

OTTAWA LIGHT RAIL TRANSIT PROJECT

PROJECT AGREEMENT

OVERVIEW OF STRUCTURE AND CONTENT

The Project Agreement is the primary agreement between the City and Project Co, setting out the terms and conditions upon which Project Co shall carry out and perform the activities within the scope of the Ottawa Light Rail Transit Project (“**OLRT Project**”). Project Co must design, construct, supply, test, commission, maintain and finance the OLRT system, must widen and finance the widening of Highway 417 and must complete the related civic works in accordance with the Project Agreement.

This document is intended to be a summary of the material terms in the Project Agreement, but does not describe all the terms of the Project Agreement. In the event of any inconsistency between the description of the material terms in this document and those in the Project Agreement, the terms of the Project Agreement will prevail.

NOTE: The Provisions dealing with the widening of Highway 417 are largely the subject of a separate component of the Project Agreement (Schedule 40) which is not summarized here.

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Material Term	Description
OLRT Project Scope	<p>Project Co is obligated to perform OLRT Project activities, including but not limited to the following examples, in accordance with prescribed specifications:</p> <ul style="list-style-type: none"> • The design, construction, installation, testing, commissioning and completion of the OLRT system, including rectification of any minor deficiencies or any other work necessary to facilitate the commencement of the maintenance services; • The construction, installation, testing, commissioning and completion of Highway 417; • The financing for both the OLRT system and Highway 417; • The construction, installation, testing and completion of certain civic works, including: <ul style="list-style-type: none"> ○ Queen Street road, sewer and watermain construction work (“Queen Street Work”); ○ Albert Street road, sewer and watermain construction work (“Albert Street Work”); ○ West Transitway rock face stabilization and retaining walls renewal work (“Rock Stabilization Work”); ○ Coventry Road pedestrian and cyclist pathway structure work (“Coventry Bridge Work”); ○ utilities design and/or installation, relocation work (“Utilities Work”); and ○ combined sewage storage tunnel components work in Lebreton Flats (“CSST Work”); • Performance of all maintenance services for the OLRT system, including all inspection and testing, as and when required; • Performance of financial obligations, including the obligation to pay application fees, third party fees, costs or charges, the provision of any letters of credit, instruments of guarantee, bonds or security deposits, or any other financial security obligations. <p>Except as specifically provided for in the Project Agreement, Project Co must exercise its rights and perform its obligations at its own cost and risk without recourse to the City.</p>
Business Opportunities	<p>The City reserves all rights to develop, or permit the development of, commercial and other opportunities (including retail and parking operations and all naming rights) on or associated with the OLRT system, in connection with the stations, the alignment and Highway 417. The City may grant the rights to these business opportunities to Project Co, and Project Co may propose business opportunities to the City for consideration. Notwithstanding that Project Co has proposed a business opportunity to the City, the City reserves the right to proceed with such an opportunity with a third party, and Project Co would not be entitled to receive any payment or compensation from the City.</p>
City Responsibilities	<p>The City shall, at its own cost and risk, perform a number of responsibilities related to the OLRT Project, including:</p> <ul style="list-style-type: none"> • Grant or cause to be granted to Project Co non-exclusive licence rights of use and access to the lands and the system as required by Project Co to perform the activities within the scope of the project; <ul style="list-style-type: none"> ○ The City must also represent and warrant that it has acquired any fee simple interest, lease, licence, right of way, under surface right, easement, or other interest in real property sufficient to enable the City to grant or to cause to be granted to Project Co the licence to the lands required for the OLRT Project; • Acquire interests in real property after financial close (meaning the first date that funding is available under certain lending agreements) and on or before specific possession dates; • Make payments to Project Co as specified in the Project Agreement; • Cooperate with Project Co in using reasonable efforts to manage the impact of road traffic upon the construction;

Material Term	Description
	<ul style="list-style-type: none"> • Without any legal obligation to do so, assist Project Co in obtaining temporary access as required; • Provide for the attendance of the requisite number of employees for the employee training in accordance with the output specifications; • Provide drivers and controllers to support the required commissioning activities; • Assist Project Co in the development and adoption of regulatory standards (OLRT Regulations) relating to the design, construction, operation, safety, security and maintenance of a light rail transit system on the basis that the City is solely responsible for the adoption of the OLRT Regulations after development by Project Co; • Obtain, maintain or renew all necessary City permits, licences and approvals as required for the performance of the activities within the project scope, which includes those necessary to allow for the commencement of the Highway 417 works; • Assist Project Co in obtaining, maintaining or renewing relevant permits, licences and approvals as required by Project Co for the performance of its activities within the project scope; and • Bear responsibility for all designations, assumptions, road closures, transfers and any other applicable requirements relating to the OLRT system which can only be effected by the City pursuant to the <i>Municipal Act, 2001</i>, subject to (i) the receipt of the required consents and (ii) Project Co providing any information that the City may request. • Obtain the federal land use, design, and transaction approval (“FLUA”) from the National Capital Commission (“NCC”); • During the maintenance term bear responsibility for the management of protesters and trespassers; and • Cause contractors in respect of additional works and third party works to comply with instructions of Project Co in respect of matters of health and safety, manner of construction and co-ordination and scheduling and require adequate insurance from such contractors.
<p>Project Co Responsibilities</p>	<p>Project Co shall, at its own cost and risk, perform a number of responsibilities related to the projects, including:</p> <ul style="list-style-type: none"> • Perform all activities within the scope of the OLRT Project including the design, construction and maintenance of the OLRT system, the widening of Highway 417 and the completion of the related civic works; • The financing for both the OLRT system and Highway 417; • Develop and implement the OLRT Regulations; • Bear responsibility for the integration of the OLRT system; • Obtain, maintain or renew all necessary Project Co permits, licences and approvals as required for the performance of the activities within the project scope; • Use commercially reasonable efforts to assist the City in obtaining the NCC FLUA, including: <ul style="list-style-type: none"> ○ the preparation and delivery of all design data and other plans, specifications, agreements, documents and instruments in respect of the design and construction works and/or maintenance services that are reasonably necessary or desirable to obtain the NCC FLUA; • After commercial close, make changes required by the NCC, at the City’s discretion, in accordance with the procedures established for variations. • Take measures as are reasonable to maintain and secure the OLRT lands and site, and to prevent access thereto during

