

## SCHEDULE 15

### PERFORMANCE GUARANTEE OF CONSTRUCTION GUARANTOR

**THIS GUARANTEE** is made as of the \_\_\_\_ day of \_\_\_\_\_, 20[•]

**BETWEEN:**

[•],

(the “**Authority**”)

**AND**

[•], a corporation incorporated under the laws of [•]

(the “**Construction Guarantor**”)

**WHEREAS:**

- A. The Authority and [•] (“**Project Co**”) have entered into a project agreement dated as of the \_\_\_\_ day of \_\_\_\_\_, 20[•] (which agreement, including the schedules thereto, as the same may be amended, modified, restated, supplemented or replaced, from time to time, is hereinafter called the “**Project Agreement**”).
- B. As an inducement to the Authority to enter the Project Agreement with Project Co, the Construction Guarantor has agreed to absolutely, unconditionally and irrevocably guarantee to the Authority, as a direct obligation, the full and prompt performance and observance by Project Co of each and every covenant, agreement, undertaking and obligation of Project Co contained in the Project Agreement with respect to the Design and Construction Work (as such term is defined in Section 1.1(c) of this Guarantee), and in furtherance thereof has agreed to enter into this Guarantee.

**NOW THEREFORE IN CONSIDERATION** of the mutual covenants and agreements of the parties hereinafter contained and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties covenant and agree as follows:

#### 1. DEFINITIONS AND INTERPRETATION

##### 1.1 Definitions

- (a) Unless otherwise defined herein, all capitalized terms will have the meanings ascribed to them in the Project Agreement.

- (b) Unless otherwise expressly provided herein, this Guarantee shall be interpreted in accordance with Schedule 1 [Definitions and Interpretation] to the Project Agreement.
- (c) For the purpose of this Guarantee, the term “Design and Construction Work” means:
  - (i) subject to Section 1.1(c)(ii) below, all of Project Co’s covenants, obligations and activities with respect to the Design and the Construction pursuant to the Project Agreement, and including, for certainty:
    - (A) the Design and the Construction as generally described in Section 2.1.1 of Schedule 3 [Design and Construction Specifications];
    - (B) all of Project Co’s covenants, obligations and activities pursuant to Sections 4.6 (LEED Gold Certification) and 14 (Warranties and Liability for Defects) of Schedule 2 [Design and Construction Protocols] and Appendix 2D [Energy]; and
    - (C) Project Co’s representations and warranties contained in Section 4.10 of the Project Agreement; and
  - (ii) for the purpose of this Section 1.1(c), the term “Design and Construction Work” shall be deemed not to include any of the following covenants, obligations or activities of Project Co under the Project Agreement (including the delivery of any executed originals of the documents referred to below):
    - (A) any covenant, agreement, undertaking or obligation related to the financing of the Project;
    - (B) Section 2.2 (Document Deliveries);
    - (C) Section 4.8 (Replacement of Material Contract), in so far as it relates to the Design-Builder;
    - (D) Section 5 (Financing of the Project);
    - (E) Section 17.7 (Notices);
    - (F) Schedule 9 [Compensation on Termination];
    - (G) Schedule 10 [Lenders’ Remedies Agreement];
    - (H) any of Project Co’s obligations under Schedule 11 [Material Contract Party Collateral Agreement];
    - (I) Schedule 12 [Project Co’s Ownership];
    - (J) Schedule 15 [Performance Guarantee of Construction Guarantor]; or
    - (K) Schedule 18 [Completion Documents].
- (d) For the purpose of this Guarantee, the term “**DB Guarantee**” means the performance guarantee delivered by EllisDon Inc. (the “**DB Guarantor**”) in favour of Project Co and which may be assigned to the Senior Lenders pursuant to the Lending Agreements.

- (e) For the purpose of this Guarantee, the term “**Guaranteed Obligations**” has the meaning given in Section 2.1(a).

## 1.2 Survival

This Guarantee shall survive the termination or other expiry of the Project Agreement.

