

ANNEXE A

**REQUEST FOR PROPOSALS FOR THE DESIGN, CONSTRUCTION, FINANCING AND
MAINTENANCE OF THE NEW CAMPUS OF THE MCGILL UNIVERSITY HEALTH CENTRE LOCATED
ON THE GLEN SITE AS A PUBLIC-PRIVATE PARTNERSHIP**

PROJECT « MUHC »

PARKING ALTERNATE PROPOSAL

**REQUEST FOR PROPOSALS FOR THE DESIGN, CONSTRUCTION, FINANCING AND
MAINTENANCE OF THE NEW CAMPUS OF THE MCGILL UNIVERSITY HEALTH CENTRE
LOCATED ON THE GLEN SITE AS A PUBLIC-PRIVATE PARTNERSHIP**

PROJECT « MUHC »

PARKING ALTERNATE PROPOSAL

1. DESCRIPTION

MUHC hereby requests that each Proponent provide, with its Committed Financial Proposal – Project Costs and Financial Model, an Alternate Proposal in respect of Parking Services, pursuant to which the management and operation of the Parking Areas would be provided by MUHC (directly, through a foundation, a parking management entity or otherwise) (the "Parking Alternate Proposal") and not by the Private Party.

Pursuant to this Parking Alternate Proposal, ProjectCo remains responsible for the design, construction, maintenance, life cycle rehabilitation, including electromechanical equipment, and financing of the Parking Areas in accordance with Volumes 2, 3, 4 and 5 of the Request for Proposals.

However, the management and operation thereof would be provided by and the revenues generated and expenses incurred, including the cost of Utilities, would be for the benefit and assumed by MUHC. MUHC will make a payment to ProjectCo at Financial Close (the 'Parking Payment'). The amount of the Parking Payment will be a function of the net revenues expected to be generated by the parking facilities as indicated herein (Indicative Terms and Conditions).

Each Proponent is asked to provide, as part of its Parking Alternate Proposal, a separate price form using the form provided at Schedule 1-7 of Volume 1 of the Request for Proposals and a separate financial model reflecting its Parking Alternate Proposal, which shall be consistent with the requirements of Volume 5 of the Request for Proposals as amended hereby.

In preparing the Parking Alternate Proposal, Proponents are asked to assume that they would be required to provide security in the form of an irrevocable letter of credit in an amount equal to the portion of the Parking Payment which has not been drawn for design and construction purposes and which could be drawn in the event of a ProjectCo Event of Default.

The Proponents are not allowed to adapt, rectify, change or modify their Technical Proposals as a result of the submission of the Parking Alternate Proposal.

The Parking Alternate Proposal should be submitted with the Committed Financial Proposal – Project Costs and Financial Model on or before the Deadline for Submitting a Committed Financial Proposal – Project Costs and Financial Model. As set forth in Part G of Volume 5 of the Request for Proposals, where the information given in respect of the Base Proposal is applicable to Alternate Proposal, there is no requirement for such information to be repeated.

In the event that changes are made to the Project costs, the financing structure or financing costs, with the exception of those relating to the Parking Alternate Proposal, G1 through G8 of Section II of Volume 5 of the Request for Proposals must be resubmitted in their entirety, using Microsoft Word's track changes feature under the tools menu so as to indicate the changes that have been made since the Indicative Financing Proposal.

2. EVALUATION

The Proponents should note that from an evaluation perspective, MUHC will select the Selected Proponent based on the Base Proposal only, as set forth in Volume 1 of the Request for Proposals.

3. FIRM AND IRREVOCABLE OFFER

The Parking Alternate Proposal shall constitute a firm offer to MUHC that is irrevocable and binding upon the Proponent and its Member(s) and Participant(s), and that cannot be withdrawn or amended prior to the expiry of the Financial Proposal Validity Period. MUHC shall have the right, at its own discretion, to opt for and accept the Parking Alternate Proposal of the Selected Proponent.

4. INDICATIVE TERMS AND CONDITIONS OF PARKING PAYMENT

4.1 Size of Parking Payment

The size of the Parking Payment is a direct function of the number of parking stalls. It will vary according to the following schedule:

Parking Payment Schedule

Number of Parking Stalls	Parking Payment (\$M)
1,800	123
1,900	136
2,000	148
2,100	161
2,200	173
2,300	186
2,400	198
2,500	211
2,600	225
2,700	240
2,800	255
2,900	265
3,000	275

Disbursement Date: The Parking Payment will be a one-time cash payment made by MUHC into the Parking Payment Proceeds Escrow Account at Financial Close and it will be available for use by ProjectCo at that date.

Repayment: ProjectCo will not be required to reimburse the Parking Payment at Final Substantial Completion or at any time thereafter since (a) the Parking Payment is a pre-payment of Periodic Payments, a capital contribution, made in order to reduce the level of Periodic Payments and, (b) MUHC will retain the parking revenues generated by the Facility in exchange for the Parking Payment with no minimum guarantees from ProjectCo.

4.2 Interest and Fees

Base Interest Rate: The Base Interest Rate will be equal to the financing costs paid by MUHC to secure funding of the Parking Payment.

For the purpose of the Parking Alternate Proposal, proponents should use an imputed all-in fixed rate of 6,933% per annum calculated from the Disbursement Date.

Additional Fees and Margins:

No other fees and margins or amortization of the capital value of the parking payment will be required by MUHC.

Payment of interest:

Payment of interest will be made on a semi-annual basis. Interest will be treated as a Project Cost under the Senior Credit Facilities and will be funded by way of drawdowns in arrears. Payments will be made within 20 days of invoicing by MUHC.

Interest Rate Credits:

In the event the Parking Facilities can be safely operated in whole or in part prior to the Final Substantial Completion Date, the parking revenues net of operating costs generated during that period will be credited to ProjectCo by MUHC in reduction of the Base Interest Rate otherwise due.

Proponents need to estimate the time and amount of the Interest Rate Credits for the purpose of their Parking Alternate Proposal since their determination is design specific.

Day Count Convention: Actual / 365

4.3 Conditions Precedent to Financial Close

Confirmation by:

- MUHC that funding for Parking Payment is available and of the Base Interest Rate.
- Execution of the Project Agreement (Commercial Close).
- Financial Model used for the Senior Credit Facilities which includes the drawdown and use of the Parking Payment during construction and inclusion of interest as a Project Cost consistent with terms outlined in this document.

November 08, 2009