ferry Agreement;

“**Government Authority**” has the same meaning ascribed to it in the Ferry Agreement;

“**Replacement Watercraft**” has the meaning set out in Section 12.3 of this Charter;

“**Term**” means the Term as provided in the Ferry Agreement;

“**Watercraft**” means the MV Francois Forester and the Keefe tug, together, and detailed in Schedule A of the Ferry Agreement; and

“**Work**” has the meaning ascribed to it in 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 Watercraft, 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 Watercraft, 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 WATERCRAFT

- 3.1 The Watercraft shall be used only for the provision of the Work.
- 3.2 The Watercraft 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, in advance, as consideration for the charter of the Watercraft as herein provided, the sum of \$5.00 (exclusive of taxes) for the Term and like amount for any renewal thereof.
- 4.2 The Contractor shall be responsible for all other payments associated with the operation and possession of the Watercraft, 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 Watercraft.
- 4.3 The Contractor acknowledges that the charter of the Watercraft as herein provided shall be absolutely fiscally carefree to the BCTFA.

5. TITLE TO THE WATERCRAFT

- 5.1 The Watercraft 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 and liens, except as may arise through the acts of the BCTFA, and the Contractor shall keep the Watercraft and this Charter free and clear from all such encumbrances, charges, claims and liens.
- 5.3 The Contractor shall forthwith give the Contact Person notice of any alleged security interest, encumbrance, charge, claim or lien regarding the Watercraft 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 Delivery of the Watercraft under this Charter shall be deemed to have been made and this Charter shall commence on the first day of the Term.
- 6.2 The Contractor accepts the Watercraft 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 Watercraft; and, in particular, but not so as to limit the foregoing, no representations or warranties as to the Watercraft’s seaworthiness, type, design, operation, merchantability, fitness for purpose, or suitability for use.

7. OPERATION

- 7.1 The Contractor shall have full use and control of the Watercraft for the purpose of operating the Ferry Service according to the terms of this Charter and the Ferry Agreement.
- 7.2 The Contractor shall operate the Watercraft in a safe and efficient manner and in accordance with all applicable laws.
- 7.3 The Watercraft is in all respects solely the responsibility of the Contractor and the Contractor assumes the entire risk of loss of or damage to the Watercraft 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 this Charter or sublet, licence or lend all or any part of the Watercraft 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, either directly or indirectly, this Charter, or any right of the Contractor under this Charter. In respect of any assignment 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 will 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 but none of its shares are 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 will 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, in the opinion of the Province in its sole discretion, of such partner's interest, or
 - (ii) and any partner is a corporation but none of its shares are traded on any public stock exchange or in any public stock market, the occurrence of any event described in Subsection 35.2(a) above in relation to any such corporation.

8.3 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 Watercraft in good running order and repair in accordance with the specifications in Schedule B Appendix B5 so that the Watercraft shall be, insofar as due diligence can ensue, tight, staunch, strong and well and sufficiently tackled, appurtened, furnished, equipped and in every respect seaworthy and in good operating condition; and will keep or cause to be kept, the Watercraft 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 Watercraft, and if such laws, bylaws, orders, regulations, standards, and rules, require alteration to the Watercraft, 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 Watercraft so as to keep the Watercraft;
 - (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*, and bylaws, orders, regulations, standards, and rules of any competent Government Authority applicable to the Watercraft, 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, ordinary wear and tear excepted;
 - (iii) in a clean and tidy state; and
 - (iv) pay all charges, costs, and expenses incurred in so doing;
- (c) paint or cause all presently painted surfaces of the Watercraft above the waterline to be painted, in the same colors in which the Watercraft 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* and by any other laws, bylaws, orders, regulations, standards, and rules of any competent Government Authority, in respect of the Watercraft;
- (e) upon written request from the BCTFA, deliver to the BCTFA copies of any and all marine surveys, and inspection certificates related to the Watercraft, and any or all records (including supporting documents), log-books and other documentation referred to in Sub-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 Watercraft and pursuant to the *Canada Shipping Act* 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 Watercraft 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 Watercraft as required by the laws, including the *Canada Shipping Act 2001*, 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 Watercraft shall be placed in dry-dock for re-fit by the Contractor during the Term by way of a Work Order pursuant to the Ferry Agreement, the Contractor shall ensure that, at the conclusion of the re-fit, the Watercraft complies with all requirements of Transport Canada and all other authorities having jurisdiction.

