

**SYD ROAD LIMITED PARTNERSHIP  
DEVELOPMENT AGREEMENT**

THIS AGREEMENT made this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_

BETWEEN:

SYD Road Limited Partnership  
(hereinafter referred to as "SYDLP")

-and-

\_\_\_\_\_  
(hereinafter referred to the "Developer")

Subject to the terms and conditions of this Agreement, the SYDLP, insofar as it has the right to do so, grants to the Developer, its successors, employees, agents, servants, contractors and sub-contractors, a non-exclusive licence to use the Sierra Yoyo Desan Road and bridges, including, without limitation the bridge over the Fort Nelson River (the "Road") during restricted travel periods, as defined in, and for the purpose described in Schedule "A" – Purpose and Rates.

In consideration of the mutual covenants and conditions contained in this Agreement, the parties agree as follows:

**1.0 Terms & Conditions**

1.1 This Agreement including any attached schedules (the "Schedules") and addendums (the "Addendums") which are attached hereto and made part hereof, shall be the terms and conditions as agreed to by the SYDLP and Developer for the purpose of developing within the SYD Concession Highway Lands:

Schedules:

Schedule "A" – Purpose and Rates

Addendums:

## **2.0 Consideration**

- 2.1 The Developer agrees to pay the SYDLP any sum as set forth under the heading Fee in Schedule "A". Fees shall be calculated effective from the date specified in each Addendum.

## **3.0 Fees**

- 3.1 The Developer shall pay an initial administrative fee of \$1000 plus 115% of all costs incurred for monitoring construction and analyzing conditions along the Road. The administrative fee covers costs, fees or other charges reasonably incurred by the SYDLP in reviewing and approving the Developer's proposal for the use of the Road as described in Schedule "A". The said costs may include an independent analysis of the proposal by the SYDLP's consulting engineers.all work. In the case of temporary accesses, if an extension to the three month approval period is required a re-application fee of \$500 plus 115% of all costs incurred will apply.
- 3.2 The SYDLP shall be entitled to charge interest on any amounts that remain outstanding after thirty (30) days from the Developer's receipt of any invoice at the rate of two (2) percent per annum higher than the rate designated as the prevailing prime rate for Canadian commercial loans by the principal Canadian chartered bank used by the SYDLP, from the day that payment is due until the day it is paid compounded monthly including interest on interest.
- 3.3 In the event that the SYDLP is required to collect any taxes, assessments, fees or charges on behalf of any governmental authority including, without limitation, Federal Goods and Services Taxes, from the Developer with respect to any transaction occurring as a result of this Agreement, then the Developer shall pay the amount of such taxes, assessments, fees of charges to the SYDLP, and the SYDLP shall remit those amounts to the relevant taxing authority as required by law.

## **4.0 Road Restriction**

- 4.1 The SYDLP reserves to itself the exclusive control and operation of the Road and the Developer shall observe all load limits, speed limits, road bans, closures and restrictions whether imposed by governmental authority or by the SYDLP if it reasonably deems the Road conditions warrant such restrictions. To be clear, SYDLP reserves the right to postpone or cancel the development if conditions of the Road change.
- 4.2 The SYDLP shall not be held liable for any loss or damage occurring to the Developer as a result of the imposition of the said load limits, speed limits, road bans, closures and restrictions or of the failure to give reasonable notice thereof to the Developer.
- 4.3 The Developer shall not do any act or thing or omit to do any act or thing, when using the Road, which would in any way interfere with, interrupt or inconvenience SYDLP or its operations or, any other persons or corporation using the Road.

## **5.0 Liability & Indemnity**

5.1 The SYDLP shall not be liable in any way for, and the Developer hereby releases SYDLP from liability for any loss, expense, or damage of any nature whatsoever, or injury or death suffered or sustained by the Developer, its affiliates its successors, employees, agents, servants, contractors and sub-contractors arising out of or by reason of their use of the Road including, without limiting the generality of the foregoing, any damage or injury that may arise as a result of SYDLP failure to maintain the Road, the condition or state of the Road.

5.2 The Developer shall use the Road entirely at his own risk and shall:

- (a) be liable to SYDLP for any loss, damage and legal and other expense of any nature whatsoever suffered, sustain or incur by the SYDLP its affiliates, successors, employees, agents, servants, contractors and sub-contractors; and
- (b) indemnify and hold harmless the SYDLP against all actions, proceedings, claims, demands and costs, legal and other expenses of whatsoever nature that may be brought against or suffered by the SYDLP or which SYDLP may sustain, pay or incur

by reason of any matter or thing arising, in contract or tort, out of or in any way directly attributable to the use of the Road, other than reasonable wear and tear by the Developer and its servants, agents, employees, contractors and subcontractors or any of them, pursuant to this agreement, including without limitation any matter or thing resulting from environmental damage or breach of any environmental legislation except when the foregoing is a direct result of the gross negligence or willful or wanton misconduct of the SYDLP, its employees, agents, servants contractor or subcontractors. For greater clarity if SYDLP determines that damage or destruction of the Road has resulted from use of the Road by the Developer, SYDLP may restore the Road to its previous condition and immediately after receiving an invoice from SYDLP, the Developer will reimburse SYDLP for all direct and indirect costs incurred by SYDLP in restoring the Road, plus an additional overhead fee of 15% of the total of these costs.

