

**SCHEDULE 10**  
**LENDERS' REMEDIES AGREEMENT**

for the Saskatchewan Joint-Use Schools Project # 1

**HER MAJESTY THE QUEEN IN RIGHT OF THE PROVINCE OF SASKATCHEWAN  
COMPUTERSHARE TRUST COMPANY OF CANADA, AS INDENTURE TRUSTEE  
JOINT USE MUTUAL PARTNERSHIP #1**

Dated: **[August 17]**, 2015

**SCHEDULE 10**

**LENDERS' REMEDIES AGREEMENT**

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**SCHEDULE 10**

**LENDERS' REMEDIES AGREEMENT**

THIS AGREEMENT is dated as of **[August 17]**, 2015

BETWEEN:

**HER MAJESTY THE QUEEN IN RIGHT OF THE PROVINCE OF SASKATCHEWAN**

(the "**Authority**")

AND:

**COMPUTERSHARE TRUST COMPANY OF CANADA**

(the "**Indenture Trustee**"), as indenture trustee for the Senior Lenders

AND:

**JOINT USE MUTUAL PARTNERSHIP #1**

(the "**Project Co**")

WHEREAS:

- A. The Authority and Project Co have entered into the Project Agreement (defined below);
- B. Pursuant to the Trust Indenture (defined below), the Senior Lenders have agreed, subject to the terms and conditions contained therein, to make available to Project Co the loan facility specified therein to finance certain costs to be incurred and expenditures to be made by Project Co in connection with the Project Agreement;
- C. It is a condition precedent to the obligations of the Senior Lenders under the Trust Indenture and a condition to the Project Agreement that this Agreement be executed and delivered by the parties; and,
- D. The foregoing recitals are made as representations and statements of fact by the Authority and Project Co, and not by the Indenture Trustee

**NOW THEREFORE** in consideration of the mutual promises and agreements of the parties herein expressed and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties covenant and agree as follows:

## 1. DEFINITION AND INTERPRETATION

### 1.1 Definition

Unless otherwise specified or the context otherwise requires, capitalized but otherwise undefined terms in this Agreement will have the respective meanings given to such terms in the Project Agreement, and:

“**Agreement**” means this agreement including any recitals to this agreement, as amended, supplemented or restated from time to time;

“**Antecedent Liabilities**” means, as at any time:

- (a) all amounts due and payable by Project Co to the Authority under the Project Agreement at such time; and
- (b) all obligations which should have, but have not, been performed and outstanding liabilities of Project Co under the Project Agreement, in each case at such time;

“**Appointed Representative**” means the Senior Lenders’ Representative identified in a Step-In Notice;

“**Discharged Obligations**” has the meaning set out in Section 6.4;

“**Discharged Rights**” has the meaning set out in Section 6.4;

“**Event of Default**” has the meaning set out in the Trust Indenture;

“**Finance Parties**” has the meaning set out in the Trust Indenture;

“**Indenture Trustee’s Withdrawal Notice**” has the meaning set out in Section 3.4;

“**Indicative Notice**” means either an Indicative Step-In Notice or an Indicative Transfer Notice given in accordance with Section 3.3;

“**Indicative Notice Period**” means:

- (a) where an Indicative Step-In Notice has been given, the period commencing on the date of delivery of such Indicative Step-In Notice and ending on the earlier of:
  - (1) the Step-In Date;
  - (2) the date of delivery of an Indenture Trustee’s Withdrawal Notice; and
  - (3) 60 days following the date of delivery of such Indicative Step-In Notice;
- (b) where an Indicative Transfer Notice has been given, the period commencing on the date of delivery of such Indicative Transfer Notice and ending on the earlier of:
  - (1) the date on which any transfer in accordance with Section 6.1 becomes effective;

- (2) the date of delivery of an Indenture Trustee's Withdrawal Notice; and
- (3) 60 days following the date of delivery of such Indicative Transfer Notice.

**"Indicative Step-In Notice"** has the meaning given to it in Section 3.3;

**"Indicative Transfer Notice"** has the meaning given to it in Section 3.3;

**"Insolvency Law"** means any of the *Bankruptcy and Insolvency Act (Canada)*, the *Companies' Creditors Arrangement Act (Canada)* and the *Winding-Up and Restructuring Act (Canada)* and any other applicable insolvency or other similar law of any jurisdiction, including any applicable law of any jurisdiction permitting a debtor to obtain a stay or a compromise of the claims of its creditors against it;

**"Insolvency Officer"** means any trustee, receiver, receiver and manager, liquidator, sequestrator, administrator or other custodian in connection with the insolvency of Project Co or a Material Contract Party or any of their respective assets;

**"Insolvency Proceedings"** means:

- (a) any:
  - (1) formal step (including petition, proposal, application, convening of a meeting or other proceeding) taken with a view to or for the purpose of considering;
  - (2) appointment of an Insolvency Officer in connection with;
  - (3) order or resolution passed in connection with; or
  - (4) formal agreement reached regarding,  
  
a dissolution, bankruptcy, receivership, winding-up, liquidation, administration or other similar proceedings or any other proceeding seeking a stay of proceedings, reorganisation, debt arrangement, compromise of the claims of creditors or any distribution of assets in respect of Project Co or a Material Contract Party (whether voluntary or involuntary) made or commenced by any party under any Insolvency Law; or
- (b) any distress, attachment, sequestration or execution or other similar process affecting any of the assets of Project Co or a Material Contract Party or any other similar process or event occurring in relation to Project Co's or a Material Contract Party's assets in any other jurisdiction;

