

SCHEDULE 10
LENDERS' REMEDIES AGREEMENT

for the Surrey Outpatient Facility Project

FRASER HEALTH AUTHORITY
DEXIA CREDIT LOCAL, S.A. (NEW YORK BRANCH)
COMPUTERSHARE TRUST COMPANY OF CANADA
BCHS HEALTHCARE (SURREY) LIMITED PARTNERSHIP

Dated: August ____, 2008

SCHEDULE 10

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TABLE OF CONTENTS

1. DEFINITION AND INTERPRETATION.....	2
1.1 Definition.....	2
1.2 Construction and Interpretation	5
1.3 Governing Law	7
1.4 Attornment	7
2. CONSENT TO SECURITY.....	8
2.1 Consent	8
2.2 No Notice of Other Security.....	8
2.3 Authority Obligations	8
2.4 Authority's Rights not Prejudiced	8
3. NOTICES.....	8
3.1 Termination Notice	8
3.2 Notice of Event of Default.....	9
3.3 Indicative Notice	9
3.4 Agent's Withdrawal Notice.....	9
3.5 Notice of Antecedent Liabilities	9
3.6 Subsequent Authority Notice of Liabilities	10
3.7 No Right to Terminate or Take Restricted Action.....	10
4. STEP-IN.....	10
4.1 Step-In Notice	10
4.2 Contents of Step-In Notice	10
4.3 One Step-In Period	10
4.4 Appointed Representative Rights.....	10
4.5 Authority Right to Terminate.....	11
5. STEP-OUT	11
5.1 Step-Out Notice	11
5.2 Expiry of Step-In Period.....	11
5.3 Project Co Remains Bound	12
6. SENIOR LENDER REPLACEMENT OF PROJECT CO.....	12
6.1 Project Co Transfer Notice	12
6.2 Authority Consent	12
6.3 Withholding of Consent	12
6.4 Terms of Transfer	13

7. INSURANCE	13
7.1 Release of Insurance Proceeds	13
8. COVENANTS	14
8.1 Authority Covenants	14
8.2 Agent Covenants	14
8.3 Project Co Covenant	15
9. ASSIGNMENT.....	15
9.1 Restriction on Assignment.....	15
9.2 Assignment by Agent or Security Trustee	15
9.3 Assignment by Senior Lender	16
9.4 Assignment by Authority.....	16
9.5 New Agreement.....	16
10. GENERAL	16
10.1 Term	16
10.2 Conflict or Inconsistency.....	16
10.3 Entire Agreement.....	17
10.4 Waiver.....	17
10.5 Counterparts	17
10.6 Confidentiality	17
10.7 Notices.....	18
10.8 Concerning the Security Trustee.....	20

LENDERS' REMEDIES AGREEMENT

THIS AGREEMENT is dated as of August ____, 2008

BETWEEN:

FRASER HEALTH AUTHORITY

(the "**Authority**")

AND:

DEXIA CREDIT LOCAL, S.A., acting through its New York Branch, in its capacity as administrative agent for the Senior Lenders

(in such capacity, the "**Agent**")

AND:

COMPUTERSHARE TRUST COMPANY OF CANADA, in its capacity as security trustee for the Senior Lenders

(in such capacity, the "**Security Trustee**")

AND:

BCHS HEALTHCARE (SURREY) LIMITED PARTNERSHIP

("Project Co")

WHEREAS:

- A. The Authority and Project Co have entered into the Project Agreement (defined below);
- B. Pursuant to the Credit Agreement (defined below), the Senior Lenders have agreed, subject to the terms and conditions contained therein, to make available to Project Co the loan facilities specified therein to finance certain costs to be incurred and expenditures to be made by Project Co in connection with the Project Agreement; and
- C. It is a condition precedent to the obligations of the Senior Lenders under the Credit Agreement that this Agreement be executed and delivered by the parties.