## 6.0 **Arbitration**

If the SYDLP and Developer cannot agree on any matters referred to in Clauses 1.0, 2.0 and 5.0 and on any other matters that the parties decide in writing to be decided by arbitration, the matter(s) at issue may be submitted to arbitration, the decision of which shall be final and binding provided that, in all respects, the provisions of the Commercial Arbitration Act of the Province of British Columbia, as amended from time to time, shall apply. The costs of any arbitration are to be determined and awarded as the arbitrator(s) may, in their sole discretion, decide.

## 7.0 **Damages**

7.1 The Developer agrees that if damage or destruction to the road as determined by the SYDLP acting reasonably, results from the intended operation by the Developer and its servants, agents, employees, contractors and subcontractors of the rights herein granted, the Developer shall, at the SYDLP's request, restore the Road to its previous

condition. If the Developer fails to comply with such instruction within a reasonable time, to be determined by the SYDLP, the SYDLP may restore the Road to its previous condition at the expense of the Developer. In such event, the Developer will reimburse the SYDLP the SYDLP's costs of restoration within thirty (30) days of receiving the SYDLP's invoice.

## **8.0 Insurance**

**8.1** It shall be the responsibility of the Developer to maintain and keep in force during the term of this Agreement, for the benefit of the Developer, the following insurance:

- a) Automobile Liability insurance covering bodily injury (including passenger hazard) and property damage arising from the operation of owned or non-owned vehicles used on the Road in the course of the Developer's proposed operations, with inclusive limits of not less than two million (\$2,000,000) for any one incident.
- b) Comprehensive General Liability Insurance covering the liability of the Developer for bodily injury, death and property damage arising from the operations of the Developer in connection with this Agreement (other than the operation of vehicles). The limits of this insurance shall not be less than ten million (\$10,000,000) for any one occurrence. The insurance policy will indemnify the named insureds and the additional named insureds under the policy for any sum or sums which the insured may become liable to pay or shall pay for bodily injury, death or property damage or for loss of use thereof, arising out of or resulting from the operations of the Developer. In addition to the above limits, such liability insurance will also pay all costs, charges, and expenses in connection with any claims that may require to be contested by the insureds anywhere within Canada.

**8.2** Upon demand by the SYDLP, The Developer shall provide the SYDLP a Certificate of Insurance as evidence of the insurance required by the preceding clause. Insurance policies referred to in para 9.1(b) above shall include a waiver of subrogation clause in favour of the SYDLP and its agents and employees.

**8.3** The Developer shall ensure that any of its agent, contractors and subcontractors that are not covered by the insurance policies set forth in paras 9.1(a) and 9.1(b) possess insurance in accordance with the provisions of paras 9.1(a) and 9.1(b) during those agents, contractors and subcontractors use of the Road.

**8.4** The insurance policies shall be endorsed to provide that in the event of any change that could affect the interests of the SYDLP, or in the event of their cancellation, the insurers shall notify the SYDLP thirty (30) days prior to the effective date of such change or cancellation.

## **9.0 Notices**

**9.1** Notices and invoices to be given under this Agreement shall be in writing and will be personal delivered, mailed or transmitted facsimile, addressed to the parties as follows:



- 12.1 No waiver of any breach of a covenant or provision of this Agreement shall take effect or be binding upon a party unless it is in writing. A waiver by a party of any breach shall not limit or affect that party's rights with respect to any other future breach.
- 12.2 This Agreement as amended from time to time by agreement in writing of the parties, shall be the entire agreement between the SYDLP and the Developer as to the matters herein and all previous promises, representations or agreements between the parties whether oral or written shall be deemed to have been replaced by this Agreement.
- 12.3 If any provision of this agreement or the application thereof to any person or circumstances is held invalid, such invalidity shall not affect any other provisions or applications of this agreement which can be given effect without the invalid provision or application, and to this end the provisions of this agreement are severable. In lieu thereof there shall be added a provision as similar in terms to such illegal, invalid and unenforceable provision as may be possible and be legal, valid and enforceable.

13.0 **Choice of Law**

This Agreement shall be governed by and interpreted and enforced in accordance with the laws of British Columbia and laws of applicable therein. Each party irrevocably submits to the exclusive jurisdiction of the courts of British Columbia

The parties have executed this Agreement as of the day and year first above written:

Per: \_\_\_\_\_  
SYD Road Limited Partnership  
by it's General Partner Ledcor SYD Limited

Per: \_\_\_\_\_  
Developer



**FEES:** (Subject to GST)

Application Fee - \$1000 administrative fee

Renewal of Temporary Approval - \$500 administrative fee

cost +15% for Road monitoring services

cost + 15% for any road repair or reinstatement

SYDLP's GST Number: 860300672RT001

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Developer Signature

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SYD Road Limited Partnership  
by it's GP, Ledcor SYD Ltd.