

## SCHEDULE 3

### CORRIDOR MANAGEMENT PROTOCOL

1. Definitions
- 2.

Unless otherwise specified or the context otherwise requires, for the purposes of this Schedule the following terms have the following meanings:

**“Concession Agreement”** means the Highway 407 Concession and Ground Lease Agreement between the Crown in Right of Ontario as represented by the Minister without Portfolio with Responsibility for Privatization and Ontario Transportation Capital Corporation pursuant to which the Concessionaire is granted a concession to operate Highway 407.

**“Corridor Management Policies”** means the policies, procedures and standards of the Ministry relating to the Management of the Corridor Lands including the Corridor Control and Permit Procedures Manual (available from Ronan House Publications), and Ministry Directive B101; LOGOS, TODS and Landscape Advertising Policies and Procedures; and the King’s Highway Guide Signing Policy Manual(all available in the sales data room), as the same may be changed and amended from time to time.

**“Field Advertising Signs”** means billboards or other advertising devices, located on or adjacent to the Right of Way, but does not include regulatory or warning signs, highway guidance signs, location signs, TOD signs, LOGO signs, Special Event Signs, Municipal Identification Landscape Displays or Landscape Advertising Displays.

**“Landscape Advertising Displays”** means floral or landscape displays located inside the Right of Way, designed to attract the attention of motorists for the purpose of providing information.

**“Location Signs”** means signs identifying a business or service located on the same property as the sign but does not include regulatory or warning signs, highway guidance signs, Field Advertising Signs, TOD signs, LOGO signs, Special Event Signs, Municipal Identification Landscape Displays or Landscape Advertising Displays.

**“LOGO Signs”** means signs designed to provide directional information to drivers to food, fuel and accommodation establishments, accessible via intersecting roads at the interchange, provided such signs meet the Ministry’s requirements under the program established in 1998, known as the LOGOS Program.

**“Management”** means development, planning, design, construction, operation, maintenance and rehabilitation and **“Manage”** has a corresponding meaning.

**“Minister”** means the Minister of Transportation for Ontario.

“**Ministry**” means the Ministry of Transportation of Ontario

“**Municipal Highway**” means a highway owned by a municipality or a regional municipality.

“**Municipal Identification Landscape Displays**” means floral or landscape displays located inside the Right of Way, designed to attract the attention of motorists for the purpose of identifying a municipality.

“**O/O Permits**” means permits issued by the Ministry regulating oversize/overweight vehicles.

“**OSCLIS**” means the Ontario Structures Clearance and Load Information System.

“**Provincial Highway**” means a highway owned by the Province.

“**Right of Way**” means the Highway 407 Lands.

“**Special Event Signs**” means signs erected for short duration special events which are endorsed by the municipality in which the event is occurring.

“**TOD Signs**” means tourism oriented destination signs located on the Right of Way in the vicinity of intersections and interchanges, designed to provide information which directs drivers to tourist attractions provided that such signs meet Provincial requirements under the program established in 1997, known as the TODS Program.

“**Utility**” means a publicly or privately owned structure, facility or conduit designed to convey or relay telephone calls, radio signals, electrical power, liquid or gaseous fuels, drinking water, storm water, sewage, television signals, communications cable or other signals or physical materials.

## **2. Other Definitions**

Capitalized terms used in this Schedule but not defined herein shall have the meaning ascribed to them in the Concession Agreement.

## **3. General**

The Grantor shall be responsible for the administration of Corridor Management Policies with respect to lands that are outside the Right of Way. The Concessionaire shall be responsible for the Management of the Right of Way.

## **4. Grantor Responsibilities for Corridor Management**

The Grantor shall continue to enforce Provincial requirements with respect to Management activities relating to the Corridor Lands.

(i) Land Development Adjacent to the Right of Way.

Notwithstanding the lease of the Right of Way to the Concessionaire, the Grantor shall continue to be responsible for Management activities outside the Right of Way including:

Comments on Official Plans  
Comments on Official Plan Amendments including Secondary Plans  
Comments on Plans of Subdivision, and satisfying of conditions of draft approval  
Site Plan agreements  
Review of drainage plans  
Review of traffic plans  
Zoning amendments  
Building and Land Use Permits  
Entrance Permits (if applicable)

The Grantor shall continue to review planning applications with respect to interests of the Province to the extent it deems appropriate. The Grantor may circulate the planning applications to the Concessionaire for comment. The Concessionaire shall rely on its own review of these matters with respect to its interests. Nothing in this Section shall prohibit the Concessionaire from making written submissions or oral representations or otherwise intervening in the planning process. If the Concessionaire is not satisfied with any decision respecting any of the above matters, it may pursue the matter as provided by Laws and Regulations.