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:

“Agent’s Withdrawal Notice” has the meaning set out in Section 3.4;

“Agreement” means this agreement including any recitals, schedules and appendices 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;

“Credit Agreement” means the credit agreement dated August ____, 2008 among Project Co, as borrower, Dexia Crédit Local S.A., acting through its New York branch, as Administrative Agent, Computershare Traust Company of Canada, as Security Trustee, the Governor and Company of The Bank of Ireland, as a lender, Dexia Crédit Local S.A., acting through its Canada branch, as a lender, Depfa Bank Plc, acting through its New York branch, as a lender, the Governor and Company of The Bank of Ireland, as a hedge provider, Dexia Crédit Local S.A., acting through its New York branch, as a hedge provider and Depfa Bank Plc, acting through its New York branch, as a hedge provider, as such agreement may be amended, restated, supplemented or replaced from time to time;

“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 Credit Agreement;

“Finance Parties” has the meaning set out in the Credit Agreement;

“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 the period commencing on the date of delivery of an Indicative Notice and ending on the earlier of:

- (a) the Step-In Date;
- (b) the date of delivery of an Agent’s Withdrawal Notice; and
- (c) 60 days following the date of delivery of the Indicative 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 any of its 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 made 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 (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 any other similar process or event occurring in relation to Project Co’s assets in any other jurisdiction;

“Insurance Account” has the meaning given to it in the Credit 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 ____, 2008 between Project Co and the Authority relating to the design, construction, financing, maintenance and life cycle rehabilitation of the Facility;

“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;

“Restricted Action” means the exercise of any right to:

- (a) cancel, step-in, novate or otherwise assume (whether directly or through a substitute entity) the benefit or burden of Project Co’s rights against, or obligations to, the Design-Builder or any Service Provider, as the case may be; or
- (b) make any claim or take any action or enforce any rights under or in connection with any collateral agreement or security entered into by the Authority, the Design-Builder, any Service Provider or Project Co,

but does not include the exercise of any of 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;

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

“Security Documents” has the meaning as set out in the Credit Agreement;

“Senior Debt Discharge Date” means the date on which all amounts due and owing to the Senior Lenders 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 relevant Senior Financing Agreement;

“Senior Lenders’ Representative” means:

- (a) the Agent, the Security 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 Agent 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;
- (d) the Expiry Date; and
- (e) if the Termination Notice was given before Service Commencement, and Service Commencement has not subsequently occurred, the date that is 6 months after the Longstop 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 Agent or Appointed Representative to the Authority pursuant to Section 5;

“Suitable Substitute Project Co” means a Person approved by the Authority (such approval not to be unreasonably withheld or delayed) 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 it (including committed financial resources and sub-contracts) which are sufficient to enable it to perform the obligations of Project Co under the Project Agreement;

“Termination Notice” means a notice given by the Authority to the Agent 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.

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 include 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 Pacific Standard time or Pacific Daylight Saving time, as the case may be;
- (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”, be 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 Agent, 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 GAAP, 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 British Columbia 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 British Columbia 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 Credit Agreement 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 Section 2.1 other than pursuant to the Credit Agreement and Security Documents.

2.3 Authority Obligations

Except as specifically provided for in this Agreement, the Authority has no obligations (whether express, implied, collateral or otherwise) to the Agent, the Security 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 Agent and the Security 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 Agent of a notice hereunder) will, except as between the Senior Lenders, the Agent, the Security 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 Agent or the Security 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, or take any Restricted Action, without giving to the Agent written notice (a "**Termination Notice**") stating:

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

3.2 Notice of Event of Default

Concurrently with delivery by it to Project Co of any notice of an Event of Default, the Agent will provide a copy of such notice to the Authority.

