

**SCHEDULE 7
REAL PROPERTY**

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SCHEDULE 7 REAL PROPERTY

1. DEFINITIONS

In this Schedule, in addition to terms defined elsewhere in this Agreement:

"Access Agreements" means all agreements, licences and other arrangements and documentation entered into by RAVCO or any of its Affiliates with any Real Property Interest Contractor;

"Additional Real Property Interests" will have the meaning provided in Section 2.4 hereof;

"Appurtenant Interest Agreements" means any agreements or understandings entered into by the Concessionaire with Appurtenant Interest Contractors in respect of the grant to the Concessionaire, or any Affiliate of the Concessionaire, of Appurtenant Interests;

"Appurtenant Interest Contractors" means, respectively, each of the parties who have entered into Appurtenant Interest Agreements with the Concessionaire, or Affiliates of the Concessionaire;

"Appurtenant Interests" means any material interests from time to time acquired by the Concessionaire, or any Affiliate of the Concessionaire, whether expressed as an interest in land or as a licence, and relating to the use or enjoyment of any lands adjacent to or in the vicinity of any of the Licence Areas, as may be required by the Concessionaire for the purposes of Design, Construction, Operation and Maintenance;

"Casting Yard" means those lands located in the City of Vancouver, in the Province of British Columbia and legally described as:

- (a) Parcel Identifier: 015-120-392
Lot A (see 583098L)
Block 20
District Lot 313
Plan 827;
- (b) Parcel Identifier: 015-101-436
Lot A (Reference Plan 3074)
Block 22
District Lot 313
Plan 827;

- (c) Parcel Identifier: 015-120-384
Lot A (see 583098L)
Block 19
District Lot 313
Plan 827; and
- (d) Parcel Identifier: 015-120-406
Lot B (see 583098L)
Block 21
District Lot 313
Plan 827,

together with Water Lots 5999 and 606;

"Casting Yard Contamination" means any Hazardous Substances in the soil and surface and groundwater at the property located at 520 East Kent Avenue South, Vancouver, British Columbia, as more specifically set forth in the Preliminary Site Investigation Stage 1 and Stage 2, 520 East Kent Avenue South, Vancouver, B.C. completed by Keystone Environmental Ltd. dated November 2004, as such Hazardous Substances pertain only to the Real Property Interests located within such property;

"Construction Licence" has the meaning given in Section 3.1(a) of this Schedule;

"COR Access Agreement" means the Richmond • Airport • Vancouver Rapid Transit Line Richmond Access Agreement among City of Richmond, RAVCO and GVTA dated November 30, 2004, as may be amended or supplemented from time to time;

"COR Assignment Agreement" means the signed document attached hereto as Appendix "A" to this Schedule;

"COR-YVR Access Agreement" means the Richmond • Airport • Vancouver Rapid Transit Line Richmond YVR Line Access Agreement among City of Richmond, RAVCO, GVTA and YVR dated December 31, 2004, as may be amended or supplemented from time to time;

"COR-YVR Assignment Agreement" means an agreement to be settled between RAVCO and the Concessionaire providing for the assignment or sublicensing of rights and benefits of RAVCO under the COR-YVR Access Agreement, substantively in conformity with the provisions of the COR Assignment Agreement, but reflecting the involvement of YVR in the COR-YVR Access Agreement;

"COV Access Agreement" means the Richmond • Airport • Vancouver Rapid Transit Line Vancouver Access Agreement among City of Vancouver, RAVCO and GVTA dated November 30, 2004, as may be amended or supplemented from time to time;

"COV Assignment Agreement" means the signed document attached hereto as Appendix "B" to this Schedule;

"Interfere" means interfere with, endanger, impede, disturb or materially or adversely affect any one or more of the following:

- (a) the System; or
- (b) any interests of any of the Real Property Interest Contractors beyond the extent contemplated or permitted under the Real Property Interests;

and **"Interference"** has a corresponding meaning;

"Licence" has the meaning given in Section 3.1 of this Schedule;

"Licence Areas" has the meaning given in Section 3.1 of this Schedule;

"Licence Term" has the meaning given in Section 4.1 of this Schedule;

"Operation and Maintenance Licence" has the meaning given in Section 3.1(b) of this Schedule;

"Permitted Licence Uses" includes all rights of use, occupancy and access to, on and over the Licence Areas for all purposes reasonably required by the Concessionaire in connection with Design and Construction, Operation and Maintenance and Ancillary Activities, subject to the terms and conditions of this Schedule. For greater certainty and subject to any condition contained in any relevant Real Property Interests but without prejudice to the warranty set out in Section 2.2, Permitted Licence Uses includes the right by the Concessionaire to sublicense or grant rights of occupancy and use to the EPC Contractor, Operator, any Project Contractor and any other Person as may be necessary or useful in connection with the foregoing;

"Pre-Existing Contamination" means any Hazardous Substance that existed in, on, below or adjacent to the Real Property Interests on or prior to the date of this Agreement, other than the West 6th Avenue and Cambie Street Contamination and the Casting Yard Contamination;

"Pre-Existing Rights Reports" has the meaning thereto respectively in each of the COR Access Agreement, COR-YVR Access Agreement and COV Access Agreement;

"Real Property Interest Contractors" means the grantors of any of the Real Property Interests or of any interests from which the Real Property Interests are derived;

"Real Property Taxes" means all taxes, rates and other assessments (including without limitation, any grant in lieu of taxes) which may be imposed by any Relevant Authority as a result of the Licence, this Agreement, the existence of the Project or the use of the Real Property Interests by the Concessionaire as contemplated in this Agreement;

"Right of Way Drawings" means those right of way plans included in Schedule 6 (Proposal Extracts) and which generally indicate the Real Property Interests and the Licence Areas, and the respective dates by which the Concessionaire requires the Licence Areas;

"Sublicence" means any non-exclusive sublicense interest granted by the Concessionaire in respect of any of the Licence Areas for and during any portion of the Licence Term;

"Sublicence Contractor" means any party from time to time granted any Sublicence by the Concessionaire in respect of any of the Licence Areas as contemplated in Section 6.2 of this Schedule;

"Supplemental Grant" means any instrument executed by RAVCO and the Concessionaire from time to time following the date of this Agreement pursuant to which RAVCO grants to the Concessionaire, a Licence over and in respect of a Licence Area pursuant to any Real Property Interests, as shall be specifically set out in the form of Supplement Grant relating to the Construction Licence attached hereto as Appendix "C" and in the form of Supplemental Grant relating to the Operation and Maintenance Licence attached hereto as Appendix "D"; and **"Supplemental Grants"** will have a corresponding meaning;

"Surplus Space" means any areas located within the boundaries of the Real Property Interests but located outside of the as-built locations of the buildings and structures of the System which areas are no longer required for the purposes of Design and Construction or Operation and Maintenance as contemplated in Section 5.3 of this Schedule; and

"West 6th Avenue and Cambie Street Contamination" means the Hazardous Substances, in soil and surface and ground water, at the property located at the northwest corner of the intersection of West 6th Avenue and Cambie Street, as more specifically set forth in the environmental reports listed on Appendix E, as such Hazardous Substances pertain only to the Real Property Interests located within such property.

2. REAL PROPERTY INTERESTS

2.1 RAVCO Obligations to Obtain Real Property Interests

Subject to the provisions of this Schedule, including Section 2.4, 2.5 and 2.6, RAVCO will obtain at its cost, all Real Property Interests required to grant the Licences to the Concessionaire referred to in Section 3.1 of this Schedule. RAVCO will acquire all such Real Property Interests by the dates set out on the Right of Way Drawings, unless otherwise agreed to by the parties in the Approved Project Schedule, as amended over time, or in any other mutually signed document.

2.2 RAVCO's Representations and Warranties

RAVCO represents and warrants that:

- (a) RAVCO has (or, by the applicable date by which any Real Property Interests are to be acquired as set out in Section 2.1 of this Schedule, will have) the rights and interest in and to the Real Property Interests, in each case free and clear of all encumbrances, restrictions or limitations except any which do not adversely affect, financially or otherwise, the Licences and the abilities of the Concessionaire to conduct the respective Permitted Licence Uses contemplated therefor; and
- (b) the Access Agreements and the Real Property Interests permit (or will, by the applicable date as set out in Section 2.1 of this Schedule) the grant of the Licence and the conduct by the Concessionaire of the Permitted Licence Uses.

2.3 Copies of Real Property Interests

RAVCO will, from time to time, provide to the Concessionaire:

- (a) (within a reasonable period of time following the date upon which RAVCO may obtain the same from time to time), true and complete copies of all Access Agreements and Real Property Interests;
- (b) copies of all encumbrances, restrictions and other limitations applicable to such Access Agreements and Real Property Interests as may be available to RAVCO, but without any representations or warranties in respect of the accuracy or completeness thereof on the part of RAVCO; provided however that nothing in this Section 2.3(b) will or be interpreted to diminish, qualify or otherwise modify RAVCO's representations and warranties in Section 2.2 of this Schedule; and
 - (1) such other information with respect to the Access Agreements and Real Property Interests as the Concessionaire may reasonably request to comply with the Concessionaire's obligations under this Agreement; provided that if RAVCO requests from the City of Vancouver or the City of Richmond a Pre-Existing Rights Report (other than at the request of the Concessionaire), RAVCO will pay all costs relating to the production thereof; and
 - (2) if the Concessionaire requests from the City of Vancouver or the City of Richmond a Pre-Existing Rights Report, the Concessionaire will pay all costs relating to the production thereof.