**"Insurance Trust Account"** has the meaning set out in the Trust Indenture;

**"Insurance Trust Agreement"** means the insurance trust agreement made as of **[August 17]**, 2015 among the Authority, Project Co, the Account Trustee and the Lenders' Agent (as defined in the Insurance Trust Agreement);

“**Liability Report**” has the meaning given in Section 3.5;

“**Material Antecedent Liabilities**” means Antecedent Liabilities that are:

- (a) financial liabilities; or
- (b) non-financial liabilities, the breach of which will trigger any remedy of the Authority under Section 9.1 (Project Co’s Obligation to Indemnify) or Section 12 (Project Co Events of Default) of the Project Agreement;

“**Notice Period**” means:

- (a) in respect of a Project Co Event of Default, the Termination Notice Period; and
- (b) in respect of an Event of Default, the Indicative Notice Period;

“**Project Agreement**” means the agreement dated [August 17], 2015 between Project Co and the Authority relating to the design, construction, financing, maintenance and life cycle rehabilitation of the Schools;

“**Project Documents**” means, collectively, the Project Agreement and any other agreement (other than this Agreement) entered into from time to time by the Authority and Project Co (with or without other parties) in connection with the Project; and “**Project Document**” means any one of the foregoing;

“**Reported Antecedent Liabilities**” means the Antecedent Liabilities identified in the Liability Report;

“**Revocation of Termination Notice**” means a written notice from the Authority to the Indenture Trustee revoking a Termination Notice;

“**Security Documents**” has the meaning as set out in the Trust Indenture;

“**Security Trustee**” means Computershare Trust Company of Canada;

“**Senior Debt Deficiency**” means the amount, if any, by which the Termination Payment is less than the Senior Debt Termination Amount;

“**Senior Debt Discharge Date**” means the date on which all amounts due and owing under the Senior Financing Agreements have been fully and irrevocably paid or discharged (whether or not as a result of enforcement) and the Senior Lenders are under no further obligation to advance under the Trust Indenture;

“**Senior Lenders’ Representative**” means:

- (a) the Indenture Trustee, or any Senior Lender;
- (b) a receiver or receiver and manager of Project Co appointed under or in connection with the Security Documents; or

- (c) any other Person approved by the Authority (such approval not to be unreasonably withheld or delayed);

**“Step-In Date”** means 5 Business Days after delivery of a Step-In Notice;

**“Step-In Notice”** means a notice given by the Indenture Trustee to the Authority pursuant to Section 4;

**“Step-In Period”** means, subject to Section 4.3, the period from the Step-In Date up to and including the earliest of:

- (a) the Step-Out Date;
- (b) the date of any transfer under Section 6;
- (c) the date of any termination under Section 4.5; and
- (d) the Expiry Date;

**“Step-Out Date”** means the date that is 20 Business Days after the date of a Step-Out Notice;

**“Step-Out Notice”** means a notice from the Indenture Trustee or Appointed Representative to the Authority pursuant to Section 5;

**“Suitable Substitute Project Co”** means a Person approved by the Authority in accordance with Sections 6.2 and 6.3 as:

- (a) having the legal capacity, power and authority to become a party to and perform the obligations of Project Co under the Project Agreement; and
- (b) employing or contracting for the services of Persons having the appropriate qualifications, experience and technical competence and having the resources available to them (including committed financial resources and sub-contracts) which are sufficient to enable them to perform the obligations of Project Co under the Project Agreement,

provided that such Person is not a Restricted Person;

**“Termination Notice”** means a notice given by the Authority to the Indenture Trustee under Section 3; and

**“Termination Notice Period”** means the period beginning on the date of giving of a Termination Notice and ending on the earlier of:

- (a) the Step-In Date;
- (b) the date of service of a Revocation of Termination Notice; and
- (c) the proposed Termination Date (subject to the minimum notice requirements under Section 3.1(a)) set out in the Termination Notice.



“**Trust Indenture**” means the trust indenture dated [August 17], 2015 between Project Co, the Senior Lenders and the Indenture Trustee in respect of the Senior Debt, as it may be supplemented, amended, restated or otherwise modified from time to time;

## 1.2 Construction and Interpretation

This Agreement will be interpreted according to the following provisions, save to the extent that the context or the express provisions of this Agreement otherwise require:

- (a) the parties waive the application of any rule of law which otherwise would be applicable in connection with the construction of this Agreement that ambiguous or conflicting terms or provisions should be construed against the party who (or whose counsel) prepared the executed agreement or any earlier draft of the same;
- (b) the table of contents, headings and sub-headings, marginal notes and references to them in this Agreement are for convenience of reference only, do not constitute a part of this Agreement, and will not be taken into consideration in the interpretation or construction of, or affect the meaning of, this Agreement;
- (c) each reference in this Agreement to “**Section**” is to a section of this Agreement;
- (d) each reference to an agreement, document or other instrument include (subject to all relevant approvals and any other provision of this Agreement expressly concerning such agreement, document or other instrument) a reference to that agreement, document or instrument as amended, supplemented, substituted, novated or assigned;
- (e) each reference to a statute or statutory provision (including any subordinate legislation) includes any statute or statutory provision which amends, extends, consolidates or replaces the statute or statutory provision or which has been amended, extended, consolidated or replaced by the statute or statutory provision and includes any orders, regulations, by-laws, ordinances, orders, codes of practice, instruments or other subordinate legislation made under the relevant statute;
- (f) each reference to time of day is a reference to Central Standard time;
- (g) words importing the singular include the plural and vice versa;
- (h) words importing a particular gender include all genders;
- (i) each reference to a public organization is deemed to include a reference to any successor(s) to such public organization or any organization or entity or organizations or entities which has or have taken over the functions or responsibilities of such public organization;
- (j) unless the context otherwise requires, each reference to “parties” means the parties to this Agreement and each reference to a “party” means any one of the parties to this

Agreement, provided however that a reference to a third party does not mean a party to this Agreement;

- (k) all monetary amounts are expressed in Canadian Dollars;
- (l) the words “include”, “includes” and “including” are to be construed as meaning “include without limitation”, “includes without limitation” and “including without limitation”, respectively;
- (m) any consent contemplated to be given under this Agreement must be in writing;
- (n) general words are not given a restrictive meaning:
  - (1) if they are introduced by the word “other”, by reason of the fact that they are preceded by words indicating a particular class of act, matter or thing; or
  - (2) by reason of the fact that they are followed by particular examples intended to be embraced by those general words;
- (o) the expression “all reasonable efforts” and expressions of like import, when used in connection with an obligation of the Senior Lenders, the Indenture Trustee, the Security Trustee, the Appointed Representative or any other Senior Lenders’ Representative, means taking in good faith and with due diligence all commercially reasonable steps to achieve the objective and to perform the obligation, including doing all that can reasonably be done in the circumstances, and in any event taking no less steps and efforts than those that would be taken by a commercially reasonable and prudent person in comparable circumstances but where the whole of the benefit of the obligation and where all the results of taking such steps and efforts accrued solely to that Person’s own benefit;
- (p) all accounting and financial terms used herein are, unless otherwise indicated, to be interpreted and applied in accordance with Canadian generally accepted accounting principles, consistently applied;
- (q) if the time for doing an act falls or expires on a day that is not a Business Day, the time for doing such act will be extended to the next Business Day; and
- (r) each provision of this Agreement will be valid and enforceable to the fullest extent permitted by law. If any provision of this Agreement is held to be invalid, unenforceable or illegal to any extent, such provision may be severed and such invalidity, unenforceability or illegality will not prejudice or affect the validity, enforceability and legality of the remaining provisions of this Agreement. If any such provision of this Agreement is held to be invalid, unenforceable or illegal, the parties will promptly endeavour in good faith to negotiate new provisions to eliminate such invalidity, unenforceability or illegality and to restore this Agreement as nearly as possible to its original intent and effect.

### 1.3 Governing Law

This Agreement will be deemed to be made pursuant to the laws of the Province of Saskatchewan and the laws of Canada applicable therein and will be governed by and construed in accordance with such laws.

### 1.4 Attornment

For the purposes of any legal actions or proceedings brought by any party hereto against the other party, the parties hereby irrevocably submit to the exclusive jurisdiction of the courts of the Province of Saskatchewan and acknowledge their competence and the convenience and propriety of the venue and agree to be bound by any judgment thereof and not to seek, and hereby waive, review of its merits by the courts of any other jurisdiction.

## 2. CONSENT TO SECURITY

### 2.1 Consent

The Authority acknowledges notice of, and consents to, the security interest granted by Project Co in favour of the Finance Parties under the Trust Indenture and Security Documents over:

- (a) Project Co's rights under the Project Agreement and all other Project Documents;
- (b) Project Co's assets; and
- (c) Project Co's rights to Insurance Proceeds and Insurance Receivables.

### 2.2 No Notice of Other Security

The Authority confirms that as of the date of this Agreement it has not received written notice of any other security interest granted over Project Co's rights described in Sections 2.1 other than pursuant to the Trust Indenture and Security Documents.

### 2.3 Authority Obligations

Except as specifically provided for in this Agreement and the Insurance Trust Agreement, the Authority has no obligations (whether express, implied, collateral or otherwise) to the Indenture Trustee or the Senior Lenders in connection with this Agreement, the Project Agreement or the Project. All of the obligations and liabilities given, undertaken or arising on the part of the Authority under this Agreement are given solely to the Indenture Trustee on behalf of the Senior Lenders and do not confer any rights on or in favour of Project Co or any Affiliate of Project Co or any other Person.

### 2.4 Authority's Rights not Prejudiced

The parties acknowledge that nothing in the Senior Financing Agreements, this Agreement or any other agreement between any of them (including any giving by the Indenture Trustee of a notice hereunder) will, except as between the Senior Lenders, the Indenture Trustee and the Authority as expressly set out

in this Agreement, affect the rights of the Authority under the Project Agreement (but an exercise by the Authority of those rights will not preclude a proper exercise by the Indenture Trustee of its rights under this Agreement). For greater certainty and without limiting the generality of the foregoing, nothing in this Agreement will limit, and the Authority will be entitled at all times in accordance with the provisions thereof to exercise the Authority's rights under Section 11.1(a) (Authority's Step-in Rights) of the Project Agreement and the related exercise of its rights under Section 11.2 (Authority's Rectification Rights) of the Project Agreement.

