

THE CITY OF EDMONTON
PROJECT AGREEMENT
VALLEY LINE LRT – STAGE 1

Schedule 16

Payment Mechanism

***Confidential
Edmonton Valley Line LRT – Stage 1
Project Agreement – Execution Version
Schedule 16 – Payment Mechanism
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Schedule 16 – Payment Mechanism

16.1 MONTHLY PAYMENT

The Payments are calculated as follows on a monthly basis from the Effective Date to the Termination Date:

$$P_t = CP_t + CPADJ_t + OP_t + OPADJ_t$$

where:

P_t	=	Payment for month (t);
CP_t	=	Construction Period Payment for month (t) as defined in Section 16.2;
$CPADJ_t$	=	Construction Period Payment Adjustment for month (t) as defined in Section 16.3;
OP_t	=	Operating Period Payment for month (t) as defined in Section 16.4;
$OPADJ_t$	=	Operating Period Payment Adjustment for month (t) as defined in Section 16.5.

16.1.1 Negative Payment Amounts

If the aggregate of the Construction Period Payment and of the Construction Period Payment Adjustment for month (t) is a negative number, that amount shall be carried forward to any subsequent month(s), until that amount has been fully recovered by the City.

If the aggregate of the Operating Period Payment and of the Operating Period Payment Adjustment for month (t) is a negative number, taking into consideration the conditions of Section 16.5.8 [Cap on some Operating Period Payment Adjustment components], that amount shall be carried forward to any subsequent month(s), until that amount has been fully recovered by the City.

If on the Termination Date, negative values are still outstanding, then Project Co shall pay such amounts to the City within 11 Business Days following the Termination Date.

16.2 CONSTRUCTION PERIOD PAYMENT

The Construction Period Payment is calculated in accordance with the following formula:

$$CP_t = (PRA \times TC \times (PC_t - PC_{t-1})) + [(TGRTP \times (PC_t - PC_{t-1}))] + SCP$$

where:

CP_t	=	Construction Period Payment for month (t);
PRA	=	Payment rate adjustment = 0.5;
TC	=	Total Capital Cost Amount as defined in Table 1 of Appendix 1;

PC _t	=	Percent Completion for Construction Period Payment as defined in Section 16.2.1 and Section 16.2.2 for month (t);
PC _{t-1}	=	Percent Completion for Construction Period Payment as defined in Section 16.2.1 and Section 16.2.2 for month (t-1);
TGRTP	=	Tunnel Geotechnical Risk Transfer Premium = \$ 16 and
SCP	=	Service Commencement Payment as defined in Section 16.2.3.

16.2.1 Percent Completion for Construction Period Payment

For the purpose of this Schedule, Project Co will be considered to have completed a particular Percent Completion for Construction Period Payment when the Independent Certifier, acting reasonably, has issued an Independent Certifier Payment Certificate as per Section 1.2(c) of Schedule 1 [Functions] of Appendix 15A [Independent Certifier Agreement] of Schedule 15 [Independent Certifier]. The Independent Certifier Payment Certificate will consider the following:

- a) Subject to clause b), the Independent Certifier shall determine what portion of each Work Package is completed each month. In the event of a Dispute regarding the determination of Percent Completion for Construction Period Payment, the Dispute Resolution Procedure shall determine the percentage completion in a manner that is generally consistent with similar determinations customarily made by lenders providing project financing;
- b) Percent Completion for Construction Period Payment shall mean the overall percentage completion as determined by the Independent Certifier's assessment of the progress of each Work Package measured on a monetary value basis, excluding all costs related to legal and financial advisors, prepaid management or service fees, financing charges, Design, mobilization costs and stockpiled materials not yet incorporated in the Project as fixtures;
- c) The monetary value that will serve as the basis for the determination of Percent Completion for Construction Period Payment will be determined by the Independent Certifier based on the Independent Certifier's professional judgment, inspection of Construction as well as any other information the Independent Certifier considers necessary to support the Independent Certifier's determination, such as:
 - i. the information included in Table 1 of Appendix 1 [Total Capital Cost Amount];
 - ii. the information provided as part of Section 2.1 [General] of Schedule 4 [Design and Construction Protocols] (including the information on Work Packages); and
 - iii. the information provided by Project Co in its monthly reports for Payments during the Construction Period as required to be submitted in Section 16.6.3 [Monthly Reports for Payments during the Construction Period] of this Schedule 16.
- d) Percent Completion for Construction Period Payment for month (t), shall be rounded to the nearest tenth of a percent for any given month;
- e) Percent Completion for Construction Period Payment for month (t) (PC_t) shall equal 0% until the Independent Certifier issues an Independent Certifier Payment Certificate evidencing that the Percent Completion for Construction Period Payment is greater or equal to 10%;
- f) At Service Commencement, the Percent Completion for Construction Period Payments shall be deemed to be 100%; and
- g) Percent Completion for Construction Period Payment will be adjusted to take into account the LRV Capital Cost Amount based on the LRV milestones achieved, as measured in Section 16.2.2.

16.2.2 Payments for LRVs

For the LRV Capital Cost Amount, progress towards achieving Percent Completion for Construction Period Payment will be determined in accordance with the following milestone table. A milestone will be deemed to be completed when the Independent Certifier has issued an Independent Certifier Payment Certificate. The Independent Certifier will make its determination of whether a milestone has been completed, based on a review of a certificate from an officer of Project Co certifying completion of the applicable milestone. The certificate will be supported by any appropriate documentation required by the Independent Certifier to confirm that a milestone has been completed including records, photographs, a confirmation of completion from the LRV Representative and receipts amongst other items. In addition, the milestone related to the completion of the Prototype Vehicle will be deemed to be completed after a satisfactory, on-site inspection of the Prototype Vehicle by the Independent Certifier.

Further, the Independent Certifier will review the LRV Capital Cost Amount to ensure that it aligns with the cost indicated in the Design-Build Agreement. If the LRV Capital Cost Amount is greater than the amount indicated in the Design-Build Agreement then the Independent Certifier will amend the LRV Capital Cost Amount to reflect the amount indicated in the Design-Build Agreement and the difference between the LRV Capital Cost Amount and the amount indicated in the Design-Build Agreement will be proportionately allocated to the other cost items indicated in Table 1 of Appendix 1 [Total Capital Cost Amount]. For greater clarity, any adjustment made by the Independent Certifier to amend the LRV Capital Cost Amount can only change the allocation of costs indicated in Table 1 of Appendix 1 and not the Total Capital Cost Amount.

Percentage of LRV Capital Cost Amount to be included in the calculation of Percent Completion for Construction Period Payment	Milestone
*, Redaction under review, Subject to dept review	Upon completion of the Prototype Vehicle
	Upon LRV-Commissioning of the Prototype Vehicle
	Upon receipt of the Preliminary Acceptance Certificate of an LRV
	Upon delivery of an LRV to the Gerry Wright OMF Site
	Upon LRV-Commissioning of the LRV
	Upon LRV-Commissioning of all LRVs

For greater clarity, the “cost attributable to relevant LRV” indicated in the table above will be determined by dividing the LRV Capital Cost Amount as adjusted by the Independent Certifier (if necessary) by the number of LRVs supplied by Project Co. For example, if 25 LRVs are to be supplied then the “cost attributable to relevant LRV” will equal 4 percent of the LRV Capital Cost Amount.

16.2.3 Service Commencement Payment

For the Payment period when Service Commencement occurs, the City will make a payment to Project Co in the amount of:

$$SCP = (SCR \times TC) - (SCDM \times SCD)$$

where:

SCP	=	Service Commencement Payment;
SCR	=	Service Commencement Payment Rate = 0.167;
TC	=	Total Capital Cost Amount as defined in Table 1 of Appendix 1;
SCDM	=	Service Commencement Deficiency Multiplier = 1.5; and
SCD	=	Value of Service Commencement Deficiencies as calculated by the Independent Certifier in accordance with Section 14.6 [Deficiency List] of Schedule 4 [Design and Construction Protocols].

16.2.4 Development Charges

Without limiting any other payments which are contemplated to be made pursuant to provisions of this Agreement other than this Schedule 16 [Payment Mechanism], the payment or reimbursement of Development Charges by the City shall be made in compliance with the process and requirements set out in Section 4.17 [Development Charges] of the Agreement.

16.3 CONSTRUCTION PERIOD PAYMENT ADJUSTMENT

The Construction Period Payment Adjustment is determined as follows:

$$CPADJ_t = LCC - LCD_t + TIC - TID_t + RVLPC - RVLDP_t + TCC - TCD_t + TBAPC - TBAPD_t + CSP - CNPE_t$$

where:

CPADJ _t	=	Construction Period Payment Adjustment for month (t);
LCC	=	Lane Closure Credit to be paid during the Payment period when Service Commencement occurs, as determined in Section 16.3.1;
LCD _t	=	Lane Closure Deduction during month (t) as determined in Section 16.3.1;
TIC	=	Transit Impact Credit to be paid during the Payment period when Service Commencement occurs, as determined in Section 16.3.2;
TID _t	=	Transit Impact Deduction during month (t) as determined in Section 16.3.2;
RVLPC	=	NSRV Landscaping Payment Credit to be paid during the Payment period when Service Commencement occurs, as defined in Section 16.3.3.2;
RVLDP _t	=	NSRV Landscaping Payment Deduction during month (t) as defined in Section 16.3.3.1;

TCC	=	Tree Compensation Payment Credit to be paid during the Payment period when Service Commencement occurs, as defined in Section 16.3.4;
TCD _t	=	Tree Compensation Payment Deduction during month (t) as defined in Section 16.3.4;
TBAPC	=	Tawatinâ Bridge SUP Accessibility Payment Credit to be paid during the Payment period when Completion of the Tawatinâ Bridge SUP occurs, as defined in Section 16.3.5;
TBAPD _t	=	Tawatinâ Bridge SUP Accessibility Payment Deduction during month (t) as defined in Section 16.3.5;
CSP	=	Contaminated Soil Remittance Payment as defined in Section 16.3.6; and
CNPE _t	=	Construction Period NPE Payment Adjustment calculated as per Section 16.3.7.

16.3.1 Lane Closure Hour Adjustment

Lane Closures will be measured in half hour periods based on the following:

- a) All partial restrictions or partial closures of a lane within a Road Closure Segment will be considered as a full Lane Closure.
- b) Lane Closures longer than 5 minutes in duration will be rounded up to the next half hour period. For example and for clarity, a 6 minutes Lane Closure will be accounted for as a 30 minute Lane Closure, and a 33 minute Lane Closure will be accounted for as a 60 minute Lane Closure.
- c) Closures of through lanes will be considered Lane Closures for each Road Closure Segment based on the lesser of the Total Existing Number of Lanes and Total Future Number of Lanes shown in Table 1-4.2.5 [Roadway Construction Restrictions] of Schedule 5 [D&C Performance Requirements].
- d) Closures of existing dedicated left turn lanes classified as arterials or collectors in Table 1-4.2.5 [Roadway Construction Restrictions] that will be provided as part of the final design will be considered Lane Closures. Closures of dedicated right turn lanes will not be considered Lane Closures.
- e) Lane Closures will be measured on a Road Closure Segment basis, where Road Closure Segments are determined in Section 16.3.1.3 [Road Categories by Road Closure Segment] of this Schedule 16 [Payment Mechanism].
- f) If a TAR requires Lane Closures to extend into an adjacent Road Closure Segment to the Road Closure Segment where Construction is occurring then Lane Closures would be measured in each Road Closure Segment.
- g) Lane restrictions or closures due to City Works, City URP Work, Deferred Utility Work, or due to third party construction adjacent to the alignment will not be considered Lane Closures unless Project Co schedules Construction that would require the same lane restrictions or closures.

Payments during the Construction Period will be adjusted to reflect Lane Closures. The Lane Closure Deductions and Lane Closure Credit will be calculated as follows.

- a) For the first month (t) during which $\sum(ALCC_t) > TLCC$, then:

$$LCD_t = LCDM \times \left[\sum(ALCC_t) - TLCC \right]$$

- b) For any subsequent month (t) during which $\sum(ALCC_t) > TLCC$ then:

$$LCD_t = LCDM \times ALCC_t$$

- c) If at Service Commencement $\sum(ALCC_t) < TLCC$ then:

$$LCC = LCCM \times \left[TLCC - \sum ALCC_t \right]$$

$ALCC_t$ = Actual Lane Closure Costs during month (t) as determined in Section 16.3.1.1;

$TLCC$ = Target Lane Closure Costs as indicated in Table 2 of Appendix 1;

LCD_t = Lane Closure Deduction during month (t); and

$LCDM$ = Lane Closure Deduction Multiplier = 1.5

LCC = Lane Closure Credit to be paid during the Payment period when Service Commencement occurs; and

$LCCM$ = Lane Closure Credit Multiplier = 0.5.

16.3.1.1 Actual Lane Closure Costs

Actual Lane Closure Costs during month (t) is calculated as follows:

$$ALCC_t = \sum_{i=1}^4 [LCARate_i \times ALCH_{i,t}]$$

$ALCC_t$ = Actual Lane Closure Costs during month (t);

$LCARate_i$ = Lane Closure Hour Adjustment Rate for Lane Closure Condition (i) as determined in Section 16.3.1.2; and

$ALCH_{i,t}$ = Actual number of Lane Closure Hours for Lane Closure Condition (i) during month (t).

16.3.1.2 Lane Closure Rates

The table below outlines the Lane Closure Hour Adjustment Rate to be used for each type of Lane Closure Condition. Road Categories are assigned to each Road Closure Segment in Section 16.3.1.3.

Lane Closure Condition	Road Category	Period of measurement	Lane Closure Hour Adjustment Rate
1	Category 1	Peak traffic period (06:00 to 09:00 and 15:30 to 18:30 during Business Days)	s.25
2	Category 1	Off-peak (09:00 to 15:30 and 18:30 to 21:00 during Business Days; 06:00 to 21:00 on other days)	
3	Category 2	Peak traffic period (06:00 to 09:00 and 15:30 to 18:30 during Business Days)	
4	Category 2	Off-peak (09:00 to 15:30 and 18:30 to 21:00 during Business Days; 06:00 to 21:00 on other days)	

16.3.1.3 Road Categories by Road Closure Segment

Road Categories are assigned to each Road Closure Segment as follows:

Road	Road Closure Segment		Road Category
	From	To	
102 Ave	96 St	95 St	Category 2
101 St	Jasper Ave	103 Ave	Category 1
100 St	101A Ave	103 Ave	Category 1
97 ST	101A Ave	102A Ave	Category 1
Jasper Ave	95 St	95A St	Category 1
95 St	Jasper Ave	Rowland Road	Category 2
95 St	Rowland Road	Cameron Ave	Category 2
98 Ave	96A St	Muttart Service Road	Category 1
Connors Road	Muttart Service Road	95 Ave	Category 1
95 Ave	Connors Road	85 St	Category 2
85 St	95 Ave	90 Ave	Category 2
90 Ave	85 St	79 St	Category 2
83 St	90 Ave	82 Ave	Category 2
82 Ave	85 St	81 St	Category 1
83 St	82 Ave	76 Ave	Category 2
76 Ave	85 St	81 St	Category 2
83 St	76 Ave	Argyll Rd	Category 2
Argyll Rd	86 St	79 St	Category 1
Wagner Rd	Davies Rd	75 St	Category 2
75 St	Wagner Rd	Roper Road	Category 1
75 St	Roper Road	South of Whitemud Drive	Category 1
Roper Road	84 St	72 St	Category 1
51 Ave	84 St	72 St	Category 2
Whitemud Dr	50 St	91 St	Category 1
66 St	South of Whitemud Drive	38 Ave	Category 1
66 St	38 Ave	34 Ave	Category 1
66 St	34 Ave	23 Ave	Category 1
38 Ave	Millbourne Rd E	62 St	Category 2
34 Ave	71 St	58 St	Category 2
28 Ave	Lakewood Road E	Youville Drive E	Category 2

16.3.2 Transit Impact Adjustment

The Transit Impact Credit and Transit Impact Deduction is calculated as follows:

- a) For the first month (t) during which $\sum(ATIC_t) > TTIC$, then:

$$TID_t = TIDM \times (\sum(ATIC_t) - TTIC)$$

- b) For any month (t) subsequent to the first month during which $\sum(ATIC_t) > TTIC$, then

$$TID_t = TIDM \times (ATIC_t)$$

- c) If at Service Commencement $\sum(ATIC_t) < TTIC$, then:

$$TIC = TICM \times (TTIC - \sum ATIC_t)$$

where:

$ATIC_t$	=	Actual Transit Impact Costs during month (t) as determined in Section 16.3.2.1;
$TTIC$	=	Target Transit Impact Costs as indicated in Table 2 in Appendix 1;
TID_t	=	Transit Impact Deduction during month (t);
$TIDM$	=	Transit Impact Deduction Multiplier = 1.5;
TIC	=	Transit Impact Credit to be paid during the Payment period when Service Commencement occurs; and
$TICM$	=	Transit Impact Credit Multiplier = 0.5.

16.3.2.1 Actual Transit Impact Costs

Actual Transit Impact Costs during month (t) is calculated as follows:

$$ATIC_t = \sum_{i=1}^6 (DTIRate_i \times D_{i,t})$$

where:

$ATIC_t$	=	Actual Transit Impact Costs during month (t);
$DTIRate_i$	=	Daily Transit Impact Rate (i) as determined in section 16.3.2.2 for Transit Impact Road Segment (i) for any ETS Transit Impact as indicated in the approved Transportation Accommodation Request; for ETS Transit Impact during periods of time exceeding the ones indicated in the approved Transportation Accommodation Request, the Daily Transit Impact Rate (i) as determined in section 16.3.2.2 for Transit Impact Road Segment (i) shall double; and

$D_{i,t}$ = Number of days for Transit Impact Road Segment (i) during month (t) that an ETS Transit Impact is in effect. An ETS Transit Impact that is in effect for a partial day will be counted as in effect for one (1) full day. For certainty, for any given calendar day, the maximum number of days to be attributed to any Transit Impact Road Segment is one (1) day per Transit Impact Road Segment (i).

