

SCHEDULE 8

PAYMENTS

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APPENDIX 8D AUTHORITY FUNDING

SCHEDULE 8

PAYMENTS

1. INTERPRETATION

1.1 Definitions

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

“Authority Funding” has the meaning set out in Section 9.1 of this Schedule;

“Availability Condition” means, with respect to a Functional Unit, that the Functional Unit and normal access routes are in a state or condition that:

- (a) allow safe and convenient access to all persons who are entitled to enter, leave, occupy or use it, using normal access routes; and
- (b) is complete, operational, safe, functional and fit for its intended use (as contemplated in the Room Data Sheets), and meets all other requirements of this Agreement including the requirements of Schedules 3 and 4 of this Agreement specifically applicable to the relevant Functional Unit (including Tables 2 to 4 of Appendix 4D [Plant Services] and of the Room Data Sheets),

and for Functional Units on floors other than the ground floor at least one public elevator and two service elevators are functional and operating to manufacturer’s specifications;

“Capital Payment” means the sum for each Payment Period set out in Appendix 8B [Periodic Payment], Table 1 [Capital Payments];

“Cost to Complete” as at a date means in respect of the Design and Construction, the total remaining costs to be incurred by Project Co and paid to the Design-Builder under the Design-Build Agreement for Design and Construction to be performed by the Design-Builder to achieve Service Commencement;

“Cost to Date” as at a date means in respect of the Design and Construction, the total amounts paid 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 Design and Construction performed by the Design-Builder;

“Deduction” means a deduction from a Service Payment, calculated in accordance with this Schedule or under Schedule 2 or Schedule 4 for Deductions specified in those Schedules;

“Event” means an incident or state of affairs affecting the Availability Condition of a Functional Unit or requiring Services to be performed (or both);

“Facility Maintenance Payment” means the sum for each Payment Period set out in Appendix 8B [Periodic Payment], Table 3 [Facility Maintenance Payments];

“Functional Unit” means a room or space which is specified as such in Appendix 8A to this Schedule (including all Equipment that is in the definition of “Life Cycle Components” other than Equipment that is indicated in the Equipment List with a “N” in the column entitled “Item to trigger Unavailability (y/n)”) and that is customarily located in that room or space;

“High Service Failure” means a Service Failure which has been designated in Schedule 4 [Services Protocols and Specifications] or in this Schedule as a High Service Failure;

“Life Cycle Payment” means the sum for each Payment Period set out in Appendix 8B [Periodic Payment], Table 2 [Life Cycle Payments];

“Linked Unit” means, with respect to a Functional Unit, any other Functional Unit which is designated in Appendix 8A as being linked to the first Functional Unit;

“Long Stop Return Date” has the meaning set out in Section 4.10 of this Schedule;

“Low Service Failure” means a Service Failure which has been designated in Schedule 4 [Services Protocols and Specifications] or in this Schedule as a Low Service Failure, or a Service Failure which has not been designated as a Medium Service Failure or High Service Failure;

“Medium Service Failure” means a Service Failure which has been designated in Schedule 4 [Services Protocols and Specifications] or in this Schedule as a Medium Service Failure;

“Miscellaneous Occupant Request Services Payment” means the amount, subject to the maximum amount applicable to a Contract Year as set out in Section 9.2 of Schedule 4 [Services Protocols and Specifications], to be paid by the Authority to Project Co in respect of the costs incurred by Project Co in carrying out the Miscellaneous Occupant Request Services in a preceding Payment Period;

“New Service Provider Start Date” means:

- (a) the Service Commencement Date; or
- (b) if any Service Provider is replaced by a new Service Provider after the Service Commencement Date, the date on which the Services begin to be provided by the replacement Service Provider or, if earlier, the date on which they were first due to be provided;

“New Service Provider Transition Period” has the meaning set out in Section 3.15 of this Schedule;

“Payment Adjustment Report” has the meaning set out in Section 8.1(f) of this Schedule;

“Payment Period” means a calendar month;

“Performance Monitoring Report” has the meaning set out in Schedule 4 [Services Protocols and Specifications];

“Periodic Payment” means the sum calculated in accordance with Section 2.2 of this Schedule;

“Permanent Repair” means Rectification where a Temporary Repair has been permitted and carried out pursuant to Section 3.11 of this Schedule;

“Permanent Repair Deadline” has the meaning set out in Section 3.11(a)(4) of this Schedule;

“Rectification” means, following the occurrence of an Event, making good the Event so that the subject matter of the Event complies with the levels of performance required pursuant to this Agreement, including (a) restoring all functional capability; and (b) ensuring that all affected Functional Units comply with the Availability Condition; **“Rectify”** and **“Rectified”** will be construed accordingly;

“Rectification Period” for an Event means the amount of time, if any, specified as such for that Event in Appendix 8A (for an Unavailability Event) or Schedule 4 [Services Protocols and Specifications] or for reports or other documentation required to be delivered by Project Co, 24 hours, or, if not so specified for a Service Failure:

- (a) 4 hours for a High Service Failure;
- (b) 24 hours for a Medium Service Failure; and
- (c) 7 days for a Low Service Failure,

in each case calculated:

- (d) from the time that the Event is reported to the Help Desk or ought to have been reported to the Help Desk under Section 6.1 of Schedule 4 [Services Protocols and Specifications];
- (e) in the case of an Event that has not been Rectified within one or more earlier Rectification Periods, from the end of the immediately preceding Rectification Period;

“Response Time” has the meaning set out in Schedule 4 [Services Protocols and Specifications];

“Return Date” has the meaning set out in Section 4.3(d) of this Schedule;

“Service Failure” means any failure by Project Co, other than an Unavailability Event, to provide the Services in accordance with this Agreement and in particular in accordance with Schedule 4 [Services Protocols and Specifications], and includes a failure to satisfy any Performance Indicator;

“Service Failure Deduction” means a Deduction which may be made in respect of a Service Failure;

“Service Payment” means the sum calculated in accordance with Section 2.1 of this Schedule;

“Temporary Alternative Accommodation” means accommodation offered to the Authority by Project Co as a substitute for any Unavailable Functional Unit pursuant to Section 4.1 of this Schedule;

“Temporary Alternative Accommodation Notice” has the meaning set out in Section 4.1 of this Schedule;

“Temporary Availability Condition” has the meaning set out in Section 3.11(a)(2) of this Schedule;

“Temporary Repair” means, in respect of the occurrence of an Unavailability Event, works of a temporary nature that do not constitute Rectification;

“Temporary Repair Proposal” has the meaning set out in Section 3.11(a) of this Schedule;

“Total Unavailability” means that:

- (a) Functional Units with an aggregate floor area of 25% or more of the Facility are Unavailable at the same time;
- (b) 50% or more of the washrooms in the Facility are Unavailable at the same time;
- (c) both the main floor link to/from the Facility and the Centennial building and the Rose Avenue entry and lobby are Unavailable at the same time;
- (d) all public elevators are Unavailable; or
- (e) all service elevators (except for MDR elevators) are Unavailable,

and a Rectification Period has expired with respect to each such Unavailable Functional Unit or washroom;

“Transition” means the tolerance level for the making of Deductions in respect of Service Failures as described in Section 3.15 of this Schedule;

“Unavailable” and **“Unavailability”** means, with respect to a Functional Unit, that such Functional Unit or an applicable Linked Unit is in a state or condition that does not comply with the Availability Condition;

“Unavailability Deduction” means a Deduction which may be made in respect of an Unavailability Event;

“Unavailability Event” means an incident or state of affairs which causes one or more Functional Units to be Unavailable; and

“Unit Deduction Amounts” means the amount of the Deduction specified in Appendix 8A per Functional Unit for an Unavailability Event, which amounts are Index Linked.