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 Watercraft 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 "Parts") then the Contractor at its own cost and expense shall promptly provide and install replacement parts (hereinafter called the "Replacement Part or the "Replacement Parts").

10.2 The Replacement Parts shall be free and clear of any security interests, liens or other encumbrances and shall be in as good operating condition as, and shall have a value, utility, quality and specifications at least equal or similar to, the Replaced Parts, and the Replacement Parts shall be deemed to be in the condition, maintenance and repair required by the terms hereof.

10.3 Replacement Parts and service shall first be sourced from the original equipment manufacturer ("OEM"). In the event the Contractor seeks to utilize non-OEM parts and service and OEM parts and service is/are available, the Contractor must seek the Province's consent in writing and provide information and demonstrate how the fit, finish, safety, reliability, durability and longevity of the part, equipment and vessel will not be compromised, all to the Province's satisfaction. If the Province consents to non-OEM parts or services, any cost savings shall be equally divided between the Contractor and the Province. In the event the Contractor seeks to utilize non-OEM parts and service because OEM parts and service is/are not available, the Contractor shall so notify the Province, and upon the Province's request, the Contractor shall demonstrate how the fit, finish, safety, reliability, durability and longevity of the part, equipment and vessel

will not be compromised.

- 10.4 All Replaced Parts at any time removed from the Watercraft shall remain the property of the BCTFA no matter where located.
- 10.5 Immediately upon the installation of the Replacement Part in or on the Watercraft as above provided:
- (a) title to such Replacement Part shall vest in the BCTFA free and clear of any security interest, lien or other encumbrance; and
 - (b) such Replacement Part shall be deemed to be part of the Watercraft, and become subject to this Charter.
 - (c) The Contractor shall perform a thorough test to ensure fit, finish, facing, liability, durability longevity and provide such results of such test to the Province.
- 10.6 In addition to its obligations to install Replacement Parts in or on the Watercraft, the Contractor may, at its own cost and expense, from time to time make such alterations and modifications in and additions to the Watercraft (hereinafter such additional parts are called the "Additional Part" or the "Additional Parts") as the Contractor may deem desirable in the proper conduct of its business, or whether 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 Watercraft, provided that:
- (a) no such alteration, modification or addition diminishes the value, utility or condition of the Watercraft below the value, utility or condition of the Watercraft immediately prior to such alteration, modification or addition;
 - (b) the Watercraft 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.
- 10.7 Title to any and all Additional Parts shall vest in the BCTFA if the same is or are a component of the Watercraft, free and clear of any security interest, lien or other encumbrance, and any and all such Additional Parts become subject to this Charter and be deemed part of the Watercraft.
- 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 Watercraft 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 Watercraft. 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 Watercraft, the Watercraft shall be restored by the Contractor at the Contractor's expense to a condition in which, in the opinion of the Province, the Watercraft shall have the value, utility or condition which it would have had if such alteration, modification, addition, property damage or loss had not occurred. Restoration shall be carried out by the Contractor at the sole expense of the Contractor prior to the return of the Watercraft to the BCTFA.

11. INSURANCE

- 11.1 The Contractor shall obtain and keep in good standing insurance on the Watercraft with loss payable to the Province as described in Schedule H to the Ferry Agreement and will comply with any obligations of the Contractor with respect to insurance as set out in such Schedule.

12. EVENT OF WATERCRAFT LOSS

- 12.1 If the 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, or 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 Watercraft.
- 12.3 Upon payment of the full insurable value of the Watercraft as hereinbefore provided, this Charter shall terminate with respect to the Watercraft and the BCTFA may, at its sole discretion, replace the 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 "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 Watercraft, 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 Province shall have no liability with respect to any of these contracts, either during or after the expirations of the Term.

14. INSPECTION AND SURVEY OF THE WATERCRAFT

- 14.1 The Contractor represents and warrants to the BCTFA and agrees with the BCTFA as follows:
 - (a) that the Contractor has and shall be deemed to have been afforded the opportunity, prior to executing this Charter, to inspect and examine the Watercraft and that the Contractor shall be deemed to have inspected and examined the same and to have satisfied itself with respect thereto; and
 - (b) that the Contractor has and shall be deemed to have satisfied itself in all respects, prior to executing this Charter, as to the Watercraft including as to the condition, situation, status, quality, fitness and standard of the Watercraft.