16.3.2.2 Daily Transit Impact Rates for Transit Impact Road Segments

As soon as an ETS Transit Impact is in effect:

- (i) at any point along the Transit Impact Road Segment (i), whether for a portion or the full length of the Transit Impact Road Segment (i), and
- (ii) for any period of time during a day, whether a full day or a partial day along the Transit Impact Road Segment (i),

then the full amount of the Daily Transit Impact Rate will be applied for that Transit Impact Road Segment (i) for that day.

Transit Impact Road Segment	Daily Transit Impact Rate
1) Connors Road: any location between Scona Road and 85 Street	s.25
2) 95 Avenue: any location between Connors Road and 85 Street	
3) 85 Street: any location between 95 Avenue and 90 Avenue	
4) 83 Street: any location between 90 Avenue and 82 Avenue	
5) 83 Street: any location between 82 Avenue and Argyll Road	
6) 28 Avenue: any location between 66 Street and 50 Street	

16.3.3 NSRV Landscaping Adjustment

Payments will be adjusted to reflect the number of days that each NSRV Segment is deemed to be Unavailable to NSRV Segment Users.

16.3.3.1 NSRV Landscaping Payment Deduction

The NSRV Landscaping Payment Deduction during month (t) is calculated as follows:

$$RVLPD_t = \sum_1^i (RVLD_{t,i})$$

where:

- a) For each NSRV Segment (i), for the first month (t) during which $\sum (ActualD_{t,i}) > TargetD_i$ then the NSRV Landscaping Deduction during month (t) for NSRV Segment (i) is calculated as follows:

$$RVLD_{t,i} = RVLDR \times \frac{A_i}{A_t} \times (\sum (ActualD_{t,i}) - TargetD_i)$$

- b) For each NSRV Segment (i), any Month (t) subsequent to the first month during which $\sum(ActualD_{t,i}) > TargetD_i$ then the NSRV Landscaping Deduction during month (t) for segment (i) is calculated as follows:

$$RVLD_{t,i} = RVLDR \times \frac{A_i}{A_t} \times ActualD_{t,i}$$

$RVLPD_t$	=	NSRV Landscaping Payment Deduction during month (t);
$RVLD_{t,i}$	=	NSRV Landscaping Deduction for NSRV Segment (i) during month (t);
$ActualD_{t,i}$	=	Actual number of days that NSRV Segment (i) is Unavailable to NSRV Segment Users during month (t). When a NSRV Segment (i) is Unavailable to NSRV Segment Users for a portion of one day, it shall count as being Unavailable to NSRV Segment Users for the full day.
$TargetD_i$	=	Target number of days that NSRV Segment (i) is Unavailable to NSRV Segment Users as defined in column E of Table 3 of Appendix 1;
$RVLDR$	=	NSRV Landscaping Deduction Rate = s.25
A_i and	=	Area, in square meters, of NSRV Segment (i) as defined in column C of Table 3 of Appendix 1;
A_t	=	Total area, in square meters, of NSRV = 127,701 square meters.

16.3.3.2 NSRV Landscaping Payment Credit

The NSRV Landscaping Payment Credit is calculated as follows:

For each NSRV Segment (i) where at the End of Active Reclamation, $TargetD_i > ActualD_i$, then the NSRV Landscaping Payment Credit to be paid during the Payment period when Service Commencement occurs is calculated as follows:

$$RVLPC = \sum_1^i (RVLC_i)$$

where:

$$RVLC_i = RVLCR \times \frac{A_i}{A_t} \times (TargetD_i - \sum ActualD_{t,i})$$

$TargetD_i$	=	Target number of days that NSRV Segment (i) is Unavailable to NSRV Segment Users as defined in column E of Table 3 of Appendix 1;
$ActualD_{t,i}$	=	Actual number of days that NSRV Segment (i) is Unavailable to NSRV Segment Users during month (t). When a NSRV Segment (i) is Unavailable to NSRV Segment Users for a portion of one day, it shall count as being Unavailable to NSRV Segment Users for the full day.
$RVLPC$	=	NSRV Landscaping Payment Credit to be paid during the Payment period when Service Commencement occurs;

$RVLC_i$	=	NSRV Landscaping Credit for NSRV Segment (i);
$RVLCR$	=	NSRV Landscaping Credit Rate = s.25
A_i	=	Area, in square meters, of NSRV Segment (i) as defined in column C of Table 3 of Appendix 1; and
A_t	=	Total Area, in square meters, of NSRV = 127,701 square meters.

16.3.4 Tree Removal Adjustment

The Tree Removal Adjustment is calculated as follows and applied during the Payment period when Service Commencement has occurred:

- a) If at Service Commencement $TargetTC > ActualTC$ then:

$$TCC = TCCR \times (TargetTC - ActualTC)$$

- b) If at Service Commencement $ActualTC > TargetTC$ then :

$$TCD = TCDR \times (ActualTC - TargetTC)$$

where:

TargetTC	=	Target Tree Compensation Value as indicated in Table 2 in Appendix 1;
ActualTC	=	Actual Tree Compensation Value as determined in Section 16.3.4.1
TCC	=	Tree Compensation Payment Credit;
TCCR	=	Tree Compensation Payment Credit Rate = 0.5;
TCD	=	Tree Compensation Payment Deduction; and
TCDR	=	Tree Compensation Payment Deduction Rate = 1.5.

16.3.4.1 Actual Tree Compensation Value

The Actual Tree Compensation Value will be determined as follows:

$$ActualTC = AValueTREM + AValueTREL + \sum_{i=1}^{10} (FARem_i \times FValue_i)$$

where:

ActualTC = Actual Tree Compensation Value;

AValueTREM = Aggregate value of tree removals as indicated in the Final Tree Reconciliation Report;

AValueTREL = Aggregate value of tree relocations as indicated in the Final Tree Reconciliation Report;

FARem_i = Removal area in square meters of Forested Area (i); and

FValue_i = Assessment Value Unit Rate for Forested Area (i).

16.3.5 Tawatinâ Bridge SUP Accessibility Adjustment

The Tawatinâ Bridge SUP Accessibility Adjustment is calculated as follows:

- a) For the first month (t) during which $\sum(TBAP_t) > TBT$, then:

$$TBAPD_t = TBAPDR \times \left[\sum(TBAP_t) - TBT \right]$$

- b) For any month (t) subsequent to the first month during which $\sum(TBAP_t) > TBT$, then:

$$TBAPD_t = TBAPDR \times TBAP_t$$

- c) If at the Payment period when the Independent Certifier certifies Completion of the Tawatinâ Bridge SUP, $\sum(TBAP_t) < TBT$, then:

$$TBAPC = TBAPDR \times [TBT - \sum(TBAP_t)]$$

where:

TBAP_t = Number of days during month (t) between:

- the later of:
 - the first day that the existing Cloverdale Bridge is Unavailable to Bridge Users; and
 - the first day of month (t); and
- the earlier of :
 - the day that the Independent Certifier certifies Completion of the Tawatinâ Bridge SUP; and
 - the last day of month (t).

TBT = Tawatina Bridge SUP Accessibility Threshold = 1034;

TBAPD_t = Tawatina Bridge SUP Accessibility Payment Deduction for month (t);

TBAPDR	=	Tawatina Bridge SUP Accessibility Payment Deduction rate = s.25 and
TBAPC _t	=	Tawatina Bridge SUP Accessibility Payment Credit paid during the Payment period when the Independent Certifier certifies Completion of the Tawatinâ Bridge SUP.

16.3.6 Contaminated Soil Remittance Payments

Payments will be adjusted to reflect Contaminated Soil Remittance Payments (CSP).

$$CSP_t = CSV_t \times CSRate$$

where:

CSP _t	=	Contaminated Soil Remittance Payment for month (t);
CSV _t	=	volume of soil containing Contamination removed from the Site during month (t) of the Construction Period and meeting the requirements described in Section 1.12 (10) [Contaminated Sites] of Schedule 10 [Environmental Performance Requirements]; and
CSRate	=	Contaminated Soil Remittance Rate (\$/cubic metre) as specified in Table 2 [Valued Items] of Appendix 1 [Payment and Payment Adjustment Inputs].

16.3.7 Construction Period NPE Payment Adjustment

The Construction Period NPE Payment Adjustment for month (t) is calculated in accordance with Appendix 3 [Non-Performance Events Points and Default Points] of this Schedule 16. Appendix 3 [Non-Performance Events Points and Default Points] provides a list of Non-Performance Events as well as information on the calculation to monetize Non-Performance Event Points during the Construction Period.

16.4 OPERATING PERIOD PAYMENT

The Operating Period Payment shall start on the Service Commencement Date and be paid up to the Termination Date, in accordance with the following formula:

$$OP_t = CAP_t + SP_t + MP_t$$

where:

OP _t	=	Operating Period Payment for month (t);
CAP _t	=	Capital Payment for month (t) as defined in Section 16.4.1;
SP _t	=	Service Payment for month (t) as defined in Section 16.4.2; and
MP _t	=	Major Rehabilitation Payment for month (t) as defined in Section 16.4.3.

16.4.1 Capital Payment

The Capital Payment for month (t) (CAP_t) is determined in accordance with those amounts listed in Column B under the heading "Capital Payments (nominal dollars)" of Table 6a of Appendix 1 of this Schedule.

16.4.2 Service Payment

The Service Payment for month (t) is calculated as follows:

$$SP_t = SLP_t + SEP_t + SPC_t$$

where:

SP_t	=	Service Payment for month (t);
SLP_t	=	Service Level Payment for month (t) as determined in Section 16.4.2.1;
SEP_t	=	Special Events Payment for month (t) as determined in Section 16.4.2.2; and
SPC_t	=	Small Permanent Changes to Service Levels Payment for month (t) as determined in Section 16.4.2.3.

16.4.2.1 Service Level Payment

During the Operating Period, the City will make payments to Project Co in accordance with the Service Level provided by Project Co, based on the Service Levels requested by the City for any given period of time. Service Level Payment is calculated using the following formula:

$$SLP_t = \sum_{i=1}^n (RSLP_{t,i} \times D_{t,i}/D_t) \times INDOM_t$$

where:

SLP_t	=	Service Level Payment for month (t);
$RSLP_{t,i}$	=	Real Service Level Payment during month (t) for Service Level (i) from Table 5 in Appendix 1;
$D_{t,i}$	=	Number of Days in month (t) during which Service Level (i) is in effect;
D_t	=	Number of Days in month (t); and
$INDOM_t$	=	Operating Period Payment Index Factor for month (t) calculated as per Appendix 2.

16.4.2.2 Special Events Payment

Special Events Payment is calculated using the following formula:

$$SEP_t = INDOM_t \times [(DTSE_t \times DTSERate_0) + (LRVSE_t \times LRVSERate_0)]$$

where:

SEP_t	=	Special Events Payment for month (t);
$INDOM_t$	=	Operating Period Payment Index Factor for month (t) calculated as per Appendix 2;

DTSE _t	=	Number of Driver Trips from Origin Stop to Destination Stop as a result of Special Events in month (t);
DTSERate ₀	=	Rate per Driver Trip from Origin Stop to Destination Stop for Special Events as defined in Table 4 of Appendix 1;
LRVSE _t	=	Number of LRV Trips from Origin Stop to Destination Stop as a result of Special Events in month (t); and
LRVSERate ₀	=	Rate per LRV Trip from Origin Stop to Destination Stop for Special Events as defined in Table 4 of Appendix 1.

16.4.2.3 Small Permanent Changes to Service Levels

Payment for Small Permanent Changes to Service Levels is calculated as follows:

$$SPC_t = INDOM_t \times [(DTSPC_t \times DTSPCRate_0) + (LRVSPC_t \times LRVSPCRate_0)]$$

where:

SPC _t	=	Payment for Small Permanent Changes to Service Levels for month (t);
INDOM _t	=	Operating Period Payment Index Factor for month (t) calculated as per Appendix 2;
DTSPC _t	=	Increase (positive) or decrease (negative) in number of Driver Trips from Origin Stop to Destination Stop as a result of Small Permanent Changes to Service Levels for month (t);
DTSPCRate ₀	=	Rate per Driver Trip from Origin Stop to Destination Stop for Small Permanent Changes to Service Levels as defined in Table 4 of Appendix 1;
LRVSPC _t	=	Increase (positive) or decrease (negative) in number of LRV Trips from Origin Stop to Destination Stop as a result of Small Permanent Changes to Service Levels in month (t); and
LRVSPCRate ₀	=	Rate per LRV Trip from Origin Stop to Destination Stop for Small Permanent Changes to Service Levels as defined in Table 4 of Appendix 1.

16.4.3 Major Rehabilitation Payment

The Major Rehabilitation Payment for month (t) is calculated as follows:

$$MP_t = TBMP_t + LRVMP_t$$

where:

MP _t	=	Major Rehabilitation Payment for month (t);
TBMP _t	=	Time-Based Major Rehabilitation Payment for month (t) calculated as per Section 16.4.3.1; and
LRVMP _t	=	LRV Major Rehabilitation Payment for month (t) calculated as per Section 16.4.3.2.

16.4.3.1 Time-Based Major Rehabilitation Payment

The Time-Based Major Rehabilitation Payment is calculated as follows:

$$TBMP_t = RTBMRP_t \times INDTBMR_t$$

where:

$TBMP_t$	=	Time-Based Major Rehabilitation Payment for month (t);
$RTBMRP_t$	=	Real Time-Based Major Rehabilitation Payment for month (t) from Table 6a of Appendix 1, in dollars of October 2015; and
$INDTBMR_t$	=	Time-Based Major Rehabilitation Payment Index Factor for month (t) calculated as per Appendix 2.

16.4.3.2 LRV Major Rehabilitation Payment

The LRV Major Rehabilitation Payment is calculated as follows:

$$LRVMP_t = RLRVMP_t \times INDLRVMR_t$$

where:

$LRVMP_t$	=	LRV Major Rehabilitation Payment for month (t);
$RLRVMP_t$	=	0; and
$INDLRVMR_t$	=	LRV Major Rehabilitation Payment Index Factor for month (t) calculated as per Appendix 2.

16.5 OPERATING PERIOD PAYMENT ADJUSTMENT

The Operating Period Payment Adjustment for month (t) is calculated as follows:

$$OPADJ_t = SCHP_t - LSA_t + ECA_t - HH_t - VHA_t - ONPE_t - LSOMF_t + IP_t$$

where:

$OPADJ_t$	=	Operating Period Payment Adjustment for month (t);
$SCHP_t$	=	Service Commencement Holdback Repayment for month (t) as determined in Section 16.5.1;
LSA_t	=	Payment Adjustment for LRT System Availability for month (t) as determined in Section 16.5.2;
ECA_t	=	Energy Consumption Adjustment for month (t) as determined in Section 16.5.3;
HH_t	=	Handback Holdback for month (t) as determined in Section 16.5.4;
VHA_t	=	Vegetation Handback Adjustment as defined in Section 16.5.5;

ONPE _t	=	Operating Period NPE Adjustment to Payments as defined in Section 16.5.6 and in Appendix 3;
LSOMF _t	=	Payment Adjustment for failure to obtain LEED Silver Certification for portions of the Gerry Wright OMF for month (t) as determined in Section 16.5.7; and
IP _t	=	Payment Adjustment for changes in Project Co's Insurance Premiums for month (t) as determined in Section 16.5.9.

16.5.1 Service Commencement Holdback Repayment

During the Operating Period, the City will make Service Commencement Holdback Repayments as follows:

$$SCHP_t = (SCDM \times SCD) \times (\sum PD_t - \sum PD_{t-1})$$

where:

SCHP _t	=	Service Commencement Holdback Repayment in month (t);
SCDM	=	Service Commencement Deficiency Multiplier = 1.5;
SCD	=	Value of Service Commencement Deficiencies;
PD _t	=	Progress, measured by Project Co and in percent, addressing Service Commencement Deficiencies during month (t); and
PD _{t-1}	=	Progress, measured by Project Co and in percent, addressing Service Commencement Deficiencies during month (t-1).

16.5.2 Payment Adjustment for LRT System Availability

Payment Adjustment for LRT System Availability is calculated as follows:

$$LSA_t = (1 - FME\%_t) \times \left(CAP_t + SP_t + \left(\frac{\sum [RTBMRP_t]}{360} \times INDTBMR_t \right) + \left(\frac{\sum [RLRVMRP_t]}{360} \times INDLRVMR_t \right) \right)$$

where:

LSA _t	=	Payment Adjustment for LRT System Availability for month (t);
FME% _t	=	Final Monthly Entitlement % for month (t) calculated in accordance with Section 7 of Appendix 7C [Operating and Maintenance - Service Performance Measures] of Schedule 7 [Operations and Maintenance Performance Requirements];
CAP _t	=	Capital Payment for month (t) as determined in Section 16.4.1;
SP _t	=	Service Payment for month (t) as determined in Section 16.4.2;
$\sum (RTBMP_t)$	=	Sum of Real Time-Based Major Rehabilitation Payment for all months from Table 6a of Appendix 1, in dollars of October 2015;

$INDTBMR_t$ = Time-Based Major Rehabilitation Payment Index Factor for month (t) calculated as per Appendix 2;
 $\sum (RLRVMP_t)$ = 0;
 $INDLRVMR_t$ = LRV Major Rehabilitation Payment Index Factor for month (t) calculated as per Appendix 2.

16.5.2.1 Bedding-In Period

During the Bedding-In Period, the following provisions shall apply:

- (a) during the first, second, third and fourth months of the Bedding-In Period, the amount of any Payment Adjustment for LRT System Availability shall be reduced by 50%;
- (b) during the fifth, sixth, seventh and eighth months of the Bedding-In Period, the amount of any Payment Adjustment for LRT System Availability shall be reduced by 20%; and
- (c) during the ninth, tenth, eleventh and twelfth months of the Bedding-In Period, the amount of any Payment Adjustment for LRT System Availability shall be reduced by 10%.

