

THE CITY OF EDMONTON

**PROJECT AGREEMENT
VALLEY LINE WEST LRT**

***Schedule 16
Payment Mechanism***

SCHEDULE 16
PAYMENT MECHANISM
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SCHEDULE 16

PAYMENT MECHANISM

1. PAYMENTS

1.1 Payments

1.1.1 The Payments are calculated as follows, from the Effective Date to the Expiry Date, or if applicable, the Termination Date:

$$P = \sum (CP_t) + OCP_t + CCP_t + LH_t + PCDHP_t + CDHP_t$$

where:

P = Payments are calculated as the sum of all amounts owing to Project Co, in accordance with this Schedule, during the Term;

CP_t = Construction Payments as defined in Section 1.2 for month (t);

OCP_t = Phase I Construction Completion (OMF-B) Payment as defined in Section 1.3 for month (t);

CCP_t = Construction Completion Payment as defined in Section 1.4 for month (t);

LH_t = Legislative Holdback Payment as defined in Section 1.5 for month (t);

PCDHP_t = Phase 1 Construction Completion Deficiencies Holdback Repayment for the month (t) as defined in Section 1.6; and

CDHP_t = Construction Completion Deficiencies Holdback Repayment for the month (t) as defined in Section 1.7.

1.1.2 If on the Final Completion Date, Expiry Date, or, if applicable, the Termination Date, the Payment is in a cumulative negative position and such amounts are outstanding from Project Co to the City, Project Co shall pay such amounts to the City in accordance with Section 8.9 [*Payments by Project Co*] of the Agreement not later than, the 11th Business Day following the earlier of the Final Completion Date, Expiry Date or, if applicable, the Termination Date.

1.2 Construction Payments

1.2.1 The Construction Payments are calculated monthly, from the Effective Date, to the Construction Completion Date, or if applicable, the Termination Date, in accordance with the following formula:

$$CP_t = (PRA \times TC \times (PC_t - PC_{t-1})) + CPADJ_t$$

where:

- CP_t = Construction Payment for month (t);
- PRA = Payment rate adjustment = 0.80;
- TC = Total Capital Cost Amount as indicated in Table 6 of Appendix 16A;
- PC_t = Percent Completion for Construction Payment as defined in Section 2.1 for month (t);
- PC_{t-1} = Percent Completion for Construction Payment as defined in Section 2.1 for month (t-1); and
- $CPADJ_t$ = Construction Payment Adjustment for the month (t) as defined in Section 2.2.

- 1.2.2 If the Construction Payment 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.
- 1.2.3 If on the Construction Completion Date or if applicable, the Termination Date, prior Construction Payments are in a cumulative negative position and are still outstanding from Project Co to the City, then the negative amount will be offset from the Payment, as defined in Section 1.1.
- 1.2.4 For the avoidance of doubt but subject to any express amounts payable to Project Co pursuant to this Agreement, Project Co shall not be paid more than 100% of the Total Capital Cost Amount with the exception of any credits pursuant to Section 2.2 [*Construction Payment Adjustments*].

1.3 Phase I Construction Completion (OMF-B) Payment

- 1.3.1 Only in the month (t) when the Phase I Construction Completion (OMF-B) Payment occurs, and subject to the processes described in Section 3 of this Schedule 16, the City will make the Phase I Construction Completion (OMF-B) Payment to Project Co in accordance with the following formula:

$$OCP_t = OCP - (CCDM \times PCCD)$$

where:

- OCP = Phase I Construction Completion (OMF-B) Payment = \$50,000,000.00 in accordance with Section 12 [*Construction Completion of Phase 1*] of Schedule 4 [*Design and Construction Protocols*];
- CCDM = Construction Completion Deficiency Multiplier = 2.0; and

PCCD = Value of Phase 1 Construction Completion Deficiencies as calculated by the Independent Certifier in accordance with Section 12.4 [*Phase 1 Construction Completion Deficiency List*] of Schedule 4 [*Design and Construction Protocols*].

1.3.2 For clarity, the Phase 1 Construction Completion Deficiencies Holdback, as defined in Schedule 1 [*Definitions*], is equivalent to Construction Completion Deficiency Multiplier (CCDM) multiplied by the Value of Phase 1 Construction Completion Deficiencies (PCCD), as determined by the Independent Certifier in accordance with Section 12.15(a) of Schedule 4 [*Design and Construction Protocols*].

1.3.3 In the event that Project Co delivers a Phase 1 Construction Completion Deficiencies Letter of Credit, pursuant to Section 12.16 [*Phase 1 Construction Completion Deficiencies Letter of Credit*] of Schedule 4 [*Design and Construction Protocols*], the Phase 1 Construction Completion Payment will not be adjusted by the value of the Phase 1 Construction Completion Deficiencies Holdback.

1.4 Construction Completion Payment

1.4.1 Only in the month (t) when the Construction Completion Payment occurs, and subject to the processes described in Section 3 of this Schedule 16, the City will make the Construction Completion Payment to Project Co in accordance with the following formula:

$$CCP_t = (CCRA \times TC) - (CCDM \times CCD) - OCP$$

where:

CCP_t = Construction Completion Payment;

CCRA = Construction Completion Payment Rate = 0.10;

TC = Total Capital Cost Amount as indicated in Table 6 of Appendix 16A;

CCDM = Construction Completion Deficiency Multiplier = 2.0;

CCD = Value of Construction Completion Deficiencies as calculated by the Independent Certifier in accordance with Section 14.4 [*Deficiency List*] of Schedule 4 [*Design and Construction Protocols*]; and

OCP = Phase I Construction Completion (OMF-B) Payment.

1.4.2 For clarity, the Construction Completion Deficiencies Holdback, as defined in Schedule 1 [*Definitions*], is equivalent to Construction Completion Deficiency Multiplier (CCDM) multiplied by the Value of Construction Completion Deficiencies (CCD), as determined by

the Independent Certifier in accordance with Section 14.15(a) of Schedule 4 [*Design and Construction Protocols*].

- 1.4.3 In the event that Project Co delivers a Construction Completion Deficiencies Letter of Credit, pursuant to Section 14.16 [*Construction Completion Deficiencies Letter of Credit*] of Schedule 4 [*Design and Construction Protocols*], the Construction Completion Payment will not be adjusted by the value of the Construction Completion Deficiencies Holdback.

1.5 Legislative Holdback Payment

- 1.5.1 Only in the month (t) when the Legislative Holdback Payment occurs, and subject to the processes described in Section 3 of this Schedule 16, including the conditions set out in Section 3.6 of this Schedule, the City will make the Legislative Holdback Payment to Project Co in accordance with the following formula:

$$LH_t = (LHRA \times TC)$$

where:

LH_t = Legislative Holdback Payment;

LHRA = Legislative Holdback Payment Rate = 0.10; and

TC = Total Capital Cost Amount as indicated in Table 6 of Appendix 16A.

1.6 Phase I Construction Completion Deficiencies Holdback Repayment

- 1.6.1 Subject to Section 12.16 [*Phase 1 Construction Completion Deficiencies Letter of Credit*] of Schedule 4 [*Design and Construction Protocols*], only in the month (t) when the Phase 1 Construction Completion Deficiencies Holdback Repayment occurs and subject to the processes described in Section 3 of this Schedule 16, the City will make the Phase 1 Construction Completion Deficiencies Holdback Repayment pursuant to Section 12.15 [*Phase 1 Construction Completion Deficiencies Holdback*] of Schedule 4 [*Design and Construction Protocols*] in accordance with the following formula:

$$PCDHP_t = (CCDM \times PCCD) - PCCDD$$

where:

PCDHP = Phase 1 Construction Completion Deficiencies Holdback Repayment in month (t);

CCDM = Construction Completion Deficiency Multiplier = 2.0;

PCCD = Value of Phase 1 Construction Completion Deficiencies as estimated by the Independent Certifier in accordance with Section 12.4 [*Phase 1 Construction Completion Deficiency List*] of Schedule 4 [*Design and Construction Protocols*]; and

PCCDD = Phase 1 Construction Completion Deficiencies Deduction for deficiencies corrected by the City in accordance with Section 12.15 (b) of Schedule 4 *[Design and Construction Protocols]*.

1.6.2 For the avoidance of doubt, the total amount of the Phase 1 Construction Completion Deficiencies Holdback Repayment to Project Co shall not exceed the Phase 1 Construction Completion Deficiencies Holdback, as determined by the Independent Certifier in accordance with Section 12.15 (a) of Schedule 4 *[Design and Construction Protocols]*.

1.7 Construction Completion Deficiencies Holdback Repayment

1.7.1 Subject to Section 14.16 *[Construction Completion Deficiencies Letter of Credit]* of Schedule 4 *[Design and Construction Protocols]*, only in the month (t) when the Construction Completion Deficiencies Holdback Repayment occurs and subject to the processes described in Section 3 of this Schedule 16, the City will make the Construction Completion Deficiencies Holdback Repayment pursuant to Section 14.15 *[Construction Completion Deficiencies]* of Schedule 4 *[Design and Construction Protocols]* in accordance with the following formula:

$$CDHP_t = (CCDM \times CCD) - CCDD$$

where:

CDHP = Construction Completion Deficiencies Holdback Repayment in month (t);

CCDM = Construction Completion Deficiency Multiplier = 2.0;

CCD = Value of Construction Completion Deficiencies as estimated by the Independent Certifier in accordance with Section 14.4 *[Construction Completion Deficiency List]* of Schedule 4 *[Design and Construction Protocols]*; and

CCDD = Construction Completion Deficiencies Deduction for deficiencies corrected by the City in accordance with Section 14.15 (b) of Schedule 4 *[Design and Construction Protocols]*.

1.7.2 For the avoidance of doubt, the total amount of the Construction Completion Deficiencies Holdback Repayment to Project Co shall not exceed the Construction Completion Deficiencies Holdback, as determined by the Independent Certifier in accordance with Section 14.15 (a) of Schedule 4 *[Design and Construction Protocols]*.

2. CONSTRUCTION PAYMENT ADMINISTRATION

2.1 Percent Completion for Construction Payment

2.1.1 Project Co will be considered to have reached a particular Percent Completion for Construction Payment when the Independent Certifier, acting reasonably, has issued an Independent Certifier Payment Certificate as per Section 1.2(c) of Appendix 1 *[Functions]*

of Appendix 15A [*Independent Certifier Agreement*] of Schedule 15 [*Independent Certifier*]. In issuing the Independent Certifier Payment Certificate, the Independent Certifier will consider the following:

- a) Subject to clause b), the Independent Certifier shall determine the overall proportion, or Percent Completion for Construction Payment monthly with reference to the information provided by Project Co;
- b) Percent Completion for Construction Payment shall mean the overall percent complete as determined by the Independent Certifier's assessment of the progress of value in the ground completed for each Work Package and supporting activities as indicated in the Work Breakdown Structure in Appendix 4D [*Work Breakdown Structure*] of Schedule 4 [*Design and Construction Protocols*]. Measurement of Percent Completion for Construction Payment will be based on the concept of value in the ground only. For the avoidance of doubt, the measurement of Percent Completion for Construction Payment excludes all costs and progress related to legal and financial advisors, project and construction management, prepaid management or service fees, financing charges, Design, mobilization costs and materials not yet incorporated into the Infrastructure as fixtures;
- c) Progress against each Work Package and supporting activities assigned across the Work Breakdown Structure in Appendix 4D [*Work Breakdown Structure*] of Schedule 4 [*Design and Construction Protocols*], will form the basis for the determination of Percent Completion for Construction Payment. Percent Completion for Construction Payment will be determined by the Independent Certifier based on the Independent Certifier's professional judgment and inspection of Construction completed. Furthermore, the Independent Certifier may, at its sole discretion, rely on any other information considered necessary to support the Independent Certifier's determination, such as:
 - i. the information included in Table 6 of Appendix 16A [*Payment and Payment Adjustment Inputs*] of this Schedule 16 [*Payment Mechanism*];
 - ii. the information provided by Project Co in its monthly reports for Payments during the Term as required to be submitted in Section 3.2 [*Monthly Reports for Construction Payments during the Term*] of this Schedule 16 [*Payment Mechanism*];
 - iii. the information provided by Project Co in accordance with Section 3 [*Construction Schedule Requirements*] of Schedule 3 [*Construction Schedule*];
 - iv. any Quality Documentation, including Nonconformity Reports, as outlined in Schedule 9 [*Quality Management*]; and
 - v. other resources described in Appendix 1 [*Functions*] of Appendix 15A [*Independent Certifier Agreement*] of Schedule 15 [*Independent Certifier*].

