

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 of this Appendix;

“**Cost to Date**” as at a date 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 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];

“**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; and

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

2. 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) 40% of the Cost to Date at the end of that month plus 40% of the amount, if any, by which the Cost to Date exceeds [REDACTED],

exceeds the total of all Construction Period Payments previously paid by the Authority to Project Co under this Appendix. 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).

3. INVOICING AND PAYMENT

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 HST 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 4 of this Appendix within 5 Business Days and pay the amount approved by the Authority within 10 Business Days after receipt of the invoice.

Table 8B-1 – Cumulative Maximum Construction Period Payments

| A | B |
|--------------------|---------------------------------|
| Month ¹ | Cumulative Maximum ² |
| 1 | 3,888,243 |
| 2 | 7,707,993 |
| 3 | 9,389,996 |
| 4 | 11,175,296 |
| 5 | 13,071,192 |
| 6 | 15,087,381 |
| 7 | 17,090,400 |
| 8 | 18,993,527 |
| 9 | 21,011,590 |
| 10 | 23,662,741 |
| 11 | 25,284,873 |
| 12 | 26,920,146 |
| 13 | 28,713,212 |
| 14 | 30,596,799 |
| 15 | 33,057,130 |
| 16 | 36,136,458 |
| 17 | 39,835,367 |
| 18 | 45,781,164 |
| 19 | 51,582,719 |
| 20 | 56,770,675 |
| 21 | 62,359,009 |
| 22 | 68,031,545 |
| 23 | 73,998,799 |
| 24 | 79,550,425 |
| 25 | 86,210,974 |
| 26 | 95,716,944 |
| 27 | 104,693,617 |
| 28 | 112,637,065 |
| 29 | 119,534,085 |
| 30 | 125,066,865 |
| 31 | 128,777,368 |
| 32 | 131,506,420 |
| 33 | 133,428,589 |

¹ number of months after Financial Close, month 1 being January 2011

² total of all monthly maximum installments to date

| A | B |
|--------------------|---------------------------------|
| Month ¹ | Cumulative Maximum ² |
| 34 | 134,769,839 |
| 35 | 135,768,746 |
| 36 | 136,767,653 |
| 37 | 137,747,164 |
| 38 | 138,295,108 |
| 39 | 138,699,520 |