



DECISION NOTE

DATE: June 9, 2015

PREPARED FOR: Deborah Bowman, ADM, Transportation Policy and Programs
Patrick Livolsi, ADM, Infrastructure

ISSUE: Orders In Council - Concession Agreements – South Fraser Perimeter Road (SFPR) and s.13

APPROVAL REQUESTED:

- Approve a request from Infrastructure Department to prepare on an expedited basis four Orders in Council to be processed as corridor orders.
- These Orders will provide the authority to re-negotiate the concession agreements for the s.13 and the South Fraser Perimeter Road.

BACKGROUND:

The BC Transportation Financing Authority (BCTFA) and the Ministry of Transportation and Infrastructure (MOTI) entered into a concession agreement with Fraser Transportation Group Partnership (FTG) on July 14, 2010 for the design, construction, financing, operation, rehabilitation and maintenance of the SFPR. s.13

Current financial markets are continuing to provide historical low costs for borrowing with Government of Canada bonds trading at near record lows. As a result, both the s.13 and SFPR concessionaires are each bringing forth refinancing proposals as permitted under the terms of their Concession Agreements.

Separate Treasury Board Submissions requesting permission to move forward with these agreements have been prepared for the s.13 and the SFPR Concession.

DISCUSSION:

Transportation Policy and Program Branch was contacted by the Director of Finance and Management Services on June 3, 2015, requesting that the Branch arrange to have the Orders drafted on an expedited basis and prepare materials to support having these Orders advanced as corridor orders for urgent approval. The next Cabinet meeting that Orders are being considered is not scheduled until s.12

s.12 Legal considerations specify that these Orders need to be in effect by mid-June.

Maria D'Archangelo and James Harvey from Legal Services Branch will coordinate the drafting process with Legislative Counsel. Transportation Policy Branch will prepare an approval package for these Orders.

FINANCIAL IMPLICATIONS:

None

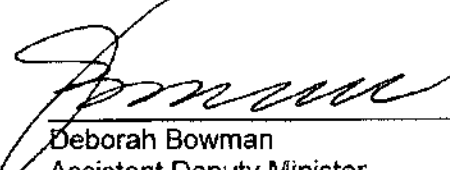


Ministry of
Transportation
and Infrastructure

RECOMMENDATION:

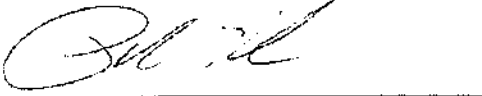
Approve request to initiate drafting of Orders on an expedited basis and manage Orders through the corridor order approval process

APPROVED / NOT APPROVED


Deborah Bowman
Assistant Deputy Minister

June 9/15
Date

APPROVED / NOT APPROVED


Patrick Livolsi
Assistant Deputy Minister

June 11, 15
Date

PREPARED BY:

Karen DeMeo, Manager, Policy and Legislation
Transportation Policy and Programs
(250) 387-1483

REVIEWED BY:

Greg Gilks, Executive Director
Transportation Policy

INITIALS

GG

Order in Council Routing and Approval Sheet

File # 037/2015 and 038/2015 Cliff # 237000	Package prepared by: Kirk Rockerbie
Subject: Provide authority to refinance the South Fraser Perimeter Road (SFPR) concession.	Requested by: Patrick Livolsi, ADM, Infrastructure

Routing	Approval Signature	Date
Greg Gilks Executive Director Transportation Policy		Aug. 19 / 15
Patrick Livolsi Assistant Deputy Minister Infrastructure		August 19/2015
Nancy Bain Assistant Deputy Minister Finance & Management Services Department		aug 27, 2015
Deborah Bowman Assistant Deputy Minister Transportation Policy and Programs		Aug. 24/15
Grant Main Deputy Minister		aug 27, 2015

To be scheduled for the September 16 meeting of Cabinet.

After DM approves, please return package to Transportation Policy Branch

237000

Rockerbie, Kirk TRAN:EX

From: DeMeo, Karen TRAN:EX
Sent: Monday, August 24, 2015 9:58 AM
To: Rockerbie, Kirk TRAN:EX
Subject: FW: OIC deadlines SEPTEMBER 2015

From: Prisiak, Lisa PREM:EX
Sent: Wednesday, June 10, 2015 4:08 PM
To: Aikens, Patricia ENV:EX; Alexander, Catherine JAG:EX; Bailey, Leah M MCF:EX; Barker, Debbie HLTH:EX; Bates, Linda A. AGRI:EX; Bennett, Laverne HLTH:EX; Bird, Sophie EDUC:EX; Bouchard, Carola HLTH:EX; Brodie, Natalya BRDO:EX; Brown, Tom G CSCD:EX; Burton, Danielle MTIC:EX; Carter, Nancy L JAG:EX; Carvalho, Christine CSCD:EX; Ciunn, Karen E LBR:EX; Collins, Christine D AGRI:EX; Costa, Frank ABR:EX; Cox, Monica ABR:EX; De Champlain, Rhonda MEM:EX; DeMeo, Karen TRAN:EX; Dunsdon, Kelly AVED:EX; Dyson-Loewen, Jessica JAG:EX; Felker, Karen IGRS:EX; French, Shawna ABR:EX; Hamilton, Ashley M; Hofweber, Jane ENV:EX; Jackson, Vickie ENV:EX; Kavadas, Danielle MCF:EX; Keyes, Donna JAG:EX; Loughran, Karen EDUC:EX; Loveday, Sarah EDUC:EX; MacLean, Shelley FIN:EX; MacMillan, Karen SDSI:EX; Marr, Ann HLTH:EX; McHerron, Paula J AVED:EX; Pedersen, Carrie-rae FLNR:EX; Plater, Carmelina MTIC:EX; Richter, Connie JAG:EX; Schmidt, Ingrid ABR:EX; Scott, Karyn L CSCD:EX; Shaw, Mary A AVED:EX; Soong, Evon SDSI:EX; Thiessen-Wale, Katherine HLTH:EX; Valentine, Lee CSCD:EX; Watters, Treena M JAG:EX; White, Robyn S HLTH:EX; Winegarden, Cole FLNR:EX; Wyllie, Sandra AVED:EX
Cc: Anderson, Steve PREM:EX; Preyde, Anne M PREM:EX; Finkel, Paul PREM:EX; Powell, Charlotte PREM:EX
Subject: OIC deadlines SEPTEMBER 2015

Good day,

Please see the deadlines below for OICs being considered at Cabinet in September. In the event of oversubscription, OICs will be reviewed in order of timing urgency. Draft OIC Packages must include final tagged OICs. These dates are for planning purposes, and may be subject to change.

s.12

Please note s.12
s.12

July deadlines:

s.12

GOVERNMENT MLA CONSULTATIONS:

- Where OICs affect specific constituencies, rather than provincial-wide in scope, those constituencies must be identified in the OIC BN document.

- Where the constituencies affected belong to a Government MLA, that MLA must be consulted.
- Confirmation by email that the Govt MLA has been consulted, and whether or not they support, is due at the Draft package deadline.
- *****OICs may not be scheduled for consideration at Cabinet unless this direct consultation with affected Govt MLAs has been confirmed by the Draft deadline.***

PROCESS FOR SIGNED ORDERS:

s.12

Cheers

Lisa Prisiak
OIC Coordinator
Cabinet Operations

250-387-5503



BRIEFING NOTE FOR DECISION

DATE: August 7, 2015

PREPARED FOR: Honourable Todd Stone

ISSUE: Orders In Council (OIC) for the South Fraser Perimeter Road Project Refinancing

SUMMARY:

- The Concessionaire for the SFPR Project has submitted their plans to refinance their debt financing for the Province's review under the Consent Procedure. The Concessionaire may, under the terms of the Concession Agreement, seek refinancing under specific terms and conditions.
- A working group consisting of staff from MOTI, Partnerships BC, Ministry of Justice and Ministry of Finance have reviewed the proposal and recommended that the Province not object to the proposal. The proposal provides for a Refinancing Gain of about s.21 for the Province.
- Treasury Board approval for the refinancing was obtained in June. In order for the Concessionaire and Province to execute the refinancing, two OICs are needed as there are required changes to the Concessionaire Agreements as a result of the refinancing. The next Cabinet meeting is scheduled for September 16, 2015. The Concessionaire is targeting to launch the refinancing in the week of September 21st with a financial close date in the week of October 19th.

BACKGROUND:

BC Transportation Financing Authority and the Ministry of Transportation and Infrastructure entered into a 25-year concession agreement with FTG Fraser Transportation Group Partnership (Concessionaire) on July 14, 2010 for the design, construction, financing, operation, rehabilitation and maintenance of the South Fraser Perimeter Road Project (SFPR Project). The SFPR Project had a Total Completion Date of June 12, 2014.

On May 5, 2015, the Concessionaire submitted their plans to refinance their debt financing, for the Province's review under the Consent Procedure. The Concessionaire may, under the terms of the Concession Agreement, seek refinancing under specific terms and conditions including, in some cases, having the Province consent to a proposed refinancing plan.

The original financing of the Project through a bank debt in the amount of s.21 million was executed in 2010. Under the terms of the Concession Agreement, the Concessionaire is entitled to refinance the Project under specific terms and conditions.

Taking advantage of the favorable market conditions, the Concessionaire is proposing a private placement of a rated bond in the Canadian capital markets, to replace the existing bank debt. The Project has a preliminary indicative rating of s.21 and the size of the bond offering is about s.21 million, to be used to repay existing bank debt, terminate interest rate swaps, pay the Province's share of Refinancing Gain, make an equity distribution to the Concessionaire's shareholders, and pay for transaction costs.



DISCUSSION:

MoTI, along with the Ministry of Finance, the Ministry of Justice, Partnerships BC and external advisors (the "Working Group"), has been working to review the proposed refinancing, and has recommended that the Province not object to the refinancing. The refinancing comprises of a number of components including commercial, financial and legal components and a timing component.

As part of the due diligence, the Working Group has determined that the proposed refinancing:

- 1) requires provincial approvals, including Treasury Board and OICs, authorizing the Ministry to go forward with the settling and execution of required documentation;
- 2) should result in about ^{s.21} Refinancing Gain for the Province, due to a higher return than the ^{s.21} Any Refinancing Gain is to be shared equally between the Province and the Concessionaire;
- 3) ^{s.13}

Treasury Board approved the proposed refinancing in June 2015, with the Province's share of Refinancing Gain to be paid through a reduction of the Availability Payments to the Concessionaire over the remaining term of the Concession Agreement.

In order to launch the refinancing which involves marketing the bond and assembling a pool of investors, investors reviewing the documents, pricing the security in the market and finally implementing the financing (financial close date), all the necessary approvals are needed prior to the launch date. The launch date is expected to happen in the week of September 21st with a financial close date in the week of October 19th. As a result, the Province must have obtained the requested OIC approvals necessary by September 21, 2015 for the Concessionaire to launch the refinancing and for the Province to settle, execute and deliver the documents.

FINANCIAL IMPLICATIONS:

If the refinancing launches in the week of September 21st with a financial closing date in the week of October 19th:

- The Province will receive its share of Refinancing Gain of about ^{s.21} through a reduction in the Availability Payments made by the Ministry to the Concessionaire over the remaining term of the Concession Agreement;
- The Concessionaire will reimburse all of the Province's costs in reviewing and responding to the proposed refinancing.

RECOMMENDATION:

- Approve the attached OICs which authorize the Province to settle, execute and deliver the required documents for the Concessionaire to complete its refinancing for the SFPR Project.



Ministry of
Transportation
and Infrastructure

APPROVED / NOT APPROVED


Honourable Todd Stone
Minister

August 28, 2015
Date

PREPARED BY:

Chris Lee, Regional Manager, Corporate Services
(with inputs from the Ministry of Finance /
the Ministry of Justice / Partnerships BC)
(604) 527-2143

REVIEWED BY:

Patrick C. Livolsi, ADM
Infrastructure and Major Projects
Nancy Bain, EFO
Finance and Management Services Department

INITIALS

DJM
JB

s.12

to Cabinet Page | 3


A/Deputy Minister

August 27, 2015

s.12

s.12

s.12

to Cabinet Page | 5

Page 014

Withheld pursuant to/removed as

s.12

Page 017

Withheld pursuant to/removed as

s.12

s.12

s.12 of 2

s.12

BC TRANSPORTATION FINANCING AUTHORITY

The undersigned, being the sole director of BC Transportation Financing Authority (the “Authority”) hereby consents to the following resolutions:

WHEREAS:

- A. The Authority is a corporation continued under the *Transportation Act* (British Columbia).
- B. Under the *Transportation Act* (British Columbia) an Order in Council of the Lieutenant Governor in Council of the Province of British Columbia is required to authorize the Authority to enter into the Agreements (as defined in section 2 of these Resolutions) in the form or substantially in the form of the drafts of the Agreements on file on August 17, 2015 in the Office of the Deputy Minister of Transportation and Infrastructure for the Province of British Columbia.

RESOLVED THAT:

- 1. The Authority request an Order in Council of the Lieutenant Governor in Council of the Province of British Columbia be approved and ordered authorizing the Authority to enter into the Agreements (as defined in section 2 of these Resolutions) in the form or substantially in the form of the drafts of the Agreements on file on August 17, 2015 in the Office of the Deputy Minister of Transportation and Infrastructure for the Province of British Columbia.
- 2. Upon delivery of the Order in Council referenced in section 1 of these Resolutions, the Authority enter into the following agreements (collectively, the “Agreements”):
 - (a) the agreement (the “Concession Agreement Amendment Agreement”) entitled “South Fraser Perimeter Road Project Concession Agreement Amendment Agreement” to be made among Her Majesty the Queen in Right of the Province of British Columbia as represented by the Minister of Transportation and Infrastructure (the “Province”), the Authority and FTG Fraser Transportation Group Partnership (the “Concessionaire”);

- (b) the agreement entitled "South Fraser Perimeter Road Project Lenders' Remedies Agreement" to be made among the Province, the Authority, the Computershare Trust Company of Canada and the Concessionaire; and
 - (c) the agreement entitled "South Fraser Perimeter Road Project Insurance Trust Agreement" to be made among the Province, the Authority, the Concessionaire, the Computershare Trust Company of Canada in the capacity of Indenture Trustee and the Computershare Trust Company of Canada in the capacity of Insurance Trustee.
3. The Agreements be in the form or substantially in the form of the drafts of the Agreements on file on August 17, 2015 in the Office of the Deputy Minister of Transportation and Infrastructure for the Province of British Columbia.
4. The sole Director of the Authority, the Chief Executive Officer of the Authority, or any other officer of the Authority be and is hereby authorized and directed to execute the Agreements on behalf of the Authority together with such modifications and amendments as such Director, Chief Executive Officer or other officer of the Authority, as the case may be, considers necessary or advisable and to do all such other things and to execute all such other documents as may be required to facilitate the closing of the transaction contemplated by the Concession Agreement Amendment Agreement.
5. These Resolutions may be signed in as many counterparts as may be necessary, and may be delivered by facsimile or other means of electronic communication producing a printed copy each of which so signed and delivered shall be deemed to be an original, and such counterparts together shall constitute one and the same instrument and notwithstanding the date of execution shall be deemed to bear the date set forth below.

Dated as of the 28 day of August, 2015.


Honourable Todd Stone

Minister of Transportation and
Infrastructure Minister Responsible
Sole Director, BC Transportation
Financing Authority

From: [Pedersen, Kirsten](#) TRAN:EX
To: [Grisewood, Catherine L](#) TRAN:EX
Subject: FW: BCTFA Resolution to be signed by the Minister authorizing the DM or any officer of the BCTFA to execute and deliver Agreements related to the SFPR Refinancing transaction
Date: Friday, October 2, 2015 4:23:58 PM
Attachments: SFPR - BCTFA Resolution.doc
Importance: High

From: Lee, Chris TRAN:EX
Sent: Tuesday, August 18, 2015 12:43 PM
To: Nicholls, Elizabeth TRAN:EX
Cc: Harvey, James JAG:EX; Stewart, Dave B TRAN:EX; Rockerbie, Kirk TRAN:EX; Pedersen, Kirsten TRAN:EX; Marr, David TRAN:EX
Subject: BCTFA Resolution to be signed by the Minister authorizing the DM or any officer of the BCTFA to execute and deliver Agreements related to the SFPR Refinancing transaction
Importance: High

Hi Elizabeth

As discussed, please print out the attached SFPR - BCTFA Resolution and attach this cover email for the Resolution as one package for the Minister's signature. Please present both the OIC and BCTFA Resolution packages for the Minister's signatures at the same time as they are related to the same SFPR refinancing transaction.

While the OIC approval authorizes the Ministry and BCTFA to enter into the South Fraser Perimeter Road Project Concession Agreement Amendment Agreement, the South Fraser Perimeter Road Project Lenders' Remedies Agreement and the South Fraser Perimeter Road Project Insurance Trust Agreement (Agreements), the attached BCTFA Resolution authorizes the DM of MOTI or any officer of the BCTFA to execute and deliver these Agreements on behalf of the BCTFA for the refinancing transaction.

In details, the attached BCTFA Resolution does three things:

1. The Board of Directors is acknowledging the issuance of the statutory authority under the Transportation Act for the BCTFA to enter into these Agreements in substantially the form as are on deposit in the Office of the Deputy Minister.
2. The Board of Directors is authorizing the BCTFA to enter into these Agreements – this authorization is necessary for corporate governance purposes.
3. The Board of Directors is authorizing the sole Director, the CEO or any other officer to execute and deliver the agreements and any other documents necessary for the transaction, on behalf of the BCTFA.

Thanks

Chris

Chris Lee, BSc., CPA, CGA
Regional Manager, Corporate Services
South Coast Region
Ministry of Transportation and Infrastructure
Suite 310 - 1500 Woolridge Street
Coquitlam, BC
V3K 0B8
Phone: 604-527-2143; Cell: s.22
Chris.Lee2@gov.bc.ca



August 17, 2015

Delivered By Hand

**To: Grant Main
Office of the Deputy Minister
Ministry of Transportation and Infrastructure**

**Re: South Fraser Perimeter Road Project Concession Agreement - Refinancing 2015
Orders in Council
Transportation Investment Act, SBC 2002, c. 65
Transportation Act, SBC 2004, c.44**

I enclose a copy of each of the following, substantially in the form in which each will be executed:

1. Concession Agreement Amendment Agreement entitled "South Fraser Perimeter Road Concession Agreement Amendment Agreement" among Her Majesty the Queen in Right of the Province of British Columbia as represented by the Minister of Transportation and Infrastructure (the "Province"), the BC Transportation Financing Authority (the "BCTFA") and the FTG Fraser Transportation Group Partnership (the "Concession Agreement Amendment Agreement").

Attached to and forming part of the Concession Agreement Amendment Agreement are the following agreements which are to be entered into by the Province and the BCTFA with other parties in accordance with the terms of the Concession Agreement Amendment Agreement:

1. Lenders' Remedies Agreement; and
2. Insurance Trust Agreement,

(collectively the "Ancillary Agreements").

2. Each of the Ancillary Agreements.

Cont/

Ministry of Justice

Legal Services Branch
Finance, Commercial and
Transportation Group

Mailing Address:
PO BOX 9289 STN PROV GOVT
Victoria BC V8W 9J7

Telephone: 250 952-0800
Facsimile: 250 387-8399


Location:
700 - 1675 Douglas Street
Victoria BC

The Concession Agreement and the Ancillary Agreements are delivered as at August 17, 2015, for the purposes of safekeeping on file in the Office of the Deputy Minister of Transportation and Infrastructure.

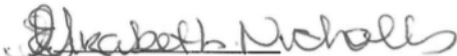
Please provide confirmation of receipt of the above-listed in the manner set out below.

Yours sincerely,



 **James N. Harvey**
Barrister and Solicitor

Receipt of a copy of each of the above-listed documents is hereby confirmed, this 17th day of August, 2015:


Signature

Elizabeth Nicholls.
Print Name

Encls.

