

SCHEDULE 7

LANDS

TABLE OF CONTENTS

1. AUTHORITY'S OBLIGATIONS AND REPRESENTATIONS 1

1.1 Grant of Licence Over Site 1

1.2 Terms Affecting Licence Grant 1

1.3 Property Taxes 2

1.4 Registration of Ground Lease and SRW 2

2. PROJECT CO'S OBLIGATIONS AND ACKNOWLEDGMENTS 2

2.1 "As Is Where Is" 2

2.2 Encumbrances, Ground Lease and SRW 2

2.3 Project Co Not To Encumber 3

2.4 No Restriction on Authority Use or Development 3

2.5 No Registration 3

2.6 Builders Liens 4

2.7 Title to Improvements 4

2.8 City of Surrey 4

3. HAZARDOUS SUBSTANCES 4

3.1 Responsibility 4

3.2 Restrictions on Use 5

APPENDIX 7A EXCLUDED TUNNELS

APPENDIX 7B STATUTORY RIGHT OF WAY

APPENDIX 7C LTO SEARCH

SCHEDULE 7

LANDS

1. AUTHORITY'S OBLIGATIONS AND REPRESENTATIONS

1.1 Grant of Licence Over Site

- (a) From the Effective Date until the later of:
- (1) the Termination Date; and
 - (2) the date the Authority no longer requires Project Co to provide the transitional services described in Section 14.3 [Transitional Arrangements] of this Agreement,

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

- (b) Project Co may for the same purposes described in Section 1.1(a) [Grant of Licence Over Site] grant sub-licences to any Project Co Person, provided that any such grant will be subject to, and terminate upon, termination of the Licence.
- (c) In consideration for the Licence, Project Co will provide the Design, the Construction subject to and in accordance with this Agreement.

1.2 Terms Affecting Licence Grant

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

- (a) no legal demise or other interest in land, and no interest in the Facility or any other improvements, is granted to Project Co or created by this Agreement;
- (b) the Licence is non-exclusive and no right to exclusive possession of the Lands or the Facility is granted to Project Co;
- (c) Project Co's rights are subject to the Encumbrances and the terms and conditions of:
- (1) the Pre-Trial Service Centre Ground Lease between the City of Surrey, as landlord, and the Authority, as tenant, as such lease may be amended, restated, modified, extended or renewed from time to time (the "**Ground Lease**"); and
 - (2) the statutory right of way substantially in the form attached as Appendix 7B (the "SRW"); and

- (d) subject to Section 5.12 [The Authority's Access to Site] of Schedule 2 [Design and Construction Protocols], the Authority will be entitled at any time and from time to time to grant to Authority Persons and any other persons, including contractors and the general public, access to the Lands and the Facility.

1.3 Property Taxes

The Authority will be responsible for property taxes (if any) or payments in lieu of taxes payable in respect of the Lands and the Facility, or the occupation thereof by the Authority, Project Co or any Project Contractor or Sub-Contractor in accordance with and subject to the terms of the Ground Lease.

1.4 Registration of Ground Lease and SRW

The Authority will submit the SRW and a short form lease version of the Ground Lease for registration in the Land Title Office within 90 days of the Effective Date.

2. PROJECT CO'S OBLIGATIONS AND ACKNOWLEDGMENTS

2.1 "As Is Where Is"

Except as specifically set out in this Agreement and subject to the provisions of Section 3.1 [Responsibility] of this Schedule, Project Co accepts the Lands and the Licence on an "as is, where is" basis and acknowledges that the Authority's interest in the Lands is:

- (a) a leasehold interest pursuant to the Ground Lease; and
- (b) a statutory right of way pursuant to the SRW.