- d) Percent Completion for Construction Payment for any given month (t), shall be rounded to the nearest tenth of a percent;
- e) Percent Completion for Construction Payment for month (t) shall equal 0% until the Independent Certifier issues an Independent Certifier Payment Certificate evidencing that the Percent Completion for Construction Payment is greater than or equal to 10.0%; and
- f) At Construction Completion, the Percent Completion for Construction Payments shall be deemed to be 100.0%.

2.1.2 The Independent Certifier shall assess and report on progress related to Percent Completion for Construction Payment in a manner consistent with the Work Breakdown Structure, as amended.

2.1.3 Notwithstanding the requirements of Section 2.1 [*Percent Completion for Construction Payment*] of this Schedule 16 [*Payment Mechanism*], the Independent Certifier may, acting reasonably and in its sole judgement, adjust the values in Table 6 of Appendix 16A [*Payment and Payment Adjustment Inputs*] of this Schedule 16 [*Payment Mechanism*] where the Independent Certifier determines that the budgeted cost of work is materially misrepresented provided that the adjustment does not affect the overall Total Capital Cost Amount.

2.1.4 If either Project Co or the City objects to any adjustment made by the Independent Certifier of the values in Table 6 of Appendix 16A [*Payment and Payment Adjustment Inputs*] of this Schedule 16 [*Payment Mechanism*] pursuant to Section 2.1.3, notification shall be provided to the Independent Certifier and the notifying party shall refer the matter to the Fast Track Referee Process in accordance Section 2.5 of Schedule 20 [*Dispute Resolution*].

2.2 Construction Payment Adjustment

2.2.1 The Construction Payment Adjustment is determined as follows:

$$CPADJ_t = -LCD_t + LCC_t - TID_t + TIC_t - TCD_t + TCC_t - SBAP_t - NPE_t - LDD_t$$

where:

- CPADJ_t = Construction Payment Adjustment for month (t);
- LCD_t = Lane Closure Deduction during month (t) as determined in Section 2.3;
- LCC_t = Lane Closure Credit to be paid, if applicable, during the month (t) when Construction Completion occurs, as determined in Section 2.3;
- TID_t = Transit Impact Deduction during month (t) as determined in Section 2.4;
- TIC_t = Transit Impact Credit to be paid, if applicable, during the month (t) when Construction Completion occurs, as determined in Section 2.4;

- TCD_t = Tree Compensation Payment Deduction during month (t) as defined in Section 2.5;
- TCC_t = Tree Compensation Payment Credit to be paid, if applicable, during the month (t) when Construction Completion occurs, as defined in Section 2.5;
- SBAPD_t = Stony Plain Road Bridge Availability Payment Deduction during month (t) as defined in Section 2.6;
- NPE_t = Non-Performance Event Payment Adjustment during month (t) calculated as per Section 2.7; and
- LDD_t = Liquidated damages during month (t) calculated as per Section 2.8.

2.3 Lane Closure Adjustment

2.3.1 Construction Payments will be adjusted to reflect Lane Closures. Lane Closure Deductions and Lane Closure Credit, as applicable, are calculated as follows:

For the first month (t) over a total number of months elapsed (n) during which:

$\sum(ALCC) > TLCC$ then:

$$LCD_t = LCDM \times \left(\sum_{t=1}^n (ALCC) - TLCC \right)$$

And then for all subsequent month (t) during which:

$\sum(ALCC) > TLCC$ then:

$$LCD_t = LCDM \times ALCC_t$$

Or, if at Construction Completion $\sum(ALCC_t) < TLCC$ then:

$$LCC_t = LCCM \times \left(TLCC - \sum_{t=1}^n (ALCC) \right)$$

where:

ALCC_t = $\sum_{i=1}^{15} (LCARate_i \times ALCH_{i,t})$ being the Actual Lane Closure Costs during month (t);

LCARate_r = Lane Closure Hour Adjustment Rate for Lane Closure Condition (i) as determined in **Table 1**;

| | | |
|---------------------|---|--|
| ALCH _{i,t} | = | Actual number of Lane Closure Hours for Lane Closure Condition (i) during month (t); |
| TLCC | = | Target Lane Closure Costs as indicated in Table 7 of Appendix 16A; |
| LCD _t | = | Lane Closure Deduction during month (t); |
| LCDM | = | Lane Closure Deduction Multiplier = 1.50 |
| LCC _t | = | Lane Closure Credit to be paid, if applicable, during the month (t) when Construction Completion occurs; and |
| LCCM | = | Lane Closure Credit Multiplier = 0.50. |

2.3.2 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 Roadway Section will be considered as a full Lane Closure. 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-minute 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. Calculation of Lane Closure Adjustment as defined in this Section considers full hour and half hour increments only;
- (b) Closures of through lanes will be considered Lane Closures for each Roadway Section 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 Closure Restrictions and Road Categories*] of Schedule 5 [*D&C Performance Requirements*];
- (c) Closures of existing dedicated left turn lanes with Road Classification of arterials or collectors in Table 1-4.2.5 [*Roadway Construction Restrictions*] of Schedule 5 [*D&C Performance Requirements*] will be considered Lane Closures. Dedicated right turn lanes will be treated as lanes even if not mentioned in Table 1-4.2.5 [*Roadway Closure Restrictions and Road Categories*] of Schedule 5 [*D&C Performance Requirements*];
- (d) Lane Closures will be measured on a Roadway Section basis, where Roadway Categories are determined in Table 1-4.2.5 [*Roadway Closure Restrictions and Road Categories*] of Schedule 5 [*D&C Performance Requirements*];
- (e) If a Transportation Accommodation Request (TAR) requires Lane Closures within a Roadway Section that will extend into an adjacent Roadway Section, then Lane Closures will be measured in both Roadway Sections;
- (f) Lane restrictions or closures due to City Works, City Utility Work, Utility Work undertaken by a Utility Company, or due to third party construction adjacent to the alignment will not be considered Lane Closures; and
- (g) Lane restrictions or closures due to Construction adjacent to lane restrictions or closures due to City Works, City Utility Work, Utility Work undertaken by a Utility

Company, or due to third party construction, may or may not be considered Lane Closures at the discretion of the City.

The following **Table 1** provides Lane Closure Hour Adjustment Rates, applied to each type of Lane Closure Condition (i) when calculating Actual Lane Closure Costs. Corresponding Roadway Categories assigned to defined Road Roadway Sections can be found in Table 1-4.2.5 [Roadway Closure Restrictions and Road Categories] of Schedule 5 [D&C Performance Requirements].

Table 1: Lane Closure Hour Adjustment Rates

| Lane Closure Condition (i) | Roadway Category | Period of measurement (see Table 3) | Lane Closure Hour Adjustment Rate* |
|----------------------------|------------------|-------------------------------------|------------------------------------|
| 1 | Category 1 | Peak traffic | ██████ |
| 2 | Category 1A | Peak traffic | ██████ |
| 3 | Category 1 | Off – peak | ██████ |
| 4 | Category 1A | Off – peak | ██████ |
| 5 | Category 1 | Night time | ██████ |
| 6 | Category 1A | Night time | ██████ |
| 7 | Category 2 | Peak traffic | ██████ |
| 8 | Category 2 | Off – peak | ██████ |
| 9 | Category 2 | Night time | ██████ |
| 10 | Category 3 | Peak traffic | ██████ |
| 11 | Category 3 | Off – peak | ██████ |
| 12 | Category 3 | Night time | ██████ |
| 13 | Category 4 | Peak traffic | ██████ |
| 14 | Category 4 | Off – peak | ██████ |
| 15 | Category 4 | Night time | ██████ |

* Lane Closure Hour Adjustment Rate per Lane Closure Hour per Roadway Section.

2.3.3 Periods of measurement used to determine Lane Closure Hour Adjustment Rates are shown in the following Table 2.

Table 2: Periods of measurement

| Period name | Period of measurement |
|--------------|---|
| Peak traffic | 06:00 to 09:00 and 15:30 to 18:30 during Business Days |
| Off-peak | 09:00 to 15:30 and 18:30 to 21:00 during Business Days; 06:00 to 21:00 on Non-Business Days |
| Night time | 21:00 to 06:00 during Business Days and Non-Business Days |

2.3.4 The Lane Closure Adjustment shall be assigned on a monthly basis, in accordance with this Section 2.3 [*Lane Closure Adjustment*], until the date Construction Completion is achieved, subject to a maximum aggregate Actual Lane Closure Cost for the Construction Period pursuant to this Section 2.3.4 of \$60,000,000.

2.4 Transit Impact Adjustment

2.4.1 Construction Payments will be adjusted to reflect the impact of periodic lane reductions and road closures that will delay traffic and affect the Edmonton Transit Service (ETS) Bus Network pursuant to Section 1-4.2.4 [*Record Keeping of Lane Closures/Traffic Control Devices/Collisions*] of Schedule 5 [*D&C Performance Requirements*].

2.4.2 The Transit Impact Credit and Transit Impact Deductions are calculated as follows:

For the first month (t) over a total number of months elapsed (n) during which:

$\Sigma(ATIC) > TTIC$ then:

$$TID_t = TIDM \times \left(\sum_{t=1}^n (ATIC) - TTIC \right)$$

And then for all subsequent months (t) during which:

$\Sigma(ATIC) > TTIC$ then:

$$TID_t = TIDM \times ATIC_t$$

Or, if at Construction Completion $\Sigma(ATIC) < TTIC$, then:

$$TIC = TICM \times \left(TTIC - \sum_{t=1}^n (ATIC) \right)$$

where:

$$ATIC_t = \left(\sum_{i=1}^{10} (DTIRate_{TIR} \times D_{i,t}) \right) + \left(\sum_{i=1}^5 (DTCRate_{TCR} \times D_{i,t}) \right)$$

being the Actual Transit Impact Costs during month (t);

DTIRate_{TIR} = Daily Transit Impact Rate (TIR) as set out in Table 3 for Transit Impact Roadway Section (i) for any ETS Transit Impact (Lane Reductions) as indicated in the Accepted Transportation Accommodation Request;

DTCRate_{TCR} = Daily Transit Closure Rate (TCR) as set out in Table 4 for Transit Impact Roadway Section (i) for any ETS Transit Impact (Closures) as indicated in the Accepted Transportation Accommodation Request;

D_{i,t} = Number of days for Transit Impact Roadway Section (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 Roadway Section is one (1) day per Transit Impact Roadway Section (i). Where a Transit Impact Roadway Section is subject to both a reduction to a single lane of traffic and a Full Closure within the same calendar day then the day will only be counted once as a closure. Where an ETS Transit Impact is in effect at a point along a Transit Impact Roadway Section that is referenced in two Transit Impact Roadway Sections (i.e. is the border between two Transit Impact Roadway Sections) it shall only be counted in one Transit Impact Roadway Section as determined in accordance with Section 2.4.3;

- TTIC = Target Transit Impact Costs as indicated in Table 7 of Appendix 16A;
- TID_t = Transit Impact Deduction during month (t);
- TIDM = Transit Impact Deduction Multiplier = 1.50;
- TIC_t = Transit Impact Credit to be paid, if applicable during the month (t) when Construction Completion occurs; and
- TICM = Transit Impact Credit Multiplier = 0.50.