From: Lee, Chris TRAN:EX
Sent: Monday, August 17, 2015 5:41 PM
To: DeMeo, Karen TRAN:EX; Gilks, Greg E TRAN:EX; Rockerbie, Kirk TRAN:EX
Cc: Harvey, James JAG:EX; Stewart, Dave B TRAN:EX; Pedersen, Kirsten TRAN:EX; Marr, David TRAN:EX
Subject: RE: OIC Process - BN and materials preparation for SFPR Concession Refinancing
Importance: High

Hi Kirk, Karen or Greg

As discussed with Kirk, I have revised the BN to reflect the most up-to-date financing dates.

Please assist us in getting all necessary approvals as stated in Patrick's email below for you to submit the OIC package for the OIC meeting of Sept 16, 2015.

Thank you again for your assistance in this very important matter.
Chris

From: Livolsi, Patrick C TRAN:EX
Sent: Saturday, August 15, 2015 11:00 AM
To: Lee, Chris TRAN:EX; Harvey, James JAG:EX; Rockerbie, Kirk TRAN:EX
Cc: Pedersen, Kirsten TRAN:EX; Sawatsky, Kim TRAN:EX; Marr, David TRAN:EX; Nicholls, Elizabeth TRAN:EX; Gilks, Greg E TRAN:EX; Stewart, Dave B TRAN:EX
Subject: OIC Process - BN and materials preparation for SFPR Concession Refinancing

Chris

Please find attached a revised version of the BN for the rationale on obtaining an OIC for the SFPR refinancing. Please review and ensure it is accurate. Once done please send to Elizabeth and Kim to obtain all the necessary approvals (Nancy, Deborah and Grant)

Kirk – with respect to the OIC process, I am assuming that everything is proceeding on getting the necessary documentation for the OIC meeting on September 18th. If there is any specific information missing or needing further approvals, please let us know. I understand that all information needs to be at cab operations by the 28th of August.

Chris/James – could you also please prepare the final documentation for the resolution to allow Grant to sign off on behalf of the BCTFA (the resolution that the minister has to sign off). I would like this finalized for when I return – it essentially needs to be signed off before the 28th of September.

Thanks everyone. During my absence, please contact Chris for any questions.

Patrick



Enrique Martin, Concessionaire's Representative
FTG Fraser Transportation Group Partnership
1138 – 1100 Melville Street
Vancouver, BC V6E 4A6

Reference: **PROV LTR-**
07172015REFI

July 17, 2015

Dear Enrique,

Re: South Fraser Perimeter Road Project – Proposed Refinancing – Subject to Provincial Approvals

We refer to the Concession Agreement (the “Concession Agreement” or “CA”) dated as of July 14, 2010 made among the Province, the BC Transportation Financing Authority and FTG Fraser Transportation Group Partnership (the “Concessionaire” or “FTG”). All capitalized terms used herein, unless otherwise defined, have the meanings given to such terms in the Concession Agreement.

Further to the Province's letter dated July 16th, 2015 reference PROV LTR-07162015REFI, I write to confirm, as noted during the regular weekly calls between the Province, FTG and its advisers, that the following documentation needs to be settled and in a final form on or before August 14, 2015, to enable the Province to proceed with the process to seek OIC approval during the course of September 2015:

1. Concession Agreement Modification Agreement;
2. Lenders' Remedies Agreement;
3. Insurance Trust Agreement.

With respect to item 1 above, I anticipate that the Province will be in a position to provide a first draft to FTG shortly.

With respect to items 2 and 3 above, I note that the forms of both agreements are mandated by the Concession Agreement and accordingly once the new parties have been identified we can quickly prepare the new documents utilizing those forms; however, I also confirm that the associated documentation terminating the existing agreements as proposed by FTG will also need to be settled and in a final form on or before August 14, 2014 and therefore we should decide soon whether this documentation will be prepared by our counsel or yours.

**Ministry of Transportation
and Infrastructure**

Office of the
Assistant Deputy Minister
Infrastructure and
Major Projects Division

Mailing Address:
PO Box 9850 Stn Prov Govt
Victoria BC V8W 9T5
Telephone: 250 387-7671
Fax: 250 387-6431

Location:
5B 940 Blanshard Street
Victoria BC V8W 3E6
www.gov.bc.ca/tran

In the interim, I look forward to receiving the necessary further information from FTG, including by way of example only, the updated term sheet as soon as it becomes available.

Yours truly,

A handwritten signature in black ink, appearing to read "Pat C. Livolsi". The signature is fluid and cursive, with the first name "Pat" and last name "Livolsi" clearly legible, and "C." in the middle.

Patrick C Livolsi, P. Eng.
Province's Representative
Ministry of Transportation and Infrastructure

2/2



Ian Galsworthy, Concessionaire's Representative
FTG Fraser Transportation Group Partnership
1138 – 1100 Melville Street
Vancouver, BC V6E 4A6

Reference: PROV LTR-
09182015REFI

September 18, 2015

Dear Ian:

Re: South Fraser Perimeter Road Project – Proposed Refinancing – Subject to Provincial Approvals

We refer to the Concession Agreement (the “Concession Agreement” or “CA”) dated as of July 14, 2010 made among the Province, the BC Transportation Financing Authority and FTG Fraser Transportation Group Partnership (the “Concessionaire” or “FTG”). All capitalized terms used herein, unless otherwise defined, have the meanings given to such terms in the Concession Agreement.

Further to recent communications between the Province and FTG in relation to the Proposed Refinancing and in particular the Province's letter to FTG dated July 16, 2015, a copy of which is attached hereto, I now attach a copy of the OICs that have been approved and ordered pursuant to the Transportation Act and Transportation Investment Act, in anticipation of the Proposed Refinancing (the “OICs”).

Please note that the OICs do not constitute the Province's approval of the Proposed Refinancing pursuant to the terms of the Concession Agreement. The OICs are provided to FTG for FTG's information only and the provisions of and requirements set out in the Province's letter of July 16, 2015, including the conditions precedent set out therein and the requirement for the provision of formal written consent by the Province to the Proposed Refinancing, remain outstanding and unamended save as noted below.

Condition number four set out on the second page of the Province's letter of July 16, 2015, is hereby amended by the substitution of the date of October 30, 2015, for and in place of the date of September 30, 2015.

Sincerely,

Patrick C Livolsi, P. Eng.
Province's Representative
Ministry of Transportation and Infrastructure

**Ministry of Transportation
and Infrastructure**

Office of the
Assistant Deputy Minister
Infrastructure and
Major Projects Division

Mailing Address:
PO Box 9850 Stn Prov Govt
Victoria BC V8W 9T5
Telephone: 250 387-7671
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Location:
5B 940 Blanshard Street
Victoria BC V8W 3E6
www.gov.bc.ca/tran



**Enrique Martin, Concessionaire's Representative
FTG Fraser Transportation Group Partnership
1138 – 1100 Melville Street
Vancouver, BC V6E 4A6**

Reference: **PROV LTR-
07162015REFI**

July 16, 2015

Dear Enrique:

**Re: South Fraser Perimeter Road Project – Proposed Refinancing – Subject to
Provincial Approvals**

We refer to the Concession Agreement (the “Concession Agreement” or “CA”) dated as of July 14, 2010 made among the Province, the BC Transportation Financing Authority and FTG Fraser Transportation Group Partnership (the “Concessionaire” or “FTG”). All capitalized terms used herein, unless otherwise defined, have the meanings given to such terms in the Concession Agreement.

We refer to the Concessionaire's Consent Procedure submission by letter to the Province dated May 5, 2015 (the “Submission”) in which the Concessionaire requested the Province's consent pursuant to Sections 5.4, 5.14(a) and Section 2.2 of Schedule 2 of the Concession Agreement with respect to a proposed Refinancing, consequential financial model updates and Ancillary Refinancing Actions (as defined in the Submission) (the “Proposed Refinancing”), all as more particularly described in the Submission and supplemented or amended in the documentation accompanying the Submission, and other documentation delivered to the Province by or on behalf of the Concessionaire which documentation is referenced in Appendix “A” to this letter (collectively, the “Information”).

This letter confirms that based upon and in reliance on the Information and the acknowledgements and agreements of the Concessionaire described herein and subject to the conditions set out below, including for certainty, receipt of the Province Authorizations (as defined below):

1. the Province is prepared to provide consent to the Proposed Refinancing, such consent to be in the form reasonably required by the Province and to be released as part of an escrow closing conducted in like manner (with necessary changes) as was the case in connection with the original commercial close of the Project; and

**Ministry of Transportation
and Infrastructure**

Office of the
Assistant Deputy Minister
Infrastructure and
Major Projects Division

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Victoria BC V8W 3E6
www.gov.bc.ca/tran

2. the Province will continue to pursue the required authorizations, orders and approvals to respond to the Concessionaire in respect of and in accordance with the Consent Procedure, including without limitation, any approvals required under the Financial Administration Act (British Columbia), the Transportation Investment Act (British Columbia) and the Transportation Act (British Columbia) (the “Province Authorizations”).

CONDITIONS

The confirmation provided at numbered paragraph 1 and 2 above, and the release of escrow at the closing referred to in numbered paragraph 1 above, are subject to the following conditions, each of which is to be fulfilled in a manner and in form and substance satisfactory to the Province and the BC Transportation Financing Authority, in their respective discretions:

1. Receipt by the Province and the BC Transportation Financing Authority on or prior to closing of all Province Authorizations.
2. Involvement of and participation by the Province and the BC Transportation Financing Authority in the closing arrangements, as reasonably required by the Province and the BC Transportation Financing Authority.
3. Compliance with and satisfaction of the requirements set out in Part 5 of the Concession Agreement by the Concessionaire.
4. Pricing of the bonds being issued pursuant to the Proposed Refinancing to be achieved on or before September 30, 2015, and settlement within three business days thereafter.
5. The Province being satisfied in its discretion that the terms proposed for the Refinancing (including applicable rates for the Refinancing, leverage and other financial ratios) are appropriate, having regard to the conditions prevailing in the market at the time of the close of the Refinancing for a refinancing of the same, or substantially the same type as the Refinancing.
6. Agreement between the Province and the Concessionaire of the amount of the Refinancing Gain and the amount of the Province’s 50% share of the Refinancing Gain attributable to the Refinancing.
7. Receipt and review by the Province of the revised Financial Model reflecting the Proposed Refinancing and the final version of the model auditors report, produced in accordance with terms of engagement reviewed by the Province, by Weiser Mazars LLP.

8. Execution and delivery of all necessary amending agreements to the Province Project Documents, including the Concession Agreement and/or terminations of and new Province Project Documents, including those arising from the Ancillary Refinancing Actions (as defined in the Submission).
9. Delivery on or prior to closing of the Concessionaire's direction to the Province and to the BC Transportation Financing Authority to, and its acknowledgement and agreement that the Province may, rely upon the Information and all other documents and information referred to and to be provided to the Province and the BCTFA in respect of the Proposed Refinancing subsequent to the date of this letter for all purposes under the Concession Agreement (including in undertaking the Consent Procedure, issuing a written response pursuant to the Consent Procedure and entering into the agreements and arrangements consequential to and in connection with the Proposed Refinancing).
10. Delivery by the Concessionaire on or prior to closing of representations and warranties (including an acknowledgement that the Province and the BC Transportation Financing Authority are relying upon such representations and warranties for all purposes), that:
 - (a) the Information and all other documents and information referred to and to be provided to the Province and the BCTFA in respect of the Proposed Refinancing subsequent to the date of this letter in connection with the Proposed Refinancing were true, complete and accurate in all material respects as at the date provided and as at closing and do not omit any information or documentation required to make such Information, documents and other information, or any part thereof, not inaccurate or not misleading in part or when taken as a whole, and
 - (b) the revised Financial Model referred to in item 7 above was prepared in good faith, in accordance with the Concession Agreement, and on the basis of assumptions believed by the Concessionaire to be reasonable under the circumstances.
11. Delivery by the Concessionaire to the Province at closing of a conformed copy certified as true by an officer of the Concessionaire of all applicable Project Documents in accordance with section 5.11 of the Concession Agreement.
12. Delivery by the Concessionaire to the Province of fully executed officer's certificates regarding such matters as the Province and the BC Transportation Financing Authority may reasonably request in connection with the Proposed Refinancing, including: certified copies of the constating documents of the applicable entities, corporate and otherwise; confirmation of due incorporation and solvency of applicable entities, corporate and otherwise; incumbency certificates of applicable corporate entities; and a representation and warranty that the applicable entities, corporate and otherwise are not Restricted Persons for purposes of the Concession Agreement, the representations and warranties referred to in item 10 above, and such other representations and warranties as the Province and the BC Transportation Finance Authority may reasonably request.

13. Delivery by the Concessionaire to the Province on or prior to closing of legal opinions in relation to the following:
 - (a) an opinion of counsel to each of the following as to the formation of such person and due authorization, execution and delivery by such person of all Project Documents to which such person is a party and which may be terminated and replaced or otherwise amended:
 - (i) the Concessionaire; and
 - (ii) each of the Partners.
 - (b) an opinion of counsel to the Agent as to due authorization, execution and delivery of the Lenders' Remedies Agreement, the Insurance Trust Agreement and the Senior Lending Agreements to which the Agent is a party; and
 - (c) such other opinions as are customary in a financing transaction of the nature of the Proposed Refinancing or which may be reasonably required by the Province.
14. Delivery by the Concessionaire to the Province prior to closing, as such documentation is drafted and becomes available, for review by the Province (but without creating an obligation to review and or provide comments in relation to such documentation) of all financing documents, transactional documents, term sheets and other documents and information reasonably required by the Province.
15. Completion by the Province of such further and ongoing due diligence investigations, checks and verifications pertaining to the Proposed Refinancing as it may consider necessary or appropriate (and in respect of which the Concessionaire will provide access to and will promptly make available to the Province and its advisors, agents and representatives all such documentation and information in connection with the Proposed Refinancing (including without limitation the draft and final draft versions of all documentation relating to the Proposed Refinancing) as may be reasonably requested from time to time by or on behalf of the Province).
16. The Concessionaire securing a minimum recognized rating agency rating of A(low) (or equivalent) or better.

Nothing contained in this letter derogates from or constitutes a waiver or relinquishment by the Province or the BC Transportation Financing Authority of any of its rights, remedies or discretions pursuant to the Concession Agreement or any other Project Document, nor does this letter constitute a waiver of the Province's future entitlement to exercise any of its rights, remedies or discretions pursuant to the Concession Agreement or any other Project Document. For the avoidance of doubt, this letter does not constitute an acceptance of the Submission pursuant to Schedule 2, Part 2, of the Concession Agreement, the Province's review of which remains subject to obtaining necessary approvals and authorizations and the conditions and other requirements set out herein.

Yours truly,

A handwritten signature in black ink, appearing to read "Patrick C. Livolsi". The signature is fluid and cursive, with a large initial "P" and "L".

Patrick C Livolsi, P. Eng.
Province's Representative
Ministry of Transportation and Infrastructure

Attachment

.../2

APPENDIX “A”
Documents Submitted to the Province

1. Draft Term Sheet (Private Placement) dated March 1, 2015
2. FTG Fraser Transportation Group Partnership - Presentation to the Province of British Columbia - March 17, 2015 - South Fraser Perimeter Road - Project Refinancing
3. Letter from FTG to Patrick Livolsi dated March 27, 2015
4. FTG Fraser Transportation Group Partnership Presentation Materials to Supplement March 17, 2015 Presentation - March 27, 2015
5. Letter from FTG to Patrick Livolsi dated April 9, 2015
6. FTG Fraser Transportation Group Partnership - “South Fraser Perimeter Road Project Refinancing Operational Inputs: Summary of Refinancing Model Updates – April 21, 2015”
7. Proposed Refinancing submission letter dated May 5, 2015
8. FTG Refinancing Timeline dated May 11, 2015
9. FTG Fraser Transportation Group Partnership – “South Fraser Perimeter Road Project Refinancing - Follow Up to Provincial Letter (PROV LTR-05152015-REFI) – May 21, 2015 [updated]”
10. Weiser Mazars LLP Engagement Letter (and attachments) dated April 20th as amended and modified by Weiser Mazars LLP Engagement Letter Amendment dated June 9, 2015
11. Revised FTG Refinancing Timeline dated June 11, 2015
12. FTG Rating Agency Presentation 6-25-2015
13. Financial Model SFPR Ref 02d – Provincial Consent (updated 6-29-2015)
14. FTG Fraser Transportation Group Partnership – “South Fraser Perimeter Road Project Refinancing - Follow Up to Provincial Letter (PROV LTR-06182015-REFI) – July 6, 2015”

BC TRANSPORTATION FINANCING AUTHORITY

The undersigned, being the sole director of BC Transportation Financing Authority (the “Authority”) hereby consents to the following resolutions:

WHEREAS:

- A. The Authority is a corporation continued under the *Transportation Act* (British Columbia).
- B. Under the *Transportation Act* (British Columbia) an Order in Council of the Lieutenant Governor in Council of the Province of British Columbia is required to authorize the Authority to enter into the Agreements (as defined in section 2 of these Resolutions) in the form or substantially in the form of the drafts of the Agreements on file on August 17, 2015 in the Office of the Deputy Minister of Transportation and Infrastructure for the Province of British Columbia.

RESOLVED THAT:

- 1. The Authority request an Order in Council of the Lieutenant Governor in Council of the Province of British Columbia be approved and ordered authorizing the Authority to enter into the Agreements (as defined in section 2 of these Resolutions) in the form or substantially in the form of the drafts of the Agreements on file on August 17, 2015 in the Office of the Deputy Minister of Transportation and Infrastructure for the Province of British Columbia.
- 2. Upon delivery of the Order in Council referenced in section 1 of these Resolutions, the Authority enter into the following agreements (collectively, the “Agreements”):
 - (a) the agreement (the “Concession Agreement Amendment Agreement”) entitled “South Fraser Perimeter Road Project Concession Agreement Amendment Agreement” to be made among Her Majesty the Queen in Right of the Province of British Columbia as represented by the Minister of Transportation and Infrastructure (the “Province”), the Authority and FTG Fraser Transportation Group Partnership (the “Concessionaire”);

- (b) the agreement entitled “South Fraser Perimeter Road Project Lenders’ Remedies Agreement” to be made among the Province, the Authority, the Computershare Share Trust Company of Canada and the Concessionaire; and
 - (c) the agreement entitled “South Fraser Perimeter Road Project Insurance Trust Agreement” to be made among the Province, the Authority, the Concessionaire, the Computershare Share Trust Company of Canada in the capacity of Indenture Trustee and the Computershare Share Trust Company of Canada in the capacity of Insurance Trustee.
- 3. The Agreements be in the form or substantially in the form of the drafts of the Agreements on file on August 17, 2015 in the Office of the Deputy Minister of Transportation and Infrastructure for the Province of British Columbia.
 - 4. The sole Director of the Authority, the Chief Executive Officer of the Authority, or any other officer of the Authority be and is hereby authorized and directed to execute the Agreements on behalf of the Authority together with such modifications and amendments as such Director, Chief Executive Officer or other officer of the Authority, as the case may be, considers necessary or advisable and to do all such other things and to execute all such other documents as may be required to facilitate the closing of the transaction contemplated by the Concession Agreement Amendment Agreement.
 - 5. These Resolutions may be signed in as many counterparts as may be necessary, and may be delivered by facsimile or other means of electronic communication producing a printed copy each of which so signed and delivered shall be deemed to be an original, and such counterparts together shall constitute one and the same instrument and notwithstanding the date of execution shall be deemed to bear the date set forth below.

Dated as of the _____ day of _____, 2015.

Honourable Todd Stone

Minister of Transportation and
Infrastructure Minister Responsible
Sole Director, BC Transportation
Financing Authority

CONCESSION AGREEMENT AMENDMENT AGREEMENT

AMONG

**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

FTG FRASER TRANSPORTATION GROUP PARTNERSHIP

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**SOUTH FRASER PERIMETER ROAD PROJECT
CONCESSION AGREEMENT AMENDMENT AGREEMENT**

CONCESSION AGREEMENT AMENDMENT AGREEMENT

THIS AGREEMENT is made as of _____, 2015.

