

EXECUTION VERSION

30.8. 2019

RE: The City of Ottawa LRT Project (the "Project")

This letter (the "**Commitment Letter**") sets forth the commitments of Alstom Transport Canada Inc. ("**Alstom**"), and Rideau Transit Maintenance General Partnership, a general partnership established under the laws of Ontario ("**RTM**") to assume and perform the Alstom RSA Term Sheet Scope Obligations (as defined herein). Capitalized terms used in this Commitment Letter, to the extent not otherwise defined herein, shall have the meanings given in the Amended and Restated Maintenance Subcontract dated August 30, 2016 between Alstom and RTM, as amended ("**Alstom RTM Agreement**").

WHEREAS:

- A. Rideau Transit Group General Partnership ("**RTG**") and the City of Ottawa (the "**City**") intend to execute the Term Sheet regarding Revenue Service Availability (the "**RSA Term Sheet**") on or about the date hereof, a copy of which is attached hereto as Appendix "A";
- B. The RSA Term Sheet is being entered into in connection with the Project Agreement dated February 12, 2013 between RTG and the City, as amended (the "**Project Agreement**");
- C. RTG and RTM have entered into a drop-down on or about the date hereof agreed pursuant to which certain of the RTG obligations and/or liabilities under the RSA Term Sheet have been dropped-down to RTM on a back-to-back basis (collectively, the "**RTM Obligations**"); and
- D. RTM and Alstom have agreed that certain of the RTM Obligations shall be performed by Alstom.

NOW THEREFORE, in consideration of the mutual covenants and agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto covenant, promise and agree as follows:

1. ALSTOM COMMITMENTS

Alstom hereby makes the following commitments (collectively, "**Alstom's Commitment**") to RTM:

Alstom:

- i) acknowledges clauses 1 (Number of Vehicles), 2 (RSA Achieved) and 3 (Completion of Trial Running) of the RSA Term Sheet;
- ii) shall perform the following obligations (collectively, the "**Alstom RSA Term Sheet Scope Obligations**") at no additional cost to RTM:
 - (A) Alstom shall implement double car trains for weekend service based on the current service headways defined in the Project Agreement until the earlier of (i) December 31, 2019 and (ii) the date when the fifteenth double car train is being used for Peak Period service. This change will be deemed to be a Minor Service Change, and

EXECUTION VERSION

- (B) Alstom shall provide by no later than September 9, 2019 an updated execution plan to demonstrate compliance with all safety and regulatory inspections including correct reporting for all System Infrastructure: signal systems, track and special trackwork, overhead catenary systems, traction power substations, tunnel ventilation systems, fire alarm, and other safety systems;
- iii) acknowledges and agrees that the MSC Monthly Service Payment and Deduction Factors for Vehicle availability kilometre ratio will be measured against the originally scheduled kilometres for a service that uses fifteen (15) double car trains in the morning Peak Period. There shall be an exception to this measurement methodology in that System Event Deductions and corresponding Failure Points for the morning Peak Period and the daily AVKR will be measured against the currently scheduled kilometres for a service that uses thirteen (13) double cars trains in the morning Peak Period. This will be adjusted as the fourteenth and fifteenth double car trains are entered into service;
 - iv) agrees that the Alstom RSA Term Sheet Scope Obligations shall form part of the obligations of Alstom under the Alstom RTM Agreement;
 - v) agrees that Alstom's commitments hereunder are irrevocable and not subject to any financial, technical or other assumptions or caveats other than those specified herein;
 - vi) shall provide any commercially reasonable input and participation required by RTM on a timely basis to the extent there is a dispute between the Client and RTG under the RSA Term Sheet that relates to the Alstom RSA Term Sheet Scope Obligations;
 - vii) acknowledges and agrees that if RTG enters into the RSA Term Sheet, Alstom's commitment described in this Commitment Letter shall immediately become effective;
 - viii) acknowledges and agrees to negotiate, execute and deliver any documents that may be required to drop-down any Amendment (as defined in the RSA Term Sheet) to affect the terms of this Commitment Letter; and
 - i) acknowledges and agrees that Alstom will bear its own costs in connection with the Alstom RSA Term Sheet Scope Obligations.



EXECUTION VERSION

2. ASSIGNMENT

No party may assign its rights and obligations under this Commitment Letter to any third party without the prior written consent of each other party. Each of the members of RTM may assign their rights and obligations hereunder to an affiliated party with the consent of Alstom, not to be unreasonably withheld or delayed.

3. GOVERNING LAW

This Commitment Letter shall be governed by, and shall be enforced, construed and interpreted in accordance with, the laws of the Province of Ontario and the federal laws of Canada applicable therein without regard to conflict of laws principles.