2.4.3 As soon as an ETS Transit Impact is in effect:

- a) at any point along the Transit Impact Roadway Section (i), whether for a portion or the full length of the Transit Impact Roadway Section (i); and
- b) for any period of time during a day, whether a full day or a partial day along the Transit Impact Roadway Section (i);

then the full amount of the Daily Transit Impact Rate (Table 3) or Daily Transit Closure Rate (Table 4) will be applied for that Transit Impact Roadway Section (i) for that day, where traffic is reduced to a single lane in one or more directions or subject to a Full Closure, respectively. Where an ETS Transit Impact is in effect at a point along a Transit Impact Roadway Section that is referenced in two Transit Impact Roadway Sections (i.e. is the border between two Transit Impact Roadway Sections) the higher of the two applicable rates shall apply.

2.4.4 Transit Impacts or Transit Closures due to City Works, City Utility Work, Utility Work undertaken by a Utility Company, or due to third party construction adjacent to the alignment will not be considered Transit Impacts or Transit Closures.

2.4.5 The Transit Impact Adjustment shall be assigned on a monthly basis, in accordance with this Section 2.4 [Transit Impact Adjustment], until the date Construction Completion is

achieved, subject to a maximum aggregate Actual Transit Impact Cost for the Construction Period pursuant to this Section 2.4.5 of \$5,000,000.

Table 3: Daily Transit Impact Rates.

| Transit Impact Roadway Section (i) | | Daily Transit Impact Rates (TIR) | | |
|------------------------------------|--|----------------------------------|----------|--------|
| | | Weekday | Saturday | Sunday |
| 1 | 104 Ave (107 St to 121 St) | ■ | ■ | ■ |
| 2 | 104 Ave (121 St to 124 St) | ■ | ■ | ■ |
| 3 | Stony Plain Rd (124 St to 142 St) | ■ | ■ | ■ |
| 4 | Stony Plain Rd (142 St to 149 St) | ■ | ■ | ■ |
| 5 | Stony Plain Rd (149 St to 156 St) | ■ | ■ | ■ |
| 6 | 156 St and Meadowlark Rd. (Stony Plain Rd to 87 Ave) | ■ | ■ | ■ |
| 7 | 87 Ave (Meadowlark Rd to 170 St) | ■ | ■ | ■ |
| 8 | 87 Ave (170 St to 178 St) | ■ | ■ | ■ |
| 9 | 87 Ave (178 St to TUC) | ■ | ■ | ■ |
| 10 | 87 Ave (TUC to Lewis Farms Transit Center) | ■ | ■ | ■ |

Table 4: Daily Transit Closure Rates

| Transit Impact Roadway Section (i) | | Daily Transit Closure Rates (TCR) | | |
|------------------------------------|--|-----------------------------------|----------|--------|
| | | Weekday | Saturday | Sunday |
| 1 | 104 Ave (121 St to 124 St) | ■ | ■ | ■ |
| 2 | Stony Plain Rd (124 St to 142 St) | ■ | ■ | ■ |
| 3 | Stony Plain Rd (142 St to 149 St) | ■ | ■ | ■ |
| 4 | Stony Plain Rd (149 St to 156 St) | ■ | ■ | ■ |
| 5 | 156 St and Meadowlark Rd. (Stony Plain Rd to 87 Ave) | ■ | ■ | ■ |

2.5 Tree Removal Adjustment

2.5.1 The Tree Retention, Removal and Protection Plan (TRRP) incorporates Tree Valuation Inventory tables that reference existing trees and Forested Areas within the Lands, in accordance with Section 2-14.15 [*Tree Retention, Removal, and Protection*] of Schedule 5 [*D&C Performance Requirements*]. Production of the TRRP demonstrates how the Target Tree Compensation Value will be achieved. Deviation from this value and therefore

the TRRP will result in a Tree Removal Adjustment unless a deviation from the TRRP is Accepted by the City.

2.5.2 The Tree Removal Payment Deduction and Tree Removal Payment Credit is calculated as follows:

For the first month (t) over a total number of months elapsed (n) during which:

$\Sigma(ActualTC_t) > TargetTC$ then:

$$TCD_t = TCDR \times \left(\sum_{t=1}^n (ActualTC) - TargetTC \right)$$

And then for all subsequent months (t) during which:

$\Sigma(ActualTC_t) > TargetTC$ then:

$$TCD_t = TCDR \times ActualTC_t$$

Or, if at Construction Completion $\Sigma(ActualTC) < TargetTC$, then:

$$TCC_t = TCCR \times \left(TargetTC - \sum_{t=1}^n (ActualTC) \right)$$

where:

TargetTC = Target Tree Compensation Value as indicated in Table 7 in Appendix 16A;

ActualTC_t = $AValueTREM + \sum_{i=1}^{11} (FARem_i \times FValue_{r,i})$ being the Actual Tree Compensation Value during month (t);

AValueTREM = Aggregate value of tree removals provided in the monthly tree reconciliation report, as described in Section 2-14.15 [Tree Retention, Removal, and Protection] of Schedule 5 [D&C Performance Requirements];

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

FValue_i = Assessment Value Unit Rate for Forested Area (i), \$/m² as set out in Table 5;

TCD_t = Tree Compensation Payment Deduction during month (t);

TCDR = Tree Compensation Payment Deduction Rate = 1.50;

TCC_t = Tree Compensation Payment Credit to be paid, if applicable, during the month (t) when Construction Completion occurs; and

$TCCR$ = Tree Compensation Payment Credit Rate = 0.50.

2.5.3 Calculation of Actual Tree Compensation Value includes an adjustment made for the removal of Forested Areas (i) at the Assessment Value Unit Rate for Forested Area, as shown in Table 5.

Table 5: Forested Area Assessment Value Unit Rates

| Forested Area number (i) | Assessment Value Unit Rates (\$/m ²) |
|--------------------------|--|
| 1 | 27.24 |
| 2 | 1.79 |
| 3 | 20.62 |
| 4 | 5.06 |
| 5 | 20.33 |
| 6 | 13.50 |
| 7 | 13.19 |
| 8 | 4.31 |
| 9 | 40.08 |
| 10 | 30.61 |
| 11 | 32.34 |

2.5.4 Trees that are removed due to City Works, City Utility Work, Utility Work undertaken by a Utility Company, or due to third party construction adjacent to the alignment will not be considered Tree Removal Adjustment calculation.

2.6 Stony Plain Road Bridge Availability Payment Deduction

2.6.1 For the month (t) during which a Full Closure of Stony Plain Road Bridge remains in effect following the Target Stony Plain Road Bridge Availability Date, the Stony Plain Road Bridge Availability Payment Deduction is calculated as follows:

$$SBAPD_t = SBAPDR \times SBD_t$$

where:

$SBAPD_t$ = Stony Plain Road Bridge Availability Payment Deduction during month (t);

$SBAPDR$ = Stony Plain Road Bridge Availability Payment Deduction Rate = \$15,000 per day;

SBD_t = Number of days during month (t) between and including:

- (i) the first day or part day that a Full Closure of Stony Plain Road Bridge remains in effect following the Target Stony Plain Road Bridge Availability Date; and

The earlier of;

- (ii) The last day of the month; and
- (iii) the day before the first full day that the Full Closure of Stony Plain Road Bridge is considered to be removed as determined by Section 1-4.2.5 [Roadway Closure Restrictions] of Schedule 5 [D&C Performance Requirements].

2.6.2 The Stony Plain Road Bridge Availability Payment Deduction shall be calculated on a daily basis, in accordance with this Section 2.6 [Stony Plain Road Bridge Availability Payment Deduction], until the date Construction Completion is achieved, subject to a maximum aggregate Stony Plain Road Bridge Availability Payment Deduction for the Construction Period pursuant to this Section 2.6.2 of \$20,000,000.

2.7 Non-Performance Event Payment Adjustment

2.7.1 Upon the occurrence of a Non-Performance Event whether such occurrence is first identified and reported by Project Co or the City, the corresponding NPE shall be recorded in the NPE tracking system as soon as practical and the NPE Payment Adjustment may be applied by the City to Project Co in accordance with this Section 2.7 [Non-Performance Event Payment Adjustment] and Appendix 16B.

2.7.2 On the occurrence of a Non-Performance Event the City shall have the right to assign an NPE Payment Adjustment, in accordance with the formula for Construction Payment Adjustment described in Section 2.2 [Construction Payment Adjustment]. If an occurrence corresponds to one or more Non-Performance Events as set out in Table 8 of Appendix 16B, the City has the right to either assign or waive each NPE Payment Adjustment. Project Co shall only be entitled to dispute the assignment of any NPE Payment Adjustment if Project Co refers such dispute to the Dispute Resolution Procedure within ten (10) Business Days after receipt of the assigned NPE Payment Adjustment for each month from the City.

2.7.3 The City may refrain from assigning an NPE Payment Adjustment in its discretion, without such action affecting any other or future rights to apply NPE Payment Adjustments, including for the same or similar Non-Performance Events that may occur.

2.7.4 The NPE Payment Adjustment for month (t) (NPE_t) shall be determined in accordance with the following formula:

$$NPE_t = \sum_{d=1}^D NPE_d$$

where:

NPE_t = NPE Payment Adjustment for month (t);

NPE_d = $\sum_{i=1}^{62} (NPERate_i \times NPEOccurance_{i,d})$ being the NPE Payment Adjustment for day (d);

| | | |
|------------------------------|---|--|
| D | = | Number of days (d) in month (t); |
| NPERate _i | = | the daily NPE Payment Adjustment rate for each applicable NPE (i) as set out in Table 8 of Appendix 16B column [Rate]; and |
| NPEOccurrence _{i,d} | = | the NPEs (i) that, in day (d), have activated the allocation triggers as set out in Table 8 of Appendix 16B column [Allocation Trigger] or have failed to be rectified in accordance with the rectification action, within the rectification timeframe set out in Table 8 of Appendix 16B columns [Rectification Action] and [Rectification Timeframe] respectively. |

2.7.5 Within 90 days after the Effective Date, Project Co must implement and maintain for the duration of the Agreement an NPE tracking system capable of monitoring and reporting the daily volume, status and timing of all NPEs. The tracking system must mirror the requirements set out in Section 9.4 [*Nonconformity Report Tracking System*] of Schedule 9 [*Quality Management*]. The NPE tracking system must contain the following attributes:

- a) Comprise a single repository containing both Project Co and City initiated NPEs.
- b) Have the capability to directly link an NPE to an associated Nonconformity Report in the Nonconformity Tracking System.
- c) Provide the City and Project Co remote access, without the need for payment, to the central repository for NPEs, including supporting data and material relevant to each entry.
- d) Include commentary on Corrective Actions, Preventive Actions or other remedial activity associated with the handling of an NPE.
- e) The repository will have a built-in query function to support the production of written summary reports on request; the ability to search the repository is required including, but not limited to:
 - i. NPE number;
 - ii. NPE Category;
 - iii. Status;
 - iv. Date initiated;
 - v. Date rectified;
 - vi. Total NPE Payment Adjustment; and
 - vii. Total NPE Payment Adjustments and related events in the last 90 days.

