

**Ministry of Transportation**

Assistant Deputy Minister's Office  
Operations Division

27<sup>th</sup> Floor, Suite 2703  
777 Bay Street  
Toronto ON M7A 1Z8  
Tel: 416 327-9044

**Ministère des Transports**

Bureau du sous-ministre adjoint  
Division des opérations

27<sup>e</sup> étage, bureau 2703  
777, rue Bay  
Toronto ON M7A 1Z8  
Tél. : 416 327-9044



April 21, 2021

Javier Tamargo  
President and CEO  
407 ETR Concession Company Limited  
6300 Steeles Avenue West  
Woodbridge, ON L4H 1J1

Dear Mr. Tamargo,

On August 5, 2020, I responded to correspondence from 407 ETR advising 407 ETR that Ministry staff would work with 407 ETR to determine whether a Delay Event under the CGLA had occurred as a result of the COVID19 pandemic and if so, to assess the impact of the Delay Event.

The Ministry has determined that the COVID-19 pandemic is an event of Force Majeure under the Concession and Ground Lease Agreement (CGLA) and, to the extent that it impacted 407 ETR's performance of its obligations, is also a Delay Event under the CGLA. The Ministry's view is that the pandemic impacted traffic levels to the extent that 407 ETR could not avoid the occurrence of Congestion as contemplated by Schedule 22 of the CGLA. As relief, the Ministry is prepared to excuse the application of Congestion Payments for the duration of the Delay Event, including for the 2020 Schedule 22 report, subject to the parties agreeing to the duration of the Delay Event as required by section 18.4 of the CGLA.

I understand that staff at the Ministry and 407 ETR have worked together to develop the following events, and agree that the occurrence of either would lead to the termination of the Delay Event immediately prior to commencement of the next reporting period:

1. when any toll rate or user charge is raised by 407 ETR on any segment for any time period;

or

2. when annual Peak Hour traffic volumes on all segments of Highway 407 ETR have returned to the average of years 2017 to 2019 (3 years pre-pandemic);

and

annual Peak Hour traffic volumes at freeway to freeway interchange locations (407 ETR interchanges with Highways 404, 400, 427, 410, 401, 403, QEW, 407 East) return to the average of years 2017 to 2019 (3 years pre-pandemic).

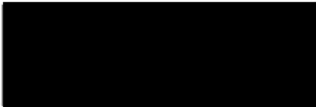
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J. Tamargo  
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The parties have agreed that traffic volumes will be assessed on a monthly basis to determine the occurrence of either event.

Please confirm that the Concessionaire is in agreement that the occurrence of either of the above events will terminate the Delay Event immediately prior to the next reporting period by signing at the bottom of this letter and returning it to the Ministry.

Sincerely,



Eric Doidge  
Grantor  
Assistant Deputy Minister

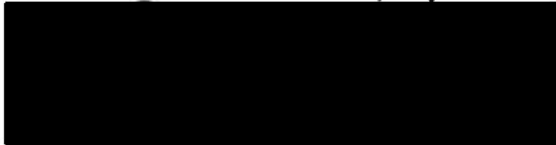
**407 ETR is in agreement with the above conditions**



Javier Tamargo  
President and CEO  
407 ETR Concession Company Limited

*April 21<sup>st</sup>, 2021*

Date



Geoffrey Liang  
Chief Financial Officer  
407 ETR Concession Company Limited

*April 21, 2021*

Date