4. COUNTERPARTS

This Commitment Letter may be executed in any number of counterparts and delivered by facsimile or electronic transmission, each of which shall be deemed an original and all of which together shall be deemed one and the same document.

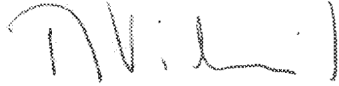
[Signature pages to follow.]

A handwritten signature in black ink, appearing to be 'S. J.', is located in the bottom right corner of the page. The signature is written in a cursive style and is positioned above a horizontal line.

IN WITNESS whereof this Agreement has been executed by the parties and delivered on the date first stated above.

RIDEAU TRANSIT MAINTENANCE GENERAL PARTNERSHIP, by its partners ACS RT MAINTENANCE PARTNER INC., PROTRANS RT MAINTENANCE PARTNER INC., and ELLISDON RT MAINTENANCE PARTNER INC.

ACS RT MAINTENANCE PARTNER INC.

By: 
Name: Ramon Villaamil
Title: Director

I have authority to bind the corporation.

PROTRANS RT MAINTENANCE PARTNER INC.

By: _____
Name:
Title:

By: _____
Name:
Title:

I/We have authority to bind the corporation.

ELLISDON RT MAINTENANCE PARTNER INC.

By: _____
Name:
Title:

By: _____
Name:
Title:

I/We have authority to bind the corporation.

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ACS RT MAINTENANCE PARTNER INC.

By: _____
Name: Ramon Villaamil
Title: Director

I have authority to bind the corporation.

PROTRANS RT MAINTENANCE PARTNER INC.

By:  _____
Name: Dale Clarke
Title: Director

By:  _____
Name: Simon Finlayson
Title: Assistant Corporate Secretary & Vice President, Legal

I/We have authority to bind the corporation.

ELLISDON RT MAINTENANCE PARTNER INC.

By: _____
Name:
Title:

By: _____
Name:
Title:

I/We have authority to bind the corporation.

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ACS RT MAINTENANCE PARTNER INC.

By: _____
Name: Ramon Villaamil
Title: Director

I have authority to bind the corporation.

PROTRANS RT MAINTENANCE PARTNER INC.

By: _____
Name:
Title:

By: _____
Name:
Title:

I/We have authority to bind the corporation.

ELLISDON RT MAINTENANCE PARTNER INC.

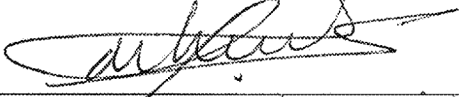
By: _____
Name: *Jim King*
Title: *Senior VP, Finance & Secretary*

By: _____
Name:
Title:

I/We have authority to bind the corporation.

EXECUTION VERSION

ALSTOM TRANSPORT CANADA INC.

By: 
Name: SOUHEIL ABIHANNA
Title: VP and Customer Dir.

By: _____
Name:
Title:

I/We have authority to bind the corporation.

EXECUTION VERSION

Appendix "A"

Term Sheet regarding Revenue Service Availability

See attached.

A handwritten signature in black ink, consisting of several loops and a horizontal line at the bottom, positioned in the bottom right corner of the page.

Term Sheet regarding Revenue Service Availability

Purpose and Background

The purpose of this term sheet dated as of August 30, 2019 (“**Term Sheet**”) is to document the agreement between the Rideau Transit Group General Partnership (“**RTG**”) and the City of Ottawa (the “**City**”) with respect to the achievement of Revenue Service Availability in relation to the Project Agreement dated February 12, 2013 between the City and RTG as the same may be amended, restated or varied from time to time (the “**Project Agreement**”).

In consideration of the mutual promises and agreements in this Term Sheet and other good and valuable consideration, the receipt and adequacy of which are acknowledged by each Party, the Parties agree as follows:

Heading	Terms
Title	Term Sheet regarding Revenue Service Availability
Parties	(1) City of Ottawa (2) Rideau Transit Group General Partnership, by its Partners ACS RTG Partner Inc., SNC RTG Partner Inc. and EllisDon RTG Partner Inc.
Binding Nature of Term Sheet/Duty of Collaboration between the Parties	The Parties intend to incorporate these terms and principles into a definitive agreement in the form of one or more Variations and/or a Project Agreement Amendment (the “ Amendment ”). This Term Sheet is intended to serve as a binding basis for the Parties to proceed with negotiation of the Amendment, and the Parties covenant to do so with diligence and acting reasonably and in good faith. It is contemplated that the Amendment will contain terms and conditions consistent with those outlined herein as well as other mutually acceptable terms and conditions customarily found in agreements of the kind contemplated by this Term Sheet including representations and warranties, covenants, and other provisions. The Parties acknowledge that this Term Sheet is an enforceable agreement which, until the execution of the Amendment, is binding on the Parties identified herein.
Definitions	Capitalized terms not defined in this Term Sheet shall have the meaning given to them in the Project Agreement.