2.4 Additional Real Property Interests

The Concessionaire will use reasonable efforts to construct the permanent structures of the System within the limits indicated on the Right of Way Drawings. RAVCO will give reasonable

consideration to requests from the Concessionaire to modify the Right of Way Drawings to accommodate changes to the location of the permanent structures.

To the extent that any Real Property Interests must be obtained by or on behalf of RAVCO after the date of this Agreement for Design, Construction, Operation or Maintenance and were not identified in the Right of Way Drawings (the "Additional Real Property Interests"), in all cases:

- (a) RAVCO and the Concessionaire will, acting in a commercially reasonable and diligent manner, and with a view to minimizing costs, identify such Additional Real Property Interests so required to be obtained; and
- (b) RAVCO will use all commercially reasonable efforts to obtain any such Additional Real Property Interests in a manner and within time periods to permit the Concessionaire to conduct Design and Construction in accordance with the Approved Project Schedule, and to perform the Operation and Maintenance.

2.5 Payment for Additional Real Property Interests

The incremental or net costs incurred for the acquisition of Additional Real Property Interests will be paid as follows:

(a) RAVCO:

RAVCO will be liable to pay for all incremental costs incurred for the acquisition of any Additional Real Property Interests:

- (1) required as part of, or to accommodate, a RAVCO Change; or
- (2) required because a City imposes a Change to the Concessionaire's Design as described in Schedule 6 (as may be modified under this Agreement) for a reason other than:

- (A) safety, or
- (B) on behalf of BCSA, or
- (C) to ensure the Concessionaire meets its obligations under Schedules 2, 3, 4 or 6 of this Agreement

and provided:

- (D) the Concessionaire faithfully performs all of its obligations under this Agreement, including consultations with the City and the public and exercises all reasonable efforts to avoid the acquisition of Additional Real Property Interests; and
- (E) cooperates fully with RAVCO and provides all assistance as reasonably requested by RAVCO to avoid such land acquisition; or

- (3) required to rectify a defect or deficiency in a Real Property Interest which RAVCO was required to obtain pursuant to Section 2.1 of this Schedule and such defect or deficiency is preventing or adversely affecting Concessionaire's ability to conduct the Permitted Licence Uses; and

(b) Concessionaire:

The Concessionaire will be liable to pay for all incremental costs incurred for the acquisition of any Additional Real Property Interests, including as required under Section 5.4 of this Schedule, if such Additional Real Property Interests:

- (1) were not indicated on the Right of Way Drawings; or
- (2) are required as part of, or to accommodate, a Concessionaire's Change.

2.6 Additional Real Property Interests for Temporary Support

The Concessionaire will, at the Concessionaire's cost, acquire any Additional Real Property Interests required for any temporary support or temporary works that may be required during Construction or during the Operating Period, including earth anchors or other support structures.

3. GRANT OF LICENCE

3.1 Agreement to Grant Licence

Subject to the terms and conditions of this Agreement and in accordance with the dates referred to in Section 2.1 of this Schedule, RAVCO will make available the areas indicated in the Right of Way Drawings and described in the legend to such Drawings (which legend, for greater certainty, includes all the information referenced therein except for the reference therein to the "property line") (the "**Licence Areas**"), as reasonably required by the Concessionaire for the Design, Construction, Operation and Maintenance. Accordingly, RAVCO will grant to the Concessionaire free of charge other than as set out in Section 3.1 of Schedule 11, and the Concessionaire hereby agrees to accept from RAVCO, through the execution by both parties of Supplemental Grants, the following two licences (together, the "**Licences**" or the "**Licence**") on, over and within the Real Property Interests for the Permitted Licence Uses within the Licence Areas in accordance with the terms and conditions specified in any relevant Supplemental Grant:

- (a) a licence (the "**Construction Licence**") as may reasonably be required by the Concessionaire during the Construction Period; and
- (b) a licence (the "**Operation and Maintenance Licence**") as may reasonably be required by the Concessionaire during the Operating Period.

3.2 Limit of Grant

By granting the Licence pursuant to any Supplemental Grant, RAVCO will not transfer nor convey to the Concessionaire:

- (a) any interest in land in the whole or any part of the Alignment and/or the Real Property Interests;
- (b) any right, title or interest in and to the Alignment and/or the Real Property Interests which is adverse or superior to the right, title and interest of RAVCO in and to the Real Property Interests; nor
- (c) any right, title or interest in the Real Property Interests not specifically set forth in any Supplemental Grant.

3.3 No Interference

Except as permitted under this Agreement, RAVCO will not:

- (a) exercise any of its rights under any of the Access Agreements or the Real Property Interests; nor
- (b) grant any rights to any other party,

which will, at any time during the term of a Supplemental Grant, directly or indirectly cause Interference or adversely affect the Concessionaire's rights under the Supplemental Grant.

3.4 RAVCO'S Observance of Real Property Interests

RAVCO will fully and punctually observe and perform all of the terms and conditions of Access Agreements and Real Property Interests.

3.5 Concessionaire's Observance of Real Property Interests

The Concessionaire (to the extent that such terms and conditions have been fully and accurately disclosed by RAVCO as provided in Section 2.3 of this Schedule and to the extent that such terms and conditions are consistent with the Concessionaire's rights and obligations under this Agreement) will fully and punctually observe and perform all of the terms and conditions of the Access Agreements and any Real Property Interests so long as such observance and performance are not inconsistent with the Permitted Licence Uses, the COV Assignment Agreement, the COR Assignment Agreement or the COR-YVR Assignment Agreement. For greater certainty, except in respect of Additional Real Property Interests the costs of which the Concessionaire is liable for under Section 2.5(b) of this Schedule, the Concessionaire will not be responsible for the payment of any rent or similar charge.

3.6 Real Property Interest Contractors

RAVCO will, forthwith upon reasonable request from the Concessionaire from time to time, employ its commercially-reasonable efforts to obtain and deliver to the Concessionaire in a timely manner, written acknowledgments or commitments (as applicable) from GVTA, the Cities, YVR, RAVCO and other Real Property Interest Contractors (as may have standing) to:

- (a) authorize RAVCO and/or the Concessionaire to take all such actions, including at the discretion of any such party, seeking injunctions, to stop trespassers or

unauthorized other third party activities that have caused or are reasonably-anticipated to cause Interference; and

- (b) promptly sign and deliver all such documents, and do all such other things, as may be reasonably required from any such Real Property Interest Contractor to enable the Concessionaire to obtain the issuance of any Permit in respect of which the Concessionaire has complied with all prerequisites relating thereto.

3.7 Taxes

Notwithstanding any other provision of this Schedule and notwithstanding any issues of ownership of improvements comprising any part of the System, RAVCO will pay, directly or through Affiliates of RAVCO, as and when due and prior to any date beyond which any penalties or interest will be imposed:

- (a) any and all Sales Taxes in respect of the Concessionaire's use of the Licence Areas accruing for and during the Licence Term; and
- (b) any and all Real Property Taxes in respect of the Concessionaire's use of the Licence Areas accruing for and during the Licence Term;

provided that the Concessionaire will pay or cause to be paid any:

- (c) Sales Taxes in respect of the Concessionaire's use of the Licence Areas; and
- (d) Real Property Taxes,

in respect of any retail, commercial or other non-transit-related leased or licensed premises within any Station and any Appurtenant Interest (but not including any bus loops).

4. LICENCE TERM

4.1 Licence Term

The term of the Licence (the "Licence Term") of each respective Real Property Interest granted to the Concessionaire by RAVCO pursuant to any Supplemental Grant will be as follows:

- (a) for the Construction Licence, the Licence Term of the relevant Supplemental Grant will commence and become effective on such date as specified in the Supplemental Grant, and will, subject to Section 5.3 of this Schedule, terminate when the Concessionaire gives written notice to RAVCO that the Concessionaire no longer reasonably requires such Licence Areas for the purposes of Design or Construction; and
- (b) for the Operation and Maintenance Licence, the term of the relevant Supplement Grant will commence and become effective on the date as agreed to by the parties, but in any event no later than the Service Commencement Date, and will continue until the Transfer Date.

5. SURPLUS SPACE AND ENCROACHMENTS

5.1 As Is, Where Is

Subject to the provisions of Sections 2.1, 2.2, 2.3 and 8.1 of this Schedule, the Concessionaire acknowledges and agrees that it will accept the Licence Areas pursuant to each Supplemental Grant on an "as is, where is" basis and that the Concessionaire will assume any and all geotechnical risk that the Licence Areas may not be suitable for any component of the System.