2.7.6 The NPE Payment Adjustment shall be assigned on a monthly basis, in accordance with this Section 2.7 [*Non-Performance Payment Adjustment*], until the date Construction

Completion is achieved, subject to a maximum aggregate NPE Payment Adjustment for each Look Back Period pursuant to this Section 2.7.6 of \$2,000,000. Project Co acknowledges and agrees that the maximum aggregate NPE Payment Adjustment for each Look Back Period under this Section 2.7.6 will not prejudice the City's right to assign Default Points pursuant to Section 2.9 *[Default Points]* of this Schedule 16.

2.8 Liquidated Damages

2.8.1 Construction Payments will be adjusted for liquidated damages as set out in Schedule 4 *[Design and Construction Protocols]* and otherwise in accordance with the Agreement.

2.9 Default Points

2.9.1 The City may assign a Default Point to Project Co if the total value of NPE occurrences during the Look Back Period, as measured on the final day of such period, is greater than or equal to \$1,000,000.00.

2.9.2 Upon the assignment of a Default Point the City may not apply another Default Point as may be applicable under Section 2.9.1, until a further three months have lapsed.

2.9.3 Once assigned, Default Points will persist until the Expiry Date.

3. PAYMENT REPORTING, ADMINISTRATION AND INVOICING

3.1 Obligation to make Payments during the Term

3.1.1 Subject to the provisions of this Schedule, the City shall pay to Project Co the Payment during the Term in respect of each month where such Payments shall be due to Project Co.

3.1.2 Subject to the provisions of this Schedule, each such Payment shall be calculated in accordance with Section 1 *[Payments]* and Section 2 *[Construction Payment Administration]* of this Schedule and shall be paid in accordance with Section 3.9 *[Due Dates for Payments during the Term]* of this Schedule.

3.1.3 The making of such Payments by the City shall not constitute an acceptance of any part of the Project Work by the City.

3.2 Monthly Reports for Construction Payments during the Term

3.2.1 Not later than five Business Days before the last day of each month (t) during the Term, Project Co shall deliver to the City's Representative and, once the Independent Certifier is appointed, the Independent Certifier a draft written report setting out Project Co's calculation of each component of the Payment related to Section 1 *[Payments]*, including all calculations and supporting documentation for the Construction Payment and Construction Payment Adjustments, as well as the items listed in Section 3.2.2 g), h), i) and j) below. The draft written report will be based on Project Co's best estimate of these items for that month, at the time of the writing of the draft written report.

3.2.2 Not later than seven Business Days after the last day of each month (or portion thereof, as the case may be) during the Term, Project Co shall deliver to the City's Representative

a final written report setting out Project Co's calculation of each of the following (each stated separately):

- a) Detailed calculations and supporting documentation of each component of the Payment related to Section 1 [*Payments*] and Section 2 [*Construction Payment Administration*] for the preceding month;
- b) the NPE Payment Adjustment assignable to Project Co in respect of each Non-Performance Event occurring during the preceding month (or portion thereof, as the case may be) including a detailed description of each Non-Performance Event that occurred during the preceding month;
- c) the aggregate of all Payments made by the City prior to the preceding month in respect of the Term, broken down in accordance with the Work Breakdown Structure;
- d) 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 the preceding month (for which adjustment has not already been made);
- e) any information required pursuant to Section 8.5 [*Taxes*] of the Agreement;
- f) in the case of a Change as provided for in Schedule 13 [*Changes*], any information that the City reasonably requires to properly assess, determine and validate its payment obligations in relation to that Change;
- g) any interest payable in respect of any amounts owed pursuant to Section 8.7 [*Interest on Overdue Payments*] of the Agreement;
- h) any amounts payable by the City pursuant to Section 4 [*Utility Costs*] of Schedule 28 [*Project Approvals and Utility Matters*], Part 2 [*Utility Matters*];
- i) any other amounts to be paid by the City or by Project Co in relation to the requirements of the Agreement; and
- j) 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 3.1 [*Obligation to make Payments during the Term*] of this Schedule.

3.2.3 The reports delivered pursuant to Section 3.2.1 and Section 3.2.2 of this Schedule shall be accompanied by supporting documentation 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.

3.3 Conditions for Construction Payments

- 3.3.1 The report delivered pursuant to Section 3.2.2 of this Schedule shall be accompanied by a monthly payment certificate in a form agreed to by the City substantially consistent with the Monthly Payment Certificate in Appendix 16C.
- 3.3.2 The report delivered pursuant to Section 3.2.2 of this Schedule shall be accompanied by a copy of all written assessments and/or reports delivered to the Lender's Agents in respect of the Project.
- 3.3.3 Not later than ten Business Days after the Independent Certifier is appointed, the Independent Certifier shall review the monthly reports delivered pursuant to Section 3.2.2 of this Schedule up to the date of the Independent Certifier's appointment and deliver a Draft Independent Certifier Payment Certificate and other draft reports relating to the monthly payment referred to in Appendix 1 *[Functions]* of Appendix 15A *[Independent Certifier Agreement]* of Schedule 15 *[Independent Certifier]*, as such relate to such monthly reports delivered up to the date of the Independent Certifier's appointment. Thereafter, not later than three Business Days after receiving the monthly report delivered pursuant to Section 3.2.2 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 Appendix 1 *[Functions]* of Appendix 15A *[Independent Certifier Agreement]* of Schedule 15 *[Independent Certifier]*.
- 3.3.4 Not later than 15 Business Days after the Independent Certifier is appointed, the Independent Certifier shall deliver the Independent Certifier Payment Certificate and any other reports relating to the monthly payment referred to in Appendix 1 *[Functions]* of Appendix 15A *[Independent Certifier Agreement]* of Schedule 15 *[Independent Certifier]* as such relate to the monthly reports delivered pursuant to Section 3.2.2 of this Schedule up to the date of the Independent Certifier's appointment. Thereafter, not later than six Business Days after receiving the monthly report delivered pursuant to Section 3.2.2 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 Appendix 1 *[Functions]* of Appendix 15A *[Independent Certifier Agreement]* of Schedule 15 *[Independent Certifier]*.
- 3.3.5 Not later than five Business Days after receiving the monthly report delivered pursuant to Section 3.2.2 of this Schedule, the City shall notify Project Co and, once the Independent Certifier is appointed, the Independent Certifier of the monthly Construction Payment Adjustment amount to be included in the Independent Certifier's Payment Certificate, inclusive of the NPE Payment Adjustment to be applied.
- 3.3.6 Any of the City, the Independent Certifier and Project Co, in each case, acting reasonably, may request a meeting to review:
 - (a) the monthly report delivered pursuant to Section 3.2 *[Monthly Reports for Construction Payments during the Term]* of this Schedule to review the calculations and supporting details as listed in Section 3.2.2; and/or

- (b) the monthly Construction Payment Adjustment amount to be included in the Independent Certifier's Payment Certificate pursuant to Section 3.3.5 of this Schedule.
- 3.3.7 If any monthly report delivered pursuant to Section 3.2 *[Monthly Reports for Construction Payments during the Term]* of this Schedule shows a net amount owing by the City to Project Co, then following the issuance of the Independent Certifier Payment Certificate pursuant to Section 3.3.4 and the final written report delivered pursuant to Section 3.2.2, Project Co shall deliver to the City an invoice that is consistent with the amount certified on the Independent Certifier Payment Certificate, without prejudice to Section 8.7 *[Interest on Overdue Payments]* and Section 8.8 *[Disputed Amounts]* of the Agreement.
- 3.3.8 Only when the conditions of this Section 3.3 *[Conditions for Construction Payments]* are satisfied, shall Project Co be eligible to deliver the invoice for the monthly Construction Payment.
- 3.4 Conditions for Phase 1 Construction Completion Payment**
- 3.4.1 Before the Phase 1 Construction Completion (OMF-B) Payment for achieving Phase 1 Construction Completion is made, the Certificate of Phase 1 Construction Completion must first be issued by the Independent Certifier in accordance with Section 2 *[Phase 1 Construction Completion]* of Appendix 1 *[Functions]* of Appendix 15A *[Independent Certifier Agreement]* of Schedule 15 *[Independent Certifier]*.
- 3.4.2 Only when the conditions of Section 3.4.1 are satisfied, shall Project Co be eligible to deliver an invoice for the Phase 1 Construction Completion Payment without prejudice to Section 8.7 *[Interest on Overdue Payments]* and Section 8.8 *[Disputed Amounts]* of the Agreement.
- 3.5 Conditions for Construction Completion Payment**
- 3.5.1 Before the Construction Completion Payment is made, the Certificate of Construction Completion must first be issued by the Independent Certifier in accordance with Section 4 *[Construction Completion]* of Appendix 1 *[Functions]* of Appendix 15A *[Independent Certifier Agreement]* of Schedule 15 *[Independent Certifier]*.
- 3.5.2 Only when the conditions of Section 3.5.1 are satisfied, shall Project Co be eligible to issue an invoice for the Construction Completion Payment without prejudice to Section 8.7 *[Interest on Overdue Payments]* and Section 8.8 *[Disputed Amounts]* of the Agreement.
- 3.6 Conditions for Legislative Holdback Payment**
- 3.6.1 Before the Legislative Holdback Payment (or any portion thereof) is made, the Legislative Holdback Payment Certificate must first be issued by the Independent Certifier in accordance with Section 8.3(c) of the Agreement.
- 3.6.2 Only when the conditions of Section 3.6.1 are satisfied, shall Project Co be eligible to issue an invoice for the Legislative Holdback Payment without prejudice to Section 8.7 *[Interest on Overdue Payments]* and Section 8.8 *[Disputed Amounts]* of the Agreement.

3.7 Conditions for Phase 1 Construction Completion Deficiencies Holdback Repayment

- 3.7.1 Subject to Section 12.16 [*Phase 1 Construction Completion Deficiencies Letter of Credit*] of Schedule 4 [*Design and Construction Protocols*], before the Phase 1 Construction Completion Deficiencies Holdback Repayment is made, Project Co must first satisfy the requirements of Section 12.11 [*Correction of Phase 1 Construction Completion Deficiencies*] of Schedule 4 [*Design and Construction Protocols*].
- 3.7.2 Only when the conditions of Section 3.7.1 are satisfied, shall Project Co be eligible to issue an invoice for the Phase 1 Construction Completion Deficiencies Holdback Repayment, subject to Section 12.15 [*Phase 1 Construction Completion Deficiencies Holdback*] of Schedule 4 [*Design and Construction Protocols*] and without prejudice to Section 8.7 [*Interest on Overdue Payments*] and Section 8.8 [*Disputed Amounts*] of the Agreement.

3.8 Conditions for Construction Completion Deficiencies Holdback Repayment

- 3.8.1 Subject to Section 14.16 [*Construction Completion Deficiencies Letter of Credit*] of Schedule 4 [*Design and Construction Protocols*], before the Construction Completion Deficiencies Holdback Repayment is made, Project Co must first satisfy the requirements of Section 14.11 [*Correction of Phase 1 Construction Completion Deficiencies*] of Schedule 4 [*Design and Construction Protocols*].
- 3.8.2 Only when the conditions of Section 3.8.1 are satisfied, shall Project Co be eligible to issue an invoice for the Construction Completion Deficiencies Holdback Repayment, subject to Section 14.15 [*Construction Completion Deficiencies Holdback*] of Schedule 4 [*Design and Construction Protocols*] and without prejudice to Section 8.7 [*Interest on Overdue Payments*] and Section 8.8 [*Disputed Amounts*] of the Agreement.