## 2. GUARANTEE

### 2.1 Guarantee

- (a) The Construction Guarantor does hereby absolutely, unconditionally and irrevocably guarantee to the Authority, as a direct obligation, the full and prompt performance and observance by Project Co of each and every covenant, agreement, undertaking and obligation of Project Co contained in the Project Agreement with respect to the Design and Construction Work (collectively, the “**Guaranteed Obligations**”), and for greater certainty the Guaranteed Obligations do not include any covenants, agreements, undertakings and obligations of Project Co under the Project Agreement which are not expressly defined in this Section 2.1(a).
- (b) Notwithstanding any other provision of this Guarantee:
  - (i) the Construction Guarantor’s undertakings and obligations are derivative of and not in excess of Project Co’s obligations under the Project Agreement and the Construction Guarantor retains all rights, claims, defences and limitations of liability possessed by Project Co under the terms of the Project Agreement or arising from the parties’ performance or failure to perform thereunder and shall be entitled to assert any contractual defences that would have been available to Project Co, including, for greater certainty, that the alleged non-performance or non-observance by Project Co of the Guaranteed Obligations arises out of or is a result of an Authority Event of Default as set out in Section 13.1 (Authority Event of Default) of the Project Agreement; and
  - (ii) in no event shall the aggregate liability of the Construction Guarantor under this Guarantee and the DB Guarantor under the DB Guarantee exceed the maximum liability of the DB Guarantor under the DB Guarantee, including limits on such liability that result from any defences that the DB Guarantor may under the DB Guarantee that reflect defences in the Design-Build Agreement, but this limit of liability shall not extend to interest and enforcement costs payable under this Guarantee.

### 2.2 General Provisions Relating to the Guarantee

- (a) Each and every default in performance or observance of any of the Guaranteed Obligations by Project Co shall give rise to a separate claim and cause of action hereunder, and separate claims or suits may be made and brought, as the case may be, hereunder as each such default occurs.
- (b) The Guarantee herein provided for shall be a continuing, absolute and unconditional guarantee of performance and observance of the Guaranteed Obligations and shall remain in full force and effect until each and all of the Guaranteed Obligations shall have been fully and satisfactorily discharged in accordance with the terms and provisions of the Project Agreement and the Construction Guarantor shall have fully and satisfactorily discharged all of its obligations under this Guarantee.

- (c) The liability of the Construction Guarantor hereunder shall remain in full force and effect irrespective of and shall in no way be affected or impaired by (and no notice to the Construction Guarantor shall be required in respect of):
- (i) any compromise, waiver, renewal, extension, indulgence, amendment, addition, deletion, change in, modification of, or release of any security (including any other guarantee, letter of credit or bond) for or in respect of any of the Guaranteed Obligations;
  - (ii) any amalgamation, merger or consolidation of Project Co or the Construction Guarantor or any sale, lease or transfer of any of the assets of Project Co or the Construction Guarantor;
  - (iii) any Change in Control of Project Co or the Construction Guarantor;
  - (iv) the termination or other expiry of the Project Agreement;
  - (v) any Supervening Event that results in an extension to the Project Schedule (it being acknowledged, however, that the performance of the Guaranteed Obligations shall be extended accordingly);
  - (vi) any change in the financial condition of Project Co or the Construction Guarantor;
  - (vii) any Project Co Insolvency Event, or any resulting release, stay or discharge of any Guaranteed Obligation;
  - (viii) any lack or limitation of power, incapacity or disability on the part of Project Co or any other irregularity, defect or informality on the part of Project Co with respect to the Guaranteed Obligations;
  - (ix) any provision of any laws, statutes, rules or regulations of general application in relation to suretyship or any other circumstance that might constitute, under law generally applicable to suretyship, a defence available to, or a discharge of, the Construction Guarantor in respect of the Guaranteed Obligations or this Guarantee;
  - (x) the exercise of any rights under the Senior Financing Agreements, including the right of Senior Lenders to cure any Project Co Event of Default by or on behalf of Project Co hereunder and/or to assume the obligations of Project Co and complete the Design and Construction Work in the manner provided in the Project Agreement;
  - (xi) the assignment by the Authority in accordance with the provisions of Section 16.4 (Limitations on Assignment of Project by Authority) of the Project Agreement; or
  - (xii) any other occurrence or circumstance whatsoever, whether similar or dissimilar to the foregoing that, under law generally applicable to suretyship, might otherwise constitute a legal or equitable defence or discharge of the liabilities of a guarantor or surety that might otherwise limit recourse against the Construction Guarantor.
- (d) The obligations and liabilities of the Construction Guarantor hereunder shall not be impaired, diminished, abated or otherwise affected by the commencement by or against Project Co or the Construction Guarantor of any proceedings under any bankruptcy or

insolvency law or laws relating to the relief of debtors, readjustment of indebtedness, reorganizations, arrangements, compositions or extension or other similar laws.