### 3. NOTICES

#### 3.1 Termination Notice

The Authority will not terminate or deliver any notice terminating the Project Agreement without giving to the Indenture Trustee written notice (a "**Termination Notice**") stating:

- (a) that a Project Co Event of Default has occurred and the proposed Termination Date, which will be not sooner than 90 days after the Termination Notice; and
- (b) the grounds for termination in reasonable detail.

#### 3.2 Notice of Event of Default

Concurrently with delivery by it to Project Co of any notice of an Event of Default, the Indenture Trustee will provide a copy of such notice to the Authority, together with reasonable details of such Event of Default.

#### 3.3 Indicative Notice

Without prejudice to the Security Trustee's rights under the Security Documents, at any time upon or following the occurrence of an Event of Default, and where relevant to such Event of Default the continuance of such Event of Default, the Indenture Trustee may give notice to the Authority of its intention to nominate a Senior Lenders' Representative to step-in in accordance with Section 4.1 (an "**Indicative Step-In Notice**") or to effect a transfer in accordance with Section 6.1 (an "**Indicative Transfer Notice**").

#### 3.4 Indenture Trustee's Withdrawal Notice

If at any time after the giving of an Indicative Notice or a Termination Notice, the Indenture Trustee has determined that it is not, or is no longer, considering appointing a Senior Lenders' Representative or effecting a transfer of Project Co's rights and liabilities under the Project Agreement to a Suitable Substitute Project Co in accordance with this Agreement, the Indenture Trustee will give notice (an "**Indenture Trustee's Withdrawal Notice**") to the Authority and thereafter, without prejudice to Section 9, the provisions of this Agreement will not be applicable with respect to the event that led to such Indicative Notice or Termination Notice and the Authority will be at liberty to take any and all action available to it under the Project Agreement and other Project Documents.

### 3.5 Notice of Antecedent Liabilities

Unless an Indenture Trustee's Withdrawal Notice has been given, not later than 30 days after the date of delivery by the Authority of a Termination Notice or the date of delivery by the Indenture Trustee of an Indicative Notice, as the case may be, the Authority will give the Indenture Trustee a notice (the "**Liability Report**") containing details of:

- (a) any Material Antecedent Liabilities accrued and outstanding as of the date of delivery of the Termination Notice or Indicative Notice, as the case may be; and
- (b) any financial liabilities of which the Authority is aware (after reasonable enquiry) that will fall due under the Project Agreement on or after the date of delivery of the Termination Notice or Indicative Notice, as the case may be, and on or prior to:
  - (1) in the case of a Termination Notice, the proposed Termination Date set out in that notice; and
  - (2) in the case of an Indicative Notice, 60 days after the date of delivery of the Indicative Notice.

### 3.6 Subsequent Authority Notice of Liabilities

After the delivery of the Liability Report, unless an Indenture Trustee's Withdrawal Notice has been given, the Authority will, promptly upon becoming aware of them, notify the Indenture Trustee in writing of any additional Material Antecedent Liabilities arising on or after the date of delivery of the Termination Notice or Indicative Notice, as the case may be, and prior to the end of the Termination Notice Period or the Indicative Notice Period, as the case may be.

### 3.7 No Right to Terminate

The Authority will not terminate or deliver any notice terminating the Project Agreement during any Notice Period, provided however that until the expiry of that period the Authority will be entitled to require Project Co to remedy any Project Co Event of Default and will be entitled to exercise all rights under the Project Agreement other than termination of the Project Agreement.

## 4. STEP-IN

### 4.1 Step-In Notice

Subject to Section 4.3 and without prejudice to the Security Trustee's rights under the Security Documents, the Indenture Trustee may give the Authority a notice (a "**Step-In Notice**") at any time during an Indicative Notice Period or a Termination Notice Period, as the case may be.

### 4.2 Contents of Step-In Notice

In the Step-In Notice, the Indenture Trustee will:

- (a) state that it intends to exercise its step-in rights under this Agreement; and
- (b) identify the Appointed Representative.

#### 4.3 One Step-In Period

There will be not more than one Step-In Period following any one Indicative Notice or Termination Notice.

#### 4.4 Appointed Representative Rights

On the Step-In Date, the Appointed Representative will assume jointly and severally with Project Co the rights of Project Co under the Project Agreement, which rights are conditional on and may be exercised subject to performance of Project Co's obligations under the Project Agreement. During the Step-In Period, the Authority will deal with the Appointed Representative and not Project Co. No Appointed Representative will be liable to the Authority or Project Co for any liabilities or obligations of Project Co. For certainty, an Appointed Representative who is also an Insolvency Officer will not, and will not be required to, assume or have any personal liability for any liabilities or obligations of Project Co.