5.2 Plans

As soon as practicable and in no event later than six months following the System Acceptance Date, the Concessionaire will furnish RAVCO with "as-built" plans which accurately survey the locations of all buildings and structures of the System.

5.3 Reduction of Construction Licence in Respect of Surplus Space

As:

- (a) the terms and conditions of any Real Property Interests or any Access Agreements may require but without prejudice to the warranty set out in Section 2.2; or
- (b) RAVCO may, at its option and acting reasonably, determine that any portion of Surplus Space is no longer required by the Concessionaire for the conduct of Permitted Licence Uses, and the Concessionaire has not objected, acting reasonably, to such determination following 20 Business Days' receipt of written notice of RAVCO's determination to the Concessionaire; or
- (c) the Concessionaire determines and delivers written notice to RAVCO that the Concessionaire no longer requires all or any portion of the Surplus Space for the conduct by the Concessionaire of the Permitted Licence Uses,

in each such case, the Licence Areas will be reduced by or any part of such Surplus Space and the Licence will be deemed to have been surrendered with respect thereto.

5.4 Encroachment

Without limiting any other provision of this Agreement, if and to the extent that the "as-built" and surveyed locations of the completed System encroach beyond the boundaries of the Real Property Interests indicated in the Right of Way Drawings, RAVCO and the Concessionaire will co-operate to seek any such Additional Real Property Interests as may be required for Operation and Maintenance, and the provisions of Section 2.4 of this Schedule will apply; PROVIDED THAT:

- (a) if any such Additional Real Property Interests are required because the Concessionaire reasonably relied on information on a cadastral survey provided by RAVCO or a City which was in error, or if such Additional Real Property Interests are required as a result of deviations in the location of the permanent

structures of the System that are within acceptable construction tolerances, then RAVCO will pay all costs incurred in connection with the acquisition of any such Additional Real Property Interests; and

- (b) if any such Additional Real Property Interests is required because of any other reason then the Concessionaire will be responsible to pay all costs incurred in connection with the acquisition of any such Additional Real Property Interests.

6. APPURTENANT INTERESTS AND SUBLICENCES

6.1 Appurtenant Interests

Subject to any relevant provisions of this Schedule to the contrary, the Concessionaire will be entitled to enter into Appurtenant Interest Agreements as the Concessionaire may determine to be required or desirable for the purposes of the Design or Construction or Operation and Maintenance of the System, provided that:

- (a) before entering into any Appurtenant Interest Agreement, the Concessionaire will deliver to RAVCO written notice of its intention to seek any such Appurtenant Interest, including reasonable descriptions of all material terms of and brief explanation for acquiring any such Appurtenant Interest;
- (b) any and all costs of obtaining and complying with the terms of any Appurtenant Interest Agreement not comprising a Real Property Interest required for Permitted Licence Uses will be borne solely by the Concessionaire;
- (c) the Concessionaire will use commercially reasonable efforts to ensure that any and all Appurtenant Interest Agreements include provisions whereby the Appurtenant Interest Contractors acknowledge and agree that, upon termination of the Licence for any reason, RAVCO will have the option to acquire and assume all or any of the interests of the Concessionaire in and to any such Appurtenant Interests (without the requirement for a receipt of consent from any Appurtenant Interest Contractors) in accordance with the terms of the relevant Appurtenant Interest Agreement, including future payments, if any, owing pursuant to such terms, or to disclaim and terminate any such Appurtenant Interest Agreement without cost, penalty or liability on the part of RAVCO;
- (d) notwithstanding Section 6.1(c), if any such Appurtenant Interest is reasonably-anticipated to be of significant importance to the ability of the Concessionaire (or RAVCO) to conduct Permitted Licence Uses, then:
 - (1) prior to entering into any such Appurtenant Interest Agreement, the Concessionaire will obtain the prior written consent of RAVCO (which will not be unreasonably withheld or delayed);
 - (2) the Concessionaire will ensure that any such Appurtenant Interest Agreement includes provisions whereby the Appurtenant Interest Contractors acknowledge and agree that, upon termination of the Licence

for any reason, RAVCO will have the option to acquire and assume any or all of the interests of the Concessionaire in and to any such Appurtenant Interest (without the requirement for a receipt of consent from any Appurtenant Interest Contractors) in accordance with the terms of the relevant Appurtenant Interest Agreement, including future payment, if any, owing pursuant to such terms; and

- (3) RAVCO will not have an option to disclaim or terminate any such Appurtenant Interest Agreement unless any relevant cost, penalty or liability is paid by RAVCO; and
- (e) the Concessionaire will use commercially reasonable efforts to ensure that RAVCO is, at all material times, reasonably informed of the status of negotiations and the execution of any such Appurtenant Interest Agreements, and will provide to RAVCO true and complete copies of any such Appurtenant Interest Agreements and any modifications, extensions, surrenders or terminations thereof and will also deliver to RAVCO notices and particulars of any material breaches and related actions under any such Appurtenant Interest Agreements, as applicable, from time to time.

6.2 Sublicences

Subject always to any provisions of any Real Property Interests or any Access Agreements to the contrary (to the extent that such provisions have been fully and accurately disclosed by RAVCO as provided in Section 2 of this Schedule), the Concessionaire may grant Sublicences for and during any period during the Licence Term; provided that:

- (a) before entering into any Sublicence, the Concessionaire will deliver to RAVCO written notice of its intention to grant such Sublicence, including reasonable descriptions of all material terms of, and brief explanation for, the grant of such Sublicence;
- (b) any and all costs of granting and complying with the terms of any Sublicence will be borne, as between RAVCO and the Concessionaire, solely by the Concessionaire;
- (c) the Concessionaire will ensure that any and all such Sublicences include provisions whereby the Sublicence Contractors acknowledge and agree that, upon termination of the Licence, RAVCO will have the option to acquire and assume all or any of the interests of the Concessionaire in and to any such Sublicences (without the requirement for a receipt of consent from any Sublicence Contractor), including future payment, if any, owing pursuant to such terms or to disclaim and terminate any such Sublicence without cost, penalty or liability on the part of RAVCO; and
- (d) the Concessionaire will use commercially reasonable efforts to ensure that RAVCO is reasonably informed at all material times of the status of negotiations (providing RAVCO with reasonable evidence of the creditworthiness,

management experience and reputation of any proposed Sublicence Contractor) and the execution of any such Sublicences, and will provide RAVCO with true and complete copies of any such Sublicences and any modifications, extensions, surrenders or terminations thereof and will also deliver to RAVCO notices and particulars of any material breaches and related actions under any such Sublicences, as applicable, from time to time.

7. DISCHARGE OF LIENS

7.1 Builders Liens During Construction

The Concessionaire will cause the discharge of any builders lien filed with respect to Construction against any of the Real Property Interests as set out in Section 17 of Schedule 2 (Design and Construction Requirements).

7.2 Discharge of Liens Generally

Without limiting Section 7.1 of this Schedule, the Concessionaire will not create or permit to remain, and will forthwith promptly remove and discharge or cause to be removed and discharged at its cost and expense, any lien, encumbrance or charge or claim of lien upon the Real Property Interests arising out of the Permitted Licence Uses by the Concessionaire, any Person for whom the Concessionaire is in Law responsible or any Sublicence Contractor.

8. HAZARDOUS SUBSTANCES

8.1 Limitations on the Concessionaire's Responsibility

Notwithstanding any other provision of this Agreement or this Schedule, the Concessionaire will not be responsible for any Hazardous Substances in, on, below or adjacent to the Real Property Interests or any cost, expense or Claim arising therefrom, other than:

- (a) the West 6th Avenue and Cambie Street Contamination, provided that the Concessionaire will only be responsible for Hazardous Substances contained in the West 6th Avenue and Cambie Street Contamination, and any cost, expense or Claim arising therefrom, if and to the extent the activities undertaken by the Concessionaire, or any Person for whom the Concessionaire is responsible at Law, for any reason disturb or affect the Hazardous Substances contained in the West 6th Avenue and Cambie Street Contamination and, as a result, such Hazardous Substances are or will need to be, as a matter of applicable Law, investigated, handled, treated, remediated or disposed of, and for greater certainty, the Concessionaire will not be responsible for Hazardous Substances that are within the portions of the West 6th Avenue and Cambie Street Contamination that are not so disturbed or affected;
- (b) the Casting Yard Contamination, provided that the Concessionaire will only be responsible for Hazardous Substances contained in the Casting Yard Contamination, and any cost, expense or Claim arising therefrom, if the activities undertaken by the Concessionaire, or any Person for whom the Concessionaire

is responsible at law, for any reason disturb or affect the Hazardous Substances contained in the Casting Yard Contamination and, as a result, such Hazardous Substances are or will need to be, as a matter of applicable Law, investigated, handled, treated, remediated or disposed of; and for greater certainty, the Concessionaire will not be responsible for Hazardous Substances that are within the portions of the Casting Yard Contamination that are not so disturbed or affected; and

- (c) any Hazardous Substances brought onto the Real Property Interests by the Concessionaire or any Person for whom the Concessionaire is in Law responsible during the Licence Term (and any extension thereof), for which Hazardous Substances the Concessionaire will be responsible.