- (e) The Authority shall not be bound to exhaust its recourse against Project Co or others or any securities or other guarantees it may at any time hold before being entitled to performance of the Guaranteed Obligations by the Construction Guarantor and the Construction Guarantor renounces all benefits of discussion and division.
- (f) It is the intent and purpose hereof that the Construction Guarantor shall not be entitled to and does hereby waive any and all defences which are, under law generally applicable to suretyship, available to a guarantor, sureties and other secondary parties at law or in equity. Without limiting the generality of the foregoing, the Construction Guarantor hereby waives notice of acceptance of this Guarantee and of the non-performance by Project Co, diligence, presentment, protest, dishonour, demand for performance from the Authority and notice of non-performance or failure to perform on the part of Project Co and all other notices whatsoever. The Guarantee hereunder is a guarantee of performance and compliance. In order to hold the Construction Guarantor liable hereunder, there shall be no obligation on the part of the Authority at any time to demand or resort for performance to Project Co, its properties or assets or to any security, property or other rights or remedies whatsoever, nor shall there be any requirement that Project Co be joined as a party to any proceeding for the enforcement of any provision of this Guarantee and the Authority shall have the right to enforce the provisions of this Guarantee irrespective of whether or not legal proceedings or other enforcement efforts against Project Co are pending, seeking resort to or realization upon or from any of the foregoing. Without limiting the foregoing, it is understood that repeated and successive demands may be made and recoveries may be had hereunder as and when from time to time, Project Co shall default under or with respect to any of the Guaranteed Obligations, and that, notwithstanding recovery hereunder for or in respect of any such default, the Guarantee herein shall remain in full force and effect unamended and shall apply to each and every subsequent default.
- (g) Without prejudice to and without releasing, discharging, limiting or otherwise affecting in whole or in part the obligations and liabilities of the Construction Guarantor under this Guarantee and without in any way requiring the consent of or giving notice to the Construction Guarantor, the Authority may grant time, renewals, extensions, indulgences, releases and discharges to and accept compositions from or otherwise deal with Project Co and/or the Construction Guarantor or others, including any other guarantor, as the Authority may see fit and the Authority may take, abstain from taking or perfecting, vary, exchange, renew, discharge, give up, realize on or otherwise deal with security and guarantees in such manner as the Authority may see fit.
- (h) Neither an action or proceeding brought under this Guarantee regarding the Guaranteed Obligations nor any judgment or recovery in consequence of that action or proceeding operates as a bar or defence action or defence to any further action that may be brought under this Guarantee. The Construction Guarantor acknowledges that, if judgment is granted on an action or proceeding commenced under this Guarantee, the obligations of the Construction Guarantor to the Authority do not merge with or end the Construction Guarantor's obligations hereunder.
- (i) The liability of the Construction Guarantor under this Guarantee shall arise forthwith after demand has been made in writing on the Construction Guarantor.
- (j) The Construction Guarantor agrees to pay to the Authority any and all reasonable and direct out-of-pocket costs and expenses, including reasonable legal fees (on a substantial indemnity basis) incurred by it in connection with enforcing any of its rights hereunder.

- (k) The Construction Guarantor consents to the assignment, novation or grant of this Guarantee upon receipt by the Design-Builder of a Step-in Undertaking pursuant to Section 3.5 of the Design-Builder Collateral Agreement or upon implementation of a transfer pursuant to Section 4.5 of the Design-Builder Collateral Agreement and without the requirement of any further action on the part of the Authority, and agrees that the Construction Guarantor will enter into all such agreements or other documents as reasonably necessary to give effect to the foregoing.