#### 4.5 Authority Right to Terminate

The Authority will not terminate the Project Agreement in whole or in part during the Step-In Period except as set out in this Section 4.5. The Authority will be entitled to terminate the Project Agreement during the Step-In Period by written notice to Project Co, the Indenture Trustee and the Appointed Representative:

- (a) if the Reported Antecedent Liabilities that are financial liabilities have not been paid to the Authority on or before the Step-In Date or, if the due date for payment thereof is after the Step-In Date, have not been paid by the due date;
- (b) if amounts, of which the Authority was not aware (having made reasonable enquiry) at the time of the Liability Report and subsequently discovers prior to delivery of a Step-In Notice, subsequently become payable and are not discharged by:
  - (1) if notice of the liability is given to the Indenture Trustee at least 20 Business Days prior to the Step-In Date, the Step-In Date or, if the due date for payment thereof is after the Step-In Date, the due date; or
  - (2) if notice of the liability is given to the Indenture Trustee within 20 Business Days before the Step-In Date and such liability is material (as stated by the Authority, acting reasonably, when it gives such notice or by the Indenture Trustee, acting reasonably, by notice to the Authority within five Business Days of receipt of the notice from the Authority), 20 Business Days after the Step-In Date or, if later, the due date;
- (c) on grounds arising after the Step-In Date in accordance with the terms of the Project Agreement (other than a Project Co Insolvency Event), provided that for the purposes of termination under the Project Agreement, any Deductions that arose prior to the Step-In Date will not be taken into account during the Step-In Period;

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- (d) on grounds arising prior to the Step-In Date (which grounds are continuing at the Step-In Date) in accordance with the terms of the Project Agreement but only if the Appointed Representative is not using all reasonable efforts to remedy the relevant Antecedent Liabilities which are non-financial liabilities (but only to the extent such Antecedent Liabilities are capable of remedy); or
- (e) if the Service Commencement Date does not occur on or before the date that is 6 months after the Longstop Date.

## **5. STEP-OUT**

### **5.1 Step-Out Notice**

The Indenture Trustee or the Appointed Representative may at any time during the Step-In Period deliver to the Authority a Step-Out Notice which specifies the Step-Out Date.

### **5.2 Expiry of Step-In Period**

Upon the termination or expiry of the Step-In Period:

- (a) the rights of the Authority against the Appointed Representative and the rights of the Appointed Representative against the Authority will be cancelled; and
- (b) the Authority will no longer deal with the Appointed Representative and will deal with Project Co in connection with the Project Agreement.

### **5.3 Project Co Remains Bound**

Subject to Section 6.4, Project Co will continue to be bound by the terms of the Project Agreement notwithstanding the occurrence of an Indicative Notice, a Step-In Notice, a Step-In Period, a Step-Out Notice, a Step-Out Date, any action by the Indenture Trustee, Appointed Representative, Security Trustee or the Senior Lenders or any provision of this Agreement, and for greater certainty Project Co will be liable for any obligations and liabilities arising prior to the expiry of the Step-in Period from actions or inactions of the Indenture Trustee, the Appointed Representative, the Security Trustee or Senior Lenders. Project Co will remain liable for any unpaid amounts due and payable to the Authority by Project Co under the Project Agreement provided that Project Co will not be required to discharge such liability during the Step-In Period.

## **6. SENIOR LENDER REPLACEMENT OF PROJECT CO**

### **6.1 Project Co Transfer Notice**

Subject to Section 6.2, at any time:

- (a) during a Termination Notice Period;
- (b) during an Indicative Notice Period; or

- (c) during a Step-In Period,

the Indenture Trustee may, on 30 Business Days' notice to the Authority and any Appointed Representative, take any action available to it to cause the transfer of Project Co's rights and liabilities under the Project Agreement to a Suitable Substitute Project Co in accordance with the provisions of Section 6.4.

## 6.2 Authority Consent

The Authority will notify the Indenture Trustee as to whether any Person to whom the Indenture Trustee proposes to transfer Project Co's rights and liabilities under the Project Agreement is a Suitable Substitute Project Co, not later than 20 Business Days after the date of receipt from the Indenture Trustee of all information reasonably required by the Authority to decide whether the proposed transferee is a Suitable Substitute Project Co and, if the Authority fails to notify the Indenture Trustee within such period, the proposed transferee will be deemed to be a Suitable Substitute Project Co.

## 6.3 Withholding of Consent

The Authority will not unreasonably withhold or delay its decision on whether the proposed transferee is a Suitable Substitute Project Co and it will, without limitation, be reasonable for the Authority to withhold its consent:

- (a) if there are unremedied breaches under the Project Agreement and there is no remedial program reasonably acceptable to the Authority in respect of the breaches; or
- (b) based on any of the factors set out in Section 16.4 (Factors Authority May Consider) of the Project Agreement with respect to any transfer, including any assignment, to such Person or Change in Control resulting from the transfer.

