
SCHEDULE 7

SITES

TABLE OF CONTENTS

1. AUTHORITY'S OBLIGATIONS AND REPRESENTATIONS 1

1.1 Grant of Licence Over Site 1

1.2 Terms Affecting Licence Grant 1

1.3 Property Taxes 2

2. PROJECT CO'S OBLIGATIONS AND ACKNOWLEDGMENTS 2

2.1 "As Is Where Is" 2

2.2 Site Conditions 2

2.3 Encumbrances..... 2

2.4 Project Co Not To Grant or Permit Charges..... 3

2.5 No Restriction on Authority Use or Development..... 3

2.6 No Registration 3

2.7 Builders' Liens 3

2.8 Title to Improvements 4

APPENDIX 7A DESCRIPTION OF SITES AND ENCUMBRANCES

SCHEDULE 7**SITES****1. AUTHORITY'S OBLIGATIONS AND REPRESENTATIONS****1.1 Grant of Licence Over Site**

- (a) From the Effective Date until the later of:
- (1) the Termination Date; and
 - (2) the date the Authority no longer requires Project Co to provide the transitional services described in Section 14.6(a) of the Agreement,

the Authority hereby grants, and will continuously, until the applicable date referred to above, grant or cause to be granted to Project Co a non-exclusive licence of use and access to, on and over each of the Sites and the Schools to the extent required by Project Co to allow Project Co to perform the Design, the Construction and the Services (the "**Licence**").

- (b) In consideration for the licence granted in Section 1.1(a), Project Co will perform the obligations described in Section 4.1 of the Agreement subject to and in accordance with the Agreement.
- (c) Project Co may for the same purposes described in Section 1.1(a), grant sub-licences to any Project Co Person subject to the same terms and conditions contained in this grant of Licence, provided, however, that any such grant will terminate upon termination of the Licence.

1.2 Terms Affecting Licence Grant

Without limiting the other provisions of this Schedule and this Agreement, the following terms and conditions apply to the Licence:

- (a) no legal demise or other interest in land, and no interest in the Schools or any other improvements, is granted to Project Co or created by this Agreement;
- (b) the Licence is non-exclusive and no right to exclusive possession of any of the Sites or the Schools is granted to Project Co;
- (c) Project Co's rights are subject to the Encumbrances; and
- (d) subject to Section 5.10 of Schedule 2 [Design and Construction Protocols], the Authority will be entitled at any time and from time to time to grant to Authority Persons and any other persons, including contractors and the general public, access to any of the Sites and the Schools.

1.3 Property Taxes

The Authority or the relevant School Boards will be responsible for property taxes (if any), or payments in lieu of property taxes, payable in respect of each Site and each School, or the occupation thereof by the Authority or any Authority Person, Project Co or any Project Contractor or Sub-Contractor.

2. PROJECT CO'S OBLIGATIONS AND ACKNOWLEDGMENTS**2.1 "As Is Where Is"**

Subject to the provisions of Section 4.13 of the Project Agreement, Project Co accepts the Sites and the Licence on an "as is, where is" basis.

2.2 Site Conditions

Notwithstanding any other provisions of this Agreement, if a delay is caused to the progress of the Design or Construction or if additional costs are incurred by Project Co in performing the Design or the Construction (which, in either case, would not have been experienced or incurred by Project Co in performing its obligations under this Agreement) as a direct result of the Site Conditions or the Site Servicing for any Site differing materially from that which is described in Appendix 7B, then the delay or additional costs experienced or incurred by Project Co, to the extent they could not reasonably have been avoided or mitigated by Project Co, will, subject to and in accordance with Schedule 6 [Changes, Minor Works and Innovation Proposals], result in a Facility Change; provided, however, that Project Co will not be entitled to a Change under this Section 2.2 if:

- (a) it was not, in all the relevant circumstances and having regard to any other information known to Project Co at the relevant time, reasonable in accordance with Good Industry Practice for Project Co to rely on the Site Conditions or Site Servicing described in Appendix 7B or to rely on same without further investigation or Site examination; or
- (b) prior to the Financial Submission Date, Project Co or a Project Co Person in fact carried out any further investigation or Site examination with respect to the Site Conditions or Site Servicing and, as a result of such investigation or examination, Project Co or such Project Co Person became or should (in accordance with Good Industry Practice) have become aware that any Site Conditions or Site Servicing for any Site differs materially from that which is described in Appendix 7B.