**5. Concessionaire Responsibilities for Corridor Management**

(i) Compliance with Corridor Management Policies

Subject to the requirements of this Schedule, the Concessionaire shall in carrying out its responsibilities relating to the Management of Highway 407, comply with Corridor Management Policies. The Concessionaire shall comply with such Corridor Management Policies only if they apply to Comparable Controlled Access Highways operated by the Grantor. The Grantor shall not be responsible for compensation to the Concessionaire when Corridor Management Policies change from time to time, even if such changes impact the Concessionaire's costs and revenues.

(ii) Utilities on the Right of Way

The Concessionaire shall not install or permit installation of any linear gas and oil pipelines, on the Right of Way.

Where a Utility needs to cross over or under the Right of Way, it shall be permitted to cross at a location mutually acceptable to the Utility and the Concessionaire. The Grantor shall delegate to the Concessionaire the right to negotiate or otherwise deal with any Utility with respect to any Utility crossing of Highway 407. Pursuant to such delegation, the Concessionaire may seek from the Utility any compensation available at law for any Losses resulting from such Utility crossing. The Concessionaire may charge the Utility its reasonable costs of administration for issuing permits to allow such crossing.

Where any land within the Parkway Belt Plan, also known as the Parkway Belt West Plan, referred to in Section 22 of the *Ontario Planning and Development Act, 1994* parallels Highway 407, linear Utilities must be located in the utility corridor within the Parkway Belt Plan and not on the Right of Way, except for the purposes of crossing the Right of Way.

Where land within the Parkway Belt Plan does not parallel Highway 407, the Concessionaire may permit Utilities other than gas or oil pipelines on the Right of Way. In such cases, in carrying out its responsibilities, the Concessionaire shall be governed by Corridor Management Policies as they apply to Comparable Controlled Access Highways.

(iii) Field Advertising Signs, Location Signs and Landscape Displays on the Right of Way

Field Advertising Signs and Location Signs, including those owned by the Concessionaire, shall be managed in accordance with Corridor Management Policies which at present do not permit Field Advertising Signs or Location Signs on the Right of Way. Location Signs are permitted outside the Right of Way, but only in accordance with Corridor Management Policies. The Concessionaire shall promptly remove any Field Advertising Signs or Location Signs installed on the Right of Way. The Concessionaire shall advise the Grantor of any Field Advertising or new Location Signs outside the Right of Way of which the Concessionaire becomes aware.

The Concessionaire shall participate in the TOD and LOGO Sign Programs and shall permit TOD and LOGO Signs on Highway 407 in accordance with the policies and procedures established by the Ministry. The rates charged by the Concessionaire for TOD and LOGO Signs on Highway 407 shall be the same as those charged by the Ministry on Comparable Controlled Access Highways.

The Concessionaire may permit Landscape Advertising Displays and Municipal Identification Landscape Displays on the Right of Way, in accordance with Corridor Management Policies. The Concessionaire may charge fees in its discretion for Landscape Advertising Displays and Municipal Identification Landscape Displays. The Grantor shall continue to be responsible for issuing commercial sign permits outside the Right of Way.

The Concessionaire shall issue permits for Special Event Signs on the Right of Way, in accordance with Ministry Corridor Management Policies.

(iv) Comments on Municipal Action or Works

The Concessionaire may take part in any planning and approval process with respect to applications that may impact on Highway 407. In the event that the Concessionaire disputes the approval of an application or any other decision of an approving authority, the Concessionaire may negotiate directly with such approving authority. If the Concessionaire is not satisfied with any decision respecting any of the above matters, it may pursue the matter as provided by Laws and Regulations.

## **6. Air and Sub-Surface Rights and Transitway**

The Grantor shall retain possession of air and sub-surface rights over and under the Right of Way and the Grantor reserves the right to cross and use the Right of Way with a transitway in the future at no cost to the Grantor in accordance with section 2.12 of the Concession Agreement. In the exercise of the Grantor's air and subsurface rights over and under Highway 407 the Grantor shall use its commercially reasonable efforts to minimize physical disruption to the operation of Highway 407 including disruption of tolling and communications systems, or physical damage to the Project. The Grantor shall compensate the Concessionaire only for its Losses directly relating to the Project resulting from any physical and tolling and communications systems disruption. No exercise of the air and subsurface rights over and under Highway 407 shall be exercised in such a manner as to prevent or materially impede the operation of Highway 407 or the Expansion or Extension of Highway 407 as is permitted by Section 9.1 of the Concession Agreement.