2. CALCULATION OF SERVICE PAYMENTS

2.1 Service Payment

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

- (a) the Periodic Payment for that Payment Period;
- (b) plus the Miscellaneous Occupant Request Services Payment; and
- (c) subject to Section 3.1 of this Schedule, minus the aggregate of Deductions for that Payment Period.

The parties agree that, as set out in Section 10.2 of Schedule 2 [Design and Construction Protocols], Project Co is not entitled to achieve Service Commencement prior to the Target Service Commencement Date in effect as of the Effective Date, which for greater certainty is December 19, 2014. Project Co is not entitled to any Service Payments prior to that date. That date is not subject to change for any reason, including for the occurrence of any Supervening Event.

2.2 Periodic Payments

From and after the Service Commencement Date the Periodic Payments will be calculated as follows:

- (a) the Capital Payment for that Payment Period set out in Appendix 8B [Periodic Payments], Table 1 [Capital Payments], which amount will not be Index Linked; plus
- (b) the Life Cycle Payment for that Payment Period set out in Appendix 8B [Periodic Payments], Table 2 [Life Cycle Payments], which amount will be Index Linked; plus
- (c) the Facility Maintenance Payment for that Payment Period set out in Appendix 8B [Periodic Payments], Table 3 [Facility Maintenance Payments], which amount will be Index Linked,

provided that

- (d) if the first Payment Period after the Service Commencement Date is less than a full calendar month, the Periodic Payment will be reduced by the same proportion that such Payment Period is less than a full calendar month; and
- (e) if the last Payment Period of the Term is less than a full calendar month, the Periodic Payment will be reduced by the same proportion that the last Payment Period is less than a full calendar month.

Project Co acknowledges and agrees that the Payment Periods identified in the tables in Appendix 8B [Periodic 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 Periodic 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 Periodic Payment for Payment Periods, or prorated portions thereof, between the Target Service Commencement Date and the Service Commencement Date.

2.3 Energy Gainshare/Energy Painshare

The Authority will pay Project Co the applicable Energy Gainshare, and Project Co will pay the Authority the applicable Energy Painshare, within 30 days after the invoice submitted under Section 5.4 of Appendix 8C [Energy].

3. DEDUCTIONS FROM SERVICE PAYMENTS

3.1 Entitlement to Make Deductions

If at any time after the 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 3.9 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 maximum aggregate of all Deductions that the Authority can make from a Service Payment in respect of a Payment Period is the aggregate amount of the Periodic Payment; 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.

3.2 Classification of Event

The classification of an Event as a Service Failure or an Unavailability Event, and the rank of an Unavailability Event, 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 available 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.

3.3 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.

3.4 Total Unavailability

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

3.5 Deductions for Unavailability Events

Subject to Sections 3.1, 3.9 and 3.12 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 3.6 of this Schedule, the aggregate of the Unit Deduction Amounts for all Functional Units made Unavailable as a result of the Unavailability Event.

3.6 Unavailable But Used

If any Functional Unit is Unavailable (including, for greater certainty, Functional Units that are deemed Unavailable under Section 3.4 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 3.5(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%.

3.7 Deductions for Service Failures

Subject to Sections 3.1 and 3.15 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 \$3,000, Index Linked;
- (b) for a Medium Service Failure, the sum of \$1,000, Index Linked; and
- (c) for a Low Service Failure, the sum of \$50, Index Linked.

3.8 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 3.8 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 3.8 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.

3.9 Rectification Periods

If an Event occurs:

- (a) in the case of a Service Failure for which there is no Rectification Period, the Authority will make the applicable Service Failure Deduction;
- (b) 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;

- (c) in the case of a deemed Unavailability Event due to Total Unavailability, the Authority will make the applicable Unavailability Deduction; and
- (d) 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 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 3.9 will again apply and will continue to apply with repeated Deductions until Project Co Rectifies the Event.

Nothing in this Section 3.9 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.

3.10 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.

3.11 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 Facility and are not, and cannot reasonably be expected to be, available at the Facility, then:

- (a) Project Co may provide the Authority with a proposal (the "**Temporary Repair Proposal**") for:
 - (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 3.11(b) of this Schedule; and
- (f) except with respect to the applicable modification of the Availability Condition, nothing in this Section 3.11 will limit the Authority’s entitlement to Deductions within the applicable Rectification Periods.

3.12 Compliance with Laws and Good Industry Practice

When carrying out Rectification, or works of Temporary Repair pursuant to Section 3.11 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.

3.13 Deficiency Correction Period - Unavailability

During the 30 day period beginning on the Service Commencement Date, the amount of any Unavailability Deductions for Unavailability Events directly caused by Deficiencies will be reduced by 100%. Notwithstanding any agreement by the Authority to an extension of the 30 day period for correction of Deficiencies under Section 13.4 of Schedule 2 [Design and Construction Protocols], the reduction of Unavailability Deductions will not apply after the 30 day period. This Section 3.13 does not give any relief in respect of any Service Failure Deductions.

3.14 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 3.3 of this Schedule, deduct the full amount of any Service Failure Deductions that apply to the Services in the applicable Functional Unit.

3.15 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 3.15 will not give any relief during any period of Transition in respect of Unavailability Deductions.

4. TEMPORARY ALTERNATIVE ACCOMMODATION

4.1 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 5 Business Days from the commencement of the applicable Event.

4.2 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 Facility, be reasonably accessible by public and private transport and have adequate parking.

4.3 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.

4.4 Acceptance by Authority

If it wishes to inspect the Temporary Alternative Accommodation the Authority will do so within 5 Business 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 5 Business 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 4.2 of this Schedule and in all other cases will act reasonably when deciding to accept or refuse any proposed Temporary Alternative Accommodation.

4.5 Effect of Acceptance

If the Authority accepts the offer of Temporary Alternative Accommodation:

- (a) which is not within the Facility 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 4.8 of this Schedule; and

- (b) which is within the Facility 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.

4.6 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.

4.7 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.

4.8 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.

4.9 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:

- (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.

4.10 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 4.10(a) and the Authority will be entitled to deduct any such amount from any amounts payable to Project Co under this Agreement.

5. REVIEW OF FUNCTIONAL UNITS, DEDUCTIONS, ETC.

5.1 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 5.3 of Schedule 2 [Design and Construction Protocols] has been completed in all material respects;
- (b) in the circumstances referred to in Section 5.3 of Schedule 6 [Changes, Minor Works and Innovation Proposals];
- (c) following the Service Commencement Date; 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.