3.3 Indicative Notice

Without prejudice to the Security Trustee's rights under the Security Documents, at any time upon the occurrence of an Event of Default, and where relevant to such Event of Default the continuance of such Event of Default, the Agent or the Security 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 Agent's Withdrawal Notice

If at any time after the giving of an Indicative Notice or receipt of a Termination Notice, the Agent 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 Agent or the Security Trustee will give notice (an "**Agent's Withdrawal Notice**") to the Authority and thereafter 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 Agent'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 Agent or the Security Trustee of an Indicative Notice, as the case may be, the Authority will give the Agent 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 Agent's Withdrawal Notice has been given, the Authority will, promptly upon becoming aware of them, notify the Agent 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 or Take Restricted Action

The Authority will not terminate or deliver any notice terminating the Project Agreement, or take any Restricted Action, during any Notice Period that would have the effect of terminating the Project Agreement prior to the expiry of the 90 day period referred to in Section 3.1, 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 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 Agent or the Security 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 Agent or the Security 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 be entitled, jointly and severally with Project Co, to the rights of Project Co under the Project Agreement, subject to the performance by or on behalf of Project Co 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. 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 or take any Restricted Action during the Step-In Period except as set out in this Section 4.5. The Authority will be entitled to terminate the Project Agreement or take any Restricted Action during the Step-In Period by written notice to Project Co, the Agent 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, subsequently become payable and are not discharged by:
 - (1) if notice of the liability is given to the Agent at least 20 Business Days prior to the Step-In Date, the Step-In Date;
 - (2) if notice of the liability is given to the Agent 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 Agent, 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
 - (3) otherwise, 20 Business Days after delivery of the notice;
- (c) on grounds arising after the Step-In Date in accordance with the terms of the Project Agreement, 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;
- (d) on grounds arising prior to the Step-In Date (whether or not 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; or
- (e) on grounds arising prior to the Service Commencement Date 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 Agent, the Security 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 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 Agent, the Appointed Representative, the Security Trustee or the Senior Lenders or any provision of this Agreement, and for greater certainty Project Co will be liable for any and all obligations and liabilities arising under the Project Agreement prior to the expiry of the Step-in Period from actions or inactions of the Agent, 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.

6. SENIOR LENDER REPLACEMENT OF PROJECT CO

6.1 Project Co Transfer Notice

Subject to Section 6.2, at any time:

- (a) upon the occurrence of an Event of Default, and where relevant to such Event of Default during the continuance of an Event of Default; or
- (b) during the Step-In Period,

the Agent and the Security Trustee may, on 30 Business Days' notice to the Authority and any Appointed Representative, take any action available to them 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 Agent as to whether any Person to whom the Agent and Security Trustee propose 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 Agent or the Security Trustee of all information reasonably required by the Authority to decide whether the proposed transferee is a Suitable Substitute Project Co. In the event that the Authority fails to notify the Agent of its position within the aforesaid period, the proposed transferee shall 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 16.3 (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 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 6.7 and 6.8 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 Agent will only permit amounts to be released from the Insurance Account in accordance with Section 6 (Insurance, Damage and Destruction) and Schedule 5 [Insurance Requirements] 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 Account in

accordance with Section 6 (Insurance, Damage and Destruction) and Schedule 5 [Insurance Requirements] of the Project Agreement.

8. COVENANTS

8.1 Authority Covenants

The Authority agrees with the Agent and the Security Trustee that the Authority will:

- (a) as soon as is reasonably practicable, at Project Co's expense, take whatever action the Agent, the Security 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 Agent, the Security Trustee, the Appointed Representative or Suitable Substitute Project Co reasonably requires;
- (b) not, prior to the Senior Debt Discharge Date, unless the Agent 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 Agent or the Security 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 authorising, 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; and
- (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.

8.2 Agent Covenants

The Agent will promptly:

- (a) release and discharge (and cause the Security Trustee to release and discharge) the Security Documents to the extent that they create a security interest over Project Co's rights under the Project Agreement and all other Project Documents;
- (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) notify the Authority of any Event of Default;
- (d) notify the Authority of any decision by the Senior Lenders to take action under Section 11.2(1)(b) of the Credit Agreement;
- (e) 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
- (f) upon request by the Authority, cause all security on any real or personal property comprised in the Facility 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. ASSIGNMENT

9.1 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 9.