## 6.4 Terms of Transfer

Upon the transfer referred to in Section 6.1 becoming effective:

- (a) Project Co and the Authority will be released from their obligations under the Project Agreement to each other, including with respect to indemnification under the Project Agreement whether arising prior to or after such transfer (the "**Discharged Obligations**");
- (b) the Suitable Substitute Project Co and the Authority will assume obligations which are substantially similar to the Discharged Obligations, but owed to or assumed by the Suitable Substitute Project Co instead of Project Co;
- (c) the rights of Project Co against the Authority under the Project Agreement and vice versa (the "**Discharged Rights**") will be cancelled;



- (d) the Suitable Substitute Project Co and the Authority will acquire rights against each other which differ from the Discharged Rights only insofar as they are exercisable by or against the Suitable Substitute Project Co instead of Project Co;
- (e) any subsisting ground for termination of the Project Agreement by the Authority will be deemed to have no effect and any subsisting Termination Notice will be automatically revoked;
- (f) the Authority will enter into a lenders' remedies agreement with the Suitable Substitute Project Co and a representative of the senior lenders lending to the Suitable Substitute Project Co on substantially the same terms as this Agreement; and
- (g) any Deductions that arose prior to that time will not be taken into account after the transfer for the purposes of Sections 11.1(b) and 12.1(h) of the Project Agreement and Sections 5.7 and 5.8 of Schedule 4 to the Project Agreement.

## **7. INSURANCE**

### **7.1 Release of Insurance Proceeds**

Notwithstanding the other provisions of this Agreement and the terms and conditions of the Senior Financing Agreements, the Indenture Trustee will only permit amounts to be released from the Insurance Trust Account in accordance with Section 6 (Insurance, Damage and Destruction), Schedule 5 [Insurance] , and the Insurance Trust Agreement, of the Project Agreement and will not exercise any rights under the Senior Financing Agreements or take any other steps to prevent amounts being released from the Insurance Trust Account in accordance with Section 6 (Insurance, Damage and Destruction) and Schedule 5 [Insurance] of the Project Agreement.

## **8. COVENANTS**

### **8.1 Authority Covenants**

The Authority agrees with the Indenture Trustee that the Authority will:

- (a) as soon as is reasonably practicable, at Project Co's expense, take whatever action the Indenture Trustee, an Appointed Representative or a Suitable Substitute Project Co taking a transfer in accordance with Section 6 may reasonably require for perfecting any transfer or release under this Agreement, including the execution of any transfer or assignment, and the giving of any notice, order or direction and the making of any registration which, in each case, the Indenture Trustee or Appointed Representative or Suitable Substitute Project Co reasonably requires;
- (b) not, prior to the Senior Debt Discharge Date, unless the Indenture Trustee has (acting reasonably) consented in writing:
  - (1) appoint an Insolvency Officer;

- (2) commence any Insolvency Proceedings;
  - (3) sanction, by voting or failing to vote, any Insolvency Proceedings and will, if requested to do so by the Indenture Trustee, vote against any Insolvency Proceedings;
  - (4) without prejudice to its rights of set-off under the Project Agreement, including rights to take amounts owing by Project Co into account in calculating termination compensation payable, claim or prove as creditor or otherwise in competition with any Finance Party in respect of any monies owing to it by Project Co for or on account of Project Co's liabilities under the Project Documents in the event of any Insolvency Proceedings; or
  - (5) take any action authorizing, or which might result in or is in furtherance of, any of the prohibited matters referred to in Sections (1), (2), (3) or (4) above;
- (c) not take or fail to take any action (including amendments, waivers and enforcement action) with respect to any material agreement between the Authority and a third party, the effect of which would be reasonably likely to render the Authority unable to satisfy its obligations under the Project Agreement; and
- (d) not issue a step-in notice or proposed transfer notice under any Material Project Contractor Collateral Agreement at any time that the Senior Lenders are validly exercising under any Senior Financing Agreement any step-in rights with respect to the relevant Material Contract.

## 8.2 Indenture Trustee Covenants

The Indenture Trustee will promptly:

- (a) Intentionally deleted;
- (b) notify the Authority when it believes the Senior Debt Discharge Date will occur or has occurred, and in any event will so notify no later than 20 Business Days after its occurrence;
- (c) a reasonable time prior to the taking of any such action, notify the Authority of any decision by the Senior Lenders to take action under Article 10 of the Trust Indenture, together with reasonable details of any such action;
- (d) unless notice is already provided under the above provisions, notify the Authority of any decision by the Senior Lenders to:
  - (1) appoint an Insolvency Officer;
  - (2) commence any Insolvency Proceedings;

- (3) sanction, by voting or failing to vote, any Insolvency Proceedings; or
- (4) take any action authorizing, or which might result in or is in furtherance of, any of the matters referred to in Sections (1), (2) or (3) above; and
- (e) upon request by the Authority, cause all security on any real or personal property comprised in the Schools to be promptly discharged and released on the date requested by the Authority (which will be on or after the Termination Date).

### **8.3 Project Co Covenant**

Project Co acknowledges and consents to the arrangements set out in this Agreement and agrees not to do or omit to do anything that may prevent any party from enforcing its rights under this Agreement.

## **9. STEP-IN RIGHTS UNDER MATERIAL CONTRACTS**

### **9.1 Step-in from Termination Date or Senior Debt Discharge Date**

Subject to Section 9.3, from (but not before) the earliest to occur of the Termination Date and the Senior Debt Discharge Date, provided that the Authority has (if applicable) complied with Section 3.7 and Section 4.5 in terminating the Project Agreement, the Authority will be free to exercise its rights under any Material Project Contractor Collateral Agreement to step-in and assume (or cause a third party designated by the Authority to step-in and assume) Project Co's rights and obligations under, or to transfer or assign, any Material Contract in accordance with a Material Project Contractor Collateral Agreement.

### **9.2 Release of Security**

Subject to Section 9.3, the Indenture Trustee will release and discharge (or cause to be released and discharged) at no cost to the Authority, and as soon as reasonably possible, all security in respect of each of the Material Contracts in respect of which any of Project Co's rights or obligations thereunder are assumed, transferred or assigned by or to the Authority (or by or to a third party designated by the Authority) pursuant to a Material Project Contractor Collateral Agreement.

### **9.3 Retention of Security for Senior Debt Deficiency**

If, in the reasonable opinion of the Indenture Trustee, there is likely to be a Senior Debt Deficiency, then until such time as an amount equal to the Senior Debt Deficiency has been recovered by the Finance Parties, the Finance Parties will be entitled to retain the benefit of (and will not be required to release and/or discharge) the security in respect of claims and losses that Project Co has as against the Material Contract Party under the relevant Material Contract (or as against any guarantor of such Material Contract) that arose prior to the date of the assumption, transfer or assignment of the relevant Material Contract (or guarantee in respect of such Material Contract) by or to the Authority (or by or to a third party designated by the Authority) provided that:

- (a) the Finance Parties will not, and will not be entitled to, exercise any rights or enforce any security in respect of any such claim during the period from the date on which such assumption, transfer or assignment occurs to the Termination Date; and
- (b) the rights in relation to the security retained by the Finance Parties pursuant to this Section 9.3 may only be exercised if and to the extent that there is a Senior Debt Deficiency determined after the Authority has paid the Termination Payment pursuant to Section 2 or Section 3 of Schedule 9 [Compensation on Termination].

Any amounts recovered by the Finance Parties pursuant to claims referred to in this Section 9.3, from the Termination Date to the date on which the Termination Payment and the amount of the Senior Debt Deficiency, if any, have been determined, will be held by the Indenture Trustee in a segregated account on terms satisfactory to the Indenture Trustee and the Authority, each acting reasonably, and, upon determination of the Termination Payment and the amount of the Senior Debt Deficiency, if any, such funds will be distributed to the Indenture Trustee, to the extent of the Senior Debt Deficiency, if any, and the balance of such funds will be paid to the Authority.

#### **9.4 Limitations on Authority's Rights**

Except in accordance with Sections 9.1 to 9.3 (inclusive) or as otherwise expressly permitted under this Agreement, the Authority will not, prior to the Senior Debt Discharge Date, claim, recover, retain or receive (or seek to claim, recover, retain or receive) any amount under either of the Material Project Contractor Collateral Agreements (or either of the Material Contracts) in respect of a loss for which a Material Contract Party is also liable to the Senior Lenders.

The Authority agrees that if, it receives any amount in contravention of the provisions of this Section 9.4, it will immediately turn the same over to the Indenture Trustee for the account of the Indenture Trustee and the Senior Lenders and, pending such payment, hold the same in trust for the Indenture Trustee and the Senior Lenders.

#### **9.5 Assignment of Material Contracts by Finance Parties**

The Finance Parties will not transfer or assign any Material Contract except to a Suitable Substitute Project Co in conjunction with a permitted transfer or assignment of the Project Agreement to that Suitable Substitute Project Co in accordance with Section 6.

### **10. ASSIGNMENT**

#### **10.1 Restriction on Assignment**

No party to this Agreement may assign or transfer all or any part of its rights or obligations under this Agreement except as provided in this Section 10.

#### **10.2 Assignment by Indenture Trustee**

The Indenture Trustee, in its own capacity and not as agent for the Senior Lenders, may assign or transfer its rights and obligations under this Agreement to a successor Indenture Trustee in its own

capacity and not as agent for the Senior Lenders, in accordance with the Senior Financing Agreements without the consent of the Authority provided that the Indenture Trustee delivers to the Authority not less than 10 Business Days prior to such assignment or transfer a notice setting out such contact information regarding the assignee or transferee as the Authority may reasonably require and provided the assignee or transferee is not a Restricted Person. For purposes of this Section 10.2, the definition of Restricted Person will not include sub-paragraph (d) of that definition.

### **10.3 Assignment by Senior Lender**

Any Senior Lender may assign or transfer its rights and obligations under the Senior Financing Agreements in accordance with the terms of the Senior Financing Agreements without the consent of the Authority provided the assignee or transferee is not a Restricted Person. For purposes of this Section 10.3, the definition of Restricted Person will not include sub-paragraph (d) of that definition.

### **10.4 Assignment by Authority**

The Authority will assign or transfer its rights and obligations under this Agreement to any permitted assignee of its interest in the Project Agreement concurrently with the assignment of the Project Agreement to such assignee and the Indenture Trustee and the Senior Lenders will co-operate with the Authority in completing the formalities of any transfer or assignment including by executing any additional documents as may be reasonably required by the Authority.

### **10.5 New Agreement**

If Section 10.2 applies in relation to the Indenture Trustee, the Authority and Project Co will, upon request by the new Indenture Trustee, enter into a new lenders' remedies agreement with the new Indenture Trustee on substantially the same terms as this Agreement.

## **11. GENERAL**

### **11.1 Term**

This Agreement will remain in effect until the earlier of:

- (a) the Senior Debt Discharge Date; and
- (b) subject to compliance with Section 6.4(f) above, the date of transfer of Project Co's rights and liabilities under the Project Agreement to a Suitable Substitute Project Co pursuant to Section 6.