3.9 Due Dates for Payments during the Term

- 3.9.1 The City shall pay any amount owing for the monthly Construction Payment to Project Co, not later than, the 11th Business Day after the City has received the invoice and all of the documents to be delivered pursuant to Section 3.2 [*Monthly Reports for Construction Payments during the Term*] and Section 3.3 [*Conditions for Construction Payments*] of this Schedule.
- 3.9.2 The City shall pay any amount owing for the Phase 1 Construction Completion (OMF-B) Payment to Project Co, not later than, the 11th Business Day after the City has received the invoice and all of the documents to be delivered pursuant to Section 3.4 [*Conditions for Phase 1 Construction Completion Payment*] of this Schedule.
- 3.9.3 Subject to Section 21.4 (d) of the Agreement, the City shall pay any amount owing for the Construction Completion Payment to Project Co, not later than, the 11th Business Day after the City has received the invoice and all of the documents to be delivered pursuant to Section 3.5 [*Conditions for Construction Completion Payment*] of this Schedule.
- 3.9.4 Subject to Section 8.3 (f) of the Agreement, the City shall pay any amount owing for the Legislative Holdback Payment to Project Co, not later than, the 11th Business Day after

the City has received the invoice and all of the documents to be delivered pursuant to Section 3.6 [*Conditions for Legislative Holdback Payment*] of this Schedule.

- 3.9.5 Subject to Section 12.16 [*Phase 1 Construction Completion Deficiencies Letter of Credit*] of Schedule 4 [*Design and Construction Protocols*], the City shall pay any amount owing for the Phase 1 Construction Completion Deficiencies Holdback Repayment to Project Co, not later than, the 11th Business Day after the City has received the invoice and all of the documents to be delivered pursuant to Section 3.7 [*Conditions for Phase 1 Construction Completion Deficiencies Holdback Repayment*] of this Schedule and Section 12.15 (d) of Schedule 4 [*Design and Construction Protocols*].
- 3.9.6 Subject to Section 14.16 [*Construction Completion Deficiencies Letter of Credit*] of Schedule 4 [*Design and Construction Protocols*], the City shall pay any amount owing for the Construction Completion Deficiencies Holdback Repayment to Project Co, not later than, the 11th Business Day after the City has received the invoice and all of the documents to be delivered pursuant to Section 3.8 [*Conditions for Construction Completion Deficiencies Holdback Repayment*] of this Schedule and Section 14.15 (d) of Schedule 4 [*Design and Construction Protocols*].

3.10 Reporting Errors

- 3.10.1 Project Co will be assigned a Reporting Failure Penalty equal to 30% of the value of the Reporting Error ("Reporting Failure Penalty") if a report delivered pursuant to Section 3.2 [*Monthly Reports for Construction Payments during the Term*] of this Schedule fails to refer to a Non-Performance Event or a Construction Payment Adjustment. If 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 \$25,000.00 per Reporting Error, unless the Reporting Error relates to fraudulent claims by Project Co.
- 3.10.2 Should three 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 16A

Payment and Payment Adjustment Inputs

1. Total Capital Cost Amount

Table 6: Total Capital Cost Amount

To the extent that this Table 6: Total Capital Cost Amount is used for the purpose of measuring the Percent Completion for Construction Payment on a monthly basis, measurement shall include only the Work Packages and supporting activities which result in value in the ground.

| Item No. | Level | Name | WBS Discipline | Value |
|----------|---------|---|--------------------|-------|
| 1 | Level 0 | Construction | | |
| 2 | Level 1 | Area 1 - From east of 102 Ave/102 St to west of 102 Ave/107 St, and from south of 102 Ave/107 St to south of 104 Ave/107 St | | |
| 3 | Level 2 | Alex Decoteau Stop | Facilities | |
| 4 | Level 2 | NorQuest Stop | Facilities | |
| 5 | Level 2 | Utilities | Utilities | |
| 6 | Level 2 | Civil Drainage | Drainage | |
| 7 | Level 2 | Roadways | Roads | |
| 8 | Level 2 | Track Structure | Structures | |
| 9 | Level 2 | Landscaping/Streetscaping | Landscaping | |
| 10 | Level 2 | 107 Street/104 Avenue Utility Complex | Facilities | |
| 11 | Level 2 | Retaining Walls | Structures | |
| 12 | Level 2 | OCS Foundations | Structures | |
| 13 | Level 2 | Duct Bank | Duct Banks | |
| 14 | Level 2 | Street Lighting | Street Lighting | |
| 15 | Level 2 | Traffic Signals | Traffic Signals | |
| 16 | Level 2 | Public Art | Public Art | |
| 17 | Level 2 | Systems Integration and Commissioning | System Integration | |
| 18 | Level 1 | Area 2 -From east of 104 Ave/105 St to west of 104 Ave/121 St | | |
| 19 | Level 2 | MacEwan Arts/112 Street Stop | Facilities | |
| 20 | Level 2 | The Yards/116 Street Stop | Facilities | |
| 21 | Level 2 | Brewery/120 Street Stop | Facilities | |
| 22 | Level 2 | Utilities | Utilities | |
| 23 | Level 2 | Civil Drainage | Drainage | |
| 24 | Level 2 | Roadways | Roads | |
| 25 | Level 2 | Track Structure | Structures | |
| 26 | Level 2 | Landscaping | Landscaping | |
| 27 | Level 2 | Retaining Walls | Structures | |
| 28 | Level 2 | Oliver Square Utility Complex | Facilities | |
| 29 | Level 2 | OCS Foundations | Structures | |
| 30 | Level 2 | Duct Bank | Duct Banks | |
| 31 | Level 2 | Street Lighting | Street Lighting | |
| 32 | Level 2 | Traffic Signals | Traffic Signals | |

| Item No. | Level | Name | WBS Discipline | Value |
|----------|---------|--|--------------------|-------|
| 33 | Level 2 | Public Art | Public Art | |
| 34 | Level 2 | Systems Integration and Commissioning | System Integration | |
| 35 | Level 1 | Area 3 - From west of 104 Ave/121 St to west of Stony Plain Rd./139 St | | |
| 36 | Level 2 | 124 Street Stop | Facilities | |
| 37 | Level 2 | Glenora Stop | Facilities | |
| 38 | Level 2 | Utilities | Utilities | |
| 39 | Level 2 | Stony Plain Road Bridge | Structures | |
| 40 | Level 2 | Civil Drainage | Drainage | |
| 41 | Level 2 | Roadways | Roads | |
| 42 | Level 2 | Track Structure | Structures | |
| 43 | Level 2 | Landscaping | Landscaping | |
| 44 | Level 2 | 124 Street/104 Avenue Utility Complex | Facilities | |
| 45 | Level 2 | Stony Plain Road/132 Street Utility Complex | Facilities | |
| 46 | Level 2 | Retaining Walls | Structures | |
| 47 | Level 2 | OCS Foundations | Structures | |
| 48 | Level 2 | Duct Bank | Duct Banks | |
| 49 | Level 2 | Street Lighting | Street Lighting | |
| 50 | Level 2 | Traffic Signals | Traffic Signals | |
| 51 | Level 2 | Public Art | Public Art | |
| 52 | Level 2 | Systems Integration and Commissioning | System Integration | |
| 53 | Level 1 | Area 4 - From west of Stony Plain Rd./139 St to west of Stony Plain Rd./156 St, and from north of Stony Plain Rd./156 St to north of 156 St/99 Ave | | |
| 54 | Level 2 | Grovenor/142 Street Stop | Facilities | |
| 55 | Level 2 | Stony Plain Road/149 Street Stop | Facilities | |
| 56 | Level 2 | Jasper Place Stop | Facilities | |
| 57 | Level 2 | Utilities | Utilities | |
| 58 | Level 2 | Civil Drainage | Drainage | |
| 59 | Level 2 | Roadways | Roads | |
| 60 | Level 2 | Track Structure | Structures | |
| 61 | Level 2 | Landscaping/Streetscaping | Landscaping | |
| 62 | Level 2 | Retaining Walls | Structures | |
| 63 | Level 2 | Stony Plain Road/144 Street Utility Complex | Facilities | |
| 64 | Level 2 | 100A Avenue/156 Street Utility Complex | Facilities | |
| 65 | Level 2 | OCS Foundations | Structures | |
| 66 | Level 2 | Duct Bank | Duct Banks | |
| 67 | Level 2 | Street Lighting | Street Lighting | |
| 68 | Level 2 | Traffic Signals | Traffic Signals | |
| 69 | Level 2 | Public Art | Public Art | |
| 70 | Level 2 | Systems Integration and Commissioning | System Integration | |
| 71 | Level 1 | Area 5 - From north of 156 St/99 Ave to south of Meadowlark Rd, and from east of Meadowlark Rd to east of 87 Ave/163 St | | |
| 72 | Level 2 | Glenwood/Sherwood Stop | Facilities | |
| 73 | Level 2 | Meadowlark Stop | Facilities | |
| 74 | Level 2 | Utilities | Utilities | |

| Item No. | Level | Name | WBS Discipline | Value |
|----------|---------|--|--------------------|-------|
| 75 | Level 2 | Civil Drainage | Drainage | |
| 76 | Level 2 | Roadways | Roads | |
| 77 | Level 2 | Track Structure | Structures | |
| 78 | Level 2 | Landscaping | Landscaping | |
| 79 | Level 2 | Retaining Walls | Structures | |
| 80 | Level 2 | 156 Street/94 Avenue Utility Complex | Facilities | |
| 81 | Level 2 | 89 Ave/Meadowlark Road Utility Complex | Facilities | |
| 82 | Level 2 | OCS Foundations | Structures | |
| 83 | Level 2 | Duct Bank | Duct Banks | |
| 84 | Level 2 | Street Lighting | Street Lighting | |
| 85 | Level 2 | Traffic Signals | Traffic Signals | |
| 86 | Level 2 | Public Art | Public Art | |
| 87 | Level 2 | Systems Integration and Commissioning | System Integration | |
| 88 | Level 1 | Area 6 – From east of 87 Ave/163 St to 87 Ave/TUC | | |
| 89 | Level 2 | Misericordia Station | Facilities | |
| 90 | Level 2 | West Edmonton Mall Station | Facilities | |
| 91 | Level 2 | Aldergrove/Belmead Stop | Facilities | |
| 92 | Level 2 | West Edmonton Mall Transit Centre | Roads | |
| 93 | Level 2 | Utilities | Utilities | |
| 94 | Level 2 | 87 Avenue Elevated Guideway | Structures | |
| 95 | Level 2 | Civil Drainage | Drainage | |
| 96 | Level 2 | Roadways | Roads | |
| 97 | Level 2 | Track Structure | Structures | |
| 98 | Level 2 | Landscaping | Landscaping | |
| 99 | Level 2 | Retaining Walls | Structures | |
| 100 | Level 2 | 87 Avenue/165 Street Utility Complex | Facilities | |
| 101 | Level 2 | 87 Avenue/182 St Utility Complex | Facilities | |
| 102 | Level 2 | 87 Avenue/190 Street Utility Complex | Facilities | |
| 103 | Level 2 | OCS Foundations | Structures | |
| 104 | Level 2 | Duct Bank | Duct Banks | |
| 105 | Level 2 | Street Lighting | Street Lighting | |
| 106 | Level 2 | Traffic Signals | Traffic Signals | |
| 107 | Level 2 | Public Art | Public Art | |
| 108 | Level 2 | Systems Integration and Commissioning | System Integration | |
| 109 | Level 1 | Area 7 – From east TUC boundary to west TUC boundary | | |
| 110 | Level 2 | Utilities | Utilities | |
| 111 | Level 2 | Anthony Henday Drive LRT Bridge | Structures | |
| 112 | Level 2 | Civil Drainage | Drainage | |
| 113 | Level 2 | Roadways | Roads | |
| 114 | Level 2 | Track Structure | Structures | |
| 115 | Level 2 | Landscaping | Landscaping | |
| 116 | Level 2 | Retaining Walls | Structures | |
| 117 | Level 2 | OCS Foundations | Structures | |
| 118 | Level 2 | Duct Bank | Duct Banks | |