If so requested, 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].

5.2 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].

5.3 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 5.2 above.

5.4 Result of Change, Minor Works or Innovation Proposal

As set out in Section 5.3 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.

6. FAILURE BY PROJECT CO TO MONITOR OR REPORT

6.1 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.

6.2 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, 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.

6.3 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; or
- (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.

6.4 No Prejudice to Other Rights

The provisions of this Section 6 are without prejudice to any rights of the Authority in this Agreement, including pursuant to Section 6 (Performance Monitoring and Reporting) of Schedule 4 [Services Protocols and Specifications] and Section 12.1 (Project Co Events of Default) of this Agreement.

7. NOT USED

8. GENERAL PAYMENT PROVISIONS

8.1 Invoicing and Payment Arrangements

With respect to invoicing and payment, the following will apply.

- (a) All Service Payments, except for the Miscellaneous Occupant Request Services Payment, will be payable in advance for each Payment Period.
- (b) The Miscellaneous Occupant Request Services Payment will be payable in arrears. Project Co will use reasonable efforts to include in its invoice amounts in respect of any Miscellaneous Occupant Request Services within one Payment Period following the Payment Period in which such Miscellaneous Occupant Request Services were carried out. Project Co will include in its invoice an amount in respect of any Miscellaneous Occupant Request Services within two Payment Periods following the Payment Period within which the Miscellaneous Occupant Request Services were carried out, and after that time Project Co waives the right to any claims against the Authority for payment in respect of such Miscellaneous Occupant Request Services.
- (c) A minimum of 10 Business Days prior to each Payment Period, Project Co will provide the Authority with an invoice in a form agreed by the parties, acting reasonably. The invoice will include as a minimum:
 - (1) the estimated Service Payments (not including the Miscellaneous Occupant Request Services Payment) for the applicable Payment Period;
 - (2) the amount of the Miscellaneous Occupant Request Services Payment;
 - (3) the final Performance Monitoring Report and Payment Adjustment Report for the applicable Payment Period;

- (4) any adjustments to the previous Payment Period, as set out in the applicable Payment Adjustment Report;
 - (5) any amount owing to the Authority under this Agreement;
 - (6) any amount owing to Project Co under this Agreement;
 - (7) the amount of applicable HST; and
 - (8) the net amount owing by the Authority to Project Co, or by Project Co to the Authority, as applicable.
- (d) The Authority will review each invoice submitted in accordance with this Section 8.1 within 5 Business Days and the Authority will pay the amount approved by the Authority on the later of the first day of the Payment Period or the 10th Business Day after receipt of the invoice. If an invoice does not meet any of the invoicing requirements, Project Co must resubmit a complete invoice which will be reviewed by the Authority within 5 Business Days after receipt and the Authority will pay the amount approved by the Authority within 10 Business Days after receipt of such complete invoice.
- (e) The Authority will not be obligated to make any payment unless all conditions of payment in this Agreement have been satisfied.
- (f) Within 1 Business Day following the end of each Payment Period, Project Co will submit to the Authority a draft Performance Monitoring Report and a draft of a report (a **"Payment Adjustment Report"**) setting out any adjustments, including Deductions, to the Service Payments for that Payment Period, the amount of the Miscellaneous Occupant Request Services Payment and the amount of over-payment or under-payment from the amount paid previously by the Authority for that Payment Period. The Authority may, but is not obligated to, provide comments to Project Co on the draft Performance Monitoring Report and the draft Payment Adjustment Report, which comments will be given due regard by Project Co in finalizing the Performance Monitoring Report and Payment Adjustment Report.
- (g) By the applicable date set out in Section 8.1(c), Project Co will submit to the Authority:
- (1) a final Performance Monitoring Report for that Payment Period; and
 - (2) a final Payment Adjustment Report, identifying changes in the final Payment Adjustment Report from the draft Payment Adjustment Report submitted by Project Co to the Authority in accordance with Section 8.1(f).
- (h) 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.
- (i) 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.

- (j) 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.

9. AUTHORITY FUNDING

9.1 Total Authority Funding Amount

In respect of the Design and Construction of the Facility the Authority will pay [REDACTED] plus applicable HST to Project Co in monthly instalments as set out in this Section 9 (the "**Authority Funding**").

9.2 Monthly Payment Amount

The amount of Authority Funding payable by the Authority to Project Co as at the end of the Payment Period indicated in Table 1 of Appendix 8D will be:

- (a) the amount of the instalment applicable to that Payment Period as set out in Column B of Table 1 of Appendix 8D;
- (b) less the greater of the following amounts:
 - (1) the amount, if any, by which the Cost to Date to the end of that Payment Period is less than the amount set out in Column C of Table 1 of Appendix 8D for that month; and
 - (2) the amount, if any, by which the Cost to Complete as at the end of that Payment Period exceeds the amount set out in Column D of Table 1 of Appendix 8D for that Payment Period.

9.3 Catch-Up Payments

If a monthly payment of Authority Funding is reduced as a result of Section 9.2(b) of this Schedule, Project Co may on a later date invoice the Authority for the amount so reduced once both the Cost to Date and the Cost to Complete as at the later date are greater than or equal to and less than or equal to, respectively, the amounts set out in Columns C and D of Table 1 of Appendix 8D for the Payment Period to which that monthly payment applied.

9.4 Invoicing and Payment

Project Co will invoice the Authority for amounts payable under this Section 9 at any time after the end of the applicable Payment Period (or at any time after the relevant date for invoicing set out in Section 9.3 of this Schedule in the case of payment under Section 9.3 of this Schedule) and will include with that invoice:

- (a) a certificate of the Independent Certifier certifying the Cost to Date and the Cost to Complete as at the end of the applicable Payment Period (or as at the date of the invoice in the case of payment under Section 9.3 of this Schedule);
- (b) copies of all certifications provided to, and communications from, the Senior Lenders with respect to payments to the Design-Builder for the applicable Payment Period;
- (c) 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 with respect to all payments to the Design-Builder made on or before the date of the invoice; and
 - (2) all funds to be drawn down or otherwise made available to Project Co for payment to the Design-Builder under the Senior Financing Agreements for Payment Periods prior to the applicable Payment Period have been received by Project Co and paid to the Design-Builder.

The Authority will review each invoice submitted in accordance with this Section 9.4 of this Schedule within 5 Business Days and pay the amount approved by the Authority within 10 Business Days after receipt of the invoice.

9.5 Allocation of Authority Funding

For purposes of this Section 9 only, Project Co acknowledges that the amount allocated under the Design-Build Agreement is [REDACTED]

If the amount payable under the Design-Build Agreement is modified, Project Co will advise the Authority of any proposed adjustment to the allocation and will not make or permit any such adjustment without the consent of the Authority, which consent will not be unreasonably withheld.

Unless otherwise agreed by the Authority, Project Co will allocate for accounting purposes the Authority funding to payments under the Design-Build Agreement on a first-in-first-out (FIFO) basis.