### **3. REPRESENTATIONS AND WARRANTIES**

#### **3.1 Construction Guarantor Representations and Warranties**

- (a) The Construction Guarantor represents and warrants to the Authority that as of the date of this Guarantee:
  - (i) the Construction Guarantor is a corporation incorporated and validly existing under the laws of the jurisdiction of its organization, is in good standing with the Province of Ontario with respect to the filing of annual returns, and has all the requisite corporate power and authority to own, lease and operate its properties and assets, to carry on its business as it is currently being conducted, to enter into this Guarantee and to perform its obligations hereunder and thereunder;
  - (ii) the Construction Guarantor has the requisite power, authority and capacity to execute and deliver and perform this Guarantee, and to do all acts and things, and execute, deliver and perform all other agreements, instruments, undertakings and documents as are required by this Guarantee to be done, executed, delivered or performed;
  - (iii) no steps or proceedings have been taken or are pending to supersede, repeal or amend its constating documents, articles or by-laws or any shareholders agreement in a manner that would materially impair or limit its ability to perform its obligations under this Guarantee and such documents and agreements are in full force and effect as of the date hereof;
  - (iv) this Guarantee (when executed and delivered), have been duly authorized, executed, and delivered by the Construction Guarantor and constitute legal, valid, and binding obligations of the Construction Guarantor, enforceable against the Construction Guarantor in accordance with their respective terms, subject only to:
    - (A) limitations with respect to the enforcement of remedies by bankruptcy, insolvency, moratorium, winding-up, arrangement, reorganization, fraudulent preference and conveyance and other laws of general application affecting the enforcement of creditors' rights generally; and
    - (B) general equitable principles and the fact that the availability of equitable remedies is in the discretion of a court and that a court may stay proceedings or the execution of judgments;
  - (v) the authorization, execution, delivery and performance by the Construction Guarantor of this Guarantee do not violate or conflict with, or constitute a default under:

- (A) its constating or organizational documents or any unanimous shareholders agreement or similar rights agreement binding on the Construction Guarantor;
  - (B) any applicable Laws; or
  - (C) any covenant, contract, instrument, agreement or understanding to which it is a party or by which it or any of its properties or assets is bound or affected;
- (vi) Project Co is [an indirect wholly owned subsidiary] of the Construction Guarantor; **[NTD: to be updated to reflect Project Co structure]**
  - (vii) there are, to the knowledge of its senior management, no actions, suits, proceedings, or investigations pending or threatened against the Construction Guarantor, at law or in equity, before any Governmental Authority or arbitral body (whether or not covered by insurance) that individually or in the aggregate could result in any material adverse effect on the business, properties, or assets, or the condition, financial or otherwise, of the Construction Guarantor or in any impairment of its ability to perform its obligations under this Guarantee, and the Construction Guarantor has no knowledge of any violation or default with respect to any order, writ, injunction or decree of any Governmental Authority or arbitral body that would result in any such material adverse effect or impairment; and
  - (viii) the Construction Guarantor is able to meet its obligations as they generally become due.
  - (ix) **[NTD: Insert any other representations required by the Authority, including based on the proposed Construction Guarantor, Project Co's proposal, guarantee/security granted by the Construction Guarantor to lenders or any security granted to the Authority.]**

#### 4. NOTICES

##### 4.1 Notices

Any notice or communication required or permitted to be given under this Guarantee 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:

[▼]

Attention: [▼]

E-mail: [▼]

if to the Construction Guarantor:

[▼]

Attention: [▼]

E-mail: [▼]

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:
  - (i) the receiving party has, by electronic mail or by hand delivery, acknowledged to the notifying party that it has received such notice; or
  - (ii) 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.

## **5. GENERAL**

### **5.1 Amendments**

This Guarantee may not be varied, amended or supplemented except by an agreement in writing signed by duly authorized representatives of the parties and stating on its face that it is intended to be an amendment, restatement or other modification, as the case may be, to this Guarantee.