AMONG:

**HER MAJESTY THE QUEEN IN RIGHT OF THE PROVINCE OF
BRITISH COLUMBIA**, as represented by the **MINISTER OF
TRANSPORTATION AND INFRASTRUCTURE**

(the “**Province**”)

AND:

BC TRANSPORTATION FINANCING AUTHORITY

(“**BCTFA**”)

AND:

FTG FRASER TRANSPORTATION GROUP PARTNERSHIP, a
general partnership established under the laws of the Province of British
Columbia, comprised of **FTG HOLDINGS LIMITED PARTNERSHIP**, a
limited partnership formed under the laws of the Province of British
Columbia and **SOUTH FRASER CONSTRUCTION LIMITED
PARTNERSHIP**, a limited partnership formed under the laws of the
Province of British Columbia

(the “**Concessionaire**”)

WHEREAS:

- A. The parties entered into a concession agreement (the “**Concession Agreement**”) dated as of July 14, 2010 pursuant to which the Concessionaire has been retained by the Province to carry out the South Fraser Perimeter Road Project; and
- B. The Parties wish to make certain amendments to the Concession Agreement on the terms set out in this Agreement.

NOW THEREFORE for good and valuable consideration, the parties agree as follows:

**ARTICLE 1
DEFINITIONS AND INTERPRETATION**

1.1 In this Agreement, unless the context otherwise requires:

- (a) “**Amendment Effective Date**” has the meaning set out in Section 4.1;
- (b) “**Concession Agreement**” has the meaning given in Recital A;

**SOUTH FRASER PERIMETER ROAD PROJECT
CONCESSION AGREEMENT AMENDMENT AGREEMENT**

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- (c) other terms with initial capital letters will have the meanings given to them in the Concession Agreement.
- 1.2 The Appendices to this Agreement are incorporated into and form part of this Agreement.
- 1.3 This Agreement will be interpreted according to the provisions set out in Part 2 of Schedule 1 to the Concession Agreement, save to the extent that the context or the express provisions of this Agreement otherwise require.
- 1.4 This Agreement and the replacement Lenders' Remedies Agreement and Insurance Trust Agreement to be entered into as contemplated in Sections 4.1(b) and 4.1(c) of this Agreement are hereby specified as forming part of the concession agreement for the purposes of and as contemplated in the TIA.
- 1.5 Unless the context otherwise requires, where the Concession Agreement is referred to in another agreement or memorandum of understanding between the parties, those references will be deemed to refer to the Concession Agreement, as amended by this Agreement.

**ARTICLE 2
AMENDMENT OF CONCESSION AGREEMENT**

- 2.1 Section 2.18 of the Concession Agreement is amended as follows:
 - (a) by deleting paragraph (a) thereof and replacing with the following:
 - “(a) A print of the outputs of the Financial Model as at the Amendment Effective Date, certified by a senior officer or director of the general partner of each of the Initial Partners, having knowledge of the facts, as being a true and correct copy, is attached as Part 2 of Schedule 12 [Financial Model] and an electronic copy of the Financial Model as at the Amendment Effective Date is attached as Part 1 of Schedule 12 [Financial Model].”
 - (b) by deleting paragraph (d)(iii) thereof in its entirety.
- 2.2 Section 5.2 of the Concession Agreement is amended as follows:
 - (a) by deleting “(including a Qualified Refinancing)” from paragraphs (g) and (h) thereof;
 - (b) by deleting “(which exception includes a Refinancing that the Concessionaire proposes to carry out as a Qualified Refinancing)” from paragraph (i) thereof;
 - (c) by deleting both references to “(other than a Refinancing that the Concessionaire proposes to carry out as a Qualified Refinancing)” from paragraph (j) thereof; and
 - (d) by deleting paragraph (k) thereof in its entirety.
- 2.3 Section 5.3 of the Concession Agreement is amended by deleting both references to “(other than a Refinancing that the Concessionaire proposes to carry out as a Qualified Refinancing)” therein.
- 2.4 Section 5.4 of the Concession Agreement is amended by deleting “, and except for a Qualified Refinancing carried out in accordance with Section 5.16 [Qualified Refinancing],” therefrom.

**SOUTH FRASER PERIMETER ROAD PROJECT
CONCESSION AGREEMENT AMENDMENT AGREEMENT**

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- 2.5 Section 5.7(b) of the Concession Agreement is amended by deleting “or Sections 5.16(a)(i) and (ii), as applicable” therefrom.
- 2.6 Section 5.8 of the Concession Agreement is amended as follows:
- (a) by deleting “or Section 5.16(a)” from the introductory paragraph thereof; and
 - (b) by deleting “and 5.16 [Qualified Refinancing] from paragraph (a) thereof.
- 2.7 Section 5.9 of the Concession Agreement is amended by deleting “(other than a Refinancing that the Concessionaire proposes to carry out as a Qualified Refinancing)” therefrom.
- 2.8 Section 5.10 of the Concession Agreement is amended as follows:
- (a) by deleting “(including any Qualified Refinancing)” from the introductory paragraph and paragraph (b) thereof;
 - (b) by deleting “and 5.16 [Qualified Refinancing] from paragraph (b) thereof; and
 - (c) by deleting “a Qualified Refinancing” from paragraph (c) thereof.
- 2.9 Section 5.12 of the Concession Agreement is amended as follows:
- (a) by deleting “and 5.16 [Qualified Refinancing] from paragraph (b) thereof; and
 - (b) by deleting both references to “(including a Qualified Refinancing)” from paragraph (d) thereof.
- 2.10 Section 5.13 of the Concession Agreement is amended by deleting “including a Qualified Refinancing but” therefrom.
- 2.11 Section 5.14 of the Concession Agreement is amended as follows:
- (a) by deleting “and 5.16 [Qualified Refinancing]” from the introductory paragraph thereof;
 - (b) by deleting paragraph (b) thereof in its entirety and replacing it with “INTENTIONALLY DELETED”; and
 - (c) by deleting paragraph (c)(iii)(A) thereof in its entirety and replacing it with “INTENTIONALLY DELETED”.
- 2.12 Section 5.16 of the Concession Agreement is deleted in its entirety and replaced with “INTENTIONALLY DELETED”.
- 2.13 Section 12.1(f)(i) of the Concession Agreement is amended by deleting “and 5.16 [Qualified Refinancing]” therefrom.
- 2.14 The definition of “Agent” in Section 1.1 of Schedule 1 to the Concession Agreement is amended by adding “and includes any “indenture trustee” for the Senior Lenders as designated by the Concessionaire”.

**SOUTH FRASER PERIMETER ROAD PROJECT
CONCESSION AGREEMENT AMENDMENT AGREEMENT**

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- 2.15 A new definition of “Amendment Effective Date” is added to Section 1.1 of Schedule 1 to the Concession Agreement as follows:

“**“Amendment Effective Date”** means •, 2015.”

- 2.16 The definition of “Base Senior Debt Termination Amount” in Section 1.1 of Schedule 1 to the Concession Agreement is amended by deleting paragraph (c) thereof and replacing with the following: **[NTD: Schedule 25 references (including account names) to be confirmed.]**

“(c) all credit balances on any bank accounts held by or on behalf of the Concessionaire or any of the Partners on the Termination Date with the exception only of the “Distribution Account” as defined in the Trust Indenture referred to in paragraph 1 of Part 1 of Schedule 25 [Financing and Partnership Agreements] and the “Debtor’s Separate Bank Account” as defined in each of the General Security Agreements referred to in paragraphs 3, 4 and 5 of Part 1 of Schedule 25 [Financing and Partnership Agreements];

- 2.17 The definition of “Financial Model” in Section 1.1 of Schedule 1 to the Concession Agreement is deleted and replaced with the following:

“**“Financial Model”** means the computer spreadsheet model and software for the Project incorporating statements of the Concessionaire’s cash flows including all expenditures and revenues (including on a gross basis), financing and taxation of the Project Work together with the profit and loss accounts and balance sheets for the Concessionaire throughout the Term, accompanied by details of all assumptions, calculations and methodology used in their compilation and any other documentation necessary or desirable to operate the model, as attached hereto in electronic form as Part 1 of Schedule 12 [Financial Model]. If there are updates to the Financial Model from time to time after the Amendment Effective Date in accordance with Section 2.18, references to the “Financial Model” shall mean the Financial Model as so updated, unless a contrary intention is indicated.”

- 2.18 The definition of “Initial Hedging Agreements” in Section 1.1 of Schedule 1 to the Concession Agreement is deleted in its entirety, together with all references to such term in the Concession Agreement.

- 2.19 The definition of “Qualified Refinancing” in Section 1.1 of Schedule 1 to the Concession Agreement is deleted in its entirety.

- 2.20 The definition of “Revised Senior Debt Termination Amount” in Section 1.1 of Schedule 1 to the Concession Agreement is amended by deleting paragraph (c) thereof and replacing with the following: **[NTD: Schedule 25 references (including account names) to be confirmed.]**

“(c) all credit balances on any bank accounts held by or on behalf of the Concessionaire or any of the Partners on the Termination Date with the exception only of the “Distribution Account” as defined in the Trust Indenture referred to in paragraph 1 of Part 1 of Schedule 25 [Financing and Partnership Agreements] and the “Debtor’s Separate Bank Account” as defined in each of the General Security Agreements referred to in paragraphs 3, 4 and 5 of Part 1 of Schedule 25 [Financing and Partnership Agreements];”

**SOUTH FRASER PERIMETER ROAD PROJECT
CONCESSION AGREEMENT AMENDMENT AGREEMENT**

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- 2.21 The definition of “Senior Lenders” in Section 1.1 of Schedule 1 to the Concession Agreement is amended by adding “and includes any bondholders of the Concessionaire”.
- 2.22 Section 2.7(b) of Schedule 2 to the Concession Agreement is amended by deleting both references to “(other than a Qualified Refinancing)” from the introductory paragraph thereof.
- 2.23 Appendix C to Schedule 10 to the Concession Agreement is amended by deleting s.21 in Column 1 of the table therein for all months from and after **[October]** 2015 and replacing with “**•**” **[NTD: Revised amount of “Un-indexable Portion of Maximum Availability Payment” to be inserted following pricing]** and, for **[October]** 2015 only, the Maximum Availability Payment will be the sum of: **[NTD: Calculation to be confirmed.]**
- (a) the amount calculated in accordance with Section 3.2(b) of Schedule 10 to the Concession Agreement where $UAP_{mm} = s.21$ and S_m = the number of days in such month up to and including the Amendment Effective Date; and
- (b) the amount calculated in accordance with Section 3.2(b) of Schedule 10 to the Concession Agreement where $UAP_{mm} = \$•$ **[NTD: Insert number above]** and S_m = the remaining number of days in such month after the Amendment Effective Date.
- 2.24 Schedule 12 to the Concession Agreement entitled “Financial Model” is deleted and replaced with the replacement Schedule 12 set out in Appendix A to this Agreement.
- 2.25 Schedule 14 to the Concession Agreement entitled “Lenders’ Remedies Agreement” is deleted and replaced with the replacement Schedule 14 set out in Appendix B to this Agreement.
- 2.26 Schedule 18 to the Concession Agreement entitled “Insurance Trust Agreement” is deleted and replaced with the replacement Schedule 18 set out in Appendix C to this Agreement.
- 2.27 Schedule 25 to the Concession Agreement entitled “Financing and Partnership Agreements” is deleted and replaced with the replacement Schedule 25 set out in Appendix D to this Agreement.
- 2.28 Schedule 26 to the Concession Agreement entitled “Qualified Refinancing Change in Committed Funding Limit” is deleted in its entirety.
- 2.29 The provisions of the Concession Agreement, as amended by this Agreement, are ratified and confirmed.
- 2.30 All other provisions of the Concession Agreement remain in full force and effect.

**ARTICLE 3
MISCELLANEOUS**

- 3.1 No amendment to this Agreement shall be binding unless it is in writing and signed by each of the parties hereto.
- 3.2 The Concession Agreement, as amended by this Agreement, constitutes the entire agreement between the parties hereto with respect to all matters contained herein, expressly superseding all prior agreements and communications (both oral and written) between any of the parties hereto with respect to all matters contained herein.

**SOUTH FRASER PERIMETER ROAD PROJECT
CONCESSION AGREEMENT AMENDMENT AGREEMENT**

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- 3.3 This Agreement and the terms hereof shall constitute Confidential Information for the purposes of the Concession Agreement.
- 3.4 The parties shall do, execute and deliver, or shall cause to be done, executed and delivered, all such further acts, documents (including certificates, declarations, affidavits, reports and opinions) and things as the other may reasonably request for the purpose of giving effect to this Agreement or for the purpose of establishing compliance with the parties' respective obligations under this Agreement.
- 3.5 This Agreement is governed exclusively by, and is to be enforced, construed and interpreted exclusively in accordance with, the laws of British Columbia and the laws of Canada applicable in British Columbia, and the laws of British Columbia and the laws of Canada applicable in British Columbia are the proper law of this Agreement.
- 3.6 This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, and this has the same effect as if the signatures on the counterparts were on a single copy of this Agreement so that it shall not be necessary in making proof of this Agreement to produce or account for more than one such counterpart.

**ARTICLE 4
AMENDMENT EFFECTIVE DATE**

- 4.1 Notwithstanding the date of execution or delivery of this Agreement, the provisions of this Agreement shall be effective as of the date (the "**Amendment Effective Date**") on which the following conditions have been fulfilled:
- (a) this Agreement has been executed and delivered by the Province, BCTFA and the Concessionaire;
 - (b) the Province, BCTFA, the Concessionaire and the Agent have executed and delivered a Lenders' Remedies Agreement in the form attached as Appendix B hereto in replacement for the Lenders' Remedies Agreement dated July 14, 2010, which shall have been terminated; and
 - (c) the Province, BCTFA, the Concessionaire, the Agent and the Insurance Trustee have executed and delivered an Insurance Trust Agreement in the form attached as Appendix C hereto in replacement for the Insurance Trust Agreement dated July 14, 2010, which shall have been terminated.

**SOUTH FRASER PERIMETER ROAD PROJECT
CONCESSION AGREEMENT AMENDMENT AGREEMENT**

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IN WITNESS WHEREOF the parties have executed this Agreement as of the day and year first above written.

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**)
AND INFRASTRUCTURE in the)
presence of:)

(Witness)

Grant Main
Deputy Minister
Ministry of Transportation and Infrastructure

BC TRANSPORTATION FINANCING AUTHORITY
by its authorized signatory:

Per:

Grant Main
Chief Executive Officer

**SOUTH FRASER PERIMETER ROAD PROJECT
CONCESSION AGREEMENT AMENDMENT AGREEMENT**

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**FTG FRASER TRANSPORTATION GROUP
PARTNERSHIP**

by its partners:

FTG HOLDINGS LIMITED PARTNERSHIP

by its general partner

FTG FRASER TRANSPORTATION GROUP INC.

by its authorized signatories:

Per:

Name:

Title:

Per:

Name:

Title:

SOUTH FRASER CONSTRUCTION LIMITED

PARTNERSHIP by its general partner

SOUTH FRASER CONSTRUCTION INC.

by its authorized signatories:

Per:

Name:

Title:

Per:

Name:

Title:

***SOUTH FRASER PERIMETER ROAD PROJECT
CONCESSION AGREEMENT AMENDMENT AGREEMENT***

**APPENDIX A
SCHEDULE 12 TO CONCESSION AGREEMENT
FINANCIAL MODEL**

PART 1 FINANCIAL MODEL

[NTD: Electronic copy to be attached.]

PART 2 OUTPUTS OF FINANCIAL MODEL

[NTD: Hard copy to be attached.]

***SOUTH FRASER PERIMETER ROAD PROJECT
CONCESSION AGREEMENT AMENDMENT AGREEMENT***

**APPENDIX B
SCHEDULE 14 TO CONCESSION AGREEMENT
LENDERS' REMEDIES AGREEMENT**

[NTD: See separate document.]

***SOUTH FRASER PERIMETER ROAD PROJECT
CONCESSION AGREEMENT AMENDMENT AGREEMENT***

**APPENDIX C
SCHEDULE 18 TO CONCESSION AGREEMENT
INSURANCE TRUST AGREEMENT**

[NTD: See separate document.]

**SOUTH FRASER PERIMETER ROAD PROJECT
CONCESSION AGREEMENT AMENDMENT AGREEMENT**

APPENDIX D

**SCHEDULE 25 TO CONCESSION AGREEMENT
FINANCING AND PARTNERSHIP AGREEMENTS**

[NTD: To be finalized.]

PART 1 INITIAL SENIOR LENDING AGREEMENTS

1. Trust Indenture (the “**Trust Indenture**”) dated as of the Amendment Effective Date among the Concessionaire, the Initial Partners and Computershare Trust Company of Canada, as indenture trustee (the “**Indenture Trustee**”).
2. Blocked Accounts Agreements dated as of the Amendment Effective Date among the Concessionaire, the Indenture Trustee and [●] as account bank (the “**Account Bank**”).
3. General Security Agreement dated as of the Amendment Effective Date between the Concessionaire and the Indenture Trustee.
4. General Security Agreement dated as of the Amendment Effective Date between FTG Holdings Limited Partnership (“**ACS/Star Partner**”) and the Indenture Trustee.
5. General Security Agreement dated as of the Amendment Effective Date between South Fraser Construction Limited Partnership (“**Ledcor Partner**”) and the Indenture Trustee.
6. Limited Recourse Guarantee and Pledge Agreement dated as of the Amendment Effective Date between South Fraser Construction Inc. (“**SFCI**”) and the Indenture Trustee, in respect of a limited recourse guarantee by SFCI and a pledge by it of its securities in the Ledcor Partner.
7. Limited Recourse Guarantee and Pledge Agreement dated as of the Amendment Effective Date between Ledcor Developments Ltd. (“**LDL**”) and the Indenture Trustee, in respect of a limited recourse guarantee by LDL and a pledge by it of its securities in the Ledcor Partner.
8. Limited Recourse Guarantee and Pledge Agreement dated as of the Amendment Effective Date between Ledcor Investments Inc. and the Indenture Trustee, in respect of a limited recourse guarantee by Ledcor Investments Inc. and a pledge by it of its securities in SFCI.
9. Limited Recourse Guarantee and Pledge Agreement dated as of the Amendment Effective Date between FTG Fraser Transportation Group Inc. (“**FTG TGI**”) and the Indenture Trustee, in respect of a limited recourse guarantee by FTG TGI and a pledge by it of its securities in the ACS/Star Partner.
10. Limited Recourse Guarantee and Pledge Agreement dated as of the Amendment Effective Date between ACS Infrastructure Canada Inc. (“**ACSIC**”) and the Indenture Trustee, in respect of a limited recourse guarantee by ACSIC and a pledge by it of its securities in the ACS/Star Partner and FTG TGI.
11. Limited Recourse Guarantee and Pledge Agreement dated as of the Amendment Effective Date between Fraser SAIF Acquisition Company, Inc. (“**Fraser SAIF**”) and the Indenture Trustee, in respect of a limited recourse guarantee by Fraser SAIF and a pledge by it of its securities in the ACS/Star Partner and FTG TGI.
12. Fixed rate, secured, amortizing senior bonds, issued in accordance with and pursuant to the Trust Indenture.

**SOUTH FRASER PERIMETER ROAD PROJECT
CONCESSION AGREEMENT AMENDMENT AGREEMENT**

Appendix D: Schedule 25 to Concession Agreement – Financing and Partnership Agreements

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13. [Fee Letter dated as of the Effective Date between the Indenture Trustee and the Concessionaire, to the extent only that the fees payable thereunder relate to the Trust Indenture].

PART 2 INITIAL JUNIOR LENDING AGREEMENTS

None

PART 3 INITIAL PARTNERSHIP AGREEMENTS

1. Partnership Agreement dated on or about July 12, 2010 between the Initial Partners.
2. Equity Contribution Agreement dated as of the Effective Date among the Concessionaire, ACS, the Ledcor Partner and the Agent.

INSURANCE TRUST AGREEMENT

AMONG

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

- and -

BC TRANSPORTATION FINANCING AUTHORITY

- and -

FTG FRASER TRANSPORTATION GROUP PARTNERSHIP

- and -

COMPUTERSHARE TRUST COMPANY OF CANADA

- and -

COMPUTERSHARE TRUST COMPANY OF CANADA

•, 2015

**SOUTH FRASER PERIMETER ROAD PROJECT
INSURANCE TRUST AGREEMENT**

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Appendix A Concession Agreement Insurance Provisions

**SOUTH FRASER PERIMETER ROAD PROJECT
INSURANCE TRUST AGREEMENT**

INSURANCE TRUST AGREEMENT

THIS AGREEMENT dated as of the _____ day of _____, 2015

AMONG:

**HER MAJESTY THE QUEEN IN RIGHT OF THE PROVINCE OF
BRITISH COLUMBIA**, as represented by the **MINISTER OF
TRANSPORTATION AND INFRASTRUCTURE**

(the “**Province**”)

AND:

BC TRANSPORTATION FINANCING AUTHORITY, a corporation
continued under the *Transportation Act* (British Columbia)

(“**BCTFA**”)

AND:

FTG FRASER TRANSPORTATION GROUP PARTNERSHIP, a
general partnership established under the laws of the Province of British
Columbia, comprised of **FTG HOLDINGS LIMITED PARTNERSHIP**, a
limited partnership formed under the laws of the Province of British
Columbia and **SOUTH FRASER CONSTRUCTION LIMITED
PARTNERSHIP**, a limited partnership formed under the laws of the
Province of British Columbia

(the “**Concessionaire**”)

AND:

COMPUTERSHARE TRUST COMPANY OF CANADA

(the “**Indenture Trustee**”)

AND:

COMPUTERSHARE TRUST COMPANY OF CANADA

(the “**Insurance Trustee**”)

WHEREAS:

A. The Province, BCTFA and the Concessionaire have entered into the Concession Agreement pursuant to which the Concessionaire has agreed to carry out the Project described therein;

**SOUTH FRASER PERIMETER ROAD PROJECT
INSURANCE TRUST AGREEMENT**

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B. The Concessionaire is obligated pursuant the Concession Agreement to maintain or cause to be maintained the Required Insurance, certain proceeds of which are payable to the Insurance Trustee in accordance with Section 6.18 [Application of Proceeds of Insurance] of the Concession Agreement;

C. The Concession Agreement contemplates that the Province, BCTFA, the Concessionaire and the Indenture Trustee shall enter into this Agreement with the Insurance Trustee; and

D. These recitals reflect the understandings and agreements of the Province, BCTFA, the Concessionaire and the Indenture Trustee, but are not recitals of the Insurance Trustee.

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

**PART 1
INTERPRETATION**

1.1 Definitions

Unless otherwise specified or the context otherwise requires, in this Agreement:

- (a) **“Agreement”** means this Agreement;
- (b) **“Concession Agreement”** means the agreement titled “Concession Agreement” dated July 14, 2010 made between the Province, BCTFA and the Concessionaire, as amended, supplemented or replaced from time to time;
- (c) **“Concession Agreement Insurance Provisions”** means Part 6 [Insurance, Damage and Destruction] and Schedule 15 [Insurance Requirements] of the Concession Agreement, together with related definitions from Section 1.1 [Definitions] of Schedule 1 to the Concession Agreement, which Part, Schedule and definitions are set forth verbatim in Appendix A [Concession Agreement Insurance Provisions] to this Agreement;
- (d) **“Permitted Investments”** means any bonds, debentures, notes, bills of exchange, securities or other evidences of indebtedness issued or guaranteed by:
 - (i) the Federal Government;
 - (ii) any province of Canada, provided that such instruments are rated at least A-1 (as such rating is determined by Standard & Poors Rating Services, a division of the McGraw-Hill Companies, Inc. (in this definition, **“Standard & Poors”**)) as of the date upon which such investment is made) or the equivalent rating from Moody’s Canada Inc. (in this definition, **“Moody’s”**); or
 - (iii) any of the Schedule 1 Canadian chartered banks rated at least AA (as such rating is determined by Standard & Poors as of the date upon which such investment is made) or the equivalent rating from Moody’s,

**SOUTH FRASER PERIMETER ROAD PROJECT
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and provided that the term of any such investment is 180 days or less; and

- (e) other words and expressions with initial capital letters used in this Agreement that are defined in the Concession Agreement and are not otherwise defined in this Agreement shall have the meanings given to them in the Concession Agreement.

1.2 Interpretation

This Agreement shall be interpreted according to the provisions set out in Sections 2.2 to 2.14 inclusive, 2.17, 2.18, 2.24, 2.25, 2.29, 2.30 and 2.31 of Schedule 1 [Definitions and Interpretation] to the Concession Agreement, *mutatis mutandis*, save to the extent that the context or the express provisions of this Agreement otherwise require.

1.3 Governing Law

This Agreement is governed exclusively by, and is to be enforced, construed and interpreted exclusively in accordance with, the laws of British Columbia and the laws of Canada applicable in British Columbia, and the laws of British Columbia and the laws of Canada applicable in British Columbia are the proper law of this Agreement.

1.4 Submission to Jurisdiction

Except where a matter is to be resolved by arbitration under the Dispute Resolution Procedure, the Court has exclusive jurisdiction to entertain and determine all disputes between the parties and Claims in any way related to or arising out of this Agreement, whether for specific performance, injunction, declaration or otherwise, both at law and in equity, and each of the parties irrevocably submits to the exclusive jurisdiction of the Court.

1.5 Language

The language of this Agreement is English. All communications, documents and information provided pursuant to this Agreement must be entirely in English.

1.6 Amendment of Concession Agreement Insurance Provisions

The Province, BCTFA and the Concessionaire shall provide the Insurance Trustee with a copy of any amendment to the Concession Agreement Insurance Provisions and any such amendment shall be deemed to be incorporated into and amend Appendix A [Concession Agreement Insurance Provisions] to this Agreement accordingly.

**PART 2
TERM**

2.1 Term

This Agreement shall commence on the date hereof and shall terminate on the later of the Termination Date under the Concession Agreement and the date on which the Insurance Trustee has discharged its duties in respect of all Property Damage Insurance Proceeds paid to it pursuant to the Concession Agreement.

**SOUTH FRASER PERIMETER ROAD PROJECT
INSURANCE TRUST AGREEMENT**

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2.2 Notice of Termination Date

The Province, BCTFA and the Concessionaire shall give the Insurance Trustee notice of any occurrence of the Termination Date under the Concession Agreement.

**PART 3
APPOINTMENT AND FEES OF INSURANCE TRUSTEE**

3.1 Appointment of Insurance Trustee

The Province, BCTFA and the Concessionaire hereby appoint the Insurance Trustee as the Insurance Trustee for the purposes of the Concession Agreement with respect to Property Damage Insurance Proceeds that are payable to the "Insurance Trustee" under the Concession Agreement. The Indenture Trustee hereby consents to such appointment.

3.2 Acceptance of Appointment

The Insurance Trustee accepts the appointment in Section 3.1 [Appointment of Insurance Trustee] of this Agreement and agrees to perform the duties and services required of it under this Agreement in an honest, diligent and efficient manner.

3.3 Insurance Trustee's Fees and Expenses

- (a) Subject to Section 3.3(b) of this Agreement, the Concessionaire shall pay to the Insurance Trustee all reasonable fees, costs and expenses in relation to the performance by the Insurance Trustee of its obligations under this Agreement.
- (b) The Province and BCTFA on the one hand, and the Concessionaire on the other, shall each pay to the Insurance Trustee one half of the additional fees referred to in Section 4.3(a) of this Agreement. The obligation of each of the Province and BCTFA on the one hand, and the Concessionaire on the other, to pay its one-half of such additional fees is a several obligations and not subject to joint or joint and several liability, and neither the Province and BCTFA on the one hand, nor the Concessionaire on the other, shall have any liability whatsoever for the non-payment by the other of any such additional fees payable by such other party under this Agreement.
- (c) The Insurance Trustee shall have no obligation to spend its own funds in the performance of its duties and obligations under this Agreement.

**PART 4
RIGHTS AND DUTIES OF INSURANCE TRUSTEE**

4.1 Dealings with Property Damage Insurance Proceeds

- (a) The Insurance Trustee, upon receipt of any Property Damage Insurance Proceeds pursuant to Section 6.18 [Application of Proceeds of Insurance] of the Concession Agreement, shall:

***SOUTH FRASER PERIMETER ROAD PROJECT
INSURANCE TRUST AGREEMENT***

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- (i) hold such Property Damage Insurance Proceeds in trust for the Province, BCTFA and the Concessionaire pursuant to the Concession Agreement Insurance Provisions;
 - (ii) not release or pay any Property Damage Insurance Proceeds except in accordance with Section 4.1(a)(iii) or Section 4.1(b) of this Agreement;
 - (iii) pay such Property Damage Insurance Proceeds or part thereof, in accordance with the express written authorization and direction to pay (including as to quantum and payee) signed by all of the Province, BCTFA and the Concessionaire from time to time; and
 - (iv) pending payment in accordance with Section 4.1(a)(iii) or Section 4.1(b) of this Agreement, invest such Property Damage Insurance Proceeds in accordance with Section 4.2 [Investment of Property Damage Insurance Proceeds] of this Agreement.
- (b) If there is any dispute between the Province and BCTFA on the one hand, and the Concessionaire on the other, regarding payment of any Property Damage Insurance Proceeds by the Insurance Trustee, then either the Province and BCTFA on the one hand or the Concessionaire on the other may refer the matter for determination pursuant to the Dispute Resolution Procedure under the Concession Agreement and the Insurance Trustee shall deal with the Property Damage Insurance Proceeds in accordance with any final determination made under the Dispute Resolution Procedure of which a copy is provided to the Insurance Trustee.
- (c) The Province and the Concessionaire agree to provide to the Insurance Trustee at its written request particulars of any insurance policies taken out pursuant to the Concession Agreement of which the Insurance Trustee is named as a loss payee.

4.2 Investment of Property Damage Insurance Proceeds

- (a) Upon receipt of a joint direction from the Province, BCTFA and the Concessionaire, the Insurance Trustee shall invest the Property Damage Insurance Proceeds in Permitted Investments in its name in accordance with such direction.
- (b) Any joint direction issued by the Province, BCTFA and the Concessionaire to the Insurance Trustee in accordance with Section 4.2(a) of this Agreement shall be in writing and shall be provided to the Insurance Trustee no later than 9:00 a.m. on the day on which the investment is to be made. Any such direction received by the Insurance Trustee after 9:00 a.m. Vancouver time or received on day other than a Business Day shall be deemed to have been given prior to 9:00 a.m. Vancouver time on the next Business Day.
- (c) In the event that the Insurance Trustee does not receive a direction or receives only a partial direction under Section 4.2(a) of this Agreement, the Insurance Trustee may hold cash balances constituting part or all of the Property Damage Insurance Proceeds and shall invest the same in its deposit department or the deposit department of one of its Affiliates or any Canadian chartered bank referred to in Section 1.1(d)(iii); but the

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Insurance Trustee and its Affiliates shall not be liable to account for any profit to any parties to this Agreement or to any other person or entity other than at a rate, if any, established from time to time by the Insurance Trustee or one of its Affiliates or Canadian chartered bank, as applicable.

- (d) The Insurance Trustee shall not be responsible for losses arising as a result of investing Property Damage Insurance Proceeds in accordance with Sections 4.2(a), (b) and (c).
- (e) Interest and other income earned on Property Damage Insurance Proceeds while held or invested by the Insurance Trustee under this Agreement in accordance with Sections 4.2(a), (b) and (c) shall for income tax purposes be allocated to the Concessionaire except to the extent such Property Damage Insurance Proceeds are paid to the Province pursuant to Section 6.26 of the Concession Agreement in respect of which interest and other income shall for income tax purposes be allocated to the Province.

4.3 Enforcement of Rights by Insurance Trustee

- (a) The Insurance Trustee shall not be obligated to commence or continue any act, action or proceeding for the purpose of enforcing any rights of the Insurance Trustee or the parties under any policies of insurance unless, in the case of the enforcement of the rights of any of the Province, BCTFA and the Concessionaire, all of the Province, BCTFA and the Concessionaire direct the Insurance Trustee in writing accordingly and, in any event, the Province, BCTFA and the Concessionaire furnish, when required by notice from the Insurance Trustee, sufficient funds to commence or continue such act, action or proceeding as provided in Section 3.3(b) of this Agreement.
- (b) Upon request by the Insurance Trustee in connection with an enforcement by the Insurance Trustee under Section 4.3(a) of this Agreement, each of the parties hereto shall irrevocably nominate, constitute and appoint the Insurance Trustee as its attorney to take all requisite steps, including, but without limitation, the filing of proofs of loss, to collect the Property Damage Insurance Proceeds. The Province, BCTFA and the Concessionaire shall, on the request of the Insurance Trustee, provide such reasonable written directions as the Insurance Trustee may reasonably require on such collection of Property Damage Insurance Proceeds.
- (c) The Province and BCTFA on the one hand, and the Concessionaire on the other, shall each indemnify and hereby indemnify the Insurance Trustee and hold the Insurance Trustee harmless against one half of all liabilities, costs and expenses (including legal fees on a full indemnity basis) that the Insurance Trustee incurs in connection with commencing or continuing any act, action or proceeding under this Section 4.3 [Enforcement of Rights by Insurance Trustee], save and except any liabilities, costs and expenses arising from or in connection with any failure of the Insurance Trustee to act honestly or in good faith or with the care, diligence and skill of a prudent trustee, or any gross negligence or wilful misconduct on the part of the Insurance Trustee. This indemnity shall survive the termination or discharge of this Agreement or the resignation of the Insurance Trustee.

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INSURANCE TRUST AGREEMENT***

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4.4 General Rights and Duties of Insurance Trustee

- (a) In the exercise of the duties and services required of it under this Agreement, without limiting the obligations of the Insurance Trustee under Section 3.2 [Acceptance of Appointment], the Insurance Trustee shall exercise that degree of care, diligence and skill that a prudent trustee would exercise in comparable circumstances.
- (b) No duty with respect to reviewing, analyzing, effecting or maintaining insurance or notifying anyone of the failure to insure shall rest upon the Insurance Trustee and the Insurance Trustee shall not be responsible for any loss by reason of want or insufficiency of insurance, or by reason of the failure of any insurer to pay the full amount of any loss against which it may have insured. Notwithstanding any reference herein to any other agreements to which the Insurance Trustee is not a party, the Insurance Trustee shall have no duties or responsibilities hereunder except as expressly provided for herein.
- (c) Nothing herein shall serve to exonerate the Insurance Trustee from any liability on its part arising by virtue of its failure to act honestly and in good faith and with the care, diligence and skill of a prudent trustee or arising by its gross negligence or wilful misconduct in performing its duties as aforesaid. In respect of matters not within its expertise, the Insurance Trustee shall be regarded as having acted in good faith and with the care, diligence and skill of a prudent trustee and without gross negligence or wilful misconduct if it relies on the opinion or advice of professional advisors expert in such matters.
- (d) In the exercise of its rights, duties and obligations, the Insurance Trustee may, if it is acting in good faith:
 - (i) rely and act on legal opinions and the opinions of professional advisors in form and substance satisfactory to the Insurance Trustee; and
 - (ii) rely on written directions or certificates signed by the Province's Representative or the Concessionaire's Representative, as applicable.
- (e) The Province shall provide to the Insurance Trustee an incumbency certificate identifying the Province's Representative:
 - (i) at the time of execution of this Agreement;
 - (ii) upon any change in the Province's Representative; and
 - (iii) at any other time on the reasonable written request of the Insurance Trustee.
- (f) The Concessionaire shall provide to the Insurance Trustee an incumbency certificate identifying the Concessionaire's Representative:
 - (i) at the time of execution of this Agreement;
 - (ii) upon any change in the Concessionaire's Representative; and

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- (iii) at any other time on the reasonable written request of the Insurance Trustee.
- (g) BCTFA shall provide to the Insurance Trustee an incumbency certificate identifying the persons authorized to sign for BCTFA in connection with this Agreement:
 - (i) at the time of execution of this Agreement;
 - (ii) upon any change in such persons; and
 - (iii) at any other time on the reasonable written request of the Insurance Trustee.
- (h) The Insurance Trustee shall retain the right not to act and shall not be liable for refusing to act if, due to a lack of information or for any other reason whatsoever, the Insurance Trustee, in its reasonable judgment, determines that such act might cause it to be in non-compliance with any applicable anti-money laundering or anti-terrorist legislation, regulation or guideline. Further, should the Insurance Trustee, in its reasonable judgment, determine at any time that its acting under this Agreement has resulted in its being in non-compliance with any applicable anti-money laundering or anti-terrorist legislation, regulation or guideline, then it shall have the right to resign on 30 days written notice to the other parties to this Agreement, provided that:
 - (i) the Insurance Trustee's written notice shall describe the circumstances of such non-compliance; and
 - (ii) if such circumstances are rectified to the satisfaction of the Insurance Trustee within such 30 day period, then such resignation shall not be effective.

The Province, BCTFA and the Concessionaire hereby represent to the Insurance Trustee that the Property Damage Insurance Proceeds to be held by the Insurance Trustee pursuant to this Agreement are to be held in trust for the Province, BCTFA and the Concessionaire as provided in Section 4.1(a)(i) and not for or on behalf of or to be used by or on behalf of any third party.

- (i) The Province and BCTFA on the one hand, and the Concessionaire on the other, shall each indemnify and hereby indemnify the Insurance Trustee and hold the Insurance Trustee harmless against one-half of all liabilities, costs and expenses (including legal fees on a full indemnity basis) that the Insurance Trustee incurs in connection with any claim by a third party against the Insurance Trustee arising as a result of this Agreement or the performance of this Agreement by the Insurance Trustee, save and except any liabilities, costs and expenses arising from or in connection with any failure of the Insurance Trustee to act honestly or in good faith or with the care, diligence and skill of a prudent trustee, or any gross negligence or wilful misconduct on the part of the Insurance Trustee. This indemnity shall survive the termination or discharge of this Agreement or the resignation of the Insurance Trustee.
- (j) In the event that any party to this Agreement (other than the Insurance Trustee) shall bring an action against the Insurance Trustee in respect of this Agreement, then, unless it is established in the action that the Insurance Trustee failed to act honestly or in good faith or with the care, diligence and skill of a prudent trustee or that there has been gross

**SOUTH FRASER PERIMETER ROAD PROJECT
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negligence or wilful misconduct on the part of the Insurance Trustee or that there has been a breach of this Agreement by the Insurance Trustee, the party bringing such action shall indemnify and hereby indemnifies the Insurance Trustee and holds the Insurance Trustee harmless against all liabilities, costs and expenses (including legal fees on a full indemnity basis) that the Insurance Trustee incurs in connection with any such action.

- (k) Notwithstanding any other provision of this Agreement, and whether such losses or damages are foreseeable or unforeseeable, the Insurance Trustee shall not be liable under this Agreement for any lost profits (not including lost interest or income earned on the Property Damage Insurance Proceeds) or any indirect or punitive losses or damages, provided that this provision shall not prevent the other parties to this Agreement from recovering from the Insurance Trustee the amount of any Property Damage Insurance Proceeds paid to the Insurance Trustee and not paid out by the Insurance Trustee in accordance with this Agreement, including any interest or other income earned thereon while held by the Insurance Trustee.

**PART 5
REPLACEMENT AND ASSIGNMENT**

5.1 Replacement of Insurance Trustee

- (a) The Insurance Trustee may, upon giving to the other parties 90 days notice, or such shorter notice as such parties may accept as sufficient, and shall upon receipt from the Province, BCTFA and the Concessionaire of a joint direction to do so within 90 days, resign from its appointment as trustee pursuant to this Agreement and at the end of such notice period, be discharged from all further duties and liabilities hereunder provided that it is not at that time holding any Property Damage Insurance Proceeds.
- (b) If a material conflict of interest arises in the Insurance Trustee's role as a fiduciary hereunder, the Insurance Trustee shall immediately notify the Concessionaire, the Province and BCTFA of such material conflict of interest and, within 90 days after ascertaining that such material conflict of interest exists, either eliminate such material conflict of interest or resign from its appointment as trustee pursuant to this Agreement.
- (c) Upon the resignation of the Insurance Trustee, the Province and BCTFA may designate a successor Insurance Trustee, which shall be a corporation authorized to carry on the business of a trust company in British Columbia, and which designation shall be subject to approval by the Concessionaire and the Indenture Trustee, not to be unreasonably withheld or delayed.
- (d) On any appointment of a new Insurance Trustee under this Agreement:
 - (i) the new Insurance Trustee shall be vested with the same rights and duties as if it had been originally named as Insurance Trustee hereunder;
 - (ii) the trust created by this Agreement shall continue; and
 - (iii) there shall be immediately executed all such agreements or other instruments as may, in the reasonable opinion of counsel both for the Concessionaire and for the

**SOUTH FRASER PERIMETER ROAD PROJECT
INSURANCE TRUST AGREEMENT**

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Province and BCTFA, be necessary or advisable for the purpose of assuring the same to the new Insurance Trustee.

5.2 Assignment by Province and BCTFA

The Province and BCTFA shall, with notice to the Insurance Trustee, assign or transfer their respective rights and obligations under this Agreement to any permitted assignee of their respective interests in the Concession Agreement concurrently with the assignment of the Concession Agreement to such assignee in accordance with Section 16.4 [Assignment by the Province] of the Concession Agreement and, upon any such assignment or transfer, the Province and/or BCTFA, whichever is the assigning party, shall be released from all of its obligations and liabilities under this Agreement.

5.3 Assignment by Concessionaire

The Concessionaire may only assign, transfer or otherwise dispose of any right or interest in or under this Agreement in accordance with Sections 16.1 [Province Consent Required to Assignment by Concessionaire], 16.2 [Where Province Consent to Assignment Not Required] and 16.3 [Other Requirements for Assignment by Concessionaire] of the Concession Agreement.

5.4 No Assignment by Insurance Trustee

The Insurance Trustee may not assign, transfer or otherwise dispose of any right or interest or under this Agreement without the express prior written consent of the Province, BCTFA and the Concessionaire.

**PART 6
GENERAL PROVISIONS**

6.1 Indenture Trustee as Party

For greater certainty, the Indenture Trustee is a party to this Agreement for the purpose of acknowledging the terms of this Agreement and abiding thereby, and to ensure that it receives notice of any amendment to this Agreement or change in the Insurance Trustee under Section 5.1 [Replacement of Insurance Trustee] of this Agreement.

6.2 Force Majeure

No party to this Agreement shall be held to be in breach of this Agreement if such party is prevented, hindered or delayed in the performance or observance of any provision contained in this Agreement by reason of act of God, riots, terrorism, acts of war, epidemics, governmental action or judicial order, earthquakes or any other similar causes (including, but not limited to, mechanical, electronic or communication interruptions, disruptions or failures). Performance times under this Agreement shall be extended for a period of time equivalent to the time lost because of any delay that is excusable under this provision.

6.3 Amendments

No amendment to this Agreement shall be binding unless it is in writing and signed by each of the parties hereto.

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INSURANCE TRUST AGREEMENT***

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6.4 Notices

Any notice, demand, request, consent, approval, objection, agreement or other communication required or permitted to be given, made or issued under this Agreement shall, unless otherwise specifically provided in this Agreement, be considered to have been sufficiently given if in writing signed by the providing party and delivered by hand, sent by a recognized courier service (with delivery receipt requested), or transmitted by facsimile transmission or electronic mail to the address or facsimile transmission number or electronic mail address of each party set out below:

(a) if to the Province:

Ministry of Transportation and Infrastructure
5B – 940 Blanshard Street
Victoria, British Columbia
V8W 3E6
Attention: The Deputy Minister
Facsimile: 250-387-6431

(b) if to BCTFA:

BC Transportation Financing Authority
c/o Ministry of Transportation and Infrastructure
5B – 940 Blanshard Street
Victoria, British Columbia
V8W 3E6
Attention: The Chief Executive Officer
Facsimile: 250-387-6431

(c) if to the Province's Representative:

310 – 1500 Woolridge Street
Coquitlam, British Columbia
V3K 0B8
Attention: Patrick Livolsi
Facsimile: •

with a copy by email to:

Email: SFPRPROVREP@gov.bc.ca

(d) if to the Concessionaire or the Concessionaire's Representative:

FTG Fraser Transportation Group Partnership
c/o McCarthy Tétrault LLP
1300 – 777 Dunsmuir Street
Vancouver, British Columbia
V7Y 1K2
Attention: Stephen Curran
Facsimile: 604-622-5766

***SOUTH FRASER PERIMETER ROAD PROJECT
INSURANCE TRUST AGREEMENT***

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- (e) if to the Indenture Trustee:

Computershare Trust Company of Canada
3rd Floor, 510 Burrard St.
Vancouver, BC
V6C 3B9
Attention: Manager, Corporate Trust
E-Mail: corporatetrust.vancouver@computershare.com

- (f) if to the Insurance Trustee:

Computershare Trust Company of Canada
3rd Floor, 510 Burrard St.
Vancouver, BC
V6C 3B9
Attention: Manager, Corporate Trust
E-Mail: corporatetrust.vancouver@computershare.com

or to such other address in British Columbia or facsimile transmission number or electronic mail address as any party or its representative may, from time to time, designate to the other parties and their representatives in the manner set out above. Any such notice or communication shall be considered to have been received:

- (g) if delivered by hand or by a courier service during business hours on a Business Day, when delivered, and if not delivered during business hours, upon the commencement of business hours on the next Business Day; and
- (h) if sent by facsimile or electronic mail transmission during business hours on a Business Day, upon the sender receiving confirmation of the transmission and, if not transmitted during business hours, upon the commencement of business hours on the next Business Day following confirmation of the transmission.

6.5 [Not Used]

6.6 Waiver

Except as expressly provided otherwise in this Agreement, any waiver of any provision of this Agreement shall only be effective if in writing signed by the waiving party, and no failure by any party at any time to exercise a right under or enforce any provision of this Agreement or to require performance by any other party of any of the provisions of this Agreement shall be construed as a waiver of any such provision and shall not affect the validity of this Agreement or any part thereof or the right of any party to enforce any provision in accordance with its terms. Any waiver shall only apply to the specific matter waived and only in the specific instance and for the specific purpose for which it is given.

6.7 Further Assurances

The parties shall do, execute and deliver, or shall cause to be done, executed and delivered, all such further acts, documents (including certificates, declarations, affidavits, reports and opinions) and

***SOUTH FRASER PERIMETER ROAD PROJECT
INSURANCE TRUST AGREEMENT***

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things as another party may reasonably request for the purpose of giving effect to this Agreement or for the purpose of establishing compliance with the parties' respective obligations under this Agreement.

6.8 Relationship of the Parties

Nothing contained in this Agreement nor any action taken pursuant hereto shall be deemed to constitute the Province, BCTFA, the Concessionaire, the Indenture Trustee and the Insurance Trustee, or any two or more of them, a partnership, joint venture or any other similar such entity.

6.9 Binding Effect

Subject to the provisions of Part 5 [Replacement and Assignment] of this Agreement, this Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective permitted successors and assigns.

6.10 Counterparts

This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, and this has the same effect as if the signatures on the counterparts were on a single copy of this Agreement so that it shall not be necessary in making proof of this Agreement to produce or account for more than one such counterpart.

6.11 Obligations of Concessionaire, Province and BCTFA

- (a) All obligations of the Province and BCTFA on the one hand, and the Concessionaire on the other, under this Agreement are and shall be several and not joint or joint and several.
- (b) If the Concessionaire is comprised of more than one legal entity, the obligations and liabilities of the Concessionaire under this Agreement shall be the obligations and liabilities of each legal entity comprising the Concessionaire, jointly and severally with each other such legal entity.
- (c) If the Concessionaire is a general partnership, the obligations and liabilities of the Concessionaire under this Agreement shall be the obligations and liabilities of the Concessionaire and each of the Partners, jointly and severally with each other.

**SOUTH FRASER PERIMETER ROAD PROJECT
INSURANCE TRUST AGREEMENT**

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IN WITNESS WHEREOF the parties have executed this Agreement as of the day and year first above written.

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**)
AND INFRASTRUCTURE in the)
presence of:)

(Witness)

Grant Main
Deputy Minister
Ministry of Transportation and Infrastructure

BC TRANSPORTATION FINANCING AUTHORITY
by its authorized signatory:

Per:

Grant Main
Chief Executive Officer

**SOUTH FRASER PERIMETER ROAD PROJECT
INSURANCE TRUST AGREEMENT**

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**FTG FRASER TRANSPORTATION GROUP
PARTNERSHIP**

by its partners:

FTG HOLDINGS LIMITED PARTNERSHIP

by its general partner

FTG FRASER TRANSPORTATION GROUP INC.

by its authorized signatories:

Per:

Name:

Title:

Per:

Name:

Title:

SOUTH FRASER CONSTRUCTION LIMITED

PARTNERSHIP by its general partner

SOUTH FRASER CONSTRUCTION INC.

by its authorized signatories:

Per:

Name:

Title:

Per:

Name:

Title:

**SOUTH FRASER PERIMETER ROAD PROJECT
INSURANCE TRUST AGREEMENT**

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COMPUTERSHARE TRUST COMPANY OF CANADA,
as Indenture Trustee,
by its authorized signatories:

Per:

Name:
Title:

Per:

Name:
Title:

COMPUTERSHARE TRUST COMPANY OF CANADA,
as Insurance Trustee,
by its authorized signatories:

Per:

Name:
Title:

Per:

Name:
Title:

***SOUTH FRASER PERIMETER ROAD PROJECT
INSURANCE TRUST AGREEMENT***

**APPENDIX A
CONCESSION AGREEMENT INSURANCE PROVISIONS**

[NTD: To be attached.]

LENDERS' REMEDIES AGREEMENT

AMONG

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

- and -

BC TRANSPORTATION FINANCING AUTHORITY

- and -

COMPUTERSHARE TRUST COMPANY OF CANADA

- and -

FTG FRASER TRANSPORTATION GROUP PARTNERSHIP

•, 2015

**SOUTH FRASER PERIMETER ROAD PROJECT
LENDERS' REMEDIES AGREEMENT**

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**SOUTH FRASER PERIMETER ROAD PROJECT
LENDERS' REMEDIES AGREEMENT**

LENDERS' REMEDIES AGREEMENT

THIS AGREEMENT is dated as of _____, 2015

AMONG:

**HER MAJESTY THE QUEEN IN RIGHT OF THE PROVINCE
OF BRITISH COLUMBIA**, as represented by the **MINISTER OF
TRANSPORTATION AND INFRASTRUCTURE**

(the "**Province**")

AND:

BC TRANSPORTATION FINANCING AUTHORITY, a corporation
continued under the *Transportation Act* (British Columbia)

(the "**BCTFA**")

AND:

COMPUTERSHARE TRUST COMPANY OF CANADA

as indenture trustee for the Bondholders (the "**Indenture Trustee**")

AND:

FTG FRASER TRANSPORTATION GROUP PARTNERSHIP

(the "**Concessionaire**")

WHEREAS:

- A. The Province, BCTFA and the Concessionaire have entered into the Concession Agreement;
- B. The Trust Indenture contemplates, subject to the terms and conditions contained therein, the issuance of the Bonds to finance certain costs incurred and expenditures made by the Concessionaire in connection with the Concession Agreement; and
- C. It is a requirement under the Concession Agreement and a condition precedent to the issuance of the Bonds under the Trust Indenture that this Agreement be executed and delivered by the parties.

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

**SOUTH FRASER PERIMETER ROAD PROJECT
LENDERS' REMEDIES AGREEMENT**

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**PART 1
DEFINITIONS AND INTERPRETATION**

1.1 Definitions

[NTD: Confirm all Trust Indenture definitions.]

Unless otherwise specified or the context otherwise requires:

- (a) **“Agreed Antecedent Liabilities”** means the Antecedent Liabilities identified in the Liability Report most recently delivered to the Indenture Trustee pursuant to Section 3.4 [Notice of Antecedent Liabilities] of this Agreement and any additional Material Antecedent Liabilities notified to the Indenture Trustee pursuant to Section 3.5 [Subsequent Province Notice of Liabilities] of this Agreement;
- (b) **“Antecedent Liabilities”** means, as at any time:
 - (i) all amounts due and payable by the Concessionaire to the Province under the Concession Agreement at such time; and
 - (ii) to the extent not falling within the scope of paragraph (i), all obligations of the Concessionaire under the Concession Agreement that should have been, but have not been, performed, and all outstanding liabilities of the Concessionaire under the Concession Agreement that should have been, but have not been satisfied, in each case at such time;
- (c) **“Appointed Representative”** means the Representative identified in a Step-In Notice;
- (d) **“Bondholders”** has the meaning set out in the Trust Indenture;
- (e) **“Bonds”** has the meaning set out in the Trust Indenture;
- (f) **“Collateral Documents”** has the meaning set out in the Trust Indenture;
- (g) **“Concession Agreement”** means the agreement titled “Concession Agreement” dated July 14, 2010 and made between the Province, BCTFA and the Concessionaire, as amended, supplemented or replaced from time to time;
- (h) **“Deficiency”** has the meaning set out in Section 10.4(b) of this Agreement;
- (i) **“Designated Account”** has the meaning set out in Section 12.4 [Indenture Trustee’s Designation of Designated Account] of this Agreement;
- (j) **“Enforcement Action”** means:
 - (i) any acceleration of amounts due and owing under any of the Senior Lending Agreements;
 - (ii) any enforcement of Security by the Indenture Trustee; and/or

***SOUTH FRASER PERIMETER ROAD PROJECT
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- (iii) the exercise by the Indenture Trustee of any right under Part 4 [Step-In] or Part 6 [Senior Lender Replacement of Concessionaire] of this Agreement;
- (k) **“Event of Default”** has the meaning set out in the Trust Indenture;
- (l) **“Indenture Trustee’s No Step-In Notice”** has the meaning set out in Section 3.3 [Indenture Trustee’s No Step-In Notice] of this Agreement;
- (m) **“Indicative Notice”** means either an Indicative Step-In Notice or an Indicative Transfer Notice;
- (n) **“Indicative Notice Period”** means:
 - (i) where an Indicative Step-In Notice has been given, the period commencing on the date of delivery of such Indicative Step-In Notice and ending on the earlier of:
 - (A) the Step-In Date; and
 - (B) the date of delivery of an Indenture Trustee’s No Step-In Notice; and
 - (C) the date that is 90 days after the date of delivery of such Indicative Step-In Notice; and
 - (ii) where an Indicative Transfer Notice has been given, the period commencing on the date of delivery of such Indicative Transfer Notice and ending on the earlier of:
 - (A) the Transfer Date; and
 - (B) the date that is 90 days after the date of delivery of such Indicative Transfer Notice;
- (o) **“Indicative Step-In Notice”** has the meaning set out in Section 3.2 [Notice of Event of Default and Indicative Notice] of this Agreement;
- (p) **“Indicative Transfer Notice”** has the meaning set out in Section 3.2 [Notice of Event of Default and Indicative Notice] of this Agreement;
- (q) **“Insolvency Law”** means any of the *Bankruptcy and Insolvency Act* (Canada), the *Companies’ Creditors Arrangement Act* (Canada) and the *Winding-Up and Restructuring Act* (Canada) and any other applicable bankruptcy, insolvency, moratorium, reorganization or other similar law of any jurisdiction, including any law of any jurisdiction permitting a debtor to obtain a stay or a compromise of the claims of its creditors against it;
- (r) **“Insolvency Officer”** means any trustee, receiver, receiver and manager, liquidator, sequestrator, administrator or other custodian in connection with the insolvency of the Concessionaire or either Partner or any of their respective assets;

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- (s) **“Insolvency Proceedings”** means any:
- (i) formal step (including petition, proposal, application, convening of a meeting or other proceeding) taken with a view to or for the purpose of considering,
 - (ii) appointment of an Insolvency Officer in connection with,
 - (iii) order or resolution passed to commence or effect, as applicable, or
 - (iv) formal agreement reached regarding,

a dissolution, bankruptcy, receivership, winding-up, liquidation, administration or other similar proceedings or any other proceeding seeking a stay of proceedings, reorganisation, debt arrangement, compromise of the claims of creditors or any distribution of assets in respect of the Concessionaire or either Partner (whether voluntary or involuntary) made or commenced by any party under any Insolvency Law; or
 - (v) distress, attachment, sequestration or execution or other similar process affecting any of the assets of the Concessionaire or either Partner or any other similar process or event occurring in relation to the Concessionaire’s or either Partner’s assets in any other jurisdiction;
- (t) **“Liability Report”** has the meaning set out in Section 3.4 [Notice of Antecedent Liabilities] of this Agreement;
- (u) **“Material Antecedent Liabilities”** means Antecedent Liabilities that:
- (i) fall within the scope of paragraph (i) of the definition of “Antecedent Liabilities”;
 - (ii) fall within the scope of paragraph (ii) of the definition of “Antecedent Liabilities” to the extent that failure to perform the relevant obligation or satisfy the relevant liability will result in any amount becoming due and payable by the Concessionaire to the Province under the Concession Agreement; or
 - (iii) fall within the scope of paragraph (ii) of the definition of “Antecedent Liabilities” but not within the scope of paragraph (ii) of this definition, to the extent that failure to perform the relevant obligation or satisfy the relevant liability will result in any right or remedy becoming exercisable by the Province under Section 12.3 [Remedies of the Province for Concessionaire Default] of the Concession Agreement;
- (v) **“No Liquid Market Notice”** has the meaning set out in Section 3.10 [No Liquid Market] of this Agreement;
- (w) **“Representative”** means:
- (i) the Indenture Trustee, any Senior Lender or any of their Affiliates (provided that such person is not a Restricted Person);

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- (ii) a person that is collectively Controlled by the Senior Lenders (provided that such person is not a Restricted Person);
- (iii) an administrative receiver, receiver or receiver and manager of the Concessionaire appointed under or in connection with the Collateral Documents; or
- (iv) any other person approved by the Province (such approval not to be unreasonably withheld or delayed);
- (x) **“Revocation of Termination Notice”** has the meaning set out in Section 3.7 [Revocation of Termination Notice] of this Agreement;
- (y) **“Secured Parties”** means the “Finance Parties” as such term is defined in the Trust Indenture;
- (z) **“Security”** means the security interests granted in favour of the Indenture Trustee, for and on behalf of, and for the benefit of the Secured Parties pursuant to the Collateral Documents;
- (aa) **“Senior Debt Discharge Date”** means the date on which the Indenture Trustee notifies the Province that all amounts due and owing to the Secured Parties under the Senior Lending Agreements have been fully and irrevocably paid or discharged (whether or not as a result of enforcement) and the Senior Lenders are under no further obligation to advance any monies under the relevant Senior Lending Agreements;
- (bb) **“Senior Lenders”** means the holders of bonds issued under the Trust Indenture;
- (cc) **“Senior Lending Agreements”** means the “Initial Senior Lending Agreements” as such term is defined in the Concession Agreement as of the date of this Agreement;
- (dd) **“Step-In Date”** means 1 Business Day after the later to occur of:
 - (i) the earlier of:
 - (A) the day the Province notifies the Indenture Trustee, in accordance with Section 4.5(a) of this Agreement, that the Province accepts the proposed Appointed Representative; and
 - (B) expiry of the period of 10 Business Days after the Indenture Trustee delivers a Step-In Notice, if the Province has failed to notify the Indenture Trustee in accordance with Section 4.5 [Province Approval of Proposed Appointed Representative] of this Agreement; and
 - (ii) the date on which the Appointed Representative has provided a Step-In Undertaking to the Province that is in full force and effect;
- (ee) **“Step-In Notice”** means a notice given by the Indenture Trustee to the Province pursuant to Section 4.1 [Step-In Notice] of this Agreement;

