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*Via E-mail*

**DATE:** 15 January 2018

**Letter Reference:** OLRT-THALES-0814

**Ref. Subcontract No. 507528-P002 for the Supply of Automatic Train Control Systems  
 Subcontracted Works for the Ottawa Light Rail Transit Project (“Subcontract”)**

**Reference:** OLR-THA-00542, Acceleration, 5 January 2018  
 OLRT-THALES-0807, Acceleration Proposal, 12 December 2017

**Subject:** Acceleration Direction

Frank,

Thank you for OLRT authorization to proceed with the schedule acceleration provisions defined within Thales’s Acceleration proposal OLRT-THALES-807 dated 12 December 2017.

Thales would like to thank OLRT for the cooperative and productive meetings held January 4th and 9th in Ottawa where the CBTC test & commissioning constraints known to Thales at this time were explained and Thales acceleration schedule inputs to be integrated into OLRT’s integrated master schedule were reviewed.

OLRT has expressed a desire to proceed with a Variation Order to our Subcontract under different commercial terms than proposed by Thales in its referenced proposal. In order to avoid any delay due to this agreement that might jeopardize the acceleration efforts, Thales is requesting an initial downpayment of \$ [REDACTED] Cdn \$ to commence Thales acceleration activities.

Should commercial settlement not be reached by 10 February 2018, Thales reserves the right to suspend its additional effort related to acceleration and claim for any additional costs incurred beyond the initial downpayment funding amount.

OLRT is reminded that as the Prime and System Integrator, it is responsible for the development of the overall integrated master schedule to derive a reasonable Revenue Service outlook prediction. Thales expects OLRT to integrate the CBTC test and commissioning tasks and logic as provided by Thales into their master schedule with OLRT infrastructure and subsystem dependencies that will impact CBTC test and commissioning.



Please provide OLRT written acceptance of the above conditions.

Sincerely,

A handwritten signature in black ink, appearing to read "MBurns".

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