

**SCHEDULE 8**

**PAYMENTS**

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**APPENDIX 8 A FUNCTIONAL UNITS, UNIT DEDUCTION AMOUNTS, RECTIFICATION PERIODS AND LINKED UNITS**

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**APPENDIX 8 E RELOCATABLE CLASSROOM PAYMENT SCHEDULE**

**SCHEDULE 8****PAYMENTS****1. CALCULATION OF SERVICE PAYMENTS****1.1 Service Payments After Service Commencement**

From and after the first day following the Service Commencement Date, the Authority will pay Project Co in respect of each Payment Period a Service Payment calculated as follows:

**[NTD: Amounts to be imported from the Financial Model at Financial Close.]**

- (a) the Capital Payment for that Payment Period in an amount equal to **[\$▼]** as set out in Appendix 8B [Service Payments] which amount will not be Index Linked; plus
- (b) the Life Cycle Payment for that Payment Period in the amount set out in Appendix 8B [Service Payments] which amount will be Index Linked; plus
- (c) the Facility Maintenance Payment for that Payment Period in an amount equal to **[\$▼]** as set out in Appendix 8B [Service Payments] which amount will be Index Linked; plus
- (d) the direct costs incurred by Project Co for snow and ice removal and control in accordance with Section 2.16 (Snow and Ice Removal and Control) of Appendix 4C [FM Services] to Schedule 4 [Services Protocols and Specifications]; minus
- (e) the aggregate of Deductions for that Payment Period, subject to Section 2.1,

provided that:

- (f) if the first Payment Period commencing on the first day following the Service Commencement Date is less than a full calendar month, the Service Payment will be reduced by the same proportion that the first Payment Period is less than the total number of days in the calendar month in which Service Commencement occurs;
- (g) if the last Payment Period of the Term is less than a full calendar month, the Service Payment will be reduced by the same proportion that the last Payment Period is less than the total number of days in the calendar month in which the final day of the Term occurs; and
- (h) the Service Commencement Date and the date Service Payments commence will not be earlier than the Target Service Commencement Date notwithstanding Project Co achieving Service Commencement earlier than such date.

Project Co acknowledges and agrees that the Payment Periods identified in the table in Appendix 8B [Service Payments] assume that Service Commencement will be achieved by the Target Service Commencement Date and the Payment Periods are expressed numerically in terms of the Payment

Periods starting from the Target Service Commencement Date. If Service Commencement is achieved after the Target Service Commencement Date, then the first Service Payment will be for the relevant Payment Period, or prorated portion thereof, indicated for the time after the Target Service Commencement Date, and Project Co will not be entitled to any Service Payment for Payment Periods, or prorated portions thereof, between the Target Service Commencement Date and the Service Commencement Date except as stipulated in Section 1.2 of this Schedule 8 [Payments].

## 1.2 Service Payments from Earliest School Service Commencement Date to Service Commencement

For the period between the earliest School Service Commencement Date and the Service Commencement Date, Service Payments will be calculated in accordance with Section 1.1 of this Schedule 8, except:

- (a) the amount of the Capital Payment for the Payment Period will be reduced pro rata to reflect the Initial Capacity of the Schools that have been delivered as a proportion of Total Initial Capacity ("**Adjusted Capital Payment**"), less a further 50% of the Adjusted Capital Payment;
- (b) the amount of the Life Cycle Payment for the Payment Period will be reduced pro rata to reflect the Gross Floor Area of each of the Schools that have been delivered as a proportion of the Gross Floor Area of all of the Schools ("**Adjusted Life Cycle Payment**"); and
- (c) the amount of the Facility Maintenance Payment for the Payment Period will be reduced pro rata to reflect the Gross Floor Area of each of the Schools that have been delivered as a proportion of the Gross Floor Area of all of the Schools ("**Adjusted Facility Maintenance Payment**").

## 2. DEDUCTIONS FROM SERVICE PAYMENTS

### 2.1 Entitlement to Make Deductions

If at any time after the earliest School Service Commencement Date an Unavailability Event or a Service Failure occurs, the Authority will be entitled to make Deductions in accordance with this Schedule 8 (including Section 2.9 of this Schedule 8) in respect of that Unavailability Event or Service Failure (and, for greater certainty, in respect of all other Unavailability Events and Service Failures) from the Service Payment for the relevant Payment Period, except that:

- (a) the aggregate of all Deductions that the Authority may make may not exceed the amount of the Service Payment in respect of a Payment Period; and
- (b) to the extent that an Unavailability Event or a Service Failure is the result of an Excusing Event or a Compensation Event, the Authority will not be entitled to make Deductions.

