

**SCHEDULE 10  
PAYMENT AND PERFORMANCE MECHANISM**

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**DIVISION I  
PROVINCE PAYMENTS TO PROJECT CO**

**PART 1  
PAYMENT OBLIGATIONS OF PROVINCE**

**1.1 Obligation to make Progress Payments**

- (a) Subject to the provisions of this Schedule, the Province shall make Progress Payments, in arrears, to Project Co on account of the Contract Price in the amounts determined in accordance with Part 2 [Calculation of Progress Payments] of this Schedule and the procedure set out in Part 10 [Payments] of this Agreement.
- (b) Subject to the provisions of Part 10 [Payments] of this Agreement, each such Progress Payment shall be calculated in accordance with Part 2 [Calculation of Progress Payments] of this Schedule.
- (c) Without prejudice to Section 10.8 [Payment of Disputed Amounts] of this Agreement, the Province shall make payment to Project Co of the net amount approved in respect of a Draw Request pursuant to Section 9.1(m) of this Schedule by not later than the later of:
  - (i) the fifth Business Day following approval in respect of the Draw Request pursuant to Section 9.1(m) of this Schedule; and
  - (ii) where a drawdown of funds from the Senior Lenders under the Senior Lending Agreements has been requested by Project Co in respect of costs incurred in the Payment Period to which the Draw Request relates as indicated in a statement included in or accompanying the Draw Request pursuant to Section 9.1(e) of this Schedule, the fifth Business Day after the Province has received a confirmation from the Agent that states that:
    - (A) without warranty to the Province as to the truth or accuracy of statements of Project Co or others which are accepted by the Agent as demonstrating satisfaction of any condition precedent, all conditions precedent to the drawdown of funds requested by Project Co from the Senior Lenders under the Senior Lending Agreements in respect of costs incurred in the Payment Period to which the Draw Request relates have been satisfied (or waived by the Senior Lenders); and
    - (B) the Senior Lenders shall be advancing funds in the amount set out in the statement included in or accompanying the Draw Request to Project Co in respect of costs incurred in such Payment Period within the time period provided therefor in the Senior Lending Agreements,

provided that, where a drawdown of funds from the Senior Lenders under the Senior Lending Agreements has been requested by Project Co in respect of costs incurred in the Payment Period to which the Draw Request relates, and the Agent, following receipt of such request, does not provide the confirmation referred to in this Section as a result of not all such conditions precedent having

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been satisfied or waived, the Province shall not be obliged to make payment of the amount approved in respect of the Draw Request pursuant to Section 9.1(m) of this Schedule for such Payment Period, unless:

- (C) Project Co demonstrates in writing to the Province, acting reasonably, that it has received (by way of a subscription for shares in the capital of Project Co or advance of subordinated debt) funds in replacement for those requested from, and not advanced by, the Senior Lenders;
- (D) Project Co has provided the Province with (1) a notice from the Agent of all conditions precedent that have not been satisfied or waived and an explanation of why the Agent considers that they have not been satisfied or waived and (2) such further information as may be reasonably requested by the Agent relating to the circumstances causing the non-satisfaction and/or non-waiver of any such conditions precedent; and
- (E) the Province determines, acting reasonably, that no Project Co Default has occurred or would occur due to existing circumstances, including the circumstances surrounding the failure to fund by the Senior Lenders but excluding the failure of the Senior Lenders to advance the requested funds,

and provided further that, if as a result of a negative determination by the Province under Section 1.1(c)(ii)(E) of this Schedule, payment by the Province of the amount approved in respect of the Draw Request pursuant to Section 9.1(m) of this Schedule for the relevant Payment Period is delayed, the Province agrees to make such payment to Project Co at such time as a positive determination can be made (provided that the requirements of Sections 1.1(c)(ii)(C) and (D) of this Schedule are also met at the same time).

- (d) The Province shall have no obligation to pay or be responsible in any way for payments to Principal Contractors or Subcontractors.

## **1.2 Obligation to make Substantial Completion Payment**

- (a) Subject to the provisions of Part 10 [Payments] of this Agreement and this Schedule, the Province shall pay to Project Co, on account of the Contract Price and in accordance with the procedure set out in this Section 1.2, the amount of \$451,897,641.67 (the “**Substantial Completion Payment**”);
- (b) At any time after issuance of the Certificate of Substantial Completion, Project Co may submit to the Province’s Representative a draft Payment Application in the applicable form set out in Appendix E [Forms] to this Schedule and accompanied by the documentation specified therein, requesting payment of the Substantial Completion Payment, and arrange with the Province’s Representative a reasonable opportunity for the Province’s Representative to meet with Project Co’s Representative to review the draft Payment Application and review such documentation as the Province’s Representative may request.

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- (c) If the Province's Representative identifies any deficiencies or inaccuracies in (or any disagreement with any estimate of the costs for remedying any Final Deficiency List Deficiency included in the work papers accompanying) the Payment Application, the Province's Representative shall notify Project Co of the Province's calculation of the Substantial Completion Payment and any retentions therefrom within five Business Days of the draft Payment Application being delivered pursuant to Section 1.2(b) of this Schedule.
- (d) Project Co shall cooperate with the Province's Representative to reach agreement on the finalized Payment Application and the calculation of the Substantial Completion Payment and any holdbacks or retentions therefrom on or before the fifth Business Day following delivery of the Payment Application to the Province's Representative pursuant to Section 1.2(b) of this Schedule.
- (e) The Province's Representative shall approve the Payment Application as to the amount of the Substantial Completion Payment and any holdbacks or retentions therefrom not in dispute within five Business Days of the Payment Application being agreed upon pursuant to Section 1.2(d) of this Schedule.
- (f) Without prejudice to Section 10.8 [Payment of Disputed Amounts] of this Agreement, the Province shall, after withholding:
  - (i) the amount of \$30,000,000 (the "**On-Time Performance Demonstration Completion Amount**");
  - (ii) the amount of \$10,000,000 (the "**TIDS Performance Demonstration Completion Amount**");
  - (iii) the Deficiency Holdback;
  - (iv) the Warranty Holdback; and
  - (v) the Builders Lien Holdback,

make payment to Project Co of the net amount of the Substantial Completion Payment approved pursuant to Section 1.2(e) of this Schedule by not later than the tenth Business Day following approval of the Payment Application pursuant to Section 1.2(e) of this Schedule.

- (g) The Province is not required to pay interest to Project Co in respect of any amounts withheld from the Substantial Completion Payment that the Province is entitled to withhold pursuant to this Agreement.

**1.3 Obligation to pay On-Time Performance Demonstration Completion Amount**

- (a) Subject to the provisions of Part 10 [Payments] of this Agreement and this Schedule, the Province shall pay to Project Co, in accordance with the procedure set out in this Section 1.3, the On-Time Performance Demonstration Completion Amount.

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- (b) Following the On-Time Performance Demonstration Completion Date, Project Co may submit to the Province's Representative a Payment Application in the applicable form set out in Appendix E [Forms] to this Schedule and accompanied by the documentation specified therein, requesting, subject to Section 1.3(g) of this Schedule, payment of the On-Time Performance Demonstration Completion Amount (or any portion thereof not replaced by an On-Time Performance Demonstration Letter of Credit) and/or, if applicable, the return of any On-Time Performance Demonstration Letter of Credit provided by Project Co. Project Co shall arrange with the Province's Representative a reasonable opportunity for the Province's Representative to meet with Project Co's Representative to review the draft Payment Application and review such documentation as the Province's Representative may request.
- (c) If the Province's Representative identifies any deficiencies or inaccuracies in the Payment Application, the Province's Representative shall notify Project Co of the Province's calculation of any holdbacks or retentions from the On-Time Performance Demonstration Completion Amount within five Business Days of the draft Payment Application being delivered pursuant to Section 1.3(b) of this Schedule.
- (d) Project Co shall cooperate with the Province's Representative to reach agreement on the finalized Payment Application and the calculation of any holdbacks or retentions from the On-Time Performance Demonstration Completion Amount on or before the fifth Business Day following delivery of the Payment Application to the Province's Representative pursuant to Section 1.3(b) of this Schedule.
- (e) The Province's Representative shall approve the Payment Application as to the On-Time Performance Demonstration Completion Amount within five Business Days of the Payment Application agreed upon pursuant to Section 1.3(d) of this Schedule.
- (f) Without prejudice to Section 10.8 [Payment of Disputed Amounts], by no later than the tenth Business Day following approval of the Payment Application for the On-Time Performance Demonstration Completion Amount pursuant to Section 1.3(e) of this Schedule, the Province shall, subject to Section 1.3(g) of this Schedule, make payment to Project Co of the On-Time Performance Demonstration Completion Amount approved pursuant to Section 1.3(e) of this Schedule (or any portion thereof not replaced by an On-Time Performance Demonstration Letter of Credit) and/or, if applicable, return any On-Time Performance Demonstration Letter of Credit provided by Project Co.
- (g) If the On-Time Performance Demonstration Completion Date does not occur on or before the On-Time Performance Demonstration Completion Target Date:
  - (i) Project Co shall at its cost:
    - (A) use all reasonable efforts to achieve On-Time Performance Demonstration Completion as soon as possible; and
    - (B) comply with any and all instructions from the Province related to the achievement of On-Time Demonstration Completion, including instructions to carry out specified repairs and work, to replace parts

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instead of carrying out repairs, and/or to enlist the services of third- party consultants or contractors designated by the Province;

- (ii) the Province may, in its discretion upon notice to Project Co, directly retain the services of such contractors, consultants and suppliers (including contractors, consultants and suppliers that may already be retained by Project Co, such as Thales) as the Province determines are needed to achieve On-Time Performance Demonstration Completion, and Project Co will fully cooperate and not interfere with the Province or any such contractors, consultants and suppliers; and
- (iii) Project Co shall be responsible for all direct and indirect costs incurred by the Province, TransLink and/or BCRTC in connection with the efforts to achieve On-Time Performance Demonstration Completion after the On-Time Performance Demonstration Completion Target Date, and accordingly the Province shall be entitled:
  - (A) irrevocably to retain from the On-Time Performance Demonstration Completion Amount (or any portion thereof not replaced by an On-Time Performance Demonstration Letter of Credit); and/or
  - (B) if an On-Time Performance Demonstration Letter of Credit has been provided by Project Co, to make a demand under such Letter of Credit;

the aggregate amount of such costs. Upon request from Project Co, the Province shall provide Project Co with copies of receipts and other documentation evidencing such costs.

**1.4 Obligation to pay TIDS Performance Demonstration Completion Amount**

- (a) Subject to the provisions of Part 10 [Payments] of this Agreement and this Schedule, the Province shall pay to Project Co, in accordance with the procedure set out in this Section 1.4, the TIDS Performance Demonstration Completion Amount.
- (b) Following the TIDS Performance Demonstration Completion Date, Project Co may submit to the Province's Representative, a Payment Application in the applicable form set out in Appendix E [Forms] to this Schedule and accompanied by the documentation specified therein, requesting, subject to Section 1.4(g) of this Schedule, payment of the TIDS Performance Demonstration Completion Amount (or any portion thereof not replaced by a TIDS Performance Demonstration Letter of Credit) and/or, if applicable, the return of any TIDS Performance Demonstration Letter of Credit provided by Project Co. Project Co shall arrange with the Province's Representative a reasonable opportunity for the Province's Representative to meet with Project Co's Representative to review the draft Payment Application and review such documentation as the Province's Representative may request.
- (c) If the Province's Representative identifies any deficiencies or inaccuracies in the Payment Application, the Province's Representative shall notify Project Co of the Province's calculation of any holdbacks or retentions from the TIDS Performance

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Demonstration Completion Amount within five Business Days of the draft Payment Application being delivered pursuant to Section 1.4(b) of this Schedule.

- (d) Project Co shall cooperate with the Province's Representative to reach agreement on the finalized Payment Application and the calculation of any holdbacks or retentions from the TIDS Performance Demonstration Completion Amount on or before the fifth Business Day following delivery of the Payment Application to the Province's Representative pursuant to Section 1.4(b) of this Schedule.
- (e) The Province's Representative shall approve the Payment Application as to the TIDS Performance Demonstration Completion Amount within five Business Days of the Payment Application agreed upon pursuant to Section 1.4(d) of this Schedule.
- (f) Without prejudice to Section 10.8 [Payment of Disputed Amounts], by no later than the tenth Business Day following approval of the Payment Application for the TIDS Performance Demonstration Completion Amount pursuant to Section 1.4(e) of this Schedule, the Province shall, subject to Section 1.4(g) of this Schedule, make payment to Project Co of the TIDS Performance Demonstration Completion Amount approved pursuant to Section 1.4(e) of this Schedule (or any portion thereof not replaced by a TIDS Performance Demonstration Letter of Credit) and/or, if applicable, return any TIDS Performance Demonstration Letter of Credit provided by Project Co.
- (g) If the TIDS Performance Demonstration Completion Date does not occur on or before the TIDS Performance Demonstration Completion Target Date:
  - (i) Project Co shall at its cost:
    - (A) use all reasonable efforts to achieve TIDS Performance Demonstration Completion as soon as possible;
    - (B) comply with any and all instructions from the Province related to the achievement of TIDS Demonstration Completion, including instructions to carry out specified repairs and work, to replace parts instead of carrying out repairs, and/or to enlist the services of third-party consultants or contractors designated by the Province;
  - (ii) the Province may, in its discretion upon notice to Project Co, directly retain the services of such contractors, consultants and suppliers (including contractors, consultants and suppliers that may already be retained by Project Co, such as Thales) as the Province determines are needed to achieve TIDS Performance Demonstration Completion, and Project Co will fully cooperate and not interfere with the Province or any such contractors, consultants and suppliers; and
  - (iii) Project Co shall be responsible for all direct and indirect costs incurred by the Province, TransLink and/or BCRTC in connection with the efforts to achieve TIDS Performance Demonstration Completion after the TIDS Performance Completion Demonstration Target Date, and accordingly the Province shall be entitled:



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- (A) irrevocably to retain from the TIDS Performance Demonstration Completion Amount (or any portion thereof not replaced by an TIDS Performance Demonstration Letter of Credit); and/or
- (B) if an TIDS Performance Demonstration Letter of Credit has been provided by Project Co, to make a demand under such Letter of Credit;

the aggregate amount of such costs. Upon request from Project Co, the Province shall provide Project Co with copies of receipts and other documentation evidencing such costs.

**PART 2  
CALCULATION OF PROGRESS PAYMENTS**

**2.1 Calculation of Progress Payments**

- (a) Subject to Section 2.1(c) of this Schedule, the Progress Payment for each Payment Period shall be an amount equal to the total of the amounts described in Section 2.1(a)(i) and (ii) below:

- (i) the amount (the “**Adjusted Progress Amount**”) for Payment Period *p*, determined in accordance with the following formula:

$$APA_p = UPA_p \times AF$$

where:

$APA_p$  = the Adjusted Progress Amount for Payment Period *p*

$UPA_p$  = the amount (the “**Unadjusted Progress Amount**”) that is the aggregate of all the Cost Item Progress Amounts (other than a Cost Item Progress Amount payable in respect of a Specified Cost Item) each of which is determined in accordance with Section 2.1(b) of this Schedule for Payment Period *p*.

$AF$  = the Adjustment Factor applicable to Payment Period *p*, determined as follows:

- (A) for each Payment Period *p* that occurs prior to the PP Transition Payment Period, shall be 0.10;
- (B) for each Payment Period *p* that occurs after the PP Transition Payment Period, shall be 1.0; and
- (C) for the Payment Period (the “**PP Transition Payment Period**”) during which the cumulative total of the Unadjusted Progress Amounts for all Payment Periods up to and including the PP Transition Payment Period, first exceeds \$500 million, shall be

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$$\frac{(\$500M - \sum_1^{p-1} UPA) \times 0.1 + (\sum_1^p UPA - \$500M)}{UPA_p}$$

- (ii) the aggregate of all the Cost Item Progress Amounts in respect of Specified Cost Items, each of which is determined in accordance with Section 2.1(b) of this Schedule to be payable in respect of Payment Period  $p$ .
- (b) Each Cost Item Progress Amount for Payment Period  $p$  shall be determined in accordance with the following formula:

$$CIPA_p = CIA_{ci} \times RC_p\%$$

where:

$CIPA_p$  = the amount (the “**Cost Item Progress Amount**”) that is determined for Payment Period  $p$  for work completed during Payment Period  $p$  in respect of a Cost Item identified in the applicable Statement of Progress submitted by Project Co pursuant to Section 9.1 [Draw Requests for Progress Payments] of this Schedule

$CIA_{ci}$  = the Cost Item Amount allocated to that Cost Item in Appendix F [Progress Payment Principles] to this Schedule

$RC_p\%$  = the percentage amount (the “**Relevant Completion Percentage**”) applicable to that Cost Item for Payment Period  $p$ , determined as the result obtained by subtracting:

- (i) the total progress, determined in accordance with Appendix F [Progress Measurement Principles] to this Schedule, made by Project Co (expressed as a percentage), during all Payment Periods up to and including the Payment Period that immediately precedes Payment Period  $p$ , toward completion of that Cost Item, as such progress has been certified in the certificate of the Independent Engineer attached to the Draw Request delivered pursuant to Section 9.1 [Draw Requests for Progress Payments] of this Schedule in respect of the Payment Period that immediately precedes Payment Period  $p$ ;

from:

- (ii) the total progress, determined in accordance with Appendix F [Progress Measurement Principles] to this Schedule, made by Project Co (expressed as a percentage), during all Payment Periods up to and including Payment Period  $p$ , toward completion of that Cost Item, as such progress has been certified in the certificate of the Independent Engineer attached to the

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Draw Request delivered pursuant to Section 9.1 [Draw Requests for Progress Payments] of this Schedule in respect of Payment Period p.

For certainty, the Relevant Completion Percentage may, in certain circumstances, be a negative amount (including, for example, if the progress toward completion of the applicable Cost Item, as certified in respect of one or more Payment Periods, is subsequently determined to have been over-stated).

- (c) The maximum aggregate amount payable by the Province in respect of Progress Payments pursuant to this Schedule shall be an amount equal to \$1,275,863,133.51.

**PART 3  
HOLDBACKS**

**3.1 Deficiency Holdback**

- (a) Notwithstanding any other provision of this Agreement, and in addition to any other holdbacks provided for in this Agreement, the Province may retain out of the Substantial Completion Payment an amount equal to
  - (i) 100% of the Agreed Remedy Cost for each Final Deficiency List Deficiency relating to the BSP ATC System which is the responsibility of Thales pursuant to the ATC Supply Contract; and
  - (ii) 200% of the Agreed Remedy Cost of each other Final Deficiency List Deficiency (collectively, the “**Deficiency Holdback**”).
- (b) Following the end of each of the first three complete calendar months (commencing with the first complete calendar month) after the Substantial Completion Date has occurred, Project Co shall prepare, and deliver to the Province, a Payment Application in the applicable form set out in Appendix E [Forms] to this Schedule and accompanied by the documentation specified therein, requesting payment of amounts (“**Deficiency Retention Amounts**”) in respect of any Final Deficiency List Deficiencies that have been remedied, to the satisfaction of the Province, acting reasonably, during such month (or, in the case of the first such application, since the Substantial Completion Date).
- (c) By no later than the tenth Business Day following receipt of any Payment Application pursuant to Section 3.1(b) of this Schedule, the Province shall, subject to Section 3.1(d) of this Schedule, make payment to Project Co of the Deficiency Retention Amounts set out in such Payment Application from the Deficiency Holdback and/or, if applicable, permit the reduction in the amount of any Deficiency Letter of Credit by an amount equal to the Deficiency Retention Amounts and/or, if applicable, return any Deficiency Letter of Credit provided by Project Co.
- (d) If the Total Completion Date does not occur on or before the Total Completion Target Date:

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- (i) without prejudice to Section 3.1(b) of this Schedule, the Province shall be entitled irrevocably to retain any Deficiency Holdback not paid to Project Co in accordance with Section 3.1(b) of this Schedule (or any portion thereof not replaced by a Deficiency Letter of Credit) and/or, if a Deficiency Letter of Credit has been provided by Project Co, the Province shall be entitled to make a demand under any such Letter of Credit for the principal amount thereof; and
  - (ii) in consideration for the making of such retention and/or demand by the Province, Project Co shall be released from its obligation to remedy any Final Deficiency List Deficiency that as at the Total Completion Target Date has not been remedied.
- (e) If this Agreement is terminated after the Substantial Completion Date but prior to the Total Completion Date, the Province shall be entitled irrevocably to retain any Deficiency Holdback not paid to Project Co in accordance with Section 3.1(c) of this Schedule (or any portion thereof not replaced by a Deficiency Letter of Credit) and/or, if a Deficiency Letter of Credit has been provided by Project Co, the Province shall be entitled to make a demand under any such Letter of Credit for the principal amount thereof, in each case to the extent of the amount of the Agreed Remedy Cost for the Final Deficiency List Deficiencies remaining at the time of such termination.

**3.2 Warranty Holdback**

- (a) Notwithstanding any other provision of this Agreement, and in addition to any other holdbacks provided for in this Agreement, the Province may retain out of the Substantial Completion Payment an amount equal to 1% of the Contract Price (the “**Warranty Holdback**”).
- (b) Following the expiry of the General Project Work Defect Warranty Period, Project Co shall prepare, and deliver to the Province, a Payment Application in the applicable form set out in Appendix E [Forms] to this Schedule requesting payment of any portion of the Warranty Holdback not replaced by a Warranty Holdback Letter of Credit or, as the case may be, the Non-Default Warranty Holdback not replaced by the Non-Default Warranty Holdback Letter of Credit (less any amounts applied therefrom by the Province in accordance with Section 2.3(b) or 2.6(d) of Schedule 5 [Project Work Defects and Warranties]) and/or, if applicable, the return of any Warranty Holdback Letter of Credit or, as the case may be, Non-Default Warranty Holdback Letter of Credit provided by Project Co.
- (c) By not later than the tenth Business Day following receipt of the Payment Application pursuant to Section 3.2(b) of this Schedule, the Province shall make payment to Project Co of the Warranty Holdback (or the Non-Default Warranty Holdback, as the case may be) or any portion thereof not replaced by a Warranty Holdback Letter of Credit (or the Non-Default Warranty Holdback Letter of Credit, as the case may be) (less any amounts applied therefrom by the Province in accordance with Section 2.3(b) or 2.6(d) of Schedule 5 [Project Work Defects and Warranties]) and/or, if applicable, return any Warranty Holdback Letter of Credit or Non-Default Warranty Holdback provided by Project Co.

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### **3.3 Builders' Lien Holdback**

- (a) Notwithstanding any other provision of this Agreement, and in addition to any other holdbacks provided for in this Agreement, if the Substantial Completion Payment becomes due and payable on or before the date that is 55 days after the Substantial Completion Date the Province may retain out of the Substantial Completion Payment an amount equal to:
- (i) \$172,776,077.52, minus,
  - (ii) an amount equal to 10% of the value of all Subcontracts in respect of which, as at the Substantial Completion Date:
    - (A) a certificate of completion has been issued in respect of the Subcontract to which the Subcontractor was a party in accordance with the *Builders Lien Act*, and
    - (B) the holdback period established under section 8(1) of the *Builders Lien Act* has expired without any claims of lien being filed that arose under the Subcontract,
- (the “**Builders Lien Holdback**”).
- For greater certainty with respect to builders liens and the requirements of the *Builders Lien Act*:
- (C) the Province shall not retain holdbacks under the *Builders Lien Act* from the Progress Payments and, other than the Builders Lien Holdback, no other builders lien holdback will be retained by the Province;
  - (D) the Province will not have any responsibility to be the payment certifier under any contract related to Construction;
  - (E) Project Co will make all required builders lien holdbacks for the Subcontracts and Principal Contracts; and
  - (F) if it is determined that any builders lien holdback, other than the Builders Lien Holdback, is required to be retained by the Province, then Project Co agrees that it will make all of its required holdbacks as agent for the Province.
- (b) The Province may retain from the Builders Lien Holdback, or draw on the Builders Lien Holdback Letter of Credit, from time to time any amounts required to satisfy any lien(s) filed with respect to the Project.
- (c) On or after the day that is 55 days after the Substantial Completion Date, Project Co shall prepare, and deliver to the Province, a Payment Application in the applicable form set out in Appendix E [Forms] to this Schedule requesting payment of any portion of the Builders Lien Holdback not replaced by a Builders Lien Holdback Letter of Credit (less

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any amounts applied therefrom by the Province in accordance with Section 3.3(b) of this Schedule) and/or, if applicable, the return of any Builders Lien Holdback Letter of Credit provided by Project Co.

- (d) By not later than the tenth Business Day following receipt of the Payment Application pursuant to Section 3.3(c) of this Schedule, the Province shall make payment to Project Co of the Builders Lien Holdback or any portion thereof not replaced by a Builders Lien Holdback Letter of Credit (less any amounts applied therefrom by the Province in accordance with Section 3.3(b) of this Schedule) and/or, if applicable, return any Builders Lien Holdback Letter of Credit provided by Project Co.

**PART 4  
LETTERS OF CREDIT**

**4.1 Option to Issue Letters of Credit**

At the option of Project Co, the amount that the Province is entitled to retain under Section 1.2(f) of this Schedule (or any portion thereof) may be replaced by a Letter of Credit that satisfies (in the discretion of the Province) the requirements specified in Appendix B [Form of Letter of Credit] to this Schedule (the “**On-Time Performance Demonstration Letter of Credit**” and/or the “**TIDS Performance Demonstration Letter of Credit**” and/or the “**Builders Lien Holdback Letter of Credit**” and/or the “**Deficiency Holdback Letter of Credit**” and/or the “**Warranty Holdback Letter of Credit**” and/or the “**Non-Default Warranty Holdback Letter of Credit**” as applicable) and which Letter(s) of Credit shall remain in full force and effect until the date that is:

- (a) in the case of the On-Time Performance Demonstration Letter of Credit and the TIDS Performance Demonstration Letter of Credit, 18 months after the Substantial Completion Date;
- (b) in the case of the Builders Lien Holdback Letter of Credit, 3 months after the Substantial Completion Date;
- (c) in the case of the Deficiency Holdback Letter of Credit, 6 months after the Substantial Completion Date;
- (d) in the case of the Warranty Holdback Letter of Credit, 26 months after the Substantial Completion Date; and
- (e) in the case of the Non-Default Warranty Holdback Letter of Credit, 26 months after the Termination Date.

Notwithstanding any termination of this Agreement prior to such expiry date, but subject to any obligation of the Province to return such Letter(s) of Credit to Project Co prior to such expiry date) and, upon receipt of such Letter(s) of Credit, the Province shall pay to Project Co an amount equal to the retained amount that each such Letter of Credit is replacing.

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#### **4.2 Replacement Letters of Credit**

If:

- (a) Project Co fails to replace any Letter of Credit within ten Business Days after the downgrading of the institution issuing or confirming such Letter of Credit below the level specified in Appendix B [Form of Letter of Credit] to this Schedule; or
- (b) the institution issuing or confirming any Letter of Credit notifies the Province that such Letter of Credit will not be renewed in accordance with its terms and Project Co has not (by the date which is ten Business Days prior to the date of termination or expiry of such Letter of Credit) made arrangements satisfactory to the Province, in its discretion, that will result in such Letter of Credit being replaced with effect from the date of its termination or expiry with a Letter of Credit that satisfies (in the discretion of the Province) the requirements specified in Appendix B [Form of Letter of Credit] to this Schedule,

the Province shall be entitled to make a demand for the full principal amount of such Letter of Credit and deposit the proceeds of such demand in an account in the name of the Province, in which event the Province shall thereafter be entitled to withdraw funds from such account in any circumstance in which the Province would otherwise have been entitled in accordance with this Agreement to make a demand under such Letter of Credit, provided that, if, at any time after the Province has made such a demand for the full principal amount of such Letter of Credit, Project Co delivers a replacement Letter of Credit to the Province that satisfies (in the discretion of the Province) the requirements specified in Appendix B [Form of Letter of Credit] of this Schedule, the Province shall pay Project Co the amount, as at the date of delivery of such replacement Letter of Credit, standing to the credit of such account (save that the Province shall be entitled to retain for its own account any interest that has accrued to such account).

### **PART 5 [NOT USED]**

## **DIVISION II PROJECT CO PAYMENTS TO PROVINCE**

### **PART 6 PAYMENT OBLIGATIONS OF PROJECT CO**

#### **6.1 Obligation to make Performance Incentive Payments**

- (a) Project Co shall pay to the Province a Performance Incentive Payment in respect of each Payment Period any portion of which occurs during the period commencing on the Effective Date and ending on (and including) the Total Completion Date.
- (b) Subject to the provisions of this Schedule, each such Performance Incentive Payment shall be determined in accordance with Section 7.1 [Calculation of Performance Incentive Payments] of this Schedule.

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- (c) If any report delivered pursuant to Section 9.2 [Reports for Performance Incentive Payments and Delay Liquidated Damages] of this Schedule shows a net amount owing by Project Co to the Province then, without prejudice to Section 10.8 [Payment of Disputed Amounts], Project Co shall pay and remit to the Province such amount not later than the later of:
  - (i) the last day of the Payment Period following the Payment Period (or part thereof, as the case may be) to which the said report relates; and
  - (ii) the tenth Business Day after Project Co has delivered the said report.
- (d) If any report delivered pursuant to Section 9.2 [Reports for Performance Incentive Payments and Delay Liquidated Damages] of this Schedule shows a net amount owing by the Province to Project Co, it shall be accompanied by an invoice from Project Co to the Province in respect of such net amount (which invoice will separately identify any applicable taxes included in the calculation of such amount). Without prejudice to Section 10.8 [Payment of Disputed Amounts] of this Agreement, the Province shall pay to Project Co the amount of any such invoice issued by Project Co not later than the later of:
  - (i) the last day of the Payment Period following the Payment Period (or part thereof, as the case may be) to which the invoice relates; and
  - (ii) the tenth Business Day after the Province has received both the said invoice and the said report (together with the work papers referred to in Section 9.2(b) of this Schedule) in respect of such Payment Period (or part thereof, as the case may be).

**6.2 Obligation to pay Liquidated Damages**

- (a) Upon the occurrence of a Liquidated Damages Event, Project Co shall pay to the Province the Liquidated Damages payable in respect of such Liquidated Damages Event as set out in Appendix G [Liquidated Damages].
- (b) The Province and Project Co acknowledge and agree that:
  - (i) there will be substantial delays, costs and difficulties in determining the loss suffered by the Province if a Liquidated Damages Event occurs;
  - (ii) the Liquidated Damages are not intended, nor shall they be construed, to be punitive but are a genuine pre-estimate and assessment, by mutual agreement, of the actual loss that will be suffered by the Province as a result of the occurrence of a Liquidated Damages Event, and are payable by Project Co as liquidated damages and not as a penalty; and
  - (iii) the method of calculation of Liquidated Damages represents a fair and reasonable pre-estimate of the actual losses that will be suffered by the Province as a result of the occurrence of a Liquidated Damages Event.



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- (c) The payment of Liquidated Damages in accordance with this Schedule shall be the Province's sole remedy for the occurrence of the applicable Liquidated Damages Event, provided that the payment of such Liquidated Damages shall not, and shall not be construed to:
- (i) limit the rights and remedies of the Province, or the liabilities of Project Co, that arise or may arise as a result of the occurrence of a Project Co Default referred to in Section 12.1(r) of this Agreement; nor
  - (ii) relieve Project Co from the obligation to achieve Substantial Completion in accordance with this Agreement, or any liability arising from any failure to do so, other than any liability that would arise as a result of the occurrence of a Liquidated Damages Event (except for the payment of Liquidated Damages).
- (d) Section 10.4 [Province's Right of Set-Off] of this Agreement shall apply to Project Co's obligation to pay Liquidated Damages pursuant to this Schedule.

**PART 7  
CALCULATION OF PERFORMANCE INCENTIVE PAYMENTS**

**7.1 Calculation of Performance Incentive Payments**

- (a) The Performance Incentive Payment in respect of Payment Period  $p$  (or part of Payment Period  $p$ , as the case may be) in Contract Year  $n$  during the period described in Section 6.1(a) of this Schedule shall be determined in accordance with the following formula:

$$PIP_{pn} = TMP_{pn} + NCEP_{pn}$$

where:

$PIP_{pn}$  = the Performance Incentive Payment in respect of Payment Period  $p$  (or part of Payment Period  $p$ , as the case may be) in Contract Year  $n$  during the period described in Section 6.1(a) of this Schedule

$TMP_{pn}$  = the Traffic Management Payment payable in respect of Payment Period  $p$  (or part of Payment Period  $p$ , as the case may be) in Contract Year  $n$  during the period described in Section 6.1(a) of this Schedule, determined in accordance with Section 7.2 [Calculation of Traffic Management Payments] of this Schedule

$NCEP_{pn}$  = the Non-Compliance Event Payment payable in respect of Payment Period  $p$  (or part of Payment Period  $p$ , as the case may be) in Contract Year  $n$  during the period described in Section 6.1(a) of this Schedule, determined in accordance with Section 7.3 [Calculation of Non-Compliance Event Payments] of this Schedule

- (b) No Performance Incentive Payment, or part thereof, is payable in respect of a Non-Compliance Disruption Event that is the direct result of:

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- (i) an Excluded Event;
  - (ii) a Relief Event; or
  - (iii) a Force Majeure Event.
- (c) Subject to the exclusions provided in Section 7.1(d) of this Schedule, the Performance Incentive Payments payable by Project Co will be limited to \$20,000,000.00, on an aggregate basis. However, the limitation of liability provided in this Section 7.1(c), will not include Non-Compliance Event Payments arising from Non-Permitted SkyTrain/Canada Line Service Disruption Events, which are subject to the limitations of liability provided in Sections 7.3(f) and 7.3(g) of this Schedule.
- (d) The limitations of liability set out in Sections 7.1(c) and 7.3(g) of this Schedule shall not apply to Performance Incentive Payments or Non-Compliance Event Payments:
- (i) to the extent covered by proceeds of Required Insurance, or to the extent such Performance Incentive Payments would have been covered by proceeds of Required Insurance if such Required Insurance had been taken out and maintained in accordance with this Agreement;
  - (ii) arising out of fraud, gross negligence, criminal conduct or intentional misconduct on the part of Project Co, any Principal Contractor or any Subcontractor;
  - (iii) arising out of the abandonment of the Project by Project Co; or
  - (iv) to the extent that the amount is paid by Project Co and subsequently recovered by Project Co from the Province or any third party (other than an entity providing the Required Insurance).

## **7.2 Calculation of Traffic Management Payments**

- (a) Subject to Sections 7.2(c), (d) and (e) of this Schedule, the amount of the Traffic Management Payment payable in respect of each Payment Period  $p$  (or part of Payment Period  $p$ , as the case may be) in Contract Year  $n$  in respect of which a Performance Incentive Payment is payable in accordance with Section 6.1 [Obligation to make Performance Incentive Payments] of this Schedule shall be determined in accordance with the following formula:

$$TMP_{pn} = \sum_{i=1}^I \text{TrafficManagementAmount}_i$$

where:

$I$  = the number of Non-Permitted Traffic Disruption Events occurring in Payment Period  $p$  (or part of Payment Period  $p$ , as the case may be) in Contract Year  $n$  during the period described in Section 6.1(a) of this Schedule

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**Traffic Management Amount<sub>i</sub>** = the Traffic Management Amount in respect of Non-Permitted Traffic Disruption Event *i*, calculated in accordance with Section 7.2(b) of this Schedule

- (b) The Traffic Management Amount in respect of Non-Permitted Traffic Disruption Event *i* shall be the aggregate of the Traffic Management Amounts for each Block affected by Non-Permitted Traffic Disruption Event *i* calculated in accordance with the following formula:

$$TMA_{iB} = LTDE_{iB} \times DTDE_{iB} \times TDEC_{iB}$$

where:

**TMA<sub>iB</sub>** = the Traffic Management Amount for the affected Block

**LTDE<sub>iB</sub>** = the aggregate number of lanes in the Block affected by Non-Permitted Traffic Disruption Event *i*

**DTDE<sub>iB</sub>** = the duration (in minutes, rounded up to the nearest minute) that Non-Permitted Traffic Disruption Event *i* affected the Block

**TDEC<sub>iB</sub>** = \$250 per minute, per lane (or \$500 per minute, per lane for each minute that two or more lanes in the Block are affected at the same time)

- (c) If the occurrence of a Non-Permitted Traffic Disruption Event is first identified and reported by the Province and the Province, acting reasonably, considers that Project Co ought to have identified and reported the occurrence of the Non-Permitted Traffic Disruption Event before the Province did so, then the Traffic Management Amount in respect of that Non-Permitted Traffic Disruption Event shall be multiplied by two.
- (d) A Non-Permitted Traffic Disruption Event the occurrence of which spans portions of two or more Payment Periods shall be treated as a new Non-Permitted Traffic Disruption Event for each successive Payment Period or period, as the case may be, that commences while the Non-Permitted Traffic Disruption Event is continuing.
- (e) Despite anything else in this Section 7.2, and without limiting the generality of Section 18.6 [Waiver], the Province expressly reserves the right to waive, reduce or defer the obligation to pay, any Traffic Management Amount otherwise payable pursuant to Section 7.2(a) of this Schedule in respect of a Non-Permitted Traffic Disruption Event, as such Traffic Management Amount is calculated in accordance with Section 7.2(b) of this Schedule, and the Province may do so in its sole and absolute discretion and without prejudice to any of its rights and remedies (whether pursuant to this Schedule or otherwise) in respect of any other Non-Permitted Traffic Disruption Event. Any such waiver, reduction or deferral by the Province of any Traffic Management Amount shall only be effective if in writing signed by the Province, and shall not excuse Project Co from performing, nor otherwise affect Project Co's obligation to perform, all of its obligations under this Agreement. For certainty, no interest shall be payable by Project

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Co in respect of any Traffic Management Amount that is deferred by the Province under this Section 7.2(e).

### **7.3 Calculation of Non-Compliance Event Payments**

- (a) At all times during the period described in Section 6.1(a) of this Schedule, the amount of the Non-Compliance Event Payment payable by Project Co in respect of each Payment Period  $p$  (or portion thereof, as the case may) in Contract Year  $n$  in respect of which a Performance Incentive Payment is payable in accordance with Section 6.1 [Obligation to make Performance Incentive Payments] of this Schedule shall be determined in accordance with the following formula:

$$NCEP_{pn} = \sum_{d=1}^D NCEPP_d + \sum_{d=1}^D NCEP_d$$

where:

$NCEPP_d =$  the NCE (Points) Payment in respect of day  $d$  of Payment Period  $p$  (or part of Payment Period  $p$ , as the case may be) in Contract Year  $n$ , calculated as follows:

**\$1,000 x [the greater of (i) (NCE Points<sub>d</sub> – 15) and (ii) 0]**

where:

**NCE Points<sub>d</sub>** = the NCE Points Balance on day  $d$

$NCEP_d =$  the NCE (Cash) Payment in respect of day  $d$  of Payment Period  $p$  (or part of Payment Period  $p$ , as the case may be) in Contract Year  $n$

$D =$  the number of days in Payment Period  $m$  (or part of Payment Period  $m$ , as the case may be) in Contract Year  $n$

- (b) Despite anything else in this Section 7.3, and without limiting the generality of Section 18.6 [Waiver], the Province expressly reserves the right to waive, reduce or defer the obligation to pay, all or any portion of any Non-Compliance Event Payment otherwise payable pursuant to Section 7.3(a) of this Schedule in respect of any Non-Compliance Event(s) or any Non-Compliance Disruption Event listed in Table 7.3, as such Non-Compliance Event Payment (or portion thereof, as the case may be) is calculated in accordance with Section 7.3(a) of this Schedule, and the Province may do so in its sole and absolute discretion and without prejudice to any of its rights and remedies (whether pursuant to this Schedule or otherwise) in respect of any other Non-Compliance Event or Non-Compliance Disruption Event listed in Table 7.3. Any such waiver, reduction or deferral by the Province of any Non-Compliance Event Payment (or portion thereof, as the case may be) shall only be effective if in writing signed by the Province, and shall not excuse Project Co from performing, nor otherwise affect Project Co's obligation to perform, all of its obligations under this Agreement. For certainty, no interest shall be payable by Project Co in respect of any Non-Compliance Event Payment that is deferred by the Province under this Section 7.3(b).

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The NCE (Cash) Payments will be calculated in accordance with Table 7.3 – NCE (Cash) Payment Amounts:

**Table 7.3 – NCE (Cash) Payment Amounts**

<b>Event</b>	<b>Payment*</b>
Non-Permitted Pedestrian or Cyclist Disruption Event	per affected Pedestrian Facility or Cyclist Facility, per minute for each affected Block
Non-Permitted Access Disruption Event	per affected Access per minute or part thereof
Non-Permitted On-Street Parking Disruption Event	per affected parking stall per minute or part thereof
Non-Permitted On-Street Loading Disruption Event	per minute
Non-Permitted Staff Parking Disruption Event	per staff vehicle parked within a restricted area
Non-Permitted Bus Disruption Event	per Bus per minute or part thereof (except that, if there is a Non-Permitted Traffic Disruption Event (resulting in payments under Section 7.2 of this Schedule), which is also a Non-Permitted Bus Disruption Event (resulting in payments under this Section 7.3), then Project Co will only be required to make payments in accordance with Section 7.2 of this Schedule, and will not be required to make payments required under this Section 7.3 for the Non-Permitted Bus Disruption Event)
Non-Permitted Construction Hours of Work Disruption Event	per hour (or part thereof)
Non-Permitted SkyTrain/Canada Line Station Entrance Disruption Event	per minute
Non-Permitted SkyTrain/Canada Line Service Disruption Event	per Delay Minute
Non-Permitted Use of Non Truck Route Event	per event
Non-Permitted Construction Noise Disruption Event	per minute (or part thereof without

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Event	Payment*
	pro-rating)
Unfilled Key Individual position for more than 5 weeks	See section 3.3(f) of Schedule 2 [Representatives, Review Procedure and Consent Procedure]
Failure to meet any milestone for the attainment of each Minimum Indigenous Contracts Requirement	See section 1.5(b)(iii) of Schedule 22 [Indigenous Requirements]

\*If the occurrence of a Non-Compliance Event or Non-Compliance Disruption Event listed in Table 7.3 is first identified and reported by the Province and the Province, acting reasonably, considers that Project Co ought to have identified and reported the occurrence of the Non-Compliance Event before the Province did so, then the payment in respect of that Non-Compliance Event will be multiplied by two.

- (c) A Non-Compliance Event or Non-Compliance Disruption Event listed in Table 7.3, the occurrence of which spans portions of two or more Payment Periods shall be treated as a new Non-Compliance Event or Non-Compliance Disruption Event, as applicable, for each successive Payment Period or period, as the case may be, that commences while the Non-Compliance Event or Non-Compliance Disruption Event, as applicable, is continuing.
- (d) A Non-Permitted Construction Noise Disruption Event which occurs during a Non Permitted Construction Hours of Work Event shall be treated as a separate Non-Compliance Disruption Event from the Non-Permitted Construction Hours of Work Event. In such event, the applicable noise levels during a Non-Permitted Construction Hours of Work Event shall be determined based on the permitted noise levels, as set out in, as applicable, Articles 20.2.1.3(b) or 20.2.1.3(d), Part 2 of Schedule 4, at the time when Project Co is undertaking the relevant construction activity.
- (e) Unless it disputes a report of BCRTC, or an equivalent report in connection with the Canada Line, within 10 Business Days of receipt of such report (which dispute shall be resolved in accordance with the Dispute Resolution Procedure), Project Co shall be bound by any determinations of BCRTC or ITBC, ProTrans or any other person duly appointed to carry out such functions with respect to the Canada Line, in accordance with the BCRTC Service Delay Allocation Methodology (which shall be modified as reasonably required to apply to the Canada Line) as to:
  - (i) whether any delay, outage or disruption in or to the operation in passenger service of the Existing SkyTrain System, the Canada Line or the Integrated SkyTrain System, as applicable, was caused by Project Co or any person for whom Project Co is in law responsible; or
  - (ii) the calculation of Delay Minutes allocated to any such delay caused by the Project Co or any person for whom Project Co is in law responsible.
- (f) The maximum aggregate Non-Compliance Event Payment payable by Project Co under this Section 7.3 in respect of Non-Permitted SkyTrain/Canada Line Service Disruption

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Events which are solely and directly caused by Thales or any Subcontractor of Thales shall be 5% of the Contract Price (as defined in the ATC Supply Contract).

- (g) Subject to the exclusions provided in Section 7.1(d) of this Schedule, the Non-Compliance Event Payments payable by Project Co for Non-Permitted SkyTrain/Canada Line Service Disruption Events not caused by Thales or any Subcontractor of Thales (as contemplated in Section 7.3(f) of this Schedule) will be limited to \$10,000,000.00. For clarity, the limitation of liability provided in Section 7.1(c) of this Schedule, will not include Non-Compliance Event Payments arising from Non-Permitted SkyTrain/Canada Line Service Disruption Events.

#### **7.4 No Set Off re Performance Incentive Payments**

No amount that may from time to time be or become owing by the Province to Project Co under this Agreement may be set off against any amount payable by Project Co to the Province in respect of any obligation of Project Co to pay Performance Incentive Payments pursuant to this Schedule.

### **DIVISION III** **GENERAL PROVISIONS**

#### **PART 8** **NCE POINTS AND DEFAULT POINTS**

##### **8.1 Assignment of NCE Points**

- (a) Upon any occurrence of a Non-Compliance Event, whether such occurrence is first identified and reported to the other party by Project Co or the Province, NCE Points shall be assigned by the Province on the basis set out in Appendix D [Assignment of NCE Points] to this Schedule and in accordance with this Section 8.1 [Assignment of NCE Points]. NCE Points shall be reassigned, and further NCE Points shall be assigned, in accordance with Section 8.2 [Calculation of NCE Points Balance] of this Schedule.
- (b) If the occurrence of a Non-Compliance Event is first identified and reported by the Province and the Province, acting reasonably, considers that Project Co ought to have identified and reported the occurrence of the Non-Compliance Event before the Province did so, the Province may assign one additional NCE Point in respect of that Non-Compliance Event.
- (c) If the Province first discovers a Nonconformity (other than a Non-Compliance Event) and issues a Nonconformity Report in respect thereof in accordance with Section 6.1 [Nonconformity Report Process] of Schedule 7 [Quality Management], and the Province, acting reasonably, considers that Project Co ought to have discovered and issued a Nonconformity Report in respect of the Nonconformity before the Province did so, then, if pursuant to the provisions of Part 8 [NCE Points and Default Points] of this Schedule (other than this Section 8.1(c)), the Nonconformity:
  - (i) would have but for its rectification, become a Non-Compliance Event, then the Province may assign one additional NCE Point in respect thereof; or

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- (ii) has not, or would not have, become a Non-Compliance Event, then the Province may assign one NCE Point in respect thereof.
- (d) No NCE Points shall be assigned by the Province in respect of a Non-Compliance Event that is the direct result of a Province Non-Excusable Event.
- (e) No NCE Points shall be assigned by the Province in respect of the occurrence of a Non-Compliance Event that results in a NCE (Cash) Payment.
- (f) If, after the date of occurrence of a Non-Compliance Event (other than a Non-Compliance Event that has been identified as a result of a traffic management audit process conducted pursuant to Section 4.8 [Traffic Management Auditing] of Schedule 7) or Nonconformity, such Non-Compliance Event or Nonconformity subsists for a period of 28 calendar days, then (in addition to any NCE Points assigned upon the initial occurrence of the Non-Compliance Event or Nonconformity) the applicable number of NCE Points shall thereupon again be assigned by the Province in respect of that Non-Compliance Event or Nonconformity.

For each successive 28 calendar day period that such Non-Compliance Event or Nonconformity subsists, the applicable number of NCE Points shall again be assigned by the Province in respect of that Non-Compliance Event or Nonconformity, so that the aggregate number of NCE Points outstanding in respect of that Non-Compliance Event or Nonconformity at any time shall be determined by application of the following formula:

***NCE Points outstanding*** = ***Points × (1 + Compounding Periods)***  
***in respect of any subsisting***  
***Non-Compliance Event***  
***or Nonconformity***

where:

***Points*** = the number of NCE Points applicable to the Non-Compliance Event or Nonconformity, as assigned (or reassigned) by the Province on the basis set out in Appendix D [Assignment of NCE Points] to this Schedule and in accordance with Section 8.1 [Assignment of NCE Points] and Section 8.2 [Calculation of NCE Points Balance] (including in accordance with Section 8.1(b)) of this Schedule.

***Compounding Periods*** = the total number of successive 28 calendar day periods having elapsed since the date of initial occurrence of the Non-Compliance Event or Nonconformity, as at the date of determination of the number of NCE Points outstanding.

- (g) The Province expressly reserves the right to refrain from assigning (or reassigning) all or any portion of the NCE Points set out in Section 8.1 [Assignment of NCE Points], Section 8.2 [Calculation of NCE Points Balance], and Appendix D [Assignment of NCE Points] to this Schedule in respect of any Non-Compliance Event, Nonconformity, or Nonconformity Report, and the Province may do so without prejudice to any of its other available rights and remedies in respect of that Non-Compliance Event, Nonconformity, or Nonconformity Report, and without prejudice to its right to assign or reassign NCE Points, and to exercise any of its other available rights and remedies, in respect of any



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other Non-Compliance Event, Nonconformity, or Nonconformity Report. Any such refraining from assigning or reassigning any NCE Points by the Province shall not excuse Project Co from performing, nor otherwise affect Project Co's obligation to perform, all of its obligations under this Agreement.

- (h) The Province shall notify Project Co of the assignment by the Province of any NCE Points pursuant to this Section 8.1, or the reassignment or assignment of any NCE Points pursuant to Section 8.2 [Calculation of NCE Points Balance] of this Schedule, promptly after such assignment.
- (i) Project Co shall be entitled to dispute the assignment or reassignment of any NCE Points only if:
  - (i) the number of such NCE Points assigned by the Province pursuant to Section 8.1(a) of this Schedule in respect of a Non-Compliance Event is greater than the number of NCE Points identified by Project Co in the relevant report delivered under Part 9 [Periodic Reports and Payment Applications] of this Schedule as being assignable in respect of that Non-Compliance Event or Nonconformity; or
  - (ii) it is disputing the reasonableness of the Province's determination pursuant to Sections 8.1(b) or 8.1(c) of this Schedule;
  - (iii) where the Province reassigns or assigns NCE Points in accordance with Section 8.2(a)(iv) of this Schedule, and Project Co asserts that the status of the Nonconformity Report was "closed" prior to the Correction Completion Target Date, and therefore NCE Points should not have been reassigned; and
  - (iv) Project Co refers any such dispute referred to in Section 8.1(i)(i), (ii) or (iii) of this Schedule to the Dispute Resolution Procedure within 14 days after its receipt from the Province of notice of such assignment (and reassignment, if applicable). If Project Co does not refer the dispute to the Dispute Resolution Procedure within such 14-day period, Project Co shall be deemed to have accepted the Province's assignment (and reassignment, if applicable) of the relevant NCE Points.
- (j) The assignment and reassignment of NCE Points as contemplated by this Section 8.1 and Section 8.2 [Calculation of NCE Points Balance] of this Schedule is in addition to and not in substitution for or to the exclusion of any other rights and remedies available to the Province under this Agreement or any of the other Project Documents or at law or in equity, and the Province may have recourse to any one or more of all of such rights and remedies, concurrently or successively, as it shall see fit, without prejudice to any of its other available rights and remedies.

**8.2 Calculation of NCE Points Balance**

- (a) For purposes of Section 7.3 [Calculation of NCE Points Payments] of this Schedule:
  - (i) Subject to Section 8.2(a)(iv), NCE Points that have been assigned pursuant to Section 8.1 [Assignment of NCE Points] of this Schedule (other than as a result

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of a traffic management audit process conducted pursuant to Section 4.8 [Traffic Management Auditing] of Schedule 7) shall subsist for the duration of the period from the date of occurrence of the Non-Compliance Event or Nonconformity in respect of which such NCE Points have been assigned until the date on which the status of the Nonconformity Report in respect of such Non-Compliance Event or Nonconformity is changed to “pending” in accordance with Section 6.1 [Nonconformity Reporting Process] of Schedule 7 (which period shall not, in any event, be less than one calendar day), whereupon such NCE Points shall be deducted from the then current NCE Points Balance;

- (ii) NCE Points that have been assigned pursuant to Section 8.1 [Assignment of NCE Points] of this Schedule as a result of a traffic management audit process conducted pursuant to Section 4.8 [Traffic Management Auditing] of Schedule 7 shall:
  - (A) subsist until 11:59 pm on the date of occurrence of the Non-Compliance Event in respect of which such NCE Points have been assigned (and shall be included in the calculation of the NCE Points Balance as at any time on that date after their assignment), whereupon such NCE Points shall be deducted from the then current NCE Points Balance, provided that the deficiencies identified in the traffic management audit have been rectified by 11:59 pm on the date of occurrence of the Non-Compliance Event; or
  - (B) subsist until 11:59 pm on the date the deficiencies identified in the traffic management audit have been rectified (and for each day the traffic management-related Non-Compliance Event subsists, the applicable number of traffic management-related NCE Points assigned shall be doubled and included in the calculation of the NCE Points Balance as at any time on each date since their assignment), whereupon such NCE Points shall be deducted from the then current NCE Points Balance;
- (iii) for certainty, any NCE Points assigned or reassigned as contemplated in Section 8.1 [Assignment of NCE Points] and this Section 8.2 shall be included in the calculation of the NCE Points Balance as at any time on the date of their assignment or reassignment and in the calculation of the NCE Points Balance as at any time on each day thereafter during such period until (and including) the date of their deduction from the NCE Points Balance in accordance with Section 8.2(a)(i), (ii) or (iv), as the case may be, of this Schedule; and
- (iv) if NCE Points are deducted from the NCE Points Balance in accordance with Section 8.2(a)(i) of this Schedule, and the Quality Director has not changed the status of the Nonconformity Report to “closed” (in accordance with Section 6.1(h) of Schedule 7) by the Correction Completion Target Date provided in the initial Nonconformity Report, then the greater of:
  - (A) the NCE Points originally assigned in respect of the Non-Compliance Event or Nonconformity will be reassigned; and

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- (B) if the number of NCE points reassigned pursuant to Section 8.2(a)(iv)(A) of this Schedule is less than five (5), then additional NCE Points will be assigned to bring the total number of NCE Points reassigned and assigned in accordance with this Section 8.2(a)(iv) to five (5),

and such NCE Points shall be included in the NCE Points Balance in accordance with Section 8.2(a)(iii) of this Schedule. The NCE Points reassigned and assigned in accordance with this Section 8.2(a)(iv) shall subsist in the NCE Points Balance from the day after the Correction Completion Target Date until (and including) the date on which the Quality Director changes the status of the initial Nonconformity Report, in respect of the Non-Compliance Event or Nonconformity, to “closed”, whereupon such NCE Points shall be deducted from the NCE Points Balance.

- (b) Where NCE Points are reassigned or assigned in accordance with Section 8.2(a)(iv) of this Schedule, Sections 8.1(f) and 8.1(h) of this Schedule shall apply to such reassigned and assigned NCE Points, as applicable.
- (c) Each of the Province and Project Co shall maintain a record of:
- (i) the aggregate number of NCE Points assigned and reassigned pursuant to Section 8.1 [Assignment of NCE Points] and Section 8.2 [Calculation of NCE Points Balance] of this Schedule at any time during the period from the Effective Date until such time; and
  - (ii) the aggregate number of NCE Points assigned and reassigned pursuant to Section 8.1 [Assignment of NCE Points] and Section 8.2 [Calculation of NCE Points Balance] of this Schedule at any time during the period from the Effective Date until such time, which NCE Points are still outstanding as at such time as determined pursuant to Section 8.2(a) of this Schedule (the “**NCE Points Balance**”).

**8.3 Calculation of NCE Points (Default) Balance**

- (a) For the purposes of Section 8.4 [Assignment of Default Points] of this Schedule, NCE Points that have been assigned pursuant to Section 8.1 [Assignment of NCE Points] or Section 8.2 [Calculation of NCE Points Balance] of this Schedule shall subsist for the duration of the period from the date of occurrence of the Non-Compliance Event or Nonconformity in respect of which such NCE Points have been assigned until the earlier of:
- (i) the date on which the Province assigns one or more Default Points in respect of such NCE Points pursuant to Section 8.4(a) of this Schedule; and
  - (ii) the end of the Contract Year in which such NCE Points were assigned;

whereupon such NCE Points shall be deducted from the then current NCE Points (Default) Balance. NCE Points reassigned in accordance with Section 8.2(a)(iv) of this Schedule will not count towards the NCE Points (Default) Balance.

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- (b) The Province shall maintain a record of the aggregate number of NCE Points assigned pursuant to Section 8.1 [Assignment of NCE Points] and Section 8.2 [Calculation of NCE Points Balance] of this Schedule at any time during the period from the commencement of the then current Contract Year until such time, which NCE Points are still outstanding as at such time as determined pursuant to Section 8.3(a) of this Schedule (the “**NCE Points (Default) Balance**”).

**8.4 Assignment of Default Points**

Default Points shall be assigned to Project Co on the basis set out in this Section 8.4.

- (a) For each 150 NCE Points assigned to Project Co during a Contract Year the Province shall assign to Project Co one Default Point. Upon any such assignment of a Default Point, the then current NCE Points (Default) Balance shall be reduced by 150 NCE Points.
- (b) If Project Co fails to perform or observe any of its material obligations under this Agreement (other than its obligations referred to in Section 8.4(c) of this Schedule, but including Indigenous Requirements) then the Province may, in its discretion, assign to Project Co up to a maximum of 5 Default Points for each such failure.
- (c) If there occurs:
  - (i) a Nonconformity which continues unremedied (as described in Section 6.3 [Unremedied Nonconformity] of Schedule 7);
  - (ii) a Nonconformity in respect of a Quality Audit of the Quality Management System, and such Nonconformity is not remedied within the required time set out in the relevant Nonconformity Report;
  - (iii) a Nonconformity in respect of a Quality Audit of the Quality Management System that relates to a requirement in respect of which a Nonconformity has occurred previously (a “**Repeat Nonconformity**”), whether or not such Repeat Nonconformity is remedied; or
  - (iv) a Nonconformity in respect of a non-permitted disruption to a Planned Event;then the Province may, in its discretion, assign to Project Co up to a maximum of 3 Default Points for each such Nonconformity or Repeat Nonconformity, as the case may be.
- (d) Once assigned pursuant to this Section 8.4, Default Points shall subsist for the remainder of the Term (but, for the purposes of Section 8.4(e)(ii) of this Schedule, shall be in effect only for the period of three years from the date of their assignment).
- (e) The Province shall maintain a record of:
  - (i) the aggregate number of Default Points assigned pursuant to this Section 8.4 at any time during the period from the Effective Date until such time; and

**SCHEDULE 10: PAYMENT AND PERFORMANCE MECHANISM**

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- (ii) the aggregate number of Default Points assigned pursuant to this Section 8.4 at any time during the period from (but excluding) the date that is three years prior to such time until such time (the “**Default Points Balance**”).
- (f) The Province shall notify Project Co of the assignment of any Default Points pursuant to this Section 8.4 promptly after such assignment.
- (g) Project Co shall be entitled to dispute the assignment of any Default Point only if:
  - (i) the number of such Default Points assigned by the Province in respect of any month is greater than the number of Default Points identified by Project Co in the relevant report delivered under Part 9 [Periodic Reports and Payment Applications] of this Schedule as being assignable in respect of that month; and
  - (ii) Project Co refers such dispute to the Dispute Resolution Procedure within 14 days after its receipt from the Province of notice of such assignment. If Project Co does not refer the dispute to the Dispute Resolution Procedure within such 14-day period, Project Co shall be deemed to have accepted the Province’s assignment of the relevant Default Points.
- (h) The Province’s right to assign Default Points as contemplated by this Section 8.4 is in addition to and not in substitution for or to the exclusion of any other rights and remedies available to the Province under this Agreement or any of the other Project Documents or at law or in equity, and the Province may have recourse to any one or more or all of such rights and remedies, concurrently or successively, as it shall see fit, without prejudice to any of its other available rights and remedies.

**PART 9  
PERIODIC REPORTS AND PAYMENT APPLICATIONS**

**9.1 Draw Requests for Progress Payments**

- (a) On or before two Business Days before the last day of each Payment Period, Project Co shall prepare and deliver to the Province’s Representative and the Independent Engineer, in Excel format, an initial statement of progress in respect of the current Payment Period, substantially in the form set out in Appendix C [Form of Statement of Progress] to this Schedule, duly completed in accordance with Appendix F [Progress Measurement Principles] of this Schedule (a “**Statement of Progress**”), and accompanied by work papers clearly setting forth the derivation of all percentages and dollar amounts required by Appendix C [Form of Statement of Progress] to be included therein (including, for certainty, calculations (with written evidence from the Senior Lenders, where applicable) for determining amounts relating to the financing costs-related Cost Item). Prior to delivering a Draw Request to the Province’s Representative pursuant to Section 9.1(b) of this Schedule, Project Co shall arrange with the Province’s Representative and the Independent Engineer a reasonable opportunity for the Province’s Representative and the Independent Engineer jointly with Project Co to inspect the Project Work and review the Statement of Progress and to attend at the offices of Project Co to review such documentation as the Province’s Representative or the Independent Engineer may request.

**SCHEDULE 10: PAYMENT AND PERFORMANCE MECHANISM**

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- (b) On the fifth Business Day following the last day of each Payment Period, Project Co shall prepare and deliver to the Province's Representative a draw request substantially in the applicable form set out in Appendix E [Forms] to this Schedule, and a Statement of Progress duly certified by the Independent Engineer, acting reasonably, and in accordance with Section 10.8 [Payment of Disputed Amounts] of this Agreement) and accompanied by work papers clearly setting forth the derivation of the percentages and dollar amounts required by Appendix C to be included therein (including, for certainty, calculations (with written evidence from the Senior Lenders, where applicable) for determining amounts relating to the financing costs-related Cost Item), any adjustments to finalize the initial statement of progress in Section 9.1(a) of this Schedule, each for the Progress Payment for the portion of the Project Work progressed during the Payment Period then most recently ended and accompanied by the documentation specified therein (such draw request and certified Statement of Progress, together being a "**Draw Request**").
- (c) The Draw Request shall set out Project Co's calculation of each of the following (each stated separately, without duplication):
- (i) the Cost Item Progress Amount in respect of each relevant Cost Item in respect of such Payment Period (each such amount as set out in the applicable certified Statement of Progress comprising part of such Draw Request);
  - (ii) the cumulative total progress made by Project Co, during all Payment Periods up to and including such Payment Period, toward completion of each relevant Cost Item, expressed as a percentage (each such percentage amount as set out in the applicable certified Statement of Progress comprising part of such Draw Request);
  - (iii) the cumulative total progress made by Project Co, during all Payment Periods up to but excluding such Payment Period, toward completion of each relevant Cost Item, expressed as a percentage (each such percentage amount as set out in the applicable certified Statement of Progress comprising part of such Draw Request);
  - (iv) the Relevant Completion Percentage applicable to each relevant Cost Item in respect of such Payment Period (each such percentage amount as set out in the applicable certified Statement of Progress comprising part of such Draw Request);
  - (v) the Unadjusted Progress Amount in respect of such Payment Period;
  - (vi) the Adjustment Factor applicable to such Payment Period;
  - (vii) the Adjusted Progress Amount determined pursuant to Section 2.1(a)(i) of this Schedule in respect of such Payment Period;
  - (viii) the Cost Item Progress Amount in respect of each Specified Cost Item, which amount is determined in accordance with Section 2.1(b) of this Schedule to be payable in respect of such Payment Period (each such amount as set out in the

**SCHEDULE 10: PAYMENT AND PERFORMANCE MECHANISM**

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- applicable certified Statement of Progress comprising part of such Draw Request);
- (ix) the aggregate of all Cost Item Progress Amounts in respect of all Specified Cost Items, each of which is determined in accordance with Section 2.1(b) of this Schedule to be payable in respect of such Payment Period;
  - (x) the total Progress Payment payable in respect of such Payment Period, determined pursuant to Section 2.1(a) of this Schedule;
  - (xi) the aggregate of all amounts payable in respect of:
    - (A) any additional or varied Project Work authorized or approved by a Change Certificate and performed by Project Co during such Payment Period; and
    - (B) any Minor Works performed by Project Co pursuant to Section 1.2(a) of Schedule 11 [Changes] during such Payment Period;
  - (xii) any applicable taxes payable in respect of any of the payments referred to above in this Section 9.1(c);
  - (xiii) any adjustments to reflect over-payments and/or underpayments (each such adjustment stated separately) in respect of Progress Payments made by the Province during the period prior to such Payment Period (for which adjustment has not already been made, including by way of determination of a negative Relevant Completion Percentage applicable to any Cost Item);
  - (xiv) any interest payable in respect of any amounts owed; and
  - (xv) the net amount owing by the Province to Project Co or by Project Co to the Province in respect of the Province's obligation to make Progress Payments pursuant to Section 1.1 [Obligation to make Progress Payments] of this Schedule and to make payment for additional or varied Project Work performed by Project Co pursuant to a Change Certificate issued pursuant to Part 2 [Province Changes] of Schedule 11 or for Minor Works performed by Project Co pursuant to Section 1.2(a) of Schedule 11 [Changes].
- (d) The Draw Request shall be accompanied by work papers clearly setting forth the derivation of the percentages and amounts set out therein in accordance with all applicable calculations specified in this Schedule. Such work papers shall include all relevant reports, information and documentation (all in such form and content as is acceptable to the Province's Representative) to support Project Co's application contained in such Draw Request.
- (e) The Draw Request shall be accompanied by a statement of the amounts (if any) that the Senior Lenders have advanced or Project Co is intending to request, or has requested, that the Senior Lenders advance in respect of:

**SCHEDULE 10: PAYMENT AND PERFORMANCE MECHANISM**

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- (i) Unadjusted Progress Amounts for the Payment Period to which the Draw Request relates;
- (ii) the cumulative total of all amounts advanced as referred to in Section 9.1(e)(i) of this Schedule for all Payment Periods up to but excluding such Payment Period; and
- (iii) the cumulative total of all amounts advanced as referred to in Section 9.1(e)(i) of this Schedule for all Payment Periods up to and including such Payment Period;

(provided that, if the first proviso to Section 1.1(c)(ii) of this Schedule applied in respect of any Payment Period (including the Payment Period to which the Draw Request relates), such statement shall separately identify any funds received by Project Co as contemplated by Section 1.1(c)(ii)(C) of this Schedule to fund amounts as referred to in Section 9.1(e)(i) of this Schedule for such Payment Period);

- (f) The Draw Request shall be accompanied by a letter from the Workers' Compensation Board which confirms that Project Co is in good standing with the Workers' Compensation Board and that all required remittances and assessments required by the WCA have been made to a date which is no more than three Business Days prior to the date of the Draw Request.
- (g) The Draw Request shall be accompanied by a report on the status of the Project, which report shall include:
  - (i) a description of (A) Project Co's progress during the Payment Period to which the Draw Request relates, and (B) the major activities performed by Project Co during the Payment Period; and
  - (ii) a look-ahead work plan for the three months following the Payment Period to which the Draw Request relates.
- (h) The Draw Request shall be accompanied by copies of all Reports which are specified or required to be submitted or updated on a monthly basis under this Agreement and the Project Requirements.
- (i) The Draw Request shall be accompanied by a copy of an updated and revised Works Schedule as provided in Section 1.3(a)(iii) of Schedule 3 [Project Schedule].
- (j) The Draw Request shall (subject to any exceptions set out in such Draw Request) constitute a representation and warranty by Project Co to the Province (the truth and accuracy of which representation and warranty shall be a condition precedent to the obligation of the Province to make any payment pursuant to the Draw Request, and which representation and warranty may, as to the payment of any Subcontractors as described in Section 9.1(h)(iv) below, be made in reliance on one or more statutory declarations of others) that:
  - (i) the Project Work has progressed to the point indicated in the Draw Request;



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- (ii) the Cost Item Progress Amounts identified in the Draw Request have been properly incurred;
  - (iii) the Project Work described in the Draw Request as having been done, has been done in accordance with Project Co's obligations under this Agreement;
  - (iv) all of the Principal Contractors, and to the best of the knowledge of Project Co, all of the Subcontractors have been paid in full up to the last Progress Payment received by Project Co, subject to holdbacks (including for amounts disputed in good faith) required or permitted by the Principal Contracts and the Subcontracts and the *Builders Lien Act* (British Columbia), if applicable;
  - (v) except to the extent communicated by Project Co to the Province in writing, no Encumbrance exists with respect to or as a result of or in relation to the Project Work;
  - (vi) Project Co is entitled to payment in the amount requested;
  - (vii) no Project Co Default has occurred which has not been either waived in writing by the Province or remedied to the satisfaction of the Province; and
  - (viii) there has not been any material adverse change in Project Co's ability to perform its obligations under this Agreement;
  - (ix) to the best of Project Co's knowledge, there has not been any materially adverse change in any Principal Contractor's ability to perform its obligations under the applicable Principal Contract.
- (k) The Province's Representative shall identify any deficiencies or inaccuracies in the Draw Request and the amount affected thereby within five Business Days of the Draw Request being delivered pursuant to Section 9.1(b) of this Schedule, which amount shall be subject to Section 10.8 [Payment of Disputed Amounts] of this Agreement.
  - (l) Project Co shall cooperate with the Province's Representative to reach agreement on a Draw Request on or before the fifth Business Day following delivery of the Draw Request to the Province's Representative pursuant to Section 9.1(b) of this Schedule.
  - (m) The Province's Representative shall approve the Draw Request as to amounts not in dispute within five Business Days of the Draw Request being delivered pursuant to Section 9.1(b) , and pay to Project Co such amounts not in dispute within the applicable time period specified in Section 1.1(c), of this Schedule.
  - (n) The Draw Request, once agreed upon pursuant to Section 9.1(l) of this Schedule, shall not be amended except in writing signed by each of the parties.

**9.2 Reports for Performance Incentive Payments and Delay Liquidated Damages**

- (a) Not later than 10 days after the last day of each Payment Period (or part thereof, as the case may be) in each Contract Year during the period described in Section 6.1(a) of this

**SCHEDULE 10: PAYMENT AND PERFORMANCE MECHANISM**

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Schedule, Project Co shall deliver to the Province's Representative a written report setting out Project Co's calculation of the payments payable by it in respect of that Payment Period (or part thereof, as the case may be) in accordance with Section 6.1 [Obligation to make Performance Incentive Payments] and Section 6.2 [Obligation to pay Delay Liquidated Damages] of this Schedule. Specifically, the report shall show Project Co's calculation of each of the following (each stated separately):

- (i) any Performance Incentive Payment payable in respect of that Payment Period (or part thereof, as the case may be);
- (ii) any Traffic Management Payment payable in respect of that Payment Period (or part thereof, as the case may be);
- (iii) any Non-Compliance Event Payment payable in respect of that Payment Period (or part thereof, as the case may be);
- (iv) any Delay Liquidated Damages payable in respect of that Payment Period (or part thereof, as the case may be);
- (v) any NCE Points assignable to Project Co in respect of each Non-Compliance Event occurring during that Payment Period (or part thereof, as the case may be) (which shall be the number of NCE Points set out in Appendix D [Assignment of NCE Points] to this Schedule in respect of such Non-Compliance Event), and the total of all such NCE Points;
- (vi) the NCE Points Balance as at the end of each day of that Payment Period (or part thereof, as the case may be);
- (vii) the NCE Points (Default) Balance as at the end of each day of that Payment Period (or part thereof, as the case may be);
- (viii) the total of all Default Points assignable to Project Co during that Payment Period (or part thereof, as the case may be) (which shall be the aggregate Default Points assignable to Project Co in accordance with Section 8.4 [Assignment of Default Points] of this Schedule);
- (ix) the Default Points Balance as at the end of each day of that Payment Period (or part thereof, as the case may be);
- (x) any applicable taxes payable in respect of any of the payments referred to in paragraphs (i) through (iv) above in respect of that Payment Period (or part thereof, as the case may be);
- (xi) any adjustments to reflect over-payments and/or underpayments (each such adjustment stated separately) in respect of Performance Incentive Payments made by Project Co during the period prior to that Payment Period (for which adjustment has not already been made);
- (xii) any interest payable in respect of any amounts owed; and

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- (xiii) the net amount owing by Project Co to the Province or by the Province to Project Co in respect of Project Co's obligation to make Performance Incentive Payments and pay Delay Liquidated Damages pursuant to Section 6.1 [Obligation to make Performance Incentive Payments] and 6.2 [Obligation to pay Delay Liquidated Damages], respectively, of this Schedule.
- (b) A report delivered pursuant to this Section 9.2 shall be accompanied by work papers clearly setting forth the derivation of the amounts set out therein in accordance with all applicable calculations specified in this Schedule. Such work papers shall include all relevant reports, information and documentation (all in such form and content as is acceptable to the Province's Representative) to support Project Co's calculation of the relevant Performance Incentive Payment and Delay Liquidated Damages, as applicable.
- (c) Project Co's obligation to deliver a written report pursuant to this Section 9.2 shall not affect Project Co's obligation to deliver any other written report pursuant to any other section of this Part 9.

**9.3 Province can issue Reports and Invoices**

If Project Co fails to deliver any report or invoice within the time period required pursuant to this Schedule, the Province may itself prepare and deliver to Project Co such report or invoice. Any such report or invoice delivered pursuant to this Section 9.3 shall be accompanied by work papers clearly setting forth the derivation of the amounts set out therein in accordance with all applicable calculations specified in this Schedule.

**9.4 Quarterly Forecast of Progress Payments**

Not later than 10 days after the first day of each Fiscal Quarter (or part thereof, as the case may be) (the "**Current Fiscal Quarter**") during the period from the Effective Date until the Total Completion Date, Project Co shall deliver to the Province's Representative a forecast of:

- (a) the cumulative total of all Progress Payments to be paid in respect of the Current Fiscal Quarter;
- (b) the cumulative total of all Progress Payments to be paid in respect of all Fiscal Quarters (or part thereof, as the case may be), if any, remaining in the then-current Fiscal Year after the Current Fiscal Quarter; and
- (c) the cumulative total of all Progress Payments to be paid in respect of each Fiscal Year (or part thereof) following the then-current Fiscal Year and commencing before the later of (i) the Total Completion Target Date and (ii) the Total Completion Date.

**PART 10**

**PAYMENTS BY PROVINCE IN EVENT OF NON-PAYMENT UNDER BCIB AGREEMENTS**

**10.1 Payments by Province in the Event of Non-payment under BCIB-Agreements and Set-off Rights**

- (a) If the Province pays any amount that:

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- (i) Project Co has not paid by the applicable date stipulated by the BCIB-Contractor Agreement; or
- (ii) a Principal Contractor or Subcontractor, as the case may be, has not paid by the applicable date stipulated by the relevant BCIB-Contractor Agreement;

then the Province shall promptly thereafter deliver to Project Co an invoice for:

- (iii) any amount(s) so paid; plus
  - (iv) an administrative fee calculated as the amount that is the greater of:
    - (A) two percent (2%) of the amount(s) so paid; and
    - (B) five thousand (\$5,000) dollars.
- (b) Without prejudice to Section 10.8 [Payment of Disputed Amounts] of this Agreement, Project Co shall pay and remit to the Province, by not later than ten (10) Business Days after the Province has delivered such an invoice to Project Co, the amount of the invoice. If Project Co has not paid the invoice within ten (10) Business Days after the Province has delivered the same to Project Co, then the Province may, at any time thereafter, set off against any future payments due from the Province to Project Co under this Agreement the amount of such invoice.

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**APPENDIX A**  
**[NOT USED]**

**APPENDIX B  
FORM OF LETTER OF CREDIT**

[NTD: Letters of Credit are to be issued or confirmed by one of the following, in each case as acceptable to the Province:

- (a) a Canadian chartered bank with offices in Vancouver, or any other domestic Canadian bank or financial institution with offices in Vancouver, and in any such case whose long term debt has a credit rating of not less than A (Standard & Pooers), A2 (Moody's Investors Service Inc.) or A (Dominion Bond Rating Service); or
- (b) a financial institution that is not a domestic Canadian financial institution whose sovereign country's debt rating is not less than AA (Standard & Pooers), Aa2 (Moody's Investors Service Inc.) or AA (Dominion Bond Rating Service), provided that the Province may accept a sovereign country's debt rating of AA- (Standard & Pooers), Aa3 (Moody's Investors Service Inc.) or AA (low) (Dominion Bond Rating Service) if the financial institution's long term debt has a credit rating of not less than A (Standard & Pooers), A2 (Moody's Investors Service Inc.) or A (Dominion Bond Rating Service),

and the issuing or confirming institution must meet these minimum credit ratings at all times during the validity period of the Letter of Credit. If such credit rating agencies publish differing credit ratings for the same financial institution or sovereign country, the lowest credit rating of any of the credit rating agencies shall apply for the purposes of the foregoing. Any Letter of Credit shall be callable at the issuing or confirming institution's counter in Vancouver.

This form of Letter of Credit shall be amended appropriately for use as:

- (a) the On-Time Performance Demonstration Letter of Credit, which shall have a final Expiry Date 18 months after the Substantial Completion Date;
- (b) the TIDS Performance Demonstration Letter of Credit, which shall have a final Expiry Date 18 months after the Substantial Completion Date;
- (c) the Builders Lien Letter of Credit, which shall have a final Expiry Date 3 months after the Substantial Completion Date;
- (d) the Warranty Holdback Letter of Credit or the Non-Default Warranty Holdback Letter of Credit, which shall have a final Expiry Date 26 months after the Substantial Completion Date;
- (e) the Deficiency Holdback Letter of Credit, which shall have a final Expiry Date 6 months after the Substantial Completion Date;
- (f) the Initial Financing Letter of Credit, which shall have a final Expiry Date one year after the Effective Date; and
- (g) the Replacement Financing Letter of Credit, which shall have a final Expiry Date one year after the Effective Date.]

[Name and address of Issuing Bank in Vancouver, BC]

[Date of issue]

PROVINCE OF BRITISH COLUMBIA  
[insert appropriate address]

**[Attention]**

(the “**Beneficiary**”)

Re: Project Agreement dated • between the Beneficiary and [**Name of Project Co**] (the “**Applicant**”) in respect of the Broadway Subway Project

By order of our client, the Applicant, we hereby issue our Irrevocable Standby Letter of Credit No. \_\_\_\_\_ (this “**Standby Letter of Credit**”) in an amount not to exceed in the aggregate CAD\$• to the Beneficiary, effective immediately and expiring on [**Fixed and determinable date**] (the “**Expiry Date**”).

We, [**Name of Issuing Bank**] (the “**Issuing Bank**”), at our offices shown above in Vancouver, British Columbia, Canada (the “**Offices**”), shall immediately pay to you under this Standby Letter of Credit any amount or amounts claimed, not to exceed in the aggregate CAD\$•, upon presentation of a sight draft, appropriately completed, in the form of Annex 1 hereto (the “**Sight Draft**”) being made upon us at our counter during normal business hours accompanied by the original of this Standby Letter of Credit and any amendments hereto.

Partial and multiple drawings are permitted.

If the Holder’s Sight Draft, appropriately completed and the original of this Standby Letter of Credit and any amendments hereto are received by us at the Offices on or before the Expiry Date, we shall honour without enquiring whether you have a legitimate claim between yourself and the Applicant.

After the Expiry Date has elapsed, no draw shall be honoured by us save to any Sight Draft presented by the Holder according to the requirements of this Standby Letter of Credit prior to the Expiry Date.

All banking charges are for the account of the Applicant.

It is a condition of this Standby Letter of Credit that it shall be deemed automatically extended from year to year for successive one year periods from the Expiry Date (each anniversary of the Expiry Date thus becoming the new “**Expiry Date**”), but not beyond \_\_\_\_\_, unless we notify the Holder in writing at least 60 days prior to the then applicable Expiry Date that we irrevocably elect not to consider this Standby Letter of Credit renewed for such further period. Such notice must be sent by registered mail or courier, each with proof of delivery, to the Holder at the address set forth above or such other address designated by the Holder from time to time. **[NTD: Delete this paragraph for the Deficiency Holdback Letter of Credit and Builders Lien Letter of Credit. For all other Letters of Credit, the Letter of Credit must be for a term of not less than one year, with automatic annual renewal unless the issuing or confirming institution advises otherwise as specified herein and subject to the final Expiry Date.]**

IT IS A CONDITION OF THIS STANDBY LETTER OF CREDIT THAT IT IS TRANSFERABLE AND MAY BE TRANSFERRED IN ITS ENTIRETY, BUT NOT IN PART, AND MAY BE SUCCESSIVELY TRANSFERRED BY THE THEN CURRENT HOLDER TO A TRANSFEREE. TRANSFER OF THIS STANDBY LETTER OF CREDIT TO SUCH TRANSFEREE SHALL BE EFFECTED UPON PRESENTATION TO US AT THE OFFICES OF THE ORIGINAL OF THIS STANDBY LETTER OF CREDIT AND ANY AMENDMENTS HERETO ACCOMPANIED BY A REQUEST DESIGNATING THE TRANSFEREE IN THE FORM ATTACHED HERETO AS ANNEX 2 APPROPRIATELY COMPLETED. All future amendments under this Standby Letter of Credit are to

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be advised directly to the transferee without the consent of, or notice to, any prior Holder and all future correspondence and notifications in respect of this Standby Letter of Credit are to be sent to the transferee and not to any prior Holder.

In this Standby Letter of Credit, “**Holder**” means either (i) if no transfer has occurred, the Beneficiary or (ii) if a transfer has occurred, the last transferee under the above provision.

DOCUMENTS SHALL BE PRESENTED AT OUR ADDRESS MENTIONED ABOVE OR AT THE [NAME AND ADDRESS OF ISSUING BANK] ON OR BEFORE THE EXPIRY DATE.

This Standby Letter of Credit is subject to and governed by International Standby Practices ISP98 of International Chamber of Commerce publication no. 590.

All matters not covered by ISP98 shall be interpreted and governed by the laws of British Columbia and the federal laws of Canada applicable therein. The parties irrevocably attorn to the exclusive jurisdiction of the courts of British Columbia. The number of this Letter of Credit must be quoted on all documents required hereby.

•

Per: \_\_\_\_\_  
Authorized Signatory

•

Per: \_\_\_\_\_  
Authorized Signatory



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SIGHT DRAFT

To: [Name of Issuing Bank]  
[Address of Offices]

Re: [• name of Issuing Bank]'s Standby Letter of Credit No. [•] dated [•] (the “**Standby Letter of Credit**”) issued in favour of Her Majesty the Queen in Right of the Province of British Columbia on behalf of [•] (the “**Applicant**”)

We refer to the Standby Letter of Credit. Terms defined in the Standby Letter of Credit have the same meaning when used in this Sight Draft.

We hereby request payment of CAD\$[•] ([•] Canadian Dollars).

Payment should be made to the following account:

Name: [•]  
Account Number: [•]  
Bank: [•]

We hereby confirm that the undersigned is entitled to present the Standby Letter of Credit for payment in accordance with the terms and conditions of the Project Agreement between the Beneficiary and the Applicant in respect of the Broadway Subway Project.

Yours truly,  
[• Name of Holder]

By: \_\_\_\_\_  
Authorized Signatory

**BROADWAY SUBWAY PROJECT  
PROJECT AGREEMENT  
SCHEDULE 10: PAYMENT AND PERFORMANCE MECHANISM**

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REQUEST DESIGNATING THE TRANSFEREE

To: [Name of Issuing Bank]  
[Address of Offices]

Re: [• name of Issuing Bank]'s Standby Letter of Credit No. [•] dated [•] (the “**Standby Letter of Credit**”) issued in favour of the Province of British Columbia on behalf of [•] (the “**Applicant**”)

We refer to the Standby Letter of Credit. Terms defined in the Standby Letter of Credit have the same meaning when used in this Request Designating the Transferee.

The undersigned Holder demands transfer of drawing rights in their entirety including our rights to demand further payment, reduction, cancellation, and transfer under the Standby Letter of Credit and rights to give or withhold consent to any pending or future amendment or cancellation in the amount of CAD \$• to the following transferee:

[Name of Transferee]  
[Full Address of Transferee]

We enclose herewith the original Standby Letter of Credit together with any amendments thereto for your endorsement purposes. The transfer will be issued in accordance with the terms of the Standby Letter of Credit.

We understand that the transferee, from and after its issuance date, will have all of Holder’s rights that are supported by the Standby Letter of Credit. We further state that there are no outstanding demands by us for any other transfer or for any payment, or for any reduction or cancellation under the Standby Letter of Credit. We agree to make no such demands or requests while this demand is outstanding.

This request to transfer is subject to Rules 6.01 to 6.05 of International Standby Practices ISP98 of International Chamber of Commerce publication no. 590.

We certify that the below signatories are genuine and that they have the authority to sign on behalf of the Holder.

[• **Name of Holder**]

By: \_\_\_\_\_  
Authorized Signatory

**APPENDIX C  
FORM OF STATEMENT OF PROGRESS**

Each Relevant Completion Percentage shall be calculated to 2 decimal places, and each Cost Item Progress Amount shall be calculated to the nearest dollar.

**Table C1 – Cost Item Progress Amounts (excluding in relation to Specified Cost Items)**

	Cost Item	Cost Item Amount (\$ nominal)	cumulative (EXCLUDING this Payment Period)		cumulative (INCLUDING this Payment Period)		this Payment Period	
			total progress (%)	total progress (\$)	total progress (%)	total progress (\$)	Relevant Completion Percentage	Cost Item Progress Amount
			A	B	C = A x B	D	E = A x D	F = D - B
<b>1. Financing costs</b>								
1.1	Financing costs							
<b>2. Project management</b>								
2.1	Project management and special purpose vehicle							
<b>3. Mobilization</b>								
3.1	Mobilization							
<b>4. Design</b>								
4.1	Bored tunnel including Cross Passages and Crossover Boxes							
4.2	Excavated tunnels							
4.3	Elevated Guideway							
4.4	Station structure							

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	Cost Item	Cost Item Amount (\$ nominal)	cumulative (EXCLUDING this Payment Period)		cumulative (INCLUDING this Payment Period)		this Payment Period	
			total progress (%)	total progress (\$)	total progress (%)	total progress (\$)	Relevant Completion Percentage	Cost Item Progress Amount
			A	B	C = A x B	D	E = A x D	F = D - B
4.5	Station fit out							
4.6	Power supply and distribution systems							
4.7	SCADA, communications, cabling, and station equipment systems							
4.8	Trackwork, L.I.M. rail, and Elevated Guideway walkways							
<b>5. Supply of Tunnel Boring Equipment</b>								
5.1	Bored tunnel 1							
5.2	Bored tunnel 2							
<b>6. Bored Tunnel</b>								
6.1	Bored tunnel 1							
6.1.1	Site Preparation							
6.1.2	Bored Tunnel Construction							
6.2	Bored tunnel 2							
6.2.1	Site Preparation							
6.2.2	Bored Tunnel Construction							
6.3	Crossover Box Between Mount Pleasant Station and Broadway-City Hall Station							

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	Cost Item	Cost Item Amount (\$ nominal)	cumulative (EXCLUDING this Payment Period)		cumulative (INCLUDING this Payment Period)		this Payment Period	
			total progress (%)	total progress (\$)	total progress (%)	total progress (\$)	Relevant Completion Percentage	Cost Item Progress Amount
			A	B	C = A x B	D	E = A x D	F = D - B
<b>7. Excavated Tunnels</b>								
7.1 Transition Box								
7.1.1	Traffic Deck							
7.1.2	Excavation							
7.1.3	Structure							
7.1.4	Roads and Site Restoration							
7.2 Crossover Box Between the west end of the Bored Tunnel and Arbutus Station								
7.2.1	Traffic Deck							
7.2.2	Excavation							
7.2.3	Structure							
7.2.4	Roads and Site Restoration							
7.3 Terminus Box								
7.3.1	Traffic Deck							
7.3.2	Excavation							
7.3.3	Structure							
7.3.4	Roads and Site Restoration							
<b>8. Tunnel Fit Out and Systems</b>								

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	Cost Item	Cost Item Amount (\$ nominal)	cumulative (EXCLUDING this Payment Period)		cumulative (INCLUDING this Payment Period)		this Payment Period	
			total progress (%)	total progress (\$)	total progress (%)	total progress (\$)	Relevant Completion Percentage	Cost Item Progress Amount
			A	B	C = A x B	D	E = A x D	F = D - B
8.1	Tunnel Invert and Drainage							
8.2	Tunnel Cross Passages							
8.3	Tunnel Walkways							
8.4	Tunnel Fire, Life, and Safety Equipment							
8.5	Electrical Installation, including Lighting and Power Supply							
<b>9. Tunnel Ventilation</b>								
9.1.1	Great Northern Way Station supply and delivery of tunnel fans							
9.1.2	Great Northern Way Station installation of tunnel fans							
9.2.1	Mount Pleasant Station supply and delivery of tunnel fans							
9.2.2	Mount Pleasant Station installation of tunnel fans							
9.3.1	Broadway-City Hall Millennium Line Station supply and delivery of tunnel fans							
9.3.2	Broadway-City Hall Millennium Line Station installation of tunnel fans							

**SCHEDULE 10: PAYMENT AND PERFORMANCE MECHANISM**

	Cost Item	Cost Item Amount (\$ nominal)	cumulative (EXCLUDING this Payment Period)		cumulative (INCLUDING this Payment Period)		this Payment Period	
			total progress (%)	total progress (\$)	total progress (%)	total progress (\$)	Relevant Completion Percentage	Cost Item Progress Amount
			A	B	C = A x B	D	E = A x D	F = D - B
9.4.1	Fairview-VGH Station supply and delivery of tunnel fans							
9.4.2	Fairview-VGH Station installation of tunnel fans							
9.5.1	South Granville Station supply and delivery of tunnel fans							
9.5.2	South Granville Station installation of tunnel fans							
9.6.1	Arbutus Street Station supply and delivery of tunnel fans							
9.6.2	Arbutus Street Station installation of tunnel fans							
<b>10. Elevated Guideway</b>								
10.1	Elevated Guideway Beams							
10.2.1	Elevated Guideway Foundations							
10.2.2	Elevated Guideway Reinstatement							
10.3	Elevated Guideway Columns and bent Structures							
10.4	Erect Pre-Fabricated Guideway Beams							
<b>11. Station Underground Structures</b>								

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	Cost Item	Cost Item Amount (\$ nominal)	cumulative (EXCLUDING this Payment Period)		cumulative (INCLUDING this Payment Period)		this Payment Period	
			total progress (%)	total progress (\$)	total progress (%)	total progress (\$)	Relevant Completion Percentage	Cost Item Progress Amount
			A	B	C = A x B	D	E = A x D	F = D - B
11.1	Great Northern Way Station							
11.1.1	Traffic Deck							
11.1.2	Excavation							
11.1.3	Structure							
11.1.4	Roads and Site Restoration							
11.2	Mount Pleasant Station							
11.2.1	Traffic Deck							
11.2.2	Excavation							
11.2.3	Structure							
11.2.4	Roads and Site Restoration							
11.3	Broadway-City Hall Station East Underground Platform Structure							
11.3.1	Traffic Deck							
11.3.2	Excavation							
11.3.3	Structure							
11.3.4	Connection to the existing Broadway – City Hall Canada Line Station							
11.3.5	Roads and Site Restoration							



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	Cost Item	Cost Item Amount (\$ nominal)	cumulative (EXCLUDING this Payment Period)		cumulative (INCLUDING this Payment Period)		this Payment Period	
			total progress (%)	total progress (\$)	total progress (%)	total progress (\$)	Relevant Completion Percentage	Cost Item Progress Amount
			A	B	C = A x B	D	E = A x D	F = D - B
11.4	Broadway-City Hall Station West Underground and Connection to the Existing Broadway – City Hall Canada Line Station							
11.4.1	Traffic Deck							
11.4.2	Excavation							
11.4.3	Structure							
11.4.4	Connection to the existing Broadway – City Hall Canada Line Station							
11.4.5	Roads and Site Restoration							
11.5	Fairview-VGH Street Station							
11.5.1	Traffic Deck							
11.5.2	Excavation							
11.5.3	Structure							
11.5.4	Roads and Site Restoration							
11.6	South Granville Station							
11.6.1	Traffic Deck							
11.6.2	Excavation							

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	Cost Item	Cost Item Amount (\$ nominal)	cumulative (EXCLUDING this Payment Period)		cumulative (INCLUDING this Payment Period)		this Payment Period	
			total progress (%)	total progress (\$)	total progress (%)	total progress (\$)	Relevant Completion Percentage	Cost Item Progress Amount
			A	B	C = A x B	D	E = A x D	F = D - B
11.6.3	Structure							
11.6.4	Roads and Site Restoration							
11.7	Arbutus Street Station							
11.7.1	Traffic Deck							
11.7.2	Excavation							
11.7.3	Structure							
11.7.4	Roads and Site Restoration							
<b>12. Station Fit Out</b>								
12.1	Great Northern Way Station							
12.1.1	Station House							
12.1.2	Platform structure							
12.1.3	Vertical access structures							
12.1.4	Escalators and elevators supply							
12.1.5	Escalators and elevators installed							
12.1.6	Finishings and fittings							
12.1.7	Mechanical installation							

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	Cost Item	Cost Item Amount (\$ nominal)	cumulative (EXCLUDING this Payment Period)		cumulative (INCLUDING this Payment Period)		this Payment Period	
			total progress (%)	total progress (\$)	total progress (%)	total progress (\$)	Relevant Completion Percentage	Cost Item Progress Amount
			A	B	C = A x B	D	E = A x D	F = D - B
12.1.8	Electrical Installation							
12.2	Mount Pleasant Station							
12.2.1	Station House							
12.2.2	Platform structure							
12.2.3	Vertical access structures							
12.2.4	Escalators and elevators supply							
12.2.5	Escalators and elevators installed							
12.2.6	Finishings and fittings							
12.2.7	Mechanical installation							
12.2.8	Electrical Installation							
12.3	Broadway-City Hall Station							
12.3.1	Platform structure							
12.3.2	Vertical access structures							
12.3.3	Escalators and elevators supply							
12.3.4	Escalators and elevators installed							

**SCHEDULE 10: PAYMENT AND PERFORMANCE MECHANISM**

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	Cost Item	Cost Item Amount (\$ nominal)	cumulative (EXCLUDING this Payment Period)		cumulative (INCLUDING this Payment Period)		this Payment Period	
			total progress (%)	total progress (\$)	total progress (%)	total progress (\$)	Relevant Completion Percentage	Cost Item Progress Amount
			A	B	C = A x B	D	E = A x D	F = D - B
12.3.5	Finishings and fittings							
12.3.6	Mechanical installation							
12.3.7	Electrical Installation							
12.3.8	Work to and within the existing Canada Line Station							
12.4	Fairview-VGH Station							
12.4.1	Station House							
12.4.2	Platform structure							
12.4.3	Vertical access structures							
12.4.4	Escalators and elevators supply							
12.4.5	Escalators and elevators installed							
12.4.6	Finishings and fittings							
12.4.7	Mechanical installation							
12.4.8	Electrical Installation							
12.5	South Granville Station							
12.5.1	Station House							

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	Cost Item	Cost Item Amount (\$ nominal)	cumulative (EXCLUDING this Payment Period)		cumulative (INCLUDING this Payment Period)		this Payment Period	
			total progress (%)	total progress (\$)	total progress (%)	total progress (\$)	Relevant Completion Percentage	Cost Item Progress Amount
			A	B	C = A x B	D	E = A x D	F = D - B
12.5.2	Platform structure							
12.5.3	Vertical access structures							
12.5.4	Escalators and elevators supply							
12.5.5	Escalators and elevators installed							
12.5.6	Finishings and fittings							
12.5.7	Mechanical installation							
12.5.8	Electrical Installation							
12.6	Arbutus Street Station							
12.6.1	Station House							
12.6.2	Platform structure							
12.6.3	Vertical access structures							
12.6.4	Escalators and elevators supply							
12.6.5	Escalators and elevators installed							
12.6.6	Finishings and fittings							
12.6.7	Mechanical installation							

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	Cost Item	Cost Item Amount (\$ nominal)	cumulative (EXCLUDING this Payment Period)		cumulative (INCLUDING this Payment Period)		this Payment Period	
			total progress (%)	total progress (\$)	total progress (%)	total progress (\$)	Relevant Completion Percentage	Cost Item Progress Amount
			A	B	C = A x B	D	E = A x D	F = D - B
12.6.8	Electrical Installation							
<b>13. Systems</b>								
13.1	Automatic Train Control							
13.1.1	Submission of Project Management and Systems Management Plans							
13.1.2	Completion of Systems Concept Design Review							
13.1.3	Completion of Systems Preliminary Design Review							
13.1.4	Completion of Systems Final Design Review							
13.1.5	Hardware as described in Milestone 1							
13.1.6	Hardware as described on Milestone 2							
13.1.7	Hardware as described on Milestone 3							
13.1.8	Completion of Test Procedures							
13.1.9	Completion of Test Reports							
13.1.10	Substantial Completion							

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	Cost Item	Cost Item Amount (\$ nominal)	cumulative (EXCLUDING this Payment Period)		cumulative (INCLUDING this Payment Period)		this Payment Period	
			total progress (%)	total progress (\$)	total progress (%)	total progress (\$)	Relevant Completion Percentage	Cost Item Progress Amount
			A	B	C = A x B	D	E = A x D	F = D - B
13.2	Power Supply and Distribution							
13.2.1	Supply and delivery of PPS equipment							
13.2.2	Supply and delivery of Power Rail							
13.2.3	Installation of Power Rail							
13.2.4	Installation of PPS equipment							
13.2.5	Supply and installation SCADA							
13.3	SCADA, Security, Communications, and Cabling							
13.3.1	Supply and installation, ATC loop cables, fibre optic and systems cabling,							
13.3.2	Supply, installation SCADA systems, security and communications systems,							
13.3.3	Station security and communication systems							
13.3.4	Connection of the Broadway Subway Project security and communications systems to the Canada Line security and communications systems							

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	Cost Item	Cost Item Amount (\$ nominal)	cumulative (EXCLUDING this Payment Period)		cumulative (INCLUDING this Payment Period)		this Payment Period	
			total progress (%)	total progress (\$)	total progress (%)	total progress (\$)	Relevant Completion Percentage	Cost Item Progress Amount
			A	B	C = A x B	D	E = A x D	F = D - B
13.3.5	Systems Plan Deliverables							
13.3.6	Completion of SCDR							
13.3.7	Completion of all SPDRs							
13.3.8	Completion of all SFDRs							
13.3.9	Final Hazard Log							
13.3.10	Demonstration Plans							
13.3.11	Design Safety Case							
<b>14. Trackwork, L.I.M. Rail, and Elevated Guideway Walkways</b>								
14.1.1	Supply and delivery of trackwork running rail							
14.1.2	Installation of trackwork, including special trackwork							
14.2.1	Supply and delivery of L.I.M. Rail							
14.2.2	Installation of L.I.M. Rail							
14.3.1	Supply and installation of Elevated Guideway Walkway							
<b>15. Testing and Commissioning</b>								



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	Cost Item	Cost Item Amount (\$ nominal)	cumulative (EXCLUDING this Payment Period)		cumulative (INCLUDING this Payment Period)		this Payment Period	
			total progress (%)	total progress (\$)	total progress (%)	total progress (\$)	Relevant Completion Percentage	Cost Item Progress Amount
			A	B	C = A x B	D	E = A x D	F = D - B
15.1.1	Completion of the first Systems Field Test Readiness Review							
15.1.2	Verification Test Procedures							
15.1.3	Site Acceptance Testing							
15.1.4	Systems Integration Testing							
15.1.5	Trial Running							
15.1.6	All Test and Verification Results specified in Section 1.19.7 [Testing and Verification Results Deliverables] of Appendix G [Systems General Requirements] of Schedule 4 [Design and Construction].							

**Table C2 –Cost Item Progress Amounts in respect of Specified Cost Items**

	Cost Item	Cost Item Amount (\$nominal)	cumulative (EXCLUDING this Payment Period)		cumulative (INCLUDING this Payment Period)		this Payment Period	
			total progress (%)	total progress (\$)	total progress (%)	total progress (\$)	Relevant Completion Percentage	Cost Item Progress Amount
			A	B	C = A x B	D	E = A x D	F = D - B
<b>16. Specified Cost Items</b>								
16.1	Construction Management Plan							
16.2	Non-Systems Design Management Plan							
16.3	Works Schedule							
16.4	Construction Environmental Management Plan							
16.5	Master Traffic Management Plan							
16.6	Quality Manual							
16.7	Design Quality Management Plan							
16.8	Construction Quality Management Plan							
16.9	Traffic Quality Management Plan							
16.10	Environmental Quality Management Plan							
16.11	Project Co Communication Protocol							
16.12	Communications, Community Relations							

**SCHEDULE 10: PAYMENT AND PERFORMANCE MECHANISM**

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	Cost Item	Cost Item Amount (\$nominal)	cumulative (EXCLUDING this Payment Period)		cumulative (INCLUDING this Payment Period)		this Payment Period	
			total progress (%)	total progress (\$)	total progress (%)	total progress (\$)	Relevant Completion Percentage	Cost Item Progress Amount
			A	B	C = A x B	D	E = A x D	F = D - B
	and Business Relations Plan							
16.13	Operations and Maintenance Plan							
16.14	Not used							
16.15	Construction Records – Primary Infrastructure Components and Completion Components							
16.16	Quality Records							
16.17	Systems Plan							
16.18	Systems Assurance Plan							
16.19	Systems Management Plan							
19.20	Systems Risk Management Plan							
<b>Total</b>				[Sum of column C]		[Sum of column E]		[Sum of column G]

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Adjusted Progress Amount

1 **Unadjusted Progress Amount (total amount of column G of Table C1)** \_\_\_\_\_

2 **Adjustment Factor \*** \_\_\_\_\_

3 **Adjusted Progress Amount** \_\_\_\_\_

Total Progress Payment

4 **Adjusted Progress Amount (per 3 above)** \_\_\_\_\_

5 **Aggregate of Cost Item Progress Amounts in respect of  
Specified Cost Items (total amount of column G of Table C2)** \_\_\_\_\_

6 **Total Progress Payments** \_\_\_\_\_

\* include the calculation of the Adjustment Factor for the PP Transition Payment Period (if applicable) here:

[Project Co Representative's signature]

Certified Correct:

[Independent Engineer's signature]

**SCHEDULE 10: PAYMENT AND PERFORMANCE MECHANISM**

**APPENDIX D  
ASSIGNMENT OF NCE POINTS**

<b>Performance Requirement</b>	<b>Performance Category</b>	<b>Basis of Assessment</b>	<b>NCE Points Assigned</b>
<b>Project Agreement and All Schedules</b>			
Document deliverables submitted or provided to the Province	Timeliness	As specified in this Agreement (including the relevant Schedules)	
	Completeness	Either a Review Procedure (Schedule 2) resulting in repeat 'comments' on re-submitted submission documents specified in the Agreement (including the relevant Schedules), or a Consent Procedure (Schedule 2) resulting in repeat 'rejected' (other than a "deemed" rejection under Section 2.2(e) of Schedule 2 or a rejection on the merits of a submission) on submission documents specified in this Agreement (including the relevant Schedules)	
	Implementation	Where a Nonconformity occurs in relation to the implementation of any deliverable (where appropriate) required by this Agreement	
<b>Schedule 6 : Environmental Obligations</b>			
Performance Measures	Environmental Performance Measures	All other measures (identified as PEXXX) specified in Schedule 6	
Performance Measures	Implementation	Where Project Co fails to implement the approved Construction Environmental Management Plan, including all component plans (provided in Section 2.5(d) [Construction Environmental Management Plan] of Schedule 6), including Project Co's failure to implement any mitigation measures provided in such plans.	

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<b>Performance Requirement</b>	<b>Performance Category</b>	<b>Basis of Assessment</b>	<b>NCE Points Assigned</b>
<b>Schedule 7 : Quality Management</b>			
Performance Measures	Quality Performance Measures	All other measures (identified as PQXXX) specified in Schedule 7	
Traffic Management	Implementation of Traffic Management requirements in respect of Schedule 7	Where a Site Condition Rating of “Unacceptable” is assigned in accordance with Section 4.8 of Schedule 7	
<b>Schedule 9: Communications, Community Relations and Business Relations</b>			
Performance Measures	Communications, Community Relations and Business Relations	As designated as “Minor” in Schedule 9	
		As designated as “Moderate” in Schedule 9	
		As designated as “Major” in Schedule 9	
		As designated as “Severe” in Schedule 9	
		All other measures (identified as PCXXX) specified in Schedule 9	
<b>Schedule 17 : Records and Reports</b>			
Performance Measures	Records Performance Measures	All measures (identified as PRXXX) specified in Schedule 17	
<b>Schedule 22: Indigenous Requirements</b>			
Performance Measures	Indigenous Requirements Performance Measures	All measures (identified as PIRXXX) specified in Schedule 22	

**APPENDIX E  
FORMS**

**FORM [10A]: DRAW REQUEST**

**[TO BE PRINTED ON PROJECT CO LETTERHEAD]**

**[Date]**

HER MAJESTY THE QUEEN  
IN RIGHT OF THE  
PROVINCE OF BRITISH COLUMBIA  
**[Address]**

Attention: •

Facsimile No.: •

Dear Sirs and Mesdames:

Re: Project Agreement dated as of the Effective Date (as amended, modified, supplemented and restated from time to time, the “**Agreement**”) among Her Majesty the Queen in Right of the Province of British Columbia (the “**Province**”) and • (“**Project Co**”)

And Re: Draw Request under Section 9.1 [Draw Requests for Progress Payments] of Schedule 10 to the Agreement for the Payment Period beginning • and ending • (the “**Relevant Payment Period**”)

- 
1. This letter, including the Statement of Progress and other documentation attached hereto, constitutes a Draw Request pursuant to Section 9.1 [Draw Requests for Progress Payments] of Schedule 10 for a Progress Payment. Capitalized terms used and not defined in this Draw Request have the meanings given to them in the Agreement and references to Sections and Schedules are to Sections of and Schedules to the Agreement.

**Calculation of Progress Payment**

**[NTD: The references to the Limited Notice to Proceed apply in respect of the first Payment Period only and should be deleted when not applicable.]**

2. Project Co hereby applies for a Progress Payment in the amount of \$• for the portion of the Project Work progressed during the Relevant Payment Period [**and under the Limited Notice to Proceed**].
3. Project Co hereby confirms that the Progress Payment for the Relevant Payment Period is calculated by reference to the following [**and the Limited Notice to Proceed**]:
  - (i) the Unadjusted Progress Amount in respect of the Relevant Payment Period: \$•

**SCHEDULE 10: PAYMENT AND PERFORMANCE MECHANISM**

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- (ii) the Adjustment Factor applicable to the Relevant Payment Period: ●%
- (iii) the Adjusted Progress Amount determined pursuant to Section 2.1(a)(i) of Schedule 10 in respect of the Relevant Payment Period: \$●
- (iv) the aggregate of all Cost Item Progress Amounts in respect of all Specified Cost Items, each of which is determined in accordance with Section 2.1(b) of Schedule 10 to be payable in respect of the Relevant Payment Period: \$●
- (v) the total Progress Payment payable in respect of the Relevant Payment Period, determined pursuant to Section 2.1(a) of Schedule 10: \$●
- (vi) the applicable taxes payable in respect of any of the payments referred to above: \$●

**[NTD: list breakdown of tax calculations]**

- (vii) the following adjustments to reflect over-payments and/or underpayments (each such adjustment stated separately) in respect of Progress Payments made by the Province during the period prior to the Relevant Payment Period (for which adjustment has not already been made, including by way of determination of a negative Relevant Completion Percentage applicable to any Cost Item):

**[NTD: list each adjustment, and the applicable dollar value]**

- (viii) interest payable in respect of any amounts owed, as described above:

**[NTD: list each relevant amount, as described above, and the applicable amount of interest payable]**

- (ix) the net amount owing by the Province to Project Co, or by Project Co to the Province, as at the end of the Relevant Payment Period in respect of the Province's obligation to make Progress Payments pursuant to Section 1.1 [Obligation to make Progress Payments] of Schedule 10: \$●

**Claim for payment for additional or varied Project Work and Minor Works**

- 4. Project Co hereby applies for payment for the following amount in respect of any additional or varied Project Work performed by Project Co pursuant to a Change Certificate issued pursuant to Part 2 [Province Changes] of Schedule 11 or for Minor Works performed by Project Co pursuant to Section 1.2(a) of Schedule 11 [Changes]:

the total amount payable in respect of any additional or varied Project Work authorized or approved by a Change Certificate and performed by Project Co during the Relevant Payment Period: \$●

the total amount payable in respect of any Minor Works performed by Project Co pursuant to Section 1.2(a) of Schedule 11 [Changes] during the Relevant Payment Period: \$●



**SCHEDULE 10: PAYMENT AND PERFORMANCE MECHANISM**

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- (iii) the applicable taxes payable in respect of the payment referred to above: \$●

**[NTD: list breakdown of tax calculations]**

interest payable in respect of any amounts owed, as described above:

**[NTD: list each relevant amount, as described above, and the applicable amount of interest payable]**

- (v) the net amount owing by the Province to Project Co, or by Project Co to the Province, as at the end of the Relevant Payment Period in respect of the Province's obligation to pay for additional or varied Project Work and for Minor Works, in each case pursuant to Schedule 11 [Changes].

**Net Amount Claimed**

5. The final net amount payable by the Province to Project Co, or payable by Project Co to the Province, as the case may be, pursuant to this Draw Request (being the aggregate of the amounts set out in paragraphs 3(ix) and 4(v) above) is: \$●

**Representations and Warranties**

6. As of the date hereof but subject to any exceptions set out in Attachment A hereto, and as to the payment of Subcontractors as described in paragraph (iv) below, partly or wholly in reliance on statutory declarations of others, Project Co hereby represents, warrants and certifies to the Province that:
- (i) the Project Work has progressed to the point indicated in this Draw Request;
  - (ii) the Cost Item Progress Amounts identified in this Draw Request have been properly incurred in accordance with Appendix F [Progress Measurement Principles] to Schedule 10;
  - (iii) the Project Work described in this Draw Request as having been done, has been done in accordance with Project Co's obligations under the Agreement;
  - (iv) all of the Principal Contractors, and to the best of the knowledge of Project Co, all Subcontractors, have been paid in full up to the last Progress Payment received by Project Co, subject to holdbacks (including for amounts disputed in good faith) required or permitted by the Principal Contracts and Subcontracts and the *Builders Lien Act* (British Columbia), if applicable;
  - (v) except to the extent communicated by Project Co to the Province in writing, no Encumbrance exists with respect to or as a result of or in relation to the Project Work;
  - (vi) Project Co is entitled to payment in the amount requested;

**SCHEDULE 10: PAYMENT AND PERFORMANCE MECHANISM**

- 4 -

- (vii) no Project Co Default has occurred which has not been either waived in writing by the Province or remedied to the satisfaction of the Province;
- (viii) there has not been any material adverse change in Project Co's ability to perform its obligations under the Agreement; and
- (ix) to the best of Project Co's knowledge, there has not been any materially adverse change in any Principal Contractor's or Subcontractor's ability to perform its obligations under the applicable Principal Contract or Subcontract.

**Attachments**

7. Attached hereto is the Statement of Progress, as certified by the Independent Engineer, in respect of the Relevant Payment Period, together with working papers clearly setting forth the derivation of the percentages and amounts set out therein.
8. Attached hereto are working papers clearly setting forth the derivation of the percentages and amounts set out herein (to the extent the same are not already set forth in the working papers attached to the Statement of Progress) in accordance with all applicable calculations specified or referred to in Section 2.1 [Calculation of Progress Payments] of Schedule 10, Part 2 [Province Changes] of Schedule 11 or Part 1 [Minor Works] of Schedule 11.
9. Attached hereto is a statement of the amounts, (if any), determined in accordance with Section 9.1 (e) of Schedule 10 that the Senior Lenders have advanced or Project Co is intending to request, or has requested, that the Senior Lenders advance in respect of:
  - (i) Unadjusted Progress Amounts for the Relevant Payment Period;
  - (ii) the cumulative total of all amounts advanced as referred to in Section 9.1(e)(i) of Schedule 10 for all Payment Periods up to but excluding the Relevant Payment Period; and
  - (iii) the cumulative total of all amounts advanced as referred to in Section 9.1(e)(i) of Schedule 10 for all Payment Periods up to and including the Relevant Payment Period;(provided that, if the first proviso to Section 1.1(c)(ii) of Schedule 10 applied in respect of any Payment Period (including the Payment Period to which the Draw Request relates), such statement shall separately identify any funds received by Project Co as contemplated by Section 1.1(c)(ii)(C) of Schedule 10 to fund amounts as referred to in Section 9.1(e)(i) of Schedule 10 for such Payment Period).
10. Attached hereto is a statutory declaration in the form attached as Appendix E, Form 10H [Form of Statutory Declaration in Support of Payment Application] of Schedule 10 which confirms compliance by Project Co with the *Builders Lien Act*. [Note: Not required to be attached to Draw Request for first Payment Period – where this applies, note “not attached”]
11. Attached hereto is the letter from the Workers' Compensation Board which confirms that Project Co is in good standing with the Workers' Compensation Board and that all required remittances

**SCHEDULE 10: PAYMENT AND PERFORMANCE MECHANISM**

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and assessments required by the WCA have been made to a date which is no more than three Business Days prior to the date of this Draw Request.

12. Attached hereto is a report on the status of the Project, including (i) a description of (A) Project Co's progress during the Relevant Payment Period, and (B) the major activities performed by Project Co during the Relevant Payment Period; and (ii) a look-ahead work plan for the three months following the Relevant Payment Period.

**SCHEDULE 10: PAYMENT AND PERFORMANCE MECHANISM**

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

EXECUTED AND DELIVERED as of the date first written above.

PROJECT CO:

•

By: \_\_\_\_\_

Name:

Title: Project Co Representative

**BROADWAY SUBWAY PROJECT  
PROJECT AGREEMENT  
SCHEDULE 10: PAYMENT AND PERFORMANCE MECHANISM**

***Commercial in Confidence  
EXECUTION COPY***

**Attachment A**

**[NTD: list any exceptions to representations and warranties]**

**FORM [10B]: SUBSTANTIAL COMPLETION PAYMENT APPLICATION  
[TO BE PRINTED ON PROJECT CO LETTERHEAD]**

**[Date]**

HER MAJESTY THE QUEEN  
IN RIGHT OF THE  
PROVINCE OF BRITISH COLUMBIA  
**[Address]**

Attention: •

Facsimile No.: •

Dear Sirs and Mesdames:

Re: Project Agreement dated as of the Effective Date (as amended, modified, supplemented and restated from time to time, the “**Agreement**”) among Her Majesty the Queen in right of the Province of British Columbia (the “**Province**”) and • (“**Project Co**”)

And Re: Payment Application under Section 1.2 [Obligation to make Substantial Completion Payment] of Schedule 10 to the Agreement

- 
1. This letter, including the documentation attached hereto, constitutes the Payment Application pursuant to Section 1.2(b) of Schedule 10 for payment of the Substantial Completion Payment. Capitalized terms used and not defined in this Payment Application have the meanings given to them in the Agreement and references to Sections and Schedules are to Sections of and Schedules to the Agreement.

**Calculation of Substantial Completion Payment**

2. Project Co hereby applies for payment in the amount of \$•, being the Substantial Completion Payment of \$•, less an amount of \$• representing the aggregate amount that the Province is entitled to retain pursuant to Section 1.2(f) of Schedule 10, calculated as follows:

Substantial Completion Payment: \$•

less: the On-Time Performance Demonstration Completion Amount: \$[30,000,000]

less: the TIDS Performance Demonstration Amount: \$[10,000,000]

less: the Builders Lien Holdback: \$•

less: the Deficiency Holdback: \$•

less: the Warranty Holdback: \$•

**SCHEDULE 10: PAYMENT AND PERFORMANCE MECHANISM**

- 2 -

Net amount payable in respect of the Province's obligation to make the Substantial Completion Payment pursuant to Section 1.2 [Obligation to make Substantial Completion Payment] of Schedule 10: \$●

**Representations and Warranties**

3. As of the date hereof but subject to any exceptions which are set out in Attachment A hereto, and as to the payment of Subcontractors as described in paragraph (iv) below, partly or wholly in reliance on statutory declarations of others, Project Co hereby represents, warrants and certifies to the Province that:
- (i) Substantial Completion has been achieved;
  - (ii) the amount claimed in this Payment Application has been calculated in accordance with Section 1.2 [Obligation to make Substantial Completion Payment] of Schedule 10 and other relevant provisions of the Agreement;
  - (iii) all of the Principal Contractors and Subcontractors have been paid in full up to the last Progress Payment received by Project Co, subject to holdbacks (including for amounts disputed in good faith) required or permitted by the Principal Contracts and Subcontracts and the *Builders Lien Act* (British Columbia), if applicable;
  - (iv) except to the extent communicated by Project Co to the Province in writing, no Encumbrance exists with respect to or as a result of or in relation to the Project Work;
  - (v) Project Co is entitled to payment in the amount requested;
  - (vi) no Project Co Default has occurred which has not been either waived in writing by the Province or remedied to the satisfaction of the Province;
  - (vii) there has not been any material adverse change in Project Co's ability to perform its obligations under the Agreement; and
  - (viii) to the best of Project Co's knowledge, there has not been any materially adverse change in any Principal Contractor's or Subcontractor's ability to perform its obligations under the applicable Principal Contract or Subcontract.

**Attachments**

4. Attached hereto are working papers clearly setting forth the derivation of the amounts set out herein in accordance with all applicable calculations specified or referred to in Section 1.2 [Obligation to make Substantial Completion Payment] of Schedule 10, including, if applicable:
- (a) an estimate of the costs for remedying any Final Deficiency List Deficiency in respect of which the Agreed Remedy Cost has not previously been agreed by the Province and Project Co in accordance with the Dispute Resolution Procedure; and

**SCHEDULE 10: PAYMENT AND PERFORMANCE MECHANISM**

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- (b) the calculation of the Builders Lien Holdback if Project Co has applied for a reduction of such amount in accordance with Section 3.3 of Schedule 10, including:
  - (i) complete copies of certificates of substantial completion issued pursuant to the *Builders Lien Act* for each Subcontract which was certified complete prior to the Substantial Completion Date and in respect of which the holdback period established under Section 8(1) of the *Builders Lien Act* expired without any claims of lien being filed as at the Substantial Completion Date; and
  - (ii) the value of each such Subcontract.
- 5. Attached hereto is a statutory declaration in the form attached at Appendix E, Form 10G [Form of Statutory Declaration in Support of Payment Application] of Schedule 10 which confirms compliance by Project Co with the *Builders Lien Act*.
- 6. Attached hereto is the letter from the Workers' Compensation Board which confirms that Project Co is in good standing with the Workers' Compensation Board and that all required remittances and assessments required by the WCA have been made to a date which is no more than three Business Days prior to the date of this Payment Application.
- 7. Attached hereto is the Certificate of Substantial Completion, duly completed and executed by the Independent Certifier.
- 8. Attached hereto is a copy of the Final Deficiency List, which list has been certified by the Independent Certifier, in accordance with Section 4.1.2.6(b) of Part 3 [Design and Certification Procedure] of Schedule 4.

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

EXECUTED AND DELIVERED as of the date first written above.

PROJECT CO:

•

By: \_\_\_\_\_

Name:

Title: Project Co Representative



**BROADWAY SUBWAY PROJECT  
PROJECT AGREEMENT  
SCHEDULE 10: PAYMENT AND PERFORMANCE MECHANISM**

***Commercial in Confidence  
EXECUTION COPY***

**Attachment A**

**[NTD: list any exceptions to representations and warranties]**

**FORM [10C]: ON-TIME PERFORMANCE DEMONSTRATION PAYMENT APPLICATION  
[TO BE PRINTED ON PROJECT CO LETTERHEAD]**

**[Date]**

HER MAJESTY THE QUEEN  
IN RIGHT OF THE  
PROVINCE OF BRITISH COLUMBIA  
**[Address]**

Attention: •

Facsimile No.: •

Dear Sirs and Mesdames:

Re: Project Agreement dated as of the Effective Date (as amended, modified, supplemented and restated from time to time, the “**Agreement**”) among Her Majesty the Queen in right of the Province of British Columbia (the “**Province**”) and • (“**Project Co**”)

And Re: Payment Application under Section 1.3 [Obligation to pay On-Time Performance Demonstration Completion Amount] of Schedule 10 to the Agreement

- 
1. This letter, including the documentation attached hereto, constitutes the Payment Application pursuant to Section 1.3(b) of Schedule 10 for payment of the On-Time Performance Demonstration Completion Amount. Capitalized terms used and not defined in this Payment Application have the meanings given to them in the Agreement and references to Sections and Schedules are to Sections of and Schedules to the Agreement.

**Calculation of Payment Applied For**

2. Project Co hereby applies for payment in the amount of \$•, being the On-Time Performance Demonstration Completion Amount of \$30,000,000, less an amount of \$• representing the amount that the Province is entitled to retain pursuant to Section 1.3(g) of Schedule 10, calculated as follows:

On-Time Performance Demonstration Completion Amount: \$30,000,000

Net amount payable in respect of the Province’s obligation to pay the On-Time Performance Demonstration Completion Amount pursuant to Section 1.3 [Obligation to pay On-Time Performance Demonstration Completion Amount] of Schedule 10: \$•

**SCHEDULE 10: PAYMENT AND PERFORMANCE MECHANISM**

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**Representations and Warranties**

3. As of the date hereof but subject to any exceptions which are set out in Attachment A hereto, and as to the payment of Subcontractors as described in paragraph (iv) below, partly or wholly in reliance on statutory declarations of others, Project Co hereby represents, warrants and certifies to the Province that:
- (i) the amount claimed in this Payment Application has been calculated in accordance with Section 1.3(a) [Obligation to pay On-Time Performance Demonstration Completion Amount] of Schedule 10 and other relevant provisions of the Agreement;
  - (ii) all of the Principal Contractors, and to the best of the knowledge of Project Co, all Subcontractors, have been paid in full up to the last Progress Payment received by Project Co, subject to holdbacks (including for amounts disputed in good faith) required or permit by the Principal Contracts and Subcontracts and the *Builders Lien Act* (British Columbia), if applicable;
  - (iii) except to the extent communicated by Project Co to the Province in writing, no Encumbrance exists with respect to or as a result of or in relation to the Project Work;
  - (iv) Project Co is entitled to payment in the amount requested;
  - (v) no Project Co Default has occurred which has not been either waived in writing by the Province or remedied to the satisfaction of the Province;
  - (vi) there has not been any material adverse change in Project Co's ability to perform its obligations under the Agreement; and
  - (vii) to the best of Project Co's knowledge, there has not been any materially adverse change in any Principal Contractor's or Subcontractor's ability to perform its obligations under the applicable Principal Contract or Subcontract.

**Attachments**

4. Attached hereto are working papers clearly setting forth the derivation of the amounts set out herein in accordance with all applicable calculations specified or referred to in Section 1.3 [Obligation to pay On-Time Performance Demonstration Completion Amount] of Schedule 10.
5. Attached hereto is a statutory declaration in the form attached at Appendix E, Form 10G [Form of Statutory Declaration in Support of Payment Application] of Schedule 10 which confirms compliance by Project Co with the *Builders Lien Act*.
6. Attached hereto is the letter from the Workers' Compensation Board which confirms that Project Co is in good standing with the Workers' Compensation Board and that all required remittances and assessments required by the WCA have been made to a date which is no more than three Business Days prior to the date of this Payment Application.

**SCHEDULE 10: PAYMENT AND PERFORMANCE MECHANISM**

- 3 -

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

EXECUTED AND DELIVERED as of the date first written above.

PROJECT CO:

•

By: \_\_\_\_\_

Name:

Title: Project Co Representative

**BROADWAY SUBWAY PROJECT  
PROJECT AGREEMENT  
SCHEDULE 10: PAYMENT AND PERFORMANCE MECHANISM**

***Commercial in Confidence  
EXECUTION COPY***

**Attachment A**

**[NTD: list any exceptions to representations and warranties]**

**FORM [10D]: TIDS PERFORMANCE DEMONSTRATION COMPLETION AMOUNT  
PAYMENT APPLICATION**

**[TO BE PRINTED ON PROJECT CO LETTERHEAD]**

[Date]

HER MAJESTY THE QUEEN  
IN RIGHT OF THE  
PROVINCE OF BRITISH COLUMBIA  
[Address]

Attention: •

Facsimile No.: •

Dear Sirs and Mesdames:

Re: Project Agreement dated as of the Effective Date (as amended, modified, supplemented and restated from time to time, the “**Agreement**”) among Her Majesty the Queen in right of the Province of British Columbia (the “**Province**”) and • (“**Project Co**”)

And Re: Payment Application under Section 1.4 [Obligation to pay TIDS Performance Demonstration Completion Amount] of Schedule 10 to the Agreement

- 
1. This letter, including the documentation attached hereto, constitutes the Payment Application pursuant to Section 1.4(b) of Schedule 10 for payment of the TIDS Performance Demonstration Completion Amount. Capitalized terms used and not defined in this Payment Application have the meanings given to them in the Agreement and references to Sections and Schedules are to Sections of and Schedules to the Agreement.

**Calculation of Payment Applied For**

2. Project Co hereby applies for payment in the amount of \$•, being the TIDS Performance Demonstration Completion Payment of \$10,000,000, less an amount of \$• representing the amount that the Province is entitled to retain pursuant to Section 1.4(g), calculated as follows:

TIDS Performance Demonstration Completion Amount: \$10,000,000

Net amount payable in respect of the Province’s obligation to pay the TIDS Performance Demonstration Completion Amount pursuant to Section 1.4 [Obligation to pay TIDS Performance Demonstration Completion Amount] of Schedule 10: \$•

**Representations and Warranties**

3. As of the date hereof but subject to any exceptions which are set out in Attachment A hereto, and as to the payment of Subcontractors as described in paragraph (iv) below, partly of wholly in

**SCHEDULE 10: PAYMENT AND PERFORMANCE MECHANISM**

- 2 -

reliance on statutory declarations of others, Project Co hereby represents, warrants and certifies to the Province that:

- (i) the amount claimed in this Payment Application has been calculated in accordance with Section 1.4 [Obligation to pay TIDS Performance Demonstration Completion Amount] of Schedule 10 and other relevant provisions of the Agreement;
- (ii) all of the Principal Contractors, and to the best of the knowledge of Project Co, all Subcontractors, have been paid in full up to the last Progress Payment received by Project Co, subject to holdbacks (including for amounts disputed in good faith) required or permitted by the Principal Contracts and Subcontracts and the *Builders Lien Act* (British Columbia), if applicable;
- (iii) except to the extent communicated by Project Co to the Province in writing, no Encumbrance exists with respect to or as a result of or in relation to the Project Work;
- (iv) Project Co is entitled to payment in the amount requested;
- (v) no Project Co Default has occurred which has not been either waived in writing by the Province or remedied to the satisfaction of the Province;
- (vi) there has not been any material adverse change in Project Co's ability to perform its obligations under the Agreement; and
- (vii) to the best of Project Co's knowledge, there has not been any materially adverse change in any Principal Contractor's or Subcontractor's ability to perform its obligations under the applicable Principal Contract or Subcontract.

**Attachments**

- 4. Attached hereto are working papers clearly setting forth the derivation of the amounts set out herein in accordance with all applicable calculations specified or referred to in Section 1.4 [Obligation to pay TIDS Performance Demonstration Completion Amount] of Schedule 10.
- 5. Attached hereto is a statutory declaration in the form attached at Appendix E, Form 10H [Form of Statutory Declaration in Support of Payment Application] of Schedule 10 which confirms compliance by Project Co with the *Builders Lien Act*.
- 6. Attached hereto is the letter from the Workers' Compensation Board which confirms that Project Co is in good standing with the Workers' Compensation Board and that all required remittances and assessments required by the WCA have been made to a date which is no more than three Business Days prior to the date of this Payment Application.

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

EXECUTED AND DELIVERED as of the date first written above.

- 3 -

PROJECT CO:

•

By: \_\_\_\_\_

Name:

Title: Project Co Representative



**BROADWAY SUBWAY PROJECT  
PROJECT AGREEMENT  
SCHEDULE 10: PAYMENT AND PERFORMANCE MECHANISM**

***Commercial in Confidence  
EXECUTION COPY***

**Attachment A**

**[NTD: list any exceptions to representations and warranties]**

**FORM [10E]: DEFICIENCY HOLDBACK PAYMENT APPLICATION  
[TO BE PRINTED ON PROJECT CO LETTERHEAD]**

**[Date]**

HER MAJESTY THE QUEEN  
IN RIGHT OF THE  
PROVINCE OF BRITISH COLUMBIA  
[Address]

Attention: •

Facsimile No.: •

Dear Sirs and Mesdames:

Re: Project Agreement dated as of the Effective Date (as amended, modified, supplemented and restated from time to time, the “**Agreement**”) among Her Majesty the Queen in right of the Province of British Columbia (the “**Province**”) and • (“**Project Co**”)

And Re: Payment Application under Section 3.1 [Deficiency Holdback] of Schedule 10 to the Agreement for the month ending • (the “**Relevant Period**”).

- 
1. This letter, including the documentation attached hereto, constitutes the Payment Application pursuant to Section 3.1(c) of Schedule 10 for payment of a Deficiency Retention Amount. Capitalized terms used and not defined in this Payment Application have the meanings given to them in the Agreement and references to Sections and Schedules are to Sections of and Schedules to the Agreement.

**Calculation of Payment Applied For**

2. Project Co hereby applies for

**[payment in the amount of \$•, being the amount in respect of those Final Deficiency List Deficiencies that have been remedied to the satisfaction of the Province during the Relevant Period]**

**[reduction in the amount of the Deficiency Holdback Letter of Credit by \$•, being the amount in respect of those Final Deficiency List Deficiencies that have been remedied to the satisfaction of the Province during the Relevant Period]**

**[return of the Deficiency Holdback Letter of Credit in respect of those Final Deficiency List Deficiencies that have been remedied to the satisfaction of the Province during the Relevant Period]**

**[NTD: inapplicable language to be deleted]**

**Representations and Warranties**

3. As of the date hereof but subject to any exceptions which are set out in Attachment A hereto, and as to the payment of Subcontractors as described in paragraph (iv) below, partly or wholly in reliance on statutory declarations of others, Project Co hereby represents, warrants and certifies to the Province that:

- (i) this Payment Application relates to the Final Deficiency List Deficiencies (each a “**Resolved Deficiency**”) described in the table below, in respect of which:
  - (A) the amount(s), as indicated in the table below, were **[withheld from the Substantial Completion Payment] [replaced by a Letter of Credit] [NTD: inapplicable language to be deleted]**; and
  - (B) the Province’s Representative has confirmed by his or her initials on the attached Final Deficiency List have been satisfactorily completed during the Relevant Period;

<b>Resolved Deficiency</b>	<b>Amount in respect of Resolved Deficiency</b>

- (ii) the amount which is the subject of this Payment Application has been calculated in accordance with the requirements of Section 3.1 [Deficiency Holdbacks] of Schedule 10 and other relevant provisions of the Agreement and Project Co is entitled to
  - [payment in the amount requested]**
  - [reduction in the amount of the Deficiency Holdback Letter of Credit by the amount requested]**
  - [return of the Deficiency Holdback Letter of Credit];**
  - [NTD: inapplicable language to be deleted]**
- (iii) the quality of the Project Work undertaken by Project Co in respect of the Resolved Deficiencies is in accordance with Project Co’s obligations under the Agreement;

**SCHEDULE 10: PAYMENT AND PERFORMANCE MECHANISM**

- 3 -

- (iv) all of the Principal Contractors, and to the best of the knowledge of Project Co, all Subcontractors have been paid in full up to the last Progress Payment received by Project Co, subject to holdbacks (including for amounts disputed in good faith) required or permitted by the Principal Contracts and Subcontracts and the *Builders Lien Act* (British Columbia), if applicable;
- (v) except to the extent communication by Project Co to the Province in writing, no Encumbrance exists with respect to or as a result of or in relation to the Project Work;
- (vi) no Project Co Default has occurred which has not been either waived in writing by the Province or remedied to the satisfaction of the Province;
- (vii) there has not been any material adverse change in Project Co's ability to perform its obligations under the Agreement; and
- (viii) to the best of Project Co's knowledge, there has not been any materially adverse change in any Principal Contractor's or Subcontractor's ability to perform its obligations under the applicable Principal Contract or Subcontract.

**Attachments**

- 4. Attached hereto is a copy of the Final Deficiency List, which has been initialled by the Province's Representative to confirm which Final Deficiency List Deficiencies have been satisfactorily completed during the Relevant Period. **[NTD: inapplicable language to be deleted]**
- 5. Attached hereto is a statutory declaration in the form attached at Appendix E, Form 10H [Form of Statutory Declaration in Support of Payment Application] of Schedule 10 which confirms compliance by Project Co with the *Builders Lien Act*.
- 6. Attached hereto is the letter from the Workers' Compensation Board which confirms that Project Co is in good standing with the Workers' Compensation Board and that all required remittances and assessments required by the WCA have been made to a date which is no more than three Business Days prior to the date of this Payment Application.

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

EXECUTED AND DELIVERED as of the date first written above.

PROJECT CO:

•

By: \_\_\_\_\_  
Name:  
Title: Project Co Representative

**BROADWAY SUBWAY PROJECT  
PROJECT AGREEMENT  
SCHEDULE 10: PAYMENT AND PERFORMANCE MECHANISM**

***Commercial in Confidence  
EXECUTION COPY***

**Attachment A**

**[NTD: list any exceptions to representations and warranties]**

**FORM [10F]: WARRANTY HOLDBACK OR NON-DEFAULT WARRANTY HOLDBACK  
PAYMENT APPLICATION**

**[TO BE PRINTED ON PROJECT CO LETTERHEAD]**

**[Date]**

HER MAJESTY THE QUEEN  
IN RIGHT OF THE  
PROVINCE OF BRITISH COLUMBIA  
[Address]

Attention: •

Facsimile No.: •

Dear Sirs and Mesdames:

Re: Project Agreement dated as of the Effective Date (as amended, modified, supplemented and restated from time to time, the “**Agreement**”) among Her Majesty the Queen in right of the Province of British Columbia (the “**Province**”) and • (“**Project Co**”)

And Re: Payment Application under Section 3.2 [Warranty Holdback] of Schedule 10 to the Agreement

- 
1. This letter, including the documentation attached hereto, constitutes the Payment Application pursuant to Section 3.2 [Warranty Holdback] of Schedule 10 for payment of the Warranty Holdback [or the Non-Default Warranty Holdback]. Capitalized terms used and not defined in this Payment Application have the meanings given to them in the Agreement and references to Sections and Schedules are to Sections of and Schedules to the Agreement.

**Calculation of Payment Applied For**

2. Project Co hereby applies for:

**[payment in the amount of \$•, being the amount of the Warranty Holdback, [or the Non-Default Warranty Holdback] or the portion thereof not replaced by a Letter of Credit, less any amounts applied therefrom by the Province in accordance with Section 2.3(b) or Section 2.6(d) of Schedule 5 to the Agreement]**

**[return of the Warranty Holdback Letter of Credit or Non-Default Warranty Letter of Credit]**

**[NTD: inapplicable language to be deleted].**

**SCHEDULE 10: PAYMENT AND PERFORMANCE MECHANISM**

- 2 -

**Representations and Warranties**

3. As of the date hereof (being a date following the expiry of the General Project Work Defect Warranty Period) but subject to any exceptions which are set out in Attachment A hereto, and as to the payment of Subcontractors as described in paragraph (iv) below, partly or wholly in reliance on statutory declarations of others, Project Co hereby represents, warrants and certifies to the Province that:
  - (i) the amount which is the subject of this Payment Application has been calculated in accordance with the requirements of Section 3.2 of Schedule 10 and other relevant provisions of the Agreement;
  - (ii) Project Co is entitled to **[payment in the amount requested] [return of the Warranty/Non-Default Holdback Letter of Credit]; [NTD: inapplicable language to be deleted]**
  - (iii) except to the extent communicated by Project Co to the Province in writing, no Encumbrance exists with respect to or as a result of or in relation to the Project Work;
  - (iv) no Project Co Default has occurred which has not been either waived in writing by the Province or remedied to the satisfaction of the Province;
  - (v) there has not been any material adverse change in Project Co's ability to perform its obligations under the Agreement; and
  - (vi) to the best of Project Co's knowledge, there has not been any materially adverse change in any Principal Contractor's or Subcontractor's ability to perform its obligations under the applicable Principal Contract or Subcontract.

**Attachments**

1. Attached hereto is a statutory declaration in the form attached at Appendix E, Form 10H [Form of Statutory Declaration in Support of Payment Application] of Schedule 10 which confirms compliance by Project Co with the *Builders Lien Act*.
2. Attached hereto is the letter from the Workers' Compensation Board which confirms that Project Co is in good standing with the Workers' Compensation Board and that all required remittances and assessments required by the WCA have been made to a date which is no more than three Business Days prior to the date of this Payment Application.

**SCHEDULE 10: PAYMENT AND PERFORMANCE MECHANISM**

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

EXECUTED AND DELIVERED as of the date first written above.

PROJECT CO:

•

By: \_\_\_\_\_

Name:

Title: Project Co Representative



**BROADWAY SUBWAY PROJECT  
PROJECT AGREEMENT  
SCHEDULE 10: PAYMENT AND PERFORMANCE MECHANISM**

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**Attachment A**

**[NTD: list any exceptions to representations and warranties]**

**FORM 10[G]: BUILDERS LIEN HOLDBACK PAYMENT APPLICATION**

**[TO BE PRINTED ON PROJECT CO LETTERHEAD]**

**[Date]**

HER MAJESTY THE QUEEN  
IN RIGHT OF THE  
PROVINCE OF BRITISH COLUMBIA

[Address]

Attention: •

Facsimile No.: •

Dear Sirs and Mesdames:

Re: Project Agreement dated as of the Effective Date (as amended, modified, supplemented and restated from time to time, the “**Agreement**”) among Her Majesty the Queen in right of the Province of British Columbia (the “**Province**”) and • (“**Project Co**”)

And Re: Payment Application under Section 3.3 [Builders Lien Holdback] of Schedule 10 to the Agreement

- 
1. This letter, including the documentation attached hereto, constitutes the Payment Application pursuant to Section 3.2 [Builders Lien Holdback] of Schedule 10 for payment of the Builders Lien Holdback. Capitalized terms used and not defined in this Payment Application have the meanings given to them in the Agreement and references to Sections and Schedules are to Sections of and Schedules to the Agreement.

**Calculation of Payment Applied For**

2. Project Co hereby applies for:

**[payment in the amount of \$• , being the amount of the Builders Lien Holdback, or the portion thereof not replaced by a Letter of Credit, less any amounts applied therefrom by the Province in accordance with Section 3.3(b) of Schedule 10 to the Agreement]**

**[return of the Builders Lien Holdback Letter of Credit]**

**[NTD: inapplicable language to be deleted].**

**Representations and Warranties**

3. As of the date hereof (being a date not less than 55 days after the Substantial Completion Date) but subject to any exceptions which are set out in Attachment A hereto, and as to the payment of Subcontractors as described in paragraph (iv) below, partly or wholly in reliance on statutory declarations of others. Project Co hereby represents, warrants and certifies to the Province that:

**SCHEDULE 10: PAYMENT AND PERFORMANCE MECHANISM**

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- (i) the amount which is the subject of this Payment Application has been calculated in accordance with the requirements of Section 3.3 of Schedule 10 and other relevant provisions of the Agreement;
- (ii) Project Co is entitled to **[payment in the amount requested] [return of the Builders Lien Holdback Letter of Credit]; [NTD: inapplicable language to be deleted]**
- (iii) except to the extent communicated by Project Co to the Province in writing, no Encumbrance exists with respect to or as a result of or in relation to the Project Work;
- (iv) no Project Co Default has occurred which has not been either waived in writing by the Province or remedied to the satisfaction of the Province;
- (v) there has not been any material adverse change in Project Co's ability to perform its obligations under the Agreement; and
- (vi) to the best of Project Co's knowledge, there has not been any materially adverse change in any Principal Contractor's or Subcontractor's ability to perform its obligations under the applicable Principal Contract or Subcontract.

**Attachments**

1. Attached hereto is a statutory declaration in the form attached at Appendix E, Form 10H [Form of Statutory Declaration in Support of Payment Application] of Schedule 10 which confirms compliance by Project Co with the *Builders Lien Act*.
2. Attached hereto is the letter from the Workers' Compensation Board which confirms that Project Co is in good standing with the Workers' Compensation Board and that all required remittances and assessments required by the WCA have been made to a date which is no more than three Business Days prior to the date of this Payment Application.

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

EXECUTED AND DELIVERED as of the date first written above.

PROJECT CO:

•

By: \_\_\_\_\_  
Name:  
Title: Project Co Representative

**BROADWAY SUBWAY PROJECT  
PROJECT AGREEMENT  
SCHEDULE 10: PAYMENT AND PERFORMANCE MECHANISM**

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**Attachment A**

**[NTD: list any exceptions to representations and warranties]**

**SCHEDULE 10: PAYMENT AND PERFORMANCE MECHANISM**

**FORM [10H]: STATUTORY DECLARATION IN SUPPORT OF  
PAYMENT APPLICATION**

Re: Project Agreement dated as of the Effective Date (as amended, modified, supplemented and restated from time to time, the “**Agreement**”) among Her Majesty the Queen in right of the Province of British Columbia (the “**Province**”) and • (“**Project Co**”)

And Re: Payment Application under Section [•] of Schedule 10 to the Agreement for • [describe relevant payment]

---

Capitalized terms used and not defined herein shall have the meanings given to them in the Agreement and references to Sections and Schedules are to Sections of and Schedules to the Agreement.

I solemnly declare that, as of the date of this statutory declaration, I am • [senior officer] of Project Co, and as such have authority to bind Project Co and have personal knowledge of the fact that, or have relied on one or more statutory declarations of others to establish that:

1. all of the Principal Contractors, and to the best of the knowledge of Project Co, all Subcontractors have been paid in full up to the payment of the last Progress Payment in accordance with Section 1.1 of Schedule 10 to the Agreement, subject to holdbacks (including for amounts disputed in good faith) required or permitted by the Principal Contracts and Subcontracts and the *Builders Lien Act* (British Columbia).
2. Project Co is in full compliance with the *Builders Lien Act* (British Columbia) and the WCA.
3. **[NTD: If Project Co has applied to reduce the amount of the Builders Lien Holdback retained by the Province at Substantial Completion in accordance with section 3.3(a) of Schedule 10, include the following:**

**Attached as Exhibit 1 to this Statutory Declaration are true and complete copies of certificates of substantial completion issued pursuant to the *Builders Lien Act* for each Subcontract which was certified complete prior to the Substantial Completion Date and in respect of which the holdback period established under Section 8(1) of the *Builders Lien Act* expired without any claims of lien being filed as at the Substantial Completion Date.]**

4. All accounts for labour, services, materials, equipment and overhead which have been incurred directly by Project Co in the performance of the Project Work pursuant to the Agreement, have been paid in full up to and including the payment of the last Progress Payment in accordance with Section 1.1 of Schedule 10 to the Agreement.

I make this solemn declaration conscientiously believing it to be true, and knowing that it is of the same force and effect as if made under oath.



**APPENDIX F**  
**PROGRESS MEASUREMENT PRINCIPLES**

Cost Items

- All Cost Items other than Specified Cost Items are identified in Column B of Table F-1 as set out below.
- All Specified Cost Items are identified in Column B of Table F-2 as set out below.

Descriptions

- Column C of each of Tables F-1 and F-2 set out below provides a summary description of the work included within each Cost Item. It is not intended that such description be a comprehensive and exhaustive statement of the Project Work to be carried out by Project Co nor that such description describes the means or methods to be used by Project Co in undertaking the Project Work or any part thereof.
- For certainty, any element of Project Work not referred to expressly in any such description in column C of each of Tables F-1 and F-2 set out below, shall be deemed to be included in the relevant Cost Item.
- If the parties disagree as to which Cost Item includes a particular element of Project Work not referred to expressly in any such Cost Item description, then the determination of the Independent Engineer shall be final and binding on the parties.

Progress Measurement

- Column D of each of Tables F-1 and F-2 set out below sets out the principles that shall be used by Project Co, the Province and the Independent Engineer to calculate total progress (calculated as a percentage) made by Project Co toward completion of a Cost Item for the purpose of determining the Relevant Completion Percentage for that Cost Item for each Payment Period. The Statement of Progress included in the Draw Request in respect of each Payment Period, to be submitted by Project Co in accordance with Section 9.1 [Draw Requests for Progress Payments] of Schedule 10, shall be completed in accordance with these principles.
- Specified Cost Items shall be considered to be 100% complete based on the principles included in Column D of Table F-2. Prior to 100% completion of a Specified Cost Item, the total progress of that Specified Cost Item shall be deemed to be 0%.
- If the Province, acting reasonably, determines that any particular progress measurement rule set out in Table F-1 or Table F-2 below for determining the progress made by Project Co toward completion of a Cost Item results in an inaccurate calculation of Project Co's actual progress in that regard, then the Province may revise such progress measurement rule.
- Any partial Payment Period shall be considered to be a complete Payment Period when calculating the total number of Payment Periods.
- Each Progress Measurement defined as agreed to by the Province shall be an assessment of the percentage of the amount of work completed, compared to the total amount of work required to complete the Payment Milestone, as agreed to by the Province on review of the Payment Application by Project Co.

**BROADWAY SUBWAY PROJECT  
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SCHEDULE 10: PAYMENT AND PERFORMANCE MECHANISM**

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Cost Item Amount

- Column E of each of Tables F1 and F2 set out below sets out the Cost Item Amount allocated to each Cost Item.
- The aggregate of all Cost Item Amounts shall in no event exceed the Contract Price.

**TABLE F-1 COST ITEMS (excluding Specified Cost Items)**

	Cost Item	Description	Progress measurement during each Payment Period	Cost Item Amount
A	B	C	D	E
<b><u>1. Financing Costs</u></b>				
1.1	Financing costs	Financing costs means interest payments, commitment fees, standby fees, other fees, and all costs and expenses, and any other amounts, owing from time to time by Project Co to the Senior Lenders under the Senior Lending Agreements. This Cost Item excludes the repayment of any principal amount.	<p>Progress shall be measured as A divided by B where:</p> <p>‘A’ is the lesser of (i) the cumulative financing costs shown to be incurred by Project Co in the Financial Model as at the Effective Date up to and including the relevant Payment Period; and (ii) the actual cumulative financing costs incurred by Project Co up to and including the relevant Payment Period (as evidenced by written evidence provided by the Senior Lenders).</p> <p>‘B’ is the sum of all Senior Debt financing costs shown in the Financial Close Financial Model.</p> <p>Provided that in the last Payment Period in which the Substantial Completion Date has occurred, the total progress for this Cost Item shall be 100%.</p>	



	Cost Item	Description	Progress measurement during each Payment Period	Cost Item Amount
A	B	C	D	E
<b>2. Project Management</b>				
2.1	Project management and special purpose vehicle	Management, supervision and administration of the Project together with all temporary facilities required to complete the Project Work including special purpose vehicle costs (including any third party advisors' fees), but excluding financing costs.	<p>In accordance with the following formula:  <math>TP_{(p-1)} + [(100\% - TP_{(p-1)}) / n]</math></p> <p>Where:</p> <ul style="list-style-type: none"> <li>- <math>TP_{(p-1)}</math> is the total progress, expressed as a percentage, up to and including the Payment Period that immediately precedes the relevant Payment Period.</li> <li>- <math>n</math> is the number of Payment Periods from (and including) the relevant Payment Period to the Substantial Completion Target Date.</li> </ul> <p>Provided that in the Payment Period during which the Substantial Completion Date occurs, the progress measurement of this Cost Item shall be 100%. For clarity, in the Payment Period commencing on the Effective Date, the progress measurement of this Cost Item shall be the total progress during that Payment Period.</p>	

	<b>Cost Item</b>	<b>Description</b>	<b>Progress measurement during each Payment Period</b>	<b>Cost Item Amount</b>
<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E</b>
<b>3. Mobilization</b>				
3.1	Mobilization	The activities carried out necessary to commence Design and Construction of the Project, including costs incurred during the procurement process for the Project.	Considered to be <u>100% complete</u> during the first Payment Period. No progress measurement shall be made prior to completion. The total payment shall not exceed of the Contract price.	
<b>4. Design</b>				
4.1	Bored tunnel including Cross Passages and Crossover Boxes	Design related to this Cost Item, excluding construction records.	Method of progress measurement shall be based upon Design packages submitted in the period divided into total Design packages, as assessed by the Independent Engineer.	
4.2	Excavated tunnels	Design related to this Cost Item, excluding construction records.	Method of progress measurement shall be based upon Design packages submitted in the period divided into total Design packages, as assessed by the Independent Engineer.	
4.3	Elevated Guideway	Design related to this Cost Item, excluding construction records.	Method of progress measurement shall be based upon Design packages submitted in the period divided into total Design packages, as assessed by the Independent Engineer.	

	<b>Cost Item</b>	<b>Description</b>	<b>Progress measurement during each Payment Period</b>	<b>Cost Item Amount</b>
<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E</b>
4.4	Station structures	Design related to this Cost Item, excluding construction records.	Method of progress measurement shall be based upon Design packages submitted in the period divided into total Design packages, as assessed by the Independent Engineer.	
4.5	Station fit out	Design related to this Cost Item, excluding construction records.	Method of progress measurement shall be based upon Design packages submitted in the period divided into total Design packages, as assessed by the Independent Engineer.	
4.6	Power supply and distribution systems	Design related to this Cost Item, excluding construction records.	Method of progress measurement shall be based upon Design packages submitted in the period divided into total Design packages, as assessed by the Independent Engineer.	
4.7	SCADA, communication, cabling and station equipment systems	Design related to this Cost Item, excluding construction records.	Method of progress measurement shall be based upon Design packages submitted in the period divided into total Design packages, as assessed by the Independent Engineer.	
4.8	Trackwork, LIM rail and walkways	Design related to this Cost Item, excluding construction records.	Method of progress measurement shall be based upon Design packages submitted in the period divided into total Design packages, as assessed by the Independent Engineer.	
<b>5. Supply of Tunnel Boring Equipment</b>				

**SCHEDULE 10: PAYMENT AND PERFORMANCE MECHANISM**

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	<b>Cost Item</b>	<b>Description</b>	<b>Progress measurement during each Payment Period</b>	<b>Cost Item Amount</b>
<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E</b>
5.1	Bored tunnel 1	The supply, delivery and setting up to commence boring, testing, and commissioning of all equipment necessary to bore and construct bored tunnel, with the equipment ready to commence boring, including Tunnel Boring Machine, trailing gear and transportation equipment within the Bored Tunnel for the purposes of removing spoil and carrying materials to the tunnel face.	Based upon percentage complete as assessed by the Independent Engineer, such percentage to be based upon evidence of progress from the equipment manufacturer, together with evidence of any other associated work such as transportation and temporary works on Site.	
5.2	Bored tunnel 2	The supply, delivery and setting up to commence boring, testing, and commissioning of all equipment necessary to bore and construct bored tunnel, with the equipment ready to commence boring, including Tunnel Boring Machine, trailing gear and transportation equipment within the Bored Tunnel for the purposes of removing spoil and carrying materials to the tunnel face.	Based upon percentage complete as assessed by the Independent Engineer, such percentage to be based upon evidence of progress from the equipment manufacturer, together with evidence of any other associated work such as transportation and temporary works on Site.	
<b>6. Bored Tunnel</b>				

**SCHEDULE 10: PAYMENT AND PERFORMANCE MECHANISM**

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	<b>Cost Item</b>	<b>Description</b>	<b>Progress measurement during each Payment Period</b>	<b>Cost Item Amount</b>
<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E</b>
6.1	Bored tunnel 1	Construction of the bored tunnel 1, including preparing the tunnel site for boring (including the construction of a start shaft structure, if independent from the Transition Box immediately adjacent to the Bored Tunnel), setting up the boring equipment as necessary to commence the Bored Tunnel, boring the tunnel from beginning to end together with any interventions, withdrawing the boring equipment from the Bored Tunnel on completion and removing the boring equipment from site, and any environmental protection and mitigation measures associated with this work.	See below.	
6.1.1	Site Preparation	Site Preparation (i.e. preparation of tunnel site and setting up equipment): 10% of the sum of the amounts in respect of Cost Items 6.1.1 and 6.1.2 shall form the Cost Item amount for 6.1.1	Site Preparation: the amount of work completed during the Payment Period, compared to the total amount of work required to complete this Payment Milestone, based on an assessment by the Independent Engineer (by percentage);	

	<b>Cost Item</b>	<b>Description</b>	<b>Progress measurement during each Payment Period</b>	<b>Cost Item Amount</b>
<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E</b>
6.1.2	Bored Tunnel Construction	Bored Tunnel Construction (including equipment demobilization, if applicable): 90% of the sum of the amounts in respect of Cost Items 6.1.1 and 6.1.2 shall form the Cost Item amount for 6.1.2	Bored Tunnel Construction (including equipment demobilization): based on the number of lining rings completed in place within the Bored Tunnel compared to the total number of lining rings required to complete this Payment Milestone, based on an assessment by the Independent Engineer.	
6.2	Bored tunnel 2	Construction of the bored tunnel 2, including preparing the tunnel site for boring (including the construction of a start shaft structure, if independent from the Transition Box immediately adjacent to the Bored Tunnel), setting up the Boring Equipment as necessary to commence the Bored Tunnel, boring the tunnel from beginning to end together with any interventions, withdrawing the Boring Equipment from the Bored Tunnel on completion and removing the Boring Equipment from site, and any environmental protection and mitigation measures associated with this work.	See below.	