APPENDIX 8A

FUNCTIONAL UNITS, UNIT DEDUCTION AMOUNTS, RECTIFICATION PERIODS

Room Ranking	Rectification Period (hours)	Deduction per	
		Rectification Period	Day
1	2		
2			
3			
4			
5			

Room Code	Space Description	Units of Space	Rank 0-5
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SURGICAL SERVICES SUITE

PRE-OP & LEVEL II RECOVERY AREA			
101	Receiving Desk	1	3
102.01	Equipment / Stretcher Alcove	1	5
102.02	Equipment / Stretcher Alcove	1	5
103.01	Patient Belongings Storage	1	5
103.02	Patient Belongings Storage	1	5
104	Surgery Waiting Area	1	3
105	Volunteer Desk Area	1	5
106	Public Washroom, Assessible	1	3
107	Family Quiet Room	1	4
108.01	Private Patient Room	1	4
108.02	Private Patient Room	1	4
108.03	Private Patient Room	1	4
108.04	Private Patient Room	1	4
108.05	Private Patient Room	1	4
108.06	Private Patient Room	1	4
108.07	Private Patient Room	1	4
108.08	Private Patient Room	1	4
108.09	Private Patient Room	1	4
108.10	Private Patient Room	1	4
108.11	Private Patient Room	1	4
108.12	Private Patient Room	1	4
108.13	Private Patient Room	1	4
108.14	Private Patient Room	1	4
108.15	Private Patient Room	1	4
108.16	Private Patient Room	1	4
108.17	Private Patient Room	1	4
108.18	Private Patient Room	1	4
108.19	Private Patient Room	1	4
108.20	Private Patient Room	1	4
108.21	Private Patient Room	1	4
108.22	Private Patient Room	1	4
108.23	Private Patient Room	1	4
108.24	Private Patient Room	1	4
108.25	Private Patient Room	1	4
108.26	Private Patient Room	1	4
108.27	Private Patient Room	1	4
108.28	Private Patient Room	1	4
108.29	Private Patient Room	1	4
108.30	Private Patient Room	1	4
108.31	Private Patient Room	1	4
108.32	Private Patient Room	1	4
108.33	Private Patient Room	1	4
108.34	Private Patient Room	1	4
108.35	Private Patient Room	1	4
108.36	Private Patient Room	1	4
108.37	Private Patient Room	1	4
108.38	Private Patient Room	1	4

Room Code	Space Description	Units of Space	Rank 0-5
108.39	Private Patient Room	1	4
108.40	Private Patient Room	1	4
108.41	Private Patient Room	1	4
108.42	Private Patient Room	1	4
108A.01	Bariatric Private Patient Room	1	3
108A.02	Bariatric Private Patient Room	1	3
109.01	Patient Washroom, Accessible	1	3
109.02	Patient Washroom, Accessible	1	3
109.03	Patient Washroom, Accessible	1	3
109.04	Patient Washroom, Accessible	1	3
109.05	Patient Washroom, Accessible	1	3
109.06	Patient Washroom, Accessible	1	3
109.07	Patient Washroom, Accessible	1	3
109A	Patient Washroom, Accessible, Bariatric	1	4
110.01	Patient Room, Airborne Isolation	1	4
110.02	Patient Room, Airborne Isolation	1	4
111.01	Patient Washroom, Assessible	1	3
111.02	Patient Washroom, Assessible	1	3
112.01	Ante Room	1	4
112.02	Ante Room	1	4
113.01	Team Care Station	1	3
113.02	Team Care Station	1	3
113.03	Team Care Station	1	3
114.01	Medication Room	1	4
114.02	Medication Room	1	4
115.01	Cart Alcove	1	5
115.02	Cart Alcove	1	5
116.01	Clean Supply Room	1	4
116.02	Clean Supply Room	1	4
117.01	Soiled Utility	1	3
117.02	Soiled Utility	1	3
118.01	Nourishment Station	1	4
118.02	Nourishment Station	1	4
119.01	Stretcher Storage	1	4
119.02	Stretcher Storage	1	4
120.01	Equipment Storage	1	4
120.02	Equipment Storage	1	4
121	Housekeeping Closet	1	4
122.01	Staff Washroom	1	3
122.02	Staff Washroom	1	3
123.01	Decentralized Care Stations	1	3
123.02	Decentralized Care Stations	1	3
123.03	Decentralized Care Stations	1	3
123.04	Decentralized Care Stations	1	3
123.05	Decentralized Care Stations	1	3
123.06	Decentralized Care Stations	1	3
123.07	Decentralized Care Stations	1	3
123.08	Decentralized Care Stations	1	3
123.09	Decentralized Care Stations	1	3
123.10	Decentralized Care Stations	1	3
123.11	Decentralized Care Stations	1	3
123.12	Decentralized Care Stations	1	3
123.13	Decentralized Care Stations	1	3
123.14	Decentralized Care Stations	1	3
123.15	Decentralized Care Stations	1	3
123.16	Decentralized Care Stations	1	3
123.17	Decentralized Care Stations	1	3
123.18	Decentralized Care Stations	1	3
123.19	Decentralized Care Stations	1	3
123.20	Decentralized Care Stations	1	3
123.21	Decentralized Care Stations	1	3
123.22	Decentralized Care Stations	1	3

Room Code	Space Description	Units of Space	Rank 0-5
123.23	Decentralized Care Stations	1	3
123.24	Decentralized Care Stations	1	3
123.25	Decentralized Care Stations	1	3
123.26	Decentralized Care Stations	1	3
124.01	Meeting Room	1	4
124.02	Meeting Room	1	4

Room Code	Space Description	Units of Space	Rank 0-5
SURGICAL PROCEDURES AREA			
201	Patient Care Coordinator Office	1	4
202	Surgery Control Center	1	2
203.01	Patient Holding Area	1	2
203.02	Patient Holding Area	1	2
203.03	Patient Holding Area	1	2
203.04	Patient Holding Area	1	2
203.05	Patient Holding Area	1	2
203A	Patient Holding Area - Private	1	1
204.01	Cardiac Operating Room	1	1
204.02	Cardiac Operating Room	1	1
205	Hybrid Operating Room	1	1
206	Hybrid OR Control Room	1	2
207	Hybrid OR Equipment Room	1	1
208.01	Operating Room	1	1
208.02	Operating Room	1	1
208.03	Operating Room	1	1
208.04	Operating Room	1	1
208.05	Operating Room	1	1
208.06	Operating Room	1	1
208.07	Operating Room	1	1
208.08	Operating Room	1	1
208.09	Operating Room	1	1
208.1	Operating Room	1	1
208.11	Operating Room	1	1
208A	Operating Room - Urology	1	1
209.01	Scrub Bay Alcove	1	1
209.02	Scrub Bay Alcove	1	1
209.03	Scrub Bay Alcove	1	1
209.04	Scrub Bay Alcove	1	1
209.05	Scrub Bay Alcove	1	1
209.06	Scrub Bay Alcove	1	1
209.07	Scrub Bay Alcove	1	1
209.08	Scrub Bay Alcove	1	1
209.09	Scrub Bay Alcove	1	1
209.10	Scrub Bay Alcove	1	1
209.11	Scrub Bay Alcove	1	1
209.12	Scrub Bay Alcove	1	1
209.13	Scrub Bay Alcove	1	1
209.14	Scrub Bay Alcove	1	1
209.15	Scrub Bay Alcove	1	1
210.01	OR Strecher Alcove	1	1
210.02	OR Strecher Alcove	1	1
210.03	OR Strecher Alcove	1	1
210.04	OR Strecher Alcove	1	1
210.05	OR Strecher Alcove	1	1
210.06	OR Strecher Alcove	1	1
210.07	OR Strecher Alcove	1	1
210.08	OR Strecher Alcove	1	1
210.09	OR Strecher Alcove	1	1
210.10	OR Strecher Alcove	1	1
210.11	OR Strecher Alcove	1	1
210.12	OR Strecher Alcove	1	1
210.13	OR Strecher Alcove	1	1
210.14	OR Strecher Alcove	1	1
210.15	OR Strecher Alcove	1	1
211	Cardiac Profusion Workroom	1	1
212.01	Staff Washrooms	1	3
212.02	Staff Washrooms	1	3
213	Sterile Core Area	1	1
214.01	Equipment Storage	1	3
214.02	Equipment Storage	1	3

