

APPENDIX 8B

CONSTRUCTION PERIOD PAYMENTS

1. DEFINITIONS

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

“**Construction Payment**” has the meaning set out in Section 2 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];
- (b) the total amounts paid or payable by Project Co in respect of SPV Costs, up to the cumulative maximum applicable to that month as set out in the Financial Model at Form A3, Column C;
- (c) an amount totalling \$14,226,927 calculated prior to the Effective Date to reflect an assumption regarding an amount that may be generally described as “interest during construction” (but not necessarily reflecting 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), up to the cumulative maximum applicable to that month as set out in the Financial Model at Form A3, Column D;
- (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, up to the cumulative maximum applicable to that month as set out in the Financial Model at Form A3, Column E; and
- (e) the total amounts paid or payable by Project Co in respect of Proposal Response Costs, up to the cumulative maximum applicable to that month as set out in the Financial Model at Form A3, Column F,

all of the above (except for paragraph (c)) as evidenced by supporting invoices and other documentation reasonably required by the Authority;

“**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;

“**Proposal Response Costs**” means costs for professional services reasonably and properly incurred in respect of the preparation of the proposal submitted under the request for proposals for the Project prior to the Effective Date and included in the Financial Model;

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

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

2. CONSTRUCTION PAYMENT AMOUNTS

The Authority will make monthly payments (each a “**Construction Payment**”) to Project Co during the Construction Period in accordance with this Appendix. The amount payable by the Authority to Project

Co as a Construction Payment as at the end of the month indicated in Table 8B 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; and
- (b) 43% of the Cost to Date at the end of that month,

exceeds the total of all Construction 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 Payments at any time after the end of the applicable month indicated in Table 8B 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 for the applicable payment period, 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.

Project Co will separate the interest during construction portion of the Cost to Date in each invoice.

The Authority will review each invoice submitted in accordance with this Section 3 of this Appendix within 5 Business Days and pay the amount approved by the Authority within 10 Business Days after receipt of the invoice and all supporting documentation.

Table 8B – Cumulative Maximum

Month¹	Cumulative Maximum Construction Payments² (\$000 Nominal)
1	9,174.99106
2	10,661.13283
3	13,079.93447
4	14,280.27159
5	15,789.11946
6	17,708.75579
7	19,699.27485
8	21,373.34408
9	23,348.18258
10	25,635.98719
11	27,625.21372
12	29,756.89568
13	31,918.82702
14	34,544.06908
15	38,150.93576
16	41,281.34676
17	44,267.13845
18	47,518.47365
19	51,239.40399
20	55,884.19474
21	59,915.39982
22	64,192.77834
23	70,189.17408
24	75,968.68902
25	81,712.88932
26	87,019.63482
27	91,892.90559
28	96,305.58462
29	100,768.13101
30	105,420.97138
31	109,443.72220
32	112,457.90259
33	114,925.31395
34	116,664.46773
35	118,287.55244
36	119,782.95044
37	120,937.38156
38	121,992.28711

¹number of months after Financial Close, month 1 being November 2018

²total of all monthly maximum Construction Payment installments to date

39	122,994.96680
40	124,033.56922
41	124,051.11220