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- (ff) **“Step-In Period”** means the period from the Step-In Date up to and including the earliest of:
- (i) the Step-Out Date;
 - (ii) the date of any transfer in accordance with Section 6.1 [Concessionaire Transfer Notice] of this Agreement;
 - (iii) the date of any termination of the Concession Agreement under Section 4.9 [Termination of Concession Agreement during Step-In Period] of this Agreement; and
 - (iv) the Expiry Date;
- (gg) **“Step-In Undertaking”** has the meaning set out in Section 4.3 [Step-In Undertaking] of this Agreement;
- (hh) **“Step-Out Date”** means the date that is 20 Business Days after delivery of a Step-Out Notice;
- (ii) **“Step-Out Notice”** means a notice from the Indenture Trustee or the Appointed Representative to the Province pursuant to Section 5.1 [Step-Out Notice] of this Agreement;
- (jj) **“Suitable Substitute Concessionaire”** means a person:
- (i) having the legal capacity, power and authority to become a party to and perform the obligations of the Concessionaire under the Concession Agreement and any other Project Document; and
 - (ii) having the technical competence, experience and financial standing, and the technical and financial resources (including employees with appropriate qualifications, experience and technical competence, committed financial resources and contracts) sufficient to enable it to perform the obligations of the Concessionaire under the Concession Agreement and any other Project Document,
- provided that such person is not:
- (iii) a Restricted Person; or
 - (iv) a person any of whose Affiliates is a Restricted Person for any reason other than by reason of subsection (d) of the definition of Restricted Person in Section 1.1 [Definitions] of Schedule 1 of the Concession Agreement;
- (kk) **“Termination Notice”** means a notice given by the Province to the Indenture Trustee under Section 3.1 [Termination Notice] of this Agreement;

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- (ll) **“Termination Notice Period”** means the period beginning on the date of service of a Termination Notice and (subject to Section 3.10(d) of this Agreement) ending on the earlier of:
 - (i) the Step-In Date;
 - (ii) the date of delivery of a Revocation of Termination Notice; and
 - (iii) the proposed Termination Date (subject to the minimum notice requirements under Section 3.1(a) of this Agreement) set out in the Termination Notice;
- (mm) **“Termination Payment”** has the meaning set out in Section 10.4(b) of this Agreement;
- (nn) **“Transfer Date”** has the meaning set out in Section 6.4 [Terms of Transfer] of this Agreement; and
- (oo) **“Trust Indenture”** means the trust indenture of even date herewith among the Concessionaire, the Partners and the Indenture Trustee, as such agreement may be amended, supplemented or replaced from time to time as may be permitted by the Concession Agreement;
- (pp) other words and expressions with initial capital letters used in this Agreement which are defined in the Concession Agreement have the same meanings when used in this Agreement as are given to them in the Concession Agreement; provided that, if such meanings have been amended since the date hereof, the meanings as at the date hereof shall apply when used herein unless and to the extent that the Indenture Trustee has already approved the amendment of such meanings in the Concession Agreement pursuant to the terms of the Senior Lending Agreements (in which case such amended meanings shall also apply to this Agreement) or has otherwise agreed to such amended meanings so applying to this Agreement.

1.2 Interpretation

Save to the extent that the context or the express provisions of this Agreement otherwise require, this Agreement shall be interpreted according to the provisions set out in Part 2 [Interpretation] of Schedule 1 to the Concession Agreement, *mutatis mutandis*; provided that, if such provisions have been amended since the date hereof, the provisions as at the date hereof shall apply when used herein unless and to the extent that the Indenture Trustee has already approved the amendment of such provisions in the Concession Agreement pursuant to the terms of the Senior Lending Agreements (in which case such amended provisions shall also apply to this Agreement) or has otherwise agreed to such amended provisions so applying to this Agreement.

In addition, unless the context otherwise requires, references herein to the **“Indenture Trustee”** shall be construed as references to the Indenture Trustee (or any successor Indenture Trustee) acting in its capacities as indenture trustee on behalf, for the benefit and upon the instructions of the Senior Lenders.

1.3 Governing Law

This Agreement is governed exclusively by, and is to be enforced, construed and interpreted exclusively in accordance with, the laws of British Columbia and the laws of Canada applicable in British

***SOUTH FRASER PERIMETER ROAD PROJECT
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Columbia, and the laws of British Columbia and the laws of Canada applicable in British Columbia are the proper law of this Agreement.

1.4 Submission to Jurisdiction

Subject to Section 13.4 [Dispute Resolution Procedure under Concession Agreement] of this Agreement, the parties hereby irrevocably submit to the exclusive jurisdiction of the Court in any action or proceeding arising out of or relating to this Agreement, or any Collateral Document, and hereby agree that the Court has exclusive jurisdiction to entertain and determine all claims in respect of any such action or proceeding.

1.5 [Not Used]

1.6 No Fettering of Province's Rights and Powers

- (a) Nothing 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 any minister, ministry, agency, board, commission, corporation or other entity of the Province (including, for greater certainty, the Minister, the Ministry, BCTFA and the Province) to:
 - (i) enact, amend, repeal or replace any enactment or regulation made under any enactment;
 - (ii) exercise or refrain from exercising any discretion conferred under Laws; or
 - (iii) administer, apply and enforce Laws;
- (b) Except as expressly provided for in this Agreement, neither the Indenture Trustee nor the Senior Lenders shall be entitled to claim or receive any compensation or other relief whatsoever as a result of anything described in any of Sections 1.6(a)(i) to (iii) inclusive.

1.7 Language

The language of this Agreement is English. All communications, documents and information provided pursuant to this Agreement must be entirely in English.

**PART 2
CONSENT TO SECURITY; ACKNOWLEDGEMENTS**

2.1 Consent

The Province acknowledges notice of, and (without prejudice and subject to Section 2.4 [Province's Rights not Prejudiced] of this Agreement) consents to, the security interests granted in favour of the Secured Parties under the Collateral Documents over the Concessionaire's and the Partners' rights under the Concession Agreement, the policies of insurance relating to the Required Insurance and all other Project Documents and over each Partner's Units.

**SOUTH FRASER PERIMETER ROAD PROJECT
LENDERS' REMEDIES AGREEMENT**

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2.2 No Notice of Other Security

The Province confirms that it has not received notice of any other security interest, other than the Security, granted over the Concessionaire's and the Partners' rights under the Concession Agreement and any other Project Documents, over proceeds payable under the insurance to be taken out by the Concessionaire pursuant to the Concession Agreement, or over either Partner's Units.

2.3 Province Obligations

Except as specifically provided in this Agreement or arising under applicable Laws, the Province has no obligations (whether express, implied, collateral or otherwise) to any of the Secured Parties in connection with this Agreement, the Concession Agreement or any other Project Document or the Project. All of the obligations and liabilities given, undertaken or arising on the part of the Province under this Agreement are given solely to the Indenture Trustee on behalf of the Senior Lenders and (except as expressly provided herein) do not confer any rights on or in favour of the Concessionaire or any Affiliate of the Concessionaire or any other person.

2.4 Province's Rights not Prejudiced

The parties acknowledge that nothing in the Senior Lending Agreements, this Agreement or any other agreement between any of them (including any service by the Indenture Trustee of a notice hereunder) shall, except as expressly set out in this Agreement, affect the rights of the Province under the Concession Agreement (but an exercise by the Province of those rights shall not preclude a proper exercise by the Indenture Trustee of its rights under this Agreement or, subject to the terms of this Agreement, the Senior Lending Agreements).

2.5 Agreements and Collateral Documents

- (a) The Concessionaire, the Indenture Trustee and the Senior Lenders shall not amend or modify the Senior Lending Agreements, or any of them, or enter into any new Senior Lending Agreements except where the Concessionaire is permitted to do so pursuant to and in accordance with the terms of the Concession Agreement.
- (b) The Indenture Trustee acknowledges having received a copy of the Concession Agreement and a copy of the Collateral Agreements.
- (c) The Province acknowledges having received as at the date of this Agreement copies of the Initial Senior Lending Agreements.
- (d) The Indenture Trustee confirms to the Province that the copies of the Senior Lending Agreements provided to the Province for acknowledgement under Section 2.5(c) constitute all of the Initial Senior Lending Agreements.

2.6 Assignment of Collateral Documents and Project Documents

Except for a transfer to a successor Indenture Trustee to whom the rights and obligations of the Indenture Trustee under this Agreement have been assigned or transferred in accordance with Section 11.2 [Assignment by Indenture Trustee], the Indenture Trustee shall not exercise any right it may have pursuant to the Collateral Documents to assign, transfer or otherwise dispose of any right, title or interest it may have in, or obligations it may have pursuant to, the Collateral Documents in respect of the

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Concession Agreement or any of the other Project Documents, without the prior written consent of the Province's Representative pursuant to the Concession Agreement, provided that this Section 2.6 shall not apply to any exercise by the Indenture Trustee (in any capacity) of its rights or remedies under the Trust Indenture and the Collateral Documents upon an Event of Default.

2.7 Notification regarding Additional Permitted Borrowing

- (a) Each of the Concessionaire and the Indenture Trustee shall promptly notify the Province's Representative of the details and amount of any proposed Additional Permitted Borrowing including:
 - (i) the circumstances giving rise to the proposed Additional Permitted Borrowing and the reasons for the proposed Additional Permitted Borrowing; and
 - (ii) the terms on which the proposed Additional Permitted Borrowing shall be borrowed.
- (b) On the first Business Day of each calendar month during which any Additional Permitted Borrowing is subsisting, the Concessionaire shall notify the Province's Representative of the amount of Senior Debt outstanding under the Senior Lending Agreements and the amount by which the principal amount of Senior Debt outstanding under the Senior Lending Agreements exceeds the principal amount of Senior Debt scheduled under the Initial Senior Lending Agreements (as at the Amendment Effective Date) to be outstanding on such Business Day, and:
 - (i) the amount of any Distribution made by the Concessionaire since the date such Additional Permitted Borrowing was first made; and
 - (ii) the amount of any credit balance on all accounts of the Concessionaire maintained by the Concessionaire pursuant to the Senior Lending Agreements as at the last day of the immediately preceding calendar month.

2.8 Acknowledgement of Province Ownership of Project Infrastructure

The Indenture Trustee acknowledges, as contemplated in, and subject to the exceptions set out in, Section 2.10 [Title to Improvements] and Section 2.12 [Transfer of Title to Tangible Personal Property] of the Concession Agreement, that title to and ownership of the Project Infrastructure and all other improvements on or to the Project Site from time to time are vested in the Province or BCTFA, as applicable, and the Indenture Trustee (on behalf of itself and the Senior Lenders) hereby disclaims and releases any security or other property interest in or title to any such Project Infrastructure or any other improvements on or to the Project Site from time to time.

**PART 3
NOTICES**

3.1 Termination Notice

Except in the circumstances in which the Province is entitled, pursuant to Section 12.3(a) of the Concession Agreement as a result of any Concessionaire Default referred to in Section 12.1(f) of the Concession Agreement or pursuant to Section 12.3(e) or Section 14.1(a) of the Concession Agreement, to

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terminate the Concession Agreement by notice having immediate effect (in which case, Section 12.2(a) of this Agreement shall apply), the Province shall not terminate or deliver any notice terminating the Concession Agreement in respect of or as a result of the occurrence of a Concessionaire Default without giving to the Indenture Trustee written notice (a "**Termination Notice**") stating:

- (a) that a Concessionaire Default has occurred and the proposed Termination Date, which shall be not sooner than 90 days after the date of delivery of the Termination Notice; and
- (b) the grounds for termination in reasonable detail.

3.2 Notice of Event of Default and Indicative Notice

The Indenture Trustee agrees that:

- (a) concurrently with delivery by it to the Concessionaire of any notice of an Event of Default, it shall provide a copy of such notice to the Province's Representative, together with reasonable details of such Event of Default; and
- (b) without prejudice to the Indenture Trustee's rights under the Collateral Documents, at any time during:

- (i) the continuance of an Event of Default; or

- (ii) the Termination Notice Period;

if it intends either to nominate a Representative to step-in in accordance with Section 4.1 [Step-In Notice] of this Agreement or effect a transfer in accordance with Section 6.1 [Concessionaire Transfer Notice] of this Agreement, it shall give to the Province's Representative a notice to such effect (respectively, an "**Indicative Step-In Notice**" or an "**Indicative Transfer Notice**").

3.3 Indenture Trustee's No Step-In Notice

If, at any time after the service of an Indicative Notice, the Indenture Trustee has determined that it is not, or is no longer, considering appointing a Representative to step-in in accordance with Section 4.1 [Step-In Notice] of this Agreement or effecting a transfer in accordance with Section 6.1 [Concessionaire Transfer Notice] of this Agreement, as the case may be, the Indenture Trustee shall give notice to such effect (an "**Indenture Trustee's No Step-In Notice**") to the Province's Representative and thereupon the provisions of Part 4 [Step-In], Part 5 [Step-Out] and Part 6 [Senior Lender Replacement of Concessionaire] of this Agreement shall not be applicable with respect to the event that led to delivery of such Indicative Notice and the Province shall be at liberty to take any and all action available to it under the Concession Agreement and any other Province Project Documents.

3.4 Notice of Antecedent Liabilities

Provided that the Indenture Trustee has not delivered an Indenture Trustee's No Step-In Notice, then not later than 30 days after the earlier of:

- (a) the date of delivery by the Province of a Termination Notice; or

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- (b) the date of delivery by the Indenture Trustee of an Indicative Notice;

the Province shall give the Indenture Trustee a notice (the “**Liability Report**”) containing details of:

- (c) any Material Antecedent Liabilities accrued and outstanding as of the date of delivery of the Termination Notice or Indicative Notice, as the case may be; and
- (d) any Antecedent Liabilities of which the Province is aware (after reasonable enquiry) that have or shall become Material Antecedent Liabilities on or after the date of delivery of the Termination Notice or Indicative Notice, as the case may be, and on or prior to:
 - (i) in the case of a Termination Notice, the date referred to in paragraph (iii) of the definition of “Termination Notice Period”; and
 - (ii) in the case of an Indicative Notice, the date referred to in paragraph (i)(C) or paragraph (ii)(B), as applicable, of the definition of “Indicative Notice Period”.

If the Indenture Trustee disputes any amount, statement or other information set out in a Liability Report given by the Province, the Indenture Trustee may refer such dispute for resolution in accordance with the Dispute Resolution Procedure. Despite any such referral to the Dispute Resolution Procedure, there shall be no extension of the Termination Notice Period or Indicative Notice Period, as the case may be, on account of such referral.

3.5 Subsequent Province Notice of Liabilities

After the delivery of the Liability Report, and provided that the Indenture Trustee has not subsequently delivered an Indenture Trustee’s No Step-In Notice, the Province’s Representative shall, promptly upon the Province becoming aware of them, notify the Indenture Trustee in writing of any additional Material Antecedent Liabilities arising on or after the date of delivery of the Termination Notice or Indicative Notice, as the case may be, and prior to the end of the Termination Notice Period or the Indicative Notice Period, as the case may be.

3.6 No Right to Terminate

The Province shall not terminate or deliver any notice terminating the Concession Agreement during any Termination Notice Period (excluding the proposed Termination Date) or any Indicative Notice Period.

3.7 Revocation of Termination Notice

A Termination Notice can be revoked by notice to the Indenture Trustee (a “**Revocation of Termination Notice**”) by the Province’s Representative given prior to the earlier of: (a) the Step-In Date; and (b) the proposed Termination Date set out in the Termination Notice. Upon any such revocation, the rights and obligations of the parties shall be construed as if the relevant Termination Notice had not been given.

3.8 Notice of Exercise of Other Remedies

The Province shall notify the Indenture Trustee, concurrently with its notifying the Concessionaire, of any notice given by or on behalf of the Province to the Concessionaire under Section

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14.7(a), Section 11.5(a)(iv), Part 12 [Concessionaire Default and Province Remedies] or Sections 3.2 or 3.3 of Schedule 13 [Compensation on Termination] of the Concession Agreement. The Province shall provide to the Indenture Trustee a copy of any notice given by the Concessionaire under Section 12.2 [Notice of Default by Concessionaire] of the Concession Agreement, promptly upon receipt thereof.

3.9 Notice of Enforcement or Intention to Enforce by Indenture Trustee

The Indenture Trustee shall give notice to the Province's Representative promptly after a determination is made by the Senior Lenders to take any Enforcement Action, specifying in reasonable detail particulars of the Enforcement Action in respect of which the determination is made. Such notice shall be given a reasonable time (having regard to all the relevant circumstances and the nature of the action proposed to be taken) before the Enforcement Action is taken in respect of the Concession Agreement or any of the Project Documents.

3.10 No Liquid Market

- (a) At any time during a Termination Notice Period, but not more than once during any one Termination Notice Period, the Indenture Trustee may issue a written notice (the "**No Liquid Market Notice**") to the Province's Representative setting out the reasons why the Indenture Trustee does not believe that a Liquid Market exists.
- (b) On or before the date that is 14 days after the date on which a No Liquid Market Notice is received by the Province, the Province shall notify the Indenture Trustee of its opinion as to whether or not a Liquid Market exists. Where the Province believes that a Liquid Market does exist, such notice shall set out the reasons for the Province's belief. If, within 14 days after delivery by the Province of a notice stating the Province's belief that a Liquid Market does exist, the Province and the Indenture Trustee do not agree whether or not a Liquid Market exists, then either the Province or the Indenture Trustee may refer the dispute to be determined in accordance with the Dispute Resolution Procedure.
- (c) If the Province and the Indenture Trustee agree or it is determined in accordance with the Dispute Resolution Procedure that no Liquid Market exists, the Concession Agreement shall automatically terminate and the provisions of Part 5 [Estimated Fair Value] of Schedule 13 [Compensation on Termination] of the Concession Agreement shall apply.
- (d) If any dispute relating to this Section 3.10 is to be determined under the Dispute Resolution Procedure, the Termination Notice Period shall be extended by the period of time spent determining such dispute under the Dispute Resolution Procedure.
- (e) If the Province notifies the Indenture Trustee of a termination of the Concession Agreement in accordance with Section 4.9 [Termination of Concession Agreement during Step-In Period] of this Agreement, and if the Indenture Trustee has not previously issued a No Liquid Market Notice, the Indenture Trustee may within **[15]** Business Days after its receipt of such notice of termination issue a No Liquid Market Notice, and the provisions of Section 3.10(b), (c) and (d) shall apply *mutatis mutandis*.

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**PART 4
STEP-IN**

4.1 Step-In Notice

Subject to Section 4.7 [One Step-In Period] of this Agreement and without prejudice to the rights of the Secured Parties under the Senior Lending Agreements, the Indenture Trustee may give the Province's Representative a notice (a "**Step-In Notice**") at any time during an Indicative Notice Period.

4.2 Contents of Step-In Notice

In the Step-In Notice, the Indenture Trustee shall:

- (a) state that it intends to exercise its step-in rights under this Agreement;
- (b) identify the proposed Appointed Representative; and
- (c) enclose the Appointed Representative's proposed remedial program.

4.3 Step-In Undertaking

In connection with any Step-In Notice, the Indenture Trustee shall cause the Appointed Representative to provide a written undertaking (the "**Step-In Undertaking**") to the Province that, for the duration of the Step-In Period, the Appointed Representative shall:

- (a) subject to Section 4.4 [Limitation on Antecedent Liabilities] of this Agreement and as required by Section 4.8 [Appointed Representative Rights and Liabilities] of this Agreement, assume jointly and severally with the Concessionaire the rights and obligations of the Concessionaire under the Concession Agreement and all other Province Project Documents (other than this Agreement); and
- (b) pay the Province, on the date(s) required by the terms of the Concession Agreement, any unpaid amount due and payable by the Concessionaire to the Province under the Concession Agreement which is payable wholly in respect of, or arising exclusively from, any act or omission occurring during the Step-In Period.