Room Code	Space Description	Units of Space	Rank 0-5
214.03	Equipment Storage	1	3
214.04	Equipment Storage	1	3
214.05	Equipment Storage	1	3
214.06	Equipment Storage	1	3
214.07	Equipment Storage	1	3
214.08	Equipment Storage	1	3
215	Surgery Soiled Utility	1	1
216	Mobile C-Arm Equipment Storage	1	3
217	Satellite Laboratory - Point of Care Tes	1	2
217A	Satellite Laboratory - Tissue Prep	1	2
218.01	Biomedical & Anaesthetic Storage Roo	1	3
218.02	Biomedical & Anaesthetic Storage Roo	1	3
219	Biomedical & Anaesthetic Workroom	1	2
220.01	Dictation Alcoves	1	3
220.02	Dictation Alcoves	1	3
220.03	Dictation Alcoves	1	3
220.04	Dictation Alcoves	1	3
220.05	Dictation Alcoves	1	3
220.06	Dictation Alcoves	1	3
220.07	Dictation Alcoves	1	3
220.08	Dictation Alcoves	1	3
220.09	Dictation Alcoves	1	3
220.10	Dictation Alcoves	1	3
220.11	Dictation Alcoves	1	3
221	Radiology Technicians Workroom	1	2
222	IT Equipment Workroom	1	3
223	Housekeeping Closet	1	4
224.01	Patient Washroom, Accessible	1	3
224.02	Patient Washroom, Accessible	1	3
225	Surgery Medication Room	1	4

Room Code	Space Description	Units of Space	Rank 0-5
LEVEL 1 RECOVERY AREA (PARR)			
301.01	Patient Stretcher Bay	1	1
301.02	Patient Stretcher Bay	1	1
301.03	Patient Stretcher Bay	1.00	1.00
301.04	Patient Stretcher Bay	1.00	1.00
301.05	Patient Stretcher Bay	1.00	1.00
301.06	Patient Stretcher Bay	1.00	1.00
301.07	Patient Stretcher Bay	1.00	1.00
301.08	Patient Stretcher Bay	1.00	1.00
301.09	Patient Stretcher Bay	1.00	1.00
301.10	Patient Stretcher Bay	1.00	1.00
301.11	Patient Stretcher Bay	1.00	1.00
301.12	Patient Stretcher Bay	1.00	1.00
301.13	Patient Stretcher Bay	1.00	1.00
301.14	Patient Stretcher Bay	1.00	1.00
301.15	Patient Stretcher Bay	1.00	1.00
301.16	Patient Stretcher Bay	1.00	1.00
301.17	Patient Stretcher Bay	1.00	1.00
301.18	Patient Stretcher Bay	1.00	1.00
301.19	Patient Stretcher Bay	1.00	1.00
301.20	Patient Stretcher Bay	1.00	1.00
302.01	Patient Stretcher Room, Airborne Isola	1	1
302.02	Patient Stretcher Room, Airborne Isola	1	1
303.01	Patient Washroom, Accessible	1	2
303.02	Patient Washroom, Accessible	1	2
304.01	Ante Room	1	2
304.02	Ante Room	1	2
305	Team Care Station	1	3
306	Medication Room	1	4
307	Clean Supply Room	1	4
308	Soiled Utility Room	1	3
309	Equipment Storage Room	1	4
310	Patient washroom, Accessible	1	3
311	Staff Washroom	1	3
312.01	Equipment Alcove	1	5
312.02	Equipment Alcove	1	5

ADMINISTRATIVE & STAFF FACILITIES			
401.01	Private Office	1	4
401.02	Private Office	1	4
401.03	Private Office	1	4
402.01	Shared Office	1	4
402.02	Shared Office	1	4
402.03	Shared Office	1	4
403	Staff Washroom	1	3
404	Staff Lounge	1	4
405	Male Change Room	1	4
406.01	Male Change Room Shower Cubicles	1	3
406.02	Male Change Room Shower Cubicles	1	3
407	Male Multi Stall Washroom	1	3
408	Female Change Room	1	4
409.01	Female Change Room Shower Cubicle	1	3
409.02	Female Change Room Shower Cubicle	1	3
410	Female Multi Stall Washroom	1	3
411	Scrub Dispenser Alcove	1	3
412.01	On Call Room	1	4
412.02	On Call Room	1	4
412.03	On Call Room	1	4
412.04	On Call Room	1	4
413.01	On Call Washrooms	1	4
413.02	On Call Washrooms	1	4

Room Code	Space Description	Units of Space	Rank 0-5
413.03	On Call Washrooms	1	4
413.04	On Call Washrooms	1	4
414.01	Dictation Room	1	3
414.02	Dictation Room	1	3

Room Code	Space Description	Units of Space	Rank 0-5
CARDIAC SURGICAL INTENSIVE CARE UNIT (CSICU)			
PATIENT CARE AREA			
501.01	Private Patient Room	1	1
501.02	Private Patient Room	1	1
501.03	Private Patient Room	1	1
501.04	Private Patient Room	1	1
501.05	Private Patient Room	1	1
501.06	Private Patient Room	1	1
501.07	Private Patient Room	1	1
502	Private Patient Room, Airborne Isolatio	1	1
503	Patient Washroom, Accessible	1	2
504	Ante Room	1	2
505.01	Decentralized Care Stations	1	3
505.02	Decentralized Care Stations	1	3
505.03	Decentralized Care Stations	1	3
505.04	Decentralized Care Stations	1	3

PATIENT CARE SUPPORT AREA			
510	Team Care Station	1	3
511	Staff Work Room	1	3
512	Medication Room	1	4
513	Clean Utility Room	1	4
514	Soiled Utility Room	1	3
515	Equipment Storage	1	4
516	Linen Cart Alcove	1	5
517	Nourishment Center	1	4
518	Housekeeping Room	1	4
519	Staff Washroom	1	3
520	Patient Washroom, Accessible	1	3
521	RT Storage Room	1	4
521A	PCC Office	1	4