### **5.2 Waiver**

- (a) No waiver made or given by a party under or in connection with this Guarantee shall be binding or effective unless the waiver is in writing, signed by an authorized representative of the party giving such waiver, and delivered by such party to the other party. No waiver made with respect to any right, power or remedy in one instance will be deemed to be a waiver with respect to any other instance involving the exercise of such right, power, or remedy or with respect to any other right, power, or remedy.
- (b) Failure by either party to exercise any of its rights, powers or remedies hereunder or its delay to do so shall not constitute a waiver of those rights, powers or remedies. The single or partial exercise of a right, power or remedy shall not prevent its subsequent exercise or the exercise of any other right, power or remedy.

### **5.3 Entire Agreement**

Except where provided otherwise in this Guarantee, this Guarantee, together with the Project Agreement and the documents ancillary to the Project Agreement, constitute the entire agreement between the parties in connection with its subject matter and supersedes all prior representations, communications, negotiations and understandings, whether oral, written, express or implied, concerning the subject matter of this Guarantee.



#### **5.4 Severability**

Each provision of this Guarantee shall be valid and enforceable to the fullest extent permitted by law. If any provision of this Guarantee is declared invalid, unenforceable or illegal by the courts of a competent jurisdiction, such provision may be severed and such invalidity, unenforceability or illegality shall not prejudice or affect the validity, enforceability and legality of the remaining provisions of this Guarantee. If any such provision of this Guarantee is invalid, unenforceable or illegal, the parties shall, acting in good faith, promptly negotiate new provisions to eliminate such invalidity, unenforceability or illegality and to restore this Guarantee as near as possible to its original intent and effect.

#### **5.5 Enurement**

This Guarantee shall enure to the benefit of, and be binding on, the Authority and the Construction Guarantor and their respective permitted successors and assigns. This Guarantee may not be assigned by the Construction Guarantor.

#### **5.6 Governing Law and Jurisdiction**

- (a) This Guarantee shall be governed by and construed in accordance with the laws of British Columbia and the laws of Canada applicable therein and shall be treated in all respects as a British Columbia contract, without regard to conflict of laws principles.
- (b) Both parties hereby irrevocably attorn to the exclusive jurisdiction of the courts of the Province of British Columbia and all courts competent to hear appeals therefrom.

#### **5.7 Cumulative Remedies**

Except as otherwise set forth in this Guarantee, the rights, powers and remedies of each party set forth in this Guarantee are cumulative and are in addition to and without prejudice to any other right, power or remedy that may be available to such party under this Guarantee or the Project Agreement or documents ancillary to the Project Agreement.

#### **5.8 Further Assurance**

Each party shall do all reasonable things, from time to time, and execute all reasonable further documents necessary to give full effect to this Guarantee.

#### **5.9 Costs**

Each party shall be responsible for paying its own costs and expenses incurred in connection with the negotiation, preparation and execution and delivery of this Guarantee.

#### **5.10 Proof of Authority**

The Authority and the Construction Guarantor each reserve the right to require any person executing this Guarantee on behalf of the other party to provide proof, in a form acceptable to the Authority or the Construction Guarantor, as applicable, that they have the requisite authority to execute this Guarantee on behalf of and to bind the Authority or the Construction Guarantor, as applicable.

#### **5.11 Counterparts**

This Guarantee may be executed in one or more counterparts. Any single counterpart or a set of counterparts executed, in either case, by all the parties shall constitute a full, original and binding agreement for all purposes. Delivery of an executed counterpart of a signature page to this Guarantee by

electronic transmission will be deemed to be as effective as delivery of a manually executed copy and delivery of an original.

**5.12 Joint and Several**

If the Construction Guarantor is comprised of more than one person, then each such person shall be jointly and severally liable for the obligations and liabilities of the Construction Guarantor hereunder.

**[SIGNATURE PAGES IMMEDIATELY FOLLOW]**

**IN WITNESS WHEREOF** the parties have executed this Guarantee as of the date first above written.

**FRASER HEALTH AUTHORITY**

Per: [FORM; NOT FOR EXECUTION]  
Name:  
Title:

**ELLISDON INC.**

Per: [FORM; NOT FOR EXECUTION]  
Name:  
Title:

Per: [FORM; NOT FOR EXECUTION]  
Name:  
Title: