

**SCHEDULE 2**

**COMPLETION DOCUMENTS**

In this Schedule 2, “certified” shall mean that the relevant document is certified as a true and complete copy in full force and effect and unamended as of the date of the relevant certificate by an officer or director of the relevant corporation.

**1. DOCUMENTS TO BE DELIVERED BY PROJECT CO**

Unless an original document is specifically required, a certified copy of each of the following documents is to be delivered by Project Co to the Region on or prior to the Financial Close Target Date:

- 1.1 an original of this Project Agreement;
- 1.2 an original of the Custody Agreement;
- 1.3 an original of the Lenders' Direct Agreement;
- 1.4 an original of the Construction Contractor's Direct Agreement;
- 1.5 an original of the OM&R Direct Agreement;
- 1.6 an original of the Independent Certifier Agreement;
- 1.7 an original of the Insurance Trust Agreement;
- 1.8 an original notice of appointment of the Project Co Representative;
- 1.9 an original of the undertaking and acknowledgement in the form attached as Appendix A to this Schedule 2;
- 1.10 the Lending Agreements;
- 1.11 the Construction Contract;
- 1.12 the OM&R Contract;
- 1.13 a certificate of insurance and draft policies of insurance for the insurances required to be taken out by the Construction Contractor for the period prior to the Substantial Completion Date in accordance with this Project Agreement;
- 1.14 one (1) printed copy of the Financial Model and two (2) copies on CD-Rom;

- 1.15 a certificate of an officer of Project Co certifying:
  - (a) a true copy of the Financial Model audit report dated the date of Financial Close prepared by Wolrige Mahon Corporate Finance Inc.; and
  - (b) that the Financial Model algorithms have not changed from the audit report referred to in (a) above;
- 1.16 a certificate of an officer of Project Co substantially in the form attached as Appendix B to this Schedule 2;
- 1.17 a certificate of an officer of each Contractor substantially in the form attached as Appendix B to this Schedule 2;
- 1.18 a certificate of an officer of each Guarantor substantially in the form attached as Appendix B to this Schedule 2;
- 1.19 an original of the opinion from counsel to Project Co, Aecon Inc., Keolis Inc., Kiewit Corp., Meridiam ULC, Plenary Inc., each of the Contractors, each of the Guarantors and such other Project Co Parties as the Region may reasonably require substantially in the form attached as Appendix C to this Schedule 2 and otherwise acceptable to the Region and its counsel;
- 1.20 the Interface Agreement;
- 1.21 the Performance Security;
- 1.22 a certificate of good standing from the Workplace Safety and Insurance Board;
- 1.23 the Equity Commitment Agreement;
- 1.24 the Partnership Agreement; and
- 1.25 such other documents as the Parties may agree, each acting reasonably.

**2. DOCUMENTS TO BE DELIVERED BY THE REGION**

Unless an original document is specifically required, a certified copy of each of the following documents is to be delivered by the Region to Project Co on or prior to the Financial Close Target Date:

- 2.1 an original of this Project Agreement;
- 2.2 an original of the Custody Agreement;
- 2.3 an original of the Lenders' Direct Agreement;
- 2.4 an original of the Construction Contractor's Direct Agreement;
- 2.5 an original of the OM&R Direct Agreement;

**The Region of Waterloo Stage 1 Light Rail Project**

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- 2.6 an original of the Independent Certifier Agreement;
- 2.7 an original of the Insurance Trust Agreement;
- 2.8 a certificate of the Regional Clerk of the Region substantially in the form attached as Appendix D-1 and a certificate of the Treasurer of the Region substantially in the form attached as Appendix D-2 to this Schedule 2;
- 2.9 a reliance letter addressed to Project Co and the Lenders in connection with:
  - (a) the Phase II Environmental Assessment Report undertaken or to be undertaken by the Region; and
  - (b) the Geotechnical Reports;
- 2.10 an original notice of appointment of the Region Representative; and
- 2.11 such other documents as the Parties may agree, each acting reasonably.

**APPENDIX A**

**FORM OF UNDERTAKING AND ACKNOWLEDGEMENT**

**TO:** The Regional Municipality of Waterloo (the “**Region**”)

**RE:** Project Agreement (as amended, supplemented or modified from time to time, the “**Project Agreement**”) dated the [●] day of [●], 2014 between the Region and GrandLinq GP, a general partnership of Plenary GrandLinq GP Inc., Meridiam Infrastructure Waterloo LRT ULC, Aecon GrandLinq GP Inc., Kiewit Waterloo Investors Corp. and Keolis Waterloo General Partner (“**Project Co**”)

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1. The undersigned acknowledges that:
  - (a) The Project will proceed as an alternative financing and procurement project.
  - (b) Public ownership of the System and the Public Infrastructure will be preserved.
2. The undersigned undertakes to comply with all Applicable Law in any direction or order issued by the Region to the extent that the direction or order affects the Project Operations.

3. Capitalized terms used but not defined herein have the respective meanings ascribed thereto in the Project Agreement.

**DATED** this \_\_\_\_\_ day of \_\_\_\_\_, 2014.

[●]

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

Name:

Title:

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

Name:

Title:

I/We have authority to bind the corporation.

APPENDIX B

FORM OF PROJECT CO/PROJECT CO PARTY OFFICER'S CERTIFICATE

Certificate of an Officer of

[NTD: Modify, as appropriate, for limited/general partnership]

[●]

(the “Corporation”)

TO: THE REGIONAL MUNICIPALITY OF WATERLOO (the “Region”)  
AND TO: NORTON ROSE FULBRIGHT CANADA LLP  
AND TO: BLAKE CASSELS & GRAYDON LLP  
AND TO: BNY TRUST COMPANY OF CANADA  
AND TO: FASKEN MARTINEAU DUMOULIN LLP

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I, [●], being the [●] of the Corporation and an authorized signatory of the Corporation and being duly authorized by the Corporation to deliver this certificate, hereby make the following certifications and confirmations for and on behalf of the Corporation and without incurring personal liability and that the same may be relied upon by you without further inquiry:

1. Constatting Documents

- (a) The Corporation is a subsisting corporation duly incorporated under the laws of [the Province of Ontario].
- (b) Attached hereto as **Schedule “A”** are true and complete copies of the articles, together with all amendments thereto, of the Corporation (the “**Articles**”). The Articles are in full force and effect on the date hereof and no other articles have been issued and no proceeding has been taken or is contemplated to the date hereof to authorize the Corporation to amend, surrender or cancel the Articles.
- (c) Attached hereto as **Schedule “B”** are true and complete copies of the by-laws of the Corporation (the “**By-laws**”) enacted on or before the date hereof. The By-laws have been in full force and effect from and after the date thereof as set out therein and are in full force and effect, unamended as of the date hereof. No proceeding has been taken to the date hereof to authorize the Corporation to amend the By-laws and neither the directors nor the shareholders of the Corporation have passed, confirmed or consented to any resolutions amending or varying the By-laws.
- (d) Attached hereto as **Schedule “C”** is a true and complete copy of a unanimous shareholders' agreement between the shareholders of the Corporation and the Corporation

(the “**Unanimous Shareholders' Agreement**”) executed on or before the date hereof. The Unanimous Shareholders' Agreement has been in full force and effect from and after the date thereof as set out therein and is in full force and effect, unamended as of the date hereof.

- (e) The minute books and corporate records of the Corporation made available to [●] are the original minute books and corporate records of the Corporation and contain all minutes of meetings, resolutions and proceedings of the shareholders and directors of the Corporation to the date hereof and there have been no meetings, resolutions or proceedings authorized or passed by the shareholders or directors of the Corporation to the date hereof not reflected in such minute books and corporate records. Such minute books and corporate records are true, complete and correct in all material respects and there are no changes, additions or alterations necessary to be made thereto to make such minute books and corporate records true, complete and correct in all material respects.
- (f) At the date hereof, no winding-up, liquidation, dissolution, insolvency, bankruptcy, amalgamation, arrangement, reorganization or continuation proceedings in respect of the Corporation have been commenced or are being contemplated by the Corporation, and the Corporation has no knowledge of any such proceedings having been commenced or contemplated in respect of the Corporation by any other party.
- (g) At the date hereof, the Corporation is up-to-date in the filing of all returns and other documents required to be filed by it by governmental authorities, including under corporate, securities and tax legislation, and no notice of any proceedings to cancel its certificate of incorporation or otherwise to terminate its existence has been received by the Corporation.
- (h) Pursuant to the Unanimous Shareholders' Agreement, the powers of the directors of the Corporation to manage the business and affairs of the Corporation, whether such powers arise from the [*Business Corporations Act (Ontario)* (the “**Act**”)], the Articles or the By-laws of the Corporation, or otherwise, are restricted to the fullest extent permitted by law, and, in accordance with the Act and the Unanimous Shareholders' Agreement, the shareholders of the Corporation have and enjoy and may exercise and perform all the rights, powers, and duties of the directors of the Corporation to manage the business and affairs of the Corporation.
- (i) There are no provisions in the Articles, By-laws, Unanimous Shareholders' Agreement or in any other agreement binding on the Corporation which:
  - (i) restrict or limit the powers of the Corporation to enter into:
    - (1) a certain Project Agreement with the Region made as of [●], 2014 (as the same may be amended, supplemented, restated or otherwise modified from time to time, the “**Project Agreement**”) pursuant to which the Corporation will design, build, finance, operate and maintain a new light rail transit system;

- (2) a lenders' direct agreement between the Corporation, the Region and the Lenders' Agent;
- (3) direct agreements between the Contractors, the Corporation, the Guarantors and the Region;
- (4) *[NTD: List other documents delivered at Financial Close.]*,  
  
(collectively, the “Documents”); or
- (ii) restrict or limit the authority of the directors or shareholders of the Corporation by resolution to delegate the powers set out in subparagraph (i) to a director or an officer of the Corporation.

2. Resolutions

- (a) Annexed hereto, forming part hereof and marked as **Schedule “D”** are true and complete copies of the resolutions of the [directors/shareholders] of the Corporation (the “Resolutions”), which have been duly and validly passed in accordance with applicable law, constituting authority and approval for the Corporation, *inter alia*, to enter into the Documents. The Resolutions are the only resolutions of the Corporation pertaining to the subject matter thereof and the same are in full force and effect, unamended as of the date hereof.
- (b) The authorization, execution and delivery of each Document contemplated in the Resolutions, and the performance by the Corporation of its obligations thereunder, do not constitute or result in a violation or breach or default under:
  - (i) the Articles, By-laws or the Unanimous Shareholders' Agreement;
  - (ii) to the best of my knowledge and belief after due diligence, any order of any Canadian or [Ontario] governmental body by which it is bound;
  - (iii) to the best of my knowledge and belief after due diligence, the terms of any agreement or instrument under which any of its property or assets is bound; or
  - (iv) to the best of my knowledge and belief after due diligence, any writ, judgment, injunction, determination or award which is binding on the Corporation or any of its properties.
- (c) To the best of my knowledge and belief after due diligence, there is no claim, action, suit, proceedings, arbitration, investigation or inquiry before any governmental agency, court or tribunal, foreign or domestic, or before any private arbitration tribunal, pending or threatened against the Corporation, or involving its properties or business. To the best of my knowledge and belief after due diligence, no administrative or court decree is outstanding in respect of the Corporation or its assets.



- (d) To the best of my knowledge and belief after due diligence, no consent, approval or other order of any Canadian or [Ontario] governmental authority which has not been obtained is required to permit the Corporation to execute and deliver the Documents.

3. No Breach or Default

Neither the execution and delivery by the Corporation of the Documents nor the consummation of the transactions therein contemplated nor the fulfilment or compliance with the terms thereof will contravene or result in a breach of any of the terms, conditions or provisions of, or constitute a default under the Articles, By-laws, Unanimous Shareholders' Agreement or under any other agreement binding on the Corporation.

4. Specimen Signatures

The persons whose names are set forth below are, at the date hereof, officers and/or directors of the Corporation, duly elected or appointed to the office or offices set forth opposite their respective names and authorized to execute the Documents on behalf of the Corporation. The signatures set forth opposite their respective names are the true signatures of those persons:

NAME	POSITION	SIGNATURE

5. Capital

Listed below are all of the issued and outstanding shares in the capital of the Corporation and the registered owner(s) of such shares:

ISSUED SHARES	REGISTERED OWNER

Attached hereto as **Schedule "E"** are true copies of all certificates in respect of such issued and outstanding shares. The Corporation has issued no securities, including (without limitation) securities

convertible or exchangeable into shares and/or securities in respect of debt, other than such issued and outstanding shares as are listed above.

DATED this \_\_\_\_ day of \_\_\_\_\_, 2014.

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

Name:

Title:

**APPENDIX C**

**FORM OF PROJECT CO/PROJECT CO PARTY OPINION**

**[INSERT DATE]**

The Regional Municipality of Waterloo  
150 Frederick Street, 3<sup>rd</sup> Floor  
Kitchener, ON N2G 4J3

Norton Rose Fulbright Canada LLP  
Royal Bank Plaza, South Tower, Suite 3800  
200 Bay Street, P.O. Box 84  
Toronto, Ontario M4J 2Z4

Dear Sirs/Mesdames:

**Re: Region of Waterloo Stage 1 Light Rail Project**

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We have acted as counsel to [●] (“**Project Co**”), [●] (the “**Construction Contractor**”) and [●] (the “**OM&R Contractor**”) in connection with the alternative financing and procurement transaction whereby Project Co has agreed to enter into a design, build, finance, maintain and operate agreement for a new light rail transit system in the Regional Municipality of Waterloo. *[NTD: Additional parties to be added depending on consortium structure and/or the financing package.]*

This opinion is being delivered to the Regional Municipality of Waterloo (the “**Region**”) and its counsel pursuant to Section 1.19 of Schedule 2 to the Project Agreement made as of [●], 2014 between the Region and Project Co (as the same may be amended, supplemented, restated or otherwise modified from time to time, the “**Project Agreement**”).

All capitalized terms used but not otherwise defined in this opinion shall have the respective meanings ascribed thereto in the Project Agreement.

In our capacity as counsel to Project Co, the Construction Contractor and the OM&R Contractor, we have participated in the preparation and negotiation, and have examined an executed copy, of each of the following documents (unless otherwise indicated, all documents are dated as of [●], 2014):

1. the Project Agreement; and
2. the following project documents (collectively, the “**Implementation Documents**”):
  - (a) the Construction Contract;
  - (b) the OM&R Contract;

- (c) the Lenders' Direct Agreement;
- (d) the Construction Contractor's Direct Agreement;
- (e) the OM&R Direct Agreement;
- (f) the Lending Agreements;
- (g) the Insurance Trust Agreement;
- (h) the Custody Agreement;
- (i) the Independent Certifier Agreement; and
- (j) the Performance Guarantees.

The Project Agreement and the Implementation Documents are hereinafter collectively referred to as the “**Documents**”, and each is individually referred to as a “**Document**”. *[NTD: Additional documents to be added depending on consortium structure and/or the financing package.]*

We are qualified to practise law in the Province of Ontario. We have made no investigation of the laws of any jurisdiction other than Ontario, and the opinions expressed below are confined to the laws of Ontario and the federal laws of Canada applicable therein as at the date hereof.

We do not act as corporate counsel to [Project Co, the Construction Contractor, the OM&R Contractor], nor have we participated in the general maintenance of their corporate records and corporate proceedings. Therefore, in expressing certain of the opinions below, we have, where indicated, relied exclusively, and without any independent investigation or enquiry, on certificates of public officials and a certificate of an officer of each of Project Co, the Construction Contractor and the OM&R Contractor dated as of the date hereof (the “**Officer's Certificates**”) as to certain factual matters.

### Searches and Reliance

We have conducted, or have caused to be conducted, the searches identified in Schedule “A” (the “**Searches**”) for filings or registrations made in those offices of public record listed in Schedule “A”. The Searches were conducted against the current name and all former names of Project Co, the Construction Contractor, and the OM&R Contractor (including, in each case, both the English and French versions, if any). The results of the Searches are set out in Schedule “A”.

We have also made such investigations and examined originals or copies, certified or otherwise identified to our satisfaction, of such certificates of public officials and of such other certificates, documents and records as we have considered necessary or relevant for purposes of the opinions expressed below, including, without limitation, the Officer's Certificates.

We have relied exclusively, and without any independent investigation or enquiry, on the Officer's Certificates and the certificates of public officials with respect to certain factual matters.

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In connection with the opinions set forth in paragraphs 1, 2 and 3 below, we have relied exclusively on Certificates of Status issued by the [Ministry of Government Services (Ontario)] of even date, copies of which are attached as Schedule “B”.

In connection with the opinions set forth in paragraphs 5, 8, 11, 17 and 20 below, we have relied exclusively, and without any independent investigation or enquiry, upon the opinion of [●] dated [●], 2014 (the “**CC Opinion**”), a copy of which has been delivered to you. To the extent that the CC Opinion contains assumptions, qualifications, limitations or definitions, or is expressed as relying on any certificate(s) or other documents identified therein, the opinions herein expressed in reliance on the CC Opinion should be read as incorporating the identical assumptions, qualifications, limitations, definitions and reliances.

In connection with the opinions set forth in paragraphs 6, 9, 12, 18 and 21 below, we have relied exclusively, and without any independent investigation or enquiry, upon the opinion of [●] dated [●], 2014 (the “**OM&R Contractor Opinion**”), a copy of which has been delivered to you. To the extent that the OM&R Contractor Opinion contains assumptions, qualifications, limitations or definitions, or is expressed as relying on any certificate(s) or other documents identified therein, the opinions herein expressed in reliance on the OM&R Contractor Opinion should be read as incorporating the identical assumptions, qualifications, limitations, definitions and reliances.

**Assumptions**

For the purposes of the opinions expressed herein, we have assumed:

1. The genuineness of all signatures, the authenticity of all documents submitted to us as originals, the conformity to originals of all documents submitted to us as certified, true, conformed, photostatic or notarial copies or facsimiles thereof and the authenticity of the originals of such certified, true, conformed, photostatic or notarial copies or facsimiles.
2. Each of the parties (other than Project Co, the Construction Contractor, the OM&R Contractor) to each of the Documents is and was, at all relevant times, a subsisting corporation, partnership, limited partnership, limited liability company or trust, as applicable, under the laws of its jurisdiction of formation.
3. Each of the parties (other than Project Co, the Construction Contract and the OM&R Contractor and the Operations Contractor) has (and had) the corporate power, authority and capacity to own its property and assets and to carry on its business as such business is now (or as was then) being carried on by it, has (or had) all requisite corporate power, authority and capacity to execute and deliver each Document to which it is party and to perform its obligations thereunder, has taken all necessary corporate action, as applicable, to authorize the execution and delivery of each Document to which it is a party and the performance of its obligations thereunder, and has duly executed and delivered each Document to which it is a party and each Document to which it is a party is a legal, valid and binding obligation of such party enforceable against it in accordance with its terms.
4. The completeness, truth and accuracy of all facts set forth in the Officer's Certificates.

5. The completeness, truth and accuracy of all facts set forth in official public records and certificates and other documents supplied by public officials.
6. Value has been given by each of the parties (other than Project Co, the Construction Contractor and the OM&R Contractor) to Project Co, the Construction Contractor and the OM&R Contractor.

### Opinions

Based upon and subject to the foregoing, and to the qualifications, exceptions and limitations hereinafter expressed, we are of the opinion that, as of the date hereof:

#### *Incorporation and Existence*

1. Project Co is a corporation incorporated under the laws of **[the Province of Ontario]** and has not been dissolved.
2. The Construction Contractor is a corporation incorporated under the laws of **[the Province of Ontario]** and has not been dissolved.
3. The OM&R Contractor is a corporation incorporated under the laws of **[the Province of Ontario]** and has not been dissolved.

#### *Corporate Power and Capacity*

4. Project Co has the corporate power and capacity to own or lease its properties and assets, to carry on its business as it is currently being conducted and as it is contemplated to be conducted under the Project Agreement, and to enter into and perform its obligations under each of the Documents to which it is a party.
5. The Construction Contractor has the corporate power and capacity to own or lease its properties and assets, to carry on its business as it is currently being conducted and as it is contemplated to be conducted under the Documents, and to enter into and perform its obligations under each of the Documents to which it is a party.
6. The OM&R Contractor has the corporate power and capacity to own or lease its properties and assets, to carry on its business as it is currently being conducted and as it is contemplated to be conducted under the Documents, and to enter into and perform its obligations under each of the Documents to which it is a party.

#### *Corporate Authorization*

7. Project Co has taken all necessary corporate action to authorize the execution and delivery of, and the performance of its obligations under, each of the Documents to which it is a party.
8. The Construction Contractor has taken all necessary corporate action to authorize the execution and delivery of, and the performance of its obligations under, each of the Documents to which it is a party.

9. The OM&R Contractor has taken all necessary corporate action to authorize the execution and delivery of, and the performance of its obligations under, each of the Documents to which it is a party.

*Execution and Delivery*

10. Project Co has duly executed and delivered each of the Documents to which it is a party.
11. The Construction Contractor has duly executed and delivered each of the Documents to which it is a party.
12. The OM&R Contractor has duly executed and delivered each of the Documents to which it is a party.

*Enforceability*

13. Each of the Documents to which Project Co is a party constitutes a legal, valid and binding obligation of Project Co, enforceable against it in accordance with its terms.
14. Each of the Documents to which the Construction Contractor is a party constitutes a legal, valid and binding obligation of the Construction Contractor, enforceable against it in accordance with its terms.
15. Each of the Documents to which the OM&R Contractor is a party constitutes a legal, valid and binding obligation of the Maintenance and Rehabilitation Contractor, enforceable against it in accordance with its terms.

*No Breach or Default*

16. The execution and delivery by Project Co of the Documents to which it is a party does not, and the performance by Project Co of its obligations under each such Document in accordance with its terms will not, breach or constitute a default under (i) its articles, by-laws or unanimous shareholders' agreement, or (ii) the provisions of any law, statute, rule or regulation to which Project Co is subject.
17. The execution and delivery by the Construction Contractor of the Documents to which it is a party does not, and the performance by the Construction Contractor of its obligations under each such Document in accordance with its terms will not, breach or constitute a default under (i) its articles, by-laws or unanimous shareholders' agreement, or (ii) the provisions of any law, statute, rule or regulation to which the Construction Contractor is subject.
18. The execution and delivery by the OM&R Contractor of the Documents to which it is a party does not, and the performance by the OM&R Contractor of its obligations under each such Document in accordance with its terms will not, breach or constitute a default under (i) its articles, by-laws or unanimous shareholders' agreement, or (ii) the provisions of any law, statute, rule or regulation to which the Maintenance and Rehabilitation Contractor is subject.

*Regulatory Approvals*

19. No authorization, consent, permit or approval of, or other action by, or filing with or notice to, any governmental agency or authority, regulatory body, court, tribunal or other similar entity having jurisdiction is required in connection with the execution and delivery by Project Co of the Documents to which it is a party and the performance of its obligations thereunder.
20. No authorization, consent, permit or approval of, or other action by, or filing with or notice to, any governmental agency or authority, regulatory body, court, tribunal or other similar entity having jurisdiction is required in connection with the execution and delivery by the Construction Contractor of the Documents to which it is a party and the performance of its obligations thereunder.
21. No authorization, consent, permit or approval of, or other action by, or filing with or notice to, any governmental agency or authority, regulatory body, court, tribunal or other similar entity having jurisdiction is required in connection with the execution and delivery by the OM&R Contractor of the Documents to which it is a party and the performance of its obligations thereunder.

**Qualifications**

Our opinions herein are subject to the following qualifications and reservations, namely:

1. The enforceability of any Document and the rights and remedies set out therein or any judgment arising out of or in connection therewith is subject to and may be limited by any applicable bankruptcy, reorganization, winding-up, insolvency, moratorium or other laws of general application affecting creditors' rights from time to time in effect.
2. The enforceability of each of the Documents and the rights and remedies set out therein is subject to and may be limited by general principles of equity, and no opinion is given as to any specific remedy that may be granted, imposed or rendered, including equitable remedies such as those of specific performance and injunction, or the availability of equitable defences.
3. The enforceability of any Document will be subject to the limitations contained in the *Limitations Act, 2002* (Ontario), and we express no opinion as to whether a court may find any provision of any Document to be unenforceable as an attempt to vary or exclude a limitation period under that Act.
4. Pursuant to the *Currency Act* (Canada), a judgment in money rendered by a court in the Province of Ontario must be awarded in Canadian currency and such judgment may be based on a rate of exchange in effect other than the day of payment of the judgment.
5. To the extent that a particular contractual provision is characterized by a court as a penalty and not as a genuine pre-estimate of damages, it will not be enforceable.
6. A court may not treat as conclusive those certificates and determinations which the Documents state are to be so treated.



7. A receiver or receiver and manager appointed pursuant to the provisions of any Document, for certain purposes, may not be treated by a court as being solely the agent of Project Co notwithstanding any agreement to the contrary.
8. The ability to recover or claim for certain costs or expenses may be subject to judicial discretion.
9. With respect to any provisions of the Documents pursuant to which the parties to such Documents are permitted or required to submit a dispute arising out of such Documents to arbitration, we express no opinion as to the enforceability of such arbitration provisions in all circumstances since under the *Arbitration Act*, 1991 (Ontario) a court of competent jurisdiction in Ontario may, in its discretion and upon certain grounds, refuse to stay judicial proceedings in which event an arbitration under such arbitration provisions may not be commenced or continued. In addition, the *Arbitration Act*, 1991 (Ontario) provides that a court may hear an appeal of an arbitration award on a question of law, or set aside an arbitration award or declare it invalid, in each case on certain prescribed grounds.
10. Any requirement in any of the Documents that interest be paid at a higher rate after than before default may not be enforceable.
11. The effectiveness of provisions which purport to relieve a person from a liability or duty otherwise owed may be limited by law, and provisions requiring indemnification or reimbursement may not be enforced by a court, to the extent that they relate to the failure of such person to perform such duty or liability.
12. No opinion is expressed as to the enforceability of any provision contained in any Document which purports to sever from the Document any provision therein which is prohibited or unenforceable under applicable law without affecting the enforceability or validity of the remainder of the Document.
13. No opinion is expressed regarding any waiver of service of process, presentment, demand, protest or notice of dishonour which may be contained in any of the Documents.
14. Any award of costs is in the discretion of a court of competent jurisdiction.
15. The enforceability of rights of indemnity set out in the Documents may be limited under applicable law to the extent that they directly or indirectly relate to liabilities imposed by law on the Region for which it would be contrary to public policy to require Project Co to indemnify the Region or to the extent that they constitute the indirect enforcement of a foreign revenue or penal law.
16. We express no opinion as to the enforceability by any person who is not a party to the Documents of any provisions therein that purport to bind or affect or confer a benefit on such person.

This opinion is being delivered solely in connection with the transaction addressed herein and may not be relied upon by any person other than the addressees, and their successors and permitted assigns, or for any purpose other than the transaction addressed herein.

Yours very truly,

**[INSERT NAME OF LAW FIRM]**

APPENDIX D-1

FORM OF CERTIFICATE OF THE REGIONAL CLERK  
OF THE REGIONAL MUNICIPALITY OF WATERLOO

**TO:** GRANDLINQ GP ("Project Co")

**AND TO:** BLAKE CASSELS & GRAYDON LLP

**AND TO:** BNY TRUST COMPANY OF CANADA

**AND TO:** FASKEN MARTINEAU DUMOULIN LLP

**RE:** Project Agreement (as amended, supplemented or modified from time to time, the "Project Agreement") dated the 6<sup>th</sup> day of May, 2014 between the Region and Project Co in respect of the design, construction, financing, operation and maintenance of the Region's Stage 1 Light Rail Project and related ancillary matters.

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I, Kris Fletcher, the Regional Clerk of the Region, DO HEREBY CERTIFY THAT:

1. The Region has the corporate power and capacity to enter into, and to perform its obligations under each of:
  - (a) the Project Agreement;
  - (b) the Lenders' Direct Agreement between the Region, Project Co and the Lenders' Agent;
  - (c) a Construction Contractor's Direct Agreement between the Construction Contractor, the Construction Guarantor, Project Co and the Region;
  - (d) a OM&R Direct Agreement between the OM&R Contractor, the OM&R Guarantor, Project Co and the Region;
  - (e) the Custody Agreement between the Region, Project Co, BNY Trust Company of Canada, as Custodian, and the Lenders' Agent;
  - (f) the Independent Certifier Agreement between the Region, Project Co and Altus Group Limited;
  - (g) the Insurance Trust Agreement between the Region, Lenders' Agent, Project Co and BNY Trust Company of Canada, as Account Trustee.

(collectively, "**Documents**").

2. All necessary corporate action has been taken by the Region to authorize the execution and delivery of, and the performance of its obligations under, each of the Documents.

3. The Region, by its authorized signing officers, has duly authorized, executed and delivered each of the Documents.
4. Attached as Schedule "A" hereto is a true, correct and complete copy of the by-law of the Region authorizing the execution, delivery and performance by the Region of the Documents and the transactions contemplated thereby ("**Project By-law**"). The Project By-law was finally passed and enacted by the Council of the Region on March 19, 2014 in full compliance with the Municipal Act, 2001, as amended ("**Act**") at a duly called meeting at which a quorum was present. Forthwith after the passage of the Project By-law, the same was signed by the Regional Chair, being the Head of Council of the Region, and the Regional Clerk and was sealed with the seal of the Region. Attached as Schedule "B" hereto is a true, correct and complete copy of Report E-14-032/F-14-019 referred to in the Project By-law.
5. Attached as Schedule "C" hereto are true, correct and complete copies of the by-laws of the Region in respect of the Project and the RFP (the "**Authorizing By-laws**"), which Authorizing By-laws have been enacted and passed by Council of the Region in full compliance with the Act at meetings at which a quorum was present. Forthwith after passage of the Authorizing By-laws the same were signed by the Regional Chair, being the Head of Council of the Region, and by the Regional Clerk and sealed with the seal of the Municipality.
6. To the best of my personal knowledge, no application has been made or action brought to quash, set aside or declare invalid the Project By-law or the Authorizing By-laws other than as set forth in Schedule "D" hereto, nor have the same been in any way repealed, altered or amended, except insofar as some of the Authorizing By-laws may have been amended by any of the other Authorizing By-laws or the Project By-law, and the Project By-law and the Authorizing By-Laws are now in full force and effect.
7. To the extent that the public notice provisions of the Act are applicable, the Authorizing By-laws and the Project By-law have been enacted and passed by Council of the Region in full compliance with the applicable public notice provisions of the Act.
8. To the best of my personal knowledge, the Region is not now subject to any restructuring order under Part V of the Act or other statutory authority and, accordingly, no approval of the Authorizing By-laws is required to be given by any transition board or commission appointed in respect of the restructuring of the Region.
9. The Authorizing By-laws and the Project By-law, and the transactions contemplated thereby do not conflict with, or result in a breach or violation of, any statutory provisions that apply to the Region or any agreement to which the Region is a party or under which the Region or any of its property is or may be bound, or, to the best of my knowledge, violate any order, award, judgment, determination, writ, injunction or decree applicable to the Region of any regulatory, administrative or other government or public body or authority, arbitrator or court.
10. The persons whose names are set forth below are, at the date hereof, authorized signatories of the Region, duly elected or appointed to the office or offices set forth opposite their respective names and authorized pursuant to the Project By-law to execute the Documents on behalf of the Region. The signatures set forth opposite their respective names are the true signatures of those persons:

<b>Name</b>	<b>Position</b>	<b>Signature</b>
Ken Seiling	Regional Chair	_____
Mike Murray	Chief Administrative Officer	_____

Capitalized terms not otherwise defined herein shall have the meaning set forth in the Project Agreement.

This certificate is furnished solely for the benefit of the addressees and only in connection with the transactions contemplated in the Documents and may not be relied upon by any other person or used for any other purpose, nor may it be quoted in whole or in part or otherwise referred to, without the Region's prior written consent.

The within certifications are given as of the date hereof and do not take into account any circumstance that may occur after that date. The Region has no obligation or undertaking to advise any person of any matters or any change in matters which arise after the date hereof and which may affect this certificate.

DATED at the Regional Municipality of Waterloo this \_\_\_\_ day of May, 2014.

\_\_\_\_\_  
Kris Fletcher

Regional Clerk

I, Lee Ann Wetzel, Deputy Regional Clerk of the Region, do hereby certify that Kris Fletcher is the duly appointed Regional Clerk of The Region of Waterloo and that the signature of Kris Fletcher, Regional Clerk, described above is true and genuine.