## 2.2 Classification of Event

The classification of an Event as a Service Failure or an Unavailability Event, and the class of Service Failure (e.g., Low, Medium or High), will be made at the time at which the occurrence of the Event is reported to the Help Desk or otherwise reported to Project Co. If an Event which results in an immediate Service Failure Deduction (because there is no applicable Response Time or Rectification Period) can properly be classified as both a Service Failure and an Unavailability Event at the time it is reported, it will be classified as the Event that has the highest potential Deduction applicable to it. An Event which is incorrectly classified may be re-classified only with the approval of the Authority, such approval not to be unreasonably withheld. If such an Event is re-classified, the appropriate Deduction (if applicable) will be made and any Deduction incorrectly applied will be withdrawn.

## 2.3 Service Failure Becoming Unavailability Event

A Service Failure may become or lead to an Unavailability Event if circumstances change or the Service Failure continues. In such a circumstance, when the Functional Unit becomes Unavailable, the Service Failure will have ended (without prejudice to the Service Failure Deductions that have accrued to that point) and an Unavailability Event will have occurred.

## 2.4 Total Unavailability

When Total Unavailability occurs in a School, there will be deemed to be an Unavailability Event for each Functional Unit in the School that otherwise met the Availability Condition at that time and all such Functional Units will continue to be deemed to be Unavailable until Total Unavailability in the School no longer occurs.

## 2.5 Deductions for Unavailability Events

Subject to Sections 2.1, 2.9 and 2.12 of this Schedule, the Deduction in respect of each Unavailability Event will be the greater of:

- (a) \$100, Index Linked; and
- (b) subject to Section 2.6 of this Schedule, the aggregate of the Unit Deduction Amounts for all Functional Units made Unavailable as a result of the Unavailability Event.

In the case of elevator functionality leading to an Unavailability Event, the Deduction will be 25% of the aggregate of the Unit Deduction Amounts for all Functional Units above the ground floor of either the public or Catholic portion of the affected School as the case may be.

Unit Deduction Amounts are as defined in Schedule 1 [Definitions and Interpretation].

## 2.6 Unavailable But Used

If any Functional Unit is Unavailable (including, for greater certainty, Functional Units that are deemed Unavailable under Section 2.4 of this Schedule) but the Authority continues to use it or a Linked Unit for the intended use or purpose of that Functional Unit or Linked Unit, for the purposes of Section 2.5(b) of

this Schedule the Unit Deduction Amount applicable to an Unavailability Deduction for such Functional Unit and Linked Unit will be multiplied by 50%.

## 2.7 Deductions for Service Failures

Subject to Sections 2.1 and 2.15 of this Schedule, the amount of the Deduction in respect of a Service Failure will be as follows:

- (a) for a High Service Failure, the sum of \$3000, Index Linked;
- (b) for a Medium Service Failure, the sum of \$1000, Index Linked; and
- (c) for a Low Service Failure, the sum of \$100, Index Linked.

## 2.8 Response Time

If an Event occurs and a Response Time is indicated in Schedule 4 [Services Protocols and Specifications], in addition to any other Deduction arising from such Event, if Project Co does not respond as required under this Agreement within the applicable Response Time:

- (a) a Low Service Failure will be deemed to have occurred; and
- (b) unless otherwise specified in Schedule 4 [Services Protocols and Specifications], a new Response Time will start and the provisions of this Section 2.8 will again apply and will continue to apply with repeated Low Service Failures until Project Co responds as required under this Agreement.

Nothing in this Section 2.8 will limit any other Deductions in respect of the same Event or the occurrence of, and Deductions in respect of, additional Events that occur within a Response Time period.

## 2.9 Rectification Periods

If an Event occurs:

- (a) in the case of an Unavailability Event related to in the Parking Facilities, if Project Co:
  - (1) Rectifies the Unavailability Event within 6 hours, then no Deduction will be made for such Unavailability Event;
  - (2) does not Rectify the Unavailability Event, a Deduction of \$20, Index Linked, for each Unavailable parking stall within the Parking Facilities will be made:
    - (A) for each two hour period during the hours of 7am to 5pm on Business Days that such parking stall remains Unavailable until Project Co Rectifies the Event; and
    - (B) at all other times, for each day that such parking stall remains Unavailable until Project Co Rectifies the Event;