4.4 Limitation on Antecedent Liabilities

No Appointed Representative shall be liable to the Province or the Concessionaire for any Antecedent Liabilities (whether or not known at the time of preparation of the Liability Report most recently delivered to the Indenture Trustee pursuant to Section 3.4 [Notice of Antecedent Liabilities] of this Agreement or of any notice of additional Material Antecedent Liabilities given by the Province under Section 3.5 [Subsequent Province Notice of Liabilities] of this Agreement) other than the Agreed Antecedent Liabilities notified by the Province to the Indenture Trustee prior to the Step-In Date.

4.5 Province Approval of Proposed Appointed Representative

By no later than 10 Business Days after the Indenture Trustee delivers a Step-In Notice, the Province shall either:

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- (a) notify the Indenture Trustee that the Province accepts the proposed Appointed Representative; or
- (b) notify the Indenture Trustee, in accordance with Section 4.6 [Province Objection to Proposed Appointed Representative] of this Agreement, that the Province objects to the proposed Appointed Representative.

If the Province fails to so notify the Indenture Trustee before expiry of such 10 Business Day period, then subject to Section 12.1 [Indenture Trustee's Right to Require Termination if No Lieutenant Governor in Council Approval] of this Agreement, the Province shall thereupon immediately be deemed to have accepted the proposed Appointed Representative.

4.6 Province Objection to Proposed Appointed Representative

The Step-In Period shall not commence if the Province, acting reasonably, considers that (and so notifies the Indenture Trustee no later than 10 Business Days after the Indenture Trustee delivers a Step-In Notice):

- (a) the proposed Appointed Representative does not have the legal capacity, power and authority to become a party to and perform its obligations under the Step-In Undertaking; or
- (b) the technical competence or the technical resources either directly or indirectly available to the proposed Appointed Representative are insufficient to enable it to perform its obligations under the Step-In Undertaking; or
- (c) the financial resources available either directly or indirectly to the proposed Appointed Representative are insufficient to meet its immediate working capital requirements, the financing it requires on a month by month basis and to enable it to perform its obligations under the Step-In Undertaking.

If the Province gives notice to the Indenture Trustee as provided in this Section 4.6 then, provided the Indicative Notice Period has not expired in accordance with paragraph (i)(C) or paragraph (ii)(B), as applicable, of the definition of "Indicative Notice Period", the Indenture Trustee may issue a new Step-In Notice including details of a new proposed Appointed Representative.

4.7 One Step-In Period

The Indenture Trustee may give only one Step-In Notice following delivery of any one Indicative Notice, unless the Indenture Trustee is permitted pursuant to Section 4.6 [Province Objection to Proposed Appointed Representative] of this Agreement to issue a new Step-In Notice.

The right of the Indenture Trustee to give a Step-In Notice in accordance with Section 4.1 [Step-In Notice] will be exercisable on more than one occasion, provided that any Event of Default or Concessionaire Default existing at the commencement of the prior Step-In Period or occurring during the prior Step-In Period was cured by the time of delivery of the subsequent Step-In Notice and further provided that no more than one Step-In Notice may be outstanding at any particular time.

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4.8 Appointed Representative Rights and Liabilities

Subject to Section 4.6 [Province Objection to Proposed Appointed Representative] of this Agreement, on the Step-In Date, the Appointed Representative shall, subject to Section 4.4 [Limitation on Antecedent Liabilities] of this Agreement, assume jointly and severally with the Concessionaire the rights and obligations of the Concessionaire under the Concession Agreement and any other Province Project Document (other than this Agreement). During the Step-In Period, the Province shall deal with the Appointed Representative and not the Concessionaire.

4.9 Termination of Concession Agreement during Step-In Period

The Province shall not terminate the Concession Agreement in whole or in part during the Step-In Period except as permitted in accordance with this Section 4.9. The Province shall be entitled to terminate the Concession Agreement during the Step-In Period by written notice to the Concessionaire, the Indenture Trustee and the Appointed Representative:

- (a) if any of the Agreed Antecedent Liabilities have resulted in any amount becoming due and payable to the Province under the Concession Agreement on or before the Step-In Date and such amount has not been paid to the Province within 5 Business Days after the Step-In Date;
- (b) if any of the Agreed Antecedent Liabilities have resulted in any amount becoming due and payable to the Province under the Concession Agreement after the Step-In Date, and such amount has not been paid to the Province within 5 Business Days after the date on which the Province has so notified the Indenture Trustee;
- (c) if amounts, of which the Province was not aware (having made reasonable enquiry) at the time of the Liability Report most recently delivered to the Indenture Trustee pursuant to Section 3.4 [Notice of Antecedent Liabilities] of this Agreement or in respect of which the Province has not subsequently notified the Indenture Trustee pursuant to Section 3.5 [Subsequent Province Notice of Liabilities] of this Agreement, subsequently become due and payable by the Concessionaire and are not discharged by:
 - (i) if notice of such liability is given to the Indenture Trustee at least 30 days prior to the Step-In Date, within 5 Business Days after the Step-In Date; and
 - (ii) otherwise, 30 days after delivery of the notice of such liability to the Indenture Trustee;
- (d) on grounds arising after the Step-In Date in accordance with the terms of the Concession Agreement and this Agreement (other than a Concessionaire Insolvency Event), provided that, for the purposes of termination under the Concession Agreement, any Default Points that arose prior to the Step-In Date shall not be taken into account during the Step-In Period (but shall be taken into account after the Step-Out Date); or
- (e) on grounds arising prior to the Step-In Date in accordance with the terms of the Concession Agreement and this Agreement but only if the Appointed Representative is not using all reasonable efforts to remedy any Antecedent Liabilities falling within the scope of paragraph (ii) of the definition thereof that are continuing and remain unremedied after the Step-In Date.

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**PART 5
STEP-OUT**

5.1 Step-Out Notice

The Appointed Representative or the Indenture Trustee may at any time during the Step-In Period deliver to the Province's Representative a Step-Out Notice.

5.2 Expiry of Step-In Period

Upon the termination or expiry of the Step-In Period:

- (a) the obligations and liabilities of the Appointed Representative in favour of the Province under the Concession Agreement and any other Province Project Document (other than this Agreement) arising prior to such termination or expiry shall be assumed by the Concessionaire to the exclusion of the Appointed Representative and the Appointed Representative shall be released from the obligations and liabilities assumed by it hereunder and under the Step-In Undertaking; and
- (b) the Province shall no longer deal with the Appointed Representative and shall deal with the Concessionaire in connection with the Concession Agreement and any other Province Project Document (other than this Agreement).

5.3 Concessionaire Remains Bound

Subject to Section 6.4 [Terms of Transfer] of this Agreement, the Concessionaire shall continue to be bound by the terms of the Concession Agreement and any other Province Project Document (other than this Agreement) notwithstanding the delivery of an Indicative Notice, a Step-In Notice, a Step-Out Notice, the commencement of a Step-In Period, the occurrence of a Step-Out Date or any action by the Indenture Trustee (in any capacity), Appointed Representative or the Senior Lenders or any provision of this Agreement. The Concessionaire shall remain liable for any unpaid amounts due and payable to the Province by the Concessionaire under the Concession Agreement. Any notice, demand, request, consent, approval objection, agreement or other communication given, made or issued by the Province to the Appointed Representative in accordance with this Agreement during the Step-In Period shall be deemed simultaneously to have been given to the Concessionaire.

**PART 6
SENIOR LENDER REPLACEMENT OF CONCESSIONAIRE**

6.1 Concessionaire Transfer Notice

Subject to Section 6.2 [Province Consent] of this Agreement, at any time:

- (a) during the continuance of an Indicative Notice Period; or
- (b) during the Step-In Period,

the Indenture Trustee may, on 30 days' prior written notice to the Province's Representative and (if a Step-In Period has commenced) any Appointed Representative, take any action available to it to cause the transfer of the Concessionaire's rights and liabilities under the Concession Agreement and any other

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Province Project Document to a Suitable Substitute Concessionaire in accordance with the provisions of Section 6.4 [Terms of Transfer] of this Agreement.

6.2 Province Consent

The Province shall (acting reasonably) notify the Indenture Trustee as to whether any person to whom the Indenture Trustee proposes to transfer the Concessionaire's rights and liabilities under the Concession Agreement and any other Project Document is a Suitable Substitute Concessionaire as soon as reasonably practicable (and in any event not later than 20 Business Days) after the date of receipt from the Indenture Trustee of all information reasonably required by the Province to decide whether the proposed transferee is a Suitable Substitute Concessionaire. This section shall not apply if the proposed transferee is the Indenture Trustee itself.

6.3 Withholding of Consent

The Province shall not unreasonably withhold or delay its decision on whether the proposed transferee is a Suitable Substitute Concessionaire.

6.4 Terms of Transfer

Upon the transfer referred to in Section 6.1 [Concessionaire Transfer Notice] of this Agreement becoming effective (the date of such effectiveness, the "**Transfer Date**");

- (a) the Concessionaire and the Province shall be released from their obligations to each other under the Concession Agreement and any other Province Project Document (the "**Discharged Obligations**");
- (b) the Suitable Substitute Concessionaire and the Province shall assume obligations which are substantially similar to the Discharged Obligations, but owed to or assumed by the Suitable Substitute Concessionaire instead of the Concessionaire;
- (c) the rights of the Concessionaire against the Province under the Concession Agreement, and any other Province Project Document and vice versa shall be cancelled (the "**Discharged Rights**");
- (d) the Suitable Substitute Concessionaire and the Province shall acquire rights against each other which differ from the Discharged Rights only insofar as they are exercisable by or against the Suitable Substitute Concessionaire instead of the Concessionaire;
- (e) any subsisting ground for termination of the Concession Agreement by the Province shall be deemed to have no effect and any subsisting Termination Notice shall be automatically revoked;
- (f) the Province shall enter into a lenders' remedies agreement on substantially the same terms as this Agreement with the Suitable Substitute Concessionaire and a representative of senior lenders lending to the Suitable Substitute Concessionaire; and
- (g) any Default Points that arose prior to that time shall be deemed to have no effect.

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**PART 7
INSURANCE**

7.1 Release of Insurance Proceeds/Funds under Section 8.7(b) of the Concession Agreement

Notwithstanding the other provisions of this Agreement and the terms and conditions of the Senior Lending Agreements and the Concession Agreement, the Indenture Trustee and the Province shall permit, and shall not exercise any rights under the Senior Lending Agreements or the Concession Agreement, as applicable, or take any other steps to prevent, the release of any and all Insurance Proceeds for application in accordance with Section 6.18 [Application of Proceeds of Insurance] of the Concession Agreement or funds under Section 8.7(b) of the Concession Agreement for application in accordance therewith, as the case may be.

**PART 8
COVENANTS, REPRESENTATIONS AND WARRANTIES**

8.1 Province Covenants

The Province undertakes to the Indenture Trustee that it shall:

- (a) as soon as is reasonably practicable, at the Concessionaire's expense or that of the Indenture Trustee, take whatever action the Indenture Trustee, an Appointed Representative or a Suitable Substitute Concessionaire taking a transfer in accordance with Part 6 [Senior Lender Replacement of Concessionaire] of this Agreement may reasonably require for perfecting any transfer or release under this Agreement, including the execution of any transfer or assignment, and the giving of any notice, order or direction and the making of any registration which, in each case, the Indenture Trustee or Appointed Representative or Suitable Substitute Concessionaire reasonably requires;
- (b) not, prior to the Senior Debt Discharge Date, unless the Indenture Trustee has (acting reasonably) consented in writing, appoint an Insolvency Officer or commence any Insolvency Proceedings in relation to the Concessionaire or either Partner;
- (c) not approve any proposed amendment to the Financial Model in accordance with Section 2.18 [Financial Model] of the Concession Agreement without first obtaining written confirmation from the Indenture Trustee that such amendments are acceptable to the Senior Lenders; and
- (d) if the Indenture Trustee has designated a Designated Account in accordance with Section 12.4 [Indenture Trustee's Designation of Designated Account] of this Agreement, pay into such Designated Account any and all amounts that are payable by the Province to the Concessionaire pursuant to the Concession Agreement (including, without limitation, amounts payable by the Province to the Concessionaire pursuant to Schedule 13 [Compensation on Termination] of the Concession Agreement).

8.2 Indenture Trustee Covenants

The Indenture Trustee shall promptly notify the Province's Representative when it believes the Senior Debt Discharge Date will occur.

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8.3 Representations and Warranties of the Province and BCTFA

- (a) The Province represents and warrants to the Indenture Trustee, and acknowledges that the Indenture Trustee is relying upon such representations and warranties in entering into this Agreement, that at the date of this Agreement, based on the facts subsisting at the date of this Agreement:
 - (i) the Province has the necessary power and capacity to execute and deliver this Agreement;
 - (ii) the necessary authority has been conferred on the Minister of Transportation and Infrastructure to, on behalf of the Province, execute and deliver this Agreement; and
 - (iii) this Agreement has been duly authorized, executed and delivered on behalf of the Province.
- (b) BCTFA represents and warrants to the Indenture Trustee, and acknowledges that the Indenture Trustee is relying upon such representations and warranties in entering into this Agreement, that at the date of this Agreement, based on the facts subsisting at the date of this Agreement:
 - (i) BCTFA has the necessary power and capacity to execute and deliver this Agreement;
 - (ii) the necessary authority has been conferred on BCTFA to execute and deliver this Agreement;
 - (iii) the necessary corporate action has been taken by BCTFA to authorize the execution and delivery by BCTFA of this Agreement; and
 - (iv) this Agreement has been duly authorized, executed and delivered on behalf of BCTFA.

**PART 9
TERM**

9.1 Term

This Agreement shall remain in effect until the earlier of:

- (a) the Senior Debt Discharge Date; and
- (b) the Transfer Date.

9.2 Indenture Trustee to Notify Province

The Indenture Trustee shall promptly notify the Province's Representative as soon as reasonably practicable, but in any event no later than 20 Business Days thereafter, upon all amounts due and owing to the Secured Parties under the Senior Lending Agreements having been fully and irrevocably paid or

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discharged (whether or not as a result of enforcement) and the Senior Lenders being under no further obligation to advance any monies under the relevant Senior Lending Agreements.

**PART 10
STEP-IN RIGHTS UNDER COLLATERAL AGREEMENTS**

10.1 Priority of Step-In Rights under Principal Contracts

Subject always to Section 10.2 [Step-in from Termination Date] and Section 10.4 [Retention of Security for Deficiency] of this Agreement, notwithstanding any provision in any Collateral Agreement, the Province shall not exercise any right it may have pursuant to a Collateral Agreement to step-in and assume (or cause a third party designated by the Province to step-in and assume) the Concessionaire's rights and obligations under any of the Principal Contracts (including the issuance of a step-in notice by the Province pursuant to any Collateral Agreement), or to transfer or assign a Principal Contract, unless:

- (a) within 60 days of delivery by the relevant Principal Contractor to the Province of a Default Notice as contemplated in Section 3.1 [Notice of Default by Principal Contractor] of the relevant Collateral Agreement, the Province has not received an Indicative Notice; or
- (b) if (i) within 60 days of delivery by the relevant Principal Contractor to the Province of a Default Notice as contemplated in Section 3.1 [Notice of Default by Principal Contractor] of the relevant Collateral Agreement, the Province has received an Indicative Notice but (ii) within 105 days of delivery by the relevant Principal Contractor to the Province of a Default Notice as contemplated in Section 3.1 [Notice of Default by Principal Contractor] of the relevant Collateral Agreement, the Indenture Trustee has not completed either a step-in and assumption of the Concessionaire's rights and obligations under the relevant Principal Contract or a transfer or assignment thereof.

10.2 Step-in from Termination Date

Subject to Section 10.4 [Retention of Security for Deficiency] of this Agreement, from the Termination Date, provided always that the Province has (if applicable) complied with Section 4.9 [Province Right to Terminate] of this Agreement in terminating the Concession Agreement, the Province shall be free to exercise its rights under any Collateral Agreement to step-in and assume (or cause a third party designated by the Province to step-in and assume) the Concessionaire's rights and obligations under, or to transfer or assign, any Principal Contract in accordance with a Collateral Agreement.

10.3 Release of Security

Subject to Sections 10.4 [Retention of Security for Deficiency] and 10.5 [No Enforcement Action] of this Agreement, the Indenture Trustee shall release and discharge (or cause to be released and discharged) at no cost to the Province, and as soon as reasonably possible, all Security in respect of each of the Principal Contracts in respect of which any of the Concessionaire's rights or obligations thereunder are assumed, transferred or assigned by or to the Province (or by or to a third party designated by the Province) pursuant to a Collateral Agreement.

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10.4 Retention of Security for Deficiency

Until such time as any Deficiency has been determined and an amount equal to the Deficiency has been recovered by the Secured Parties, the Secured Parties shall be entitled to retain the benefit of the Security in respect of Claims and Losses that the Concessionaire has as against a Principal Contractor under the relevant Principal Contract (or any guarantor of such Principal Contract) that arose prior to the date of the assumption, transfer or assignment of the relevant Principal Contract (or guarantee in respect of such Principal Contract) by or to the Province (or by or to a third party designated by the Province) provided that:

- (a) the Secured Parties shall not, and shall not be entitled to, exercise any rights or take any Enforcement Action falling within the scope of paragraph (ii) of the definition thereof, in respect of any such Claim or Loss during the period from the date on which such assumption, transfer or assignment occurs to the Termination Date; and
- (b) the rights in relation to the Security retained by the Secured Parties pursuant to this Section 10.4 may only be exercised if and to the extent that the amount actually paid by the Province pursuant to Part 3 [Compensation on Termination for Concessionaire Default] of Schedule 13 [Compensation on Termination] of the Concession Agreement (the “**Termination Payment**”) is less than the Revised Senior Debt Termination Amount (the amount by which the Termination Payment is (or, in the reasonable opinion of the Indenture Trustee, is likely to be) less than the Revised Senior Debt Termination Amount being herein referred to as the “**Deficiency**”).

Any amounts recovered by the Secured Parties pursuant to claims referred to in this Section 10.4, from the Termination Date to the date on which the Termination Payment and the amount of the Deficiency, if any, have been determined, shall be held by the Indenture Trustee in a segregated account on terms satisfactory to the Indenture Trustee and the Province, each acting reasonably, and, upon determination of the Termination Payment and the amount of the Deficiency, if any, such funds shall be distributed to the Indenture Trustee, to the extent of the Deficiency, if any, and the balance of such funds shall be paid to the Province.

10.5 No Enforcement Action

Notwithstanding the provisions of Sections 10.3 [Release of Security] and 10.4 [Retention of Security for Deficiency] of this Agreement or any other provision of this Agreement, during the period commencing on the date on which a Principal Contractor delivers to the Province a Default Notice as contemplated in Section 3.1 [Notice of Default by Principal Contractor] of the relevant Collateral Agreement and:

- (a) in the case of all Principal Contracts other than the Design-Build Contract, ending on the date on which the Province receives an Indicative Notice referred to in Section 10.1 of this Agreement; or
- (b) in the case of the Design-Build Contract, ending on the earlier of:
 - (i) the Total Completion Date; and
 - (ii) the date on which the Province receives an Indicative Notice referred to in Section 10.1 of this Agreement;

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the Secured Parties shall not exercise any rights or take any Enforcement Action falling within the scope of paragraph (ii) of the definition thereof in respect of any of the Principal Contracts, other than in respect of the Claims and Losses referred to in Section 10.4 [Retention of Security for Deficiency] of this Agreement (and then only in accordance with the provisions of that Section), if such action would materially prejudice the ability of the Province to exercise any of its rights under or in respect of any of the Principal Contracts or would materially impair the on-going performance under any of the Principal Contracts.

10.6 Assignment of Principal Contracts by Secured Parties

The Secured Parties shall not transfer or assign any Principal Contract except to a Suitable Substitute Concessionaire in conjunction with a permitted transfer or assignment of the Concession Agreement to that Suitable Substitute Concessionaire in accordance with Part 6 [Senior Lender Replacement of Concessionaire] of this Agreement.

