

SCHEDULE 14

PAYMENT SCHEDULE

1. GENERAL

1.1 Capitalized Terms

Capitalized terms used in this Schedule have the definitions as set out in the Agreement to Design, Build, Finance and Operate Evan-Thomas Water and Wastewater Treatment Facilities Upgrade, Kananaskis Country, Alberta (the “**DBFO Agreement**”) between Her Majesty the Queen in right of Alberta and the Contractor, as defined therein, unless expressed otherwise.

1.2 DBFO Agreement Reference

This Schedule is referenced in sections 1.1, 1.3, 7.1, 7.2, 7.4, 7.5, 9.2, 9.3, and 9.6 of the DBFO Agreement.

1.3 Section References

Unless otherwise provided, references to section numbers are references to sections in this Schedule.

2. ADDITIONAL DEFINITIONS

These additional capitalized terms used in this Schedule have the following definitions:

“**Operations and Maintenance Payment**” means the component of the O&M Payment that is described as the Operations and Maintenance Payment in Appendix 1, as attached and forming part of this Schedule; and

“**Payment Calculation**” means the form attached as Appendix 2 and forming part of this Schedule and referenced in Section 4.

3. PAYMENTS

In accordance with Section 4, the Province shall pay to the Contractor those payment amounts specified in Appendix 1, as attached and forming part of this Schedule.

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Due to the occurrence of a Force Majeure Event delaying the performance of any renewal work, the Renewal Payment as specified in Appendix 1, normally to be paid pursuant to this Schedule, may be postponed pursuant to section 12.1(f) of the DBFO Agreement.

**4. PAYMENT CALCULATION SUBMISSION AND RESPONSE
PROCEDURE**

4.1 Payment Calculation Submission

Not later than five Business Days before the end of each month of the Operating Period, the Contractor shall submit to the Province its Payment Calculation, in the form as is set out in Appendix 2. In its monthly Payment Calculation, the Contractor shall complete Category “A”, reporting all expected Capital Payments, Operations and Maintenance Payments and Renewal Payments for that month from Appendix 1 of this Schedule, and Category “B”, reporting all of the Payment Adjustments relating to the previous month to be applied to that month’s Payment.

4.2 Province’s Response

The Province will review the Contractor’s submitted Payment Calculation and may conduct its own audit or assessment to determine the appropriate Payment Adjustments to be applied.

Additionally, the Province will assess any holdbacks, holdback releases, set-offs, or other adjustments necessary to be applied to each month’s Payment Calculation. The Province will complete Category C and Category D of the Payment Calculation applying such holdbacks, holdback releases, set-offs, or other adjustments.

On or before making a Payment and by way of a revised and completed Payment Calculation, the Province will notify the Contractor of any changes to Category A and Category B of the Payment Calculation as originally submitted by the Contractor.

4.3 Payment Corrections

If any of the adjustments, holdbacks or set-offs are to be reversed or modified after the Province has made the Payment to the Contractor, such reversal or modification shall be included in the following month’s Payment.

APPENDIX 1

(Table 2 of Form G1 from SR 3 to RFP)

[Appendix 1 redacted]

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APPENDIX 2

“Payment Calculation” for the month of: _____ “Month M” _____

DBFO			
<i>Category A: Payment before Adjustments</i>			
Type of Payment	Payment (Constant\$)	Index Factor ⁺	Payment* (Nominal \$)
Operations and Maintenance Payment for <u>Month M</u> as per Appendix 1 of Schedule 14 (Payment Schedule)			
Renewal Payment for <u>Month M</u> as per Appendix 1 of Schedule 14 (Payment Schedule)			
Capital Payment for <u>Month M</u> as per Appendix 1 of Schedule 14 (Payment Schedule)	N/A	N/A	
Subtotal	N/A	N/A	A
<i>Category B: Performance-based and Other Adjustments</i>			
Type of Adjustment	Amount (Constant\$)	Index Factor ⁺	Amount (Nominal\$)
Payment Adjustments accrued in <u>Month M-1</u> (include descriptions)			
Special Adjustments accrued in <u>Month M-1</u> (include descriptions)			
Subtotal	N/A	N/A	B
<i>Category C: Holdbacks and Release</i>			
Type of Adjustment			Amount (Nominal\$)
Holdbacks and Release (include descriptions)			C
<i>Category D: Other Adjustments</i>			
Type of Adjustment			Amount (Nominal\$)
Miscellaneous Adjustments and Reconciliations (include descriptions)			D
Net Payable Amount			A - B - C - D

⁺To be calculated by the Province in accordance with the Schedule 10 (Index Factor).

*No Payments are subject to the goods and services tax (“GST”).

Category A: Payment Before Adjustments

The Province will review the Contractor's Payment Calculation Category A submissions before applying all adjustments by referencing Schedule 14 (Payment Schedule) and applying the Index Factor in accordance with Schedule 10 (Index Factor), where applicable.

Category B: Payment Adjustments

The Contractor shall provide not later than five Business Days prior to the end of the month, as part of its Payment Calculation, a report detailing the Payment Adjustments and other adjustments to be made to the Payment relating to the previous month. The Province will review the Contractor's Payment calculation regarding Payment Adjustments and other adjustments based on both its own records and audits of the Contractor's compliance with the Project Requirements and the O&M Requirements and on the Payment Adjustments and other adjustments.

Following the Contractor's submission of the monthly Payment Calculation, the Contractor shall report to the Province all occurrences giving rise to Payment Adjustments for such month, in its next month's Payment Calculation.

The Province will review the Contractor's Payment Calculation including the Contractor's reporting of Payment Adjustments and other adjustments and, if necessary, make modifications to those reported adjustments. Examples of such modifications include, but are not limited to, applying Payment Adjustments that were omitted or incorrectly calculated in the Payment Calculation.

Category C: Holdbacks, Holdback Release and Set-Off

Holdbacks and holdback releases will be determined by the Province according to sections 5.16 and 8.4 of the DBFO Agreement.

Any set-off by the Province pursuant to sections 9.2, 9.8, and 11.5 of the DBFO Agreement will be determined by the Province in accordance with the DBFO Agreement and may be applied against the Payment to the Contractor.

Category D: Other Adjustments

The Province will assess and apply miscellaneous adjustments and reconciliations including, but not limited to, the reversal or modification to previous adjustments, holdbacks or set-offs to the Payment to the Contractor.