

THIS AGREEMENT dated for reference the 31st day of March, 2024.

BETWEEN

HIS MAJESTY THE KING 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 wish to 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:

- (a) "Coastal Ferry Services Contract" or "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 meaning given to them in the CFSC. References to Sections and Schedules in this Amending Agreement refer to the CFSC unless otherwise specified.

ARTICLE 2 – COASTAL FERRY SERVICES CONTRACT

Provisions

2.1 Section 4.01(b)(vii) is deleted and the following is substituted:

- (vii) in all cases of (i) to (vi), the provisions of Schedule B section 3 do not apply, and

2.2 Section 6.04(k)(i) is deleted and the following is substituted:

- (i) publish 30 days prior notice of such meeting in a daily newspaper of general circulation on

Vancouver Island, the Gulf Islands, Haida Gwaii, Prince Rupert and Vancouver;

2.3 Sections 14.02(h) and (g) are deleted and the following are substituted:

- (g) in the circumstances referred to in section 14.01 (l), reduce the Service Fee by the amount BC Ferries failed to pay to the BC Transportation Financing Authority under any one or more Ferry Terminal Leases; or
- (h) pursue any other remedy available to it at law or in equity.

Appendix 1 of Schedule A – Route Overview

2.4 The Core Service Levels table for Route 2 – Horseshoe Bay to Nanaimo in Appendix 1 of Schedule A is deleted and the following is substituted:

Number of Aggregate Round Trips to be Delivered per Contract year on Routes 1, 2, 3 and 30		12,394
Minimum Number of Round Trips to be Delivered per Contract Year		2,613
Minimum Number of Round Trips per Day	Peak	8
	Off Peak	7
Minimum Hours of Operation	Peak	11
	Off Peak	10

2.5 The Core Service Levels table for Route 18 – Powell River (Westview) to Texada Island (Blubber Bay) in Appendix 1 of Schedule A is deleted and the following is substituted:

Number of Round Trips to be Delivered per Contract Year	2,968							
Minimum Number of Round Trips per Day								
Season	Mon	Tue	Wed	Thu	Fri	Sat	Sun	Holiday Mon
Off-Peak	7	7	7	7	7	7	7	7
Peak	8	8	8	8	8	7	7	8
Minimum Hours of Operation	Peak		10					
	Off Peak		10					

2.6 The Vessel and Terminal Description table for Route 20 – Chemainus – Thetis Island – Penelakut Island in Appendix 1 of Schedule A is deleted and the following is substituted:

<i>Vessel or Vessel Class</i>	<i>Passenger Capacity (Max.)</i>	<i>Vehicle Capacity (Max.)</i>	<i>Crew Size A License</i>
<i>Pune'luxutth</i>	263	26	6
<i>Kahloke</i>	194	21	6

Terminal	Chemainus	Thetis	Penelakut
<i>Location</i>	Vancouver Island	Thetis Island	Penelakut Island
<i>Holding Capacity</i>	33 AEQ	7 AEQ	9 AEQ
<i>Parking</i>	17 car spaces	None	None
<i>Docks</i>	1	1	1

- 2.7 The Vessel and Terminal Description table for Route 28 – Bella Coola – Mid Coast – Port Hardy in Appendix 1 of Schedule A is deleted and the following is substituted:

<i>Vessel or Vessel Class</i>	<i>Passenger Capacity (Max.)</i>	<i>Vehicle Capacity (Max.)</i>	<i>Crew Size A License</i>
<i>Northern Sea Wolf</i>	188	35	12
<i>Tachek</i>	144	26	6
<i>Quadra Queen II</i>	193	26	7

Terminal	Bella Coola	Bear Cove	Shearwater	Ocean Falls	McLoughlin Bay
<i>Location</i>	4 km from Bella Coola	10 km from Port Hardy	Shearwater	Ocean Falls	3 km from Bella
<i>Holding Capacity</i>	0 AEQ	273 AEQ	0 AEQ	0 AEQ	9 AEQ
<i>Parking</i>		Limited			
<i>Docks</i>	1	1	1	1	1

- 2.8 The Core Service Levels table for Route 30 – Tsawwassen to Nanaimo in Appendix 1 of Schedule A is deleted and the following is substituted:

Number of Aggregate Round Trips to be Delivered per Contract year on Routes 1, 2, 3 and 30	12,394
Minimum Number of Round Trips to be Delivered per Contract Year	2,589
Minimum Number of Round Trips per Day	Peak Off Peak
Minimum Hours of Operation	Peak Off Peak
	10 7 (4 on Saturday & Sunday)
	12 12 (7.5 Saturday & Sunday)