| Item No. | Level | Name | WBS Discipline | Value |
|----------|---------|---|--------------------|-------|
| 119 | Level 2 | Street Lighting | Street Lighting | |
| 120 | Level 2 | Traffic Signals | Traffic Signals | |
| 121 | Level 2 | Systems Integration and Commissioning | System Integration | |
| 122 | Level 1 | Area 8 – From west TUC boundary to west of Webber Greens Drive/Park and Ride Access Road and Lewis Farms Site | | |
| 123 | Level 2 | Lewis Farms Stop | Facilities | |
| 124 | Level 2 | Lewis Farms Park and Ride | Roads | |
| 125 | Level 2 | Roadways | Roads | |
| 126 | Level 2 | Civil Drainage | Drainage | |
| 127 | Level 2 | Track Structure | Structures | |
| 128 | Level 2 | Yard and Track Works | Track Alignment | |
| 129 | Level 2 | Lewis Farms Storage Facility | Facilities | |
| 130 | Level 2 | Utilities | Utilities | |
| 131 | Level 2 | Landscaping | Landscaping | |
| 132 | Level 2 | Retaining Walls | Structures | |
| 133 | Level 2 | OCS Foundations | Structures | |
| 134 | Level 2 | OCS | OCS | |
| 135 | Level 2 | Duct Bank | Duct Banks | |
| 136 | Level 2 | Street Lighting | Street Lighting | |
| 137 | Level 2 | Traffic Signals | Street Lighting | |
| 138 | Level 2 | Public Art | Public Art | |
| 139 | Level 2 | Systems Integration and Commissioning | System Integration | |
| 140 | Level 1 | Area 9 - Gerry Wright OMF Stage 2 | | |
| 141 | Level 2 | Track Structure | Structures | |
| 142 | Level 2 | Yard and Track Works | Track Alignment | |
| 143 | Level 2 | Gerry Wright OMF Building B and Equipment | Facilities | |
| 144 | Level 2 | Roadways | Roads | |
| 145 | Level 2 | Civil Drainage | Drainage | |
| 146 | Level 2 | Utilities | Utilities | |
| 147 | Level 2 | Landscaping | Landscaping | |
| 148 | Level 2 | Retaining Walls | Structures | |
| 149 | Level 2 | OCS Foundations | Structures | |
| 150 | Level 2 | OCS | OCS | |
| 151 | Level 2 | Duct Bank | Duct Banks | |
| 152 | Level 2 | Public Art | Public Art | |
| 153 | Level 2 | Systems Integration and Commissioning | System Integration | |
| 154 | Level 1 | Area 10 - Alignment Wide Scope | | |
| 155 | Level 2 | Signaling System | Train Signals | |
| 156 | Level 2 | Communications Systems | Communications | |
| 157 | Level 2 | Traction Power Substation Supply and Distribution | Traction Power | |
| 158 | Level 2 | Stray current, EMI, Noise Vibration mitigation line wide | Stray Current | |
| 159 | Level 2 | OCS Line Wide | OCS | |
| 160 | Level 2 | Integrated Testing and Commissioning | System Integration | |

| Item No. | Level | Name | WBS Discipline | Value |
|----------|---------|--|--------------------|------------|
| 161 | Level 2 | Mainline Track Alignment | Track Alignment | [REDACTED] |
| 162 | Level 2 | Spare Parts | System Integration | [REDACTED] |
| 163 | Level 2 | Environmental | Environmental | [REDACTED] |
| 164 | Level 2 | Operations Plan | Operations | [REDACTED] |
| 165 | Level 0 | Management, Engineering, and Overhead | | [REDACTED] |
| 166 | Level 1 | Project Management | Project Management | [REDACTED] |
| 167 | Level 1 | Design/Engineering | Project Management | [REDACTED] |
| 168 | Level 2 | Civil | Project Management | [REDACTED] |
| 169 | Level 2 | Systems | Project Management | [REDACTED] |
| 170 | Level 2 | Structures | Project Management | [REDACTED] |
| 171 | Level 2 | SUI/Facilities | Project Management | [REDACTED] |
| 172 | Level 1 | Construction Management | Project Management | [REDACTED] |
| 173 | Level 1 | Professional Advisory Services (Legal/Financial) | n/a | [REDACTED] |
| 174 | Level 1 | Communications and Public Engagement | Communications | [REDACTED] |
| 175 | Level 1 | Offices | n/a | [REDACTED] |
| 176 | Level 1 | SPV Staff and Operations Costs | n/a | [REDACTED] |
| 177 | Level 1 | Proposal Phase Costs | n/a | [REDACTED] |
| 178 | Level 1 | Construction Independent Certifier Fees | n/a | [REDACTED] |
| 179 | Level 1 | Performance Demonstration Independent Certifier Fees | n/a | [REDACTED] |
| 180 | Level 0 | Financing Related Costs | | [REDACTED] |
| 181 | Level 1 | Upfront Fees and Charges | n/a | [REDACTED] |
| 182 | Level 1 | Interest expenses | n/a | [REDACTED] |
| 183 | Total | Total Capital Cost Amount | | [REDACTED] |

2. Construction Payment Adjustment

Table 7: Valued Items

| Items from Financial Offer Form b: Table 2 Valued Items | Value (\$) |
|--|------------|
| Column A | Column B |
| Target Lane Closure cost for Lane Closure Condition 1 | [REDACTED] |
| Target Lane Closure cost for Lane Closure Condition 2 | [REDACTED] |
| Target Lane Closure cost for Lane Closure Condition 3 | [REDACTED] |
| Target Lane Closure cost for Lane Closure Condition 4 | [REDACTED] |
| Target Lane Closure cost for Lane Closure Condition 5 | [REDACTED] |
| Target Lane Closure cost for Lane Closure Condition 6 | [REDACTED] |
| Target Lane Closure cost for Lane Closure Condition 7 | [REDACTED] |
| Target Lane Closure cost for Lane Closure Condition 8 | [REDACTED] |

| Items from Financial Offer Form b: Table 2 Valued Items | Value (\$) |
|--|------------|
| Column A | Column B |
| Target Lane Closure cost for Lane Closure Condition 9 | [REDACTED] |
| Target Lane Closure cost for Lane Closure Condition 10 | [REDACTED] |
| Target Lane Closure cost for Lane Closure Condition 11 | [REDACTED] |
| Target Lane Closure cost for Lane Closure Condition 12 | [REDACTED] |
| Target Lane Closure cost for Lane Closure Condition 13 | [REDACTED] |
| Target Lane Closure cost for Lane Closure Condition 14 | [REDACTED] |
| Target Lane Closure cost for Lane Closure Condition 15 | [REDACTED] |
| Target Lane Closure Costs (sum of the Target Lane Closure costs for Lane Closure Condition) | [REDACTED] |
| Target Transit Impact Costs for 104 Ave (107 to 121 St) Condition 1 | [REDACTED] |
| Target Transit Impact Costs for 104 Ave (121 to 124 St) Condition 2 | [REDACTED] |
| Target Transit Impact Costs for Stony Plain Rd (124 to 142 St) Condition 3 | [REDACTED] |
| Target Transit Impact Costs for Stony Plain Rd (142 to 149 St) Condition 4 | [REDACTED] |
| Target Transit Impact Costs for Stony Plain Rd (149 to 156 St) Condition 5 | [REDACTED] |
| Target Transit Impact Costs for 156 St and Meadowlark Rd. (Stony Plain Road to 87 Ave) Condition 6 | [REDACTED] |
| Target Transit Impact Costs for 87 Ave (Meadowlark to 170 St) Condition 7 | [REDACTED] |
| Target Transit Impact Costs for 87 Ave (170 St to 178 St) Condition 8 | [REDACTED] |
| Target Transit Impact Costs for 87 Ave (178 St to TUC) Condition 9 | [REDACTED] |
| Target Transit Impact Costs for 87 Ave (TUC to Lewis Farms Transit Center) Condition 10 | [REDACTED] |
| Target Transit Closure Costs for 104 Ave (121 St to 124 St) Condition 1 | [REDACTED] |
| Target Transit Closure Costs for Stony Plain Rd (124 St to 142 St) Condition 2 | [REDACTED] |
| Target Transit Closure Costs for Stony Plain Rd (142 St to 149 St) Condition 3 | [REDACTED] |
| Target Transit Closure Costs for Stony Plain Rd (149 St to 156 St) Condition 4 | [REDACTED] |
| Target Transit Closure Costs for 156 St and Meadowlark Rd. (Stony Plain Rd to 87 Ave) Condition 5 | [REDACTED] |
| Target Transit Impact Costs (sum of Transit Impact Costs by Transit Impact Road Segment) | [REDACTED] |
| Target Tree Compensation Value | [REDACTED] |
| Target Tree Compensation Value | [REDACTED] |

APPENDIX 16B

Non-Performance Event Payment Adjustments

Table 8 sets out the various attributes that facilitate the calculation of the NPE Payment Adjustments. There are a number of mechanics associated Table 8, represented by the various columns in the table, as follows:

- a) "NPE Ref #" is a sequential count of the various unique NPE occurrences, representative of (i) in NPE Payment Adjustment formula in Section 2.7;
- b) "NPE Description" includes a description of the NPE occurrence, which if it manifests, will trigger the NPE Payment Adjustment;
- c) "Sch. Ref" refers to the particular Agreement Schedule and "Sch. Sec" to the particular clause within said Schedule, to which the NPE is related. The NPE and the particular Schedule Section should be considered together.
- d) "Rate" refers to the daily NPE Payment Adjustment Rate applicable to a particular NPE occurrence, as applied in the NPE Payment Adjustment formula in Section 2.7.
- e) "Allocation Trigger" refers to how a particular NPE is allocated and/or when it is allocated following the occurrence of the NPE.
- f) "Rectification Timeframe" refers to the timeframe for which rectification of the NPE must be achieved. Failure to rectify the NPE within the rectification timeframe will result in the reapplication of the NPE Payment Adjustment following the last day of the rectification timeframe.
- g) "Rectification Action" refers to the desired action to be taken by Project Co to rectify or alleviate the applicable NPE, which needs to be taken to suspend the applicable NPE Payment Adjustment.