For the avoidance of doubt, Section 16.5.2.1 does not provide any relief from NPE Points or Default Points accrued during the Bedding-In Period. Further, the Performance Shortfall Factor described in Appendix 7-C [Service Performance Measures] of Schedule 7 [O&M Performance Requirements] will apply during the Bedding-In Period.

16.5.3 Energy Consumption Adjustment

Payments are adjusted to account for differences between the actual Energy Consumption and the Adjusted Energy Target. The Energy Consumption Adjustment for month (t) (ECA_t) is determined in accordance with Appendix 4 [Energy] of this Schedule.

16.5.4 Handback Holdback

If at any time Handback Works are required in order to meet the Handback Requirements, a Handback Holdback for month (t) will be calculated as follows:

$$HH_t = \min \left[\left(HHM \times HA_t - \sum HH_{t-x} \right); (OP_t + OPADJNetHH_t) \right]$$

where:

HH_t	=	Handback Holdback for month (t);
HHM	=	Handback Holdback Multiplier = 1.5;
HA_t	=	Handback Amount estimated for month (t);
HH_{t-x}	=	Handback Holdbacks applied in previous months;
OP_t	=	Operating Period Payment for month (t) as defined in Section 16.4; and
$OPADJNetHH_t$	=	Operating Period Payment Adjustment for month (t) as defined in Section 16.5, before taking into account (i.e. net of) the Handback Holdback for month (t) (HH_t); in other words, $OPADJNetHH_t$ can be expressed as follows, based on the defined terms at the beginning of Section 16.5:

$$OPADJNetHH_t = SCHP_t - LSA_t + ECA_t - VHA_t - ONPE_t - LSOMF_t + IP_t$$

Where Project Co elects in accordance with Appendix 7A [Handback Requirements] of Schedule 7 [O&M Performance Requirements] to have the Handback Holdback applied as an Operating Period Payment Adjustment, the Handback Holdback will be calculated, and the Payment Adjustment applied, in respect of the Payment for the month immediately following the determination of the Handback Amount and subsequent months as required.

If the Handback Works are not achieved by the expiry of the Term, the City may release Project Co from its obligation to achieve the Handback Works and in that event may retain the remaining balance of the Handback Holdback as liquidated damages.

16.5.4.1 Substitution of Letter of Credit

Project Co may at any time call for release of the remaining balance of the Handback Holdback amounts upon delivering to the City an irrevocable, unconditional, on sight letter of credit in the amount of the remaining balance of the Handback Holdback amounts to be deducted. The letter of credit shall be presentable for payment at a bank in Canada and issued by a bank authorized under the Bank Act (Canada) to do business in Canada (or issued by such other financial institution approved in advance for the purposes of this Section by the City, who may grant or decline such approval in its absolute discretion), and having a senior, unsecured long-term issuer credit rating of not less than A+ (with a stable outlook) or equivalent from one of (and no rating less than A+ (with a stable outlook) or equivalent from any other of) Standard & Poor's, DBRS or Fitch Ratings (or any other major credit rating agency approved for the purposes of this Section by the City, who may grant or decline such approval in its absolute discretion).

The City may present the letter of credit for payment if:

- (a) upon expiry of the Term, the Handback Requirements are not met;
- (b) the letter of credit has an expiry date and Project Co fails to deliver a renewal letter of credit at least 20 days in advance of the expiry of the letter of credit; or
- (c) any of the senior, unsecured long-term credit ratings of the issuer of the letter of credit becomes less than A+ (with a stable outlook) or equivalent and Project Co fails to deliver a replacement of the letter of credit no later than 21 days after being so requested by the City;

and in either case the amount received by the City upon presentation of the letter of credit shall be dealt with by the City in the same manner as the Handback Holdback amount under Section 16.5.4.

Subject to Section 16.5.4, as the Handback Works are done by Project Co, the City shall permit (but not more frequently than monthly), on written application by Project Co, a corresponding reduction in the amount of the letter of credit.

16.5.5 Vegetation Handback Adjustment

Payments will be adjusted to reflect the value of Vegetation Handback Requirements that are not met by the Vegetation Handback Date. The Vegetation Handback Adjustment will be calculated as follows:

$$VHA_t = VHM \times VHD$$

where

VHA_t = Vegetation Handback Adjustment for month (t) immediately following the Vegetation Handback Date;

VHM = Vegetation Handback Multiplier = 1.5; and

VHD = estimated cost of works required to meet the Vegetation Handback Requirements identified by the Independent Certifier in accordance with Section 1.19(10)(b) [Completion of Handback of Landscaping, Native Forest Restoration and Naturalization] Schedule 10 [Environmental Requirements].

16.5.6 Operating Period NPE Adjustment

The Operating Period NPE Adjustment is calculated in accordance with Appendix 3 [Non-Performance Events Points and Default Points] of this Schedule. Appendix 3 [Non-Performance Events Points and Default Points] provides a list of Non-Performance Events as well as information on the calculation to monetize Non-Performance Event Points.

16.5.7 Payment Adjustment for LEED Silver Certification

Payments will be adjusted should Project Co fail to obtain LEED Silver Certification for portions of the Gerry Wright OMF. The Payment Adjustment for failure to obtain LEED Silver Certification for portions of the Gerry Wright OMF will be calculated in accordance with Section 4.5 [LEED Silver Certification] of Schedule 4 [Design and Construction Protocols].

16.5.8 Cap on some Operating Period Payment Adjustment components

In any given month (t), if the aggregate of:

- (a) The Payment Adjustment for LRT System Availability for month (t) as determined in Section 16.5.2 (LSA_t);
- (b) The Energy Consumption Adjustment for month (t) as determined in Section 16.5.3 (ECA_t); and
- (c) The Operating Period NPE Adjustment to Payments as defined in Section 16.5.6 and in Appendix 3 (ONPE_t);

exceeds the aggregate of:

- (d) The Capital Payment for month (t) as defined in Section 16.4.1 (CAP_t);
- (e) The Service Payment for month (t) as defined in Section 16.4.2 (SP_t); and

(f) The average Major Rehabilitation Payments as defined as follows:

$$\left(\frac{\sum [RTBMRP_t]}{360} \times IND TBMR_t \right) + \left(\frac{\sum [RLRVMP_t]}{360} \times IND LRVMR_t \right)$$

then the aggregate of items (a), (b) and (c) above shall be considered to equal the aggregate of items (d), (e) and (f) above for that month (t).

where:

$\sum (RTBMP_t)$ = Sum of Real Time-Based Major Rehabilitation Payment for all months from Table 6a of Appendix 1, in dollars of October 2015;

$IND TBMR_t$ = Time-Based Major Rehabilitation Payment Index Factor for month (t) calculated as per Appendix 2;

$\sum (RLRVMP_t)$ = 0;

$IND LRVMR_t$ = LRV Major Rehabilitation Payment Index Factor for month (t) calculated as per Appendix 2.

16.5.9 Changes in Project Co Insurance Premiums

Payments will be adjusted to account for changes in Project Co's insurance premiums in accordance with Section 4.2 [Changes in Project Co Premiums] of Schedule 17 [Insurance Requirements]. For such insurance premium changes that are reductions in insurance premiums, the IP term in the formula in Section 16.5 [Operating Period Payment Adjustment] will be multiplied by a factor equal to (-1).

16.6 PAYMENT REPORTING, ADMINISTRATION AND INVOICING

16.6.1 Obligation to make Payments during the Construction Period

- a) Subject to the provisions of this Schedule, the City shall pay to Project Co a Payment during the Construction Period in respect of each month where such Payment shall be due to Project Co;
- b) Subject to the provisions of this Schedule, each such Payment shall be calculated in accordance with Section 16.2 [Construction Period Payment] and Section 16.3 [Construction Period Payment Adjustment] of this Schedule and shall be paid in accordance with Section 16.6.5 [Due Dates for Payments during the Construction Period] of this Schedule; and
- c) The making of such Payments by the City shall not constitute an acceptance of any part of the Project Work by the City.

16.6.2 Obligation to make Payments during the Operating Period

- a) Subject to the provisions of this Schedule, the City shall pay to Project Co an Operating Period Payment during the Operating Period in respect of each month where such Payment shall be due to Project Co;
- b) Subject to the provisions of this Schedule, each such Operating Period Payment shall be calculated in accordance with Section 16.4 [Operating Period Payment] and 16.5 [Operating Period Payment Adjustment] of this Schedule and shall be paid in accordance with Section 16.6.6 [Due Dates for payments during the Operating Period] of this Schedule;

- c) For greater certainty, the City shall have no obligation to make any such Payments unless and until the Service Commencement has occurred; and
- d) The making of such Operating Period Payments by the City shall not constitute an acceptance of any part of the Project Work by the City.

16.6.3 Monthly Reports for Payments during the Construction Period

- a) Not later than five (5) Business Days before the last day of each month (or portion thereof, as the case may be) during the Construction Period, Project Co shall deliver to the City's Representative a draft written report setting out Project Co's calculation of each component of the payment related to Section 16.2 [*Construction Period Payment*] as well as the following items listed in sub-section b) below: (vii); (viii); and (ix). The draft written report will be based on Project Co's best estimate of these items for that month, at the time of writing of the draft written report.
- b) Not later than 7 Business Days after the last day of each month (or portion thereof, as the case may be) during the Construction Period, Project Co shall deliver to the City's Representative a written report setting out Project Co's calculation of each of the following (each stated separately):
 - i. Detailed calculations and supporting documentation of each component of the payments related to Section 16.2 [*Construction Period Payment*] and Section 16.3 [*Construction Period Payment Adjustment*];
 - ii. the NPE Points assignable to Project Co in respect of each Non-Performance Event occurring during that month (or portion thereof, as the case may be) including a detailed description of each Non-Performance Event that occurred during that month;
 - iii. the NPE Points Balance, including an opening NPE Point Balance, new NPE Points awarded, NPE Points removed and closing NPE Points Balance as at the end of each day of that month (or portion thereof, as the case may be);
 - iv. A detailed explanation why any NPE Point was removed from the NPE Point Balance;
 - v. the Default Point Balance including an opening Default Point Balance, new Default Points awarded, Default Points removed and closing Default Points Balance as at the end of each day of that month (or portion thereof, as the case may be);
 - vi. A detailed explanation why any Default Point was removed from the Default Point Balance;
 - vii. the aggregate of all Construction Period Payments made by the City during the period prior to that month in respect of the Construction Period, broken down by Payment components;
 - viii. where applicable, any adjustments to reflect over-payments and/or underpayments (each such adjustment stated separately) in respect of Payments made by the City during the period prior to that month (for which adjustment has not already been made);
 - ix. any information required pursuant to Section 9.4 [*Taxes*] of the Agreement;
 - x. in the case of a Change as provided for in Schedule 13 [*Changes*], any information that the City reasonably requires in order to properly assess, determine and validate its payment obligations in relation to that Change;
 - xi. any interest payable in respect of any amounts owed;

- xii. any other amounts to be paid by the City or by Project Co in relation to the requirements of the Agreement; and
 - xiii. the net amount owing by the City to Project Co or by Project Co to the City in respect of the City's obligation to make Payments pursuant to Section 16.6.1 [*Obligation to Payments during the Construction Period*] of this Schedule.
- c) The reports delivered pursuant to Section 16.6.3(a) [*Monthly Reports for Payments during the Construction Period*] Section 16.6.3(b) [*Monthly Reports for Payments during the Construction Period*] of this Schedule shall be accompanied by working papers clearly setting forth the derivation of the amounts payable, including a detailed breakdown with explanations of each payment component, set out therein in accordance with all applicable calculations specified in this Schedule;
 - d) The report delivered pursuant to Section 16.6.3(b) [*Monthly Reports for Payments during the Construction Period*] of this Schedule shall be accompanied by a monthly payment certificate in a form agreed to by the City substantially similar to the Monthly Payment Certificate in Appendix 5;
 - e) Not later than five (5) Business Days after receiving the monthly report delivered pursuant to Section 16.6.3(b) [*Monthly Reports for Payments during the Construction Period*] of this Schedule, the Independent Certifier shall deliver a draft Independent Certifier Payment Certificate and other draft reports relating to the monthly payment referred to in Schedule 1 [*Functions*] of Appendix 15A [*Independent Certifier Agreement*]; and
 - f) Not later than eight (8) Business Days after receiving the monthly report delivered pursuant to Section 16.6.3(b) [*Monthly Reports for Payments during the Construction Period*] of this Schedule, the Independent Certifier shall deliver the Independent Certifier Payment Certificate and any other reports relating to the monthly payment referred to in Schedule 1 [*Functions*] of Appendix 15A [*Independent Certifier Agreement*].

16.6.4 Monthly Report for Payments during the Operating Period

- a) Not later than 7 Business Days after the last day of each month (or portion thereof, as the case may be) during the Operating Period, Project Co shall deliver to the City's Representative a written report setting out Project Co's calculation of each of the following (each stated separately):
 - i. Detailed calculations and supporting documentation of each component of the payments related to Section 16.4 [*Operating Period Payment*] and Section 16.5 [*Operating Period Payment Adjustment*];
 - ii. Details on the calculations associated with the Final Monthly Entitlement for month (t) (FME%) in accordance with Appendix 7C [*Operating and Maintenance - Service Performance Measures*] of Schedule 7 [*O&M Performance Requirements*];
 - iii. the NPE Points assignable to Project Co in respect of each Non-Performance Event occurring during that month (or portion thereof, as the case may be) including a detailed description of each Non-Performance Event that occurred during that month;
 - iv. the NPE Points Balance, including an opening NPE Point Balance, new NPE Points awarded, NPE Points removed and closing NPE Points Balance as at the end of each day of that month (or portion thereof, as the case may be);
 - v. a detailed explanation why any NPE Point was removed from the NPE Point Balance;
 - vi. the Default Point Balance including an opening Default Point Balance, new Default Points awarded, Default Points removed and closing Default Points Balance as at the end of each day of that month (or portion thereof, as the case may be);

- vii. a detailed explanation why any Default Point was added or removed from the Default Point Balance;
 - viii. the aggregate of all Operating Period Payments made by the City during the period prior to that month in respect of the Operating Period, broken down by Payment components;
 - ix. any adjustments to reflect over-payments and/or underpayments (each such adjustment stated separately) made by the City during the period prior to that month (for which adjustment has not already been made);
 - x. any information required pursuant to Section 9.4 [Taxes] of the Agreement;
 - xi. in the case of a Change as provided for in Schedule 13 [Changes], any information that the City reasonably requires in order to properly assess, determine and validate its payment obligations in relation to that Change;
 - xii. any documentation required in accordance with Section 1.5 [Energy Consumption Data] of Appendix 4 [Energy];
 - xiii. any other amounts to be paid by the City or by Project Co in relation to the requirements of the Agreement;
 - xiv. any interest payable in respect of any amounts owed;
 - xv. any documentation needed to support the calculation of the LRV Major Rehabilitation Payment, including cumulative LRV Kilometres during that month as well as since the Service Commencement Date; and
 - xvi. any documentation required to support the completed Handback Works in accordance with Appendix 7A [Handback Requirements] Section 4 c) [Completion of Handback Works] of Schedule 7 [Performance Requirements].
- b) The reports delivered pursuant to Section 16.6.4(a) [Monthly Reports for Payments during the Operating Period] shall be accompanied by working papers clearly setting forth the derivation of the amounts payable, including a detailed breakdown with explanations of each payment component, set out therein in accordance with all applicable calculations specified in this Schedule; and
 - c) The report delivered pursuant to Section 16.6.4 (a) [Monthly Reports for Payments during the Operating Period] of this Schedule shall be accompanied by a monthly payment certificate in a form agreed to by the City substantially similar to the Monthly Payment Certificate in Appendix 5.

16.6.5 Due Dates for Payments during the Construction Period

- a) Except for circumstances already addressed in Section 16.1.1 [Negative Payment Amounts], if any monthly report delivered pursuant to Section 16.6.3 [Monthly Reports for Payments during the Construction Period] of this Schedule shows a net amount owing by the City to Project Co, then Project Co shall deliver to the City simultaneously with such report an invoice for such net amount and, without prejudice to Section 9.6 [Interest on Overdue Payments] and Section 9.7 [Disputed Amounts] of the Agreement, the City shall pay to Project Co such amount not later than the later of:
 - i. the last day of the month following the month (or portion thereof, as the case may be) to which the invoice relates; or
 - ii. the 11th Business Day after the City has received both the said invoice and all of the documents to be delivered pursuant to Section 16.6.3 [Monthly Reports for Payments during the Construction Period] of this Schedule in respect of such month (or portion thereof, as the case may be).
- b) If any monthly report delivered pursuant to Section 16.6.3 [Monthly Reports for Payments during the Construction Period] of this Schedule shows a net amount owing by Project Co to the City then, without prejudice to the Dispute Resolution Procedure, Project Co shall pay and remit to the City such amount simultaneously with the delivery of such monthly report to the City.

16.6.6 Due Dates for Payments during the Operating Period

- a) If any monthly report delivered pursuant to Section 16.6.4 [*Monthly Reports for Payments during the Operating Period*] of this Schedule shows a net amount owing by the City to Project Co, then Project Co shall deliver to the City simultaneously with such report an invoice for such net amount and, without prejudice to Section 9.6 [*Interest on Overdue Payments*] and Section 9.7 [*Disputed Amounts*] of the Agreement, the City shall pay to Project Co such amount not later than the later of:
 - i. the last day of the month following the month (or portion thereof, as the case may be) to which the invoice relates; or
 - ii. the 11th Business Day after the City has received both the said invoice and all of the documents to be delivered pursuant to Section 16.6.4 [*Monthly Reports for Payments during the Operating Period*] of this Schedule in respect of such month (or portion thereof, as the case may be).
- b) If any monthly report delivered pursuant to Section 16.6.4 [*Monthly Reports for Payments during the Operating Period*] of this Schedule shows a net amount owing by Project Co to the City then, without prejudice to the Dispute Resolution Procedure, Project Co shall pay and remit to the City such amount simultaneously with the delivery of such monthly report to the City.