Schedule B – Service Fee for Designated Ferry Routes

- 2.9 Section 6(b)(iv) of Schedule B is deleted and the following is substituted:

- (iv) the number of missed sailings by Designated Ferry Route compared to the planned schedule for the operating day and the reason for each missed sailing;

2.10 Section 6(c) of Schedule B is deleted and the following is substituted:

- (c) The final Quarterly Statement of each fiscal year will also identify whether annual Core Service Levels were met by BC Ferries. The final Quarterly Statement of each fiscal year, in addition to the information in each Quarterly Statement, will identify for each Designated Ferry Route:
- (i) the difference between:
 - (a) the total number of round trips to be delivered per Contract Year on that Designated Ferry Route to meet Core Service Levels, less reductions attributable to Temporary Service Disruptions as set out in Schedule A, Section 2; and
 - (b) the total number of round trips actually delivered by BC Ferries on that Designated Ferry Route in the Contract Year (the “Difference”)

[the Difference will not include the number of round trips which have previously been calculated within Section 6(b)(iv) of this Schedule B];
 - (ii) the number of missed sailings by Designated Ferry Route compared to the planned schedule for the operating day and the reason for each missed sailing;
 - (iii) the number of missed round trips by Designated Ferry Route compared to the Core Service Levels and the reason for each missed round trip;
 - (iv) the missed Core Service Level round trips, identifying whether the round trip met the criteria for a Temporary Service Disruption; and
 - (v) for missed Core Service Level round trips that do not meet the criteria of a Temporary Service Disruption whether BC Ferries provided a benefit as contemplated in Section 3 (b) of Schedule B and the nature of the benefit.

2.11 The following subsections are added to section 6 of Schedule B:

- (d) Any amounts owing based on the Quarterly Statement will be settled within 30 days of receipt of the Quarterly Statement.
- (e) The total Ferry Transportation Fee payable by the Province in a Contract Year will not exceed the maximum annual Ferry Transportation Fee as set out in section 1 of this schedule.
- (f) BC Ferries will invoice the Province monthly for the Social Program Reimbursements. The invoice will set out the numbers of passengers and vehicles carried and reimbursement amount for each Designated Ferry Route by social program, including BC Student, Accessibility 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.

Schedule C – Service Fee for Unregulated Routes

2.12 Section 1 of Schedule C is deleted and the following is substituted:

The Province will, subject to the terms of this Agreement, pay to BC Ferries Service Fee in

relation to the Unregulated Routes in an amount up to \$7.0 million.

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.
- 3.4** This Agreement, the CFSC, and any letter agreements entered into between the parties constitute the entire agreement between the parties in respect of the subject matter of this Agreement and no understandings, representations, contracts, or agreements, written, oral or otherwise, exist between the parties with respect to the subject matter of this Agreement except as expressly set out in this Agreement or the CFSC.
- 3.5** Time is of the essence of this Agreement and will remain of the essence of the CFSC, as amended and supplemented by this Agreement.
- 3.6** The provisions of the CFSC, as amended and supplemented by this Agreement, are ratified and confirmed and where the CFSC is referred to in another agreement between the Province and BC Ferries, unless otherwise expressly provided for, those references will be deemed to refer to the CFSC as amended and supplemented by this Agreement.
- 3.7** All dollar amounts expressed in this Agreement refer to lawful currency of Canada.
- 3.8** 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 Agreement will be effective unless it is in writing and no such waiver will be deemed or construed to be a waiver of any other breach or default, and failure or delay on the part of either 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, will not constitute a waiver by such party of any of its rights against the other party.
- 3.9** Each party will, 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 obligations of the requested party under this Agreement.

- 3.10** This Agreement may only be amended by a written agreement executed on behalf of each of the Province and BC Ferries.
- 3.11** Notwithstanding the date of execution or delivery of this Agreement, this Agreement is effective as of April 1, 2024.

WHEREFORE the parties hereto have executed this Agreement as set out below.

SIGNED on behalf of His Majesty the)
King in Right of the Province of)
British Columbia by a duly authorized)
representative of the Minister)
of Transportation and Infrastructure,)
this March 25, 2024 in the presence of:)



(Witness)



For the Minister of Transportation and
Infrastructure

Reg Bawa, Assistant Deputy Minister

Name and Title of Authorized Representative

SIGNED on behalf of British Columbia)
Ferry Services Inc.)
by a duly authorized representative)
this March 25, 2024)
in the presence of:)

Jeff Groot, ED, Communications)

(Witness)



For British Columbia Ferry Services Inc.

Melanie Lucia, A/CEO

Name and Title of Authorized Representative