- (b) in the case of a Service Failure for which there is no Rectification Period, the Authority will make the applicable Service Failure Deduction;
- (c) in the case of an Unavailability Event, other than a deemed Unavailability Event due to Total Unavailability, if Project Co Rectifies the Unavailability Event within the Rectification Period, then no Deduction will be made for such Unavailability Event;
- (d) in the case of a deemed Unavailability Event due to Total Unavailability, the Authority will make the applicable Unavailability Deduction; and
- (e) in any case and in addition to the foregoing, if Project Co does not Rectify the Event (which in the case of deemed Unavailability Events due to Total Unavailability means that Total Unavailability, as applicable, no longer occurs), including any Service Failure for which there is a Rectification Period, within the Rectification Period:
  - (1) the applicable Deduction will be made for the Event; and
  - (2) a new Event (which in the case of a Service Failure will be of the same category as the original Service Failure unless otherwise specified in Schedule 4 [Service Protocols and Specifications]) will be deemed to occur at the end of such Rectification Period and the provisions of this Section 2.9 will again apply and will continue to apply with repeated Deductions until Project Co Rectifies the Event.

Nothing in this Section 2.9 will limit any other Deductions in respect of the same Event or the occurrence of, and Deductions in respect of, additional Events that occur within a Rectification Period.

### 2.10 Multiple Events

If the root cause of a series of Events is substantially the same, whether or not Project Co Rectifies any or all of the Events within the applicable Rectification Period, there will be deemed to be a Medium Service Failure on the occurrence of any of the following:

- (a) the third such Event in a day and on the occurrence of each subsequent such Event in that day; and
- (b) the fourth such Event in a rolling consecutive seven day period and on the occurrence of each subsequent such Event in that seven day period.

### 2.11 Temporary Repairs

If Project Co is unable to Rectify an Unavailability Event within the applicable Rectification Period due to the need for specialized materials or personnel that are not required by this Agreement to be immediately available at the applicable School and are not, and cannot reasonably be expected to be, available at such School, then:

- (a) Project Co may provide the Authority with a proposal (the “**Temporary Repair Proposal**”) for:

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- (1) a Temporary Repair;
  - (2) a temporary modification to the Availability Condition for the relevant Functional Unit until the Permanent Repair is completed (the “**Temporary Availability Condition**”);
  - (3) the Permanent Repair; and
  - (4) the period within which to complete the Permanent Repair (the “**Permanent Repair Deadline**”);
- (b) the Authority may in its discretion but without unreasonable delay, consider the Temporary Repair Proposal, and Project Co will not carry out the Temporary Repair until the Temporary Repair Proposal is accepted by the Authority;
- (c) if the Authority accepts the Temporary Repair Proposal, Project Co will carry out the Temporary Repair in accordance with the Temporary Repair Proposal;
- (d) if the Temporary Repair is completed in accordance with the Temporary Repair Proposal, the Availability Condition for the relevant Functional Unit will be modified to be the Temporary Availability Condition until the Permanent Repair Deadline;
- (e) if the Permanent Repair is not completed by the Permanent Repair Deadline:
- (1) the Temporary Availability Condition will cease to be the Availability Condition and the Authority may make all applicable Unavailability Deductions with effect from the Permanent Repair Deadline; and
  - (2) Project Co may revise the Temporary Repair Proposal and resubmit such proposal to the Authority as a new Temporary Repair Proposal pursuant to Section 2.11(b) of this Schedule; and
- (f) except with respect to the applicable modification of the Availability Condition, nothing in this Section 2.11 will limit the Authority’s entitlement to Deductions within the applicable Rectification Periods.

## 2.12 Compliance with Laws and Good Industry Practice

When carrying out Rectification, or works of Temporary Repair pursuant to Section 2.11 of this Schedule, Project Co will at all times act in accordance with Laws and Good Industry Practice. If in doing so Project Co breaches Law, there will be deemed to be a new additional High Service Failure. If in doing so Project Co breaches Good Industry Practice, but does not also breach Laws, there will be deemed to be a new additional Low Service Failure.



**2.13 Deficiency Correction Period - Unavailability**

During the 28 day period beginning on the School Service Commencement Date for each School, the amount of any Unavailability Deductions for Unavailability Events for such School directly caused by Deficiencies will be reduced by 100%. This Section 2.13 does not give any relief in respect of any Service Failure Deductions.

**2.14 Service Failure Related Solely to Unavailability**

No Service Failure Deduction will be made if the Service Failure to which it relates arises solely as a result of the Unavailability of the Functional Unit in which the Service was to be provided. If any Functional Unit is Unavailable but the Authority continues to use it for the intended use or purpose of that Functional Unit, the Authority will, subject to Section 2.3 of this Schedule, deduct the full amount of any Service Failure Deductions that apply to the Services in the applicable Functional Unit.