16.6.7 Reporting Errors

Project Co will be assessed a Reporting Failure Penalty equal to 30% of the value of the Reporting Error ("Reporting Failure Penalty") in the event that the matters contained in the reports delivered pursuant to Section 16.6.3 [*Monthly Reports for Payments during the Construction Period*] or Section 16.6.4 [*Monthly Reports for Payments during the Operating Period*] of this Schedule are incorrect or if the reports fail to refer to a Non-Performance Event or include omissions, in each case other than Clerical Errors. In the event that Project Co identifies the Reporting Error in amendments to the relevant reports before the City identifies the Reporting Error, the Reporting Failure Penalty shall be reduced to 10% of the value of the Reporting Error. A Reporting Failure Penalty for a Reporting Error shall not exceed \$25,000 per Reporting Error, unless the Reporting Error relates to fraudulent claims by Project Co.

Should three (3) or more Reporting Failures occur in any 12 consecutive monthly periods, the City may increase its review and monitoring activities in respect of such reporting at Project Co's expense. Project Co will reimburse the City all reasonable costs and expenses incurred as part of these monitoring activities within eleven (11) Business Days after the City submits an invoice to Project Co for such amounts.

APPENDIX 1 - Payment and Payment Adjustment Inputs

To be completed based on selected Project Co's proposal.

Note: for all Tables that show a column with Month (t) going from 1, 2, 3,, 359, 360, 361, and unless changes are being made according to the terms of the Project Agreement:

- Month 1 shall cover the period between December 15, 2020 and December 31, 2020;
- Month 2 shall cover the period between January 1, 2021 and January 31, 2021;
- Month 3 shall cover the period between February 1, 2021 and February 28, 2021; and so on until
- Month 360 shall cover the period between November 1 and November 30, 2050; and
- Month 361 shall cover the period between December 1 and December 14, 2050.

A.1) Total Capital Cost Amount

The values listed in Table 1 are copied from Table 2a of Project's Co Financial Offer Form O-a of its VLS-3 Submission Requirement Package and Table 2a in its Financial Offer Form S-a of its VLS-3B Submission Requirement Package.

Table 1 – Total Capital Cost Amount

Table 1 Total Capital Cost Amount	
Column A	Column B
	(nominal dollars)
Development Design, Design Survey, & Landscape Design	S. 16
Professional Services Development Management & Community Outreach	
Permitting Activities	
Utilities (Utility Locates, Utility Survey, and Utility Adjustment Design)	
Communications	
Public Engagement/Involvement	
Controls and Security	
Professional Advisory Fees (legal and financial)	
SPV Costs	
Independent Certifier Costs	
Proposal Phase Costs	
Sub-total Professional Services	
Construction Development Management	
Mobilization / Demobilization	
Traffic Control	
Site Preparation	
Earthworks	
North Saskatchewan River Valley – North Slope Stability Mitigation	
Civil Works – In connection with Systems	
Civil Works - Roadworks	
Civil Works - Drainage	
Mainline Trackwork	
Special Trackwork	
Power Supply and Distribution Network	
Signaling and Train Control Systems	
Structures – Guideway General	
Structures – Guideway Davies	
Structures – Quarters Portal	
Structures – Mined Tunnel	
Structures – Tawatinâ Bridge	
Structures – Kâhasinîskâk Bridge	
Structures – Whitemud Bridge	
Structures - Transit Power Supply Substations	
Structures - Davies Station	
Structures - Churchill Connector	
Structures – 102 Street Stops	
Structures – Other Stops	
Structures – Gerry Wright OMF	
Stop and Station Equipment	
Landscaping And Restoration	
Lighting	
Signage and Wayfinding	
Testing And Commissioning (Structures)	
Testing And Commissioning (Early Handover Items)	
Testing and Commissioning (System)	
Testing and Commissioning (System) Power Supply/Usage	
Data Centre	
LRV Capital Cost Amount	
Spare Parts and Consumables	
Environmental	
Early Handover – Roadworks	
Early Handover – Site Preparation	
Early Handover – Civil Works	
Early Handover – Drainage	
Early Handover – Landscaping and Restoration	

Table 1 Total Capital Cost Amount	
Column A	Column B
	s.16
Early Handover – Utilities	
Early Handover – Environmental	
Traffic Signals	
O&M Mobilization Costs	
Sub-total Construction	
DSRA Pre-Fund	
Insurance Premiums	
Bond Premiums	
Financing Charges	
Interest During Construction	
Interest Income [NTD: negative amount]	
<i>[Add additional Financing Categories as necessary]</i>	
Sub-total Financing	
Total Capital Cost Amount (sum of the sub-totals above)	

A.2) Construction Period Payment Adjustment

The values listed in Table 2 are copied from Form O-b of Project Co's Submission Requirement Package VLS-3.

Table 2 –Valued Items

Table 2 Valued Items	Value (dollars)
Column A	Column B
Target Lane Closure cost for Lane Closure Condition 1 (\$)	s.16
Target Lane Closure cost for Lane Closure Condition 2 (\$)	
Target Lane Closure cost for Lane Closure Condition 3 (\$)	
Target Lane Closure cost for Lane Closure Condition 4 (\$)	
Target Lane Closure Costs (sum of the Target Lane Closure costs for Lane Closure Condition (i))	
Transit Impact Costs for "Connors Road: any location between Scona Road and 85 Street" (\$)	
Transit Impact Costs for "95 Avenue: any location between Connors Road and 85 Street" (\$)	
Transit Impact Costs for "85 Street: any location between 95 Avenue and 90 Avenue" (\$)	
Transit Impact Costs for "83 Street: any location between 90 Avenue and 82 Avenue" (\$)	
Transit Impact Costs for "83 Street: any location between 82 Avenue and Argyll Road" (\$)	
Transit Impact Costs for "28 Avenue: any location between 66 Street and 50 Street" (\$)	
Target Transit Impact Costs (sum of Transit Impact Costs by Transit Impact Road Segment \$)	
Target Tree Compensation Value (\$)	
Contaminated Soil Remittance rate (\$ per cubic metre)	

A.3) NSRV Landscaping Adjustment

The values listed in Table 3 are copied from Form O-b Table 2 of Project Co's Submission Requirement Package VLS-3.

Project Co may propose, as a Submittal, a revision to the information contained in Table 3 up to 90 days before the Commencement of Disruptive Activities in the first NSRV Segment to undergo work, provided that:

- i. the revised sum of all NSRV Segment areas does not exceed 127,701 square meters (column C of Table 3);
- ii. the revised total "NSRV Square Meter-Days"¹ must equal or be less than the total "NSRV Square Meter-Days" calculated using the original information provided in this Table 3;
- iii. for those segments for which the "NSRV Square Meter-Days" increased, the cumulative change does not exceed 5,000,000; and
- iv. no more than one revision to this Table 3 is submitted.

The resulting revised figures in column C and column E of Table 3 will be used for each NSRV Segment for the purposes of Section 16.3.3 [NSRV Landscaping Adjustment] of Schedule 16.

Table 3 – NSRV Landscaping Adjustment

Table 3 NSRV Landscaping Adjustment						
Column A	Column B	Column C	Column D	Column E	Column F	Column G
NSRV Segment	Description	Area, in square metres, of NSRV Segment (Note 1)	Percentage of total area (C / 127,701 m2)	Target Number Days that NSRV Segment is Unavailable to NSRV Segment Users	"NSRV Square Metre-Days" (C x E)	NSRV Landscaping Adjustment in nominal terms $s.16 \times D \times E$
NSRV Segment (1)	NSRV Segment (1)	17.077	13.4%	1.558	26,605.966	s.16
NSRV Segment (2)	NSRV Segment (2)	4.270	3.3%	100	427.000	
NSRV Segment (3)	NSRV Segment (3)	1.333	1.0%	100	133.300	
NSRV Segment (4)	NSRV Segment (4)	3.032	2.4%	1.509	4,575.288	
NSRV Segment (5)	NSRV Segment (5)	1.164	0.9%	713	829.932	
NSRV Segment (6)	NSRV Segment (6)	4.847	3.8%	713	3,455.911	
NSRV Segment (7)	NSRV Segment (7)	667	0.5%	100	66.700	
NSRV Segment (8)	NSRV Segment (8)	11.076	8.7%	1.299	14,387.724	
NSRV Segment (9)	NSRV Segment (9)	2.465	1.9%	122	300.730	
NSRV Segment (10)	NSRV Segment (10)	227	0.2%	122	27.694	
NSRV Segment (11)	NSRV Segment (11)	1.602	1.3%	122	195.444	
NSRV Segment (12)	NSRV Segment (12)	18.560	14.5%	1.259	23,367.040	
NSRV Segment (13)	NSRV Segment (13)	11.144	8.7%	241	2,685.704	
NSRV Segment (14)	NSRV Segment (14)	16.821	13.2%	548	9,217.908	
NSRV Segment (15)	NSRV Segment (15)	3.035	2.4%	216	655.560	
NSRV Segment (16)	NSRV Segment (16)	1.897	1.5%	216	409.752	
NSRV Segment (17)	NSRV Segment (17)	2.434	1.9%	1.228	2,988.952	
NSRV Segment (18)	NSRV Segment (18)	5.406	4.2%	1.228	6,638.568	
NSRV Segment (19)	NSRV Segment (19)	9.151	7.2%	1.228	11,237.428	
NSRV Segment (20)	NSRV Segment (20)	11.493	9.0%	1.228	14,113.404	
Total		127,701	100.0%		122,320,005	

A.4) Special Events and Small Permanent Changes in Service Levels Payments

The values listed in Table 4 are copied from Form O-a Table 8 of Project Co's Submission Requirement Package VLS-3.

Table 4 –Special Events and Small Permanent Changes in Service Levels Payments

Table 4 Special Events and Small Permanent Changes in Service Level Payments			
Column A	Column B	Column C	Column D
	Proponent Rate (in October 2015 dollars)	Incremental Gas Consumption Volume (in GJ per Driver/LRV Trip based on AW1 loading and annual average)	Incremental Electricity Consumption Volume (in GJ per Driver/LRV Trip based on AW1 loading and annual average)
Rate per Driver Trip from Origin Stop to Destination Stop for Special Event	s.16	s.16	s.16
Rate per LRV Trip from Origin Stop to Destination Stop for Special Event			
Rate per Driver Trip from Origin Stop to Destination Stop for Small Permanent Changes in Service Levels			
Rate per LRV Trip from Origin Stop to Destination Stop for Small Permanent Change in Service Levels			

A.5) Service Level Payment

The values listed in Table 5 are copied from Form O-a Table 6 of Project Co's Submission Requirement Package VLS-3.

Table 5 – Service Level Payment

s.16

s.16

s.16

s.16

s.16

A.6) Capital Payment and Major Rehabilitation Payment

The Capital Payments listed in Table 6a are copied from the Financial Offer Form S-a Table 3a of Project Co's VLS-3B Submission Requirement Package and the Time-Based Major Rehabilitation Payments in Table 6a are copied from Project Co's Financial Offer Form O-a Table 3 of Project Co's VLS-3 Submission Requirement Package.

Table 6a) Capital Payment and Real Time-Based Major Rehabilitation Payment

Table 6a - Capital Payments (Capital Payment Adjustment applied) and Major Rehabilitation Payment			
Column A		Column B	Column C
Month (t)	Month Start Date	Capital Payment (nominal dollars)	Time-Based Major Rehabilitation Payment (in October 2015 dollars)
1	2020-12-15	\$ 16	\$ 16
2	2021-01-01		
3	2021-02-01		
4	2021-03-01		
5	2021-04-01		
6	2021-05-01		
7	2021-06-01		
8	2021-07-01		
9	2021-08-01		
10	2021-09-01		
11	2021-10-01		
12	2021-11-01		
13	2021-12-01		
14	2022-01-01		
15	2022-02-01		
16	2022-03-01		
17	2022-04-01		
18	2022-05-01		
19	2022-06-01		
20	2022-07-01		
21	2022-08-01		
22	2022-09-01		
23	2022-10-01		
24	2022-11-01		
25	2022-12-01		
26	2023-01-01		
27	2023-02-01		
28	2023-03-01		
29	2023-04-01		
30	2023-05-01		
31	2023-06-01		
32	2023-07-01		
33	2023-08-01		
34	2023-09-01		
35	2023-10-01		
36	2023-11-01		
37	2023-12-01		
38	2024-01-01		
39	2024-02-01		

Table 6a - Capital Payments (Capital Payment Adjustment applied) and Major Rehabilitation Payment			
Column A		Column B	Column C
Month (t)	Month Start Date	Capital Payment (nominal dollars)	Time-Based Major Rehabilitation Payment (in October 2015 dollars)
40	2024-03-01	S. 16	S. 16
41	2024-04-01		
42	2024-05-01		
43	2024-06-01		
44	2024-07-01		
45	2024-08-01		
46	2024-09-01		
47	2024-10-01		
48	2024-11-01		
49	2024-12-01		
50	2025-01-01		
51	2025-02-01		
52	2025-03-01		
53	2025-04-01		
54	2025-05-01		
55	2025-06-01		
56	2025-07-01		
57	2025-08-01		
58	2025-09-01		
59	2025-10-01		
60	2025-11-01		
61	2025-12-01		
62	2026-01-01		
63	2026-02-01		
64	2026-03-01		
65	2026-04-01		
66	2026-05-01		
67	2026-06-01		
68	2026-07-01		
69	2026-08-01		
70	2026-09-01		
71	2026-10-01		
72	2026-11-01		
73	2026-12-01		
74	2027-01-01		
75	2027-02-01		
76	2027-03-01		
77	2027-04-01		
78	2027-05-01		
79	2027-06-01		
80	2027-07-01		
81	2027-08-01		
82	2027-09-01		
83	2027-10-01		
84	2027-11-01		
85	2027-12-01		
86	2028-01-01		
87	2028-02-01		
88	2028-03-01		
89	2028-04-01		
90	2028-05-01		
91	2028-06-01		
92	2028-07-01		

Table 6a - Capital Payments (Capital Payment Adjustment applied) and Major Rehabilitation Payment			
Column A		Column B	Column C
Month (t)	Month Start Date	Capital Payment (nominal dollars)	Time-Based Major Rehabilitation Payment (in October 2015 dollars)
93	2028-08-01	s.16	s.16
94	2028-09-01		
95	2028-10-01		
96	2028-11-01		
97	2028-12-01		
98	2029-01-01		
99	2029-02-01		
100	2029-03-01		
101	2029-04-01		
102	2029-05-01		
103	2029-06-01		
104	2029-07-01		
105	2029-08-01		
106	2029-09-01		
107	2029-10-01		
108	2029-11-01		
109	2029-12-01		
110	2030-01-01		
111	2030-02-01		
112	2030-03-01		
113	2030-04-01		
114	2030-05-01		
115	2030-06-01		
116	2030-07-01		
117	2030-08-01		
118	2030-09-01		
119	2030-10-01		
120	2030-11-01		
121	2030-12-01		
122	2031-01-01		
123	2031-02-01		
124	2031-03-01		
125	2031-04-01		
126	2031-05-01		
127	2031-06-01		
128	2031-07-01		
129	2031-08-01		
130	2031-09-01		
131	2031-10-01		
132	2031-11-01		
133	2031-12-01		
134	2032-01-01		
135	2032-02-01		
136	2032-03-01		
137	2032-04-01		
138	2032-05-01		
139	2032-06-01		
140	2032-07-01		
141	2032-08-01		
142	2032-09-01		
143	2032-10-01		
144	2032-11-01		
145	2032-12-01		

Table 6a - Capital Payments (Capital Payment Adjustment applied) and Major Rehabilitation Payment			
Column A		Column B	Column C
Month (t)	Month Start Date	Capital Payment (nominal dollars)	Time-Based Major Rehabilitation Payment (in October 2015 dollars)
146	2033-01-01	s.16	s.16
147	2033-02-01		
148	2033-03-01		
149	2033-04-01		
150	2033-05-01		
151	2033-06-01		
152	2033-07-01		
153	2033-08-01		
154	2033-09-01		
155	2033-10-01		
156	2033-11-01		
157	2033-12-01		
158	2034-01-01		
159	2034-02-01		
160	2034-03-01		
161	2034-04-01		
162	2034-05-01		
163	2034-06-01		
164	2034-07-01		
165	2034-08-01		
166	2034-09-01		
167	2034-10-01		
168	2034-11-01		
169	2034-12-01		
170	2035-01-01		
171	2035-02-01		
172	2035-03-01		
173	2035-04-01		
174	2035-05-01		
175	2035-06-01		
176	2035-07-01		
177	2035-08-01		
178	2035-09-01		
179	2035-10-01		
180	2035-11-01		
181	2035-12-01		
182	2036-01-01		
183	2036-02-01		
184	2036-03-01		
185	2036-04-01		
186	2036-05-01		
187	2036-06-01		
188	2036-07-01		
189	2036-08-01		
190	2036-09-01		
191	2036-10-01		
192	2036-11-01		
193	2036-12-01		
194	2037-01-01		
195	2037-02-01		
196	2037-03-01		
197	2037-04-01		
198	2037-05-01		

Table 6a - Capital Payments (Capital Payment Adjustment applied) and Major Rehabilitation Payment			
Column A		Column B	Column C
Month (t)	Month Start Date	Capital Payment (nominal dollars)	Time-Based Major Rehabilitation Payment (in October 2015 dollars)
199	2037-06-01	S. 16	S. 16
200	2037-07-01		
201	2037-08-01		
202	2037-09-01		
203	2037-10-01		
204	2037-11-01		
205	2037-12-01		
206	2038-01-01		
207	2038-02-01		
208	2038-03-01		
209	2038-04-01		
210	2038-05-01		
211	2038-06-01		
212	2038-07-01		
213	2038-08-01		
214	2038-09-01		
215	2038-10-01		
216	2038-11-01		
217	2038-12-01		
218	2039-01-01		
219	2039-02-01		
220	2039-03-01		
221	2039-04-01		
222	2039-05-01		
223	2039-06-01		
224	2039-07-01		
225	2039-08-01		
226	2039-09-01		
227	2039-10-01		
228	2039-11-01		
229	2039-12-01		
230	2040-01-01		
231	2040-02-01		
232	2040-03-01		
233	2040-04-01		
234	2040-05-01		
235	2040-06-01		
236	2040-07-01		
237	2040-08-01		
238	2040-09-01		
239	2040-10-01		
240	2040-11-01		
241	2040-12-01		
242	2041-01-01		
243	2041-02-01		
244	2041-03-01		
245	2041-04-01		
246	2041-05-01		
247	2041-06-01		
248	2041-07-01		
249	2041-08-01		
250	2041-09-01		
251	2041-10-01		

Table 6a - Capital Payments (Capital Payment Adjustment applied) and Major Rehabilitation Payment			
Column A		Column B	Column C
Month (t)	Month Start Date	Capital Payment (nominal dollars)	Time-Based Major Rehabilitation Payment (in October 2015 dollars)
252	2041-11-01	S. 16	S. 16
253	2041-12-01		
254	2042-01-01		
255	2042-02-01		
256	2042-03-01		
257	2042-04-01		
258	2042-05-01		
259	2042-06-01		
260	2042-07-01		
261	2042-08-01		
262	2042-09-01		
263	2042-10-01		
264	2042-11-01		
265	2042-12-01		
266	2043-01-01		
267	2043-02-01		
268	2043-03-01		
269	2043-04-01		
270	2043-05-01		
271	2043-06-01		
272	2043-07-01		
273	2043-08-01		
274	2043-09-01		
275	2043-10-01		
276	2043-11-01		
277	2043-12-01		
278	2044-01-01		
279	2044-02-01		
280	2044-03-01		
281	2044-04-01		
282	2044-05-01		
283	2044-06-01		
284	2044-07-01		
285	2044-08-01		
286	2044-09-01		
287	2044-10-01		
288	2044-11-01		
289	2044-12-01		
290	2045-01-01		
291	2045-02-01		
292	2045-03-01		
293	2045-04-01		
294	2045-05-01		
295	2045-06-01		
296	2045-07-01		
297	2045-08-01		
298	2045-09-01		
299	2045-10-01		
300	2045-11-01		
301	2045-12-01		
302	2046-01-01		
303	2046-02-01		
304	2046-03-01		

Table 6a - Capital Payments (Capital Payment Adjustment applied) and Major Rehabilitation Payment			
Column A		Column B	Column C
Month (t)	Month Start Date	Capital Payment (nominal dollars)	Time-Based Major Rehabilitation Payment (in October 2015 dollars)
305	2046-04-01	s.16	s.16
306	2046-05-01		
307	2046-06-01		
308	2046-07-01		
309	2046-08-01		
310	2046-09-01		
311	2046-10-01		
312	2046-11-01		
313	2046-12-01		
314	2047-01-01		
315	2047-02-01		
316	2047-03-01		
317	2047-04-01		
318	2047-05-01		
319	2047-06-01		
320	2047-07-01		
321	2047-08-01		
322	2047-09-01		
323	2047-10-01		
324	2047-11-01		
325	2047-12-01		
326	2048-01-01		
327	2048-02-01		
328	2048-03-01		
329	2048-04-01		
330	2048-05-01		
331	2048-06-01		
332	2048-07-01		
333	2048-08-01		
334	2048-09-01		
335	2048-10-01		
336	2048-11-01		
337	2048-12-01		
338	2049-01-01		
339	2049-02-01		
340	2049-03-01		
341	2049-04-01		
342	2049-05-01		
343	2049-06-01		
344	2049-07-01		
345	2049-08-01		
346	2049-09-01		
347	2049-10-01		
348	2049-11-01		
349	2049-12-01		
350	2050-01-01		
351	2050-02-01		
352	2050-03-01		
353	2050-04-01		
354	2050-05-01		
355	2050-06-01		
356	2050-07-01		
357	2050-08-01		

Table 6a - Capital Payments (Capital Payment Adjustment applied) and Major Rehabilitation Payment			
Column A		Column B	Column C
Month (t)	Month Start Date	Capital Payment (nominal dollars)	Time-Based Major Rehabilitation Payment (in October 2015 dollars)
358	2050-09-01	S. 16	S. 16
359	2050-10-01		
360	2050-11-01		
361	2050-12-01		

Table 6b) Real LRV Major Rehabilitation Payments

The values listed in Tables 6b are copied from Table 4 of the Financial Offer Form O-a of Project Co's Submission Requirement Package VLS-3.

Table 6b Real LRV Major Rehabilitation Payment		
Column A	Column B	Column C
	Total LRV Kilometres Thresholds for Rehabilitation Requirement (km, on a cumulative basis for the LRV fleet)	Real LRV Major Rehabilitation Payment (all LRVs in October 2015 dollars)
LRV Kilometre Threshold for Rehabilitation Requirement 1	s.16	s.16
LRV Kilometre Threshold for Rehabilitation Requirement 2		
LRV Kilometre Threshold for Rehabilitation Requirement 3		

s.16

A.7) Indexation Factors

The tables indicating index weights were intentionally removed from this section. Please see Appendix 2 for index weights to inform the calculation of the Operating Period Payment Index Factor, Time-Based Major Rehabilitation Payment Index Factor and LRV Major Rehabilitation Payment Index Factor.

A.8) Energy Consumption

The values listed in Table 8 are copied from the Financial Offer Form O-a Table 7 of Project Co's Submission Requirement Package VLS-3.

Table 8- Annual Energy Target

s.16

APPENDIX 2 – Indexation Factors

To account for the impact of inflation or deflation during the Operating Period, a portion of Payments to Project Co and certain Payment Adjustments will be subject to an inflation adjustment. This Appendix describes the calculation of the different inflation index factors used in this Agreement.

Operating Period Payment Index Factor (INDOM_t)

Where applicable, portions of Payments or Payment Adjustments will be adjusted for inflation using the Operating Period Payment Index Factor, where such adjustment will be based on a weighted average of the following inflation indices:

- (i) Statistics Canada's Consumer Price Index (CPI) for Alberta;
- (ii) Statistics Canada's Wage – Repair and Maintenance Employees;
- (iii) Wage increases included in the Amalgamated Transit Union's (ATU) Local 569 Collective Agreement for Trades and Maintenance Employees; and
- (iv) Wage increases included in the Amalgamated Transit Union's (ATU) Local 569 Collective Agreement for Transit Operators.

The table below describes each of these indices:

Index Name	Description	Weight
CPI	Statistics Canada. Table 326-0020, Consumer Price Index (CPI), 2011 basket, Monthly, Alberta, All items (excluding food and energy).	s.16
Wage – Repair and Maintenance Employees	Statistics Canada, CANSIM 281-0029, Average Hourly Earnings for Employees Paid by Hour, by NAICS, North American Industry Classification System (NAICS) – Repair and Maintenance 811, excluding overtime, Monthly (current dollars). Canada	
Wage rate - Trades and Maintenance Employees	Wage rates as defined in Appendix 1 of the ATU 569 Collective Agreement for a Vehicle/ Equipment Technician, Salary Admin Plan 401, Job Code 1986. If negotiations are ongoing and a wage change is pending, then the change will be estimated using available information. Any differences between actual and estimated rates will be reconciled at the end of each calendar year.	
Wage rate – Transit Operator	Wage rates as defined in Appendix 1 of the ATU 569 Collective Agreement for a Transit Operator Salary Admin Plan 401, Job Code 0927(2 nd Year). If negotiations are ongoing and a wage change is pending, then the change will be estimated using available information. Any differences between actual and estimated rates will be reconciled at the end of each calendar year.	

s.24, s.25

where:

W_1	=	Weight in percent of CPI Index as defined above;
CPI_{t-1}	=	The CPI index value as defined above, for month (t-1); for clarity, this index used is always the one published for the month that is one month earlier (t-1) than the Payment period (t);
$CPI_{t=0}$	=	The CPI index value as defined above, for October 2015;
W_2	=	Weight in percent of the Wage – Repair and Maintenance Employees Index as defined above;
$WageR\&M_{t-1}$	=	The Wage – Repair and Maintenance Employees index value as defined above for month (t-1); for clarity, this index used is always the one published for the month that is one month earlier (t-1) than the Payment period (t);
$WageR\&M_{t=0}$	=	The Wage – Repair and Maintenance Employees index value as defined above for October 2015;
W_3	=	Weight in percent of Wage rate - Trades and Maintenance Employees Index as defined above;
$WageTrades_{t-1}$	=	The Wage rate – Trades and Maintenance Employees as defined above in effect during month (t-1); for clarity, this index used is always the one published for the month that is one month earlier (t-1) than the Payment period (t);
$WageTrades_{t=0}$	=	The Wage rate – Trades and Maintenance Employees as defined above in effect during October 2015;
W_4	=	Weight in percent of the wage rate for Transit Operator as defined above;
$WageTransit_{t-1}$	=	The Wage rate – Transit Operator as defined above in effect during month (t-1); for clarity, this index used is always the one published for the month that is one month earlier (t-1) than the Payment period (t);
$WageTransit_{t=0}$	=	The Wage rate – Transit Operator as defined above in effect during October 2015.

Time-Based Major Rehabilitation Payment Index Factor (INDTBMR_t)

Time-Based Major Rehabilitation Payments will be adjusted for inflation using the Time-Based Major Rehabilitation Payment Index Factor, where such adjustment will be based on a weighted average of the following four inflation indices:

- (i) Non-Residential Building Construction Index for Edmonton;
- (ii) Statistics Canada's Consumer Price Index (CPI) for Alberta;
- (iii) Wage increases included in the Amalgamated Transit Union's (ATU) Local 569 Collective Agreement for Trades and Maintenance Employees; and
- (iv) Statistics Canada's Wage – Repair and Maintenance Employees.

The table below describes each of these indices:

Index Name	Description	Index Weight
Non-Residential Building Construction Index	Statistics Canada, CANSIM 327-0043, Price indices of non-residential building construction, Edmonton, Total Non-residential building construction. Quarterly.	s.16
CPI	Statistics Canada. Table 326-0020 - Consumer Price Index (CPI), 2011 basket, Monthly, Alberta, All items (excluding food and energy).	
Wage rate - Trades and Maintenance Employees	Wage rates as defined in Appendix 1 of the ATU 569 Collective Agreement for a Vehicle/ Equipment Technician, Salary Admin Plan 401, Job Code 1986. If negotiations are ongoing and a wage change is pending, then the change will be estimated using available information. Any differences between actual and estimated rates will be reconciled at the end of each calendar year.	
Wage –Repair and Maintenance Employees	Statistics Canada, CANSIM 281-0029, Average Hourly Earnings for Employees Paid by Hour, by NAICS (North American industry Classification System) – Repair and Maintenance 811, excluding overtime, Monthly (current dollars).Canada	

s.24, s.25

where:

W_5 = Weight in percent of Non-Residential Building Construction Index as defined above;

$Nonres_{t-1}$ = The Non-Residential Building Construction Index value as defined above, for month (t-1). For clarity, this index used is always the one published for the month that is one month earlier (t-1) than the Payment period (t). However, as the values of this index are published quarterly. The most recent preceding quarterly value of the index will be used to proxy for the value of the index on month (t-1). For example and clarity:

- for the March 2026 Payment period (t), the index value to be used of February 2026 (t-1) shall be the one available for Q4 2025.
- for the April 2026 Payment period (t), the index value to be used of March 2026 (t-1) shall be the one available for Q4 2025.
- for the May 2026 Payment period (t), the index value to be used of April 2026 (t-1) shall be the one available for Q1 2026.

$Nonres_{t=0}$ = The Non-Residential Building Construction Index value as defined above, in effect during October 2015;

W_6 = Weight in percent of CPI as defined above;

CPI_{t-1}	=	The CPI index value as defined above, for month (t-1); for clarity, this index used is always the one published for the month that is one month earlier (t-1) than the Payment period (t);
$CPI_{t=0}$	=	The CPI index value as defined above, for October 2015;
W_7	=	Weight in percent of Wage rate - Trades and Maintenance Employees Index as defined above;
$WageTrades_{t-1}$	=	The Wage rate – Trades and Maintenance Employees as defined above in effect during month (t-1); for clarity, this index used is always the one published for the month that is one month earlier (t-1) than the Payment period (t); and
$WageTrades_{t=0}$	=	The Wage rate – Trades and Maintenance Employees as defined above in effect during October 2015;
W_8	=	Weight in percent of Wage – Repair and Maintenance Employees Index as defined above
$WageR\&M_{t-1}$	=	The Wage – Repair and Maintenance Employees Index value as defined above, for month(t-1); for clarity, this index used is always the one published for the month that is one month earlier (t-1) than the Payment period (t); and
$WageR\&M_{t=0}$	=	The Wage – Repair and Maintenance Employees Index value as defined above, for October 2015.

LRV Major Rehabilitation Payment Index Factor ($INDLRVMR_t$)

LRV Major Rehabilitation Payments will be adjusted for inflation using the LRV Major Rehabilitation Payment Index Factor, where such adjustment will be based on a weighted average of the following four inflation indices:

- (i) Bureau of Labor Statistics' Railroad Equipment Product Price Index;
- (ii) Statistics Canada's Consumer Price Index (CPI) for Alberta;
- (iii) Wage increases included in the Amalgamated Transit Union's (ATU) Local 569 Collective Agreement for Trades and Maintenance Employees; and
- (iv) Statistics Canada's Wage – Repair and Maintenance Employees;

The table below describes each of these indices:

Index Name	Description	Index Weight
Railroad Equipment Product Price Index	Bureau of Labor Statistics. Producer Price Index - Commodities. Series ID: WPU144, Transportation Equipment, Railroad Equipment. Not Seasonally Adjusted. Monthly.	s. 16
CPI	Statistics Canada. Table 326-0020 - Consumer Price Index (CPI), 2011 basket, Monthly, Alberta, All items (excluding food and energy).	
Wage rate - Trades and Maintenance Employees	Wage rates as defined in Appendix 1 of the ATU 569 Collective Agreement for a Vehicle/ Equipment Technician, Salary Admin Plan 401, Job Code 1986. If negotiations are ongoing and a wage change is pending, then the change will be estimated using available information. Any differences between actual and estimated rates will be reconciled at the end of each calendar year.	
Wage –Repair and Maintenance Employees	Statistics Canada, CANSIM 281-0029, Average Hourly Earnings for Employees Paid by Hour, by NAICS (North American industry Classification System) – Repair and Maintenance 811, excluding overtime, Monthly (current dollars).Canada	

s.24, s.25

W_9	=	Weight in percent of Railroad Equipment Product Price Index as defined above;
$RREquip_{t-1}$	=	The Railroad Equipment Product Price Index value as defined above, for month (t-1). For clarity, the index used is always the one published for the month that is one month earlier (t-1) than the Payment period (t);
$RREquip_{t=0}$	=	The Railroad Equipment Product Price Index value as defined above, in effect during October 2015;
W_{10}	=	Weight in percent of CPI as defined above;
CPI_{t-1}	=	The CPI index value as defined above, for month (t-1). For clarity, the index used is always the one published for the month that is one month earlier (t-1) than the Payment period (t);
$CPI_{t=0}$	=	The CPI index value as defined above, for October 2015;
W_{11}	=	Weight in percent of Wage rate - Trades and Maintenance Employees Index as defined above;
$WageTransit_{t-1}$	=	The Wage rate – Trades and Maintenance Employees as defined above in effect during month (t-1); for clarity, this index used is always the one published for the month that is one month earlier (t-1) than the Payment period (t); and

$WageTransit_{t=0}$	=	The Wage rate – Trades and Maintenance Employees as defined above in effect during October 2015;
W_{12}	=	Weight in percent of Wage – Repair and Maintenance Employees Index as defined above
$WageR\&M_{t-1}$	=	The Wage – Repair and Maintenance Employees Index value as defined above, for month (t-1). For clarity, the index used is always the one published for the month that is one month earlier (t-1) than the Payment period (t); and
$WageR\&M_{t=0}$	=	The Wage – Repair and Maintenance Employees Index value as defined above, for October 2015.

Replacing Indices

In the event that any of the indices or data used in the calculations above become unavailable or inapplicable during the Operating Period, the Parties, acting reasonably, shall determine and substitute alternative indices or data, and any disagreement shall be resolved in accordance with Schedule 20 [Dispute Resolution Procedure].

APPENDIX 3 – Non-Performance Event Points and Default Points

1. Construction Period NPE Payment Adjustment

The Construction Period NPE Payment Adjustment for month (t) (CNPE_t) shall be determined in accordance with the following formula:

$$CNPE_t = \sum_{d=1}^D CNPE_d$$

where:

$$CNPE_d = \max[NPECrate \times (NPEBalance_d - NPECthreshold); 0]$$

CNPE _t	=	Construction Period NPE Payment Adjustment for month (t);
CNPE _d	=	Construction Period NPE Payment Adjustment for day (d);
NPECrate	=	the daily NPE Point dollar rate during the Construction Period = s.25
NPEBalance _d	=	the NPE Points Balance on Day (d) determined in accordance with Section 3 [Assignment of NPE Points], Section 4 [Calculation of NPE Points Balance] and Table 1 [Assignment of NPE Points] of this Appendix ;
NPECthreshold	=	the NPE Points threshold during the Construction Period 25(1) and
D	=	Number of days (d) in month (t).

2. Operating Period NPE Payment Adjustment

The Operating Period NPE Payment Adjustment for month (t) (ONPE_t) shall be determined in accordance with the following formula:

$$ONPE_t = \sum_{d=1}^D ONPE_d$$

where:

$$ONPE_d = \max [NPEOrate \times (NPEBalance_d - NPEOthreshold) \times INDOM_t; 0]$$

ONPE _t	=	Operating Period NPE Payment Adjustment for month (t);
ONPE _d	=	Operating Period NPE Payment Adjustment for day (d);

NPEOrate	=	the daily NPE Point dollar rate during the Operating Period s.25
NPEOthreshold	=	the NPE Points threshold during the Operating Period s.25
NPEBalance _d	=	the NPE Points Balance on Day (d) determined in accordance with Section 3 [Assignment of NPE Points], Section 4 [Calculation of NPE Points Balance] and Table 1 [Assignment of NPE Points] of this Appendix;
INDOM _t	=	Operating Period Payment Index Factor for month (t) calculated in accordance with Appendix 2; and
D	=	Number of days (d) in month (t).

3. Assignment of NPE Points

- a) Upon any occurrence of a Non-Performance Event, whether such occurrence is first identified and reported by Project Co or the City, NPE Points shall be assigned by the City in accordance with Table 1 [Assignment of NPE Points] of this Appendix;
- b) After the date of occurrence of a Non-Performance Event, if such Non-Performance Event subsists for one or more consecutive period(s) of 28 successive calendar days, then the applicable number of NPE Points (in addition to any NPE Points assigned following the initial occurrence of the Non-Performance Event) shall thereupon again be assigned for each such consecutive period(s) of 28 successive days by the City in respect of that Non-Performance Event. The additional number of NPE Points assigned in respect of a Non-Performance Event lasting longer than 28 days at any time shall be determined as follows:

$$NPEPoints_i = Points_i \times (1 + CPeriod)$$

where:

NPEPoints _i	=	The additional number of NPE Points assigned in respect of a Non-Performance Event lasting longer than 28 days;
Points _i	=	The number of NPE Points applicable to the Non-Performance Event as set out in Table 1 [Assignment of NPE Points] of this Appendix; and
CPeriod	=	The total number of 28 calendar day cycles elapsed since the date of the initial occurrence of the Non-Performance Event, as at the date of determination of the number of NPE Points outstanding.

For example and for clarity:

- if one (1) NPE Point for a Non-Performance Event is assigned on day 1 and persists for 28 consecutive days after the initial occurrence of the Non-Performance Event because the NPE Event was not rectified, then an additional one (1) NPE Point will be assigned to the NPE Points Balance on day 29, another additional one (1) NPE Point will be assigned to the NPE Points Balance on day 57, and so forth.

- for a Non-Performance Event that incurs an additional NPE Point on a daily basis and where the NPE Points persist until rectification:
 - one (1) point will be assigned per day until day 28 in respect of that Non-Performance Event;
 - on day 29, two (2) points will be assigned per day until day 56 in respect of that Non-Performance Event;
 - on day 57, three (3) points will be assigned per day until day 84 in respect of that Non-Performance Event;
 - and so forth until rectification.
- c) The City expressly reserves the right to refrain from assigning all or any portion of the NPE Points in respect of any Non-Performance Event, and the City may do so without prejudice to any of its other available rights and remedies in respect of that Non-Performance Event, and without prejudice to its right to assign NPE Points, and to exercise any of its other available rights and remedies, in respect of any other Non-Performance Event. Any such refraining by the City from assigning any NPE Points shall not excuse Project Co from performing, nor otherwise affect Project Co's obligation to perform, all of its obligations under this Agreement;
- d) Project Co shall be entitled to dispute the assignment of any NPE Points only if Project Co refers such dispute to the Dispute Resolution Procedure within 10 Business Days after its receipt from the City of notice of such assignment; and
- e) The assignment of NPE Points as contemplated in this Appendix is in addition to and not in substitution for or to the exclusion of any other rights and remedies available to the City under this Agreement or any of the other Project Documents or at law or in equity, and the City may have recourse to any one or more of all of such rights and remedies, concurrently or successively, as it shall see fit, without prejudice to any of its other available rights and remedies.

4. Calculation of NPE Points Balance

- a) The NPE Points Balance shall be calculated as follows

$$NPEBalance_d = \sum_{i=1}^x NPEPoints_{i,d}$$

where:

$NPEBalance_d$ = The NPE Point Balance on day (d);

$NPEPoints_{i,d}$ = NPE Points in effect on day (d) for Non-Performance Event (i), where:

- i. The number of NPE Points to be awarded for each occurrence of a Non-Performance Event is provided in the column under the heading "Maximum NPE Points per Non-Performance Event" of Table 1 [Assignment of NPE Points] of this Appendix, as applicable;
- ii. NPE Points shall persist from the Date of Allocation of the NPE Point as indicated in the Column under the heading "Persistence of NPE Points within NPE Points Balance" of Table 1 of this Appendix, as applicable, to the date NPE Points are removed from the NPE Point Balance as indicated under the heading "Date NPE Points removed from NPE Points Balance" of Table 1 [Assignment of NPE Points] of this Appendix, as applicable.

NPE Points will be deducted from the NPE Points Balance at the end of the day indicated under the heading "Date NPE Points removed from NPE Points Balance" of Table 1 [Assignment of NPE Points] of this Appendix, as applicable.

5. Assignment of Default Points

Default Points shall be assigned to Project Co on the basis set out below:

- a) If the NPE Points Balance on a day equals or exceeds 150 Points, the City may, in its discretion, assign to Project Co one (1) Default Point for every 150 Points in the NPE Points Balance. Upon any such assignment of a Default Point, the then current NPE Points Balance shall be reduced by 150 NPE Points (on a first-in first-out basis). Notwithstanding such NPE Points Balance reduction, the obligations of Project Co to remedy the Non-Performance Events in relation to these 150 Points shall remain, and any additional NPE Points shall be awarded in relation to these Non-Performance Events at a rate and level of compounding as if the 150 NPE points had remained in the NPE Points Balance.
- b) In addition to the other provisions in this Section, in respect of any of the following events, the City may assign, in its discretion, up to the maximum number of Default Points as is set out in Table 2 [Assignment of Default Points] of this Appendix 3 under the heading "Number of Default Points" in respect of such event.
- c) Default Points will persist for five (5) years after the "Date of Allocation of Default Points" indicated in Table 2 [Assignment of Default Points] of this Appendix.
- d) Project Co shall be entitled to dispute the assignment of any Default Point only if Project Co refers such dispute to the Dispute Resolution Procedure within 10 Business Days after its receipt from the City of notice of such assignment.
- e) The City's right to assign Default Points as contemplated by this Appendix is in addition to and not in substitution for or to the exclusion of any other rights and remedies available to the City under this Agreement or any of the other Project Documents or at law or in equity, and the City may have recourse to any one or more or all of such rights and remedies, concurrently or successively, as it shall see fit, without prejudice to any of its other available rights and remedies.

6. Calculation of Default Points Balance

The Default Points Balance on day (d) shall be calculated as follows

$$DBalance_d = \sum_{i=1}^x DPoints_{d,i}$$

where:

$DBalance_d$ = Default Point Balance on day (d);

$DPoints_{i,d}$ = Default Points in effect on day (d) for Event (i), where:

- i. The number of Default Points for Event (i) are assigned pursuant to Section 5 [Assignment of Default Points] of this Appendix; and
- ii. Once assigned Default Points shall subsist in the Default Points Balance for a period determined in accordance with Section 5(c) [Assignment of Default Points] of this Appendix.

7. Number of Default Points constituting a Termination Event

A Default Points Balance on day (d) equal to or greater than **S.25** Default Points as calculated in accordance with Section 5 [Assignment of Default Points] and Section 6 [Calculation of Default Points Balance] of this Appendix constitutes a Termination Event pursuant to Section 16.7 [Termination Events] of the Agreement.

8. Recording and Monitoring of NPE Points and Default Points

Within 90 days after the Effective Date, Project Co shall fully implement, and shall maintain throughout the Term, an NPE Point and Default Point Tracking System to monitor the status of all NPEs and Default Points. The NPE and Default Point Tracking System shall mirror the requirements set out in Section 9.2 [Nonconformity Report Tracking System] of Schedule 9 [Quality Management]. In particular, the NPE and Default Point Tracking System shall:

- a) comprise a single repository containing both Project Co and City initiated NPE Points and Default Points;
- b) directly link the NPE to the associated Nonconformity Report in the Nonconformity Tracking System;
- c) provide remote access (including the ability to search) to the current NPE Points Balance and Default Points Balance and status including any relevant data and supporting material for each NPE or Default Event to both Project Co and City, without payment using a secure online Internet based system, acceptable to the City acting reasonably;
- d) include links to Corrective Actions and any Preventive Actions, if applicable related to the associated Nonconformity;

- e) have the capability to produce summary reports of NPEs for delivery to the City. These records shall show a detailed breakdown on an item per item basis of: the opening balance of NPE Points and Default Points on day (d); the NPE Points and Default Points awarded during day (d); the NPE Points and Default Points removed from the NPE Point Balance and Default Point Balance on day (d) and the closing balance of NPE Points and Default Points on day (d); and
- f) have built-in query functionality that can be used to produce ad hoc written summary reports.

TABLE 1: ASSIGNMENT OF NPE POINTS

NPE Ref.	Schedule	Non-Performance Event (Note 1)	Schedule clause reference	Maximum NPE Points per Non-Performance Event (Note 2)	Date of Allocation of NPE Points to NPE Points Balance (Note 3)	Persistence of NPE Points within NPE Points Balance (Note 4)	Date NPE Points removed from NPE Points Balance
PA.1	Project Agreement Main Body	The third and each subsequent failure to provide any report in respect of the record of all events, developments or circumstances described in Sections 1.2 to 1.5 of the Project Agreement within the specified time frame.	1.6 (a)	s.25	Each week following the report due date	Rectification	Day after receipt of report
PA.2	Project Agreement Main Body	The third and each subsequent failure to promptly provide any written report to the City in respect of any development or circumstances that arises that triggers, or could be reasonably expected to trigger after the lapse of time, the right of Project Co or a Project Contractor to exercise a right of termination of a Project Contract, or to suspend a material right or obligation under a Project Contract.	1.6 (c)		Each week following the report due date	Rectification	Day after receipt of report
PA.3	Project Agreement Main Body	The third and each subsequent failure to provide the City with prompt access to Project Contract records in the form described in the Project Requirements	1.6 (d)		Each week following the City's access request	Rectification	Day after City's access provided
2.1	2	Failure to provide Submittals by a due date required or established under this Agreement or in reference to or relative to a due date required or established under this Agreement.	n/a		5 days following the applicable due date	Rectification	Day after Submittal has been received by City
2.2	2	Implementing or permitting the implementation of any activity, including any Design, Construction, Operations or Maintenance activity, which is the subject of a Submittal until the applicable Submittal has been "Accepted" or deemed "Accepted" in accordance with this Schedule.	2.2		Each day after the activity is reported by Project Co or observed by City	Rectification	Day after revised document has been "Accepted" or deemed "Accepted"
4.1	4	Failure to deliver Record Drawings by the due date specified in the Project Requirements.	12.3		Each week following the due date relative to Service Commencement	Rectification	Day after receipt of all Record Drawings

NPE Ref.	Schedule	Non-Performance Event (Note 1)	Schedule clause reference	Maximum NPE Points per Non-Performance Event (Note 2)	Date of Allocation of NPE Points to NPE Points Balance (Note 3)	Persistence of NPE Points to NPE Points Balance (Note 4)
4.2	4	Failure to rectify a Tawatinâ Bridge SUP Deficiency, a Kâhasinîskâk Bridge Deficiency, an Early Handover Deficiency or a Service Commencement Deficiency by the respective Deficiency Deadline.	13.1.9 13.2.9 13.3.9 14.10	s.25	Each week following the relevant Deficiency Deadline	Rectification
5.1	5	Project Co or a Project Co Person is noncompliant with the Noise Control requirements in the City of Edmonton Community Standards Bylaw 14600 such that more than 1 noise bylaw infraction in respect of the Project is existing over a rolling 28 day period that resulted from a warning or fine issued by a City bylaw officer.	1-3.6		Day following the noise bylaw infraction	Until existing 1 or less bylaw infractions existing over a rolling 28 day period
5.2	5	Failure to install required temporary fences, Property Fences or Noise Walls by the associated due date specified in the Project Requirements.	1-2.2		Each day after the due date	Rectification
5.3	5	Failure to permit passage of an Over-Dimensional Vehicle on the High Load Corridor during the Construction Period.	1-2.9		Day following the failure	28 day period
5.4	5	Failure to satisfy the access and signage conditions for the Muttart Conservatory in accordance with the Project Requirements	1-3.1.4		Each day following the failure	Rectification
5.5	5	Failure to establish annually between October 15 and April 15 of the subsequent year the grading of any Site in the vicinity of the NSRV Ski Hill in accordance with the Project Requirements.	1-3.1.5 B and 1-3.1.5 E		Each day following the failure	Rectification
5.6	5	Causing Construction activity or equipment and/or material storage to occur on or in the vicinity of the NSRV Ski Hill outside of the specified timeframes.	1-3.1.5 C, 1-3.1.5 D and 1-3.1.5 E		Each day following the failure	Rectification
5.7	5	Failure to meet the time period required between the closure of the Existing Connors Road Footbridge and the opening of the Kâhasinîskâk Bridge.	1-3.1.6.A		Each day following the failure	Rectification

NPE Ref.	Schedule	Non-Performance Event (Note 1)	Schedule clause reference	Maximum NPE Points per Non-Performance Event (Note 2)	Date of Allocation of NPE Points to NPE Points Balance (Note 3)	Persistence of NPE Points to NPE Points Balance (Note 4)
5.8	5	Failure to maintain the Availability of the Tawatinâ Bridge SUP between the date on which the Tawatinâ Bridge SUP Completion Certificate has been issued and the Service Commencement Date	1-3.1.6.B	25(1)	Each 6 hour period that the Tawatinâ Bridge SUP is not Available	Rectification
5.9	5	Failure to provide pedestrian access across the Existing Whitemud Drive Bridge, and to existing sidewalks at each end of the bridge, at all times between closure of the existing sidewalk on the west side of the Existing Whitemud Drive Bridge and issuance of the Early Handover Completion Certificate for the Whitemud Drive Pedestrian Bridge.	1-3.1.6.D		Each 6 hour period that the pedestrian access across the Existing Whitemud Drive Bridge, and to existing sidewalks at each end of the bridge, is not Available	Rectification
5.10	5	Failure to maintain Availability of the Whitemud Drive Pedestrian Bridge after the Early Handover Completion Certificate has been issued for the Whitemud Drive Pedestrian Bridge.	1-3.1.6.D		Each 6 hour period that the Whitemud Drive Pedestrian Bridge is not Available	Rectification
5.11	5	Use of the North River Bank Tunnel Approach Access Road to provide Construction access and egress outside specified timeframes.	1-3.4.3		Day following the Nonconformity	10 days
5.12	5	Exceedance of building vibration thresholds during Construction Period.	1-3.7		Day following the vibration threshold exceedance	28 days
5.13	5	Failure to provide City access to install Public Art in accordance with the Project Requirements	2-7		Each day following the Nonconformity	Rectification

NPE Ref.	Schedule	Non-Performance Event (Note 1)	Schedule clause reference	Maximum NPE Points per Non-Performance Event (Note 2)	Date of Allocation of NPE Points to NPE Points Balance (Note 3)	Persistence of NPE Points to NPE Points Balance (Note 4)
5.14	5	Removal of a tree that has not been identified to be removed in the Tree Retention, Relocation, Removal and Protection Plan.	2-14.13	s.25	Day following the tree removal	28 days
5.15	5	Damage to a Protected Tree is equal to or greater than 30% of the tree, including tree trunk, canopy and root system, as described in the Project Requirements and the Dbh of the tree is less than or equal to 300 mm.	2-14.13.6.B.5		Day following the occurrence of damage	28 days
5.16	5	Damage to a Protected Tree is equal to or greater than 30% of the tree, including tree trunk, canopy and root system, as described in the Project Requirements and the Dbh of the tree is greater than 300 mm.	2-14.13.6.B.5		Day following the occurrence of damage	28 days
5.17	5	Failure to carry out Cast in Place Concrete cold weather protection in accordance with the Project Requirements.	4-4.4.16		Each day following the Nonconformity during the required cold weather protection period	28 days
5.18	5	Failure to carry out Cast in Place Concrete wet curing in accordance with the Project Requirements.	4-4.4.18		Each day following the Nonconformity during the required curing process	28 days
5.19	5	City inspectors are required by Project Co to witness Commissioning of Traffic Signal Equipment at any intersection on more than two occasions.	6-3.3.2.C.7		Day following City inspectors' witnessing event	Rectification
7.1	7	Failure to maintain the noise or vibration levels from the System to below those specified in the Project Requirements during the Operating Period.	1.1 (c) (vi)		28 days after identification of each failure and then each week thereafter	Rectification
7.2	7	Failure to maintain ride quality on the System in accordance with the Project Requirements	1.1 (c) (vii)		28 days after identification of each failure and then each week thereafter	Rectification
7.3	7	Failure to make a facility Available in accordance with the Project Requirements.	5.1		Day after failure	7 days

NPE Ref.	Schedule	Non-Performance Event (Note 1)	Schedule clause reference	Maximum NPE Points per Non-Performance Event (Note 2)	Date of Allocation of NPE Points to NPE Points Balance (Note 3)	Persistence of NPE Points to NPE Points Balance (Note 4)
7.4	7	Any On-Track Vehicle stored on a pocket track or siding for longer than the acceptable timeframes stated in Project Requirements, without prior agreement from the City.	5.8.2	s.25	Day of notification of event	14 days
7.5	7	Failure to fully clear all Grade Crossing without stopping and within 30 seconds of passing the associated Check-in B point or release the associated track circuit as specified in the Project Requirements.	5.8.4		Day of notification of event	14 days
7.6	7	Failure to conduct the external safety management peer reviews of the System Safety Program in accordance with the Project Requirements.	6.3		90 days after due date for conduct of peer review	Rectification
7.7	7	Failure to make service disruption announcements in accordance with the Project Requirements.	7.2.6.2		Day of notification of event	7 days
7.8	7	Failure to agree a time and date for the passage of an Over-Dimensional Vehicle across the System in accordance with the Project Requirements.	7.5		2 Business Days following Project Co's receipt of the request from the transportation carrier	Rectification
7.9	7	Failure to permit passage of an Over-dimensional Vehicle on the High Load Corridor across the System during the Operating Period.	7.5		Day following the failure to permit the movement once agreed	28 days
7.10	7	Failure to provide access to an LRV and facilities for the City to apply external advertising vinyls as specified in the Project Requirements..	7.6		Day of notification of event	14 days
7.11	7	Display or broadcast, via PA or VMS on-board LRVs or on Stops and Stations, of messages not permitted by the Project Requirements.	7.8.1		Day of notification of event	7 days

