

AMENDING AGREEMENT – ROUTE 55

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

BETWEEN:

BRITISH COLUMBIA FERRY SERVICES INC.

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

(herein called the “Company”)

AND:

WESTERN PACIFIC MARINE LTD.

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

(herein called the “Operator”)

WHEREAS:

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

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

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

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

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

(a) by replacing “Notwithstanding anything herein to the contrary” in section 2.1 of the Agreement with “Subject to Schedule “H” but notwithstanding any other provision herein”.

(b) by adding the following sentence at the end of section 10.2 of the Agreement:

“For certainty, if the Company terminates the Agreement pursuant to section 10.2, the Operator shall not be entitled to any termination fee.”

(c) by deleting Schedule “D” of the Agreement in its entirety and replacing it with the Schedule “D” attached hereto;

(d) by deleting Schedule “E” of the Agreement in its entirety and replacing it with the Schedule “E” attached hereto;

(e) by deleting Schedule “F” of the Agreement in its entirety and replacing it with the Schedule “F” attached hereto;

(f) by deleting Schedule “G” of the Agreement in its entirety and replacing it with the Schedule “G” attached hereto; and

(g) by adding as Schedule “H” of the Agreement the Schedule “H” attached hereto.

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

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

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

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

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

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

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

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

BRITISH COLUMBIA FERRY SERVICES INC.

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

WESTERN PACIFIC MARINE LTD.

Per: _____
Name: GRAHAM CLARKE
Title: PRESIDENT

SCHEDULE "D"

MAXIMUM TARIFF AND FARE STRUCTURE FOR THE SERVICE

(All fares shown before taxes)

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

Peak Season (defined in Schedule "B")

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

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

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

Notes:

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

SCHEDULE "D" CONTINUED

MAXIMUM FREIGHT RATES FOR THE SERVICE*

(*) rate before applicable taxes

Base Rates
before taxes

A - Commercial Freight

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

B - General Freight

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

SCHEDULE "D" CONTINUED

C - Building Supply Freight

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

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

SCHEDULE "E"

FEE SCHEDULE

BASE FEE:

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

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

s. 17, s. 21

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

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

CREW EDUCATION FUND

s. 17, s. 21

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

s. 17, s. 21



TECHNOLOGY DEVELOPMENT FUND

s. 17, s. 21

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

s. 17, s. 21

s. 17, s. 21

support customer-facing services for [REDACTED] any other service agreed to by the parties (such technology, the "Developed Technology"), subject to the following conditions:

s. 17, s. 21



FUEL COST ADJUSTMENT

s. 17, s. 21

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

s. 17, s. 21

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

s. 17, s. 21

Annual Fuel Cost Adjustment = ((Average Annual Price for Fuel for the Service) less [redacted]) multiplied by (Annual Fuel Consumed in Litres up to a maximum of [redacted] Litres)

s. 17, s. 21

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

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

SCHEDULE "F"

INVOICE AND MANIFEST

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

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

SCHEDULE "G"

SPECIAL TERMS AND CONDITIONS

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

SCHEDULE "H"

s. 17, s. 21

PERFORMANCE REVIEW PERIOD TERMINATION RIGHTS

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