15. RETURN OF WATERCRAFT

- 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 Watercraft to the BCTFA at a location designated by the BCTFA.
- 15.2 The Watercraft shall be in the same condition as when it was delivered to the Contractor, reasonable wear and tear excepted.
- 15.3 On redelivery of the Watercraft, the parties shall do the following:
 - (a) conduct an inventory of the Watercraft; and
 - (b) conduct a marine off-hire condition survey by an independent qualified marine surveyor, appointed by the Province;

at the Province's cost.

- 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 other than those existing at the time of delivery of the Watercraft as provided in the on-hire survey at the time and that were not rectified by the BCTFA and except for defects attributable to reasonable wear and tear.

16. NOTICE

- 16.1 Any notice, document, statement, report, or demand to be given or made under this Charter, will 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,

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

If to the Contractor:

@ @

@ @

@ @

@ @

Attention: @ @

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

and any such notice, document, statement, report, or demand so mailed will 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 will 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 will 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 Watercraft is in all respects solely the responsibility of the Contractor and the Contractor assumes the entire risk of loss or damage to the Watercraft 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 will 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; or
 - (b) any bodily injury, death or property damage or loss of use thereof occurring or happening in, on or off the Ferry Facility 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 Watercraft, 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 will 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 and shall be in all respects of the essence of this Charter.

19.11 BCTFA has granted, to the Province pursuant to Section 30.2 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.

IN WITNESS WHEREOF, the parties have executed this Charter on the ____ day of _____, 2018.

BC Transportation Financing Authority

Nancy Bain

Executive Financial Officer and Corporate Secretary

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Per:

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THIS AGREEMENT is dated for reference June 1, 2018

BETWEEN:

HER MAJESTY THE QUEEN IN RIGHT OF THE PROVINCE OF BRITISH COLUMBIA, as represented by the Minister of Transportation and Infrastructure, 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 Contractor and the Guarantor have entered into the Ferry Agreement and as a condition of the same has agreed to be bound by the terms of this Licence.
- 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 Francois Lake 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;

"Commencement Date" means June 1, 2018;

"Event of Force Majeure" means the Event of Force Majeure defined in the Ferry Agreement;

"Fee" means the fee set out in Article 3;

"Ferry Agreement" means the Francois Lake Ferry Agreement entered into between the parties on even date;

"Improvement(s)" 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;

"Land" means the land and the water-covered land shown outlined by bold line in Appendix 1

"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; and

"Term" means the period of time set out in Section 2.2.

"Work" means the work defined 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 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*;
 - (i) if any claim of lien over the Land is made under the *Builders Lien Act*, 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 will 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* to permit the harvest of Crown timber on the Land unless the minister responsible for the *Forest Act* permits the harvest of timber on the Land without the issuance of an agreement under the *Forest Act*;
 - (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 and Her Majesty the Queen in right of the Province of British Columbia 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 will be payable to the Licensor immediately upon demand; and

- (m) release the BCTFA and Her Majesty the Queen in right of the Province of British Columbia 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, 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 will not apply to that part of the surface of the Land on which that Improvement is located,

and to the extent necessary, this covenant will survive the termination of this Agreement.

4.2 The Licensee will 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 will make no claim for compensation, in damages or otherwise, in respect of a disposition made under subsection (b);

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- (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 Licensors under subsection (b) will be borne solely by the Licensee;
 - (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 will 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 paragraph 4.1(n)(ii) or (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 paragraph 4.1(n)(ii) or the time period provided for in the direction or permission given under paragraph 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 will 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 23 and Schedule H of 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 will, 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 34.2 of the Ferry Agreement will 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 a corporation if the shares of the corporation which carry votes for the election of the directors of the corporation 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*) 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
 - (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 (other than the payment of any money payable by it under this Agreement),and its default or failure pursuant to (i) and (ii) herein continues for 3 days after the BCTFA gives written notice of the default or failure to the Licensee,
- (b) if, in the Licensors' opinion, the Licensee fails to make diligent use of the Land for the purposes set out in this Agreement, and its failure continues for 3 days after the Licensors give 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,
 - (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* without the Licensors' prior written consent; or
- (f) if this Agreement is taken in execution or attachment by any person;

the Licensee, at the Licensors' option, with or without notification, will be in default of this Agreement and the Licensors 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 Licensors may, with or without entry, terminate the Licensee's right of occupation in the Land, which will be absolutely forfeited to the Licensors.