\_\_\_\_\_  
Lee Ann Wetzel

Deputy Regional Clerk

**Schedule "A"**

**PROJECT BY-LAW**

By-Law Number 14-016

Schedule "B"

Report E-14-032/F-14-019



Schedule "C"

AUTHORIZING BY-LAWS

By-Law Number 11-031

By-Law Number 12-004

By-Law Number 13-006

By-Law Number 13-023

**Schedule "D"**

**LITIGATION**

1. Coalition Stop Waterloo LRT Inc. v. Waterloo (Regional Municipality), application in the Superior Court of Justice – Ontario, Court File No. C-253/14, commenced March 14, 2014 at Kitchener, Ontario.

**APPENDIX D-2**

**FORM OF CERTIFICATE OF THE TREASURER  
OF THE REGIONAL MUNICIPALITY OF WATERLOO**

**TO:** GRANDLINQ GP ("Project Co")

**AND TO:** BLAKE CASSELS & GRAYDON LLP

**AND TO:** BNY TRUST COMPANY OF CANADA

**AND TO:** FASKEN MARTINEAU DUMOULIN LLP

**RE:** Project Agreement (as amended, supplemented or modified from time to time, the "Project Agreement") dated the 6<sup>th</sup> day of May, 2014 between the Region and Project Co in respect of the design, construction, financing, operation and maintenance of the Region's Stage 1 Light Rail Project and related ancillary matters.

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**WHEREAS** the Region intends to enter into each of the following documents and Council of the Region ("**Council**") has authorized the execution and delivery of the following:

- (a) the Project Agreement;
- (b) the Lenders' Direct Agreement between the Region, Project Co and the Lenders' Agent;
- (c) a Construction Contractor's Direct Agreement between the Construction Contractor, the Construction Guarantor, Project Co and the Region;
- (d) a OM&R Direct Agreement between the OM&R Contractor, the OM&R Guarantor, Project Co and the Region;
- (e) the Custody Agreement between the Region, Project Co, BNY Trust Company of Canada, as Custodian, and the Lenders' Agent;
- (f) the Independent Certifier Agreement between the Region, Project Co and Altus Group Limited;
- (g) the Insurance Trust Agreement between the Region, Lenders' Agent, Project Co and BNY Trust Company of Canada, as Account Trustee.

(collectively, "**Documents**");

I, Craig Dyer, the Chief Financial Officer and Treasurer of the Region, DO HEREBY CERTIFY THAT:

1. The Region has received from the Ministry of Municipal Affairs and Housing its annual debt and financial obligation limit for the year 2014 ("**2014 Limit**") under Ontario Regulation 403/02 ("**Regulation**").

**The Region of Waterloo Stage 1 Light Rail Project**

2. With respect to the financial commitments, liabilities and contractual obligations of the Region pursuant to the Documents, including, without limitation, any compensation to be paid by the Region upon termination of the Project Agreement (collectively, "**Obligations**"), before Council authorized the Obligations I calculated the updated 2014 Limit in accordance with the Regulation. I thereafter determined that the estimated annual amount payable in respect of the Obligations would not cause the Region to reach or exceed the updated 2014 Limit as at the date of approval by Council of the Documents, and based on my determination, Council authorized the Documents without the approval of the Ontario Municipal Board pursuant to the Regulation.
3. As at the date hereof the Region has not reached or exceeded the 2014 Limit.
4. In updating the 2014 Limit, the estimated annual amount payable described in Section 4(2) of the Regulation was determined based on current interest rates and amortization periods that do not, in any case, exceed the lifetime of any capital works of the Region described in such section, all in accordance with generally accepted accounting principles for local governments as recommended, from time to time, by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants.

Capitalized terms not otherwise defined herein shall have the meaning set forth in the Project Agreement.

This certificate is furnished solely for the benefit of the addressees and only in connection with the transactions contemplated in the Documents and may not be relied upon by any other person or used for any other purpose, nor may it be quoted in whole or in part or otherwise referred to, without the Region's prior written consent.

The within certifications are given as of the date hereof and do not take into account any circumstance that may occur after that date. Other than pursuant to the relevant Documents, the Region has no obligation or undertaking to advise any person of any matters or any change in matters which arise after the date hereof and which may affect this certificate.

**DATED** at the Regional Municipality of Waterloo this \_\_\_\_ day of May, 2014.

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Craig Dyer  
Chief Financial Officer and Treasurer

I, Kris Fletcher, Regional Clerk of the Region, do hereby certify that Craig Dyer is the duly appointed Chief Financial Officer and Treasurer of the Region and that the signature of Craig Dyer, Chief Financial Officer and Treasurer, described above is true and genuine.

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Kris Fletcher  
Regional Clerk