NPE Ref.	Schedule	Non-Performance Event (Note 1)	Schedule clause reference	Maximum NPE Points per Non-Performance Event (Note 2)	Date of Allocation of NPE Points to NPE Points Balance (Note 3)	Persistence of NPE Points to NPE Points Balance (Note 4)
7.12	7	Failure to complete the annual Customer Satisfaction Surveys by the due date specified in the Project Requirements.	7.9.1	s.25	First day of the year following the year in which the survey was not undertaken.	Rectification
7.13	7	Failure to complete the monthly System Quality Survey by the due date specified in the Project Requirements.	7.9.2		First day of the month following the month in which the survey was not undertaken.	Rectification
7.14	7	Failure to maintain the Availability of the Kahasiniskak Bridge as specified in the Project Requirements.	9.1 (i)		Each 6 hour period that the Kahasiniskak Bridge is not Available	Rectification
7.15	7	Failure to maintain the Availability of the Tawatinâ Bridge SUP as specified in the Project Requirements.	9.1 (j)		Each 6 hour period that the Tawatinâ Bridge SUP is not Available	Rectification
7.16	7	Failure to provide the City with five days' notice of any inspection and testing activities with a scheduled interval of 12 months or more.	9.2		Day of notification of inspection or testing activity	28 days
7.17	7	Failure to comply with the Winter Maintenance Strategy, except for the clearance of snow and ice from Stations and Stops.	9.5		Day of notification of event	14 days
7.18	7	Failure to perform Custodial Maintenance which is scheduled to be carried out daily with the Custodial Maintenance Plan	9.6		Day of notification of event	7 days
7.19	7	Failure to perform planned Custodial Maintenance scheduled to be undertaken at a frequency of 2 days to 1 week, within 1 day of the scheduled date as specified in the Custodial Maintenance Plan.	9.6		Day of notification of event	Rectification
7.20	7	Failure to perform planned Custodial Maintenance scheduled to be undertaken at a frequency of more than 1 week, within 3 days of the scheduled date, as specified in the Custodial Maintenance Plan.	9.6		Day of notification of event	Rectification

NPE Ref.	Schedule	Non-Performance Event (Note 1)	Schedule clause reference	Maximum NPE Points per Non-Performance Event (Note 2)	Date of Allocation of NPE Points to NPE Points Balance (Note 3)	Persistence of NPE Points to NPE Points Balance (Note 4)
7.21	7	Failure to undertake Maintenance at the Stops and Stations within the response time period identified in the Project Requirements. Number of NPE Points depends on the failure category (i.e. critical failure, urgent failure and routine failure).	10.1	S.25	The day the response time has elapsed as specified in the Project Requirements.	14 days
7.22	7	Failure to respond to and to carry out Corrective Maintenance, Reactive Maintenance or suitable mitigation to any Traffic Control Device and other signals in accordance with the Project Requirements..	10.9.4		At the time of failure to respond and every 2 hours subsequently for high priority and for every day for low priority incidents	14 days
7.23	7	Failure to make a minimum of 80% of the total parking stalls in the Davies Park and Ride Available for use in accordance with the Project Requirements.	10.14 (a)		For each day for each 5% in excess of the allowance	7 days
7.24	7	Failure to provide notification to the City of bus bay closures at the Davies Transit Centre or occupation for longer than the permitted duration in accordance with the Project Requirements.	10.14 (b)		For each day on which any bay is occupied without the applicable notification or beyond the permitted duration	7 days
7.25	7	Failure to permit the movement of buses in and out of the Davies Transit Centre.	10.14 (c)		For each day on which movement is obstructed	7 days

NPE Ref.	Schedule	Non-Performance Event (Note 1)	Schedule clause reference	Maximum NPE Points per Non-Performance Event (Note 2)	Date of Allocation of NPE Points to NPE Points Balance (Note 3)	Persistence of NPE Points to NPE Points Balance (Note 4)
7.26	7	Failure to remove defective LRVs from Passenger Service according to the Project Requirements. Number of NPE Points depends on the failure category (i.e. critical service failure, urgent service failure and routine service failure).	10.17.2	S.25	On the day of the incident	14 days
9.1	9	Failure to obtain and maintain certification of the Quality Management System from an accredited ISO 9001:2008 Standard certification agency in accordance with the Project Requirements.	2.2		Day after due date for certification	Rectification
9.2	9	Upon discovery of a Nonconformity, failure to enter a Nonconformity Report into the Nonconformity Tracking System within two Business Days of the discovery.	9.1 (a)		Day after due date of entry	Rectification
9.3	9	Failure to complete the Proposed Plan within the time identified in Nonconformity Report in the Nonconformity Tracking System.	9.1 (c)		Day after the due date for completing the Proposed Plan	Rectification
9.4	9	Failure to implement the Final Plan and rectify the Nonconformity within the time identified in Nonconformity Report in the Nonconformity Tracking System.	9.1 (c)		Day after the due date for implementation and rectification	Rectification
9.5	9	Failure to implement, document and verify implementation of the Final Plan in Nonconformity Report in the Nonconformity Tracking System	9.1 (c)		Day after the due date for documentation and verification	Rectification

NPE Ref.	Schedule	Non-Performance Event (Note 1)	Schedule clause reference	Maximum NPE Points per Non-Performance Event (Note 2)	Date of Allocation of NPE Points to NPE Points Balance (Note 3)	Persistence of NPE Points to NPE Points Balance (Note 4)
9.6	9	Failure to identify and report a Nonconformity (a) for which the City has issued a Nonconformity Report; and (b) which the City, acting reasonably, considers that Project Co ought to have identified and reported before the City did so.	9.1 (d)	s.25	Day that City issues a Nonconformity Report	28 days
9.7	9	Failure to fully implement within 90 days after the Effective Date, and thereafter maintain throughout the Term, a Nonconformity Tracking System in accordance with the Project Requirements.	9.2		Each week after due date for system operation	Rectification
9.8	9	Failure to adhere to a Final Plan by way of a repeated Nonconformity.	n/a		Day after Nonconformity	The greater of 28 days or Rectification
9.9	9	Failure to address any Quality Audit finding by the due date specified in the Project Requirements.	n/a		Day after due date	Rectification
10.1	10	Breach of an Environmental Law or Environmental Permit.	1.2(4)		If rectifiable: Each week after the breach occurs If not rectifiable: Day after Nonconformity	If rectifiable: 28 days after breach occurs If not rectifiable: 28 days
10.2	10	Starting any Project Work that involves any physical disturbance of the Lands until all elements of the EMS and all Environmental Plans applicable to that Project Work have been "Accepted" or deemed "Accepted" in accordance with the Review Procedure.	1.8.1(5)		Each day that work is undertaken without the EMS or Environmental Plan having been "Accepted" or deemed "Accepted"	Rectification
10.3	10	Failure to conduct any monitoring or inspection as required under the EMS, including any Environmental Plan.	1.8.4(3)		Day after monitoring or inspection was due	28 days
10.4	10	Failure to provide required monitoring reports by the specified date.	1.8.4(4)		Every two days after the due date	Rectification

NPE Ref.	Schedule	Non-Performance Event (Note 1)	Schedule clause reference	Maximum NPE Points per Non-Performance Event (Note 2)	Date of Allocation of NPE Points to NPE Points Balance (Note 3)	Persistence of NPE Points to NPE Points Balance (Note 4)
10.5	10	Failure to notify the City within 12 hours after: (i) Project Co or a Project co person knows of any breach of, or failure to comply with, any Environmental Law or Environmental Permit, or (ii) receipt of any charge, order, investigation or notice of violation or non-compliance issued against Project Co or any Project Co Person under any Environmental Law or Environmental Permit, or (iii) Project Co or a Project co person knows of any notice, claim, action or other proceeding by any Person or Governmental Authority against Project Co or any Project Co Person.	1.8.4(5)	s.25	Each day after the failure to notify	Rectification
10.6	10	Failure to submit to the City a copy of the proposed report to a Governmental Authority within the specified timelines prior to submitting the report to the Governmental Authority.	1.8.4(5), 1.13(7)		Each day after the due date	Rectification
10.7	10	Failure to conduct either internal or external audits of the EMS in accordance with the Project Requirements.	1.8.5(1) and 1.8.6(1)		Day after due date	Rectification
10.8	10	Vegetation clearing in an area described in Section 1.9.1(2) during the period 05 May to 20 August.	1.9.1(2)		Day after clearing commences	28 days
10.9	10	Failure to remove vegetation only to ground level and leave root networks intact until earthworks begin and ESC measures are in place.	1.10(2)		Each week prior to commencement of earthworks	Rectification
10.10	10	Failure to remove vegetation and waste from the Lands within the times specified.	1.10(5)		Every three days of delay	Rectification
10.11	10	Burning of waste, debris or vegetation cleared from the Lands.	1.10(4)		Day after burning occurs	28 days

NPE Ref.	Schedule	Non-Performance Event (Note 1)	Schedule clause reference	Maximum NPE Points per Non-Performance Event (Note 2)	Date of Allocation of NPE Points to NPE Points Balance (Note 3)	Persistence of NPE Points to NPE Points Balance (Note 4)
10.12	10	Failure to notify the City within 24 hours if Project Co or a Project Co Person knows or has reasonable grounds to suspect that any location outside the boundaries of the Known Contaminated Sites contains Contamination or if a Possible Contaminated Site is confirmed as having Contamination or that any Contamination not previously identified in the reports listed in Section 1.12(3) of Schedule 10 is located within the boundaries of a Known Contaminated Site	1.12(5)(b)(iv)	s.25	Each day after the notification date	Rectification
10.13	10	Commencing any ground disturbance on the OMF Site before the Contamination Management Plan for the OMF site has been "Accepted" or deemed "Accepted" under the Review Procedure.	1.12(5)(a)		Each day that work is undertaken without the Contamination Management Plan having been "Accepted" or deemed "Accepted"	Rectification
10.14	10	Failure to report to the City within 24 hours of Project Co or Project Co Person knowledge if Contamination described in any of Sections 1.12(9)(b),(c) or (d) occurs.	1.12(7)		Each day after the due date	Rectification
10.15	10	Failure to meet the specified annual waste diversion standard.	1.13(1)(q)		Day after failure identified	28 days
10.16	10	Failure to verbally notify the City within 24 hours of Project Co or Project Co Person knowledge the occurrence of any spill or other release of a Hazardous Substance or any other substance regulated under Environmental Laws.	1.13(7)		Each day after the due date	Rectification
10.17	10	Failure to rectify a Deficiency by a Reclamation Deficiency Deadline.	1.19(5)(b)		Each week following the Reclamation Deficiency Deadline	Rectification
10.18	10	Clearing more than 2 weeks in advance of earthworks.	1.23(6)		Each week prior to the two week requirement	Rectification

NPE Ref.	Schedule	Non-Performance Event (Note 1)	Schedule clause reference	Maximum NPE Points per Non-Performance Event (Note 2)	Date of Allocation of NPE Points to NPE Points Balance (Note 3)	Persistence of NPE Points to NPE Points Balance (Note 4)
10.19	10	Failing to monitor SE402 for erosion.	1.23(11)	s.25	First Monday after the week in which the monitoring was to occur	28 days
10.20	10	Failure to commence carrying out the measures set out in the remediation plan by the later of (a) 48 hours after the plan has been "Accepted" or deemed "Accepted" by the City, and (b) the date scheduled in the plan for the commencement of the work in such "Accepted" or deemed "Accepted" plan.	1.23(11)		Day after failure	Rectification
10.21	10	Failure to restore/revegetate after any construction during the Operating Period within 30 days after completion of the work or if excavation or disturbance occurs when the ground is frozen by not later than June 30	1.23(13)		Every two weeks following the 30 day restoration/ revegetation period or following June 30 as applicable	Rectification
10.22	10	Failure to report an ALRVC within the specified time frame.	1.23(14)		Day after report due date	Rectification
10.23	10	Failure to remove all debris resulting from any ALRVC within the specified time frame.	1.23(14)		Day after the due date and then each week thereafter	Rectification
11.1	11	Failure to obtain a Certificate of Recognition ("COR") before undertaking any portion of the Project Work and thereafter maintaining a COR throughout the Term or failure to obtain and maintain a valid Temporary Letter of Certification ("TLC") in accordance with the Project Requirements.	1.4 and 1.6		Each day after the portion of Project Work commences without a COR or TLC	Rectification
11.2	11	Failure to implement, and as far as is reasonably practicable ensure that all Project Co Persons engaged in the Project Work comply with, the Health and Safety Management System.	2.2		Day after failure to implement or failure to comply, as applicable	28 days

NPE Ref.	Schedule	Non-Performance Event (Note 1)	Schedule clause reference	Maximum NPE Points per Non-Performance Event (Note 2)	Date of Allocation of NPE Points to NPE Points Balance (Note 3)	Persistence of NPE Points to NPE Points Balance (Note 4)
11.3	11	Failure to implement, and as far as is reasonably practicable ensure that all Project Co Persons engaged in the Project Work comply with, the accepted Emergency Response Plan.	2.5	s.25	Day after the failure to implement or failure to comply, as applicable	28 days
11.4	11	Failure to prepare and submit a Safety Management Plan covering the applicable Construction, Operations or Maintenance activities in accordance with the Project Requirements.	3.4		Day after the due date	Rectification
11.5	11	Failure to implement, and as far as is reasonably practicable ensure that all Project Co Persons engaged in the Project Work comply with, each applicable accepted SMP.	3.5		Day after failure to implement or failure to comply, as applicable	28 days
11.6	11	Failure to provide the required site orientation and safety training for City Persons, Other Contractors and Project Co Persons.	5.1 and 5.2		Day after the occurrence	Rectification
11.7	11	Failure to investigate and report an accident or incident in accordance with the Project Requirements.	7.1		Day after due date to investigate or report the incident or accident	Rectification
11.8	11	Failure to implement the Corrective Actions identified in the applicable accident or incident report within the required timeframe.	7.1		Day after the due date	Rectification
11.9	11	Failure to notify the City in writing of an order, including a "stop-work order", within 24 hours after receipt.	7.4		Day after issuance of the order	28 days
12.1	12	Failure to meet a response time in accordance with a Communication Response Requirement.	1.9		Day following deadline associated with Communication Response Requirement	14 days

NPE Ref.	Schedule	Non-Performance Event (Note 1)	Schedule clause reference	Maximum NPE Points per Non-Performance Event (Note 2)	Date of Allocation of NPE Points to NPE Points Balance (Note 3)	Persistence of NPE Points to NPE Points Balance (Note 4)
12.2	12	Failure to maintain complete records of public communications and public engagement activities and provide these records on a bi-weekly basis to the Communications Working Group.	5.1	s.25	Day following due date of records	Rectification
18.1	18	Failure to provide Project Records within 7 days of receipt of a written request from the City.	2(c)		Day after breach occurs	28 days
18.2	18	Failure to notify the City of unauthorized use, access, or disclosure of records containing personal information or third party business information within 24 hours of Project Co becoming aware of such unauthorized use, access or disclosure.	11		Day after breach occurs	28 days
19.1	19	Failure to implement the accepted Records Management Protocol on the Effective Date	2 (b)		5 days after due date	Rectification
29.1	29	Failure to report a Security Incident or Potential Incident to the City and the applicable Emergency Services within the time specified in the Project Requirements.	3.1		Day after failure to report the Security Incident or Potential Incident	28 days
29.2	29	Permitting a Project Co Person to perform any Security Sensitive Work, unless such individual has successfully completed a Background Check that was initiated not more than 6 months prior to first performing any Security Sensitive Work	4.1		Day after Project Co Person performs any Security Sensitive Work	Rectification
29.3	29	Failure to conduct a repeat Background Check within the time frame specified in the Project Requirements.	4.2		Day after due date for repeat Background Check	Rectification

Notes:

1. Non-Performance Events under this heading describe a failure to comply with the Project Requirements described in the associated section references and in the Project Requirement prevails.
2. The City may, in its discretion, award less than the NPE Points listed in the Maximum NPE Points per Non-Performance Event column
3. Means points will be allocated for each time period indicated, or any part thereof, unless stated otherwise in this Appendix
4. Key for Persistence of NPE Points within NPE Points Balance:
 - Xdays = number of days from and including the day of initial allocation
 - Rectification = up to and including the day of Rectification

TABLE 2 ASSIGNMENT OF DEFAULT POINTS

Default Point Ref.	Schedule	Default Point Event (Note 1)	Schedule clause reference	Maximum Number of Default Points (Note 2)
PA.1	Project Agreement Main Body	Failure to abide by a City stop work order	5.5	s.25
5.1	5	Failure to accommodate festivals & events (Edmonton Folk Music Festival, Red Bull Crashed Ice Event, Edmonton Dragon Boat Festival) in accordance with the Project Requirements.	1-3.1.2	
5.2	5	Failure to complete Construction in Area 1 of Sir Winston Churchill Square by the end date of April 30, 2018 or April 30, 2019 as applicable and as specified in the Project Requirements.	1-3.1.2	
7.1	7	Failure to meet any monthly Service Performance Measure target, according to Appendix 7-C [<i>Service Performance Measures</i>] of Schedule 7 [<i>Operations and Maintenance Requirements</i>], by more than 10% over a five (5) consecutive month period	n/a	
10.1	10	Being responsible for more than one Major Environmental Breach in a rolling 30 day period or more than 5 Major Environmental Breaches in any rolling 6 month period.	n/a	
11.1	11	Failure by Project Co, or any Project Co Person providing services or work on the Project, to comply with any order issued pursuant to Applicable Law relating to occupational health and safety, including the <i>Occupational Health and Safety Act</i> (Alberta) and the <i>Workers Compensation Act</i> (Alberta)..	3.3	
11.2	11	Occurrence of an injury or accident in relation to the Project Work that is reportable pursuant to Section 18 of the <i>Occupational Health and Safety Act</i> (Alberta) and which either: a) results in a conviction or order against Project Co or a Project Co Person; or b) causes a fatality or serious injury to a Project Co Person or a City Person while they are working where such fatality or serious injury was caused or contributed to by Project Co or a Project Co Person.	7.1 (c)	

Notes:

1. Default Point Events under this heading describe a failure to comply with the Project Requirements described in the associated section references and in the event of a conflict, the Project Requirement prevails.
2. The City may, in its discretion, award less than the Default Points listed in the Maximum Number of Default Points column

APPENDIX 4 - Energy

1. ENERGY SUPPLY AND CONSUMPTION

1.1 Energy Supply and Payment

During the Construction Period, Project Co shall be responsible for the supply, delivery and payment of all Energy required for the Design and Construction, including all Energy required for Commissioning of the System.