Material Term	Description
	<p>construction and to maintain and secure the maintenance and storage facility to prevent access during the maintenance term;</p> <ul style="list-style-type: none"> • During the design and construction period to take all appropriate measures in the circumstances to manage protesters and trespassers up to the court of first instance; • Contact the Algonquins of Pikwakanangan in writing and invite them to a meeting to discuss the availability of personnel, equipment and materials for the design and construction works and the maintenance services; and • Carry out the activities within the project scope in a manner that co-ordinates and does not interfere with or disrupt the City, the expansion and additional phases of the OLRT system or other governmental authorities. <p>In addition to the above-noted responsibilities, Project Co must warrant to the City that both it and its contractors have extensive experience and are knowledgeable in the design, construction and maintenance of light rail transit projects and have extensive experience in the construction of highways and other public roads similar to the scale, scope, type and complexity of the OLRT Project.</p>
Works Committee	<p>A works committee will be established composed of representatives from and appointed by the City and Project Co. The works committee shall assist the City and Project Co by promoting cooperative and effective communication with respect to matters related to the design and construction works, and the Highway 417 works. The works committee shall operate until the final completion date. The committee has broad responsibility to consider and deal with safety and security issues as they relate to all aspects of the design and construction of the project.</p>
Maintenance Committee	<p>A maintenance committee will be established composed of representatives from and appointed by the City and Project Co. The maintenance committee shall assist the City and Project Co by promoting cooperative and effective communication with respect to matters related to the scope of the OLRT Project, both prior to and during the maintenance term. The committee has broad responsibility to consider and deal with safety and security issues as they relate to the maintenance services.</p>
Naming and Signage	<p>The City reserves and retains (i) all rights to designate the name for the OLRT system and any part of the system; (ii) all rights to signage in relation to the OLRT lands and the system; and (iii) all rights, trade-marks, naming or branding regarding the OLRT system or any part of it.</p> <p>With the prior written consent of the City, Project Co, any of its contractors or other person engaged by Project Co, and the senior lenders may, for the period prior to revenue service availability, erect and maintain signage at or on the OLRT lands or system (which may include such parties' logos and trade names) identifying their respective roles in connection with the development and construction of the OLRT Project. The City may require the prompt removal of such signage at any time whatsoever.</p>

Material Term	Description
Contamination	<p>At all times throughout the term of the OLRT Project, Project Co shall be responsible for managing, remediating and/or removing any existing contamination located on, in or under, the OLRT lands which was described in or properly inferable, readily apparent or readily discoverable from advanced environmental reports and geotechnical data reports made available to Project Co by the City as part of background information (background information includes any information, given or made available to Project Co by the City, or which was obtained from any other sources prior to the date of the Project Agreement). Project Co shall be responsible for removing or remediating:</p> <ul style="list-style-type: none"> • any contamination which Project Co causes or permits to be released in a manner which does not comply with applicable law or which causes a risk to human health or the environment; or, • any existing contamination which was harmless or stored, contained or otherwise dealt with in accordance with applicable law which Project Co causes or permits to be released in a manner which does not comply with applicable law or which causes a risk to human health or the environment. <p>Project Co shall also be responsible for all direct losses associated with the releases of contamination or existing contamination described above.</p>
Geotechnical	<p>Project Co must take on geotechnical risk, unless background information is to the knowledge of identified City persons incorrect or there is relevant information in the possession or control of the City that would make any of such information incorrect to the extent such incorrect information materially adversely interferes with Project Co’s ability to perform the Project scope or cost in which case a variation results.</p>
Items of Geological, Historical or Archaeological Interest or Value	<p>All fossils, artifacts and other objects having artistic, historic, archaeological or monetary value, including human remains and burial sites, which may be found on or at the OLRT lands or Highway 417 site are or shall be the sole and absolute property of the City and the City is responsible for the same unless they were described in or were properly inferable, readily apparent or discernible from the background information in which case Project Co is responsible for them.</p>
Species-at-Risk	<p>The City shall be responsible for any species-at-risk which may be found on, in or at the OLRT lands or the Highway 417 site, except for any species-at-risk described in the environmental assessments for which Project Co shall be responsible.</p>
Latent Defects	<p>With respect to all existing works and infrastructure on, over or under the OLRT lands at the date of the Project Agreement, which are to be included in the design and construction works and the highway work, the City shall be responsible for any latent defects not described in, apparent or discoverable from the background information.</p> <p>The City will not be responsible for any latent defects:</p> <ul style="list-style-type: none"> • that were described in or inferable, apparent or discoverable from the background information; • that are attributable to the failure by Project Co to perform the scope of the OLRT Project in accordance with the Project Agreement; • that are caused by Project Co or any of its contractors or other person engaged by Project Co; or • that are attributable to Project Co’s design or construction means and methods but only to the extent that such defects were also

Material Term	Description
	<p>described in or were properly inferable, apparent or discoverable from the background information.</p> <p>The costs to remedy any latent defect which is agreed or determined to be the responsibility of Project Co shall be borne by Project Co. On financial close the city shall assign to Project Co all warranties and other rights under contracts relating to the existing infrastructure, to the extent they are assignable.</p>
<p>Completion of the OLRT System</p>	<p>a) <u>Revenue Service Availability Date</u> Project Co shall design, engineer, construct and commission the OLRT system so as to provide to the City a complete and operational system that will allow Project Co to perform the maintenance services on or before the revenue service availability date. The following elements are to be achieved by the revenue service availability date:</p> <ul style="list-style-type: none"> • the substantial completion of the OLRT system in accordance with the specifications in the Project Agreement; • the commissioning and preliminary operation of the OLRT system to ensure integration, and ability for the operation of the system as contemplated in the specifications in the Project Agreement; • compliance with the test and commissioning requirements as provided for in the Project Agreement; • compliance with the safety requirements, as approved by the safety auditor; • the receipt by the City of the bill of sale respecting the vehicles and the vehicle warranties referred to in the Project Agreement (separate fixed equipment warranties are provided in the Project Agreement); • training of staff provided by the City with respect to the operation of the system has been completed and the requisite number of staff have been certified as required in accordance with the Project Agreement; and • the substantial completion of the civic works. <p>Revenue service availability will be evidenced by the issuance of a certificate acknowledging revenue service availability by the Independent Certifier (an independent suitably qualified and experienced consultant who is contractually obligated to certify the fulfillment of requirements for various events including payment events based on achievement of well understood criteria, in accordance with an independent certifier agreement).</p> <p>b) <u>Notice of Revenue Service Availability</u> Project Co shall deliver notice to the City and the Independent Certifier on or before 180 days prior to the revenue service availability date confirming whether or not revenue service availability shall occur by the required revenue service availability date. If Project Co fails to deliver such notice on or before the required notification date it shall be deemed to be a notification that revenue service availability will not be achieved by the required date. If Project Co fails to achieve revenue service availability within 365 days after the required revenue service availability date it would constitute a Project Co event of default under the Project Agreement.</p> <p>c) <u>Damages</u> If Project Co provides notice to the City on or before the required notification date but revenue service availability does not occur by the required date, the City shall be entitled to damages of \$1,000,000, and Project Co shall pay such damages to the City. This amount shall</p>

Material Term	Description
	constitute the City’s sole recourse against Project Co in respect of a failure to achieve revenue service availability by the required revenue service availability date.
Development of Design	Project Co shall, at its own cost, develop and complete the design of the OLRT system and all design data in accordance with the requirements of the Project Agreement. In order to develop the detailed design of the system, Project Co shall consult with stakeholders, the person designated as the City representative, and the City’s design team.
Performance of Design Obligations	<p>In the design and engineering of the OLRT system, Project Co, its consultants, contractors or other persons engaged by Project Co shall exercise the standard of care normally exercised by licensed or registered professional engineering and architectural personnel and other licensed or registered professionals having specialized knowledge and experience in performing design activities of a similar nature, scope and complexity.</p> <p>Project Co shall ensure that all parts of the design and construction works shall, as required by law, be performed or reviewed by licensed or registered professional engineers and architects registered to practice in the Province of Ontario. Such architects and engineers shall certify and, if required by law, sign and seal, all designs, drawings and technical reports confirming that they comply with all prevailing design standards and design practices for such work in the Province of Ontario, all other applicable standards, specifications and codes, and as otherwise required by law.</p>
General Construction Obligations	Project Co is responsible for all construction means, methods and techniques used to undertake the design and construction works and must provide everything (including labour, equipment, materials, electricity and other utilities) necessary for the construction and commissioning of the OLRT system, and other performance of the design and construction works.
Cash Allowance – Civic Works	<p>Project Co shall not be required to obtain financing for the civic works. The City shall pay for the civic works, plus applicable HST, on a monthly progress basis out of a cash allowance account which shall be established and administered by Project Co.</p> <p>The City shall deposit from time to time into the cash allowance account such monies to satisfy any approved request for civic works payment up to the aggregate cash allowance amount of \$63,500,000 (or upon such different terms or dates as the parties may mutually agree in writing). Project Co will hold and manage all monies in the cash allowance account in trust, pending payment, and shall ensure that such monies earn a rate of interest that is no less than the rate of interest quoted or published by Schedule 1 banks in Canada as payable on interest bearing Canadian dollar demand deposit accounts.</p> <p>No more than the maximum dollar amount set out below shall be committed to or spent in respect of such civic works:</p> <ul style="list-style-type: none"> • \$8,000,000 in respect of the Queen Street Work; • \$20,000,000 in respect of the Albert Street Work; • \$3,000,000 in respect of the Rock Stabilization Work; • \$8,800,000 in respect of the Coventry Bridge Work; • \$15,000,000 in respect of the Utilities Work; and • \$8,700,000 in respect of the CSST Work.

Material Term	Description
	<p>Project Co shall provide a reconciliation of the cash allowance account to the City each month including the following information:</p> <ul style="list-style-type: none"> • itemized and aggregate amounts committed to date for each of the civic works; • itemized and aggregate amounts spent and/or committed to date for each of the civic works; and • the projected cost of each remaining civic works and the projected effect of such costs on the cash allowance account and the cash allowance amount.
Access for City	<p>Throughout the term of the OLRT Project, the City, its agents, contractors, consultants, and any authorized law enforcement agency shall have unrestricted access to the OLRT site, the Highway 417 site, the OLRT system and Highway 417 (including without limitation, the maintenance and storage facilities) and any workshop where materials or equipment are being manufactured, prepared or stored at all reasonable times during normal working hours.</p> <p>The purpose of such access includes for general inspection or audit, for attending any test or study being carried out in respect of the works and the Highway 417 works, or to fulfill any statutory, public or other duties or functions.</p>
Increased Monitoring During the Design and Construction Period	<p>If the City is of the opinion, acting reasonably, that there are defects in the works or that Project Co has failed to comply, in any material respect, with the requirements of the Project Agreement, the City may increase the level of monitoring of Project Co. Project Co will compensate the City for any reasonable costs incurred as a result of such increased monitoring.</p>
Public Use	<p>Project Co shall use commercially reasonable efforts to keep open for public use the existing transit system at all times during the construction of the OLRT system, except for lane closures or diversions of traffic flow in accordance with the provisions of the traffic and transit management plan or as otherwise permitted under the Project Agreement.</p> <p>Unless expressly provided in the Project Agreement, Project Co shall not have any claim whatsoever against the City, emergency service providers or any other governmental authority for or in respect of any lane closure or diversion.</p> <p>Project Co shall cause all design and construction works and maintenance services to be carried on so as not to interfere unnecessarily with the convenience of the public in respect of any public or private roads or highways or other transportation infrastructure other than the OLRT system.</p>
Works Schedule	<p>Project Co shall prepare and submit to the City and the Independent Certifier:</p> <ul style="list-style-type: none"> • within 30 days after financial close, a detailed 6-month works schedule; • within 120 days after financial close, a detailed draft of the works schedule; and • every month an updated, and progressed, works schedule. <p>Project Co shall develop its works schedule in close co-ordination with the City to ensure that both parties have a clear expectation of their respective obligations and input and the timing required for such.</p>

Material Term	Description
	<p>Scheduling work is transferred to Project Co by providing for a scheduled completion dated coupled with an outside long-stop date (365 days after the required revenue service availability date) after which failure to achieve revenue service availability becomes a default resulting in the City’s right to terminate the Project Agreement.</p>
<p>Failure to Maintain Schedule</p>	<p>If, at any time the actual progress of the design and construction works has significantly fallen behind the works schedule or Highway 417 construction schedule, or the City is of the opinion that (i) the actual progress of the design and construction works has significantly fallen behind the works schedule or that (ii) Project Co will not achieve completion of downtown core elements of the OLRT system by June 1, 2017 (the “2017 Readiness Date”), then Project Co shall:</p> <ul style="list-style-type: none"> • be required to, within 5 business days of receipt of notice from the City, produce and deliver to each of the City representative and the Independent Certifier: <ul style="list-style-type: none"> ○ a report identifying the reasons for the delay; and ○ a plan showing the steps that are to be taken by Project Co to eliminate or reduce the delay, • be required to bring the progress of the design and construction works back on schedule in accordance with the plan and approved by the City representative. <p>Project Co shall notify the City representative if, at any time, the actual progress of the design and construction works is significantly ahead of the works schedule or the Highway 417 construction schedule.</p> <p>The City shall be entitled to make inspections 1 year, 9 months, 6 months, 3 months and 1 month prior to the 2017 Readiness Date to determine the actual progress of Project Co in respect of the completion of all workmanship, materials and anything required to achieve completion of the OLRT system. If the Independent Certifier determines that downtown core elements of the OLRT system will not be completed by the 2017 Readiness Date and that the delay is attributable to Project Co, Project Co shall comply with all City directions at Project Co’s cost. Otherwise, Project Co’s expenses in complying with City directions will be dealt with as a variation. Any disputes in respect of a decision by the Independent Certifier will be dealt with in accordance with the dispute resolution procedures under the Project Agreement.</p>
<p>Maintenance Services</p>	<p>During the maintenance term, Project Co shall perform the maintenance services in respect of the OLRT system in accordance with specifications prescribed in the Project Agreement. One or more maintenance contractors may perform the maintenance services in respect of the OLRT system. Project Co may itself or through subcontracts perform minor aspects of the maintenance services or such greater portion of the maintenance services as the City shall approve in its discretion.</p> <p>Project Co shall commence the maintenance services on the revenue service commencement date and shall perform the maintenance services until the end of the maintenance term. In the event of multiple maintenance contractors, they shall be collectively responsible for the integration of the maintenance services and Project Co shall ensure at all times that there is one individual with whom the City may communicate in respect of the maintenance services who shall have authority to act on behalf of Project Co in respect of the maintenance services.</p>

Material Term	Description
	Project Co will procure, deliver, install, commission, maintain, repair, decommission, upgrade and replace any equipment required by Project Co to perform the maintenance services.
Restoration and Reinstatement of Damage or Destruction	Unless the Project Agreement is terminated in accordance with its terms, if all or any part of the OLRT system is damaged or destroyed, Project Co shall, at its own cost and expense, repair or replace, as applicable, the OLRT system promptly and as soon as practicable in the circumstances. Except as otherwise expressly provided in the Project Agreement, damage to or destruction of all or any part of the OLRT system shall not terminate the Project Agreement or relieve Project Co of any of its obligations thereunder or entitle Project Co to any compensation from the City.
Monitoring During the Maintenance Services and Consequences	Project Co is to monitor the performance of maintenance services in the manner and at the frequencies set out in the Project Agreement and shall maintain accurate records of such monitoring and performance. The payment mechanism calibration exercise enables the City to set appropriate failure point thresholds to allow the City to impose its performance management rights under the Project Agreement. Failure points accumulate towards the issuance of warning/monitoring notices (and eventually to more severe consequences). The Project Agreement includes penalties for availability failures, for quality failures and for service failures. Availability failures are imposed for vehicle and system availability failures and for station availability failures. Quality failures relate to failure to comply with the output specifications, i.e. failure to maintain records of maintenance performed. Service failures relate to failures to comply with the output specifications, i.e. routine maintenance issues not rectified in stated time. The failure point thresholds trigger one of five events under the Project Agreement: 1) warning notice; 2) monitoring notice; 3) exercise of remedial rights; 4) replacement of maintenance contractor; 5) Project Co default.
City's Remedial Rights	The City may exercise its remedial rights which include the City requesting Project Co to take such rectification steps as the City considers necessary or expedient including, if applicable, the termination and replacement of subcontractors. The City may also exercise its remedial rights in an emergency. Subject to the City's obligation to reimburse Project Co in the event that the City exercises its remedial rights inappropriately, Project Co is responsible for all costs and expenses incurred by the City as a result of the City properly exercising its remedial rights.

Material Term	Description
<p>Variation</p>	<p>The City has the right from time to time to prepare and require Project Co to carry out and implement a variation. A variation is an addition, reduction, substitution, omission, modification, deletion, removal or other change to the whole or any part of the works, the Highway 417 works or the maintenance services. Variations are mitigated by performing continued due diligence and thoroughly planning any work/modifications prior to financial close. A variation may arise from a dispute resolution and may impact payments such as a milestone payment or the monthly service payments.</p> <p>Where the City proposes a variation, Project Co will deliver an estimate of its cost implications, steps to implement, impact on schedule, impact on the performance of its obligations, impact on its financing arrangements and other relevant matters for consideration by the City. Project Co may object to a variation requested by the City on grounds including that it would have a material and adverse impact on the performance of its obligations, result in a change to the essential nature of the system, infringe applicable laws or result in the revocation of existing or an unobtainable requirement for new permits, licenses or approvals.</p> <p>Project Co may also propose variations for consideration by the City in its discretion. If accepted, a process similar to that described above would apply.</p>
<p>Payment</p>	<p>a) <u>During the Construction Period</u></p> <ul style="list-style-type: none"> • The City shall make payments to Project Co for achievement of various milestones including the Highway 417 milestone plus, for clarity, applicable HST on the relevant milestone payment date. • The City shall pay the revenue service availability payment plus, for clarity, applicable HST, less all mobility matters deductions contemplated under the Project Agreement on the revenue service availability payment date. • The Independent Certifier will certify that payment is due in respect of the revenue service availability payment and in respect of all milestones other than the Highway 417 milestone. A consultant will issue a highway substantial completion certificate before payment is due in respect of the Highway 417 milestone payment. • No payment will be made in respect of any milestone containing as a component thereof all or any part of the vehicles unless and until Project Co delivers to the City a Canadian content certificate that demonstrates that the vehicles meet the Canadian content requirements as of the date of payment, includes appropriate back-up information, is true and accurate and is in form and content satisfactory to the City. <p>b) <u>During the Maintenance Term</u></p> <ul style="list-style-type: none"> • The City will make monthly service payments to Project Co for the provision of facilities and services as contracted. The payments are subject to various adjustments including dollar deductions for underperformance in accordance with the payment mechanism schedule (Schedule 20), adjustments based on annual drivers hours in accordance with the operations matters schedule (Schedule 39), gainshare or painshare adjustments based on energy utilities consumption under the energy matters schedule (Schedule 8) and to upwards adjustments as a consequence of compensation events. Deductions to the monthly service payments will reasonably reflect the severity of the consequences to the City of a particular failure (availability, quality or service). Deductions due to underperformance would never exceed 100% of the monthly service payment.

Material Term	Description
	<ul style="list-style-type: none"> The City will also make an annual service payment to Project Co which payments will be adjusted in the ordinary course in accordance with the Project Agreement. The annual service payment represents the fee for service calculations for the Project Agreement that are subject to market driven adjustment mechanisms.
General Audit Rights	<p>All information, reports, documents and records in the possession of or available to Project Co, which are required to be provided to or available to the City, shall be subject and open to inspection and audit by the City at any time.</p> <p>The City shall also have the right to monitor and audit the performance of any and all the activities within the scope of the OLRT Project wherever located, and Project Co shall cooperate with, and shall require each subcontractor to cooperate with, and provide access to the representatives of the City monitoring and auditing the scope of the OLRT Project, including providing them with access and copies of all relevant information, reports, documents and records pertaining to the performance of the activities within the scope of the OLRT Project.</p> <p>Except as otherwise provided, all of the City's costs for the inspections, audits and monitoring shall be borne by the City.</p>
Delay Events	<p>Delay event means any number of events or circumstances, including but not limited to the following examples:</p> <ul style="list-style-type: none"> any breach by the City of any of the City's obligations, except to the extent that any such breach is caused, or contributed to by Project Co; the discovery of contamination for which the City is responsible; the discovery of any fossils, artifacts and other objects having artistic, historic, archaeological or monetary value, including human remains and burial sites for which the City is responsible; an uncovering of the civic works, the design and construction work or the Highway 417 works if such uncovering was not required; the discovery of species at risk for which the City is responsible; a relevant change in law; any change to the terms, conditions or requirements of the environmental assessments, except in each case to the extent resulting from any change by Project Co in the design of the OLRT Project or from any other act or omission on the part of Project Co; the discovery of any latent defect for which the City is responsible, including a requirement for Project Co to undertake any action in accordance with the instructions of the City to remedy a latent defect for which the City is responsible; a stop work order issued by a governmental authority in respect of the OLRT system, the civic works or the Highway 417 works, provided that such order was not issued as a result of a relief event, an act of force majeure or as a result of an act, omission or fault of Project Co; a delay event in respect of the Highway 417 works which delay event affects the design and construction works so as to cause a delay in achieving a milestone acceptance by the relevant scheduled milestone acceptance date or in achieving revenue service availability by the required revenue service availability date provided the delay event in respect of the Highway 417 works is not caused or contributed to by Project Co; any variation in respect of the NCC FLUA, provided such variation is not caused or contributed to by Project Co.;

Material Term	Description
	<ul style="list-style-type: none"> • failure by the City to provide for the attendance of at least the minimum number of employees for the employee training sessions at all Project Co training sessions in accordance with the output specifications; • the City refuses to approve the OLRT Regulations or the support documentation provided they are consistent with the requirements of the Project Agreement and provided such refusal results in a delay or incremental expense or liability to Project Co in performing its obligations that cannot be reasonably mitigated; • an event of force majeure; and • a relief event. <p>The above examples are only delay events to the extent, in each case, that</p> <ul style="list-style-type: none"> • it affects the Highway 417 works so as to cause a delay in achieving the Highway 417 scheduled substantial completion date; • it affects the design and construction works so as to cause a delay in achieving a milestone acceptance by the relevant scheduled milestone acceptance date or in achieving revenue service availability by the required revenue service availability date or the new required revenue service availability date, as applicable; or • it affects the civic works so as to cause a delay in achieving the civic works completion dates.
Consequences of a Delay Event	<p>Project Co shall provide written notice to the City representative and the Independent Certifier and the City’s consultant within 5 Business Days of becoming aware of the occurrence of the delay event. Project Co shall, within 10 business days after such notification, provide further written details to the City representative and the Independent Certifier and the City’s consultant which shall include:</p> <ul style="list-style-type: none"> • a statement of which delay event the claim is based upon; • details of the circumstances from which the delay event arises; • details of the records which Project Co shall maintain to substantiate its claim for extra time; • details of the consequences (whether direct or indirect, financial or non-financial) which such delay event may have upon any civic works completion date, any relevant scheduled milestone acceptance date, the Highway 417 scheduled substantial completion date or the required revenue service availability date, as applicable; and • details of any measures which Project Co proposes to adopt to mitigate the consequences of such delay event. <p>The City representative shall allow Project Co an extension of time equal to the delay caused by the delay event. There shall be no extension to the OLRT Project term as a result of any delay caused by a delay event.</p>
Mitigation – Delay Events	<p>If Project Co is, or claims to be, affected by a delay event, Project Co shall take commercially reasonable steps:</p> <ul style="list-style-type: none"> • to eliminate or mitigate the consequences of such event upon the performance of its obligations under the Project Agreement; • to continue to perform its obligations under the Project Agreement to the extent possible notwithstanding the delay event; and • to resume performance of its obligations under the Project Agreement affected by the delay event as soon as practicable. <p>Lack of compliance with the obligation to mitigate shall be taken into account in determining Project Co’s entitlement to an extension of</p>

Material Term	Description
<p>Compensation Events</p>	<p>time.</p> <p>Compensation event means any number of events or circumstances, including but not limited to the following examples, as a direct result of which Project Co has incurred a loss or expense, whether or not any of these events has also caused a delay:</p> <ul style="list-style-type: none"> • any breach by the City of any of the City’s obligations under this Project Agreement, except to the extent that any such breach is caused, or contributed to, by Project Co; • the discovery of contamination for which the City is responsible; • the discovery of any fossils, artifacts and other objects having artistic, historic, archaeological or monetary value, including human remains and burial sites for which the City is responsible; • the discovery of species at risk for which the City is responsible; • any change to the terms, conditions or requirements of the environmental assessments, except in each case to the extent resulting from any change by Project Co in the design of the Project or from any other act or omission on the part of Project Co; • the discovery of any latent defect for which the City is responsible, including a requirement for Project Co to undertake any action in accordance with the instructions of the City to remedy a latent defect for which the City is responsible; • a stop work order issued by a governmental authority in respect of the OLRT system, the civic works or the Highway 417 works, provided that such order was not issued as a result of a relief event, an act of force majeure or as a result of an act, omission or fault of Project Co; • a requirement pursuant under the highway works schedule (Schedule 40) for Project Co to take any steps upon the discovery of contamination, which steps would not otherwise be required under the Project Agreement; • a delay event in respect of the Highway 417 works which delay event affects the design and construction works so as to cause a delay in achieving a milestone acceptance by the relevant scheduled milestone acceptance date or in achieving revenue service availability by the required revenue service availability date provided the delay event in respect of the Highway 417 works is not caused or contributed to by Project Co; • any variation in respect of the NCC FLUA, provided such variation is not caused or contributed to by Project Co.; • failure by the City to provide for the attendance of at least the minimum number of employees for the employee training seminars at all Project Co training seminars in accordance with the output specifications; and • the City refuses to approve the OLRT Regulations or the support documentation provided they are consistent with the requirements of the Project Agreement and provided such refusal results in a delay or incremental expense or liability to Project Co in performing its obligations that cannot be reasonably mitigated.
<p>Consequences of a Compensation Event</p>	<p>If it is agreed or determined that there has been a compensation event, Project Co shall be entitled to such compensation as would place Project Co in no better and no worse position than it would have been in had the relevant compensation event not occurred. In respect of a compensation event that is also a delay event, such compensation will include amounts which, but for the delay event, would have been paid by the City to Project Co. Project Co shall provide the City representative with any information it may require in order to determine the amount of such compensation.</p> <p>If the City is required to compensate Project Co, then the City may either pay such compensation as a lump sum payment or payments at</p>

Material Term	Description
	times and in a manner to be agreed with Project Co, acting reasonably, or, alternatively, the City may request Project Co to agree to an adjustment to the monthly service payments.
Mitigation – Compensation Events	<p>If Project Co is, or claims to be, affected by a compensation event, Project Co shall take commercially reasonable steps to minimize the amount of compensation due.</p> <p>Lack of compliance with the obligation to mitigate shall be taken into account in determining Project Co’s entitlement to relief.</p>
Excusing Causes	<p>Excusing cause means any number of events or circumstances, including but not limited to the following examples, if it occurs after the revenue service availability date, and only to the extent that it interferes adversely with or causes a failure of the performance of the maintenance services:</p> <ul style="list-style-type: none"> • any breach by the City of any of the City’s obligations, except to the extent that any such breach is caused, or contributed to, by Project Co; • any deliberate or negligent act or omission of any City party or any failure by any City party to take commercially reasonable steps to perform its activities in a manner which minimizes undue interference with Project Co’s performance of the maintenance services, except to the extent: <ul style="list-style-type: none"> ○ any such act, omission or failure is caused, or contributed to, by Project Co; ○ the City party is acting in accordance with a recommendation or instruction of Project Co; ○ any such act, omission or failure was contemplated in the Project Agreement; or ○ the consequences of any such act, omission or failure would have been prevented by the proper performance of Project Co’s obligations under the Project Agreement; • any official or unofficial strike, lockout, work to rule or other labour related action involving employees of any City party; • the occurrence of any contamination for which the City is responsible; • the discovery of any species at risk for which the City is responsible; • the discovery of any latent defect for which the City is responsible; • any act or omission with respect to the operation of the vehicles by any driver or any failure by any driver employed in the operation of the vehicles that materially adversely affects Project Co’s ability to maintain the vehicles, provided it is not caused or contributed to by Project Co and does not relate to any failures or deficiencies in the tracks or the electrical and mechanical equipment, machinery, computer hardware and systems included in the OLRT system, together with all OLRT Project intellectual property; • the outbreak or effects of any outbreak of a medical contamination except to the extent such medical contamination is knowingly caused by or contributed to by Project Co; and • the City refuses to approve the OLRT Regulations or the support documentation provided they are consistent with the requirements of the Project Agreement and provided such refusal results in a delay or incremental expense or liability to Project Co in performing its obligations that cannot be reasonably mitigated.
Consequences of an Excusing	Provided that the effect of an excusing cause is claimed by Project Co in writing within 10 business days of the date on which Project Co became aware of the occurrence of such excusing cause, then:

