

COASTAL FERRY SERVICES CONTRACT AMENDING AGREEMENT

THIS AMENDING AGREEMENT dated for reference the ____ day of _____ 200_

BETWEEN

HER MAJESTY THE QUEEN IN RIGHT OF THE PROVINCE OF BRITISH COLUMBIA, as represented by the Minister of Transportation
(the "Province");

AND

BRITISH COLUMBIA FERRY SERVICES INC. (formerly, BRITISH COLUMBIA FERRY CORPORATION), a body corporate, incorporated under the laws of the Province of British Columbia under Certificate of Incorporation No. 0667014, and having its registered office at 1112 Fort Street, Victoria, British Columbia V8V 4V2
(“BC Ferries”);

WHEREAS

- A. The Province and BC Ferries entered into the agreement entitled the “Coastal Ferry Services Contract” made as of April 1, 2003 (the “Coastal Ferry Services Contract”); and
- B. The Province and BC Ferries wish to amend the Coastal Ferry Services Contract on the terms and conditions set out in this Amending Agreement;

NOW THEREFORE in consideration of the premises and the covenants and agreements set out in this Amending Agreement 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 Amending Agreement unless the context otherwise requires,
 - (a) “**Coastal Ferry Services Contract**” means the agreement made as of April 1, 2003, between the Province and BC Ferries and entitled the “Coastal Ferry Services Contract”; andany other words having initial uppercase letters will have the meanings ascribed to them by the Coastal Ferry Services Contract.

ARTICLE 2 – COASTAL FERRY SERVICES CONTRACT

- 2.1 Section 2(d) of Schedule “A” entitled “Designated Ferry Routes and Services” of the Coastal Ferry Services Contract is amended by deleting the words “by April 2004” in the fourth line and substituting the following words in their place:
“by June 30, 2004”.
- 2.2 The second paragraph under the heading entitled “Changes to Core Service Levels” in that part of Appendix 1 of Schedule “A”, entitled “Definitions and Interpretations used in Appendix 1” is amended by deleting the words “by April 2004” in the second line and substituting the following words in their place:

“by June 30, 2004”.

- 2.3** The second paragraph under the heading entitled “Note” in the route overview for Designated Ferry Route 10 that is set out in that part of Appendix 1 of Schedule “A”, entitled “Route Overview Document” is amended by
- (a) deleting the words “North and Mid Coast Strategic Plan” in the second line and substituting the following words in their place: “Northern Strategy”; and
 - (b) deleting the words “by April 1, 2004” in the third line and substituting the following words in their place:
“by June 30, 2004”.
- 2.4** The second paragraph under the heading entitled “Note” in the route overview for Designated Ferry Route 11 that is set out in that part of Appendix 1 of Schedule “A”, entitled “Route Overview Document” is amended by
- (a) deleting the words “North and Mid Coast Strategic Plan” in the second line and substituting the following words in their place: “Northern Strategy”; and
 - (b) deleting the words “by April 1, 2004” in the third line and substituting the following words in their place:
“by June 30, 2004”.
- 2.5** The second paragraph under the heading entitled “Note” in the route overview for Designated Ferry Route 40 that is set out in that part of Appendix 1 of Schedule “A”, entitled “Route Overview Document” is amended by
- (a) deleting the words “North and Mid Coast Strategic Plan” in the second line and substituting the following words in their place: “Northern Strategy”; and
 - (b) deleting the words “by April 1, 2004” in the third line and substituting the following words in their place:
“by June 30, 2004”.

ARTICLE 3 - GENERAL

- 3.1** Time will be of the essence of this Amending Agreement and remain of the essence of the Coastal Ferry Services Contract, as amended by this Amending Agreement.
- 3.2** The terms, representations and warranties of the Coastal Ferry Services Contract, as amended by this Amending Agreement, are ratified and confirmed, and all other terms, representations and warranties of the Coastal Ferry Services Contract are to remain in full force and effect.
- 3.3** If any term of this Amending Agreement or the application thereof to any person or circumstance is invalid or unenforceable to any extent, the remainder of this Amending Agreement and the application of such provision to any other person or circumstance will not be affected or impaired thereby and will be valid and enforceable to the extent permitted by law.
- 3.4** The captions and headings contained in this Amending Agreement are for convenience only and do not define or in any way limit the scope or intent of this Amending Agreement.
- 3.5** This Amending Agreement will be interpreted according to the laws of the Province of British Columbia.

3.6 This Amending Agreement constitutes 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 Amending Agreement except as set out in this Amending Agreement and this Amending Agreement may not be modified except by subsequent agreement in writing between the parties.

IN WITNESS WHEREOF the parties have executed this Amending Agreement as follows:

SIGNED on behalf of Her Majesty the Queen in Right of the Province of British Columbia by a duly authorized representative of the Minister of Transportation on Jan 22, 2004 in the presence of:

[Signature]
(Witness)

)
)
)
) [Signature]
) Dan P. Doyle, Deputy Minister
)

SIGNED on behalf of British Columbia Ferry Services Inc., by its duly authorized representative on 21 January, 2004 in the presence of:

[Signature]
(Witness)

)
) [Signature]
) David L. Hahn, President and Chief Executive Officer
)

[Signature]