8.2 Restriction on Use

Without limiting any obligations binding upon RAVCO, GVTA and the Concessionaire under or in connection with the Real Property Interests and except for any Pre-Existing Contamination, the Concessionaire will not install, use or store on the System, on the Real Property Interests or adjacent property or in any conducting media servicing or inter-connecting with the System, any materials, Equipment or apparatus, the installation, use or storage of which is likely to cause or in fact causes the generation, accumulation or migration of any Hazardous Substance in contravention of any applicable Laws. Without limiting the generality of the foregoing, the Concessionaire will not use the Real Property Interests to dispose of, handle or treat any Hazardous Substances, in a manner that would cause the Real Property Interests, or any adjacent property, to become a contaminated site under applicable Laws.

Except for substances or things commonly used or generated in facilities similar to the System and any Pre-Existing Contamination, the Concessionaire will notify RAVCO in writing prior to installing, using or storing, or permitting any Person to install, use or store, any Hazardous Substance on the System or on the Real Property Interests.

8.3 Notification of Non-Compliance

The Concessionaire will promptly notify RAVCO in writing after it Has Knowledge of:

- (a) any event that does not comply with the Concessionaire's obligations in Section 8.2 of this Schedule in any material respect;
- (b) a release of a Hazardous Substance or any other occurrence or condition resulting from the release of a Hazardous Substance on the Real Property Interests or any adjacent property which could subject the Concessionaire, RAVCO and/or GVTA to any fines, penalties, orders or proceedings under applicable Law;
- (c) any charge, order, investigation or notice of violation or non-compliance resulting from the release or alleged release of a Hazardous Substance issued against the Concessionaire or relating to the System or its operations on the Real Property Interests under any applicable Law; and

- (d) any Claim or notice of a Claim by any third party against the Concessionaire in respect of the release or alleged release of any Hazardous Substance at or from the Real Property Interests in connection with the Operation and Maintenance of the System.

After it Has Knowledge, the Concessionaire will notify the appropriate Relevant Authorities of any release of any Hazardous Substance at or from the System or the Real Property Interests in accordance with applicable Laws. Failure by the Concessionaire to do so will authorize, but not obligate, RAVCO to notify the Relevant Authorities. Without prejudice to the Concessionaire's rights under Section 14 of this Agreement, the Concessionaire covenants and agrees to use all commercially reasonable efforts to ensure that neither RAVCO nor GVTA is a party to or is named in any charge, order, investigation or notice issued by any appropriate Relevant Authority under applicable Law against the Concessionaire or relating to the System or the operations on the Real Property Interests by any appropriate Relevant Authority under applicable Law resulting from the release or alleged release of a Hazardous Substance, except where the events or conditions in question are the result of the actions of RAVCO or GVTA or any Person for whom either RAVCO or GVTA is in Law responsible.

Without prejudice to the Concessionaire's rights under Section 14 of this Agreement, the Concessionaire will take all commercially reasonable efforts as required for the continued Construction, Operation and Maintenance of the System and will keep RAVCO's Representative informed of all such efforts.

8.4 Removal of Hazardous Substances

Prior to the expiry or earlier termination of this Agreement or at any time if requested by RAVCO and/or GVTA or required by any Relevant Authority pursuant to applicable Law, the Concessionaire will, promptly in accordance with applicable Law, remove from the Real Property Interests any and all Hazardous Substances, and remediate the Real Property Interests or any adjacent property resulting from Hazardous Substances, in either case only if such Hazardous Substances have been brought onto the Real Property Interests or any adjacent property by the Concessionaire or any Person for whom it is in Law responsible. For greater certainty and solely in the cases mentioned in the immediately preceding sentence, but without limiting the obligations of the Concessionaire as otherwise set out in this Agreement, the remediation obligations of the Concessionaire will include the treatment of water (including surface and groundwater) and the remediation by removal of any soils containing Hazardous Substances at levels exceeding the standards under applicable Law. Any soil so removed will be promptly replaced by soil free of Hazardous Substances.

The Concessionaire will provide to RAVCO full information with respect to any remedial work performed pursuant to this Section and will comply with RAVCO's reasonable requirements with respect to such work. The Concessionaire will use a qualified environmental consultant approved by RAVCO, acting reasonably, to perform the remediation. The Concessionaire will, subject to Section 8.8 of this Schedule, use commercially reasonable efforts to obtain such approvals and certificates from the B.C. Ministry of Water, Land and Air Protection (or its successor Ministry) in respect of the remediation as required under applicable Law or required

by RAVCO, acting reasonably, including a certificate of compliance evidencing completion of the remediation satisfactory to the Ministry.

If RAVCO reasonably determines that RAVCO or GVTA, their respective property, reputation or the Real Property Interests may be placed in any jeopardy by the requirement for any such remedial work, RAVCO may, but will not be obliged to, provide notice to the Concessionaire and undertake itself such work or any part thereof at the reasonable cost and expense of the Concessionaire.

8.5 Ownership of Hazardous Substances

Notwithstanding any rule of law to the contrary, any Hazardous Substance or material or good containing a Hazardous Substance brought onto the Real Property Interests by the Concessionaire or any Person for whom it is in Law responsible, or any top soil, earth or other material from the West 6th Avenue and Cambie Street Contamination or the Casting Yard Contamination containing a Hazardous Substance removed by the Concessionaire or any Person for whom it is in Law responsible, will be and remain the sole and exclusive property and responsibility of the Concessionaire and will not become the property of RAVCO nor GVTA, notwithstanding the degree of its affixation to the Real Property Interests and notwithstanding the expiry or earlier termination of this Agreement.

8.6 Survival of Concessionaire's Obligations

The obligations of the Concessionaire under this Section 8 of this Schedule will survive any termination of this Agreement with respect to any obligations of the Concessionaire which remain to be performed as of the Termination Date.

8.7 Evidence of Compliance

The Concessionaire will promptly provide to RAVCO a copy of any environmental site investigation, assessment, audit or report relating to the Real Property Interests conducted by or for the Concessionaire at any time before, during or after the Construction Period or the Operating Period. The Concessionaire will, at RAVCO's reasonable request from time to time and at RAVCO's expense, obtain from an independent environmental consultant approved by RAVCO, acting reasonably, an environmental site assessment of the Real Property Interests or an environmental audit of the System and the operations on the Real Property Interests, the scope of which will be satisfactory to RAVCO, acting reasonably, and will include any additional investigations that the environmental consultant may recommend. The Concessionaire will, at RAVCO's request from time to time, provide RAVCO with a certificate of a senior officer of the Concessionaire certifying that, to the extent that such officer Has Knowledge, the Concessionaire is in material compliance with all Environmental Laws and that no adverse environmental occurrences have taken place at the System or on the Real Property Interests, other than as disclosed in writing to RAVCO.

8.8 Confidentiality of Environmental Reports

The Concessionaire will maintain all environmental site investigations, assessments, audits and reports relating to the System and the Real Property Interests in strict confidence and will not,

without the written consent of RAVCO, disclose their terms or existence to any third party (including, any Relevant Authority) except as required by Law, or to the Concessionaire's professional advisers and lenders on a need to know basis.

9. ASSIGNMENT OF CERTAIN MUNICIPAL ACCESS AGREEMENTS

9.1 Forms of Assignment Agreements

Without limiting the generality of any of the covenants or obligations of RAVCO or the Concessionaire in this Schedule, RAVCO and the Concessionaire will execute and deliver to one another and to each of the Cities the following agreements, each of which will become effective as of Financial Close:

- (a) the COR Assignment Agreement in respect of the COR Access Agreement;
- (b) the COR-YVR Assignment Agreement in respect of the COR-YVR Access Agreement; and
- (c) the COV Assignment Agreement in respect of the COV Access Agreement.

APPENDIX A TO SCHEDULE 7 (REAL PROPERTY)

COR ASSIGNMENT AGREEMENT

This Agreement, made with effect as of the Commencement Date,

BETWEEN:

RAV PROJECT MANAGEMENT LTD.
1700 - 409 Granville Street
Vancouver, British Columbia
V6C 1T2

("RAVCO")

AND:

INTRANSIT BC LIMITED PARTNERSHIP
2800 Park Place, 666 Burrard
Vancouver, British Columbia
V6C 2Z7

(the "Concessionaire")

RECITALS:

- A. Pursuant to the COR Access Agreement, the City granted to RAVCO certain free and unobstructed rights of access to and use of the Construction-Required Lands, additional Construction-Required Lands, System-Required Lands and Access-Required Lands;
- B. The COR Access Agreement expressly granted to RAVCO the right to sublicense or conditionally assign to any Concessionaire any or all of RAVCO's rights under the COR Access Agreement;
- C. The City has required that any Concessionaire execute and deliver to the City a Concessionaire Assumption Agreement as a condition precedent to the assignment of RAVCO's rights under the COR Access Agreement to the Concessionaire; and
- D. This Agreement is intended to confirm and clarify the rights and interests conditionally assigned and sublicensed by RAVCO to the Concessionaire and the obligations assumed by the Concessionaire in connection therewith.