VISITOR AREA			
525	Multi Person Handwash Bay	1	3
526	Waiting Area	1	3
527	Public Washroom, Accessible	1	3
528.01	Family Quiet Room	1	4
528.02	Family Quiet Room	1	4



Room Code	Space Description	Units of Space	Rank 0-5
MEDICAL DEVICE REPROCESSING (MDR)			

ADMINISTRATIVE AREA			
601.01	Office	1	4
601.02	Office	1	4
602	Shared Office	1	4
603	Shared Office	1	4
604	Meeting Room / Staff Lounge	1	4
605	Loaner Drop-Off Room	1	3
606	Server Room (removed)	1	1
607	Staff Locker Area (see 612/613)	1	4
608	Change Room (see 612/613)	4	4
609	Staff Washroom	1	3
610	Shower Room	1	3
611	Vestibule	1	4
612	Male Staff Locker Area	1	4
613	Female Staff Locker Area	1	4
614	Staff Washroom	1	3

DECONTAMINATION AREA			
615	Staff Gowning Room	1	1
616.01	Handwashing Sink Alcove	1	1
617.02	Handwashing Sink Alcove	1	1
618.03	Handwashing Sink Alcove	1	1
619.04	Handwashing Sink Alcove	1	1
617	Soiled Receiving	1	1
618	Soiled Elevator	1	1
619	Sorting & Washing Area	1	1
620	Soiled Holding Room	1	1
621	Auto Washer / Disinfection Area	1	1
22.1	Cart Wash Area	1	1
622.02	Cart Wash Area	1	1
623	Soiled Scope Room	1	1
624	Detergent Dispensing Room	1	1
625	Housekeeping Room	1	4
626	Staff Washroom	1	3

Room Code	Space Description	Units of Space	Rank 0-5
ASSEMBLY & STERILIZER AREA			
631	Cart & Equipment Clean & Dry Area	1	1
632.01	Pass Thru Dryers	1	1
632.02	Pass Thru Dryers	1	1
633	Clean Cart & Equipment Holding Area	1	1
634	Packaging & Assembly Area	1	1
634A	Clean Scope Room	1	1
635	Non-Sterile Storage	1	1
636	Linen Bundle Storage Area	1	1
637	Steam Sterilizing Area	1	1
638.01	Hydrogen Peroxide Sterilizing Area	1	1
638.02	Hydrogen Peroxide Sterilizing Area	1	1
638.03	Hydrogen Peroxide Sterilizing Area	1	1
639	Cart Cool Down Area	1	1

STERILE STORAGE & CLEAN SUPPLIES			
643	Sterile Stores	1	1
644	Breakout Area	1	1
645	Empty Case Cart Holding Area	1	1
646	Full Case Cart Holding Area	1	1
647	Clean Elevator	1	1
648	Distribution Area	1	1
649	Clean Equipment Holding Area	1	1

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Room Code	Space Description	Units of Space	Rank 0-5
OTHER SPACES / PUBLIC AREAS / ENTRANCES			
700.01	Public Washrooms (Multi Stall)	1	2
700.02	Public Washrooms (Multi Stall)	1	2
701	Rose Ave Entrance	1	2
702	Discharge Seating Area	1	2
703.01	Vending Alcove	1	5
703.02	Vending Alcove	1	5
703.03	Vending Alcove	1	5
704	Wheelchair Storage	1	5
705	Lobby IHSC	1	5
706.01	Self Registration Alcove	1	4
706.02	Self Registration Alcove	1	4
707	Level 1 Lobby/Link IHSC to Centennial	1	1
708	Level 2 Link IHSC to Centennial	1	1
709	Level 3 Link IHSC to Centennial	1	1
710	Level 1 Link IHSC to Strathcona	1	1
711	Level 2 Link IHSC to Strathcona	1	1
712	Level 3 Link IHSC to Strathcona	1	1
713	Exterior Enclosed Courtyard	1	4
714	Data Communication Rooms	10	1
715	Elevator Machine Rooms	-	
716	FM Spaces	-	
717	Electrical Rooms	-	
718	Mechanical Rooms	-	

APPENDIX 8B
PERIODIC PAYMENTS

This Appendix 8B consists of three tables:

- (a) Table 1 [Capital Payments];
- (b) Table 2 [Life Cycle Payments]; and
- (c) Table 3 [Facility Maintenance Payments].

Note: Payments and totals shown are amounts rounded to the nearest whole dollar.

Table 1 [Capital Payments]

Note: The amounts set out in this Table are not Index Linked.

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Payment Period	Capital Payment (\$ <u>not</u> Index Linked)
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Table 2 [Life Cycle Payments]

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Total:		\$25,309,920

Table 3 [Facility Maintenance Payments]

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APPENDIX 8C

ENERGY

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APPENDIX 8C

ENERGY

1. INTERPRETATION

1.1 Definitions

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

“Agreed Proportions” means the following relative proportions of the different types of Energy included in Regulated Energy Consumption, as may be modified from time to time by agreement between the Authority and Project Co:

(a) Gas [REDACTED] and

(b) Electricity [REDACTED]

“Annual Regulated Energy Target” for an Energy Year means the amount determined pursuant to Section 4.2 of this Appendix, as adjusted pursuant to Section 4.3 of this Appendix;

“Average Unit Cost” for an Energy Year means the average cost to Project Co or the Authority, as the case may be, of each Gigajoule of Energy purchased by Project Co or the Authority for the Facility during that Energy Year, calculated in accordance with Section 5.1 of this Appendix;

“Baseline Weather Data” means data collected from the Weather Monitoring Station to monitor Weather Data required for the Energy Model;

“Core Hours” means 24 hours per day, 7 days per week;

“Design and Construction Regulated Energy Target” means [REDACTED] GJ, as adjusted pursuant to Section 3.3 of this Appendix;

“Energy” means electricity, gas and oil;

“Energy Analysis Report” means the report referred to as the “Energy Analysis Report” in Section 6.1 of this Appendix.

“Energy Assumptions” means the temperature and building occupancy and usage assumptions used in calculating the Design and Construction Regulated Energy Target, as adjusted pursuant to Section 3.3 of this Appendix;

“Energy Gainshare” means the amount calculated in accordance with Section 5.2 of this Appendix;

“Energy Mix” has the meaning described in Section 2.4 of this Appendix;

“Energy Model” has the meaning set out in Section 4.1 of this Appendix;

“Energy Painshare” means the amount calculated in accordance with Section 5.3 of this Appendix;

“Energy Year” means:

- (a) the 12 month period beginning on the day after the Monitoring Period;
- (b) each subsequent period of 12 months during the Term; and
- (c) the period of less than 12 months from the end of the previous Energy Year to the Termination Date;

“Energy/Environmental Credit” means any incentive, income, credit, right, benefit or advantage relating to energy or environmental matters including , means of production of Energy, input sources, efficiency, type and level of emissions, and compliance with any energy or environmental laws, regulations, rules or orders, provided however that in respect of Section 4.6 of Schedule 2 [Design and Construction Protocols] the credits or points required to achieve LEED Gold Certification may be taken into account for purposes of that Section;

