

## APPENDIX 8B

### CONSTRUCTION PERIOD PAYMENTS

#### 1. DEFINITIONS

In this Appendix, in addition to the definitions set out in Schedule 1 of this Agreement:

**“Construction Period Payment”** has the meaning set out in Section 2.1 of this Appendix;

**“Cost to Date”** as at a date means the sum of:

- (a) the total amounts paid or payable by Project Co to the Design-Builder under the Design-Build Agreement (including the amount of any holdback required under the Builders Lien Act (British Columbia)) for Construction performed by the Design-Builder, as certified by the Independent Certifier as contemplated in Section 3.4 of Schedule 2 [Design and Construction Protocols] excluding any amounts payable to achieve Demolition and Surface Parking Completion;
- (b) the total amounts paid or payable by Project Co in respect of SPV Costs, as evidenced by supporting invoices up to the cumulative maximum applicable to that month as set out in Column B of Table 8B-3;
- (c) the total amounts paid or payable by Project Co to Senior Lenders under the Senior Financing Agreements in respect of interest during the Construction Period, as evidenced by supporting invoices up to the cumulative maximum applicable to that month as set out in Column C of Table 8B-3; and
- (d) the total amounts paid or payable by Project Co to Senior Lenders under the Senior Financing Agreements in respect of fees during the Construction Period, as evidenced by supporting invoices up to the cumulative maximum applicable to that month as set out in Column D of Table 8B-3.

**“Demolition and Surface Parking Cost to Date”** as at a date after the date Facility Completion is achieved for the Campbell River Facility means the total amounts paid or payable by Project Co to the Design-Builder under the Design-Build Agreement (including the amount of any holdback required under the *Builders Lien Act* (British Columbia)) for Demolition and Surface Parking Work performed by the Design-Builder, as certified by the Independent Certifier, to achieve Demolition Completion and Surface Parking Completion;

**“Demolition and Surface Parking Payment”** has the meaning set out in Section 3.1 of this Schedule;

**“Demolition and Surface Parking Work”** means all work required by this Agreement to be undertaken:

- (a) pursuant to the Demolition Plan; and
- (b) the construction of surface parking located in Work Area B of the Campbell River Site;

**“Lenders’ Technical Advisor”** means the Person appointed by the Senior Lenders from time to time to advise the Senior Lenders on technical matters, including with respect to certain conditions precedent to advances under the Senior Financing Agreements;

**“SPV Costs”** means administrative costs reasonably and properly occurred in respect of the management and operations of Project Co;

**“Table 8B-1”** means Table 8B-1 attached to this Appendix;

**“Table 8B-2”** means Table 8B-2 attached to this Appendix;

**“Table 8B-3”** means Table 8B-3 attached to this Appendix; and

**“Target Demolition and Surface Parking Completion Date”** means the date which is 18 months after the Service Commencement Date;

## **2. CONSTRUCTION PERIOD PAYMENTS**

### **2.1 Construction Period Payment Amounts**

The Authority will make monthly payments (each a **“Construction Period Payment”**) to Project Co during the Construction Period in accordance with this Appendix. The amount payable by the Authority to Project Co as at the end of the month indicated in Table 8B-1 will be the amount by which the lesser of:

- (a) the cumulative maximum applicable to that month as set out in Column B of Table 8B-1; and
- (b) 50.0% of the Cost to Date at the end of that month,

exceeds the total of all Construction Period Payments previously paid by the Authority to Project Co under this Appendix. The Construction Period Payments will not exceed \_\_\_\_\_ in the aggregate. These payments are intended as funding and to qualify as one of the listed items in paragraph 12(1)(x) of the *Income Tax Act* (Canada).

### **2.2 Construction Period Payment Invoices and Payments**

Project Co will invoice the Authority for Construction Period Payments at any time after the end of the applicable month and will include with that invoice:

- (a) a certificate of the Independent Certifier certifying (in the manner outlined in Section 3.4 of Schedule 2 [Design and Construction Protocols]) the Cost to Date as at the end of the applicable month;
- (b) the amount of GST payable;
- (c) copies of all certifications (including from the Lender’s Technical Advisor) provided to, and communications from, the Senior Lenders (other than those previously provided under this Appendix) with respect to payments to the Design-Builder, the cost to complete the Project, the sufficiency of funds available to Project Co to complete the

Project and the likelihood that Service Commencement will be achieved by the Longstop Date;

- (d) a certificate of an officer of Project Co certifying that:
- (1) Project Co is in compliance with all applicable provisions of the Senior Financing Agreements and the Design-Build Agreement with respect to all payments to the Design-Builder made on or before the date of the invoice;
  - (2) Project Co has taken all steps required under the Senior Financing Agreement to draw the funds required (in addition to the amounts invoiced to the Authority) to pay the Design-Builder and knows of no reason why such funds would not be advanced as requested;
  - (3) Project Co is not in default under either the Project Agreement or any of the Senior Financing Agreements;
  - (4) Project Co has available to it sufficient funds to complete the Project; and
  - (5) the Project can reasonably be expected to achieve Service Commencement by the Longstop Date.

The Authority will review each invoice submitted in accordance with this Section 2.2 of this Appendix within 5 Business Days and pay the amount approved by the Authority within 10 Business Days after receipt of the invoice.

