

SCHEDULE 7

MOBILITY MATTERS

1. **Deductions**

- 1.1 Notwithstanding the deduction regime set out herein, as specified in Section 21.6 of the Project Agreement, Project Co shall use commercially reasonable efforts to keep open for public use the existing transit system at all times during the Construction Period in accordance with the requirements provided for in Schedule 15-2 – Design and Construction Requirements of the Output Specifications including, without limitation, Article 18 thereof – Performance Output Specifications.
- 1.2 If the Design and Construction Works associated with the particular Project Alignment Area (as specified in the table below) are not completed on or before the designated Milestone Completion Date specified in the table below such that there is, in the opinion of the Region Engineer, acting reasonably, any restriction or closure of all or any part of a lane to traffic along any segment of the Project Alignment Area (such event, a “**Closure**”), for any reason other than by reason of the occurrence of any of the events set out in paragraphs (i) to (xvi) of Section 40.1(a), Project Co shall pay to the Region without prejudice to the other rights and remedies of the Region arising as a result of a Project Co Event of Default under Section 45.1(a)(ii), an amount equal to \$22,620 per day (the “**Mobility Matters Deduction**”) to an aggregate maximum of \$11,300,830. Project Co will be liable to pay the Mobility Matters Deduction from the Milestone Completion Date until such Closure is remedied to the satisfaction of the Region Engineer, acting reasonably (provided, for greater certainty, that no claim in respect of any unpaid Mobility Matters Deductions outstanding as at the time of termination of the Project Agreement or achievement of Substantial Completion shall be extinguished as at such relevant time).
- 1.3 The sole remedy of the Region in respect of a Closure shall be the Mobility Matters Deductions.
- 1.4 The aggregate amount of monies payable by Project Co to the Region pursuant to Section 1.2 hereof shall accrue and be deducted from the Substantial Completion Payment made to Project Co.
- 1.5 Notwithstanding the provisions of Section 1.2 of this Schedule 7, Project Co and the Region agree that Project Co will complete final lift paving on (i) the Borden Avenue and Ottawa Street Loop, (ii) Charles Street – Benton Street to Ottawa Street, (iii) CN Huron Spur – Borden Street to Hayward Avenue, and (iv) MTO Provincial Highway 7/8 Conestoga Parkway Flyover Project Alignment Areas (collectively the “**2017 Lift Paving Program**”) in 2017, prior to Substantial Completion. Closures resulting from the 2017

Lift Paving Program shall not be subject to Mobility Matters Deductions from the date of the first Closure to a date that is forty five (45) days thereafter (such period, the “**Lift Paving Period**”); provided however that any Closure resulting from the 2017 Lift Paving Program that occurs outside of the Lift Paving Period shall subject Project Co to Mobility Matters Deductions, without prejudice to the other rights and remedies of the Region arising as a result of a Project Co Event of Default under Section 45.1(a)(ii). Project Co shall use commercially reasonable efforts to minimize the impacts of the 2017 Lift Paving Program. For all other purposes the provisions of Section 1.2 of this Schedule 7 are applicable.

Project Alignment Area	Milestone Completion Date
A. Conestoga Mall	September 30, 2016
B. King Street and Northfield Drive	September 30, 2016
1. MTO Provincial Highway 85 Northfield Drive Flyover	September 30, 2016
C. Uptown Waterloo Loop	
1. Erb Street/King Street to Union Street	September 30, 2016
2. Erb Street/Caroline Street and Allen Street	September 30, 2016
D. King Street at Union Street to King Street at Wellington Street	September 30, 2016
E. King Street Grade Separation – Wellington Street to Victoria Street on King Street including Waterloo Street and Duke Street	September 30, 2016
F. Street, King Street/Victoria Street and King Street/Francis Street	One Hundred Twenty (120) Calendar days and completed by September 30, 2016
G. City of Kitchener Loops	
1. Francis Street to Frederick Street on Duke Street	September 30, 2016
2. Victoria Street to Benton Street on Charles Street	September 30, 2016
3. Frederick Street and Benton Street between Duke Street and Charles Street	September 30, 2016
4. Borden Avenue and Ottawa Street	December 31, 2016
H. Charles Street – Benton Street to Ottawa Street	December 31, 2016
I. CN Huron Spur – Borden Street to Hayward Avenue	December 31, 2016
1. MTO Provincial Highway 7/8 Conestoga Parkway Flyover	December 31, 2016
J. Hayward Avenue, Courtland Avenue and Hydro One Network Inc. Corridor	December 31, 2016
K. Fairview Park Mall	December 31, 2016

<b>Project Alignment Area</b>	<b>Milestone Completion Date</b>
L. Project Alignment Construction Completion – All Design and Construction Works	No later than December 31, 2016 to provide for Project Co's Testing and Training among others and Community Education and Training by Project Co Operations and Maintenance