Material Term	Description
<p>Cause</p>	<ul style="list-style-type: none"> • any failure by Project Co to perform any affected maintenance services shall not constitute a breach of the Project Agreement by Project Co, no failure points shall accrue, and Project Co shall be relieved of its obligations to perform such maintenance services to the extent prevented by such excusing cause; • any interference shall be taken into account in measuring the performance of any affected maintenance services; • any interference shall be taken into account in operating the payment mechanism, provided that Project Co shall not be entitled to any additional compensation, except as may be provided for compensation on termination; • the City shall reimburse Project Co for all incremental direct costs incurred by Project Co as a result of any excusing cause referred to above including costs arising from any steps taken to cure or mitigate against such events; and • the monthly service payments payable by the City shall be reduced by any savings in direct costs arising from Project Co being relieved of its obligations to perform the maintenance services as otherwise provided.
<p>Mitigation – Excusing Causes</p>	<p>If Project Co is, or claims to be, affected by an excusing cause, Project Co shall take commercially reasonable steps:</p> <ul style="list-style-type: none"> • to eliminate or mitigate the consequences of such event upon the performance of its obligations; • to continue to perform its obligations to the extent possible notwithstanding the excusing cause; and • to resume performance of its obligations affected by the excusing cause as soon as practicable. <p>Lack of compliance with the obligation to mitigate shall be taken into account in determining Project Co’s entitlement to relief.</p>
<p>Relief Events</p>	<p>Relief event means any number of events or circumstances, including but not limited to the following examples, to the extent that it causes any failure by the City or Project Co to perform any of its obligations:</p> <ul style="list-style-type: none"> • fire, explosion, lightning, storm, tempest, hurricane, tornado, flood, ionizing radiation, earthquake, riot or civil commotion; • failure by any utility company, railway company, local authority or other like body to perform works or provide services, provided, however, that a failure by any utility company to perform works or provide services in connection with the construction, installation or relocation of utility infrastructure in connection with the design and construction works and Highway 417 works shall not, in any event, be cause for a relief event, unless Project Co: <ul style="list-style-type: none"> ○ has performed its obligations under any applicable utility agreement and the relevant utility company has failed to meet its obligations thereunder; ○ has made all, and is continuing to make any, commercially reasonable efforts to diligently enforce its legal rights under any applicable utility agreement and otherwise cause the utility company to perform those works or services; • accidental loss or damage to the civic works, the works and/or the OLRT system, the Highway 417 works and/or the Highway 417 or any roads servicing the site or the Highway 417 site; • without prejudice to any obligation of Project Co to provide stand-by power facilities in accordance with the Project Agreement, failure or shortage of power, fuel or transport; • blockade or embargo falling short of force majeure; • any civil disobedience or protest action, including any action taken by any person or persons protesting or demonstrating against the carrying out of any part of the project scope or to construction and/or operation of transit systems or public highways in

Material Term	Description
	<p>general, provided however, that a civil disobedience or protest action shall not, in any event, be cause for a relief event unless Project Co has fully complied with its obligations under the Project Agreement;</p> <ul style="list-style-type: none"> • with respect to the tunnel work only, bursting or overflowing of water tanks, apparatus or pipes if such events are not attributable to the actions or omissions of Project Co and are not properly inferable, readily apparent or readily discoverable from the background information; and • any official or unofficial strike, lockout, work to rule or other labour-related action generally affecting the OLRT system, Highway 417, the construction industry, the facilities maintenance industry, transit systems or public highways in the Province of Ontario. <p>The above examples are only relief events provided that such event does not arise as a result of any act or omission of the City or Project Co claiming relief.</p>
<p>Consequences of a Relief Event</p>	<p>As soon as the events or circumstances constituting a relief event have ceased, any failure points accrued in respect of any failure by Project Co to perform any of its obligations shall be cancelled and any related warning notices and monitoring notices shall be withdrawn, but only to the extent that such failure to perform is caused by the occurrence of a relief event. The City shall be entitled to make deductions notwithstanding the cancellation of failure points.</p> <p>a) <u>Termination for Relief Event</u> If a relief event occurs and the effects of the relief event continue for 180 days from the date on which either the City or Project Co gives notice to the other, either may, at any time thereafter, terminate the Project Agreement by written notice to the other having immediate effect, provided that the effects of the relief event continue during such period to prevent either party from performing a material part of its obligations under the Project Agreement.</p> <p>Neither the City nor Project Co shall be entitled to exercise its right to terminate for a relief event if Project Co recovers, or is entitled to recover, under any insurance policy, or would have recovered if it had complied with the requirements of the Project Agreement in respect of insurance or the terms of any policy of insurance required under the Project Agreement, an amount which, together with the monthly service payment, is equal to or greater than 85% of the maximum monthly service payment for the relevant payment period.</p>
<p>Relief Event – Mitigation and Process</p>	<p>Where the City or Project Co is affected by a relief event, such party shall take commercially reasonable steps to mitigate the consequences of the relief event upon the performance of its obligations, shall resume performance of its obligations affected by the relief event as soon as practicable and shall use commercially reasonable efforts to remedy its failure to perform.</p> <p>Lack of compliance with the obligation to mitigate shall be taken into account in determining the party’s entitlement to relief.</p>