9.2 Assignment by Agent or Security Trustee

The Agent or the Security Trustee, in its own capacity and not as agent or trustee for the Senior Lenders, may assign or transfer its rights and obligations under this Agreement to a successor Agent or (as the case may be) Security Trustee in its own capacity and not as agent or trustee for the Senior Lenders, in accordance with the Senior Financing Agreements without the consent of the Authority provided that the Agent or (as the case may be) Security Trustee delivers to the Authority not less than 10 Business Days

prior to such assignment a notice setting out such contact information regarding the assignee as the Authority may reasonably require and provided the assignee or transferee is not a Restricted Person.

9.3 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.

9.4 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 Agent, the Security 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.

9.5 New Agreement

If Section 9.2 applies in relation to the Agent or (as the case may be) Security Trustee, the Authority and Project Co will, upon request by the new Agent or (as the case may be) Security Trustee, enter into a new lenders' remedies agreement with the new Agent or (as the case may be) Security Trustee on substantially the same terms as this Agreement.

10. GENERAL

10.1 Term

This Agreement will remain in effect until the earlier of:

- (a) the Senior Debt Discharge Date;
- (b) the Transfer Date; and
- (c) 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 6.1.

10.2 Conflict or Inconsistency

If there is any conflict or inconsistency between the provisions of this Agreement and the Project Agreement, as between the Agent, the Security Trustee and the Authority, the provisions of this Agreement will prevail. If there is any conflict or inconsistency between a notice, instruction, direction or other communication to the Authority from the Security Trustee and a notice, instruction, direction or other communication to the Authority from the Agent, the notice, instruction, direction or other communication to the Authority from the Security Trustee will prevail unless and until the Security Trustee advises the Authority otherwise.

10.3 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.

10.4 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.

10.5 Counterparts

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

10.6 Confidentiality

- (a) Each of the Authority, the Security Trustee and the Agent will hold in confidence any Confidential Information received by it from the other party, except that this Section 10.6 will not restrict either of them from disclosing or granting access to such information to its professional advisers and consultants, to the extent necessary, to enable it to perform (or to cause to be performed) or to enforce its rights or obligations under this Agreement and provided further that the Agent and the Security Trustee may, subject to obtaining confidentiality restrictions similar to those set out in this Agreement:
 - (1) provide to the Senior Lenders and other potential lenders, equity providers, underwriters, arrangers, investment dealers, monoline insurers and their respective advisors such documents and other information as are reasonably required by them in connection with raising financing for the Project or complying with the terms of the Senior Financing Agreements or related agreements; and
 - (2) provide to Project Co, the Project Contractor and their respective advisors, or provide or cause to be provided to other third parties, Confidential Information which is necessary to enable the Agent or (as the case may be) Security Trustee to perform (or to cause to be performed) its obligations under this Agreement.
- (b) The obligation to maintain the confidentiality of the Confidential Information does not apply to Confidential Information:
 - (1) which the party that disclosed the Confidential Information confirms in writing is not required to be treated as Confidential Information;
 - (2) which is or comes into the public domain otherwise than through any disclosure prohibited by this Agreement;

- (3) to the extent any Person is required to disclose such Confidential Information by Law, including without limitation, a disclosure required under the Freedom of Information and Protection of Privacy Act (British Columbia); or
- (4) to any provincial ministry, Partnerships British Columbia Inc. and any other Governmental Authority which requires the information in relation to the Project.

For the purposes of this Section 10.6:

“Confidential Information” means Personal Information, and information of a party that the party has designated as confidential at the time of disclosure and which is supplied, or to which access is granted, to or on behalf of the other party (whether before or after the date of this Agreement), either in writing, or in any other form, directly or indirectly pursuant to discussions with the other party and includes all analyses, compilations, studies and other documents whether prepared by or on behalf of a party which contain or otherwise reflect or are derived from such designated information.

“Personal Information” means ‘personal information’ as defined in the *Freedom of Information and Protection of Privacy Act*, (British Columbia), which is collected, acquired, obtained by the Security Trustee, the Agent on its own behalf and as agent for the Senior Lenders or the Authority in relation to the Project, and includes any information about an identifiable individual other than contact information, which is the name, position name or title, business telephone number, business address, business email or business fax number of the individual, or as otherwise defined in the *Freedom of Information and Protection of Privacy Act*, (British Columbia).