NOW THEREFORE, in consideration of the payment of TEN DOLLARS (\$10.00) and other good and valuable consideration now paid by each of RAVCO and the Concessionaire to one another (the receipt and sufficiency of which are hereby acknowledged), RAVCO and the Concessionaire hereby acknowledge, covenant and agree as follows:

1. INTERPRETATION

1.1 Definitions

In this Agreement, unless otherwise expressly stated herein or otherwise defined, all terms employed herein and defined in the COR Access Agreement will have the meanings respectively ascribed to them in the COR Access Agreement and the following additional terms will have the meanings respectively ascribed to them:

- (a) **"Commencement Date"** means the date of Financial Close as defined under the Concession Agreement;
- (b) **"Concession Agreement"** means that agreement dated March 29, 2005 entered into between RAVCO and the Concessionaire with respect to the design, construction, operation, repair and maintenance of the Project and the System and to which this Agreement is attached as Appendix "A" to Schedule 7 thereof;
- (c) **"Concessionaire Assumption Agreement"** means that agreement dated March 29, 2005, with effect as of Financial Close made between the City of Richmond, Greater Vancouver Transportation Authority, RAVCO and the Concessionaire;
- (d) **"COR Access Agreement"** means the Richmond • Airport • Vancouver Rapid Transit Line Richmond Access Agreement among City of Richmond, RAVCO and Greater Vancouver Transportation Authority dated November 30, 2004, as may be amended or supplemented from time to time; and
- (e) **"Licence Term"** means the term of the Concessionaire's appointment by RAVCO under the Concession Agreement.

2. ASSIGNMENT AND SUBLICENCE

2.1 RAVCO Grant of Sublicence and Assignment of Rights

Subject to the terms and conditions herein contained, RAVCO hereby assigns and sublicenses to the Concessionaire, and the Concessionaire hereby accepts and assumes, however only for and during the Licence Term, all of the rights and benefits of RAVCO under the COR Access Agreement; PROVIDED THAT:

- (a) RAVCO reserves and does not assign or sublicense to the Concessionaire any rights to require the grant by the City or to cause or effect the registration of the statutory rights of way as contemplated in Section 2.12 of the COR Access Agreement;
- (b) RAVCO does not assign, transfer nor convey to the Concessionaire:
 - (i) any interest in land in the whole or any part of the Project-Required Lands; nor

- (ii) any right, title or interest in and to the Project-Required Lands which is adverse or superior to the right, title and interest of RAVCO in and to the Project-Required Lands; and
- (c) RAVCO reserves and does not assign or sublicense to the Concessionaire and the Concessionaire does not assume any of the obligations of RAVCO under the following provisions of the COR Access Agreement:
 - (i) Section 8.1 (without limiting the obligations of the Concessionaire set out in Section 8.1 of Schedule 7 of the Concession Agreement); and
 - (ii) Section 4.1; Section 7.1(d) (provided however that nothing herein contained will limit nor modify the respective obligations of RAVCO or the Concessionaire as to responsibilities to correct, or pay the costs of correction of, any defects or deficiencies in any Real Property Interest as contemplated in Schedule 7 to the Concession Agreement); the second paragraph of Section 7.12 (except to the extent that the Concessionaire elects to utilize lands as Construction-Required Lands which are not City Street in connection with RAV Work and the use of such lands is not expressly contemplated under the terms of Schedule 7 to the Concession Agreement); and Article 10.
- (d) for greater certainty, RAVCO specifically assigns (as opposed to sub-licences) its rights pursuant to:
 - (i) Sections 2.2 and 2.3;
 - (ii) Sections 2.4 and 2.5;
 - (iii) Section 2.6 and 2.7;
 - (iv) Section 3.1;
 - (v) Section 3.2(a);
 - (vi) Section 3.3;
 - (vii) Section 5.5; and
 - (viii) Sections 7.14 and 7.15,

of the COR Access Agreement. All other rights granted by RAVCO to the Concessionaire hereunder shall be considered to have been sub-licensed to the Concessionaire.

2.2 Concessionaire's Performance of Obligations of COR Access Agreement

The Concessionaire hereby assumes and covenants to fully and punctually observe and perform all of the obligations hereby assigned or sublicensed by RAVCO to the Concessionaire,

all in accordance with the terms and conditions of the COR Access Agreement, as such terms may be interpreted and agreed to apply to the Concessionaire under this Agreement and the Concessionaire Assumption Agreement.

RAVCO covenants to fully and punctually observe and perform all obligations of RAVCO under the COR Access Agreement not assigned or sub-licensed to nor assumed by the Concessionaire.

2.3 Non-Derogation of Grant

Without limiting any of its rights or remedies under the Concession Agreement, RAVCO will not make any grant in derogation of the grant of sublicence or assignment of rights by RAVCO to the Concessionaire under this Agreement nor otherwise deal with any of the rights or benefits of RAVCO under the COR Access Agreement in a way which interferes with, or adversely affects, the Concessionaire's rights or interests under this Agreement.

3. INCLUDED RIGHTS AND INTERESTS

3.1 Rights and Interests Expressly Included

For greater certainty, but without limiting the scope of RAVCO's assigned rights referred to in Section 2.1(d), RAVCO acknowledges and agrees that the assignment and sublicence of rights by RAVCO to the Concessionaire in Section 2.1 hereof expressly includes, however only for and during the Licence Term, all of the following rights, title and interest of RAVCO arising under the COR Access Agreement:

- (a) rights to the use of the Construction-Required Lands (including the right to exclude, enforce and maintain an action in the name of the Concessionaire for the exclusion of any person therefrom) arising under Section 2.2 of the COR Access Agreement if and to the extent that the Concessionaire reasonably determines, or any applicable Law requires exclusive possession is necessary to ensure the safe, cost effective or efficient construction of the Richmond Segment;
- (b) rights granted to RAVCO in respect of the use of the additional Construction-Required Lands arising under Section 2.3 of the COR Access Agreement;
- (c) rights to the use of the System-Required Lands (including the right to exclude, enforce and maintain an action in the name of the Concessionaire for the exclusion of any person therefrom) arising under Sections 2.4 and 2.5 of the COR Access Agreement if and to the extent that the Concessionaire reasonably determines, or any applicable Law requires exclusive possession of all or such portions of the System-Required Lands is necessary to ensure the safe, cost effective or efficient operation of the System;
- (d) rights to the use of the Access-Required Lands (including the right to exclude, enforce and maintain an action for the exclusion of any person therefrom) arising under Section 2.6 of the COR Access Agreement if and to the extent and during any period, the Concessionaire reasonably determines that exclusive possession

is required for all purposes relating to inspecting, maintaining, repairing, altering, renovating, modifying, reconstructing or removing the RAV Infrastructure;

- (e) rights granted to RAVCO pertaining to the use of the Additional (System-Required and Access-Required) Lands arising under Sections 2.7 and 2.8 of the COR Access Agreement;
- (f) entitlements as to non-termination by the City of rights of access over the Project-Required Lands and arising under Section 2.10 of the COR Access Agreement;
- (g) rights to request the preparation and delivery by the City of Pre-Existing Rights Reports as contemplated in Section 3.1 of the COR Access Agreement;
- (h) rights relating to requests to the City for termination or modification of Pre-Existing Rights as contemplated in Section 3.2 of the COR Access Agreement;
- (i) protection by the City for the benefit of the Concessionaire of RAVCO's rights as contemplated in Section 3.3 of the COR Access Agreement;
- (j) rights and benefits of RAVCO as to non-derogation of the grant of rights by the City to RAVCO as contemplated in Section 3.5 of the COR Access Agreement;
- (k) rights to receive copies from the City of any plans or other materials in the possession of the City relevant to the identification and location of City Infrastructure as contemplated in, and all other rights granted to RAVCO under Section 7.3 of the COR Access Agreement;
- (l) authorization from the City to implement the Traffic Management Plan, the Construction Management Plan and the temporary City Street closures as contemplated in Section 7.10 of the COR Access Agreement; and
- (m) rights, including approval rights, of RAVCO pursuant to each of the provisions of Sections 7.14 and 7.15 relating to installation of City Infrastructure on RAV Infrastructure and repairs to damaged RAV Infrastructure.