Any Dispute between the Authority and Project Co regarding the application of this Section 2.2 will be referred for resolution pursuant to the Dispute Resolution Procedure.

2.3 Encumbrances

Project Co acknowledges that it has reviewed the Encumbrances in effect as of the Effective Date, Project Co will fully and punctually observe and perform (to the same extent as if Project Co were the owner of the Sites and bound by the Encumbrances) any limitations, restrictions, obligations, liabilities and other terms and conditions set out in the Encumbrances and Project Co assumes all risks arising therefrom. Project Co will fully and punctually observe and perform all of the terms and conditions of any

interest included in each of the Sites and any Encumbrance. The Authority may without restriction modify, add or remove any Encumbrances, provided that the foregoing will not limit Project Co's entitlements under the Agreement if such modification, addition or removal results in a Change.

2.4 Project Co Not To Grant or Permit Charges

Project Co will not, without the consent of the Authority:

- (a) grant or permit any Charge affecting or against any of the Sites or the Schools or any part thereof; or
- (b) do or omit to do, or cause, suffer or permit to be done or omitted to be done by any Project Co Person anything that would result in any Charge against or affecting any of the Sites, the Schools or any asset, matter or thing that may be required to be delivered or transferred to the Authority on the Termination Date pursuant to Section 14.4 (Transfer to the Authority of Assets, Contracts, etc.) of this Agreement,

and will at its own expense promptly discharge and remove or cause to be discharged and removed any such Charge.

2.5 No Restriction on Authority Use or Development

Project Co acknowledges that the Authority or the School Boards may from time to time without restriction use, develop or re-develop, or permit the use, development or re-development of, any of the Sites, the Schools or any portion thereof (including by way of subdivision) for any purpose and by any Person. To the extent such use, development or re-development adversely interferes with the Licence or adversely interferes with Project Co's ability to carry out the Design, the Construction and the Services, the Authority will, to address such interference, initiate a Change.

2.6 No Registration

Project Co will not register in any land title office this Agreement, the Licence or any instrument, claim or notice in respect of the Licence or any other rights of Project Co under this Agreement.

2.7 Builders' Liens

Project Co will, at its own cost and expense, cause any and all builders' liens and other liens and claims of lien for labour, services or materials furnished or alleged to have been furnished with respect to the Design, the Construction or the Services that are registered against or otherwise affect any of the Sites or the Schools or any part thereof, to be paid, satisfied, released or vacated forthwith after the Authority has sent Project Co written notice of any such lien or claim. If there is a bona fide dispute of the validity or correctness of any such lien or claim, Project Co will be entitled to defend against the lien or claim in any proceedings if Project Co first:

- (a) pays into Court, or provides sufficient security for, the amount claimed and costs as the Court may direct, as may be required to obtain a Court Order for the discharge of such

lien or claim from title to the relevant Site or Sites, and obtains such discharge and registers such discharge in the land title office to cancel such lien; or

- (b) provides such other reasonable security in respect of such claim as the Authority may in writing, and in its discretion, approve.

2.8 Title to Improvements

Project Co will not acquire any property interest in or title to the Schools or any other improvements to the Sites and acknowledges that title to and ownership of the Schools and all other improvements to the Sites will at all times be vested in the respective School Boards.

APPENDIX 7A

DESCRIPTION OF SITES AND ENCUMBRANCES

[NTD: TO BE ISSUED BY ADDENDUM]

APPENDIX 7B

SITE CONDITIONS AND SITE SERVICING

[NTD: TO BE ISSUED BY ADDENDUM]

23605206.1