### **11.2 Conflict or Inconsistency**

If there is any conflict or inconsistency between the provisions of this Agreement and the Project Agreement, as between the Indenture Trustee and the Authority the provisions of this Agreement will prevail.

**11.3 Entire Agreement**

Unless otherwise stated in this Agreement, this Agreement constitutes the entire agreement between the parties in connection with its subject matter and supersedes all prior representations, communications, negotiations and understandings concerning the subject matter of this Agreement. No party has relied on any representation except as expressly set out in this Agreement.

**11.4 Waiver**

The failure of any party to exercise any contractual right or remedy will not constitute a waiver thereof and no waiver will be effective, unless it is communicated in writing to the other party. A waiver of any right or remedy arising from a breach of this Agreement will not constitute a waiver of any right or remedy arising from any other breach of this Agreement.

**11.5 Counterparts**

This Agreement may be executed in any number of counterparts, all of which when taken together will constitute one and the same instrument.

**11.6 Confidentiality**

The Indenture Trustee will be bound to comply with the confidentiality obligations on the part of Project Co contained in the Project Agreement in relation to all information matters obtained from any other party under or in connection with the Project.

**11.7 Notices**

Any notice or communication required or permitted to be given under this Agreement will be in writing and will be considered to have been sufficiently given if delivered by hand or transmitted by electronic transmission to the address or electronic mail address of each party set out below:

if to the Authority:

Ministry of Education  
4th Floor, 2220 College Avenue  
Regina, SK S4P 4V9

Attention: Sheldon Ramstead, CPO, Joint-Use Schools Projects  
E-mail: sheldon.ramstead@gov.sk.ca

if to the Indenture Trustee:

Computershare Trust Company of Canada  
100 University Avenue, 11th Floor  
Toronto, Ontario M5J 2Y1  
Attention: Manager, Corporate Trust  
Fax: (416) 981-9777

if to Project Co:

To each general partner of Project Co:

CIIC Joint Use Mutual Partnership 1 Investment LP  
9th Floor, 1190 Hornby Street  
Vancouver, BC V6Z 2K5  
Attention: Ian Podmore  
Fax: (604) 688-6882

And:

Bird Capital SJUSP 1 Inc.  
Suite 400, 5700 Explorer Drive  
Mississauga, ON L4W 0C6  
Attention : Juan Chica  
Copy to: Charles Caza, General Counsel

Fax: (905) 602-1516

or to such other address or electronic mail address as any party may, from time to time, designate in the manner set out above. Any such notice or communication will be considered to have been received:

- (a) if delivered by hand during business hours (and in any event, at or before 3:00 pm local time in the place of receipt) on a Business Day, upon receipt by a responsible representative of the receiver, and if not delivered during business hours, upon the commencement of business hours on the next Business Day; and
- (b) if delivered by electronic mail during business hours (and in any event, at or before 3:00 pm local time in the place of receipt) on a Business Day, upon receipt, and if not delivered during business hours, upon the commencement of business hours on the next Business Day provided that:

- (1) the receiving party has, by electronic mail or by hand delivery, acknowledged to the notifying party that it has received such notice; or
- (2) within 24 hours after sending the notice, the notifying party has also delivered a copy of such notice to the receiving party by hand delivery.

#### **11.8 No Partnership or Agency**

Nothing in this Agreement will be construed as creating a partnership or as constituting the Senior Lenders, the Indenture Trustee, the Appointed Representative, any other Senior Lenders' Representative or a Suitable Substitute Project Co as an agent of the Authority. No such person will hold itself out as having any authority or power to bind the Authority in any way.

#### **11.9 Remedies Cumulative**

The rights and remedies under this Agreement are cumulative and are in addition to and not in substitution for any other rights and remedies available at law or in equity or otherwise. No single or partial exercise by a party of any right or remedy precludes or otherwise affects the exercise of any other right or remedy to which that party may be entitled.

#### **11.10 Disputes**

Any dispute between any of the parties with respect to any of the subject matters of this Agreement will be resolved in accordance with, and the parties will comply with, the Dispute Resolution Procedure, and Schedule 13 [Dispute Resolution Procedure] of the Project Agreement is deemed to be incorporated, *mutatis mutandis*, in this Agreement.



**IN WITNESS WHEREOF** the parties have executed this Agreement as of the day and year first above written.

**HER MAJESTY THE QUEEN IN RIGHT OF THE  
PROVINCE OF SASKATCHEWAN**

Per: \_\_\_\_\_  
Authorized Signatory

**COMPUTERSHARE TRUST COMPANY OF  
CANADA**, as Indenture Trustee

Per: \_\_\_\_\_  
Authorized Signatory

Per: \_\_\_\_\_  
Authorized Signatory

**JOINT USE MUTUAL PARTNERSHIP #1,**  
by its general partners:

**CIIC JOINT USE MUTUAL PARTNERSHIP 1  
INVESTMENT LP**, by its general partner, **JOINT  
USE MUTUAL PARTNERSHIP 1 GENERAL  
PARTNER LTD.**

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Name:  
Title: President

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Name:  
Title: Secretary

**BIRD CAPITAL SJUSP 1 INC.**

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Name:  
Title:

23605108.1