Material Term	Description
Force Majeure	<p>Force majeure events include the following events that are usually remote, uninsurable and are not within Project Co’s control:</p> <ul style="list-style-type: none"> • war, armed conflict, terrorism; • nuclear or radioactive contamination; • chemical or biological contamination; • pressure waves; and • the discovery of species at risk, fossils, artifacts, other artistic, historical archaeological objects, including human remains which mandate the abandonment of the design and construction works or the Highway 417 works. <p>During the Construction Period, Project Co is compensated for a force majeure that becomes a delay event by an amount equivalent to all debt service (senior and junior) that Project Co would have otherwise repaid to its lenders had the delay event not occurred.</p> <p>During the Maintenance Term Project Co will be paid the full debt service (senior and junior) payments as well as compensation for services provided.</p>
Project Co Default	<p>a) <u>Project Co Events of Default</u></p> <p>Project Co event of default means any number of events or circumstances, including but not limited to the following examples:</p> <ul style="list-style-type: none"> • Project Co admits in writing its inability to pay its debts generally as they become due, or makes a general assignment for the benefit of creditors, or a receiver, etc., or any creditor of Project Co takes control, or takes steps to take control, of Project Co or any of Project Co’s assets, provided this event is not as a consequence of a breach by the City of its payment obligations and such proceedings have or will have a material adverse effect on the governmental activities or the availability of the OLRT system to system users; • Project Co fails to achieve revenue service availability within 365 days after the required revenue service availability date; • Project Co makes any representation or warranty that is false or misleading when made, and that has or will have a material adverse effect on the performance of the activities within the project scope, the governmental activities or the availability of the OLRT system to system users, or that may compromise: <ul style="list-style-type: none"> ○ the City’s reputation or integrity or the nature of the City or the OLRT Project, or ○ the ability of the City to conduct its affairs, so as to negatively affect public perception of the City or the OLRT Project, and, in the case of a false or misleading representation or warranty that is capable of being remedied, such breach is not remedied within 10 business days of receipt of notice of the same from the City; • Project Co ceases to perform any maintenance services in accordance with the Project Agreement which is necessary for the governmental activities or the availability of the OLRT system to system users, other than as a consequence of a breach by the City of its obligations; • the occurrence of any prohibited change in ownership or change in control; and • Project Co fails to pay any sums due to the City which are (i) not being disputed by Project Co in the dispute resolution procedure and (ii) exceed \$250,000, and (iii) such failure continues for 30 days from receipt by Project Co of a notice of non-payment from the City;

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	<p>b) <u>Right to Termination</u> On the occurrence of a Project Co event of default, or at any time after the City becomes aware of a Project Co event of default subject to the remedy provisions (below), the City may terminate the Project Agreement in its entirety by written notice having immediate effect. Such notice is to be given to Project Co and to any person specified in the lenders’ direct agreement to receive such notice.</p> <p>c) <u>Remedy Provisions</u> In the case of some specific Project Co events of default the City shall, prior to being entitled to terminate the Project Agreement, give notice of default to Project Co, and to any person specified in the lenders’ direct agreement to receive such notice, and Project Co shall, within 5 business days of such notice of default, put forward a reasonable plan and schedule for diligently remedying the Project Co event of default</p> <p>d) <u>Replacement of Non-Performing Maintenance Contractor</u> The City may, acting reasonably, require Project Co to terminate the maintenance contract and ensure that a replacement maintenance contractor is appointed in accordance with the Project Agreement within 60 days in specific circumstances. Where a replacement maintenance contractor is appointed 50% of the accrued failure points will be cancelled. If the replacement maintenance contractor is primarily responsible for vehicle maintenance then 100% of the accrued failure points will be cancelled.</p> <p>e) <u>City’s Costs</u> Project Co shall reimburse the City for all reasonable costs properly incurred by the City in exercising its rights in the circumstances of a Project Co event of default, including any relevant increased administrative expenses. The City shall take commercially reasonable steps to mitigate such costs.</p>
City Default	<p>a) <u>City Events of Default</u> City event of default means any number of events or circumstances, including but not limited to the following examples:</p> <ul style="list-style-type: none"> • The City fails to pay any sums due to Project Co which are not being disputed by the City in the dispute resolution procedure and which exceed \$250,000 and: <ul style="list-style-type: none"> ○ in respect of a milestone payment, the Highway 417 milestone payment, the Highway 417 final payment or the revenue service availability payment such failure continues for 10 business days; ○ in respect of any monthly service payment, such failure continues for 30 days; ○ in respect of any 3 monthly service payments in any rolling 9 month period, such failure continues for 15 business days in respect of each such monthly service payment; or ○ in respect of any other payment due and payable by the City to Project Co, such failure continues for 90 days, • The City commits a material breach of its obligations which adversely affects the ability of Project Co to perform its obligations for a continuous period of not less than 60 days; or • An act of any governmental authority which renders it impossible for Project Co to perform all or substantially all of its

Material Term	Description
	<p>obligations for a continuous period of not less than 60 days (not including the non-issuance of, or the imposition of any conditions or limitations in, any of the Project Co permits, licences and approvals).</p> <p>b) <u>Project Co's Options</u></p> <ul style="list-style-type: none"> • On the occurrence of a City event of default and while the same is continuing, Project Co may give notice to the City specifying the details thereof, and, at Project Co's option, may: <ul style="list-style-type: none"> ○ suspend performance of the design and construction works and the maintenance services until such time as the City has remedied such City event of default; or ○ if such City event of default has not been remedied within 30 days of receipt by the City of notice of the occurrence, terminate the Project Agreement in its entirety by notice in writing having immediate effect. <p>c) <u>Project Co's Costs</u></p> <ul style="list-style-type: none"> • The City shall reimburse Project Co for all reasonable costs properly incurred by Project Co in exercising its rights in the circumstances of a City event of default, including any relevant increased administrative expenses. Project Co shall take commercially reasonable steps to mitigate such costs.
Termination for Convenience	<p>The City shall, in its discretion and for any reason whatsoever, be entitled to terminate the Project Agreement at any time on 180 days' written notice to Project Co. Upon such notice the City shall, at any time before the expiration of the notice, be entitled to direct Project Co to refrain from commencing, or allowing any third party to commence, the works or the Highway 417 works, or any part or parts of the works or the Highway 417 works, or the maintenance services, or any element of the maintenance services, where such works, Highway 417 works or maintenance services have not yet been commenced.</p>
Project Co Indemnities to the City	<p>Project Co shall indemnify and save harmless the City from all direct losses which may be suffered as a result of, including but not limited to any one or more of the following examples:</p> <ul style="list-style-type: none"> • any physical loss of or damage to all or any part of the site, the Highway 417 site, the OLRT system, the Highway 417, or to any equipment, assets or other property related thereto; • the death or personal injury of any person; • any physical loss of or damage to property or assets of any third party; • any other loss or damage of any third party including injurious affection arising from or in consequence of any act or omission of Project Co in respect of the design and construction works that are not in compliance with the requirements set out in the Project Agreement and in the applicable laws, including the City's by-laws; • any obligations of Project Co to satisfy judgments and pay costs resulting from construction liens arising from the performance of the Highway 417 works or actions brought in connection with any such liens, or in connection with any other claim or lawsuit brought against the City by any person that provided services or materials to the Highway 417 site which constituted part of the Highway 417 works; • the Project Agreement also provides for liquidated damages in the amount of \$1,000,000 in each case in the event of failure to meet the required dates in respect of revenue service availability and in respect of the Highway 417 scheduled substantial

