

THIS AGREEMENT dated for reference the 17th December, 2014

BETWEEN

HER MAJESTY THE QUEEN IN RIGHT OF THE PROVINCE OF BRITISH COLUMBIA, as represented by the Minister of Transportation and Infrastructure

(the "Province")

AND

BRITISH COLUMBIA FERRY SERVICES INC. a body corporate, incorporated under the laws of the Province of British Columbia under Certificate of Incorporation No. 0667014

("BC Ferries")

WHEREAS

- A. The Coastal Ferry Services Contract, as defined in this Agreement, contemplates that the parties will from time to time enter into discussions reviewing certain matters set out in the Coastal Ferry Services Contract.
- B. The parties have undertaken such discussions and
 - (i) in respect of the third Performance Term, defined as the Review Performance Term in the Act, amended and supplemented the Coastal Ferry Services Contract by entering into the agreement for reference April 1, 2012 and entitled the "Performance Term 3 Agreement";
 - (ii) in respect of specific service adjustments for the Review Performance Term, entered into agreements dated for reference, April 3, 2013 entitled "Performance Term 3 Amending Agreement No.1", March 31, 2014 entitled "Performance Term 3 Amending Agreement No.2", August 18, 2014 entitled "Performance Term 3 Amending Agreement No.3", and September 19, 2014 entitled "Performance Term 3 Amending Agreement No. 4"; and
 - (iii) wish to further amend and supplement the Coastal Ferry Services Contract on the terms and conditions set out in this Agreement.

NOW THEREFORE in consideration of the foregoing premises and for other good and valuable consideration (the receipt and sufficiency of which is hereby acknowledged by the parties), the Province and BC Ferries agree as follows:

ARTICLE 1 - DEFINITIONS

- 1.1 In this Agreement "CFSC" means the service contract between the Province and BC Ferries entitled the "Coastal Ferry Services Contract", as amended, and any other words having initial uppercase letters will have the meanings given to them in the CFSC.

ARTICLE 2 - COASTAL FERRY SERVICES CONTRACT

Schedule B [Service Fees for Designated Ferry Routes]

2.1 Schedule "B" to the CFSC is amended as follows:

(a) a section 5(b.1) is added as follows:

“(b.1) Northern Routes (10 and 11) – Disabled Cabin Rate Discount

Permanently disabled persons in possession of a BC Ferries Status I.D. card will receive a discount on the rate for a wheelchair accessible outboard cabin so that the amount payable is equal to the rate for an inboard cabin.”

(b) Section 6(i) is deleted in its entirety and the following section 6(i) is substituted:

“(i) BC Ferries will invoice the Province monthly for the Social Program Reimbursements, except for the Senior Discounts. The invoice will set out the reimbursement amount for each social program, including BC Student, Disabled Discount, Disabled Cabin Rate Discount and the Medical Travel Assistance Program Discount. Payment is to be made to BC Ferries within 30 days of receipt of the invoice by deposit into a bank account designated by BC Ferries, in such amounts and in such manner as BC ferries directs.”

ARTICLE 3 – GENERAL

3.1 Notwithstanding any other provision of this Agreement, the payment of money by the Province to BC Ferries in connection with this Agreement or under the CFSC as a result of or in connection with this Agreement 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 BC Ferries falls due, 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 subsection (a) of this section.

3.2 No term of this Agreement is intended to derogate from or be inconsistent with or in conflict with any law, including without limitation the Act, and shall not be interpreted in a manner as to result in any such derogation, inconsistency or conflict.

3.3 Each term of this Agreement will be valid and enforceable to the fullest extent permitted by law and if any term of this Agreement is held to be invalid, unenforceable or illegal to any extent, such term may be severed and such invalidity, unenforceability or illegality will not prejudice or affect the validity, enforceability and legality of the remaining provisions of this Agreement.