**2.15 Transition Periods - Service Failures**

In respect of each Service, there will be a period of 90 days (the “**New Service Provider Transition Period**”) for Transition beginning on each New Service Provider Start Date. During each New Service Provider Transition Period the following provisions will apply:

- (a) during the first 30 days of the New Service Provider Transition Period, the amount of any Service Failure Deductions will be reduced by 75%;
- (b) during the next 30 days of the New Service Provider Transition Period, the amount of any Service Failure Deductions will be reduced by 50%; and
- (c) during the final 30 days of the New Service Provider Transition Period, the amount of any Service Failure Deductions will be reduced by 25%.

This Section 2.15 will not give any relief during any period of Transition in respect of Unavailability Deductions.

**3. TEMPORARY ALTERNATIVE ACCOMMODATION****3.1 Project Co Option to Provide**

If an Unavailability Event occurs Project Co may offer the Authority Temporary Alternative Accommodation by notice (the “**Temporary Alternative Accommodation Notice**”) to the Authority within 7 days from the commencement of the applicable Event.

**3.2 Requirements**

The Temporary Alternative Accommodation must:

- (a) comply with the Availability Condition for the Functional Units affected by the Unavailability Event for which Temporary Alternative Accommodation is offered;

- (b) be a temporary alternative having regard to the facts and the circumstances in existence;
- (c) be upon terms which are not materially different from the terms upon which the Authority occupied the affected Functional Unit;
- (d) unless the Authority otherwise agrees, be accommodation that Project Co is not already obligated to provide to the Authority;
- (e) be supplied with the Services to the standards set out in Schedule 4 [Services Protocols and Specifications] which Project Co would under normal circumstances be providing within the Unavailable Functional Unit;
- (f) not involve the Authority incurring any additional cost or charges in respect of the Temporary Alternative Accommodation including the reasonable costs of any relocation to and from the Temporary Alternative Accommodation; and
- (g) be in reasonable proximity to the School, be reasonably accessible by public and private transport and have adequate parking.

### 3.3 Notice Requirements

The Temporary Alternative Accommodation Notice must:

- (a) describe the Temporary Alternative Accommodation;
- (b) invite the Authority to inspect the Temporary Alternative Accommodation and give the Authority reasonable notice of a time and a date when it may do so;
- (c) set out Project Co's proposals regarding the timing and co-ordination of relocation to the Temporary Alternative Accommodation;
- (d) specify the date (which must be agreed by the Authority before the submission of the written notice) by which Project Co reasonably expects the Authority to be able to relocate back to the applicable Functional Unit (the "**Return Date**"); and
- (e) describe the terms upon which the Authority will be entitled to occupy such Temporary Alternative Accommodation including the proposed division of such accommodation into Functional Units and the weighting to be attributed to them for the purposes of the operation of this Schedule.

### 3.4 Acceptance by Authority

If it wishes to inspect the Temporary Alternative Accommodation the Authority will do so within 7 days of receipt of the Temporary Alternative Accommodation Notice. The Authority will notify Project Co in writing of its acceptance or refusal of the proposed Temporary Alternative Accommodation within 24 hours of its inspection or, if the Authority has elected not to inspect, within 7 days of receipt of the Temporary Alternative Accommodation Notice. The Authority may in its discretion refuse or accept any proposed

Temporary Alternative Accommodation that does not meet the requirements of Section 3.2 of this Schedule and in all other cases will act reasonably when deciding to accept or refuse any proposed Temporary Alternative Accommodation.

### **3.5 Effect of Acceptance**

If the Authority accepts the offer of Temporary Alternative Accommodation:

- (a) which is not within the School then, without affecting the Authority's remedial rights under Section 11 of this Agreement, the Authority will not be entitled to vacate the Temporary Alternative Accommodation until the earlier of the Return Date and the date on which the Authority is entitled and able to return to and use the Functional Unit in accordance with the agreed program for return and re-commissioning referred to in Section 3.8 of this Schedule; and
- (b) which is within the School and the Authority subsequently needs such Temporary Alternative Accommodation in connection with needs that were not anticipated at the time the Authority agreed to occupy the space, then the Authority will be entitled to vacate the Temporary Alternative Accommodation.

### **3.6 Additional Authority Costs**

Project Co will pay for any additional reasonable and direct costs and expenses incurred by the Authority in respect of Temporary Alternative Accommodation, including reasonable relocation costs to and from the Temporary Alternative Accommodation.