## **7. Corridor Management Audits**

The Concessionaire shall be required to document and retain records of its activities relating to Corridor Management Policies for six (6) years.

On or before January 31 of each year of the Term, the Concessionaire shall retain the services of an independent firm of chartered accountants to review the Concessionaire's compliance with Corridor Management Policies. Such accounting firm shall prepare a report documenting any instances of non-compliance with Corridor Management Policies and forward a copy of the report to the Concessionaire and to the Grantor by March 31 of each year. By April 30 of each year, the Concessionaire shall prepare and forward a copy of a workplan to the Grantor detailing measures it shall take to correct any non-compliance, including the removal of non-conforming Utilities, signs or displays on the Right of Way and the time periods for such corrective action. The Grantor shall review and discuss the workplan with the Concessionaire and may require changes to the workplan if necessary.

If non-compliance with Corridor Management Policies is found, the Grantor may give notice to the Concessionaire requiring the Concessionaire to correct such non-compliance within ninety (90) days. If the Concessionaire does not correct the non-compliance and comply with the modified workplan within the specified period, the Grantor may, until all instances of non-compliance have been corrected, assume all or part of the Concessionaire's Management responsibilities relating to corridor management of the Highway 407 Lands, correct any non-compliance and bill the Concessionaire for any net costs and expenses including an administration fee of fifteen (15%) per cent.

## **8. Oversize/Overweight Vehicle Permits**

The Ministry shall issue O/O Permits for Highway 407, in accordance with the requirements in that regard which apply to comparable Controlled Access Highways. The only difference in the normal Ministry routine for issuing O/O Permits will be the requirement for the Ministry to obtain and consider the advice and information of the Concessionaire when Highway 407 forms part of a route for which an O/O Permit is being sought.

## **9. Grantor Responsibility**

In connection with the issuing of O/O Permits the Grantor shall be responsible for the following:

- including the Concessionaire in a review of any O/O Permit application which includes Highway 407 as a portion of the route;
- carrying out the review of the proposed route from the standpoint of lateral and vertical clearances (including bridges, overhead sign trusses, toll gantries and any other structures over Highway 407) and loads;
- when an application for an O/O Permit includes a proposed load of 120,000 kg or more, the Grantor shall require the applicant to retain a consulting structural engineer to do detailed analysis of structures on the proposed route. The Grantor shall provide a copy of the consultant's report to the Concessionaire and shall review and discuss the report with the Concessionaire with respect to Highway 407 bridges. The Grantor shall advise the Concessionaire with respect to its decision regarding the application for such O/O Permit;
- the Grantor shall provide to the Concessionaire a copy of each permit issued that includes Highway 407 as part of its route as soon as such permit is issued.

## **10. Concessionaire Responsibility**

In connection with the issuing of O/O Permits the Concessionaire shall be responsible for the following:

- providing information (lateral and vertical clearances and other structural characteristics) to OSCLIS and keeping such information up-to-date at all times; at the same time, informing the Ministry Weight and Load Engineer of updates to OSCLIS;
- providing advice and information to the Grantor, upon request, concerning appropriate times, locations or other conditions that should be considered for O/O Permit moves;
- reporting to the Grantor any obvious non-compliance with conditions of O/O Permits by the holders of such O/O Permits; and
- supplying required structural drawings and data to an applicant's consultant with respect to O/O Permit applications that include a proposed load of one hundred and twenty thousand (120,000) kilograms or more.

## **11. Collection of Fees**

Permit fees collected by the Grantor for O/O Permits shall be retained by the Grantor. In return for the fees retained, the Grantor shall provide administration and services relating to O/O Permits.

## **12. Utility Dispute Resolution**

With respect to any unresolved dispute over costs of administration pursuant to section 5(ii) with a Utility the Concessionaire shall, by notice, offer the Utility the opportunity to use a form of alternative dispute resolution, such as mediation, binding or non-binding arbitration or the dispute resolution provisions of the Concession Agreement. If within thirty (30) days of receipt of the Concessionaire's notice the Utility has not indicated that it agrees to use such alternate dispute resolution, then any party to the dispute may use any other alternative permitted by Laws and Regulations, including an application to a court.

## **13. Concessionaire Dispute Resolution**

The Concessionaire shall accept and shall have no recourse to contest the reasonableness, appropriateness or content of any Corridor Management Policy; however, other disputes shall be resolved in accordance with the provisions of Article 25 of the Concession Agreement.