Table 8: Non-Performance Events

| NPE Ref # (i) | NPE Description | Sch. Ref | Sch. Sec | Rate | Allocation Trigger | Rectification Timeframe | Rectification Action |
|---------------|--|----------|----------|---------|---|--|---|
| 1. | Failure to provide Submittals required to be provided by a specific due date under this Agreement or in reference to or relative to a due date required under this Agreement. For greater certainty, this does not apply to design Submittals which do not have a specific due date required under this Agreement. | 2 | 1.1 | \$1,000 | On the day following the end of the allowance period. | Each 7 days following the allocation trigger date. | Day after the Submittal has been received. |
| 2. | <p>Implementing or permitting the implementation of any activity which is the subject of a Submittal prior to the applicable Submittal being endorsed Accepted, deemed Accepted or Observations where no remaining compliance issues remain on the ROCO related to the activity, in the City's judgement acting reasonably. For greater certainty:</p> <p>(a) this does not apply where a Submittal has been deemed endorsed Accepted and the City subsequently revises the endorsement assigned to such Submittal; and,</p> <p>(b) Project Co may proceed at risk after submission of Submittal in accordance with Schedule 2 and prior to receiving endorsement; however, the NPE will apply from start of the activity if within the Review Period the Submittal is endorsed Rejected or Observations with non-compliances applicable to the activity..</p> | 2 | 2.2, | \$1,000 | On the day following the implementation of an applicable activity – whether reported by Project Co or observed by City. | Each day following the allocation trigger. | Day after activity stops or Submittal has been Accepted, deemed Accepted, or related compliance issues have been acknowledged in writing by the City as resolved in the ROCO. |
| 3. | Failure to submit a compliant Baseline Construction Schedule, in accordance with the Project Requirements, within 270 days after the Effective Date. | 3 | 2.1(b) | \$1,000 | On the day following the end of the applicable allowance period. | Each day following the allocation trigger date. | Day after Submittal has been Accepted or deemed Accepted. |
| 4. | Failure to submit a compliant Schedule Update, in accordance with Project Requirements. | 3 | 4.1 | \$1,000 | On the day following the end of the applicable due date. | Each day following the allocation trigger date. | Day after Schedule Update has been received or when the subsequent months Schedule Update has been received. |

| NPE Ref # (i) | NPE Description | Sch. Ref | Sch. Sec | Rate | Allocation Trigger | Rectification Timeframe | Rectification Action |
|----------------------|---|-----------------|-------------------|-------------|--|---|---|
| 5. | Failure to provide a Recovery Schedule by the due date pursuant to Section 5.1 [<i>Recovery Schedule</i>] of Schedule 3 [<i>Construction Schedule</i>]. | 3 | 5.1 | \$5,000 | On the day following the end of the applicable allowance period. | Each day following the allocation trigger date. | Day after Recovery Schedule has been submitted. |
| 6. | Failure to submit a fully compliant Recovery Schedule within 60 days of submitting a Recovery Schedule pursuant to Section 5 [<i>Recovery Schedule</i>] of Schedule 3 [<i>Construction Schedule</i>]. | 3 | 5.3 | \$5,000 | On the day following the end of the applicable allowance period. | Each day following the allocation trigger date. | Day after Recovery Schedule has been Accepted or deemed Accepted. |
| 7. | Failure to provide on each anniversary of Commercial Close, the annual report to the City on the implementation of the Community Employment Benefits Plan pursuant to Section 4.6 [<i>Community Employment Benefits Plan</i>] of Schedule 4 [<i>Design and Construction Protocols</i>]. | 4 | 4.6 (d) | \$1,000 | On the day following the end of the applicable due date. | Each 7 days following the allocation trigger date. | Day after Submittal has been submitted. |
| 8. | Failure to comply with the Design Management Plan pursuant to Section 6.4.1 (b), (f), (h), (j), (l) and (n) of Schedule 4 [<i>Design and Construction Protocols</i>]. | 4 | 6.4.3 | \$500 | On the day following the end of the applicable allowance period. | Application of NPE per allocation trigger date only. | Not applicable: non-rectifiable event. |
| 9. | Failure to install required temporary fences and complete construction of the replacement Property Fence or Noise Attenuation Walls in accordance with the Project Requirements. | 5 | 1-2.1.6 and 1-2.2 | \$500 | On the day following the end of the applicable allowance period. | Each day following the allocation trigger date. | Day after required temporary fences or replacement Property Fence is installed. |
| 10. | For each separate parking stall that is not available below the minimum of 200 parking stalls at Lewis Farms Park and Ride. | 5 | 1-3.1.3 (C) | \$500 | On the day after one or more parking stalls is not available for use by the public and the minimum requirements is not maintained. | Each day following the allocation trigger date. | Day after the minimum 200 parking stalls requirement are restored. |
| 11. | For each Transportation Closure or modification to traffic signals without an Accepted TAR. | 5 | 1-4.2.2 (D) | \$1,000 | On the day of the implementation of the closure. | Each 6-hour period that traffic lane, vehicular route, bicycle route, or pedestrian route is not available. | Immediately following the 6-hour period in which traffic lane, vehicular route, bicycle route, or pedestrian route Availability is restored or an Accepted TAR is received. |

| NPE Ref # (i) | NPE Description | Sch. Ref | Sch. Sec | Rate | Allocation Trigger | Rectification Timeframe | Rectification Action |
|----------------------|---|-----------------|------------------------------|-------------|--|--|--|
| 12. | Failure to re-open each Lane Closure by the specified time, following a Full Closure of Anthony Henday Drive or following a Full Closure of the allowable ramps, in accordance with Project Requirements. | 5 | 1-4.2.5 B.9 and 1-4.2.5 B.10 | \$1,500 | For each Lane Closure that remains in effect immediately following the specified time. | Each 30-minute period that a Lane Closure remains in effect. | Immediately following the 30-minute period in which the Lane Closure has been removed. |
| 13. | For each intersection, failure to maintain traffic signal equipment in accordance with the City's <i>Valley Line LRT Traffic Signal Construction and Maintenance Specifications</i> . | 5 | 1-3.5 (C)(2) | \$1,000 | On the day of the failure. | Each 6-hour period that traffic signal is not available | Immediately following the 6-hour period in which the traffic signal operation is restored. |
| 14. | For each Building Category 1: exceedance of building vibration thresholds as described in the Project Requirements. | 5 | 1-3.4 | \$50,000 | On the day following the vibration threshold exceedance. | Application of NPE per allocation trigger date only. | Not applicable: non-rectifiable event. |
| 15. | For each Building Category 2: exceedance of building vibration thresholds as described in the Project Requirements. | 5 | 1-3.4 | \$5,000 | On the day following the vibration threshold exceedance. | Application of NPE per allocation trigger date only. | Not applicable: non-rectifiable event. |
| 16. | For each Building Category 3: exceedance of building vibration thresholds as described in the Project Requirements. | 5 | 1-3.4 | \$500 | On the day following the vibration threshold exceedance. | Application of NPE per allocation trigger date only. | Not applicable: non-rectifiable event. |
| 17. | For each applicable Public Art installation, failure to provide City access to install Public Art in accordance with the Project Requirements. | 5 | 2-7(J) | \$500 | On the day following the start of the applicable installation window. | Each day following the allocation trigger date. | Day after City access is granted. |

| NPE Ref # (i) | NPE Description | Sch. Ref | Sch. Sec | Rate | Allocation Trigger | Rectification Timeframe | Rectification Action |
|----------------------|--|-----------------|-----------------|-------------|--|---|--|
| 18. | Damage to a Protected Tree or Preservation Tree, confirmed by the Arborist to be less than 30% of the tree, including the tree trunk, canopy and root system, as described in the Project Requirements. | 5 | 2-14.15 | \$5,000 | Day following the tree damage occurrence. | Application of NPE per allocation trigger date only. | Not applicable; non-rectifiable event. |
| 19. | Damage to a Protected Tree or Preservation Tree, confirmed by the Arborist to be greater than or equal to 30% of the tree, including the tree trunk, canopy and root system, as described in the Project Requirements. | 5 | 2-14.15 | \$10,000 | Day following the tree damage occurrence. | Application of NPE per allocation trigger date only. | Not applicable; non-rectifiable event. |
| 20. | Removal of a Preservation Tree, as described in the Project Requirements. | 5 | 2-14.15 | \$50,000 | On the day following the tree removal or damage. | Application of NPE per allocation trigger date only. | Not applicable; non-rectifiable event. |
| 21. | Failure to provide Tree Protection for Critical Root Zones A and B for Protected or Preservation Trees in accordance with the Project Requirements. | 5 | 2-14.15 | \$500 | Day following the occurrence. | Each day following the allocation trigger date. | Day after rectification is complete. |
| 22. | For each affected pour, failure to adhere to the required cold weather protection period of the Cast-in-Place Concreting in Cold Weather Procedure in accordance with the Project Requirements. | 5 | 4-4.5.1 6 | \$5,000 | On the day following the occurrence. | Each day following the occurrence during the required cold weather protection period. | Day after rectification of non-conformity. |
| 23. | For each affected pour, failure to adhere to the Cast-In-Place Concrete curing requirements in accordance with the Project Requirements. | 5 | 4-4.5.1 8 | \$1,000 | On the day following the occurrence. | Each day following the occurrence during the required curing period. | Day after rectification of non-conformity. |
| 24. | Failure to obtain and maintain certification of the Quality Management System from an accredited ISO 9001 Standard certification agency in accordance with the Project Requirements. | 9 | 2.2.2 | \$10,000 | On the day following the applicable due date. | Each 30 days following the allocation trigger date. | Day after satisfactory evidence of certification provided to the City. |

| NPE Ref # (i) | NPE Description | Sch. Ref | Sch. Sec | Rate | Allocation Trigger | Rectification Timeframe | Rectification Action |
|----------------------|--|-----------------|-----------------|-------------|---|--|---|
| 25. | Failure to have a compliant Final Plan within 60 Business Days of the initiation of each Nonconformity Report, or alternate date agreed to by the City. | 9 | 9.2.1(e) | \$1,000 | On the day following the applicable allowance period. | Each 7 days following the allocation trigger date. | Day after the Final Plan has been Accepted by the City. |
| 26. | Failure to implement, document and verify completion of the Final Plan within the Accepted time frame on the Nonconformity Report in the Nonconformity Tracking System. | 9 | 9.2.1(g) | \$1,000 | On the day following the applicable allowance period. | Each 7 days following the allocation trigger date. | Day after required completion of the Final Plan is verified. |
| 27. | Failure to identify and report a Nonconformity: (a) for which the City has issued a Nonconformity Report or a Potential Nonconformity that is subsequently considered a Nonconformity; and (b) that the City, acting reasonably, considers that Project Co ought to have identified and reported before the City did so. | 9 | 9.2, 9.3 | \$5,000 | On the day the City issues the Non-conformity Report or Potential Non-Conformity Report | Application of NPE per allocation trigger date only. | Not applicable: non-rectifiable event. |
| 28. | Failure to fully implement within 90 days after the Effective Date, or date as otherwise Accepted by the City in the Submittal Schedule and Register, and thereafter maintain throughout the Term, a Nonconformity Tracking System in accordance with the Project Requirements. | 9 | 9.4 | \$5,000 | On the day following the applicable allowance period. | Each 7 days following the allocation trigger date. | Day after system operation is achieved or re-achieved as Accepted by the City. |
| 29. | For each applicable Quality Audit finding, failure to address a Quality Audit Nonconformity or recommended action within 30 days or as specified in the Project Requirements. | 9 | 7.2.3 and 7.4.2 | \$1,000 | On the day following the applicable due date. | Each 7 days following the allocation trigger date. | Day after the audit finding is addressed and Accepted or deemed Accepted by the City. |
| 30. | A rectifiable breach of an Applicable Law or Environmental Permit. | 10 | 1.b(ii) | \$3,000 | On the day following the occurrence. | Each day following the allocation trigger date. | Day after rectification is complete. |
| 31. | A non-rectifiable breach of an Applicable Law or Environmental Permit. | 10 | 1(d) and 3(a) | \$10,000 | On the day following the occurrence. | Application of NPE per allocation trigger date only. | Not applicable: non-rectifiable event. |

