SCHEDULE 13

Ministry of Transportation Enforcement Services

Definitions:

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 made as of the date hereof between the Concessionaire and the Crown in Right of Ontario as Represented by the Minster Without Portfolio with Responsibility for Privatization.

“407 Act” means the Highway 407 Act, 1998,

“HTA” means the Highway Traffic Act.

“Minister” means the Minister of Transportation of Ontario.

“Ministry” means the Ministry of Transportation of Ontario.

“Ministry Enforcement Officer” means an officer appointed by the Minister to enforce vehicle licensing and safety standards.

“MTIS” means a Mobile Truck Inspection Station.

Unless defined herein, capitalized terms used in this schedule have the meanings ascribed to them in the Concession Agreement.

1. Background

This schedule defines the roles and responsibilities of the Grantor and the Concessionaire with respect to enforcing vehicle licensing and vehicle safety standards on Highway 407 and payment for these services.

Under the 407 Act, for the purpose of enforcing vehicle licensing and safety standards under any Act, the Minister is obligated to treat Highway 407 as if it were part of the King’s Highway. The Minister is permitted under the 407 Act to charge the Concessionaire for the reasonable costs of providing enforcement services on a full cost recovery basis.

2. Grantor Responsibility

The Grantor shall provide Ministry Enforcement Officers who shall undertake routine enforcement duties on Highway 407, as they would for Comparable Controlled Access Highways, according to Laws and Regulations. In addition to routine enforcement, the Grantor and the Concessionaire may
agree that the Grantor shall provide a higher level of enforcement for a cost based on the parameters set out in Section 4.1, as well as supplementary enforcement activities relating to offences under Part X.1 of the HTA for an agreed upon compensation to be paid by the Concessionaire. The Concessionaire and the Grantor will work together co-operatively to co-ordinate and set the parameters for these enforcement activities. If the Grantor and the Concessionaire cannot reach agreement with respect to the costs of supplementary enforcement activities the matter shall be subject to dispute resolution.

3. Concessionaire Responsibility

The Concessionaire shall provide the Grantor with the information necessary to undertake enforcement under Part X.1 of the HTA (including any tolling enforcement training guide or an operations manual for Highway 407 in the Concessionaire’s possession or control).

If the Concessionaire has requested supplementary enforcement activities under Part X.1 of the HTA, the Concessionaire shall provide training relating to the tolling operations and toll enforcement for Highway 407 to Ministry Enforcement Officers.

4. Costs of Enforcement

The Concessionaire shall be responsible for the costs of Ministry Enforcement Officers’ enforcement activities on Highway 407 based on the following formula:

4.1 Table

<table>
<thead>
<tr>
<th>TOLL HIGHWAY ENFORCEMENT ACTIVITY COSTS = A + B</th>
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<td>Where:</td>
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A is **STAFF Costs** =

Number of officers required multiplied by the number of hours per officer multiplied by the hourly rate of the officers

As at the Effective Date the hourly rate of Ministry Enforcement Officers is $32.
As at the Effective Date the estimated number of officers required to patrol Highway 407 is 4.

B is **VEHICLE Costs** =

i. Cruiser: Monthly charge plus per kilometre charge multiplied by the number of kilometres

ii. Mini-van: Monthly charge plus per kilometre charge multiplied by the number of kilometres

iii. MTIS” monthly charge plus per kilometre charge multiplied by the number of kilometres
As at the Effective Date the “per kilometre” charge for a cruiser is $0.12-0.15 depending on vehicle type.
As at the Effective Date the monthly charge for a cruiser is $145.
As at the Effective Date the “per kilometre” charge for a mini-van is $0.15.
As at the Effective Date the monthly charge for a mini-van is $176.
As at the Effective Date the “per kilometre” charge for an MTIS is $0.58.
As at the Effective Date the monthly charge for an MTIS is $500.

4.2 Changes in Formula

The number of officers, their hourly rates and the vehicle monthly and per kilometre charges referenced in the above formula are subject to reasonable change by the Grantor to reflect the actual staffing, hourly rates and monthly and per kilometre costs for enforcement activities. Enforcement activities shall be consistent with such activities on Comparable Controlled Access Highways. If the Grantor and the Concessionaire agree to a higher level of enforcement activity the above formula shall be used when determining the costs of such specific enforcement.

4.3 Enforcement Needs

At the Effective Date four (4) enforcement officers are used with respect to Highway 407. When Highway 407 West and Highway 407 East Partial are Commissioned and Opened, the Concessionaire acknowledges that enforcement needs will increase to accommodate the additional length of Highway 407 as well as the operation of vehicle inspection and weigh stations.

4.4 Tools and Linkages

All relevant Highway 407 enforcement tools (e.g. special enforcement transponders) and technological linkages required to enforce Part X.1 offences under the HTA shall remain the property of the Concessionaire. To the extent the Grantor requires the use of any tools and linkages for enforcement activities on Highway 407 the tools and linkages shall be provided free-of-charge to the Grantor and shall be maintained and paid for by the Concessionaire.

5. Exemption from Tolls

The Concessionaire shall not have the right to establish, collect or enforce payment of tolls, administrative fees or other fees or charges in respect of vehicles used in the enforcement of vehicle licensing and safety standards. As a condition of gaining such toll exempt status, the Concessionaire may require the Grantor to cause the Ministry to (i) register all enforcement vehicles with the Concessionaire; (ii) equip all Ministry enforcement vehicles with operational monitoring and collection technology prescribed and validated pursuant to the 407 Act, at the Concessionaire’s expense; (iii) enter into a user agreement with respect to such standard...
monitoring and collection technology; and (iv) provide license plate numbers of all Ministry enforcement vehicles.

6. Inspection Stations

In order that the Grantor may comply with its obligations under Section 2, the Concessionaire shall provide the Ministry Enforcement Officers with free and unrestricted access to any permanent vehicle inspection and weigh stations that the Concessionaire is required to build under the Concession Agreement. In addition, the Concessionaire shall also, at its cost and expense, be responsible for all operations, maintenance, repair and rehabilitation of such vehicle inspection and weigh stations.

7. Payment

The Grantor shall submit all requests for payment together with appropriate documentation to the Concessionaire. Prior to the Concessionaire making any payment the Grantor shall provide the Concessionaire with such other documents as the Concessionaire, acting reasonably, may require. The Concessionaire shall make payments within sixty (60) days of receipt of the payment request. If there is a dispute as to any amount owing hereunder, the Concessionaire shall pay such amount within the time required. If the dispute arbitrator finds that any amount is not owing, the Grantor shall refund such amount with interest at the Bank Rate plus three (3%) per cent.

8. Dispute Resolution

Any dispute relating to this schedule shall be resolved using the dispute resolution process in Article 25 of the Concession Agreement.