4. CLARIFICATIONS

4.1 Acknowledgments for Greater Certainty

To ensure consistency with the provisions of the Concession Agreement, and for greater certainty, RAVCO and the Concessionaire acknowledge and agree, as between RAVCO and the Concessionaire only, as follows:

- (a) the definition of "Contaminants" contained in the COR Access Agreement, for and during the Licence Term shall exclude the words "sound and "vibration" wherever they appear;

- (b) the words "provided that it has" will be substituted for the words "whether or not having" in the definition of "Law" contained in the COR Access Agreement, for and during the Licence Term;
- (c) the definition of "Losses" contained in the COR Access Agreement, for and during the Licence Term shall exclude the words "and indirect, as well as any consequential";
- (d) "Project Completion Date" defined in the COR Access Agreement will be interpreted as the "System Acceptance Date", which is defined in the Concession Agreement as follows:

"System Acceptance Date" means the date of completion of all of the design and construction of the System (other than warranty obligations) all to the reasonable satisfaction of RAVCO;

- (e) notwithstanding the definition of "RAV Infrastructure" contained in the COR Access Agreement, for and during the Licence Term, the Concessionaire (and not GVTA) will be the owner of all non-fixed assets of the Project, including but not limited to all rolling stock used to carry passengers on the System; all electrical and mechanical systems designed, constructed or supplied by the Concessionaire and included in the System; and the intellectual property which is created, brought into existence, acquired or licensed or used by the Concessionaire or any Contractor in respect of the Project;
- (f) that the implicit obligation in the second sentence of Section 4.1 of the COR Access Agreement providing that RAVCO shall contribute to incremental costs incurred by the City in connection with the COR Access Agreement not otherwise dealt with in the Access Agreement shall neither be assigned to, nor assumed by the Concessionaire under this Agreement;
- (g) notwithstanding Section 6.3(b) of the COR Access Agreement, any advertising signage within any Station and within or upon any Vehicle will be dealt with in accordance with the provisions of the Concession Agreement;
- (h) the Concessionaire will have the sole discretion to determine whether or not to accept any bid submitted by the City for the performance of any RAV Work as contemplated in Section 7.5 of the COR Access Agreement;
- (i) notwithstanding Section 7.11(a) of the COR Access Agreement, the Concessionaire will only be required to maintain and repair, any "Maintenance Areas" in accordance with the terms and conditions of the Concession Agreement; and
- (j) notwithstanding the provisions of Section 7.13(c) and (e) of the COR Access Agreement, the Concessionaire will not be responsible for such repairs or the

cost of such repairs where and to the extent such repairs will be undertaken by others pursuant to Schedule 6 of the Concession Agreement.

5. ENVIRONMENTAL ISSUES

5.1 Limitations on Concessionaire's Responsibility

In addition to Subsection 2.1(c)(i) of this Agreement and notwithstanding any provision of the COR Access Agreement or the Concessionaire Assumption Agreement to the contrary, the Concessionaire shall not be responsible for any Contaminants which existed in, on, below or adjacent to the Project-Required Lands prior to the Commencement Date or any cost, expense or Claim arising therefrom, other than as provided in Section 8.1 of Schedule 7 of the Concession Agreement.

6. INTERPRETATION AND MISCELLANEOUS

6.1 Effectiveness and Term

This Agreement will take full force and effect and will be legally binding on all parties hereto as of the Commencement Date and will remain in full force and effect thereafter for and during the Licence Term.

6.2 Enurement and Binding Effect

This Agreement will enure to the benefit and be binding upon RAVCO and the Concessionaire and their respective successors.

6.3 Governing Law

This Agreement will be governed by and construed in accordance with the laws of British Columbia. Any Dispute (as defined in the Concession Agreement) arising between the parties under or in connection with this Agreement shall be resolved in accordance with the provisions of Schedule 14 of the Concession Agreement.

IN WITNESS WHEREOF, this Agreement has been executed by RAVCO and the Concessionaire, all with effect as of the Commencement Date.

RAV PROJECT MANAGEMENT LTD.

Per: _____
Chief Executive Officer

INTRANSIT BC LIMITED PARTNERSHIP,
by its General Partner,
INTRANSIT BRITISH COLUMBIA GP LTD.

Per: _____
Authorized Signatory

APPENDIX B TO SCHEDULE 7 (REAL PROPERTY)

COV ASSIGNMENT AGREEMENT

This Agreement, made with effect as of the Commencement Date,

BETWEEN:

RAV PROJECT MANAGEMENT LTD.
1700 - 409 Granville Street
Vancouver, British Columbia
V6C 1T2

("RAVCO")

AND:

INTRANSIT BC LIMITED PARTNERSHIP
2800 Park Place, 666 Burrard
Vancouver, British Columbia
V6C 2Z7

(the "Concessionaire")

RECITALS:

- A. Pursuant to the COV Access Agreement, the City granted to RAVCO certain free and unobstructed rights of access to and use of the Construction-Required Lands, additional Construction-Required Lands, System-Required Lands and Access-Required Lands;
- B. The COV Access Agreement expressly granted to RAVCO the right to sublicense or conditionally assign to any Concessionaire any or all of RAVCO's rights under the COV Access Agreement;
- C. The City has required that any Concessionaire execute and deliver to the City a Concessionaire Assumption Agreement as a condition precedent to the assignment of RAVCO's rights under the COV Access Agreement to the Concessionaire; and
- D. This Agreement is intended to confirm and clarify the rights and interests conditionally assigned and sublicensed by RAVCO to the Concessionaire and the obligations assumed by the Concessionaire in connection therewith.

NOW THEREFORE, in consideration of the payment of TEN DOLLARS (\$10.00) and other good and valuable consideration now paid by each of RAVCO and the Concessionaire to one another (the receipt and sufficiency of which are hereby acknowledged), RAVCO and the Concessionaire hereby acknowledge, covenant and agree as follows:

1. INTERPRETATION

1.1 Definitions

In this Agreement, unless otherwise expressly stated herein or otherwise defined, all terms employed herein and defined in the COV Access Agreement will have the meanings respectively ascribed to them in the COV Access Agreement and the following additional terms will have the meanings respectively ascribed to them:

- (a) "Commencement Date" means the date of Financial Close as defined under the Concession Agreement;
- (b) "Concession Agreement" means that agreement dated March 29, 2005 entered into between RAVCO and the Concessionaire with respect to the design, construction, operation, repair and maintenance of the Project and the System and to which this Agreement is attached as Appendix "B" to Schedule 7 thereof;
- (c) "Concessionaire Assumption Agreement" means that agreement dated March 29, 2005, with effect as of Financial Close made between the City of Vancouver, Greater Vancouver Transportation Authority, RAVCO and the Concessionaire;
- (d) "COV Access Agreement" means the Richmond • Airport • Vancouver Rapid Transit Line Richmond Access Agreement among City of Vancouver, RAVCO and Greater Vancouver Transportation Authority dated November 30, 2004, as may be amended or supplemented from time to time; and
- (e) "Licence Term" means the term of the Concessionaire's appointment by RAVCO under the Concession Agreement.

2. ASSIGNMENT AND SUBLICENCE

2.1 RAVCO Grant of Sublicence and Assignment of Rights

Subject to the terms and conditions herein contained, RAVCO hereby assigns and sublicenses to the Concessionaire, and the Concessionaire hereby accepts and assumes, however only for and during the Licence Term, all of the rights and benefits of RAVCO under the COV Access Agreement; PROVIDED THAT:

- (a) RAVCO reserves and does not assign or sublicense to the Concessionaire any rights to require the grant by the City or to cause or effect the registration of the statutory rights of way as contemplated in Section 2.12 of the COV Access Agreement;
- (b) RAVCO does not assign, transfer nor convey to the Concessionaire:
 - (i) any interest in land in the whole or any part of the Project-Required Lands; nor

- (ii) any right, title or interest in and to the Project-Required Lands which is adverse or superior to the right, title and interest of RAVCO in and to the Project-Required Lands; and
- (c) RAVCO reserves and does not assign or sublicense to the Concessionaire and the Concessionaire does not assume any of the obligations of RAVCO under the following provisions of the COV Access Agreement:
 - (i) Section 8.1 (without limiting the obligations of the Concessionaire set out in Section 8.1 of Schedule 7 of the Concession Agreement); and
 - (ii) Section 4.1; Section 7.1(d) (provided however that nothing herein contained will limit nor modify the respective obligations of RAVCO or the Concessionaire as to responsibilities to correct, or pay the costs of correction of, any defects or deficiencies in any Real Property Interest as contemplated in Schedule 7 to the Concession Agreement); the second paragraph of Section 7.12 (except to the extent that the Concessionaire elects to utilize lands as Construction-Required Lands which are not City Street in connection with RAV Work and the use of such lands is not expressly contemplated under the terms of Schedule 7 to the Concession Agreement); and Article 10.
- (d) for greater certainty, RAVCO specifically assigns (as opposed to sub-licences) its rights pursuant to:
 - (i) Sections 2.2 and 2.3;
 - (ii) Sections 2.4 and 2.5;
 - (iii) Section 2.6 and 2.7;
 - (iv) Section 3.1;
 - (v) Section 3.2(a);
 - (vi) Section 3.3;
 - (vii) Section 5.5; and
 - (viii) Sections 7.14 and 7.15,
 of the COV Access Agreement. All other rights granted by RAVCO to the Concessionaire hereunder shall be considered to have been sub-licensed to the Concessionaire.