### **3.7 Deduction**

If the Authority accepts Project Co's offer of Temporary Alternative Accommodation, no further Deductions will be made in respect of a Functional Unit vacated by the Authority while the Temporary Alternative Accommodation replacing that Functional Unit is being used by the Authority. The Authority will be entitled to make Deductions in respect of any Service Failure or Unavailability Event which occurs in the Temporary Alternative Accommodation as if the Temporary Alternative Accommodation was the Functional Unit which it replaced and any Deduction in respect of an Unavailability Event will be calculated using the Unit Deduction Amounts attributed to such Functional Unit.

### **3.8 Return to Functional Unit**

When Project Co has completed the required works to enable the Authority to return to the Functional Unit the Authority will confirm that the Availability Condition is met for the Functional Unit and the Authority and Project Co will agree to a relocation program to return to the Functional Unit and any necessary period for re-commissioning.

### **3.9 Failure to Complete Works**

If the Authority has accepted the proposed Temporary Alternative Accommodation and Project Co fails to complete the works to enable the Authority to return to the relevant Functional Unit on the Return Date:

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- (a) the Temporary Alternative Accommodation will be deemed to be Unavailable with effect from the Return Date until the date on which the Unavailability Event has been Rectified and the Authority is able to resume its use of the Functional Unit; and
- (b) the Authority may, in its absolute discretion, vacate the Temporary Alternative Accommodation at any time after the Return Date or remain in occupation, and in the latter circumstance a 50% reduction will apply with respect to the Unavailability Deduction.

### 3.10 Long Stop Return Date

The Authority will specify a date (the “**Long Stop Return Date**”), being a date no earlier than 30 days after the Return Date, by which the Rectification must be completed and if Project Co fails to complete the Rectification of the Functional Unit for which the Temporary Alternative Accommodation is a replacement by the Long Stop Return Date:

- (a) the Authority may (without prejudice to its rights under Section 12 (Project Co Events of Default) or any other express rights of the Authority under this Agreement) take such steps as it considers to be appropriate (either itself or by engaging others to take such steps) to restore the Functional Unit to a condition that satisfies in all respects the requirements of Schedule 4 [Services Protocols and Specifications]; and
- (b) Project Co will reimburse the Authority for all reasonable direct costs and expenses incurred by the Authority in relation to taking the steps, or engaging others to take the steps, referred to in Section 3.10(a) and the Authority will be entitled to deduct any such amount from any amounts payable to Project Co under this Agreement.

## 4. REVIEW OF FUNCTIONAL UNITS, DEDUCTIONS, ETC.

### 4.1 Initiation of Review

The identification of Functional Units, Linked Units, Performance Indicators, Response Times, Rectification Periods, Unit Deduction Amounts and the amount of Deductions for each category of Service Failure and for Unavailability Events will be reviewed by the Authority and Project Co at any time if requested by either party but in any event will be reviewed at the following times, unless otherwise agreed by the parties:

- (a) at such time as the Design Development Phase as set out in Section 4.2(b)(2) of Schedule 2 [Design and Construction Protocols] has been completed in all material respects;
- (b) in the circumstances referred to in Section 4.3 of Schedule 6 [Changes, Minor Works and Innovation Proposals];
- (c) following the School Service Commencement Date for each School; and

- (d) at least once in every Contract Year following the first anniversary of the Service Commencement Date for the purposes of the following Contract Year.

For clarity, Relocatable Classrooms including Initial Relocatable Classrooms will be included in the review. The Authority and Project Co will act reasonably and diligently in carrying out the review, which will not exceed 30 days without the agreement of both parties. For the avoidance of doubt, the parties intend that any changes made as a result of such a review will not alter the overall risk profile of the relevant Service or the likely magnitude of Deductions. If proposed changes would result in any such alteration, the matter will be deemed to be a Change subject to the provisions of Schedule 6 [Changes, Minor Works and Innovation Proposals].

#### **4.2 Results of Review**

The Authority and Project Co may, in respect of each matter that is the subject of the review, either:

- (a) agree that the status of the relevant matter will continue to apply unchanged for the following Contract Year; or
- (b) agree to adjustments to the relevant matter to take effect in the following Contract Year.

If the parties do not agree within 30 days after completion of the review, either party may refer the matter to the Dispute Resolution Procedure. No change will be made with respect to a matter under review until agreed or until determined under the Dispute Resolution Procedure. For the avoidance of doubt, if the changes that are agreed or determined under the Dispute Resolution Procedure alter the overall risk profile of the relevant Service, the matter will be deemed a Change subject to the provisions of Schedule 6 [Changes, Minor Works and Innovation Proposals].