During the Operating Period:

- (a) Project Co shall be responsible for the supply, delivery and payment of all water for the System, including all water required for Operation and Maintenance in accordance with, and to the standards set out in, the O&M Requirements;
- (b) Project Co shall be responsible for the supply, delivery and payment of all fuel required for testing and operation of backup generators forming part of, or otherwise required for, the System; and
- (c) the City shall, subject to Sections 2 *[Energy Guarantee]* and 3 *[Sharing Pain and Gain]* of this Appendix, be responsible for the payment of all electricity and gas required for the System, including all electricity and gas required for Operation and Maintenance of the System in accordance with, and to the standards set out in, the O&M Requirements.

The City shall be responsible for any Power Factor Surcharges and any Demand Charges.

1.2 Measurement of Energy Consumption

Prior to the Service Commencement Date, Project Co shall install all equipment required to measure, record and monitor consumption of each type of Energy used by the System. All revenue class meters shall be ANSI C12.1 compliant. Upon installation, Project Co shall test the meters in accordance with ANSI C12.1 or provide evidence that meters were tested by the manufacturer in accordance with ANSI C12.1. The following City Loads shall be separately metered, using revenue class meters:

- (a) City Offices at the Gerry Wright OMF;
- (b) the security office at Davies Station;
- (c) the retail space at Davies Station;
- (d) City Cabinets. and
- (e) elevators at all applicable stations.

After the Service Commencement Date, Project Co shall separately measure, in a manner that is auditable by the City, the actual load presented by:

- other City Loads not metered as part of items (a) to (d) above;
- unmetered street light and Traffic Signal loads.

These loads shall be deducted from the calculation leading to the Energy Consumption.

All equipment for measuring, recording and monitoring consumption of Energy shall be suitable for detailed measurement and monitoring of Energy trends and consumption in accordance with the requirements of the following CaGBC LEED v4 credits:

- Fundamental Commissioning and Verification;
- Building-level Energy Metering;
- Enhanced Commissioning; and
- Advanced Energy Metering credits.

1.3 Calibration of Energy Monitoring Equipment

Prior to the Service Commencement Date and at least annually thereafter throughout the Term, Project Co shall cause an independent qualified expert, acceptable to Project Co and the City, acting reasonably, to calibrate the Energy Consumption measurement and monitoring equipment.

Promptly following completion of each calibration, Project Co shall cause the independent qualified expert to provide a certificate to Project Co and the City, confirming calibration of the Energy Consumption measurement and monitoring equipment in accordance with ANSI C12.1.

1.4 Recording and Storage of Energy Data

Project Co shall collect and store all Energy Consumption information in a centralized database in such a way that it cannot, under any circumstances, be lost, degraded, adjusted or otherwise modified. The database shall be capable of being interrogated remotely by the City in accordance with Section 8 [Remote Data Queries] of Schedule 7 [O&M Requirements].

1.5 Energy Consumption Data

Promptly after the end of each month following the Service Commencement Date, Project Co shall deliver to the City, as part of the applicable Performance Monitoring Report, a certificate showing:

(a) total Energy Consumption during that month, along with a breakdown showing:

(1) electricity consumption:

- (i) by the Traction Power System (real time);
- (ii) at the Stops, Stations and the Churchill Connector (at least hourly);
- (iii) at the Gerry Wright OMF (at least hourly); and
- (iv) by all other metered electricity loads (at least hourly); and

(2) gas consumption:

- (i) at the Stops, Davies Station and the Churchill Connector;
- (ii) at the Gerry Wright OMF; and
- (iii) by all other metered gas loads.

- (b) minimum and maximum demand during that month;
- (c) hourly Passenger counts and Train loadings;
- (d) environmental conditions in the City of Edmonton, in heating degree days, during that month, as reported by Environment Canada, reporting station Edmonton Blatchford AWOS Site ID 3012209, or in the event this reporting station is not available, the geographically closest Environment Canada reporting station, along with a summary of any variances from the 30 year average conditions that affect (positively or negatively) the Energy Consumption;
- (e) all Special Events, Small Permanent Changes to Service Levels, Service Level changes and periods during which any portion of the System was not fully meeting the Service Performance Measures of Appendix 7-C [Operations and Maintenance - Service Performance Measures] of Schedule 7, and affecting (positively or negatively) the Energy Consumption;
- (f) planned Major Rehabilitation work performed during the applicable month and any variances from the applicable Annual Maintenance Plan that affect (positively or negatively) the Energy Consumption; and
- (g) any other factor that could not have been reasonably mitigated through Design, Construction, Operation or Maintenance that affects (positively or negatively) the Energy Consumption relative to the Annual Energy Target.

2. ENERGY GUARANTEE

2.1 System to Meet or Beat Annual Energy Target

Project Co warrants to the City that the System will be Designed, Constructed, Operated and Maintained so that the Energy Consumption in each Energy Year will not exceed the Annual Energy Target for that Energy Year, as adjusted in accordance with Section 2.3 [Adjustment to Energy Targets], for the applicable Energy Year.

The consequences to Project Co for breach of this warranty are limited to those set out in Section 3 [Sharing Gain and Pain] of this Appendix.

2.2 Start-Up Period

The Start-Up Period will be used by Project Co to transition into revenue service and to monitor and stabilize the Energy Consumption.

2.3 Adjustment to Energy Targets

Prior to the expiry of the Start-Up Period, Project Co shall engage an independent energy consultant, acceptable to Project Co and the City acting reasonably (the "**Independent Energy Consultant**"). Where, for any reason during the Operating Period, the Independent Energy Consultant is, or becomes, unable or unwilling to continue to perform the Independent Energy Consultant's services, Project Co shall promptly engage a replacement Independent Energy Consultant, acceptable to Project Co and the City, acting reasonably.

Promptly after the expiry of each Energy Year, Project Co shall cause the Independent Energy Consultant to review the Energy Consumption certificates and all other relevant data collected during the applicable Energy Year and to determine in his or her professional opinion, whether, and to what extent, the Annual Energy Targets for the applicable Energy Year should be adjusted to account for:

- (a) environmental conditions in the City of Edmonton during the applicable Energy Year, as reported by Environment Canada, that vary from the 30 year average conditions;
- (b) Special Events, Small Permanent Changes to Service Levels, Service Level changes, actual train loadings relative to AW1 and periods during which any portion of the System was not fully meeting the Service Performance Measures of Appendix 7-C [Operations and Maintenance - Service Performance Measures] of Schedule 7;
- (c) planned Major Rehabilitation work performed during the applicable Energy Year and any variances from the applicable Annual Maintenance Plan;
- (d) any other variable which could not have been reasonably mitigated through Design, Construction, Operation or Maintenance that affects (positively or negatively) the Energy Consumption relative to the Annual Energy Target; and
- (e) public art loading based on the agreed upon duty cycle(s) in effect during that Energy Year.

Project Co shall ensure that, in determining whether any adjustment should be made to the Annual Energy Target, the Independent Energy Consultant considers:

- (f) adjustments to the portion of the Annual Energy Target attributable to gas and to electricity separately; and
- (g) does not take into account any increased Energy Consumption caused by the acts or omissions of any Project Co Persons.

Within 30 days after the expiry of the applicable Energy Year, Project Co shall cause the Independent Energy Consultant to issue a certificate documenting the applicable adjustments, if any, to be made to the Annual Energy Target in respect of the applicable Energy Year (the “**Adjusted Energy Target**”).

2.4 System Modifications

Where Project Co wishes to make modifications or adjustments to the System to improve Energy Consumption, such modifications and adjustments shall:

- (a) comply with the Design and Construction Requirements;
- (b) not adversely impact or disrupt the Operation of the System; and
- (c) be subject to the prior acceptance of the City in accordance with Schedule 2 [Submission Review Procedure].

3. SHARING GAIN AND PAIN

The Energy Consumption Adjustment for Energy Year (y) will be calculated as follows:

$$ECA_t = EGG_y + EGE_y - EPG_y - EPE_y$$

where:

ECA_t	=	Energy Consumption Adjustment for Energy Year (y) to be included in the Operating Period Payment Adjustment for month (t) immediately following 60 days after the expiry of Energy Year (y) in accordance with Section 3.3 of this Appendix;
EGG_y	=	Energy Gainshare for gas for Energy Year (y) as defined in Section 3.1(a) of this Appendix;
EGE_y	=	Energy Gainshare for electricity for Energy Year (y) as defined in Section 3.1 (b) of this Appendix;
EPG_y	=	Energy Painshare for gas for Energy Year (y) as defined in Section 3.2 (a) of this Appendix;
EPE_y	=	Energy Painshare for electricity for Energy Year (y) as defined in Section 3.2 (b) of this Appendix;

3.1 Energy Gainshare

- a) Where the Energy Consumption for gas in Energy Year (y) is less than 90% of the applicable Adjusted Energy Target for gas, the Energy Gainshare for gas in the applicable Energy Year will be calculated as follows:

$$EGG_y = (AET_y \times GSFactor - GC_y) \times GasRate \times GasIndex_y$$

where:

EGG_y	=	Energy Gainshare for gas for Energy Year (y);
AET_y	=	Adjusted Energy Target for gas for Energy Year (y) determined in accordance with Section 2.3 of this Appendix;
$GSFactor$	=	Energy Gainshare Adjustment Factor = 0.9;
GC_y	=	Energy Consumption of gas during Energy Year (y) determined in accordance with this Appendix;
$GasRate$	=	s.25 in October 2015 dollars); and
$GasIndex_y$	=	Gas index for Energy Year (y) = $(1.03)^{y+5}$.

- b) Where the Energy Consumption for electricity in Energy Year (y) is less than 90% of the applicable Adjusted Energy Target for electricity, the Energy Gainshare for electricity in the applicable Energy Year will be calculated as follows:

$$EGE_y = (AET_y \times GSFactor - EC_y) \times ERate \times EIndex_y$$

where:

EGE _y	=	Energy Gainshare for electricity for Energy Year (y);
AET _y	=	Adjusted Energy Target for electricity for Energy Year (y) determined in accordance with Section 2.3 of this Appendix;
GSFactor	=	Energy Gainshare Adjustment Factor = 0.9;
EC _y	=	Energy Consumption of electricity during Energy Year (y) determined in accordance with this Appendix;
ERate	=	\$25 (in October 2015 dollars); and
EIndex _y	=	Electricity rate index for Energy Year (y) = (1.025) ^{y+5}

3.2 Energy Painshare

- (a) Where the Energy Consumption for gas in an Energy Year is greater than 110% of the applicable Adjusted Energy Target, the Energy Painshare for gas in the applicable Energy Year will be calculated as follows:

$$EPG_y = (GC_y - AET_y \times PSFactor) \times GasRate \times GasIndex_y$$

where:

EPG _y	=	Energy Painshare for gas for Energy Year (y);
AET _y	=	Adjusted Energy Target for gas for Energy Year (y) determined in accordance with Section 2.3 of this Appendix;
PSFactor	=	Energy Painshare Adjustment Factor = 1.1;
GC _{yt}	=	Energy Consumption of gas during Energy Year (y) determined in accordance with this Appendix;
GasRate	=	\$25 3J (in October 2015 dollars); and
GasIndex _y	=	Gas index for Energy Year (y) = (1.03) ^{y+5} .

- (b) Where the Energy Consumption for electricity in an Energy Year is greater than 110% of the applicable Adjusted Energy Target, the Energy Painshare for electricity in the applicable Energy Year will be calculated as follows:

$$EPE_y = (EC_y - AET_y \times PSFactor) \times ERate \times EIndex_y$$

where:

EPE_y = Energy Painshare for electricity for Energy Year (y);

AET_y = Adjusted Energy Target for electricity for Energy Year (y) determined in accordance with Section 2.3 of this Appendix;

$PSFactor$ = Energy Painshare Adjustment Factor = 1.1;

EC_y = Energy Consumption of Electricity during Energy Year (y) determined in accordance with this Appendix;

$ERate$ = S.25 (in October 2015 dollars); and

$EIndex_y$ = Electricity rate index for Energy Year (y) = $(1.025)^{y+5}$

3.3 Calculation and Invoicing

The Energy Consumption Adjustment for Energy Year (y) (if any), calculated in accordance with Section 3 of this Appendix, shall be included in the Operating Period Payment Adjustment for month (t) immediately following 60 days after the expiry of Energy Year (y).

APPENDIX 5 – Monthly Payment Certificate

APPENDIX 5A – Monthly Payment Certificate (Construction)

The reports delivered pursuant to Section 16.6.3(a) [*Monthly Reports for Payments during the Construction Period*] and to Section 16.6.4(a) [*Monthly Reports for Payments during the Operating Period*] of this Schedule shall be accompanied by a monthly payment certificate in a form agreed to by the City substantially similar to the Monthly Payment Certificate below:

LETTERHEAD + ...

This letter, together with the attached documents, constitutes Project Co's request for payment in the amount of \$[●] for work performed for the period beginning [●] and ending [●].

Capitalized terms used and not defined shall have the meanings given to them as defined in the Agreement. "**Disclosed**" means disclosed to City in writing prior to the date hereof or specifically set out in the attached documents with a reference to the applicable Section of this request.

Project Co is familiar with and has examined the provisions of the Agreement. As of the date hereof, Project Co hereby represents, warrants and certifies to the City that:

1. Project Co does not have knowledge, having made all reasonable enquiries, of any matter which is:
 - (a) materially and adversely affecting or impairing the ability of Project Co to perform its obligations under the Agreement;
 - (b) materially and adversely affecting or impairing the Project Work, including the ability of the Design-Builder to complete the Construction; or
 - (c) resulting in the occurrence of a Termination Event under the Agreement;and which has not been disclosed.
3. Project Co has or will have available to it as and when required all of the Permits which are necessary to carry out the Project Work being performed.
4. To the best of Project Co's knowledge, Project Co has or will have the right to use, or has entered into a binding agreement under which it will acquire or have the right to use, all Intellectual Property rights necessary for it to perform its obligations under the Agreement and no third party has asserted any adverse claim to any such Intellectual Property rights.
5. To the best of Project Co's knowledge (after all due enquiry), no Intellectual Property right owned by Project Co or any third party and necessary for Project Co to perform its obligations under the Agreement is being infringed, nor is there any threatened infringement of any such Intellectual Property right, and which has not been disclosed.
6. Project Co has taken all formal and procedural actions (including payment of fees) required to maintain any material Intellectual Property rights owned by Project Co.
7. The Project Work covered by this request is generally in accordance with Project Co's obligations under the Agreement.
8. All of the Project Contractors and Subcontractors have been paid in full all amounts which are due and owing as of the month immediately preceding the month represented by this request except for holdbacks (including for amounts

disputed in good faith) required or permitted to be made under the Project Contracts and pursuant to the Builders Lien Act (Alberta), if applicable.

9. Project Co is entitled to payment in the amount requested in this request.

10. No Termination Event has occurred which is continuing.

This request is made subject to and in accordance with the terms and conditions of the Agreement.

SIGNATURES +

APPENDIX 5B – Monthly Payment Certificate (Operations)

The reports delivered pursuant to Section 16.6.3(a) [*Monthly Reports for Payments during the Construction Period*] and to Section 16.6.4(a) [*Monthly Reports for Payments during the Operating Period*] of this Schedule shall be accompanied by a monthly payment certificate in a form agreed to by the City substantially similar to the Monthly Payment Certificate below:

LETTERHEAD + ...

This letter, together with the attached documents, constitutes Project Co's request for payment in the amount of \$[●] for work performed for the period beginning [●] and ending [●].

Capitalized terms used and not defined shall have the meanings given to them as defined in the Agreement. "**Disclosed**" means disclosed to City in writing prior to the date hereof or specifically set out in the attached documents with a reference to the applicable Section of this request.

Project Co is familiar with and has examined the provisions of the Agreement. As of the date hereof, Project Co hereby represents, warrants and certifies to the City that:

1. Project Co does not have knowledge, having made all reasonable enquiries, of any matter which is:
 - (a) materially and adversely affecting or impairing the ability of Project Co to perform its obligations under the Agreement;
 - (b) materially and adversely affecting or impairing the Project Work, including the ability of the Services Provider to provide the Services; or
 - (c) resulting in the occurrence of a Termination Event under the Agreement;and which has not been disclosed.
2. Project Co has or will have available to it as and when required all of the Permits which are necessary to carry out the Services being performed.
3. To the best of Project Co's knowledge (after all due enquiry), no Intellectual Property right owned by Project Co or any third party and necessary for Project Co to perform its obligations under the Agreement is being infringed, nor is there any threatened infringement of any such Intellectual Property right.
4. Project Co has taken all formal and procedural actions (including payment of fees) required to maintain any material Intellectual Property rights owned by Project Co.
5. The Services covered by this request are in accordance with Project Co's obligations under the Agreement.
6. All of the Project Contractors and Subcontractors have been paid in full all amounts which are due and owing as of the month immediately preceding the month represented by this request except for holdbacks (including for amounts disputed in good faith) required or permitted to be made under the Project Contracts and pursuant to the Builders Lien Act (Alberta), if applicable.
7. Project Co is entitled to payment in the amount requested in this request.
8. No Termination Event has occurred which is continuing.

This request is made subject to and in accordance with the terms and conditions of the Agreement.