“Facility Operation Variances” means any material variances between the actual occupancy and usage of the Facility and the assumptions for occupancy and usage set out in the Design and Construction Specifications, the Reviewed Drawings and Specifications and the Proposal Extracts (Design and Construction) regarding the occupancy and usage of the Facility;

“Gigajoule” or **“Gj”** means the international unit of energy being 1,000,000,000 Joules;

“Monitoring Period” means the period commencing on the Service Commencement Date and ending on the last day of the calendar month in which the second anniversary of such date occurs;

“Non-Regulated Energy Consumption” means:

- (a) electrical power consumed by the Facility, but excluding all hardwired lighting and all electrically operated HVAC equipment, pumps, fans, chillers, heating, boilers, humidification, fan heaters and other plant, such consumption to be calculated from the applicable BMS and electrical metering systems; and
- (b) gas consumed for producing steam for sterilization;

“Regulated Energy Consumption” means Total Energy Consumption minus Non-Regulated Energy Consumption;

“Test Period” means the 12 month period commencing on the first day of the calendar month that is at least 6 months but not more than 12 months after the Service Commencement Date;

“Total Energy Consumption” for a specified period means the total number of Gigajoules of Energy actually consumed at the Facility during that period, as reflected by the readings for the metered utilities;

“Weather Data” means a record of annual hourly data for dry and wet bulb temperature, dew point humidity, relative humidity, total horizontal solar radiation, wind speed and direction and atmospheric pressure at the nearest Environment Canada weather monitoring station; and

“Weather Monitoring Station” means the nearest Environment Canada weather monitoring station.

2. ENERGY SUPPLY AND CONSUMPTION

2.1 Energy Supply and Payment

During the Construction Period, Project Co will be responsible for the supply and delivery of electricity, natural gas and any other energy source as required for the Construction. Project Co will ensure that arrangements have been made with the Authority (and at the Authority's expense) for the filling of all diesel fuel oil tanks prior to Service Commencement.

During the Operating Period, as described in Section 2.3 of Appendix 4G [Utility Management Services] the Authority will from time to time as required enter into contracts with Utility Companies for the supply of Utilities, including Energy, and will be responsible for all payments related to such contracts. Project Co will provide such reasonable assistance related to such contracts as may be requested by the Authority.

2.2 Weather Data Monitoring and Measurement of Energy Consumption

Project Co will collect the Weather Data from the Weather Monitoring Station to calibrate the Energy Model to reflect actual weather conditions. In addition, Project Co will monitor and verify consumption of each type of Energy in the Facility in accordance with International Performance Measurement & Verification Protocol (IPMVP) Volume I: Concepts and Options for Determining Energy and Water Savings and in compliance with the requirements of LEED Canada-NC, Version 1.0, EA Credit 5: Measurement and Verification. Energy consumption monitoring equipment must be suitable to enable a detailed monitoring of Energy trends and consumption to allow analysis of the data collected to enable various matters, including:

- (a) comparisons to be made with the declared energy targets; and
- (b) early warning of malfunctions and deviations from norms.

Project Co will secure all such properly recorded information so that it is not lost or degraded as a result of any equipment or service malfunctions, and will secure such information from any adjustment, modification or loss from any source.

Project Co will calibrate the energy consumption monitoring equipment and Weather Monitoring Station annually by an independent qualified expert who will provide certification of such calibration to Project Co and the Authority.

The provisions of this Section 2.2 do not prejudice or limit the provisions of Schedule 3 (Design and Construction Specifications) of this Agreement.

2.3 Energy Consumption

Together with the delivery of each Performance Monitoring Report, Project Co will deliver to the Authority the Energy Analysis Report:

2.4 Energy Mix

In managing the usage of different types of Energy at the Facility, including when providing the Services (including satisfying the Life Cycle Requirements), Project Co will wherever practicable seek to ensure

that the relative proportions of the different types of Energy consumed in the Facility (the “**Energy Mix**”) will be the Agreed Proportions. Except to the extent it results from a Change or is caused by a change in the Authority’s usage of a particular type of Energy or is caused by temperatures varying from expected norms, if the proportion of a type of Energy actually consumed at the Facility in an Energy Year differs by more than ■ from the Agreed Proportion for such type of Energy without the approval of the Authority (not to be unreasonably withheld or delayed), any resultant net increase in the cost of purchasing Energy will be for Project Co’s account and will take effect by way of a reduction to the Service Payments.

2.5 [Intentionally Deleted]

2.6 Energy/Environmental Credits

The Authority will be entitled to any and all Energy/Environmental Credits related to the Facility and its operation.

Project Co will, on behalf of the Authority, apply to the FortisBC New Building Improvement Program (and any other applicable energy incentive programs) and take all reasonable steps to obtain for the Authority the maximum benefits (funding, incentives and cost savings) offered by FortisBC under such program(s).

Without limitation, Project Co will:

- (a) meet with FortisBC at an early stage of the design of the Facility;
- (b) carry out any required energy studies;
- (c) collaborate with FortisBC to identify potential improvements to the Facility design that will achieve greater energy efficiency; and
- (d) revise the Facility design as required to improve energy efficiency (to the extent possible without materially changing the Design and Construction Specifications or the intent of the Proposal Extracts (Design and Construction)), and use all reasonable efforts to obtain for the Authority the maximum funding or incentives offered by BC Hydro and minimize the Authority’s energy costs during the Operating Period.

Project Co will use commercially reasonable efforts to maximize all other Energy/Environmental Credits for the Authority.

3. DESIGN AND CONSTRUCTION ENERGY GUARANTEE

3.1 Facility to Meet or Beat Design and Construction Regulated Energy Target

Project Co warrants to the Authority that the Facility will be designed and constructed so that the Regulated Energy Consumption per year will not exceed the Design and Construction Regulated Energy Target. The consequences to Project Co for breach of this warranty are limited to those set out in Sections 3.4 of this Appendix. For greater certainty, the Regulated Energy Consumption will be adjusted by Section 3.3 of this Appendix.

3.2 Monitoring of Energy Consumption

During the Monitoring Period, Project Co and the Authority will, using the installed metering equipment, jointly monitor the Regulated Energy Consumption in order to determine the Regulated Energy Consumption for the Test Period and the Monitoring Period.

3.3 Adjustment to Design and Construction Regulated Energy Target

Project Co will engage an independent energy consultant acceptable to Project Co and the Authority, acting reasonably, to, within 2 months after the Test Period, determine whether and to what extent the Design and Construction Regulated Energy Target should be adjusted, based on the energy consultant's professional opinion, for actual temperatures (as set out in the Weather Data) and Facility Operation Variances that affected Energy consumption in the Test Period in a way not taken into account in the Energy Assumptions set out in Attachment 1 to this Appendix used in formulating the Design and Construction Regulated Energy Target. For greater certainty, the only factors relevant to adjustment of the Design and Construction Regulated Energy Target are the temperatures (as set out in the Weather Data) and the Facility Operation Variances. The energy modelling assumptions inherent to the model (including software) used by Project Co are not factors that adjust the Design and Construction Regulated Energy Target.