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	completion. The liquidated damages shall not reduce the maximum amount of liability of Project Co under the Project Agreement.
City Indemnities to Project Co	<p>The City shall indemnify and save harmless Project Co from all direct losses which may be suffered as a result of, including but not limited to any one or more of the following examples:</p> <ul style="list-style-type: none"> • the death or personal injury of any person arising out of the performance or breach of the Project Agreement by the City, except to the extent caused by, or contributed to by, Project Co; • any physical loss of or damage to all or any part of any property or assets of Project Co, arising out of or in consequence of a breach by the City, except to the extent caused by, or contributed to by, Project Co; and • any physical loss of or damage to property or assets of any third party, or any other loss or damage of any third party, arising out of a breach by the City, except to the extent caused by, or contributed to by, Project Co. <p>There shall be excluded from the indemnity given by the City any liability for the occurrence of risks against which Project Co is required to insure under the Project Agreement to the extent of the proceeds available or that should have been available but for a failure by Project Co to comply with its obligations to properly insure.</p>
Maximum Liability	The maximum aggregate liability of each Party in respect of all claims shall not exceed \$50,000,000. This limit shall be exclusive of any insurance or performance security proceeds received or which will be received pursuant to policies maintained in accordance with the Project Agreement. This limit shall not apply in cases of wilful misconduct or deliberate acts of wrongdoing.
Other Key Terms	<p>The Project Agreement contains a number of other key terms, including:</p> <p>a) <u>No Liability</u>:</p> <ul style="list-style-type: none"> • Except as expressly provided for in the Project Agreement, the City shall not be liable to Project Co, and Project Co shall not seek to recover from the City for damages, losses, costs, liabilities or expenses which may arise from the adoption, use or application of background information, including drawings, reports (including environmental, archaeological, geotechnical, or highways reports or assessments), studies, data, documents, or other information given or made available to Project Co by the City. <p>b) <u>No Warranty</u>:</p> <ul style="list-style-type: none"> • Except as expressly provided for in the Project Agreement, the City does not give any warranty in respect of any background information, and the City shall not be liable to Project Co for a failure to (i) disclose any information, documents or data to Project Co, (ii) review or update the background information, and (iii) inform Project Co of any inaccuracy, error, omission defect or inadequacy related thereto. <p>c) <u>No Claims</u>:</p> <ul style="list-style-type: none"> • Project Co shall not make any claim in damages, for extensions of time, or for additional payments under the Project Agreement against the City on the grounds (i) of any misunderstanding or misapprehension in respect of the background information (ii) that the background information was incorrect or insufficient.
Schedules	What follows is a list of the schedules to the Project Agreement. A brief description appears below some of the more key schedules.

Material Term	Description
	<p>a) <u>Schedule 1 – Definitions and Interpretation</u> This schedule includes a list of defined terms used within the Project Agreement. It also includes a list of permits, licences and approvals as well as real property interests required for the OLRT Project.</p> <p>b) <u>Schedule 2 – Completion Documents</u></p> <p>c) <u>Schedule 3 – Custody Agreement</u></p> <p>d) <u>Schedule 4 – Lenders’ Direct Agreement</u> This agreement sets out the respective rights between the City and Project Co’s lenders.</p> <p>e) <u>Schedule 5 – Direct Agreements</u> This agreement sets out the respective rights between the City and Project Co’s construction and maintenance contractors.</p> <p>f) <u>Schedule 6 – Independent Certifier Agreement</u> This is an agreement for a third party certifier to review project progress and deliverables.</p> <p>g) <u>Schedule 7 – [Not used]</u></p> <p>h) <u>Schedule 8 – Energy Matters</u></p> <p>i) <u>Schedule 9 – Key Individuals</u></p> <p>j) <u>Schedule 10 – Review Procedure</u></p> <p>k) <u>Schedule 11 – Quality Management</u></p> <p>l) <u>Schedule 12 – [Not used]</u></p> <p>m) <u>Schedule 13 – Project Co Proposal Extracts</u></p> <p>n) <u>Schedule 14 – Commissioning</u></p> <p>o) <u>Schedule 15 – Output Specifications</u></p>

Material Term	Description
	<p>p) <u>Schedule 15 – 1 – Technical Definitions and Reference Documents</u></p> <p>q) <u>Schedule 15 – 2 – Design and Construction Requirements</u></p> <p>r) <u>Schedule 15 – 3 – Maintenance and Rehabilitation Requirements</u></p> <p>s) <u>Schedule 15 – 4 – Regulatory Standards</u></p> <p>t) <u>Schedule 16 – Title Encumbrances</u></p> <p>u) <u>Schedule 17 – Environmental Obligations</u> This schedule includes a list of the City’s and Project Co’s environmental obligations throughout the term of the OLRT Project, as well as any environmental approval obligations.</p> <p>v) <u>Schedule 18 – Communications and Public Consultation Protocol</u></p> <p>w) <u>Schedule 19 – Milestone Payments</u> This schedule includes a list of the various milestone payments, including a description and the payment amount.</p> <p>x) <u>Schedule 20 – Payment Mechanism</u> This schedule includes the calculation of service payments, as well as applicable deductions.</p> <p>y) <u>Schedule 21 – [Not used]</u></p> <p>z) <u>Schedule 22 – Variation Procedure</u> This schedule includes the process that must be followed in the event the City or Project Co proposes a variation or other change to the whole or any part of the scope of the OLRT Project, including in relation to the whole or any part of the Highway 417 works, the works or the maintenance services.</p> <p>aa) <u>Schedule 23 – Compensation on Termination</u> This schedule includes the compensation process that must be followed in the event of termination for City default or convenience, or Project Co default.</p> <p>bb) <u>Schedule 24 – Expiry Transition Procedure</u></p>

Material Term	Description
	<p>cc) <u>Schedule 25 – Insurance and Performance Security Requirements</u></p> <p>dd) <u>Schedule 26 – Record Provisions</u></p> <p>ee) <u>Schedule 27 – Dispute Resolution Procedure</u> This schedule includes the dispute resolution procedure that must be followed by the City or Project Co, in the event a dispute arises between the parties.</p> <p>ff) <u>Schedule 28 – Refinancing</u></p> <p>gg) <u>Schedule 29 – Standby Letter of Credit</u></p> <p>hh) <u>Schedule 30 – Insurance Trust Agreement</u></p> <p>ii) <u>Schedule 31 – Project Co Information</u></p> <p>jj) <u>Schedule 32 – Financial Model Extracts</u></p> <p>kk) <u>Schedule 33 – Works Reports</u></p> <p>ll) <u>Schedule 34 – Vehicle and Fixed Equipment Warranties</u></p> <p>mm) <u>Schedule 35 – Additional Vehicles</u> This schedule provides an option exercisable by the City to purchase a pre-determined number of additional light rail vehicles for seven years following financial close. The price per light rail vehicle remains the same for the first three years of the option period and, thereafter, is subject to adjustment based on an agreed escalation formula.</p> <p>nn) <u>Schedule 36 – Milestones</u></p> <p>oo) <u>Schedule 37 – Mobility Matters</u></p> <p>pp) <u>Schedule 38 – Extension and Additional Phases</u> This schedule provides an option exercisable by the City to acquire integrated extensions (a transit system and vehicles that connects with the OLRT system in a fully integrated manner) and non-integrated extensions (a transit system and vehicles that connects with</p>

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	<p>the OLRT system at a single interchange point such that the vehicles and other components of the OLRT system do not form part of a coherent integrated system with the extended transit system) by way of either a variation or through negotiation with Project Co. The City retains the right to acquire a system extension with a person other than Project Co.</p> <p>qq) <u>Schedule 39 – Operations Matters</u></p> <p>rr) <u>Schedule 40 – Highway Work</u></p> <p>ss) <u>Schedule 41 – Intellectual Property</u></p>