2.2 Concessionaire's Performance of Obligations of COV Access Agreement

The Concessionaire hereby assumes and covenants to fully and punctually observe and perform all of the obligations hereby assigned or sublicensed by RAVCO to the Concessionaire,

all in accordance with the terms and conditions of the COV Access Agreement, as such terms may be interpreted and agreed to apply to the Concessionaire under this Agreement and the Concessionaire Assumption Agreement.

RAVCO covenants to fully and punctually observe and perform all obligations of RAVCO under the COV Access Agreement not assigned or sub-licensed to nor assumed by the Concessionaire.

2.3 Non-Derogation of Grant

Without limiting any of its rights or remedies under the Concession Agreement, RAVCO will not make any grant in derogation of the grant of sublicence or assignment of rights by RAVCO to the Concessionaire under this Agreement nor otherwise deal with any of the rights or benefits of RAVCO under the COV Access Agreement in a way which interferes with, or adversely affects, the Concessionaire's rights or interests under this Agreement.

3. INCLUDED RIGHTS AND INTERESTS

3.1 Rights and Interests Expressly Included

For greater certainty, but without limiting the scope of RAVCO's assigned rights referred to in Section 2.1(d), RAVCO acknowledges and agrees that the assignment and sublicence of rights by RAVCO to the Concessionaire in Section 2.1 hereof expressly includes, however only for and during the Licence Term, all of the following rights, title and interest of RAVCO arising under the COV Access Agreement:

- (a) rights to the use of the Construction-Required Lands (including the right to exclude, enforce and maintain an action in the name of the Concessionaire for the exclusion of any person therefrom) arising under Section 2.2 of the COV Access Agreement if and to the extent that the Concessionaire reasonably determines, or any applicable Law requires exclusive possession is necessary to ensure the safe, cost effective or efficient construction of the Vancouver Segment;
- (b) rights granted to RAVCO in respect of the use of the additional Construction-Required Lands arising under Section 2.3 of the COV Access Agreement;
- (c) rights to the use of the System-Required Lands (including the right to exclude, enforce and maintain an action in the name of the Concessionaire for the exclusion of any person therefrom) arising under Sections 2.4 and 2.5 of the COV Access Agreement if and to the extent that the Concessionaire reasonably determines, or any applicable Law requires exclusive possession of all or such portions of the System-Required Lands is necessary to ensure the safe, cost effective or efficient operation of the System;
- (d) rights to the use of the Access-Required Lands (including the right to exclude, enforce and maintain an action for the exclusion of any person therefrom) arising under Section 2.6 of the COV Access Agreement if and to the extent and during

any period, the Concessionaire reasonably determines that exclusive possession is required for all purposes relating to inspecting, maintaining, repairing, altering, renovating, modifying, reconstructing or removing the RAV Infrastructure;

- (e) rights granted to RAVCO pertaining to the use of the Additional (System-Required and Access-Required) Lands arising under Sections 2.7 and 2.8 of the COV Access Agreement;
- (f) entitlements as to non-termination by the City of rights of access over the Project-Required Lands and arising under Section 2.10 of the COV Access Agreement;
- (g) rights to request the preparation and delivery by the City of Pre-Existing Rights Reports as contemplated in Section 3.1 of the COV Access Agreement;
- (h) rights relating to requests to the City for termination or modification of Pre-Existing Rights as contemplated in Section 3.2 of the COV Access Agreement;
- (i) protection by the City for the benefit of the Concessionaire of RAVCO's rights as contemplated in Section 3.3 of the COV Access Agreement;
- (j) rights and benefits of RAVCO as to non-derogation of the grant of rights by the City to RAVCO as contemplated in Section 3.5 of the COV Access Agreement;
- (k) rights to receive copies from the City of any plans or other materials in the possession of the City relevant to the identification and location of City Infrastructure as contemplated in, and all other rights granted to RAVCO under Section 7.3 of the COV Access Agreement;
- (l) authorization from the City to implement the Traffic Management Plan, the Construction Management Plan and the temporary City Street closures as contemplated in Section 7.10 of the COV Access Agreement; and
- (m) rights, including approval rights, of RAVCO pursuant to each of the provisions of Sections 7.14 and 7.15 relating to installation of City Infrastructure on RAV Infrastructure and repairs to damaged RAV Infrastructure.

4. CLARIFICATIONS

4.1 Acknowledgments for Greater Certainty

To ensure consistency with the provisions of the Concession Agreement, and for greater certainty, RAVCO and the Concessionaire acknowledge and agree, as between RAVCO and the Concessionaire only, as follows:

- (a) the definition of "Contaminants" contained in the COV Access Agreement, for and during the Licence Term shall exclude the words "sound" and "vibration" wherever they appear;

- (b) the words "provided that it has" will be substituted for the words "whether or not having" in the definition of "Law" contained in the COV Access Agreement, for and during the Licence Term;
- (c) the definition of "Losses" contained in the COV Access Agreement, for and during the Licence Term shall exclude the words "and indirect, as well as any consequential";
- (d) "Project Completion Date" defined in the COV Access Agreement will be interpreted as the "System Acceptance Date", which is defined in the Concession Agreement as follows:

"System Acceptance Date" means the date of completion of all of the design and construction of the System (other than warranty obligations) all to the reasonable satisfaction of RAVCO;

- (e) notwithstanding the definition of "RAV Infrastructure" contained in the COV Access Agreement, for and during the Licence Term, the Concessionaire (and not GVTA) will be the owner of all non-fixed assets of the Project, including but not limited to all rolling stock used to carry passengers on the System; all electrical and mechanical systems designed, constructed or supplied by the Concessionaire and included in the System; and the intellectual property which is created, brought into existence, acquired or licensed or used by the Concessionaire or any Contractor in respect of the Project;
- (f) that the implicit obligation in the second sentence of Section 4.1 of the COV Access Agreement providing that RAVCO shall contribute to incremental costs incurred by the City in connection with the COV Access Agreement not otherwise dealt with in the Access Agreement shall neither be assigned to, nor assumed by the Concessionaire under this Agreement;
- (g) notwithstanding Section 6.3(b) of the COV Access Agreement, any advertising signage within any Station and within or upon any Vehicle will be dealt with in accordance with the provisions of the Concession Agreement;
- (h) the Concessionaire will have the sole discretion to determine whether or not to accept any bid submitted by the City for the performance of any RAV Work as contemplated in Section 7.5 of the COV Access Agreement;
- (i) notwithstanding Section 7.11(a) of the COV Access Agreement, the Concessionaire will only be required to maintain and repair, any "Maintenance Areas" in accordance with the terms and conditions of the Concession Agreement; and
- (j) notwithstanding the provisions of Section 7.13(c) and (e) of the COV Access Agreement, the Concessionaire will not be responsible for such repairs or the

cost of such repairs where and to the extent such repairs will be undertaken by others pursuant to Schedule 6 of the Concession Agreement.

5. ENVIRONMENTAL ISSUES

5.1 Limitations on Concessionaire's Responsibility

In addition to Subsection 2.1(c)(i) of this Agreement and notwithstanding any provision of the COV Access Agreement or the Concessionaire Assumption Agreement to the contrary, the Concessionaire shall not be responsible for any Contaminants which existed in, on, below or adjacent to the Project-Required Lands prior to the Commencement Date or any cost, expense or Claim arising therefrom, other than as provided in Section 8.1 of Schedule 7 of the Concession Agreement.

6. INTERPRETATION AND MISCELLANEOUS

6.1 Effectiveness and Term

This Agreement will take full force and effect and will be legally binding on all parties hereto as of the Commencement Date and will remain in full force and effect thereafter for and during the Licence Term.

6.2 Enurement and Binding Effect

This Agreement will enure to the benefit and be binding upon RAVCO and the Concessionaire and their respective successors.

6.3 Governing Law

This Agreement will be governed by and construed in accordance with the laws of British Columbia. Any Dispute (as defined in the Concession Agreement) arising between the parties under or in connection with this Agreement shall be resolved in accordance with the provisions of Schedule 14 of the Concession Agreement.

IN WITNESS WHEREOF, this Agreement has been executed by RAVCO and the Concessionaire, all with effect as of the Commencement Date.

RAV PROJECT MANAGEMENT LTD.

Per: _____
Chief Executive Officer

INTRANSIT BC LIMITED PARTNERSHIP,
by its General Partner,
INTRANSIT BRITISH COLUMBIA GP LTD.

Per: _____

APPENDIX "C"
TO SCHEDULE 7

FORM OF SUPPLEMENTAL GRANT RE CONSTRUCTION LICENCES
SUPPLEMENTAL GRANT - CONSTRUCTION LICENCE

This Agreement is made with effect as of _____, 200__.