#### **4.3 Effective Time of Adjustments**

Any adjustment pursuant to a review will be effective from the commencement of the relevant Contract Year for which the adjustment is to take effect under Section 4.2 of this Schedule.

#### **4.4 Result of Change, Minor Works or Innovation Proposal**

As set out in Section 4.3 of Schedule 6 [Changes, Minor Works and Innovation Proposals] the parties will review and agree any changes to Appendix 8A [Functional Units, Unit Deduction Amounts, Rectification Periods] that are needed as the result of a Change, Minor Works or an Innovation Proposal.

### **5. FAILURE BY PROJECT CO TO MONITOR OR REPORT**

#### **5.1 Performance Monitoring Report**

The Performance Monitoring Report produced by Project Co for any Payment Period will be the initial source of the information regarding the performance of the Services for the relevant Payment Period for the purposes of calculating the relevant Deductions.

**5.2 Failure to Monitor or Report**

If Project Co fails to monitor or accurately report an Event, a Service Failure or an Unavailability Event:

- (a) such failure will be deemed to be a new Low Service Failure for each Event that has been misreported. The relevant Deduction for the new Low Service Failure will be made in addition to the Deductions that would have been made had there been no failure to monitor or report;
- (b) the Authority will be entitled to make Deductions in respect of any Service Failures or Unavailability Events in the manner prescribed in this Schedule 8 and the Performance Monitoring Report(s) and invoice(s) with respect to all Payment Periods affected by such failure will be restated to include any such Deductions; and
- (c) Project Co will forthwith pay to the Authority the amount, if any, by which the amount paid to it for the affected Payment Periods exceeds the amount in the restated invoices for such Payment Periods.

**5.3 Misconduct**

If the Authority's inspection or investigation of records reveals, on the part of Project Co or a Project Co Person:

- (a) fraudulent action or inaction;
- (b) deliberate misrepresentation; or
- (c) gross misconduct or incompetence,

then a new High Service Failure will be deemed to have occurred for each Event that has been misreported. The relevant Deduction for the new High Service Failure will be made in addition to the Deductions that would have been made had there been no misreporting.

**5.4 No Prejudice to Other Rights**

The provisions of this Section 5 are without prejudice to any rights of the Authority in this Agreement, including pursuant to Section 5 (Performance Monitoring and Reporting) of Schedule 4 [Services Protocols and Specifications] and Section 12.1 (Project Co Events of Default) of this Agreement.

**6. GENERAL PAYMENT PROVISIONS****6.1 Invoicing and Payment Arrangements**

With respect to invoicing and payment the following will apply;

- (a) all Service Payments will be payable in advance for each Payment Period;

- 
- (b) a minimum of 12 days prior to each Payment Period, Project Co will provide the Authority with an invoice in a form agreed by the parties, acting reasonably, which will include as a minimum:
- (1) the estimated Service Payment for the applicable Payment Period;
  - (2) any adjustments to a previous Payment Period, as set out in the applicable Payment Adjustment Report;
  - (3) any amount owing to the Authority under this Agreement;
  - (4) any amount owing to Project Co under this Agreement;
  - (5) the amount of applicable PST;
  - (6) the amount of applicable GST calculated in accordance with Section 6.2 of this Schedule;
  - (7) Project Co's GST registration number; and
  - (8) the net amount owing by the Authority to Project Co, or by Project Co to the Authority, as applicable;
- (c) the Authority will:
- (1) review each invoice submitted in accordance with this Section 6.1 within 7 days;
  - (2) pay the amount approved by the Authority on the later of the first day of the Payment Period or the 10<sup>th</sup> Business Day after receipt of the invoice; and
  - (3) concurrently advise Project Co of any amounts the Authority has not approved and the reasons for non-approval;
- (d) Project Co:
- (1) will, after discussion and agreement with the Authority, clarify and resubmit an invoice for any amounts not approved by the Authority in any previously submitted invoice and the Authority will pay such agreed amounts in accordance section 6.1(c)(2); and
  - (2) may refer for resolution pursuant to the Dispute Resolution Procedure the amount of any invoice it has not agreed with the Authority;
- (e) the Authority will not be obligated to make any payment unless all conditions of payment in this Agreement have been satisfied;
- (f) within 10 days following the end of each Payment Period, Project Co will submit to the Authority:

- (1) a Performance Monitoring Report for that Payment Period; and
  - (2) a report (a "**Payment Adjustment Report**") setting out any adjustments, including Deductions, to the Service Payment for that Payment Period, and the amount of over-payment or under-payment from the amount paid previously by the Authority for that Payment Period;
- (g) Project Co will include with each invoice and Payment Adjustment Report such supporting documentation as is reasonably required to substantiate and confirm the invoiced amounts and amounts set out in each Payment Adjustment Report;
- (h) for the final 3 Payment Periods of the Term, the Authority may withhold from payment a reasonable amount for possible adjustments to the Service Payments, and within 30 days after the expiry of the Term Project Co will provide the Authority with a final invoice setting out Project Co's calculations to reconcile any over-payments or under-payments and the Authority or Project Co, as applicable, will promptly pay the amount properly due and payable to the other party; and
- (i) no payment will be construed as an acceptance or approval of incomplete, defective or improper Design, Construction, Services or any other matter provided by Project Co which is not in conformance with the requirements of this Agreement, and will not operate to relieve Project Co from any of its obligations under this Agreement.

## 6.2 GST

All amounts specified in this Agreement are expressed exclusive of GST but inclusive of all other Taxes.

Project Co will include in each invoice for a Service Payment:

- (a) for the Payment Period immediately following the month in which Service Commencement is achieved, the GST payable by the Authority on the Cost To Date of the Facility as at the Service Commencement Date, less the GST that has already been paid by the Authority on that portion of the Cost To Date as at the Service Commencement Date pursuant to this Schedule; and
- (b) for any other Payment Period, the GST payable by the Authority on the Service Payment, excluding any portion of any such payment relating to costs in respect of which the Authority has already paid GST pursuant to Section 6.2(a) of this Schedule.

## 7. CONSTRUCTION PERIOD FUNDING

The Authority will make payments to Project Co during the Construction Period in accordance with Appendix 8C [Construction Period Funding].



**8. RELOCATABLE CLASSROOM PAYMENTS**

Relocatable Classroom Payments will be made to Project Co by the Authority in accordance with Appendix 8D [Relocatable Classroom Payments].

## APPENDIX 8 A

FUNCTIONAL UNITS, UNIT DEDUCTION AMOUNTS, RECTIFICATION PERIODS AND LINKED  
UNITS

<b>Room Ranking</b>	<b>Rectification Period</b>	<b>Deduction per Rectification Period</b>
1	12 hours	\$300
2	24 hours	\$160
3	48 hours	\$80

**APPENDIX 8 B**

**SERVICE PAYMENTS**

[NTD: To be completed upon rate set.]

**APPENDIX 8 C****CONSTRUCTION PERIOD FUNDING****1. PAYMENT****1.1 Percentage Completion of Project**

For the purposes of this Appendix 8C [Construction Period Funding], Project Co shall be considered to have completed a particular percentage of the Project when the Independent Certifier has certified in writing to the Authority, having regard to the following, that such percentage of the Project has been completed:

- (a) subject to clause (b), percentage completion shall be determined in a manner generally consistent with similar determinations customarily made by lenders providing project financing;
- (b) percentage completion shall mean the percentage of the Project actually completed, excluding design work, mobilization costs and stockpiled materials not yet incorporated into the Project;
- (c) percentage completion shall be certified to a whole number percentage, that is, if percentage completion is calculated to include decimal places as a result of determinations made pursuant to either clauses (a) or (b), then only tenths of a percentage greater than or equal to 0.5% may be rounded to the next higher whole number percentage increment; and
- (d) Total Availability shall be deemed for the purposes of this Appendix 8C [Construction Period Funding] to be 100% completion.

Project Co shall provide to the Authority copies of all relevant materials, records and calculations as may reasonably be requested by the Authority, each time that a percentage of the Project is certified as completed.

Project Co shall provide a percentage completion estimate, on or before the tenth day of each month of the Construction Period, for the end of the preceding month, whether or not payment by the Authority to Project Co is required, supported (where already otherwise required under this Appendix 8C [Construction Period Funding]) by the written certification of the Independent Certifier, and otherwise by such relevant materials, records and calculations as may reasonably be requested by the Authority.