Heading	Terms
Number of Vehicles	1. RTG will be permitted to achieve Revenue Service Availability with thirteen (13) double car trains available for use during morning Peak Period service (not the fifteen (15) double car trains identified in the Project Agreement as constituting Service Level 1). The City shall issue a formal booking notice to this effect and the change will be deemed to be a Minor Service Change.
RSA Achieved	2. The conditions of Revenue Service Availability in s. 1.559 of Schedule 1 of the Project Agreement will be modified by clause 1 above.
Completion of Trial Running	3. RTG will be permitted to successfully complete Trial Running when it achieves a target availability of 96% on 9 out of 12 days (compared to 98% as set out in RTG's Test Procedure, dated May 25, 2017) as agreed upon in RFI-266 dated May 11, 2017.
Proposed Date	4. The date by which RTG shall provide a Proposed Date pursuant to s. 26.7 of the Project Agreement shall be modified such that if RTG does not achieve RSA by September 15, 2019, it must provide a new Proposed Date by October 7, 2019.
Vehicle Technicians	5. RTG shall provide vehicle technicians onboard the trains in the TOCC, YCC and terminal stations according to the attached Schedule "A", starting no later than September 7, 2019 and ending no earlier than a minimum of thirty (30) days after the public passenger launch date.
Door Technicians	6. RTG shall, at its sole cost and expense, provide a door technician onboard each train during all service hours from the public passenger launch date and ending upon the date on which the Fleet Safety Certificate (incorporating the new SIL2 certified door software) is installed on the fleet.
Vehicle Subcontract	7. RTG's Construction Contractor, Ottawa Light Rail Transit Constructors ("OLRT-C"), shall pursue all remedies available to OLRT-C from their Vehicle subcontract attributed to deficiencies with the vehicle door software regression and reinstallation. OLRT-C will ensure that this deficiency is addressed promptly and use commercially reasonable efforts to recover the damages incurred by the City for that deficiency ("City Damages") from the Vehicle subcontractor and will pass on any amounts it recovers from any source for the City Damages to the City.

Heading	Terms
Increase in Vehicles	<p>8. RTG shall provide:</p> <ul style="list-style-type: none"> a. a timeline as to when the morning Peak Period is anticipated to increase from thirteen (13) double car trains available for use service to fifteen (15) double car trains available for use; b. a reliability growth plan to achieve a MDBF of 50,000km; and c. A reliability demonstration test, in accordance with the Trial Running Test Procedure, to demonstrate that the increase in service to the planned morning Peak Period level of fifteen (15) double car trains can be undertaken without impacting service level. <p>The provision of these items is not a condition for Revenue Service Availability.</p>
Weekend Service	<p>9. RTG shall implement double car trains for weekend service based on the current service headways defined in the Project Agreement until the earlier of (i) December 31, 2019 and (ii) the date when the fifteenth double car train is being used for Peak Period service. This change will be deemed to be a Minor Service Change.</p>
MSF Maintenance Equipment	<p>10. RTG shall provide to the City by no later than September 9, 2019 an updated execution plan for the maintenance of the MSF equipment (wheel lathe; car wash; and, other plant equipment).</p> <p>The provision of this item is not a condition for Revenue Service Availability.</p>
Safety and Regulatory Inspection	<p>11. RTG shall provide to the City by no later than September 9, 2019 an updated execution plan to demonstrate compliance with all safety and regulatory inspections including correct reporting for all System Infrastructure: signal systems, track and special trackwork, overhead catenary systems, traction power substations, tunnel ventilation systems, fire alarm, and other safety systems.</p> <p>The provision of this item is not a condition for Revenue Service Availability.</p>

