

APPENDIX 8B

CONSTRUCTION PERIOD PAYMENTS

1. DEFINITIONS

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

“Direct Construction Costs” means with respect to a Building the total amounts paid or payable by Project Co in respect of that Building, including:

- (a) costs of construction including permits, Building construction, site servicing, seismic upgrades and other construction on Building-related structures and works;
- (b) costs of furniture, fixtures and equipment;
- (c) costs of repairing damaged units during the decanting process;
- (d) bid preparation costs, including the fees paid to non-legal professionals, including project managers, technical personnel, consultants and contractors specifically engaged to undertake surveying, design, engineering, manufacturing or construction of infrastructure assets for the Building, and related facilities and structures;
- (e) Project Co running costs;
- (f) costs of environmental assessment, remediation activities, mitigation measures and follow-up to any environmental assessment; and
- (g) construction financing costs, including interim financing fees and debt service accounts; and

“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.

2. CONSTRUCTION PAYMENTS

The Authority will make a payment to Project Co after each Building Opening Date in accordance with this Appendix. The amount payable by the Authority to Project Co with respect to each Building will be the lesser of [REDACTED] of the Direct Construction Costs for that Building and:

Building	Maximum Payment
Beacon	[REDACTED]
Cordova Residence	[REDACTED]
Dominion Hotel	[REDACTED]
Gastown Hotel	[REDACTED]

Building	Maximum Payment
Hazelwood Hotel	
Marble Arch Hotel	
Marr Hotel	
Molson's Bank Building	
Orange Hall	
Rice Block	
Sunrise Hotel	
Tamura House	
Washington Hotel	
TOTAL	

(each a **"Construction Payment"**).

3. INVOICING AND PAYMENT

Project Co will invoice the Authority for the Construction Payment for a Building not later than one year after the Building Opening Date for that Building and will include with that invoice:

- (a) a Certificate of Building Opening for that Building;
- (b) a certificate of the Independent Certifier certifying (in the manner outlined in Section 3.5 of Schedule 2 Design and Construction Protocols] the Direct Construction Costs for that Building;
- (c) the amount of HST payable in respect of that Construction Payment;
- (d) 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;
- (e) 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 3 of this Appendix 8B within 15 days and will, after receipt of the invoice and all supporting documentation, pay to Project Co the amount approved by the Authority within:

- (A) 30 days of receipt of the invoice and all supporting documents in respect of each of the Molson's Bank Building and the Hazelwood Hotel; and
- (B) 45 days of receipt of the invoice and all supporting documentation in respect of all other Buildings.