BETWEEN:

RAV PROJECT MANAGEMENT LTD.
1700 - 409 Granville Street
Vancouver, British Columbia
V6C 1T2

("RAVCO")

AND:

INTRANSIT BC LIMITED PARTNERSHIP
2800 Park Place, 666 Burrard Street
Vancouver, British Columbia
V6C 2Z7

(the "Concessionaire")

RECITALS:

A. Pursuant to Schedule 7 of the Concession Agreement, RAVCO agreed to make available to the Concessionaire Licence Areas pursuant to the Real Property Interests as reasonably-required by the Concessionaire for the Design, Construction, Operation and Maintenance through the execution and delivery by both parties of Supplemental Grants;

B. This Agreement constitutes a Supplemental Grant for the purposes of granting the Construction Licence contemplated in Section 3.1(a) of Schedule 7 of the Concession Agreement in respect of the Real Property Interests herein described,

NOW THEREFORE, in furtherance of Schedule 7 of the Concession Agreement and in consideration of the payment of the sum of ONE DOLLAR (\$1.00) and other good and valuable consideration by each of the parties to the other (the receipt and sufficiency of which is hereby acknowledged by each of them), RAVCO and the Concessionaire hereby covenant, acknowledge and agree as follows:

1. DEFINITIONS

In this Agreement, all terms employed herein will have the meanings respectively ascribed to them in the Concession Agreement, including Schedule 7 thereto.

2. SUPPLEMENTAL GRANT OF CONSTRUCTION LICENCE

RAVCO hereby grants to the Concessionaire, and the Concessionaire hereby accepts from RAVCO, a Licence (the "Construction Licence") for the Design and Construction in respect of those Real Property Interests, for the periods of time and for the purposes respectively set out in Schedule 1 to this Agreement.

3. INCORPORATED TERMS AND CONDITIONS

All terms, conditions, covenants, representations, warranties and indemnities set out in Schedule 7 to the Concession Agreement will apply in respect of all Real Property Interests to which the Construction Licence hereby granted applies.

IN WITNESS WHEREOF, this Agreement has been executed by RAVCO and the Concessionaire, all with effect as of the respective dates set out in Schedule 1.

RAV PROJECT MANAGEMENT LTD.

Per: _____
Chief Executive Officer

INTRANSIT BC LIMITED PARTNERSHIP,
by its General Partner,

[_____]

Per: _____
Authorized Signatory

Per: _____
Authorized Signatory

ATTACHMENT: SCHEDULE 1 LIST AND DESCRIPTION OF REAL PROPERTY
INTERESTS TO WHICH THE CONSTRUCTION LICENCE
HEREIN GRANTED APPLIES

LIST AND DESCRIPTION OF REAL PROPERTY INTERESTS
TO WHICH THE CONSTRUCTION LICENCE HEREIN GRANTED APPLIES

[illegible]

APPENDIX "D"
TO SCHEDULE 7

FORM OF SUPPLEMENTAL GRANT RE OPERATION AND MAINTENANCE LICENCES

SUPPLEMENTAL GRANT
- OPERATION AND MAINTENANCE LICENCE

This Agreement is made with effect as of _____, 200__.

BETWEEN:

RAV PROJECT MANAGEMENT LTD.
1700 - 409 Granville Street
Vancouver, British Columbia
V6C 1T2

("RAVCO")

AND:

INTRANSIT BC LIMITED PARTNERSHIP
2800 Park Place, 666 Burrard Street
Vancouver, British Columbia
V6C 2Z7

(the "Concessionaire")

RECITALS:

A. Pursuant to Schedule 7 of the Concession Agreement, RAVCO agreed to make available to the Concessionaire Licence Areas pursuant to the Real Property Interests as reasonably-required by the Concessionaire for the Design, Construction, Operation and Maintenance through the execution and delivery by both parties of Supplemental Grants;

B. This Agreement constitutes a Supplemental Grant for the purposes of granting the Operation and Maintenance Licence contemplated in Section 3.1(b) of Schedule 7 of the Concession Agreement in respect of the Real Property Interests herein described,

NOW THEREFORE, in furtherance of Schedule 7 of the Concession Agreement and in consideration of the payment of the sum of ONE DOLLAR (\$1.00) and other good and valuable consideration by each of the parties to the other (the receipt and sufficiency of which is hereby acknowledged by each of them), RAVCO and the Concessionaire hereby covenant, acknowledge and agree as follows:

1. DEFINITIONS

In this Agreement, all terms employed herein will have the meanings respectively ascribed to them in the Concession Agreement, including Schedule 7 thereto.

2. SUPPLEMENTAL GRANT OF OPERATION AND MAINTENANCE LICENCE

RAVCO hereby grants to the Concessionaire, and the Concessionaire hereby accepts from RAVCO, a Licence (the "Operation and Maintenance Licence") for the Operation and Maintenance in respect of those Real Property Interests, for the periods of time, commencing on the Service Commencement Date and for the purposes respectively set out in Schedule 1 to this Agreement.

3. INCORPORATED TERMS AND CONDITIONS

All terms, conditions, covenants, representations, warranties and indemnities set out in Schedule 7 to the Concession Agreement will apply in respect of all Real Property Interests to which the Operation and Maintenance Licence hereby granted applies.

IN WITNESS WHEREOF, this Agreement has been executed by RAVCO and the Concessionaire, all with effect as of Service Commencement Date.

RAV PROJECT MANAGEMENT LTD.

Per: _____
Chief Executive Officer

INTRANSIT BC LIMITED PARTNERSHIP,
by its General Partner,
[_____]

Per: _____
Authorized Signatory

Per: _____
Authorized Signatory

ATTACHMENT: SCHEDULE 1 LIST AND DESCRIPTION OF REAL PROPERTY
INTERESTS TO WHICH THE OPERATION AND
MAINTENANCE LICENCE HEREIN GRANTED APPLIES

LIST AND DESCRIPTION OF REAL PROPERTY INTERESTS
TO WHICH THE OPERATION AND MAINTENANCE LICENCE HEREIN GRANTED APPLIES

[illegible]

APPENDIX "E"

EXISTING SITE INVESTIGATION AND SITE CONTAMINANT REPORTS FOR 6TH AVENUE
AND CAMBIE STREET

1. Report to the City of Vancouver on Preliminary Geotechnical Investigation - City Land at 6th Avenue and Cambie Street, *Golder Associates, December 1988.*
2. Sixth and Cambie Property Report Compendium, *Norecol Environmental Management Ltd., 1992:*
 - Report to the City of Vancouver Re: Preliminary Geotechnical Investigation City Land and Sixth Avenue and Cambie Street, *Golder Associates, Dec 1988.*
 - Sixth Avenue and Cambie Street Site Assessment, *Norecol Environmental Consultants Ltd., April 1989.*
 - Photographs of Test Pits, Sixth Avenue and Cambie Street Site Assessment, *Norecol Environmental Consultants Ltd., April 1989.*
 - Letter to VLC Properties Ltd. Re: Sixth and Cambie Environmental Site Assessment, *Norecol Environmental Management Ltd., Dec 18, 1990.*
 - Borehole Logs from Environmental Site Assessment for VLC Properties Ltd., on Sixth and Cambie Site, *Norecol Environmental Management Ltd.*
 - Letter to VLC Properties Ltd., Re: Sixth and Cambie. Environmental Site Assessment, *Norecol Environmental Management Ltd., February 4, 1991.*
 - Letter to VLC Properties Ltd., Re: Sixth and Cambie. Environmental Site Assessment, *Norecol Environmental Management Ltd., February 19, 1991.*
 - Photographs of Test Pits, Sixth Avenue and Cambie Street. Site Assessment for VLC Properties Ltd., *Norecol Environmental Management Ltd., February 1991*
 - Letter to VLC Properties Ltd., Re: Sixth and Cambie. Remediation Costs, *Norecol Environmental Management Ltd., April 15, 1991.*
 - Remedial Options Report, Sixth Avenue and Cambie Street Site Prepared for the City of Vancouver, *Norecol Environmental Management Ltd.*
3. Environmental Site Investigation - South False Creek Land Parcels 5-13, Vancouver, BC. Prepared by CP Rail System Legal Services, *Clifton Associates, October 6, 1994.*
4. Historical Review of Lot 14 and Lot K, South False Creek Properties, Vancouver, BC. Prepared for CP Rail System Legal Services, *Clifton Associates, December 18, 1995.*
5. Status Report on Results of On Site Field Investigation - CP Rail System, Parcels 14 and 15, Vancouver, BC, *Golder Associates, April 13, 1995.*
6. Risk Assessment and Proposed Remedial Plan for West Sixth and Cambie Street, Vancouver, BC for the City of Vancouver Housing and Properties Department, *Keystone Environmental, September, 1993.*
7. Off Site Human Health and Ecological Risk Assessment for Sixth Avenue and Cambie Street and Human Health Risk Assessment for CPR South False Creek Property,

Vancouver, BC, for the City of Vancouver Housing and Properties Department, *Keystone Environmental*, June 25, 1999.

8. Environmental Sampling - 6th Avenue and Cambie, for City of Vancouver, *Keystone Environmental*, June 9, 1999.