

**SCHEDULE 7**

**LANDS**

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**APPENDIX 7A DESCRIPTION OF LANDS AND ENCUMBRANCES**

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

##### 1.2 Terms Affecting Licence Grant

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

- (a) no legal demise or other interest in land, and no interest in the Lands or in the Facility or any other improvements, is granted to Project Co or created by the License or 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
- (d) subject to Section 5.10 of Schedule 2 [Design and Construction Protocols], the Authority will be entitled at any time and from time to time to grant to Authority Persons and any other persons, including contractors and the general public, access to the Lands and the Facility.

### 1.3 Property Taxes

The Authority will be responsible for property taxes (if any), or payments in lieu of property 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.

## 2. PROJECT CO'S OBLIGATIONS AND ACKNOWLEDGMENTS

### 2.1 "As Is Where Is"

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

### 2.2 Encumbrances

Project Co:

- (a) acknowledges that it has reviewed the Encumbrances in effect as of the Effective Date:
- (b) will:
  - (1) perform its obligations under the Project Agreement such that it will not cause the Authority to be in breach of its obligations under the Encumbrances; and
  - (2) fully and punctually observe and perform any limitations, restrictions, obligations, liabilities and other terms and conditions set out in the Encumbrances provided that:
    - (A) Project Co has the right and authority to do so;
    - (B) Project Co will be relieved from the obligations under this section 2.2(b)(2) to the extent that:
      - (i) such limitations, restrictions, obligations, liabilities or other terms and conditions are obligations for which the Authority is otherwise responsible for under the Project Agreement;
      - (ii) performance or observance of such obligations by Project Co would lessen the rights or remedies available to Project Co under the Project Agreement; or
      - (iii) such obligations are not otherwise obligations of Project Co under the Project Agreement; and
    - (C) references in the Encumbrances to the Authority (as "Owner" or as "Health Authority" or by whatever similar terminology) are read to instead be references to Project Co.

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

### **2.3 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 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 be vested in the Authority.

## 2.8 Subdivision and Land Transfers of the Lands

- (a) The Authority confirms and acknowledges to Project Co that as of the Effective Date:
- (1) the City owns the portion of the Lands legally described as Surface Parcel # 202811891, Blk/Par LPlan No 102126114 Extension 0 ("**Lot L**");
  - (2) the City has granted the Authority a license to use Lot L, and such license authorizes the Authority to grant the License;
  - (3) the City and the Authority are completing a subdivision of the portion of the Lands legally described as Surface Parcel # 202812049, Blk/Par APlan 101841454 Extension 1 ("**Lot A**") to raise title to a new lot (the "**City Lot**") derived from the western portion of Lot A (the "**Subdivision**");
  - (4) the Authority will transfer the City Lot to the City in exchange for the City transferring Lot L to the Authority; and
  - (5) as part of the land transfers set out in Section 2.8(a)(4), the Access Easement and Operating Agreement will be registered on title to the City Lot.
- (b) The Authority may without restriction:
- (1) enter into the Access Easement and Operating Agreement provided that it is substantially in the form provided to Project Co prior to the Effective Date or, if not substantially in such form, with such modification, addition or removal that the Authority may agree to; further provided to the extent that such modifications, additions or removals limit Project Co's entitlements under the Agreement, the Authority will, to address such limit(s), initiate a Change; and/or
  - (2) grant or agree to any Charges or notations required by the City in connection with its approval of the Subdivision; provided that to the extent such Charges or notations limit Project Co's entitlements under the Agreement, the Authority will, to address such limit(s), initiate a Change.
- (c) In addition, the Authority may without restriction enter into the encroachment agreement between the Authority, Saskatchewan Power Corporation and Saskatchewan Telecommunications, and Shaw Cablesystems Limited in connection with the Hospital Link provided that it is substantially in the form provided to Project Co prior to the Effective Date or, if not substantially in such form, with such modification, addition or

removal that the Authority may agree to; further provided to the extent that such modifications, additions or removals limit Project Co's entitlements under the Agreement, the Authority will, to address such limit(s), initiate a Change.

**APPENDIX 7A**

**DESCRIPTION OF LANDS AND ENCUMBRANCES**