**1.2 Progress Payments**

The Authority shall make construction period payments to Project Co through Progress Payments in accordance with the following:

- (a) within 10 Business Days from the date the Authority receives a determination and certification pursuant to Section 1.1 of this Appendix that the Project has been 30%  
Schedule 8 – Payments (Saskatchewan Joint-Use Schools Project #1)  
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completed, the Authority shall pay to Project Co a Progress Payment in an amount equal to 30% of the Construction Period Funding; and

- (b) following payment of the Progress Payment in clause (a), the Authority shall thereafter make Progress Payments monthly to Project Co, based on the following:
- (1) the monthly Progress Payments shall be based on percentage completion (as determined and certified pursuant to Section 1.1 of this Appendix) as of the first Business Day of each month until Total Availability;
  - (2) each monthly Progress Payment shall be payable by the Authority within 10 Business Days from the date the Authority receives the determination and certification of percentage completion as of the first Business Day of each month;
  - (3) the amount of each monthly Progress Payment shall be determined by attributing an amount equal to 1.0% of the Construction Period Funding to each percentage of completion in excess of 30% and until Total Availability, less the sum of all previous payments made pursuant to this Section 1.2(b); and
  - (4) the final monthly Progress Payment shall be made within 10 Business Days following Total Availability.

### **1.3 Right to Withhold Progress Payments**

Notwithstanding Section 1.2, the Authority may withhold any Progress Payment if and so long as a Project Co Event of Default has occurred and continues without the circumstances giving rise to the Project Co Event of Default being fully cured, rectified or remedied by Project Co.

## APPENDIX 8 D

## RELOCATABLE CLASSROOM PAYMENTS

## 1. PAYMENT

## 1.1 Initial Relocatable Classroom Payment

In accordance with Schedule 3 [Design and Construction Specifications], Project Co is to supply, deliver, install, commission and make available an initial number of Relocatable Classrooms for certain Schools on or before the School Service Commencement Date for the applicable Schools (“**Initial Relocatable Classrooms**”). The Authority will pay Project Co (the “**Initial Relocatable Classroom Payment**”), which amount will not be Index Linked, on the later of the Service Commencement Date and the date on which Project Co supplies, delivers, installs, commissions and makes available the Initial Relocatable Classrooms.

## 1.2 Annual Relocatable Classroom Payments During the Operating Period

During the Operating Period, Relocatable Classroom Payments will be made to Project Co by the Authority in accordance with the following:

- (a) For Relocatable Classrooms (other than the Initial Relocatable Classrooms) to be supplied, delivered, installed, commissioned and made available by Project Co on or before August 1, 2021, the Authority will make payments to Project Co in accordance with the schedule in Appendix 8E [Relocatable Classroom Payments].
  - (1) On the later of August 1 of each of 2018, 2019, 2020 and 2021 and the date on which Project Co has supplied, delivered, installed, commissioned and made available the corresponding Relocatable Classrooms, the Authority will make a payment to Project Co equal to the amount specified in Column C of the table in Appendix 8E [Relocatable Classroom Payments], which amount will be Index Linked, for the capital and installation costs associated with each of the required Relocatable Classrooms.
  - (2) For each month during the Operating Period, provided that Project Co has supplied, delivered, installed, commissioned and made available the corresponding Relocatable Classrooms, the Authority will make payments to Project Co in accordance with Column D of the table in Appendix 8E [Relocatable Classroom Payments], which amount will be Index Linked, for the incremental facility maintenance costs (if any) related to the additional Relocatable Classrooms,
  - (3) For each month during the Operating Period, provided that Project Co has supplied, delivered, installed, commissioned and made available the corresponding Relocatable Classrooms, the Authority will make payments to Project Co in accordance with Column E of the table in Appendix 8E [Relocatable

Classroom Payments], which amount will be Index Linked, for the incremental life cycle costs (if any) related to the additional Relocatable Classrooms,

- (b) If and to the extent Project Co is required to supply, deliver, install, commission and make available Relocatable Classrooms after August 1, 2021 or on or before August 1, 2021 but not contemplated by Schedule 3 [Design and Construction Specifications], payment for such Relocatable Classrooms will be made in accordance with Schedule 6 [Changes, Minor Works and Innovation Proposals].

### **1.3 Delay Costs**

If, other than due to a Supervening Event or a Change, Project Co fails to supply, deliver, install, commission and make available any Relocatable Classrooms (including Initial Relocatable Classrooms) by their respective due dates, then Project Co will reimburse the Authority and the relevant School Boards for any out-of-pocket costs which the Authority and the relevant School Boards reasonably incur and evidence to Project Co which are in excess of the costs which the Authority and the relevant School Boards would have incurred had Project Co supplied, delivered, installed, commissioned and made available the applicable Relocatable Classrooms by their respective due dates. Notwithstanding anything contained in this Agreement (including any Schedule), the liability of Project Co for failing to supply, deliver, install, commission and make available a Relocatable Classroom will not exceed \$1,000 per day per Relocatable Classroom.

**APPENDIX 8 E**

**RELOCATABLE CLASSROOM PAYMENT SCHEDULE**

**See attached.**

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