**SCHEDULE 10: PAYMENT AND PERFORMANCE MECHANISM**

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	<b>Cost Item</b>	<b>Description</b>	<b>Progress measurement during each Payment Period</b>	<b>Cost Item Amount</b>
<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E</b>
6.2.1	Site Preparation	Site Preparation (i.e. preparation of tunnel site and setting up equipment): 10% of the sum of the amounts in respect of Cost Items 6.2.1 and 6.2.2 shall form the Cost Item amount for 6.2.1	Site Preparation: the amount of work completed during the Payment Period, compared to the total amount of work required to complete this Payment Milestone, based on an assessment by the Independent Engineer (by percentage);	
6.2.2	Bored Tunnel Construction	Bored Tunnel Construction (including equipment demobilization, if applicable): 90% of the sum of the amounts in respect of Cost Items 6.2.1 and 6.2.2 shall form the Cost Item amount for 6.2.2	Bored Tunnel Construction (including equipment demobilization): based on the number of lining rings completed in place within the Bored Tunnel compared to the total number of lining rings required to complete this Payment Milestone, based on an assessment by the Independent Engineer.	
6.3	Crossover Box Between Mount Pleasant Station and Broadway-City Hall Station	Construction of the Crossover Box between the inbound and outbound tunnels	Based on an assessment by the Independent Engineer (by percentage).	

**BROADWAY SUBWAY PROJECT**  
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	<b>Cost Item</b>	<b>Description</b>	<b>Progress measurement during each Payment Period</b>	<b>Cost Item Amount</b>
<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E</b>
<b>7. Excavated Tunnels</b>				
7.1	Transition Box	Construction of the Transition Box and transition structure to grade level east of the Bored Tunnel (excluding the start shaft structure if included within the Bored Tunnel), including all utility relocations, temporary or permanent third party access requirements, and temporary road diversions	See below	
7.1.1.		See above	Traffic deck, or equivalent structure that allows traffic to flow across the tunnel excavation site based upon percentage complete as assessed by the Independent Engineer.	
7.1.2		See above	Excavation including back-fill and all other work that is not part of either the Structure or the Roads and Site Restoration based upon percentage complete as assessed by the Independent Engineer.	
7.1.3		See above	Structure based upon percentage complete as assessed by the Independent Engineer.	
7.1.4		See above	Roads and Site Restoration based upon percentage complete as assessed by the Independent Engineer.	



	<b>Cost Item</b>	<b>Description</b>	<b>Progress measurement during each Payment Period</b>	<b>Cost Item Amount</b>
<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E</b>
7.2	Crossover Box Between the west end of the Bored Tunnel and Arbutus Station	Construction of the Cross-Over Tunnel west of the Bored Tunnel, including all utility relocations, temporary or permanent third party access requirements, and temporary road diversions	See below	
7.2.1		See above	Traffic deck, or equivalent structure that allows traffic to flow across the tunnel excavation site based upon percentage complete as assessed by the Independent Engineer.	
7.2.2		See above	Excavation including back-fill and all other work that is not part of either the Structure or the Roads and Site Restoration based upon percentage complete as assessed by the Independent Engineer.	
7.2.3		See above	Structure based upon percentage complete as assessed by the Independent Engineer.	
7.2.4		See above	Roads and Site Restoration based upon percentage complete as assessed by the Independent Engineer.	

	<b>Cost Item</b>	<b>Description</b>	<b>Progress measurement during each Payment Period</b>	<b>Cost Item Amount</b>
<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E</b>
7.3	Terminus Box	Construction of the Terminus Box west of Arbutus Station, including all utility relocations, temporary or permanent third party access requirements, and temporary road diversions	See below	
7.3.1		See above	Traffic deck, or equivalent structure that allows traffic to flow across the tunnel excavation site based upon percentage complete as assessed by the Independent Engineer.	
7.3.2		See above	Excavation including back-fill and all other work that is not part of either the Structure or the Roads and Site Restoration based upon percentage complete as assessed by the Independent Engineer.	
7.3.3		See above	Structure based upon percentage complete as assessed by the Independent Engineer.	
7.3.4		See above	Roads and Site Restoration based upon percentage complete as assessed by the Independent Engineer.	
<b>8. Tunnel Fit Out and Systems</b>				
8.1	Tunnel invert and drainage	Installation of Tunnel invert.	Based on an assessment by the Independent Engineer of the Tunnel length completed, compared to the total Tunnel length required to complete the Tunnels	

	<b>Cost Item</b>	<b>Description</b>	<b>Progress measurement during each Payment Period</b>	<b>Cost Item Amount</b>
<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E</b>
8.2	Cross Passages	Cross Passages for emergency evacuation between the inbound and outbound Tunnel complete with access doors	Based on an assessment by the Independent Engineer of the number of Cross Passages completed, with the emergency doors installed, compared to the total number of Cross Passages required to complete all the Cross Passages required within the total Tunnel length	
8.3	Tunnel walkways	Tunnel walkways and drainage	Based on an assessment by the Independent Engineer of the Tunnel length completed, compared to the total Tunnel length required to complete the Tunnels	
8.4	Tunnel fire life and safety Equipment	Fire suppression mains and associated safety equipment	Based on an assessment by the Independent Engineer of the Tunnel length completed, compared to the total Tunnel length required to complete the Tunnels	
8.5	Electrical installation including lighting and power supply	All electrical systems within the Underground Guideway providing both operational and emergency power and lighting	Based on an assessment by the Independent Engineer of the Underground Guideway length completed, compared to the total Underground Guideway length required to complete the Underground Guideway	
<b>9. Tunnel Ventilation</b>				
9.1.1	Great Northern Way Station Tunnel Ventilation System	Supply and delivery of the tunnel fans, to the station site or a storage facility approved by the Province	Based on an assessment by the Independent Engineer of the number of fans delivered as a percentage of the total number of fans required at this location	

	<b>Cost Item</b>	<b>Description</b>	<b>Progress measurement during each Payment Period</b>	<b>Cost Item Amount</b>
<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E</b>
9.1.2	Great Northern Way Station Tunnel Ventilation System	Installation and testing of the Tunnel Ventilation System, including fans, controls, mechanical equipment, electrical installation, and associated construction work	Based on an assessment by the Independent Engineer of the number of fans and associated equipment completely installed and tested as a percentage of the total number of fans to be installed at this location. 50% of this cost item shall be considered complete upon the completed installation of equipment. The remaining 50% shall be considered complete upon successful commissioning of equipment.	
9.2.1	Mount Pleasant Station Tunnel Ventilation System	Supply and delivery of the tunnel fans, to the station site or a storage facility approved by the Province	Based on an assessment by the Independent Engineer of the number of fans delivered as a percentage of the total number of fans required at this location	
9.2.2	Mount Pleasant Station Tunnel Ventilation System	Installation and testing of the Tunnel Ventilation System, including fans, controls, mechanical equipment, electrical installation, and associated construction work	Based on an assessment by the Independent Engineer of the number of fans and associated equipment completely installed and tested as a percentage of the total number of fans to be installed at this location. 50% of this cost item shall be considered complete upon the completed installation of equipment. The remaining 50% shall be considered complete upon successful commissioning of equipment.	

	<b>Cost Item</b>	<b>Description</b>	<b>Progress measurement during each Payment Period</b>	<b>Cost Item Amount</b>
<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E</b>
9.3.1	Broadway-City Hall Millennium Line Station Tunnel Ventilation System	Supply and delivery of the tunnel fans, to the station site or a storage facility approved by the Province	Based on an assessment by the Independent Engineer of the number of fans delivered as a percentage of the total number of fans required at this location	
9.3.2	Broadway-City Hall Millennium Line Station Tunnel Ventilation System	Installation and testing of the Tunnel Ventilation System, including fans, controls, mechanical equipment, electrical installation, and associated construction work	Based on an assessment by the Independent Engineer of the number of fans and associated equipment completely installed and tested as a percentage of the total number of fans to be installed at this location. 50% of this cost item shall be considered complete upon the completed installation of equipment. The remaining 50% shall be considered complete upon successful commissioning of equipment.	
9.4.1	Fairview-VGH Station Tunnel Ventilation System	Supply and delivery of the tunnel fans, to the station site or a storage facility approved by the Province	Based on an assessment by the Independent Engineer of the number of fans delivered as a percentage of the total number of fans required at this location	

	<b>Cost Item</b>	<b>Description</b>	<b>Progress measurement during each Payment Period</b>	<b>Cost Item Amount</b>
<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E</b>
9.4.2	Fairview-VGH Station Tunnel Ventilation System	Installation and testing of the Tunnel Ventilation System, including fans, controls, mechanical equipment, electrical installation, and associated construction work	Based on an assessment by the Independent Engineer of the number of fans and associated equipment completely installed and tested as a percentage of the total number of fans to be installed at this location. 50% of this cost item shall be considered complete upon the completed installation of equipment. The remaining 50% shall be considered complete upon successful commissioning of equipment.	
9.5.1	South Granville Station Tunnel Ventilation System	Supply and delivery of the tunnel fans, to the station site or a storage facility approved by the Province	Based on an assessment by the Independent Engineer of the number of fans delivered as a percentage of the total number of fans required at this location	
9.5.2	South Granville Station Tunnel Ventilation system	Installation and testing of the Tunnel Ventilation System, including fans, controls, mechanical equipment, electrical installation, and associated construction work	Based on an assessment by the Independent Engineer of the number of fans and associated equipment completely installed and tested as a percentage of the total number of fans to be installed at this location. 50% of this cost item shall be considered complete upon the completed installation of equipment. The remaining 50% shall be considered complete upon successful commissioning of equipment.	
9.6.1.	Arbutus Station Tunnel Ventilation System	Supply and delivery of the tunnel fans, to the station site or a storage facility approved by the Province	Based on an assessment by the Independent Engineer of the number of fans delivered as a percentage of the total number of fans required at this location	

**SCHEDULE 10: PAYMENT AND PERFORMANCE MECHANISM**

	<b>Cost Item</b>	<b>Description</b>	<b>Progress measurement during each Payment Period</b>	<b>Cost Item Amount</b>
<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E</b>
9.6.2	Arbutus Station Tunnel Ventilation System	Installation and testing of the Tunnel Ventilation System, including fans, controls, mechanical equipment, electrical installation, and associated construction work	Based on an assessment by the Independent Engineer of the number of fans and associated equipment completely installed and tested as a percentage of the total number of fans to be installed at this location. 50% of this cost item shall be considered complete upon the completed installation of equipment. The remaining 50% shall be considered complete upon successful commissioning of equipment.	
<b>10. Elevated Guideway</b>				
10.1	Guideway beams	Construction of the elevated beam structures, including the manufacture of pre-cast or in-situ concrete; or structural steel beam structures. A Guideway beam includes the beam, parapet walls, all inserts, and any plinths.	Guideway beams, or beam sections ready for transport and installation, based on the length of beam, or number of segments, completed and ready for transportation in the pre-fabrication facility, compared to the total length of beams, or the total number of segments;  Or  Cast in place beam structures: the length of beam cast in its final location with all formwork stripped, compared to the total length of the relevant beam.	

	<b>Cost Item</b>	<b>Description</b>	<b>Progress measurement during each Payment Period</b>	<b>Cost Item Amount</b>
<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E</b>
10.2	Guideway foundations	Construction of the Guideway foundations, including, piles and caissons together with utility relocations, crash barriers, roads, site restoration and temporary or permanent third party access requirements adjacent to, or within the vicinity of, the Elevated Guideway and including creating temporary access as required to each foundation location and any additional ground treatment work adjacent to each foundation.	See below	
10.2.1	Guideway foundation construction	See above	90% Of the sum of Cost Items 10.2.1 and 10.2.2 shall form the Cost Item Amount for 10.2.1. The measurement will be based on an assessment by the Independent Engineer (by percentage) of the number of foundations completed compared to the total number of foundations required to be completed	
10.2.2	Guideway foundation reinstatement	See above	10% Of the sum of Cost Items 10.2.1 and 10.2.2 shall form the Cost Item Amount for 10.2.2. The measurement will be based on an assessment by the Independent Engineer (by percentage) of the number of foundation locations fully reinstated compared to the total number of foundation reinstatements required to be completed	



	<b>Cost Item</b>	<b>Description</b>	<b>Progress measurement during each Payment Period</b>	<b>Cost Item Amount</b>
<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E</b>
10.3	Guideway columns and bent structures	Construction of the Guideway columns and bent structures that support the Elevated Guideway beams, including drainage, bearings, cross-heads, beams in the case of bent structures and corbels to form off-sets.	Based on an assessment by the Independent Engineer (by percentage) of the number of columns or bent structures constructed and completed, with formwork stripped, ready to support Guideway beams, compared to the total number of columns and bent structures. For the purposes of payment the total cost of the Guideway column and bent structures shall be divided equally, with no adjustment being made for the difference in cost between a bent or a column	
10.4	Erect pre-fabricated Guideway beams	Transportation of the prefabricated beams or segments to the site and the erection of the Elevated Guideway beam structure into its final location on site	Based on an assessment by the Independent Engineer (by percentage) of the number of spans between columns, including deck structure, plinths, parapets, and inserts completed, with all temporary work removed, compared to the total number of spans necessary to complete the elevated guideway	
<b>11. Station Underground Structures</b>				
11.1	Great Northern Way Station	Construction of the Great Northern Way Station underground structure, defined as the invert structure, walls, roof, intermediate floors, and structural walls, including all utility relocations, temporary or permanent third party access requirements, and temporary road diversions	See below	

	<b>Cost Item</b>	<b>Description</b>	<b>Progress measurement during each Payment Period</b>	<b>Cost Item Amount</b>
<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E</b>
11.1.1		See above	Traffic deck, or equivalent structure that allows traffic to flow across the tunnel excavation site based upon percentage complete as assessed by the Independent Engineer	
11.1.2		See above	Excavation including shoring, back-fill and all other work that is not part of the Structure, Roads and Site Restoration based upon percentage complete as assessed by the Independent Engineer	
11.1.3		See above	Structure based upon percentage complete as assessed by the Independent Engineer	
11.1.4		See above	Roads and site restoration based upon percentage complete as assessed by the Independent Engineer	
11.2	Mount Pleasant Station	Construction of Mount Pleasant Station underground structure, defined as the invert structure, walls, roof, intermediate floors, and structural walls, including all utility relocations, temporary or permanent third party access requirements, and temporary road diversions	See below	

	<b>Cost Item</b>	<b>Description</b>	<b>Progress measurement during each Payment Period</b>	<b>Cost Item Amount</b>
<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E</b>
11.2.1		See above	Traffic deck, or equivalent structure that allows traffic to flow across the tunnel excavation site based upon percentage complete as assessed by the Independent Engineer	
11.2.2		See above	Excavation including shoring, back-fill and all other work that is not part of the Structure, Roads and site restoration based upon percentage complete as assessed by the Independent Engineer	
11.2.3		See above	Structure based upon percentage complete as assessed by the Independent Engineer	
11.2.4		See above	Roads and site restoration based upon percentage complete as assessed by the Independent Engineer	
11.3	Broadway-City Hall Millennium Line Station east underground platform structure and connection to the east side of the existing Broadway-City Hall Canada Line Station	Construction of Broadway-City Hall Station underground and east connection structure, defined as the invert structure, walls, roof, intermediate floors, and structural walls, containing the platform and access to the east side of the Broadway-City Hall Canada Line Station, utility relocations, temporary or permanent third party access requirements, and temporary road diversions	See below	

	<b>Cost Item</b>	<b>Description</b>	<b>Progress measurement during each Payment Period</b>	<b>Cost Item Amount</b>
<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E</b>
11.3.1		See above	Traffic deck, or equivalent structure that allows traffic to flow across the tunnel excavation site based upon percentage complete as assessed by the Independent Engineer	
11.3.2		See above	Excavation including shoring, back-fill and all other work that is not part of the Structure, Roads and site restoration based upon percentage complete as assessed by the Independent Engineer	
11.3.3		See above	Structure based upon percentage complete as assessed by the Independent Engineer	
11.3.4		See above	Connection to the existing Broadway – City Hall Canada Line Station based upon percentage complete as assessed by the Independent Engineer	
11.3.5		See above	Roads and site restoration based upon percentage complete as assessed by the Independent Engineer	

	<b>Cost Item</b>	<b>Description</b>	<b>Progress measurement during each Payment Period</b>	<b>Cost Item Amount</b>
<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E</b>
11.4	Broadway-City Hall Millennium Line Station west underground and connection to the east side of the existing Broadway-City Hall Canada Line Station	Construction of Broadway-City Hall Station underground and west connection structure, defined as the invert structure, walls, roof, intermediate floors, and structural walls, including the connection to the west side of the Broadway-City Hall Canada Line Station, utility relocations, temporary or permanent third party access requirements, and temporary road diversions	See below	
11.4.1		See above	Traffic deck, or equivalent structure that allows traffic to flow across the tunnel excavation site based upon percentage complete as assessed by the Independent Engineer	
11.4.2		See above	Excavation including shoring, back-fill and all other work that is not part of the Structure, Roads and site restoration based upon percentage complete as assessed by the Independent Engineer	
11.4.3		See above	Structure based upon percentage complete as assessed by the Independent Engineer	
11.4.4		See above	Connection to the existing Broadway – City Hall Canada Line Station based upon percentage complete as assessed by the Independent Engineer	

	<b>Cost Item</b>	<b>Description</b>	<b>Progress measurement during each Payment Period</b>	<b>Cost Item Amount</b>
<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E</b>
11.4.5		See above	Roads and site restoration based upon percentage complete as assessed by the Independent Engineer	
11.5	Fairview-VGH Station	Construction of Fairview-VGH Station underground structure, defined as the invert structure, walls, roof, intermediate floors, and structural walls, including all utility relocations, temporary or permanent third party access requirements, and temporary road diversions	See below	
11.5.1		See above	Traffic deck, or equivalent structure that allows traffic to flow across the tunnel excavation site based upon percentage complete as assessed by the Independent Engineer	
11.5.2		See above	Excavation including shoring, back-fill and all other work that is not part of the Structure, Roads and Site Restoration based upon percentage complete as assessed by the Independent Engineer	
11.5.3		See above	Structure based upon percentage complete as assessed by the Independent Engineer	
11.5.4		See above	Roads and Site Restoration based upon percentage complete as assessed by the Independent Engineer	

	<b>Cost Item</b>	<b>Description</b>	<b>Progress measurement during each Payment Period</b>	<b>Cost Item Amount</b>
<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E</b>
11.6	South Granville Station	Construction of South Granville Station underground structure, defined as the invert structure, walls, roof, intermediate floors, and structural walls, including all utility relocations, temporary or permanent third party access requirements, and temporary road diversions	See below	
11.6.1		See above	Traffic deck, or equivalent structure that allows traffic to flow across the tunnel excavation site based upon percentage complete as assessed by the Independent Engineer	
11.6.2		See above	Excavation including shoring, back-fill and all other work that is not part of the Structure, Roads and Site Restoration based upon percentage complete as assessed by the Independent Engineer	
11.6.3		See above	Structure based upon percentage complete as assessed by the Independent Engineer	
11.6.4		See above	Roads and Site Restoration based upon percentage complete as assessed by the Independent Engineer	

	<b>Cost Item</b>	<b>Description</b>	<b>Progress measurement during each Payment Period</b>	<b>Cost Item Amount</b>
<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E</b>
11.7	Arbutus Street Station	Construction of Arbutus Street Station underground structure, defined as the invert structure, walls, roof, intermediate floors, and structural walls, including all utility relocations, temporary or permanent third party access requirements, and temporary road diversions	See below	
11.7.1		See above	Traffic deck, or equivalent structure that allows traffic to flow across the tunnel excavation site based upon percentage complete as assessed by the Independent Engineer	
11.7.2		See above	Excavation including back-fill and all other work that is not part of either the Structure or the Roads and Site Restoration based upon percentage complete as assessed by the Independent Engineer	
11.7.3		See above	Structure based upon percentage complete as assessed by the Independent Engineer	
11.7.4		See above	Roads and Site Restoration based upon percentage complete as assessed by the Independent Engineer	
<b>12. Station Fit Out</b>				



	<b>Cost Item</b>	<b>Description</b>	<b>Progress measurement during each Payment Period</b>	<b>Cost Item Amount</b>
<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E</b>
12.1	Great Northern Way Station	Construction to complete Great Northern Way Station, ready for Passenger Service.	See below	
12.1.1		See above	Station house and grade level ancillary area, including storage areas, consisting of the structure, roof, and building envelope, ready to receive finishes and fit out based upon percentage complete as assessed by the Independent Engineer	
12.1.2		See above	Platform structure, including the continuation of the structure beyond the platform area creating a floor slab for ancillary rooms and areas, based upon percentage complete as assessed by the Independent Engineer	
12.1.3		See above	Vertical access structures consisting of staircase structures and elevator shafts based upon percentage complete as assessed by the Independent Engineer	
12.1.4.		See above	Escalators and elevators supplied to an approved storage area, based upon an assessment by the Independent Engineer	

	<b>Cost Item</b>	<b>Description</b>	<b>Progress measurement during each Payment Period</b>	<b>Cost Item Amount</b>
<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E</b>
12.1.5		See above	Escalators and elevators installed, based upon the total number of escalators installed and operating, compared to the total number of escalators to be installed within the Station. 50% of this cost item shall be considered complete upon the completed installation of equipment. The remaining 50% shall be considered complete upon successful commissioning of equipment, demonstrated to the Independent Engineer.	
12.1.6		See above	Finishings and fittings based upon percentage complete as assessed by the Independent Engineer	
12.1.7		See above	Mechanical installation based upon percentage complete as assessed by the Independent Engineer	
12.1.8		See above	Electrical installation based upon percentage complete as assessed by the Independent Engineer	
12.2	Mount Pleasant Station	Construction to complete Mount Pleasant Station, ready for Passenger Service.	See below	
12.2.1		See above	Station house and grade level ancillary area, including storage areas, consisting of the structure, roof, and building envelope, ready to receive finishes and fit out based upon percentage complete as assessed by the Independent Engineer	

	<b>Cost Item</b>	<b>Description</b>	<b>Progress measurement during each Payment Period</b>	<b>Cost Item Amount</b>
<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E</b>
12.2.2		See above	Platform structure, including the continuation of the structure beyond the platform area creating a floor slab for ancillary rooms and areas, based upon percentage complete as assessed by the Independent Engineer	
12.2.3		See above	Vertical access structures consisting of staircase structures and elevator shafts based upon percentage complete as assessed by the Independent Engineer	
12.2.4		See above	Escalators and elevators supplied to an approved storage area, based upon an assessment by the Independent Engineer	
12.2.5		See above	Escalators and elevators installed, based upon the total number of escalators installed and operating, compared to the total number of escalators to be installed within the Station. 50% of this cost item shall be considered complete upon the completed installation of equipment. The remaining 50% shall be considered complete upon successful commissioning of equipment, demonstrated to the Independent Engineer.	
12.2.6		See above	Finishings and fittings based upon percentage complete as assessed by the Independent Engineer	
12.2.7		See above	Mechanical installation based upon percentage complete as assessed by the Independent Engineer	

	<b>Cost Item</b>	<b>Description</b>	<b>Progress measurement during each Payment Period</b>	<b>Cost Item Amount</b>
<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E</b>
12.2.8		See above	Electrical installation based upon percentage complete as assessed by the Independent Engineer	
12.3	Broadway-City Hall Station	Construction to complete Broadway-City Hall Station, ready for Passenger Service.	See below	
12.3.1		See above	Platform structure, including the continuation of the structure beyond the platform area creating a floor slab for ancillary rooms and areas, based upon percentage complete as assessed by the Independent Engineer	
12.3.2		See above	Vertical access structures consisting of staircase structures and elevator shafts based upon percentage complete as assessed by the Independent Engineer	
12.3.3		See above	Escalators and elevators supplied to an approved storage area, based upon an assessment by the Independent Engineer	
12.3.4		See above	Escalators and elevators installed, based upon the total number of escalators installed and operating, compared to the total number of escalators to be installed within the Station. 50% of this cost item shall be considered complete upon the completed installation of equipment. The remaining 50% shall be considered complete upon successful commissioning of equipment, demonstrated to the Independent Engineer.	

	<b>Cost Item</b>	<b>Description</b>	<b>Progress measurement during each Payment Period</b>	<b>Cost Item Amount</b>
<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E</b>
12.3.5		See above	Finishings and fittings based upon percentage complete as assessed by the Independent Engineer	
12.3.6		See above	Mechanical installation based upon percentage complete as assessed by the Independent Engineer	
12.3.7		See above	Electrical installation based upon percentage complete as assessed by the Independent Engineer	
12.3.8		See above	Work to and within Broadway – City Hall Canada Line Station, including electrical and mechanical systems, but excluding and systems work and connections based upon percentage complete as assessed by the Independent Engineer	
12.4	Fairview-VGH Station	Construction to complete Fairview-VGH Station, ready for Passenger Service.	See below	
12.4.1		See above	Station house and grade level ancillary area, including storage areas, consisting of the structure, roof, and building envelope, ready to receive finishes and fit out based upon percentage complete as assessed by the Independent Engineer	

**SCHEDULE 10: PAYMENT AND PERFORMANCE MECHANISM**

	<b>Cost Item</b>	<b>Description</b>	<b>Progress measurement during each Payment Period</b>	<b>Cost Item Amount</b>
<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E</b>
12.4.2		See above	Platform structure, including the continuation of the structure beyond the platform area creating a floor slab for ancillary rooms and areas, based upon percentage complete as assessed by the Independent Engineer	
12.4.3		See above	Vertical access structures consisting of staircase structures and elevator shafts based upon percentage complete as assessed by the Independent Engineer	
12.4.4		See above	Escalators and elevators supplied to an approved storage area, based upon an assessment by the Independent Engineer	
12.4.5		See above	Escalators and elevators installed, based upon the total number of escalators installed and operating, compared to the total number of escalators to be installed within the Station. 50% of this cost item shall be considered complete upon the completed installation of equipment. The remaining 50% shall be considered complete upon successful commissioning of equipment, demonstrated to the Independent Engineer.	
12.4.6		See above	Finishings and fittings based upon percentage complete as assessed by the Independent Engineer	
12.4.7		See above	Mechanical installation based upon percentage complete as assessed by the Independent Engineer	

	<b>Cost Item</b>	<b>Description</b>	<b>Progress measurement during each Payment Period</b>	<b>Cost Item Amount</b>
<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E</b>
12.4.8		See above	Electrical installation based upon percentage complete as assessed by the Independent Engineer	
12.5	South Granville Station	Construction to complete South Granville Station, ready for Passenger Service.	See below	
12.5.1		See above	Station house and grade level ancillary area, including storage areas, consisting of the structure, roof, and building envelope, ready to receive finishes and fit out based upon percentage complete as assessed by the Independent Engineer	
12.5.2		See above	Platform structure, including the continuation of the structure beyond the platform area creating a floor slab for ancillary rooms and areas, based upon percentage complete as assessed by the Independent Engineer	
12.5.3		See above	Vertical access structures consisting of staircase structures and elevator shafts based upon percentage complete as assessed by the Independent Engineer	
12.5.4		See above	Escalators and elevators supplied to an approved storage area, based upon an assessment by the Independent Engineer	

	<b>Cost Item</b>	<b>Description</b>	<b>Progress measurement during each Payment Period</b>	<b>Cost Item Amount</b>
<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E</b>
12.5.5		See above	Escalators and elevators installed, based upon the total number of escalators installed and operating, compared to the total number of escalators to be installed within the Station. 50% of this cost item shall be considered complete upon the completed installation of equipment. The remaining 50% shall be considered complete upon successful commissioning of equipment, demonstrated to the Independent Engineer.	
12.5.6		See above	Finishings and fittings based upon percentage complete as assessed by the Independent Engineer	
12.5.7		See above	Mechanical installation based upon percentage complete as assessed by the Independent Engineer	
12.5.8		See above	Electrical installation based upon percentage complete as assessed by the Independent Engineer	
12.6	Arbutus Street Station	Construction to complete Arbutus Street Station, ready for Passenger Service.	See below	
12.6.1		See above	Station house and grade level ancillary area, including storage areas, consisting of the structure, roof, and building envelope, ready to receive finishes and fit out based upon percentage complete as assessed by the Independent Engineer	



	<b>Cost Item</b>	<b>Description</b>	<b>Progress measurement during each Payment Period</b>	<b>Cost Item Amount</b>
<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E</b>
12.6.2		See above	Platform structure, including the continuation of the structure beyond the platform area creating a floor slab for ancillary rooms and areas, based upon percentage complete as assessed by the Independent Engineer	
12.6.3		See above	Vertical access structures consisting of staircase structures and elevator shafts based upon percentage complete as assessed by the Independent Engineer	
12.6.4		See above	Escalators and elevators supplied to an approved storage area, based upon an assessment by the Independent Engineer	
12.6.5		See above	Escalators and elevators installed, based upon the total number of escalators installed and operating, compared to the total number of escalators to be installed within the Station. 50% of this cost item shall be considered complete upon the completed installation of equipment. The remaining 50% shall be considered complete upon successful commissioning of equipment, demonstrated to the Independent Engineer.	
12.6.6		See above	Finishings and fittings based upon percentage complete as assessed by the Independent Engineer	
12.6.7		See above	Mechanical installation based upon percentage complete as assessed by the Independent Engineer	

**BROADWAY SUBWAY PROJECT**  
**PROJECT AGREEMENT**  
**SCHEDULE 10: PAYMENT AND PERFORMANCE MECHANISM**

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	<b>Cost Item</b>	<b>Description</b>	<b>Progress measurement during each Payment Period</b>	<b>Cost Item Amount</b>
<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E</b>
12.6.8		See above	Electrical installation based upon percentage complete as assessed by the Independent Engineer	
<b>13. Systems</b>				
13.1	Automatic Train Control (ATC)	Design, supply, delivery, installation and testing and commissioning, including connection to and integration of the BSP ATC System into the Existing SkyTrain System,.	See below. Capitalized terms in 13.1.1 to 13.1.10 below have the meanings given to them in the ATC Supply Contract.	
13.1.1		See above	Delivery of the Performance Securities, together with the Submission of the Project Management Plan and Systems Management Plan , of the Contract Price	
13.1.2		See above	Completion of the Systems Concept Design Review, of the Contract Price upon demonstration by Project Co that all comments and issues raised in the review are resolved, and documented in a follow-up report approved by the Province	
13.1.3		See above	Completion of the Systems Preliminary Design Review, of the Contract Price upon demonstration by Project Co that all comments and issues raised in the review are resolved, and documented in a follow-up report approved by the Province	

	<b>Cost Item</b>	<b>Description</b>	<b>Progress measurement during each Payment Period</b>	<b>Cost Item Amount</b>
<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E</b>
13.1.4		See above	Completion of the Systems Final Design Review, of the Contract Price upon demonstration by Project Co that all comments and issues raised in the review are resolved, and documented in a follow-up report approved by the Province	
13.1.5		See above	Hardware Milestone 1 – Payable the first payment period following five full calendar months after the first purchase order has been placed for ATC Equipment and associated materials. The amount shall be the lesser of (i) the actual value of the ATC Equipment and associated materials delivered to site and (ii) of the Contract Price	
13.1.6		See above	Hardware Milestone 2 – Payable the first payment period following ten full calendar months after the first purchase order has been placed for ATC Equipment and associated materials. The amount shall be the actual value of the ATC Equipment and associated materials delivered to site between the time of application for payment of Hardware Milestone 1 and the time of application for Hardware Milestone 2, provided that the sum of such amount and the Hardware Milestone 1 payment will not exceed the Contract Price.	

	<b>Cost Item</b>	<b>Description</b>	<b>Progress measurement during each Payment Period</b>	<b>Cost Item Amount</b>
<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E</b>
13.1.7		See above	Hardware Milestone 3 – Payable upon completion of delivery of all ATC Equipment and associated materials to site. The amount shall be of the Contract Price less the amounts previously paid for Hardware Milestones 1 and 2	
13.1.8		See above	<p>Completion of Test Procedures, including all Test Procedures set out in the Test Plans. Upon approval and acceptance by the Province, of the Contract Price.</p> <p>This element of the ATC Work is payable in installments as set out the ATC Supply Contract. Project Co may include such installments paid to Thales in its applications for payments for this Cost Item.</p>	
13.1.9		See above	<p>Completion of Test Reports, including all Test Reports set out in the Test Plans. Upon approval and acceptance by the Province, of the total amount of the Contract Price.</p> <p>This element of the ATC Work is payable in installments as set out the ATC Supply Contract. Project Co may include such installments paid to Thales in its applications for payments for this Cost Item.</p>	

	<b>Cost Item</b>	<b>Description</b>	<b>Progress measurement during each Payment Period</b>	<b>Cost Item Amount</b>
<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E</b>
13.1.10		See above	Substantial Completion of the BSP ATC System, of the total amount of Contract Price	
13.2	Power Supply and Distribution	Supply and delivery, of PPS equipment to the station site or a storage facility approved by the Province	See below	
13.2.1		See above	Sub-station equipment delivered as a percentage of the total value of sub-station equipment necessary to complete the total PPS installation, as assessed by the Independent Engineer	
13.2.2		Supply and delivery, of power rail to a storage facility approved by the Province, the total value of this item shall not exceed 50% of the total value of the supply and installation of power rail	The length of power rail delivered to an approved location compared to the total length of power rail required to complete this payment milestone, as assessed by the Independent Engineer	
13.2.3		Installation of power rail	The length of power rail installed and complete with all necessary cabling ready to receive power during the payment period, compared to the total length of power rail required to complete this payment milestone, as assessed by the Independent Engineer.	

	<b>Cost Item</b>	<b>Description</b>	<b>Progress measurement during each Payment Period</b>	<b>Cost Item Amount</b>
<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E</b>
13.2.4		Installation of PPS equipment including the supply of all associated cabling and switchgear together with all connections to B.C. Hydro, and all post installation check out (PICO) testing of all power supply and distribution Equipment	The completed installation of PPS equipment to each PPS area within a Station including the necessary cabling and switchgear ready to receive power (and in respect of which all PICO testing has been completed and accepted). 50% of this cost item shall be considered complete upon the completed installation of equipment. The remaining 50% shall be considered complete upon successful commissioning of equipment, demonstrated to the Independent Engineer.	
13.3	SCADA, Security, Communications, and Cabling	Supply and installation SCADA, security, communications, and cabling systems	See below	
13.3.1		Supply and installation, ATC loop cables, fibre optic and systems cabling,	The completed installation of ATC loops, fibre optic and systems cabling based on the length of track over which the cabling and systems has been installed during the payment period, compared to the total length of track required to complete this payment milestone, as assessed by the Independent Engineer	
13.3.2		Supply, installation of the SCADA systems, including post installation check out (PICO) testing, connecting and integration with the existing system	The completed installation of the SCADA systems based on an assessment by the Independent Engineer of the system installed in each Station	

	<b>Cost Item</b>	<b>Description</b>	<b>Progress measurement during each Payment Period</b>	<b>Cost Item Amount</b>
<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E</b>
13.3.3		Station security and communication systems, including CCTV, public address, dynamic signage, UPS and associated systems including post installation check out (PICO) testing, connecting and integration with the existing system	The completed installation of the security and communications equipment based on an assessment by the Independent Engineer of the system installed in each Station	
13.3.4		Connection of the Broadway Subway Project security and communications systems to the Canada Line security and communications systems, together with any testing and commissioning necessary and unique to this work	To be paid on completion and acceptance by the Province	

	<b>Cost Item</b>	<b>Description</b>	<b>Progress measurement during each Payment Period</b>	<b>Cost Item Amount</b>
<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E</b>
13.3.5	Systems Plan Deliverables	Acceptance of Systems Plans	<p>Considered to be <u>25% complete</u> when the following documents have been accepted by the Province:</p> <ul style="list-style-type: none"> <li>• Systems Plan [Systems Deliverable 008];</li> <li>• Systems Assurance Plan [Systems Deliverable 006];</li> <li>• Systems Management Plan [Systems Deliverable 007]; and,</li> <li>• Systems Risk Management Plan [Systems Deliverable 009].</li> </ul> <p>Considered to be <u>100% complete</u> when the following documents have been accepted by the Province:</p> <ul style="list-style-type: none"> <li>• All submittals specified in Schedule 4, Appendix G, Section 1.19.1 [Systems Plan Deliverables];</li> <li>• Systems Risk Management Plan [Systems Deliverable 060];</li> <li>• Requirements Verification Plan [Systems Deliverable 118]; and,</li> <li>• Safety Requirements Verification Plan [Systems Deliverable 120].</li> </ul>	



	Cost Item	Description	Progress measurement during each Payment Period	Cost Item Amount
A	B	C	D	E
13.3.6	Completion of SCDR	Acceptance of System Concept Design Review submittals.	<p>Considered to be <u>100% complete</u> when the following documents have been accepted by the Province:</p> <ul style="list-style-type: none"> <li>• All submittals specified in Appendix G, Section 1.19.2 [Systems Concept Design Review (<a href="#">SCDR</a>) Deliverables];</li> <li>• Validation, Inspection, and Test Plan [Systems Deliverable 105];</li> <li>• Safety Commissioning Test Plan [Systems Deliverable 119];</li> <li>• Systems Commissioning Plan [Systems Deliverable 122];</li> <li>• Systems Test Plan [Systems Deliverable 124]; and,</li> <li>• TVS Integrated Testing Plan [Systems Deliverable 130].</li> </ul> <p>Prior to 100% completion the total progress shall be 0%.</p>	

	<b>Cost Item</b>	<b>Description</b>	<b>Progress measurement during each Payment Period</b>	<b>Cost Item Amount</b>
<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E</b>
13.3.7	Completion of all SPDRs	Acceptance of the Systems Preliminary Design Review submittals for all Systems.	<p>Considered to be <u>100% complete</u> when the following documents have been accepted by the Province:</p> <ul style="list-style-type: none"> <li>• All submittals specified in Appendix G, Section 1.19.3 [Systems Preliminary Design Review (<a href="#">SPDR</a>) Deliverables] for all Systems; and,</li> <li>• Subsystem Test Plans [Systems Deliverable 121] for all Systems.</li> </ul> <p>Prior to 100% completion the total progress shall be 0%.</p>	
13.3.8	Completion of all SFDRs	Acceptance of the Systems Final Design Review submittals for all systems.	<p>Considered to be <u>100% complete</u> when the following documents have been accepted by the Province:</p> <ul style="list-style-type: none"> <li>• All submittals specified in Schedule 4, Appendix G, Section 1.19.4 [Systems Final Design Review (<a href="#">SFDR</a>) Deliverables];</li> <li>• Systems Test Plan [Systems Deliverable 124]; and,</li> <li>• Validation, Inspection, and Test Plan [Systems Deliverable 131].</li> </ul> <p>Prior to 100% completion the total progress shall be 0%.</p>	
13.3.9	Final Hazard Log	Acceptance of final Hazard Log submission, Systems Deliverable 136.	<p>Considered to be <u>100% complete</u> when accepted by the Province. Prior to 100% completion the total progress shall be 0%.</p>	

	<b>Cost Item</b>	<b>Description</b>	<b>Progress measurement during each Payment Period</b>	<b>Cost Item Amount</b>
<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E</b>
13.3.10	Demonstration Plans	Acceptance of Demonstration Plans.	<p>Considered to be <u>100% complete</u> when the following documents have been accepted by the Province:</p> <ul style="list-style-type: none"> <li>• LIM Generated Noise Demonstration Plan [Systems Deliverable 116];</li> <li>• On-Time Performance Demonstration Test Plan [Systems Deliverable 117];</li> <li>• TIDS Performance Demonstration Test Plan [Systems Deliverable 127]; and,</li> <li>• Travel Time Demonstration Test Plan [Systems Deliverable 128].</li> </ul> <p>Prior to 100% completion the total progress shall be 0%.</p>	
13.3.11	Design Safety Case	Acceptance of Design Safety Case [Systems Deliverable 066]	<p>Considered to be <u>100% complete</u> when accepted by the Province. Prior to 100% completion the total progress shall be 0%.</p>	
<b>14. Trackwork, L.I.M. Rail, and Elevated Guideway Walkways</b>				
14.1.1	Trackwork	Supply and delivery of trackwork running rail to a storage facility approved by the Province, the total value of this item shall not exceed 10% of the total value of the supply and installation of trackwork	The length of trackwork delivered to an approved location compared to the total length of power rail required to complete this Payment Milestone, as assessed by the Independent Engineer	

	<b>Cost Item</b>	<b>Description</b>	<b>Progress measurement during each Payment Period</b>	<b>Cost Item Amount</b>
<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E</b>
14.1.2		Installation of trackwork, including special trackwork	The length of trackwork installed and complete during the payment period, compared to the total length of trackwork required to be installed to complete this payment milestone, as assessed by the Independent Engineer.	
14.2.1	L.I.M. Rail	Supply and delivery of L.I.M. Rail to a storage facility approved by the Province, the total value of this item shall not exceed 30% of the total value of the supply and installation of L.I.M. Rail	The length of L.I.M. rail, that is the top cap and back rail, delivered to an approved location compared to the total length of top cap and back rail required to complete this payment milestone, as assessed by the Independent Engineer	
14.2.2.		Installation of L.I.M. Rail	The length of L.I.M. Rail installed and complete during the payment period, compared to the total length of L.I.M. Rail required to be installed to complete this payment milestone, as assessed by the Independent Engineer.	
14.3.1	Elevated Guideway Walkway	Supply and installation of Elevated Guideway walkway	The length Elevated Guideway walkway installed and complete during the payment period, compared to the total length of Elevated Guideway walkway required to be installed to complete this payment milestone, as assessed by the Independent Engineer.	

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	<b>Cost Item</b>	<b>Description</b>	<b>Progress measurement during each Payment Period</b>	<b>Cost Item Amount</b>
<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E</b>
<b>15. Testing and Commissioning</b>				
15.1	Testing and Commissioning	Testing and commissioning of the Systems Installation after the PICO testing is complete, to the satisfaction of the Province. The scope includes Site Acceptance Tests and System Integration Tests (as provided in Schedule 4 [Design and Construction], Appendix G, Sections 1.17.5 and 1.17.6.1, respectively). Co-ordination and integration with TransLink, provision of power as necessary, and delivery of all test records.	See below	

	Cost Item	Description	Progress measurement during each Payment Period	Cost Item Amount
A	B	C	D	E
15.1.1		<p>Completion of the first Systems Field Test Readiness Review as specified in Appendix G, Section 1.16 [Systems Field Test Readiness Reviews] including acceptance of the following documents:</p> <ul style="list-style-type: none"> <li>• Commissioning Safety Plan [Systems Deliverable 111];</li> <li>• Safety Commissioning Test Plan [Systems Deliverable 119];</li> <li>• Subsystem Test Plans [Systems Deliverable 121] for all Systems;</li> <li>• Systems Commissioning Plan [Systems Deliverable 122];</li> <li>• Systems Field Test Readiness Review Package [Systems Deliverable 123];</li> <li>• Test and Commissioning Rules and Procedures [Systems Deliverable 125];</li> <li>• Systems Cut-Over Plan [Systems Deliverable 100]; and,</li> <li>• Cut-Over Hazard Assessment [Systems Deliverable 064].</li> </ul>	<p>of the total value of this Cost Item</p> <p>Considered to be 100% complete when accepted by the Province. Prior to 100% completion the total progress shall be 0%.</p>	

	<b>Cost Item</b>	<b>Description</b>	<b>Progress measurement during each Payment Period</b>	<b>Cost Item Amount</b>
<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E</b>
15.1.2		Verification Test Procedures in accordance with Section 1.17 [Verification Testing] of Schedule 4 [Design and Construction], Appendix G, accepted by Province	Number of test procedures accepted as a percentage of total test procedures estimated by Province:  of the total value of this Cost Item	
15.1.3		System Integration Test reports accepted by Province	Number of Site Acceptance Test reports accepted as a percentage of total test Site Acceptance Test reports estimated by Province:  of the total value of this Cost Item	
15.1.4		System Integration Test reports accepted by Province	Number of System Integration Test reports accepted as a percentage of total System Integration Test reports estimated by Province:  of the total value of this Cost Item	
15.1.5		Successful completion of Trial Running	Acceptance of Trial Running Test Report by the Province:  of the total value of this Cost Item	

	<b>Cost Item</b>	<b>Description</b>	<b>Progress measurement during each Payment Period</b>	<b>Cost Item Amount</b>
<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E</b>
15.1.6		All Test and Verification Results in accordance with Section 1.19.7 [Testing and Verification Results Deliverables] of Schedule 4 [Design and Construction], Appendix G, accepted by Province, with the exception of the TIDS Performance Demonstration Results [Systems Deliverable 143] and Warranty Period RAM Demonstration Report [Systems Deliverable 148].	Testing and Verification Results Deliverables and completion of the Primary Contractor’s requirements to support application for the operating permit:  of the total value of this Cost Item  Considered to be 100% complete when accepted by the Province. Prior to 100% completion the total progress shall be 0%.	

**TABLE F-2 SPECIFIED COST ITEMS**

	<b>Cost Item</b>	<b>Description</b>	<b>Progress measurement during each Payment Period</b>	<b>Cost Item Amount</b>
<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E</b>
<b>16. Specified Cost Items</b>				
16.1	Construction Management Plan	As defined in Section 1.1 of Schedule 1 [Definitions and Interpretation].	Considered to be <u>100% complete</u> when accepted by the Province. Prior to 100% completion the total progress shall be 0%.	



	<b>Cost Item</b>	<b>Description</b>	<b>Progress measurement during each Payment Period</b>	<b>Cost Item Amount</b>
<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E</b>
16.2	Non-Systems Design Management Plan	As defined in Section 1.1 of Schedule 1 [Definitions and Interpretation].	Considered to be <u>100% complete</u> when accepted by the Province. Prior to 100% completion the total progress shall be 0%.	
16.3	Works Schedule	As defined in Section 1.1 of Schedule 1 [Definitions and Interpretation].	Considered to be <u>100% complete</u> when accepted by the Province. Prior to 100% completion the total progress shall be 0%.	
16.4	Construction Environmental Management Plan	As defined in Section 1.1 of Schedule 1 [Definitions and Interpretation].	Considered to be <u>100% complete</u> when accepted by the Province. Prior to 100% completion the total progress shall be 0%.	
16.5	Master Traffic Management Plan	As defined in Section 1.1 of Schedule 1 [Definitions and Interpretation].	Considered to be <u>100% complete</u> when accepted by the Province. Prior to 100% completion the total progress shall be 0%.	
16.6	Quality Manual	As defined in Section 1.1 of Schedule 1 [Definitions and Interpretation].	Considered to be <u>100% complete</u> when accepted by the Province. Prior to 100% completion the total progress shall be 0%.	
16.7	Design Quality Management Plan	As defined in Section 1.1 of Schedule 1 [Definitions and Interpretation].	Considered to be <u>100% complete</u> when accepted by the Province. Prior to 100% completion the total progress shall be 0%.	

	<b>Cost Item</b>	<b>Description</b>	<b>Progress measurement during each Payment Period</b>	<b>Cost Item Amount</b>
<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E</b>
16.8	Construction Quality Management Plan	As defined in Section 1.1 of Schedule 1 [Definitions and Interpretation].	Considered to be <u>100% complete</u> when accepted by the Province. Prior to 100% completion the total progress shall be 0%.	
16.9	Traffic Quality Management Plan	As defined in Section 1.1 of Schedule 1 [Definitions and Interpretation].	Considered to be <u>100% complete</u> when accepted by the Province. Prior to 100% completion the total progress shall be 0%.	
16.10	Environmental Quality Management Plan	As defined in Section 1.1 of Schedule 1 [Definitions and Interpretation].	Considered to be <u>100% complete</u> when accepted by the Province. Prior to 100% completion the total progress shall be 0%.	
16.11	Project Co Communication Protocol	As defined in Section 1.1 of Schedule 1 [Definitions and Interpretation].	Considered to be <u>100% complete</u> when accepted by the Province. Prior to 100% completion the total progress shall be 0%.	
16.12	Communications, Community Relations and Business Relations Plan	As defined in Section 1.1 of Schedule 1 [Definitions and Interpretation].	Considered to be <u>100% complete</u> when accepted by the Province. Prior to 100% completion the total progress shall be 0%.	
16.13	O&M Training Plan	As defined in Section 1.1 of Schedule 1 [Definitions and Interpretation].	Considered to be <u>100% complete</u> when accepted by the Province. Prior to 100% completion the total progress shall be 0%.	

	<b>Cost Item</b>	<b>Description</b>	<b>Progress measurement during each Payment Period</b>	<b>Cost Item Amount</b>
<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E</b>
16.14	Not used			Not used
16.15	Construction Records – Primary Infrastructure Components and Completion Components	Records in relation to the Primary Infrastructure components and the Completion components.	Considered to be <u>100% complete</u> when all Records are submitted to the Province. Prior to 100% completion the total progress shall be 0%.	
16.16	Quality Records	As defined in Section 1.1 of Schedule 1 [Definitions and Interpretation]	Considered to be <u>100% complete</u> when all Quality Records are submitted to the Province. Prior to 100% completion the total progress shall be 0%.	
16.17	Systems Plan	Systems Deliverable 008	Considered to be 100% complete when accepted by the Province under the Consent Procedures. Prior to 100% completion the total progress shall be 0%.	
16.18	Systems Assurance Plan	Systems Deliverable 006	Considered to be 100% complete when accepted by the Province under the Consent Procedures. Prior to 100% completion the total progress shall be 0%.	
16.19	Systems Management Plan	Systems Deliverable 007	Considered to be 100% complete when accepted by the Province under the Consent Procedures. Prior to 100% completion the total progress shall be 0%.	

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	<b>Cost Item</b>	<b>Description</b>	<b>Progress measurement during each Payment Period</b>	<b>Cost Item Amount</b>
<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E</b>
19.20	Systems Risk Management Plan	Systems Deliverable 009	Considered to be 100% complete when accepted by the Province under the Consent Procedures. Prior to 100% completion the total progress shall be 0%.	

**APPENDIX G**

**LIQUIDATED DAMAGES**

**1. Delay Liquidated Damages**

- (a) If the Substantial Completion Date does not occur on or before the Substantial Completion Target Date, subject to Section 1(b) of this Schedule, Project Co shall pay to the Province liquidated damages (“**Delay Liquidated Damages**”) in an amount equal to \$71,000 for each day (or part thereof; for certainty, without pro-rating) from (but excluding) the Substantial Completion Target Date until (and including) the Substantial Completion Date.
- (b) The maximum amount of Delay Liquidated Damages payable by Project Co shall be \$26,000,000.
- (c) Delay Liquidated Damages shall accrue on a daily basis and be payable by Project Co to the Province on Friday of each week or portion thereof in respect of which Delay Liquidated Damages accrue (whether or not the Province has issued an invoice or demand therefor, except that, if requested by Project Co, the Province shall issue an invoice therefor as soon as reasonably practicable after the receipt of such request).