2.2 Encumbrances, Ground Lease and SRW

- (a) Project Co acknowledges that it has reviewed the Encumbrances in effect as of the Effective Date and Project Co will fully and punctually observe and perform (to the same extent as if Project Co were the owner of the Lands and bound by the Encumbrances) any limitations, restrictions, obligations, liabilities and other terms and conditions set out in the Encumbrances and Project Co assumes all risks arising therefrom, except as specifically set out in the Project Agreement. The Authority may without restriction modify, add or remove any Encumbrances, provided that the foregoing will not limit Project Co's entitlements under this Agreement if such modification, addition or removal results in a Change.
- (b) Project Co acknowledges and agrees that it has received a copy of the Ground Lease and the SRW and covenants and agrees with the Authority:
 - (1) that it has no greater interest and will have no greater interest in the Lands than the Authority under the Ground Lease and the SRW;
 - (2) that to the extent that any right or benefit conferred herein contravenes or is incompatible with the Ground Lease or the SRW, such right or benefit will be

amended or modified so as not to contravene or be incompatible with the Ground Lease or the SRW;

- (3) to perform all of the obligations of the Authority under the Ground Lease and the SRW (excluding, until the Services Start Date, Section 7.8(a)(ii) of the Ground Lease and Section 4 of the SRW), except:
- (A) for the payment of Rent (as defined in the Ground Lease);
 - (B) the obligations set out in Section 7.8(a)(i) of the Ground Lease; and
 - (C) the obligations set out in Section 24 of the Ground Lease,
- and to be bound by the terms of the Ground Lease and the SRW. Project Co will not be responsible for property taxes (if any) or payments in lieu of taxes payable in respect of the Lands and the Facility, or the occupation thereof by the Authority, Project Co or any Project Contractor or Sub-Contractor; and
- (4) not to do or omit to do any act in or around the Lands which would cause a breach of the Authority's obligations under the Ground Lease and the SRW.

2.3 Project Co Not To Encumber

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

- (a) grant or permit any Charge affecting or against the Lands or the Facility; or
- (b) do or omit to do, or cause, suffer or permit to be done or omitted to be done by any Project Co Person anything that would result in any Charge against or affecting the Lands, the Facility or any asset, matter or thing that may be required to be delivered or transferred to the Authority on the Termination Date pursuant to Section 14.2 [Transfer to the Authority of Assets, Contracts, etc.] of this Agreement,

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

2.4 No Restriction on Authority Use or Development

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

2.5 No Registration

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

2.6 Builders Liens

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

- (a) pays into Court, or provides sufficient security for, the amount claimed and costs as the Court may direct, as may be required to obtain a Court Order for the discharge of such lien or claim from title to the Lands, and obtains such discharge and registers such discharge in the Land Title Office to cancel such lien; or
- (b) provides such other reasonable security in respect of such claim as the Authority may in writing, and in its discretion, approve.

2.7 Title to Improvements

Project Co will not acquire any property interest in or title to the Lands or the Facility or any other improvements to the Lands. As between Project Co and the Authority, title to and ownership of the Facility and all other improvements to the Lands will at all times during the Term (as defined in the Ground Lease) be vested in the Authority in accordance with and subject to the terms and conditions in the Ground Lease and the SRW.

2.8 City of Surrey

Project Co will not contact the City of Surrey concerning the Ground Lease or the SRW without having first received the Authority's prior written consent.

3. HAZARDOUS SUBSTANCES

3.1 Responsibility

Notwithstanding any other provision of this Agreement or this Schedule, Project Co will not be responsible for any Hazardous Substance in, on, below or adjacent to the Lands or any cost, expense or claim arising therefrom, other than:

- (a) any Hazardous Substance brought onto, or adjacent to, the Lands by Project Co or any Project Co Person during the Term (as defined in Schedule 1 [Definitions and Interpretation]); and
- (b) any Hazardous Substance for which Project Co has agreed to accept responsibility in Schedule 3 [Design and Construction Specifications].

3.2 Restrictions on Use

Unless otherwise expressly required or permitted under this Agreement, Project Co will not install, use or store on the Lands or adjacent property any materials, equipment or apparatus, the installation, use or storage of which is likely to cause or in fact causes the generation, accumulation or migration of any Hazardous Substance in contravention of any applicable Laws. Without limiting the generality of the foregoing, Project Co will not use the Lands to dispose of, handle or treat any Hazardous Substance in a manner that would cause the Lands, or any adjacent property, to become a contaminated site under applicable Laws.

APPENDIX 7A
EXCLUDED TUNNELS

[insert as separate document]

APPENDIX 7B

STATUTORY RIGHT OF WAY

[insert as separate document]

APPENDIX 7C

LTO SEARCH

[insert as a separate document]