Heading	Terms
Stage 2 Vehicles	<p>12. RTG shall implement the required System changes to accommodate <u>all</u> Stage 2 vehicles on Stage 1 System Infrastructure no later than December 31, 2019. RTG will accelerate the completion of Stage 2 vehicles to enable a minimum of four (4) additional Vehicles on Stage 1 System Infrastructure no later than December 31, 2019. The implementation of the System changes and delivery of the Stage 2 vehicles are not conditions for Revenue Service Availability. This commitment shall form part of RTG's obligations under Schedule 44 (Stage 2 Additional Vehicles) of the Project Agreement and shall be subject to the terms of Schedule 44, including without limitation Section 2.8 therein.</p>
Increased Monitoring	<p>13. RTG shall pay the reasonable costs of increased monitoring to the City in accordance with section 21.2(a) of the Project Agreement. For further clarity, the costs that RTG has agreed to pay are those billed and to be billed by STV and STV subcontractors in relation to ongoing vehicle/maintenance monitoring and Deloitte in relation to IMIRS monitoring, both prior to and following the achievement of Revenue Service Availability. RTG shall be provided with the invoices received by the City from STV and Deloitte, for review. The amount of reasonable costs of the City's monitoring inspection team funded by RTG shall not exceed \$2,000,000. City reserves all of its rights and remedies in respect of future additional monitoring costs that may arise pursuant to section 21.2(a) in respect of any increased monitoring that is unrelated to the achievement of Revenue Service Availability or the subject matter of this Term Sheet.</p>
Monthly Service Payments	<p>14. The Monthly Service Payment and Deduction Factors for Vehicle availability kilometre ratio will be measured against the originally scheduled kilometres for a service that uses fifteen (15) double car trains in the morning Peak Period.</p> <p>There shall be an exception to this measurement methodology in that System Event Deductions and corresponding Failure Points for the morning Peak Period and the daily AVKR will be measured against the currently scheduled kilometres for a service that uses thirteen (13) double cars trains in the morning Peak Period. This will be adjusted as the fourteenth and fifteenth double car trains are entered into service.</p>

Heading	Terms
Set-Off - Vehicles	<p>15. The City shall set off \$16,000,000.00 from the Revenue Service Availability Payment for the fourteenth and fifteenth double car trains that will not be delivered at Revenue Service Availability. The City will release the set off as follows:</p> <ul style="list-style-type: none"> a. 50% (\$8,000,000) shall be released after the fourteenth double car train is available for use in Peak Period service; and b. 50% (\$8,000,000) shall be released after the fifteenth double car train is available for use in Peak Period service.
Set Off – Vehicle Doors	<p>16. The City shall set off \$2,000,000.00 from the Revenue Service Availability Payment until such time that the final Vehicle Door operating software (Rev X) is SIL2 Safety Certified and the Fleet Safety Certificate issued, and the software is installed on the fleet, upon which the set off shall be released. The City shall provide RTG with reasonable access to the vehicles to enable RTG to install the software, which access shall be granted by the City no later than two weeks after RTG has confirmed the availability of the software to the City.</p>
Set Off – PACIS Software	<p>17. The City shall set off \$2,000,000.00 from the Revenue Service Availability Payment until such time that the PACIS software, which for certainty includes the passenger platform door view in the driver cabs, is functioning fleet wide in accordance with its design and intended use to the City's satisfaction, upon which the set off shall be released. RTG shall, at its sole cost and expense, fund any alternate operational support plans, if required by the City, to mitigate any issues with the functionality of the PACIS software.</p>

Heading	Terms
Reservation of Rights	<p>18. For certainty, RTG reserves all of its rights and remedies under the Project Agreement and at law, except as addressed herein, including without limitation its right to contest any such set offs from the Revenue Service Availability Payment and seek any appropriate remedy under Schedule 27 of the PA, except in relation to the set offs described in paragraphs 15, 16 and 17 above.</p> <p>The City also reserves all of its rights and remedies under the Project Agreement and at law, except as addressed herein, including, but not limited to, set offs for Mobility Matters, land costs and Liquidated Damages. Set offs in relation to increased monitoring costs under section 21.2(a) of the Project Agreement in respect of the achievement of Revenue Service Availability and the subject matter of this Term Sheet shall be dealt with in accordance with paragraph 13 above.</p>
Disputes	<p>19. This agreement is without prejudice to any claims or Disputes that the City or Project Co has or may have against the other party under the Project Agreement or the Substantial Completion Agreement, including, without limitation, the Notices of Dispute previously delivered by Project Co and any claims related to Liquidated Damages or Mobility Matters Deductions under the Project Agreement.</p>

IN WITNESS WHEREOF the Parties have executed this Term Sheet as of the date first above written.

CITY OF OTTAWA

Per: _____
Name:
Title:

RIDEAU TRANSIT GROUP GENERAL PARTNERSHIP, by its partners, ACS RTG PARTNER INC., SNC RTG PARTNER INC. and ELLISDON RTG PARTNER INC.

ACS RTG PARTNER INC.

Per: _____
Name:
Title:

I have authority to bind the corporation.

SNC RTG PARTNER INC.

Per: _____
Name:
Title:

Per: _____
Name:
Title:

I/We have authority to bind the corporation.

ELLISDON RTG PARTNER INC.

Per: _____
Name:
Title:

I have authority to bind the corporation.

Time	Number of MVTs																																		
	Monday					Tuesday					Wednesday					Thursday					Friday					Saturday					Sunday				
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