### **3. DEMOLITION AND SURFACE PARKING COMPLETION**

#### **3.1 Demolition and Surface Parking Payment**

For each month after Facility Completion has been achieved in respect of the Campbell River Facility until the Demolition and Surface Parking Completion Date, the Authority will make the following payments (each a “**Demolition and Surface Parking Payment**”):

- (a) monthly payments to Project Co in accordance with this Appendix in respect of work performed to achieve Demolition and Surface Parking Completion in amount equal to the lesser of :
  - (1) the cumulative maximum applicable to that month as set out in Column B of Table 8B-2; and
  - (2) 40% of the Demolition and Surfacing Parking Cost to Date at the end of that month,

exceeds the total of all Demolition and Surface Parking Payments previously paid by the Authority to Project Co under this Appendix; and
- (b) a final payment in the amount of \_\_\_\_\_ payable upon Demolition and Surface Parking Completion.

### **3.2 Demolition and Surface Parking Invoices and Payments**

Project Co will invoice the Authority for Demolition and Surface Parking Payments and will include with each invoice:

- (a) a certificate of the Independent Certifier certifying:
  - (1) the Demolition and Surface Parking Cost to Date as at the end of the applicable month;
  - (2) that Demolition and Surface Parking Completion has been achieved;
- (b) the amount of GST payable; and
- (c) copies of all certifications (including from the Lender's Technical Advisor) provided to, and communications from, the Senior Lenders (other than those previously provided under this Appendix) with respect to payments to the Design-Builder, the cost to complete the Demolition and Surface Parking Work, the sufficiency of funds available to Project Co to complete such work and the likelihood that such work will be completed in accordance the Project Schedule.

The Authority will review each invoice submitted in accordance with this Section 3.2 of this Appendix within 5 Business Days and pay the amount approved by the Authority within 10 Business Days after receipt of the invoice.

### **3.3 Unavailability of Surface Parking**

If Demolition and Surface Parking Completion is not achieved by the Target Demolition and Surface Parking Completion Date, an Unavailability Event will be deemed to have occurred and the Service Payments will be subject to an Unavailability Deduction in the amount of \$1000 each day until the Demolition and Service Parking Completion Date.

**Table 8B-1 – Cumulative Maximum Construction Period Payments**

**Note: All numbers input in Table 8B-1 are shown to the nearest \$000.**

<b>Month</b>	<b>End Date</b>	<b>Invoiced Amount</b>	<b>Cumulative Max</b>
1	31-Jul-14		
2	31-Aug-14		
3	30-Sep-14		
4	31-Oct-14		
5	30-Nov-14		
6	31-Dec-14		
7	31-Jan-15		
8	28-Feb-15		
9	31-Mar-15		
10	30-Apr-15		
11	31-May-15		
12	30-Jun-15		
13	31-Jul-15		
14	31-Aug-15		
15	30-Sep-15		
16	31-Oct-15		
17	30-Nov-15		
18	31-Dec-15		
19	31-Jan-16		
20	29-Feb-16		
21	31-Mar-16		
22	30-Apr-16		
23	31-May-16		
24	30-Jun-16		
25	31-Jul-16		
26	31-Aug-16		
27	30-Sep-16		
28	31-Oct-16		
29	30-Nov-16		
30	31-Dec-16		
31	31-Jan-17		
32	28-Feb-17		
33	31-Mar-17		
34	30-Apr-17		
35	31-May-17		
36	30-Jun-17		
	<b>Total</b>		

**Table 8B-2 – Cumulative Maximum Demolition and Surface Parking Payments**

Note: All numbers input in Table 8B-2 are shown to the nearest \$000.

A	B
Month <sup>1</sup>	Cumulative Maximum <sup>2</sup> (\$)
Month 41	
Month 42	
Month 43	
Month 44	
Month 45	
Month 46	
Month 47	
Month 48	
Month 49	
Month 50	
Month 51	
Month 52	
Month 53	
Month 54	

**Table 8B-3 – Cumulative Maximum SPV Costs, Interest and Financing Fees during Construction**

Note: All numbers input in Table 8B-3 are shown to the nearest \$000.

Month	End Date	Cum. SPV	Cum. IDC	Cum. Fin. Fees
1	31-Jul-14			
2	31-Aug-14			
3	30-Sep-14			
4	31-Oct-14			
5	30-Nov-14			
6	31-Dec-14			
7	31-Jan-15			
8	28-Feb-15			
9	31-Mar-15			
10	30-Apr-15			
11	31-May-15			
12	30-Jun-15			
13	31-Jul-15			
14	31-Aug-15			

<sup>1</sup> number of months after Financial Close for Campbell River Facility

<sup>2</sup> total of all monthly maximum installments to date for Demolition and Surface Parking at Campbell River site

15	30-Sep-15	
16	31-Oct-15	
17	30-Nov-15	
18	31-Dec-15	
19	31-Jan-16	
20	29-Feb-16	
21	31-Mar-16	
22	30-Apr-16	
23	31-May-16	
24	30-Jun-16	
25	31-Jul-16	
26	31-Aug-16	
27	30-Sep-16	
28	31-Oct-16	
29	30-Nov-16	
30	31-Dec-16	
31	31-Jan-17	
32	28-Feb-17	
33	31-Mar-17	
34	30-Apr-17	
35	31-May-17	
36	30-Jun-17	