8.2 If the condition complained of in subsection 8.1(a) or (b) (other than the payment of any money payable by the Licensee under this Agreement) reasonably requires more time to cure than 3 days, the Licensee will be deemed to have complied with the remedying of it if the Licensee commences remedying or curing the condition within 3 days and diligently completes the same.

8.3 The Licensee agrees with the Licensor that

- (a) the Licensor may, on 3days' written notice to it, terminate this Agreement if the Licensor requires the Land for any purpose; and
- (b) it will 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) or under subsection 62(5) of the *Transportation Act*.

ARTICLE 9 - DISPUTE RESOLUTION

9.1 If any dispute arises under this Agreement, the parties will attempt to resolve the dispute pursuant to Section 27 ("Dispute Resolution") in the Ferry Agreement.

ARTICLE 10 - NOTICE

10.1 Any notice or other document to be given or made under this Agreement, will 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,

- (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;

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

- (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;

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

and any such notice or other document to be given or made when so mailed will 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 will 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 will 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 will 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 will be considered to have been waived unless the waiver is in writing, and a waiver of a breach of a provision of this Agreement will 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 will 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 will 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, as that term is defined in the Ferry Agreement, the Licensee is delayed in performing any of its obligations under this Agreement, the time for the performance of that obligation will 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*, 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 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.

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- 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 will 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 will be interpreted according to the laws of the Province of British Columbia.
- 13.4 Where there is a reference to an enactment of the Province of British Columbia or of Canada in this Agreement, that reference will 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, will be considered separate and severable and the remainder of this Agreement will not be affected and this Agreement will 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 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 this Agreement 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 will, 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, will 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 will 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 will 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 by an authorized signatory of
BC TRANSPORTATION FINANCING AUTHORITY

Nancy Bain
Executive Financial Officer and Corporate Secretary

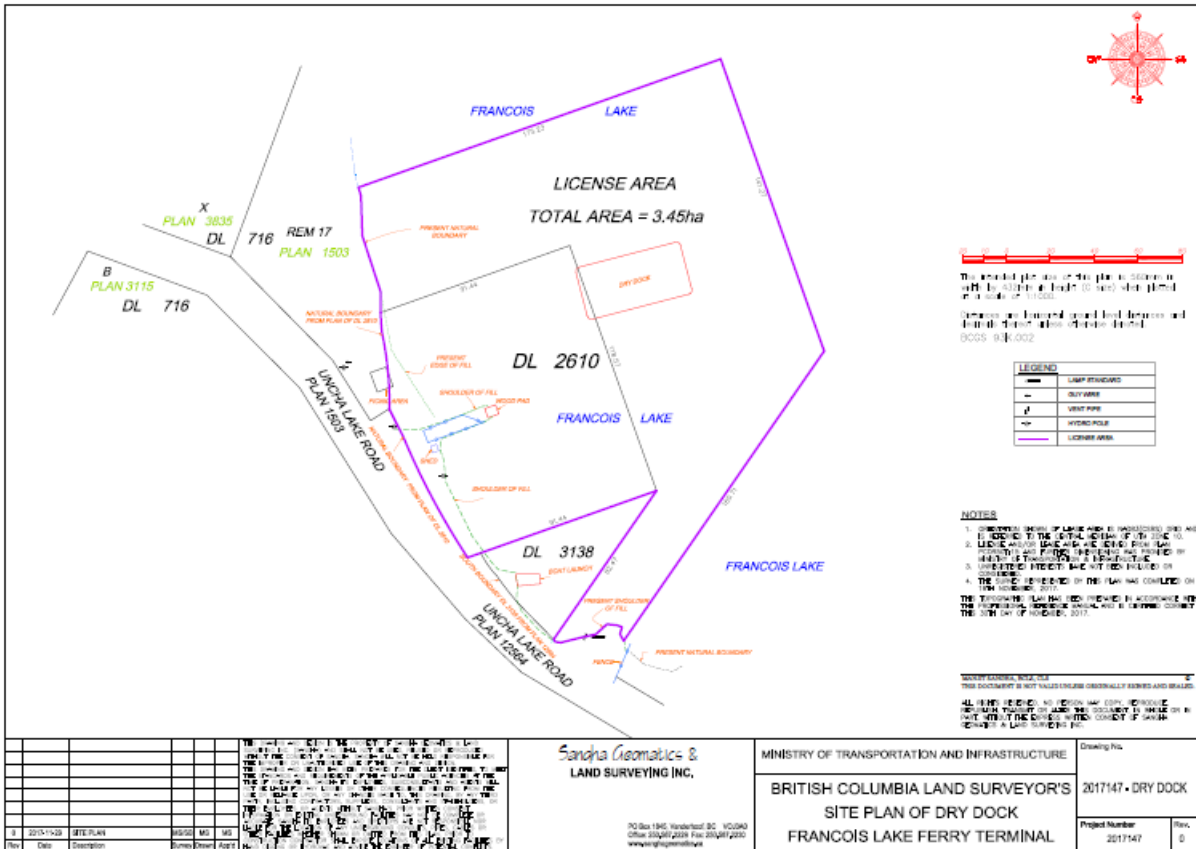
SIGNED on behalf of **XXX**
by its authorized signatories