**PART 11
ASSIGNMENT**

11.1 Restriction on Assignment

No party to this Agreement may assign or transfer all or any part of its rights or obligations under this Agreement except as provided in this Part.

11.2 Assignment by Indenture Trustee

The Indenture Trustee may assign or transfer all of its rights and obligations under this Agreement to a successor Indenture Trustee in accordance with the Senior Lending Agreements without the consent of the Province provided that the Indenture Trustee delivers to the Province not less than 10 Business Days prior to such assignment or transfer a notice setting out such contact information regarding the assignee or transferee as the Province may reasonably require. Upon any such assignment or transfer,

- (a) the Indenture Trustee shall be released from all obligations and liabilities under this Agreement that have been so assigned or transferred;
- (b) the successor Indenture Trustee and all other parties hereto shall have the same rights and obligations among themselves as they would have had if the successor Indenture Trustee had been an original party to this Agreement; and
- (c) this Agreement shall be construed as if all references to the former Indenture Trustee were replaced by references to the successor Indenture Trustee.

The Province and the Concessionaire shall, upon request by the successor Indenture Trustee, enter into a new lenders' remedies agreement with the successor Indenture Trustee on substantially the same terms as this Agreement.

11.3 Assignment by Province

The Province shall, with notice to the Indenture Trustee, assign or transfer its rights and obligations under this Agreement to any permitted assignee of its interest in the Concession Agreement concurrently with the assignment of the Concession Agreement to such assignee in accordance with

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Section 16.4 [Assignment by the Province] of the Concession Agreement and, in circumstances where the Province is released from all of its obligations and liabilities under the Concession Agreement pursuant to Section 16.5 [Release of the Province on Assignment] thereof, the Province shall at the same time be released from all of its obligations and liabilities under this Agreement.

11.4 Assignment by Concessionaire

The Concessionaire may only assign, transfer or otherwise dispose of any interest in this Agreement in accordance with Part 16 [Assignment, Change in Control and Subcontracting] of the Concession Agreement.

**PART 12
MISCELLANEOUS**

12.1 Indenture Trustee's Right to Require Termination if No Lieutenant Governor in Council Approval

If:

- (a) the Indenture Trustee has given to the Province's Representative a Step-In Notice pursuant to Section 4.1 [Step-In Notice] of this Agreement, or the Indenture Trustee has given a notice pursuant to Section 6.1 [Concessionaire Transfer Notice] of this Agreement of a proposed transfer of the Concessionaire's rights and obligations under the Concession Agreement to a Suitable Substitute Concessionaire and the Province has notified the Indenture Trustee that the proposed transferee is a Suitable Substitute Concessionaire, or the Indenture Trustee has given a notice pursuant to Section 6.1 [Concessionaire Transfer Notice] of this Agreement of a proposed transfer of the Concessionaire's rights and obligations under the Concession Agreement to the Indenture Trustee itself; and
- (b) the approval of the Lieutenant Governor in Council is required to be obtained, pursuant to the TIA, in relation to the appointment of an Appointed Representative under Part 4 [Step-In] of this Agreement or the appointment of a Suitable Substitute Concessionaire pursuant to Section 6.2 [Province Consent] of this Agreement; and
- (c) the approval of the Lieutenant Governor in Council has not been obtained on or before that date which is 60 days after:
 - (i) the date on which the Province notifies the Indenture Trustee that the Province accepts, or on which the Province is deemed to have accepted, the proposed Appointed Representative, or
 - (ii) the date on which the Indenture Trustee has given a notice pursuant to Section 6.1 [Concessionaire Transfer Notice] of this Agreement (in the case of a proposed transfer to which the Province has consented pursuant to Section 6.2 [Province Consent] of this Agreement or in the case of a proposed transfer to the Indenture Trustee itself);

the Indenture Trustee, on behalf of the Senior Lenders, will be entitled to give a notice to the Province's Representative (the "**Indenture Trustee Election**") requiring the termination of the Concession

**SOUTH FRASER PERIMETER ROAD PROJECT
LENDERS' REMEDIES AGREEMENT**

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Agreement. Within 10 days of receipt by the Province's Representative of the Indenture Trustee's Election, the Province will terminate the Concession Agreement pursuant to Section 14.1 [Termination for Failure to Obtain Lieutenant Governor in Council Approval] of the Concession Agreement.

12.2 Province Rights of Termination

If:

- (a) there occurs a Concessionaire Default referred to in Section 12.1(f) or Section 12.3(e) of the Concession Agreement;
- (b) the Indicative Notice Period expires and the Indenture Trustee has not given a Step-In Notice or an Indicative Transfer Notice (or any Indicative Transfer Notice given has been withdrawn) prior to such expiry;
- (c) the Appointed Representative or Indenture Trustee has given a Step-Out Notice;
- (d) the Step-In Period ends and no Transfer Date has occurred; or
- (e) the Indenture Trustee gives to the Province's Representative an Indenture Trustee Election pursuant to Section 12.1 [Indenture Trustee's Right to Require Termination if No Lieutenant Governor in Council Approval] of this Agreement;

then the Province will be entitled to act upon any grounds for termination available to it under the Concession Agreement whenever occurring (including any grounds in respect of which the Province previously gave a Termination Notice to the Indenture Trustee under Section 3.1 [Termination Notice] of this Agreement, and with respect to those grounds, for greater certainty, the Province need not give any further notice or discharge any further obligation or be subject to any further limitation under this Agreement) and subject always to the provisions of the Concession Agreement to terminate the Concession Agreement by notice to the Concessionaire having immediate effect.

12.3 Rights of Indenture Trustee Preserved

The right of the Indenture Trustee to cause the transfer to a Suitable Substitute Concessionaire of the Concessionaire's rights and liabilities under the Concession Agreement, or otherwise to exercise the Indenture Trustee's rights under this Agreement, shall be unaffected by any Concessionaire Default including prior termination of the Concession Agreement resulting from or in connection with a Concessionaire Insolvency Event, and the Province will, in such circumstances if so requested by the Indenture Trustee, enter into a replacement Concession Agreement with the Indenture Trustee, or the Suitable Substitute Concessionaire, as the case may be, on the same terms and conditions as the original Concession Agreement, and with all the same obligations and liabilities as existed at the date of termination, as if the original Concession Agreement had never been so terminated.

12.4 Indenture Trustee's Designation of Designated Account

At any time the Indenture Trustee may, by giving notice to the Province's Representative, designate an account (the "**Designated Account**") to which the Province shall make payments pursuant to Section 8.1(d) of this Agreement. Such notice shall set out sufficient particulars of the Designated Account to enable the Province to make such payments thereto. The Concessionaire acknowledges and agrees that payment by the Province to the Designated Account of any amount that is payable by the

**SOUTH FRASER PERIMETER ROAD PROJECT
LENDERS' REMEDIES AGREEMENT**

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Province to the Concessionaire pursuant to the Concession Agreement (including, without limitation, amounts payable by the Province to the Concessionaire pursuant to Schedule 13 [Compensation on Termination] of the Concession Agreement) shall constitute full and complete satisfaction of the Province's obligation under the Concession Agreement to pay such amount to the Concessionaire.

**PART 13
GENERAL PROVISIONS**

13.1 Financial Administration Act

The Indenture Trustee and the Concessionaire acknowledge that they are aware of the provisions of the *Financial Administration Act* (British Columbia).

13.2 Concessionaire Covenant

The Concessionaire acknowledges and consents to the arrangements set out in this Agreement and agrees not to do or omit to do anything that may prevent any party from enforcing its rights under this Agreement. The Concessionaire has no right to enforce any provision of this Agreement.

13.3 Conflict or Inconsistency

If there is any conflict or inconsistency between the provisions of this Agreement and the Concession Agreement, the provisions of this Agreement shall prevail.

13.4 Dispute Resolution Procedure under Concession Agreement

- (a) The provisions of Section 1.4 [Submission to Jurisdiction] of this Agreement shall not apply to any dispute that is properly the subject matter of the applicable dispute resolution process under the Concession Agreement. In particular, without limiting the generality of the foregoing, following a step-in pursuant to Part 4 [Step-in] of this Agreement, any disputes with respect to any of the subject matters of the Concession Agreement shall be resolved in accordance with the applicable dispute resolution procedure thereunder.
- (b) Any and all issues or disputes between or among the Province, BCTFA, the Indenture Trustee and Concessionaire hereunder shall be Confidential Information for the purposes of the Concession Agreement.

13.5 Amendments

No amendment to this Agreement shall be binding unless it is in writing and signed by each of the parties hereto.

13.6 Notices

Any notice, demand, request, consent, approval, objection, agreement or other communication required or permitted to be given, made or issued under this Agreement shall, unless otherwise specifically provided in this Agreement, be considered to have been sufficiently given if in writing signed by the providing party and delivered by hand, sent by a recognized courier service (with delivery receipt

***SOUTH FRASER PERIMETER ROAD PROJECT
LENDERS' REMEDIES AGREEMENT***

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requested), or transmitted by facsimile transmission or electronic mail to the address or facsimile transmission number or electronic mail address of each party set out below:

- (a) if to the Province:

Ministry of Transportation and Infrastructure
5B – 940 Blanshard Street
Victoria, British Columbia
V8W 3E6
Attention: The Deputy Minister
Facsimile: 250-387-6431

- (b) if to BCTFA:

BC Transportation Financing Authority
c/o Ministry of Transportation and Infrastructure
5B – 940 Blanshard Street
Victoria, British Columbia
V8W 3E6
Attention: The Chief Executive Officer
Facsimile: 250-387-6431

- (c) if to the Province's Representative:

310 – 1500 Woolridge Street
Coquitlam, British Columbia
V3K 0B8
Attention: Patrick Livolsi
Facsimile: •

with a copy by email to:

Email: SFPRPROVREP@gov.bc.ca

- (d) if to the Indenture Trustee or the Indenture Trustee's Representative:

Computershare Trust Company of Canada
3rd Floor, 510 Burrard St.
Vancouver, BC
V6C 3B9
Attention: Manager, Corporate Trust
E-Mail: corporatetrust.vancouver@computershare.com

***SOUTH FRASER PERIMETER ROAD PROJECT
LENDERS' REMEDIES AGREEMENT***

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- (e) if to the Concessionaire or the Concessionaire's Representative:

FTG Fraser Transportation Group Partnership
% McCarthy Tétrault LLP
1300 – 777 Dunsmuir Street
Vancouver, BC V7Y 1K4
Attention: Stephen Curran
Facsimile: 604-622-5766

or to such other address or facsimile transmission number or electronic mail address as any party or its representative may, from time to time, designate to the other parties in the manner set out above. Any such notice or communication shall be considered to have been received:

- (f) if delivered by hand or by a courier service during business hours on a Business Day, when delivered, and if not delivered during business hours, upon the commencement of business hours on the next Business Day; and
- (g) if sent by facsimile or electronic mail transmission during business hours on a Business Day, upon the sender receiving confirmation of the transmission, and if not transmitted during business hours, upon the commencement of business hours on the next Business Day following confirmation of the transmission.

13.7 Waiver

Except as expressly provided otherwise in this Agreement, any waiver of any provision of this Agreement shall only be effective if in writing signed by the waiving party, and no other failure by any party at any time to exercise a right under or enforce any provision of this Agreement or to require performance by any other party of any of the provisions of this Agreement shall be construed as a waiver of any such provision and shall not affect the validity of this Agreement or any part thereof or the right of any party to enforce any provision in accordance with its terms. Any waiver shall only apply to the specific matter waived and only in the specific instance and for the specific purpose for which it is given.

13.8 Further Assurances

The parties shall do, execute and deliver, or shall cause to be done, executed and delivered, all such further acts, documents (including certificates, declarations, affidavits, reports and opinions) and things as the other may reasonably request for the purpose of giving effect to this Agreement or for the purpose of establishing compliance with the parties' respective obligations under this Agreement.

13.9 Relationship of the Parties

Nothing contained in this Agreement nor any action taken pursuant hereto or thereto shall be deemed to constitute the parties a partnership, joint venture or any other similar such entity. Neither the Indenture Trustee nor any of its representatives are or shall be deemed to be an employee or agent of the Province or BCTFA for any purpose.

***SOUTH FRASER PERIMETER ROAD PROJECT
LENDERS' REMEDIES AGREEMENT***

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13.10 Binding Effect

Subject to the provisions of Part 11 [Assignment] of this Agreement, this Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective permitted successors and assigns.

13.11 Counterparts

This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, and this has the same effect as if the signatures on the counterparts were on a single copy of this Agreement so that it shall not be necessary in making proof of this Agreement to produce or account for more than one such counterpart.

13.12 Remedies Cumulative

- (a) Except as otherwise expressly provided in this Agreement:
 - (i) all rights and remedies of the Indenture Trustee under this Agreement and the Senior Lending Agreements are cumulative and are in addition to and not in substitution for or to the exclusion of any other rights and remedies available to the Indenture Trustee under this Agreement or the Senior Lending Agreements or at law or in equity; and
 - (ii) subject to the terms of this Agreement and the Senior Lending Agreements, the Indenture Trustee may have recourse to any one or more or all of such rights and remedies, concurrently or successively, as it shall see fit, without prejudice to any of its other available rights and remedies.
- (b) Except as otherwise expressly provided in this Agreement:
 - (i) all rights and remedies of the Province under this Agreement and the Concession Agreement are cumulative and are in addition to and not in substitution for or to the exclusion of any other rights and remedies available to the Province under this Agreement or the Concession Agreement or at law or in equity; and
 - (ii) subject to the terms of this Agreement and the Concession Agreement, the Province may have recourse to any one or more or all of such rights and remedies, concurrently or successively, as it shall see fit, without prejudice to any of its other available rights and remedies.

13.13 Joint and Several

If the Concessionaire is a general partnership, the obligations and liabilities of the Concessionaire under this Agreement shall be the obligations and liabilities of the Concessionaire and each of the Partners, jointly and severally with each other.

**SOUTH FRASER PERIMETER ROAD PROJECT
LENDERS' REMEDIES AGREEMENT**

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IN WITNESS WHEREOF the parties have executed this Agreement as of the day and year first above written.

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**)
AND INFRASTRUCTURE in the)
presence of:)

(Witness)

Grant Main
Deputy Minister
Ministry of Transportation and Infrastructure

BC TRANSPORTATION FINANCING AUTHORITY
by its authorized signatory:

Per:

Grant Main
Chief Executive Officer

COMPUTERSHARE TRUST COMPANY OF CANADA
as Indenture Trustee, by its authorized signatories:

Per:

Name:
Title:

Per:

Name:
Title:

***SOUTH FRASER PERIMETER ROAD PROJECT
LENDERS' REMEDIES AGREEMENT***

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**FTG FRASER TRANSPORTATION
GROUP PARTNERSHIP**

by its partners:

FTG HOLDINGS LIMITED PARTNERSHIP,
by its general partner, **FTG FRASER
TRANSPORTATION INC.**

Per: _____
Name:
Title:

Per: _____
Name:
Title:

**SOUTH FRASER CONSTRUCTION LIMITED
PARTNERSHIP,** by its general partner,
SOUTH FRASER CONSTRUCTION INC.

Per: _____
Name:
Title:

Per: _____
Name:
Title:

PROVINCE OF BRITISH COLUMBIA


ORDER OF THE LIEUTENANT GOVERNOR IN COUNCIL

Order in Council No. 525 , Approved and Ordered September 18, 2015


~~Lieutenant Governor~~
Administrator

Executive Council Chambers, Victoria

On the recommendation of the undersigned, the ~~Lieutenant Governor~~^{Administrator}, by and with the advice and consent of the Executive Council, orders that the BC Transportation Financing Authority is authorized, for the purposes of Part 3 of the *Transportation Act*, to enter into the agreements referred to in the attached Schedule, which agreements are substantially in the form of the agreements filed on August 17, 2015 in the office of the Deputy Minister, Ministry of Transportation and Infrastructure.


Minister of Transportation and Infrastructure


Presiding Member of the Executive Council

(This part is for administrative purposes only and is not part of the Order.)

Authority under which Order is made:

Act and section: Transportation Act, S.B.C. 2004, c. 44, s. 27 (3) (h)

Other: OIC 492/2010

August 24, 2015

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Resub/O/610/2015/27


SCHEDULE

- 1 The following are the agreements into which BC Transportation Financing Authority is authorized to enter into by this order:
 - (a) the concession agreement (the "concession agreement") entitled "South Fraser Perimeter Road Project Concession Agreement Amendment Agreement" among
 - (i) Her Majesty the Queen in Right of the Province of British Columbia as represented by the Minister of Transportation and Infrastructure,
 - (ii) the BC Transportation Financing Authority, and
 - (iii) FTG Fraser Transportation Group Partnership;
 - (b) the following agreements that are, in the concession agreement, specified as forming part of the concession agreement:
 - (i) the Lenders' Remedies Agreement among
 - (A) Her Majesty the Queen in Right of the Province of British Columbia as represented by the Minister of Transportation and Infrastructure,
 - (B) the BC Transportation Financing Authority,
 - (C) Computershare Trust Company of Canada, and
 - (D) FTG Fraser Transportation Group Partnership;
 - (ii) the Insurance Trust Agreement among
 - (A) Her Majesty the Queen in Right of the Province of British Columbia as represented by the Minister of Transportation and Infrastructure,
 - (B) the BC Transportation Financing Authority,
 - (C) FTG Fraser Transportation Group Partnership,
 - (D) Computershare Trust Company of Canada, as Indenture Trustee, and
 - (E) Computershare Trust Company of Canada, as Insurance Trustee.

PROVINCE OF BRITISH COLUMBIA


ORDER OF THE LIEUTENANT GOVERNOR IN COUNCIL


Order in Council No. 526 , Approved and Ordered September 18, 2015


Lieutenant Governor
Administrator

Executive Council Chambers, Victoria

On the recommendation of the undersigned, the ^{Administrator}~~Lieutenant Governor~~, by and with the advice and consent of the Executive Council, orders that approval is given for the Minister of Transportation and Infrastructure to enter into the agreements referred to in the attached Schedule, which agreements are substantially in the form of the agreements filed on August 17, 2015 in the office of the Deputy Minister, Ministry of Transportation and Infrastructure.


Minister of Transportation and Infrastructure


Presiding Member of the Executive Council

(This part is for administrative purposes only and is not part of the Order.)

Authority under which Order is made:

Act and section: Transportation Investment Act, S.B.C. 2002, c. 65, s. 2

Other: OIC 491/2010

August 24, 2015

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Resub/O/611/2015/27

SCHEDULE

- 1** The following are the agreements into which the Minister of Transportation and Infrastructure is authorized to enter into by this order:
- (a) the concession agreement (the "concession agreement") entitled "South Fraser Perimeter Road Project Concession Agreement Amendment Agreement" among
 - (i) Her Majesty the Queen in Right of the Province of British Columbia as represented by the Minister of Transportation and Infrastructure,
 - (ii) the BC Transportation Financing Authority, and
 - (iii) FTG Fraser Transportation Group Partnership;
 - (b) the following agreements that are, in the concession agreement, specified as forming part of the concession agreement:
 - (i) the Lenders' Remedies Agreement among
 - (A) Her Majesty the Queen in Right of the Province of British Columbia as represented by the Minister of Transportation and Infrastructure,
 - (B) the BC Transportation Financing Authority,
 - (C) Computershare Trust Company of Canada, and
 - (D) FTG Fraser Transportation Group Partnership;
 - (ii) the Insurance Trust Agreement among
 - (A) Her Majesty the Queen in Right of the Province of British Columbia as represented by the Minister of Transportation and Infrastructure,
 - (B) the BC Transportation Financing Authority,
 - (C) FTG Fraser Transportation Group Partnership,
 - (D) Computershare Trust Company of Canada, as Indenture Trustee, and
 - (E) Computershare Trust Company of Canada, as Insurance Trustee.