3.4 Failure to Achieve Design and Construction Regulated Energy Target

If the Regulated Energy Consumption in the Test Period exceeds the Design and Construction Regulated Energy Target, then Project Co will do one of the following:

- (a) modify the Facility as required so that the Regulated Energy Consumption does not exceed the Design and Construction Regulated Energy Target, subject to compliance with the Design and Construction Specifications and the approval of such modifications by the Authority, not to be unreasonably withheld or delayed; or
- (b) if the Facility has not been modified as required by (a) above within 12 months after the Test Period, pay to the Authority a lump sum amount that the Authority agrees, acting reasonably, represents, the lesser of \$1,000,000 or the net present value of the cost to the Authority during the expected life of the Facility (assumed to be 50 years for purposes of this calculation) of the amount by which the Regulated Energy Consumption will exceed the Design and Construction Regulated Energy Target, on the assumption that the excess in the Monitoring Period will continue for the balance of the expected life of the Facility, and if this Section 3.4(b) is applied the provisions of Schedule 9 [Compensation on Termination] will be amended as necessary to ensure that the Authority will not, as a consequence of the application of this Section 3.4(b), face any additional liability upon early termination of this Agreement.

4. ANNUAL ENERGY TARGETS

4.1 Energy Model

During the Monitoring Period, Project Co will prepare for the Authority's review and approval, not to be unreasonably withheld or delayed, a model (the "**Energy Model**") that is able from time to time to be updated and re-run and to determine:

- (a) the expected annual Regulated Energy Consumption for the ensuing 5 year period based on actual temperatures and consumption in:
 - (1) for the first 5 year period after the Monitoring Period, the Monitoring Period; and
 - (2) for each subsequent 5 year period, the immediately preceding 5 year period; and
- (b) the effect on annual Regulated Energy Consumption if actual annual average temperatures are higher or lower than during the previous year.

4.2 Annual Regulated Energy Target

The Annual Regulated Energy Target for the Energy Years after the Monitoring Period will be the expected annual Regulated Energy Consumption determined as follows:

- (a) for the first five years after the Monitoring Period, the expected annual Regulated Energy Consumption will be as determined by the Energy Model at the end of the Monitoring Period;
- (b) at the end of each five Energy Year period after the Monitoring Period, Project Co will update and re-run the Energy Model using the Weather Data and other applicable data that has been approved by the Authority from such five year period; and
- (c) for each of the five Energy Years after the Energy Model is updated and re-run the expected annual Regulated Energy Consumption will be as determined by the updated and re-run Energy Model, as adjusted pursuant to Section 4.3.

4.3 Adjustment to Annual Regulated Energy Target

If the temperature set out in the Weather Data for an Energy Year as measured by the Weather Monitoring Station is different from the temperature used in the Energy Model to set the Annual Regulated Energy Target for that Energy Year or if there is a significant change to the Core Hours, then the Annual Regulated Energy Target for that Energy Year will be adjusted for such variances.

In addition, the parties will monitor compliance with the Energy Management Plan referred to in Section 4.6 of Schedule 4 [Services Protocols and Specifications] at each meeting of the Operating Period Joint Committee. Where either Project Co or the Authority does not comply with the Energy Management Plan, then the Annual Regulated Energy Target will be adjusted by an appropriate amount to reflect the effect of non-compliance. Where the parties are unable to agree on the appropriate amount of such adjustment, Project Co will engage an independent energy consultant acceptable to Project Co and the Authority,

acting reasonably, to determine, within 2 months after such engagement, whether and to what extent the Annual Regulated Energy Target should be adjusted.

5. SHARING GAIN AND PAIN

It is acknowledged that Project Co is not responsible for guaranteeing the Non-Regulated Energy Consumption. The following section applies to Regulated Energy.

5.1 Average Unit Cost

The Average Unit Cost for an Energy Year will be the amount obtained by dividing:

- (a) all amounts paid or payable by Project Co or the Authority in respect of the supply of the Energy in that Energy Year for the Regulated Energy Consumption; by
- (b) the Regulated Energy Consumption for that Energy Year.

5.2 Energy Gainshare

The Energy Gainshare for an Energy Year will be 50% of the product of:

- (a) the amount, if any, by which the Regulated Energy Consumption in that Energy Year is less than 97% of the Annual Regulated Energy Target for that Energy Year; and
- (b) the Average Unit Cost for that Energy Year.

5.3 Energy Painshare

The Energy Painshare for an Energy Year will be 50% of the product of:

- (a) the amount, if any, by which the Regulated Energy Consumption in that Energy Year is greater than 103% of the Annual Regulated Energy Target for that Energy Year; and
- (b) the Average Unit Cost for that Energy Year.

5.4 Calculation and Invoicing

Project Co will submit to the Authority for each Energy Year, Project Co's calculation of the Average Unit Cost and Energy Gainshare and Energy Painshare as soon as practicable, and in any event within 20 Business Days after the receipt of the last invoice containing information on all Energy use during that Energy Year. Any unresolved dispute about such calculations will be resolved in accordance with the Dispute Resolution Procedure.

6. CONTENT AND FORMAT OF THE ENERGY ANALYSIS REPORT

6.1 Energy Analysis Report

The Energy Analysis Report will present findings of actual consumption for each separate Utility for the relevant Contract Year. The parties will agree upon the exact form of the Energy Analysis Report from time to time but as a minimum the Energy Analysis Report will include the following.

- (a) For each Payment Period (within 10 Business Days of the end of the Payment Period):
- (1) the Regulated Energy Consumption in Gigajoules and the Regulated Energy Consumption in GJ for each type of Energy in that month;
 - (2) the Non-Regulated Energy Consumption in Gigajoules for each type of Energy in that month;
 - (3) the consumption data for all other Utilities;
 - (4) Weather Data recorded for that month;
 - (5) Facility Operation Variances; and
 - (6) any other variable that affects the Regulated Energy Consumption relative to the energy model assumptions.
- (b) For each Contract Year (within 20 Business Days after the receipt of the last invoice containing information on all Energy use during that Contract Year):
- (1) all of the items reported for each Payment Period in Section 6.1(a), but for the Contract Year;
 - (2) the Energy Mix for the Contract Year;
 - (3) a calculation showing Energy Painshare or Energy Gainshare; and
 - (4) a revised Energy Model showing the Annual Regulated Energy Target for the upcoming Contract Year.

ATTACHMENT 1 – ENERGY MODEL ASSUMPTIONS

The Energy Assumptions are set out in a separate CD-ROM provided on the Effective Date and identified as “Interior Heart and Surgical Centre Project, Appendix 8C [Energy], Attachment 1 – Energy Model Assumptions”.

APPENDIX 8D

AUTHORITY FUNDING

Table 1:

A Payment Period (note that #1 is the period of Financial Close)	B Maximum Instalment	C Minimum Cost to Date	D Maximum Cost to Complete
1			
2			
3			
4			
5			
6			
7			
8			
9			
10			
11			
12			
13			
14			
15			
16			
17			
18			
19			
20			
21			
22			
23			
24			
25			
26			
27			
28			
29			
30			
31			
Total	\$29,518,360		