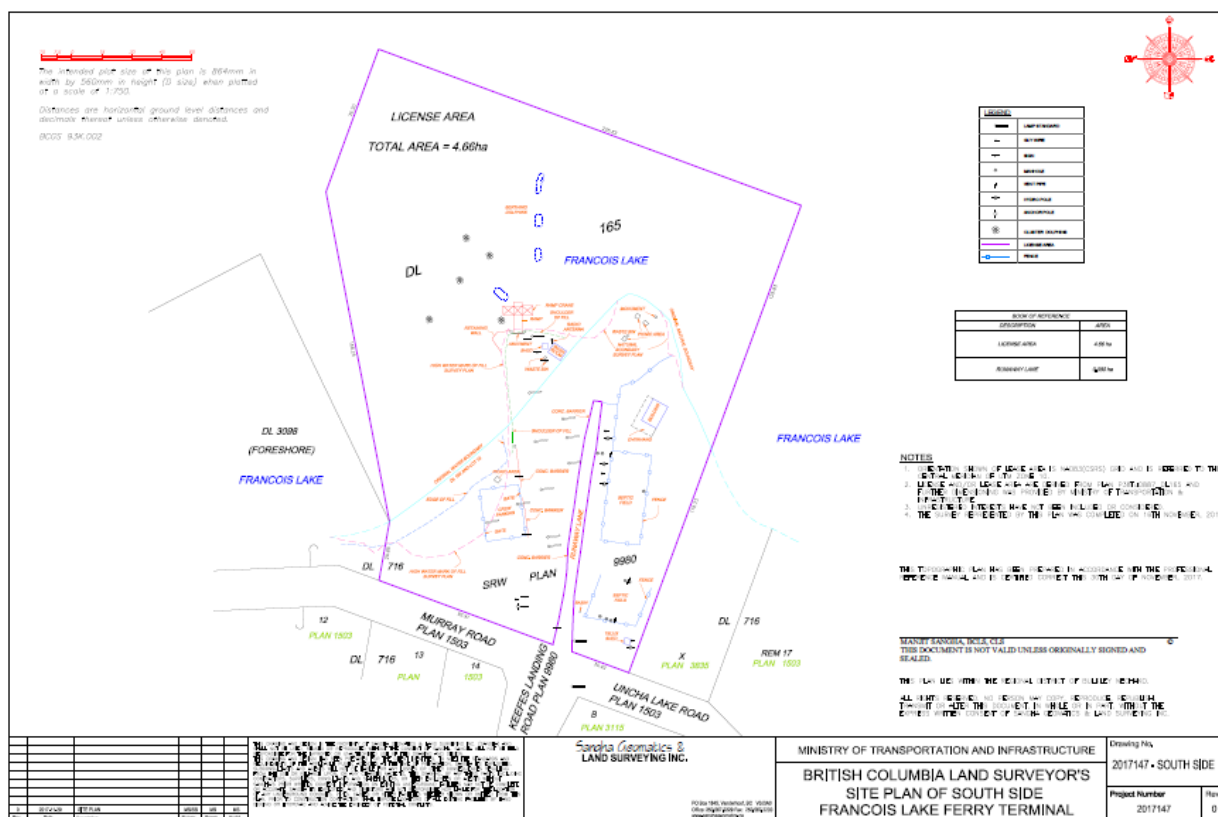
XXX

Authorized Signatory:

SCHEDULE A

"Land" means the land shown outlined by bold line on the following plan:





Schedule G**Dispute Resolution Protocol**

1. The Contact Persons will meet to discuss and attempt to resolve the dispute.
2. If there is no resolution within 10 Business Days of this meeting, the Contractor will set out its position and proposed resolution in writing, stating the applicable section of the Agreement involved, and forward this to the Executive Director, Marine Branch.
3. The Executive Director, Marine Branch, on behalf of the Province, must provide a written response, within 20 Business Days of receipt of the Contractor's proposal. This response must either:
 - (a) Indicate agreement with the Contractor's position and propose a resolution; or
 - (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 can immediately refer the matter to the Referee.
5. If either 3 (b) or 3 (c) above occur, the Contractor may either accept the Province's response, or refer the matter to the Referee.
6. Time limits may be extended by mutual written agreement, but extensions cannot exceed an additional 10 Business Days in total.
7. All disputes arising under this Agreement will first follow the escalation procedure set forth above, and if unresolved, then the dispute may be referred to and finally resolved by a Referee by either party by written notice from one party to the other.
8. The parties shall, forthwith after entering into this Agreement, enter into a contract with a Referee in the form set out in Schedule "I".
9. If the parties are unable to agree on a Referee with whom to contract, then a Referee shall be chosen by an arbitrator pursuant to the Commercial Arbitration Act.
10. The decision by the Referee will 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 this 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 this 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 this 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 this 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, this 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, this 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 **FIFTY MILLION DOLLARS (\$50,000,000)**, 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 **FIFTY MILLION DOLLARS (\$50,000,000)**. The insurance coverage shall apply to liability arising from the work or operations of the Contractor in any way related to, including under, this 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 covering the vessels as follows:

- 1) Watercraft/vessels owned or leased by the Contractor:
 - a. Each Watercraft/vessel owned or leased by the Contractor shall be insured for not less than the replacement cost value of the vessel at the insurance effective date and subsequent renewal dates;
- 2) Watercraft/vessels owned or leased by the BCTFA or the Province:
 - a. Each Watercraft/vessel owned by BCTFA or the Province shall be insured for not less than the replacement cost value of the Watercraft/vessel at the insurance effective date and subsequent renewal dates;
 - b. 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”
 - c. 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 this 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 this 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 10 year Term of this Agreement all in the form and content acceptable to the Province.

OR

The initial security will cover security for the first 5 years of the Agreement, to be renewed before the commencement of the second 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 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 **[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 25% of the five year average of the proposed annual Service Fee.

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 this Agreement (the "Initial Term" in respect of the bonds) or the full and entire Term of this 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 this Agreement.

OR

- (ii) an **Irrevocable Letter of Credit (ILOC)** in the amount of **FOUR HUNDRED TWENTY FIVE THOUSAND DOLLARS (\$425,000)**. This ILOC shall be in form and substance the same as the specimen attached hereto.

The \$425,000 ILOC shall remain in effect for at least the first 5 years of this Agreement (the "Initial Term" in respect of the ILOC) or the full and entire Term of this 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 \$425,000 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 this Agreement

The Contractor shall, no later than 90 days prior to the expiry of the Initial Term of this 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 this Agreement commencing on the Renewal Term (as that phrase is defined in the Bonds specimen) and for the remainder of the Term of this 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 this Agreement, deliver an "Undertaking to Provide an ILOC" in the form set out in the RFP to secure the issuance of the \$425,000 ILOC so as to secure the observance and performance by the Contractor of this Agreement for the Renewal Term. No later than 30 days prior to the expiry of the Initial Term of this 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 OF TRANSPORTATION AND INFRASTRUCTURE
(The Beneficiary)

IRREVOCABLE LETTER OF CREDIT

In reference to

Performance of the Francois 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 **May 31, 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 \$425,000 (Four 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 Obligee 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 Obligee, 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 Obligee, dated the ___ day of 20___ for the operation and maintenance of the existing Francois Lake Ferry Agreement ("the Contract") for a term of June 1, 2018 to May 31, 2023 ("Initial Term") that shall automatically renew for the period from June 1, 2023 to May 31, 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 Obligee (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 Oblige 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 Oblige 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 Oblige 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 Oblige or by joining the Oblige 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 Oblige against all costs, charges and expenses or liabilities incurred thereon and any loss or damage resulting to the Oblige 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 Oblige, 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 Oblige, 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 June 1, 2018 and ending on May 31, 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 Obligee in writing prior to ninety (90) days before the Initial Term ends. If the surety does not so inform the Obligee 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 Obligee'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 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.

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

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 Oblige" 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 Oblige, dated the ____ day of _____ 20__ for the operation and maintenance of the existing Francois Lake Ferry Agreement ("the Contract") for a term of June 1, 2018 to May 31, 2023 ("Initial Term") that shall automatically renew for the period from June 1, 2023 to May 31, 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 Oblige (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 Oblige declares an Event of Default, as defined in the Contract, then upon written notice of same being given by the Oblige 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 Oblige, the Oblige 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 Oblige 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 Oblige may, whether or not the Contract is terminated, and whether or not the Contract is taken out of the Principal's hands by the Oblige, 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 Obligees 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 Obligees 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 Obligees. 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 Obligees' performance under the Contract and this Bond and make claim against the Obligees for damages.
4. Nothing herein contained shall release the Obligees 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 Obligees 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 Obligees within fourteen (14) days of receiving notice of an Event of Default from the Obligees, take the position that the notice of the Event of Default was wrongfully issued by the Obligees 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 Obligees by litigation, arbitration or otherwise.
6. If a Court of competent jurisdiction, or an arbitrator in any arbitration proceeding between the Obligees 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 Obligees to the Principal or Surety in connection with the Contract or Bond, the Obligees 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 Obligees.
7. The Obligees 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 Obligees, 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 Obligees 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 Obligees 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 Obligees 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 Obligor, as determined by the Obligor, 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 Obligor 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 Obligor 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 Obligor, 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 Obligor to the Principal pursuant to Section 17 of the Contract;
 - (b) the Obligor issues written notice of an Event of Default to the Principal pursuant to Section 20.2 of the Contract; or
 - (c) the Obligor retains any holdback from any payment which, but for the holdback and the Obligor'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 Obligor 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 June 1, 2018 and ending on May 31, 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 Obligor in writing prior to ninety (90) days before the Initial Term ends. If the Surety does not so inform the Obligor 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 Obligor'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 Obligor against the Surety, or by the Surety or Co-Sureties or the Principal against the Obligor, 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 (vvvv/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 _____ day of _____, 2012.

THE PARTIES TO THIS AGREEMENT ARE:

HER MAJESTY THE QUEEN in Right of the Province of British Columbia

As represented by the Minister Responsible for the Transportation Act

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 Francois Lake Ferry Agreement dated the 1st day of June, 2018 herein referred to as the "Contract", and
- B.** 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.

THE PROVINCE, THE CONTRACTOR AND THE REFEREE AGREE AS FOLLOWS:

1. Appointment

- 1.1 The Province and the Contractor hereby appoint the aforementioned person 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 other parties, and will 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 will 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 will, 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 will 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 will 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 will 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 will be given in writing to the respective parties by delivery to the addresses for service shown in 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 will hold in strict confidence and will 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 will 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 will promptly notify the Province and the Contractor of the names and the terms of appointment of any experts retained.
- 9.4 The Referee will 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 will 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 will 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 their 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 will 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 will 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 will 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.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the _____ day of _____, 2018.

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 “CHANGE”

A change shall be a written variation or change to the Ferry Service that 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 24 of this Agreement and the terms of this Schedule, make changes to the Ferry Service that is of an ongoing nature for the remainder of the Term (“Change Order”). Unless the Change Order results in a change in scope, as described below, there will be no resulting amendment to the Annual Service Fee or Schedule D - Payment.

3. CONTRACTOR CHANGE REQUEST

The Contractor may, in writing, pursuant to Section 24 of this Agreement and the terms of this Schedule, request a change to the Ferry Service that is of an ongoing change to that Ferry Service for the remainder of the Term and such request shall include all relevant information reasonably required for the proper consideration of such change (“Change Request”).

The Parties acknowledge that a Change Request may have an impact on the delivery and performance of that Ferry Service and in some circumstances, on the cost to the Contractor of providing that Ferry Service. Unless the Change Request results in a change in scope, as described below, there will be no resulting amendment to the Annual Service Fee or Payment Schedule.

No Change Request shall be implemented or incorporated as part of the Ferry Service unless and until such Change Request has been approved and has been executed by the Province, acting in its sole discretion.

Furthermore, the Province may set out any additional terms or conditions prior to granting its approval.

4. CHANGE VALUATION

4.1 Process

The Province shall provide a full description of the proposed change to the Ferry Service to the Contractor and the Contractor will 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 by the Contractor to implement the proposed change.

4.2 Dispute Resolution

If the Parties are unable to agree to the change valuation of a scope change within 30 Business Days from the initial change valuation, the Province may withdraw from the Change Order or Change Request or either party may refer the matter to Dispute Resolution set out in Section 27 of this Agreement.

5. SCOPE CHANGES

If a Change Request is approved and executed by the Province or a Change Order is issued and executed by the Province that constitutes a 1% (whether positive or negative) change of either the timing of the performance of scheduled obligations under this Agreement or in the cost to the Contractor of performing the Ferry Service, then such change shall be considered a change in scope.

The Province, in consultation with the Contractor, shall determine whether or not any matter has arisen which constitutes a scope change for purposes of this Agreement.

5.1 Scope Change Amendments

If a matter constitutes a change in scope, the Change Order or Change Request will detail amendments to Schedule D - Payment, the Annual Service Fee, the timeframes for the performance of the relevant scheduled obligation(s) and/or any other amendments to relevant portions of this Agreement.

5.2 Cost Decreases Resulting from Province Change Order

If a Change Order that constitutes a scope change will result in a decrease in the cost to the Contractor of performing the Ferry Service, the amount of such decrease shall be for the exclusive benefit of the Province, as set forth in the Change Order.

5.3 Cost Decreases Resulting from Contractor Change Request

If a Change Request executed by the Province that constitutes a scope change will result in a decrease in the cost to the Contractor of performing the Ferry Service, the amount of such decrease shall be shared equally by the Province and the Contractor as set forth in the Change Request.

6. BEST VALUE

In the case of a Change Order or Change Request the Contractor shall obtain the best value for money when procuring any work, services, supplies, materials or equipment and will comply with good procurement practices.

7. CONTRACTOR TO PROCEED

In the event the Province requires the Change Order to be immediately proceeded with, the Province may direct the Contractor to promptly perform such Ferry Service, notwithstanding the resulting costs and amendment to Schedule D – Payment and/or Annual Service Fee remains subject to resolution by mutual agreement within 30 days or pursuant to Dispute Resolution set out in Section 27 of this Agreement.

8. CONSEQUENTIAL CHANGES TO FERRY AGREEMENT

Further to Section 24.1 of this Agreement, the Change Order shall be appended to the Agreement as Appendix B8 to Schedule B.

Schedule K**Corporate Information**

1. The Authorized Capital of the Contractor, if applicable is as follows:

2. The legal and beneficial ownership and effective control of all of the authorized, issued and outstanding voting shares of the Contractor, if applicable, is as follows:

3. There are no agreements, options or rights of any kind held by any person with respect to any of the voting shares of the Contractor, if applicable, except as follows:

4. 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:

5. 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:

6. If the Contractor is a partnership, then the identity of all of the partners and their respective interests in the partnership is as follows:

7. If the Contractor is a partnership or a joint venture and if any of the partners of the partnership or the joint venturers are corporate entities, then the information required by Section 28.1(g), (h) and (i) inclusive of the Agreement to which this schedule is attached, with respect to each corporate partner is as follows:

Schedule L

Contractor's Proposal to the Francois Lake Ferry Service RFP

(To be inserted into Agreement)

Schedule M

Contractor's Completed Plans

(To be inserted pursuant to Section 5.2 of this Agreement.)

- ☐ **Contractor's MV Francois Forester Safety Management System (and its operational documents)**
- ☐ **Organization and Management Plan**
- ☐ **Training Implementation Plan**
- ☐ **Business Continuity Plan**
- ☐ **Risk Management Plan**
- ☐ **Communications Plan**
- ☐ **Watercraft Maintenance Plan**
- ☐ **MV Francois Forester Main Machinery Equipment Rebuild Plans**
- ☐ **Ferry Facility Maintenance Plan**
- ☐ **Transition Services Plan**