10.7 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 when delivered by registered mail or by hand or, subject to the conditions set out below, transmitted by electronic transmission to the address or electronic mail address of each party set out below:

if to the Authority:

Fraser Health Authority
300 - 10334 152A Street
Surrey, BC V3R 7P8
Canada

Attention: Chief Financial Officer
Fax: (604) 587-4666
E-mail: brian.woods@fraserhealth.ca

if to the Agent:

Dexia Crédit Local
New York Branch
445 Park Avenue, 7th Floor
New York, NY 10022
United States

Attention: Dominique Schillio, Vice President, Agency Group
Fax No.: (212) 753-5522
Email: dominique.schillio@dexia-us.com

(with a copy to the Security Trustee)

if to the Security Trustee:

Computershare Trust Company of Canada
510 Burrard Street, 3rd Floor
Vancouver, B.C. V6C 3B9
Canada

Attention: Corporate Trust Department
Fax: (604) 661-9403

(with a copy to the Agent)

if to Project Co:

BCHS Healthcare (Surrey) Limited Partnership
3rd floor - 422 Richards Street
Vancouver, B.C. V6B 2Z3
Canada

Attention: William Mesquitta and Edward Peeke
Fax number: (604) 696-3745
Email: William.Mesquitta@ecovertfm.co.uk / Edward.Peeke@ecovertfm.co.uk

or to such other address as any party may, from time to time, designate in the manner set out above, provided that Project Co may not change its address under this Section to an address other than one in Metro Vancouver, British Columbia without the Authority's consent. Any notice or communication sent by electronic transmission will not be considered to have been sufficiently given unless:

- (a) the receiving party has, by electronic transmission, acknowledged to the notifying party that it has received such notice; or
- (b) within 24 hours after sending the notice the notifying party has also sent a copy of such notice to the receiving party by hand.

10.8 Concerning the Security Trustee

The Security Trustee has entered into this Agreement in its capacity as security trustee of the Finance Parties. Whenever any reference is made in this Agreement to an act to be performed by the Security Trustee, such reference shall be construed and applied for all purposes as if it referred to an act to be performed by the Security Trustee for and on behalf of the Finance Parties. Any and all of the representations, undertakings, covenants, indemnities, agreements and other obligations (in this section, collectively, "**obligations**") made on the part of the Security Trustee herein are made and intended not as personal obligations of or by the Security Trustee or for the purpose or with the intention of binding the Security Trustee in its personal capacity, but are made and intended for the purpose of binding only the Security Trustee in its capacity as agent for, and the property and assets of, the Finance Parties. No property or assets of the Security Trustee, whether owned beneficially by it in its personal capacity or otherwise, will be subject to levy, execution or other enforcement procedures with regard to any of the Security Trustee's obligations hereunder. No recourse may be had or taken, directly or indirectly, against the Security Trustee in its personal capacity, or any incorporator, shareholder, officer, director, employee or agent of the Security Trustee or of any predecessor or successor of the Security Trustee, with regard to its obligations under this Agreement. Notwithstanding the foregoing provisions of this Section 10.8, the nature and extent of the obligations of the Security Trustee to the Finance Parties and the Borrower Parties (as defined in the Credit Agreement), and any recourse of the Finance Parties and the Borrower Parties against the Security Trustee, will be governed by the terms of the Credit Agreement and will not be affected or impaired by the foregoing provisions.

(execution page follows)

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

FRASER HEALTH AUTHORITY

Per: _____
Authorized Signatory

DEXIA CREDIT LOCAL, S.A. (NEW YORK BRANCH), as Agent

Per: _____
Authorized Signatory

COMPUTERSHARE TRUST COMPANY OF CANADA, as Security Trustee

Per: _____
Authorized Signatory

BCHS HEALTHCARE (SURREY) LIMITED PARTNERSHIP, by its general partner BCHS HEALTHCARE (SURREY) GP LIMITED

Per: _____
Authorized Signatory