| NPE Ref # (i) | NPE Description | Sch. Ref | Sch. Sec | Rate | Allocation Trigger | Rectification Timeframe | Rectification Action |
|----------------------|---|-----------------|-------------------|-------------|--|--|---|
| 32. | Starting any Project Work that involves any physical disturbance of the Lands before all elements of the Environmental Management System and all Environmental Plans applicable to that Project Work have been Accepted or deemed Accepted in accordance with the Review Procedure. | 10 | 8.1(b) and 9.2(a) | \$5,000 | On the day following the implementation of an applicable activity. | Each day following the allocation trigger date. | Day after activity stops or the EMS and Environmental Plan is Accepted or deemed Accepted |
| 33. | Failure to stop any or all of the Project Work if any environmental monitoring, inspection or audit indicates that the Project Work does not comply with any of Project Co's Environmental Obligations. | 10 | 7(c)(i v) | \$3,000 | On the day following the implementation of an applicable activity. | Each day following the allocation trigger date. | Day after Project Work is brought back into compliance or the work is stopped. |
| 34. | Starting new or modified Project Work not covered by existing Accepted Environmental Plans before new or modified plans applicable to that work have been submitted to the City as a Submittal under Schedule 2 [Submittal Review Procedure] and have been Accepted or deemed Accepted under Schedule 2 [Submittal Review Procedure]. | 10 | 9.2(a) and 9.3(d) | \$5,000 | On the day following the implementation of an applicable activity. | Each day following the allocation trigger date. | Day after Environmental Plan is Accepted or deemed Accepted or the Project Work is stopped. |
| 35. | Failure to submit an updated EMS and updated Environmental Plans to the City on each anniversary of the Effective Date or the first Business Day thereafter Accepted. | 10 | 8.3(b) and 9.3(b) | \$1,000 | Submittal is not received before or on the applicable due date. | Each 2 days after the allocation trigger date. | Day after the submission of the Submittal or gaining City Acceptance of revised Submittal due date. |
| 36. | Failure to resolve comments provided by the City on the updated EMS and updated Environmental Plans due on the anniversary of Effective Date to ensure EMS and Environmental Plans are Accepted or deemed Accepted by the City in accordance with the Project Requirements. | 10 | 8.3(b) and 9.3(b) | \$1,000 | On the day following the end of the applicable allowance period. | Each day following the allocation trigger date. | Day after Submittal has been Accepted or deemed Accepted. |
| 37. | Failure to conduct any monitoring or inspection as required under the EMS, including under any Environmental Plan. | 10 | 13(a) | \$3,000 | On the day following the day when the monitoring or inspection activity was due. | Application of NPE per allocation trigger date only. | Not applicable: non-rectifiable event. |
| 38. | Failure to provide required monitoring reports in accordance with the Project Requirements. | 10 | 13(b) | \$1,000 | On the day following the applicable due date. | Each 2 days following the allocation trigger date. | Day after Submittal has been Accepted or deemed Accepted. |

| NPE Ref # (i) | NPE Description | Sch. Ref | Sch. Sec | Rate | Allocation Trigger | Rectification Timeframe | Rectification Action |
|----------------------|---|-----------------|---------------------|-------------|--|--|---|
| 39. | Failure to notify the City in accordance with the Project Requirements after: (i) Project Co or a Project Co Person knows of any breach of, or failure to comply with, any Applicable 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 Applicable 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. | 10 | 13(d) | \$1,000 | On the day following the occurrence. | Each day following the allocation trigger date. | Day after the City has received the required notice. |
| 40. | Failure to submit to the City a copy of the proposed written report to a Governmental Authority within 72 hours after the breach or failure to comply with Applicable Law or Environmental Permit occurred. | 10 | 13(e) | \$1,000 | On the day following the applicable allowance period. | Each day following the allocation trigger date. | The day after the applicable report is submitted to the City. |
| 41. | Failure to conduct either internal or external audits of the EMS in accordance with the Project Requirements. | 10 | 14.1 and 14.2 | \$1,000 | On the day following the applicable due date. | Each day following the allocation trigger date. | The day following the commencement of the applicable audit. |
| 42. | Failure to rectify non-conformities or deficiencies identified during EMS internal and external audits in accordance with the Project Requirements. | 10 | 14.1(f) and 14.2(f) | \$1,000 | On the day following the applicable allowance period. | Each day following the allocation trigger date. | The day after rectification of the identified non-conformities/deficiencies. |
| 43. | Failure to remove vegetation to ground level and leave root networks intact on slopes where vegetation clearing occurs more than two days in advance of earthworks, in accordance with the Project Requirements. | 10 | 11(e) | \$5,000 | On the day following the removal occurrence. | Application of NPE per allocation trigger date only. | Not applicable; non-rectifiable event. |
| 44. | Failure to remove vegetation and waste from the Lands within the times specified in Schedule 10. | 10 | 17(c)(i) and (ii). | \$500 | On the day following the end of the applicable allowance period. | Each 3 days following the allocation trigger date. | The day following the removal of vegetation and waste from the Lands in accordance with the Project Requirements. |
| 45. | Failure to notify the City in accordance with Project Requirements, if Project Co or a Project Co Person knows or suspects on the basis of visual or olfactory observation that any location outside the | 10 | 15.6(a) | \$1,000 | On the day following the occurrence. | Each day following the allocation trigger date. | Day after the City has received the required notice. |

| NPE Ref # (i) | NPE Description | Sch. Ref | Sch. Sec | Rate | Allocation Trigger | Rectification Timeframe | Rectification Action |
|----------------------|---|-----------------|-----------------|-------------|---|---|--|
| | boundaries of the Known Contaminated Locations contains Contamination. | | | | | | |
| 46. | Commencing any ground disturbance at Known Contaminated Locations before the Contamination Management Plan has been Accepted or deemed Accepted.. | 10 | 15.1 | \$1,000 | On the day following the implementation of an applicable activity. | Each day following the allocation trigger date. | Day after Contamination Management Plan has been Accepted or deemed "Accepted" or work has been suspended. |
| 47. | Failure to meet the specified annual 90% waste diversion standard. | 10 | 15.7(e)(x) | \$5,000 | On the day following standard inspection. | Application of NPE per allocation trigger date only. | Not applicable: non-rectifiable event. |
| 48. | Failure to verbally notify the City in accordance with Project Requirements, of the occurrence of any spill or other release of a Hazardous Substance after Project Co or a Project Co Person became aware or, or ought to have been aware of, the spill or other Release | 10 | 15.7(g) | \$1,000 | On the day following the occurrence. | Each day following the allocation trigger date. | Day after the City has received the required notice. |
| 49. | Failure to obtain a Certificate of Recognition ("COR") issued by the Government of Alberta 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") issued by the Alberta Construction Safety Association in accordance with the Project Requirements. | 11 | 1.4 and 1.6 | \$5,000 | On the day following the implementation of any portion of the Project Work. | Each 7 days following the allocation trigger date. . | Day after COR or TLC is received by City. |
| 50. | Failure to prepare and submit a Safety Management Plan covering the applicable Construction activities prior to commencing the activities, in accordance with the Project Requirements. | 11 | 3.1 | \$5,000 | On the day following the implementation of an applicable activity. | Each day following the allocation trigger date. | Day after submission of the required Safety Management Plan or the day after the activity is stopped. |
| 51. | For each affected person, failure to provide the required site orientation and safety training for City Persons, Other Contractors and Project Co Persons. | 11 | 7.1 and 7.2 | \$500 | On the day following the occurrence. | Each day following the allocation trigger date where an affected person is on site. | Day following the provision of required training per applicable person. |

| NPE Ref # (i) | NPE Description | Sch. Ref | Sch. Sec | Rate | Allocation Trigger | Rectification Timeframe | Rectification Action |
|----------------------|---|-----------------|-----------------|-------------|---|--|--|
| 52. | For each near-miss or incident resulting in property damage, failure to investigate and report an accident or incident in accordance with the Project Requirements. | 11 | 9.1 (a) | \$500 | On the day after the applicable allowance period. | Each day following the allocation trigger date. | Day after the required investigation is complete and report is provided to the City. |
| 53. | For each incident resulting in injury to a Person or loss of life, failure to investigate and report an accident or incident in accordance with the Project Requirements. | 11 | 9.1 (a) | \$5,000 | On the day following the applicable allowance period. | Each day following the allocation trigger date. | Day after the required investigation is complete and report is provided to the City. |
| 54. | Failure to implement the Corrective Actions identified in the applicable accident or incident report in accordance with Project Requirements. | 11 | 9.1 (b) | \$5,000 | On the day following the applicable allowance period. | Each day following the allocation trigger date. | Day after implementation of the Corrective Action. |
| 55. | Failure to notify the City in writing of an order, including a "stop-work order", in accordance with Project Requirements. | 11 | 9.4 | \$1,000 | On the day following the applicable allowance period. | Each day following the allocation trigger date. | Day after the City has received the required notice. |
| 56. | For each post made by Project Co or any Project Co Person relating to the Project, the Project Agreement or the City on their own social media accounts or website(s) without the prior review, acceptance and consent of the City, aside from the social media accounts that Project Co established for the purposes of meeting the requirements of Schedule 12. | 12 | 3.5 (c) | \$1,000 | On the day following the occurrence. | Application of NPE per allocation trigger date only. | Not applicable: non-rectifiable event. |
| 57. | For each media release, public announcement or any other public disclosure to the media (whether for publication in print, radio, television, the internet, social media or any other medium) made by Project Co or any Project Co Person relating to the Project, the Project Agreement or the City without the prior review and consent of the City. | 12 | 3.6 (c) | \$5,000 | On the day following the occurrence. | Application of NPE per allocation trigger date only. | Not applicable: non-rectifiable event. |
| 58. | Failure to provide Project Records within 7 days of receipt of a written request from the City. | 18 | 2(c) | \$500 | On the day following the applicable allowance period. | Each day following the allocation trigger date. | Submission of Project Records to the City. |
| 59. | Failure to notify the City of any unauthorized use, access, or disclosure of Project Records containing personal information or third-party business information of Project Co becoming aware of such unauthorized use, access, or disclosure in accordance with Project Requirements. | 18 | 8 | \$1,000 | On the day following the applicable allowance period | Each day following the allocation trigger date. | Day after the City has received the required notice. |

| NPE Ref # (i) | NPE Description | Sch. Ref | Sch. Sec | Rate | Allocation Trigger | Rectification Timeframe | Rectification Action |
|----------------------|--|-----------------|-----------------|-------------|---|---|---|
| 60. | Failure to implement the Accepted Records Management Protocol within 60 days after the Effective Date or as otherwise Accepted by the City in the Submittal Schedule and Register. | 19 | 2(b) | \$1,000 | On the day following the applicable allowance period. | Every 7 days following the allocation trigger date. | Day after full implementation is achieved. |
| 61. | Changing of a Key Individual in accordance with 3.2(b) of Schedule 26 (as a result of death / serious illness / resignation) and not having an Accepted permanent replacement after 60 days. | 26 | 3.2(b) | \$1,000 | On the day following the applicable allowance period. | Every 7 days following the allocation trigger date. | Day after Accepted Key Individual is available in accordance with Appendix 26A. |
| 62. | Failure to meet the commitment requirements as stated Appendix 26A for the respective Key Individual in any given month as determined by the City acting reasonably. | 26 | 3.1(c) | \$1,000 | On the day following the applicable allowance period. | Every 7 days following the allocation trigger date. | Day after Accepted Key Individual is available in accordance with Appendix 26A. |

APPENDIX 16C

Monthly Payment Certificate

The reports delivered pursuant to Section 3.2 [*Monthly Reports for Construction Payments during the Term*] of this Schedule 16 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 the 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 that is:
 - materially and adversely affecting or impairing the ability of Project Co to perform its obligations under the Agreement;
 - materially and adversely affecting or impairing the Project Work, including the ability of Project Co to complete the Phase 1 Construction by the Target Phase 1 Construction Completion Date or Construction by the Target Construction Completion Date; or
 - resulting in the occurrence of a Termination Event under the Agreement;and that has not been disclosed.
2. Project Co has provided notice, in accordance with the Project Agreement, to the City of any Relief Events, Limited Relief Events or Force Majeure Events that have affected Project Work during the period.
3. Project Co has or will have available to it, as and when required, all the Permits that 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 Project Co has notified the City of any assertion of adverse claim by a third party 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 that 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 the Project Contractors and Subcontractors have been paid in full all amounts that 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 that is continuing.

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

SIGNATURES +...

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