

SCHEDULE 2

DESIGN AND CONSTRUCTION PROTOCOLS

TABLE OF CONTENTS

1. INTERPRETATION	1
1.1 Definitions	1
2. PARTIES' REPRESENTATIVES	2
2.1 Appointment of Representatives	2
2.2 Replacement.....	3
2.3 Authority of Representatives	3
2.4 Review Procedure	3
2.5 Authority Not Responsible for Design or Construction	3
2.6 Construction Period Joint Committee	3
2.7 Key Individuals Involvement	5
3. INDEPENDENT CERTIFIER.....	5
3.1 Appointment.....	5
3.2 Appointment and Replacement	5
3.3 Monthly Inspections and Reports	6
3.4 Payment Certificates	6
3.5 Completion Obligations	7
3.6 Permitted Access.....	7
3.7 No Responsibility for Design or Construction.....	7
4. PROJECT CO'S RESPONSIBILITIES	7
4.1 Design/Build Responsibility	7
4.2 Standard of Performance for Design and Construction	8
4.3 Defects in Design or Construction	8
4.4 Compliance with Laws	8
4.5 Permits for the Design and Construction.....	8
4.6 LEED Gold Certification.....	9
4.7 LEED Project Checklist	11
4.8 Energy and Carbon Guarantees	11
4.9 Single Building Approach	11
5. DESIGN	12
5.1 Additional Design Considerations.....	12
5.2 Zoning Approval	12
5.3 Design Process	13
5.4 Design Change.....	14
5.5 Mock-Ups and Prototype Rooms.....	14
5.6 Ownership of Design	14
5.7 Record of Adjustments to Design and Construction.....	15

6.	CONSTRUCTION.....	16
6.1	Construction of the Facilities	16
6.2	Amendments and Changes to the Drawings and Specifications	16
6.3	Skilled Workers.....	16
6.4	Control of the Construction	16
6.5	Existing Utilities and Services.....	16
6.6	Site Investigation	17
6.7	Geotechnical Report.....	17
6.8	Environmental Reports	17
6.9	Site Issues	17
6.10	Demolition and Site Preparation.....	20
6.11	Connections and Integration to the Hospital	21
6.12	The Authority's Access to the Site.....	22
6.13	Inspection	22
6.14	Safety.....	23
6.15	Protection of Property.....	24
6.16	Existing Roof.....	24
6.17	Survey and Monitoring.....	24
6.18	Photographic Documentation of Construction	25
6.19	Control of Vibration	26
6.20	Control of Noise	27
6.21	Infection Control and Control of Dust and Noxious Odours	28
6.22	Signage.....	28
6.23	Temporary Works	28
6.24	Project Meetings	28
6.25	Project Records	28
6.26	Apprentices on Public Projects in British Columbia.....	31
7.	EQUIPMENT SUPPLY AND INSTALLATION	32
7.1	Design and Construction Requirements.....	32
7.2	Asset Tagging.....	33
7.3	Asset Register	33
8.	QUALITY MANAGEMENT.....	34
8.1	Quality of the Design and Construction.....	34
8.2	Quality System.....	34
8.3	Project Co's Quality Consultant.....	34
8.4	Quality Assurance Program.....	35
8.5	Quality Assurance Plan	36
8.6	Reporting	37
8.7	Quality Review by the Authority.....	37
9.	WORKERS COMPENSATION	37
9.1	Evidence of WorkSafe BC Compliance.....	37
9.2	Indemnity for WorkSafe BC Non-Compliance	38
9.3	Prime Contractor	38

9.4	Failure to Comply with WorkSafe BC Requirements.....	38
10.	PROJECT SCHEDULE AND SCHEDULING	39
10.1	Initial Project Schedule	39
10.2	Project Schedule Updates	39
10.3	Failure to Update Project Schedule.....	40
10.4	Compliance with Project Schedule	40
10.5	Move-In Schedules	40
11.	DELAYS AND ACCELERATION	40
11.1	Acceleration to Recover Project Co Delays	40
11.2	Delay Liquidated Damages	41
11.3	Delay Costs	42
11.4	Acceleration of Project Schedule	43
12.	COMMISSIONING AND OPERATIONAL READINESS	43
12.1	Testing and Commissioning	43
12.2	Equipment and Systems Operation and Training.....	44
12.3	Commissioning Plan	44
12.4	Move Plans	47
12.5	BIM and Asset Management	49
13.	COMPLETION.....	49
13.1	Deficiency List.....	49
13.2	Advance Notices of Applications for Substantial Completion.....	49
13.3	Application for Certificates of Substantial Completion	50
13.4	Correction of Deficiencies, Total Completion	51
14.	WARRANTIES AND LIABILITY FOR DEFECTS.....	53
14.1	Warranty	53
14.2	Terms of Contractor Warranties	54
14.3	Assignment of Warranties to Authority	55
15.	COMPLIANCE FAILURE EVENTS	56
15.1	Compliance Failure Events.....	56
16.	POST SUBSTANTIAL COMPLETION SERVICES	56
16.1	Warranty Point of Contact	56
16.2	Other Post-Substantial Completion Obligations	56

APPENDIX 2A INDEPENDENT CERTIFIER AGREEMENT

APPENDIX 2B BIM REQUIREMENTS

APPENDIX 2C USER CONSULTATION AND REVIEW PROCEDURE

APPENDIX 2D ENERGY AND CARBON GUARANTEES

APPENDIX 2E CLINICAL EQUIPMENT AND FURNITURE

APPENDIX 2F INITIAL PROJECT SCHEDULE

APPENDIX 2G PROPOSAL EXTRACTS
APPENDIX 2H SITE PLAN
APPENDIX 2I COMPLIANCE FAILURE EVENTS
APPENDIX 2J CONSTRUCTION ITEMS
APPENDIX 2K ASSET MANAGEMENT REQUIREMENTS
APPENDIX 2L FOOD SERVICES EQUIPMENT

SCHEDULE 2

DESIGN AND CONSTRUCTION PROTOCOLS

1. INTERPRETATION

1.1 Definitions

In this Schedule, in addition to the definitions set out in Schedule 1 [Definitions and Interpretation] to this Agreement:

“Asset Register” has the meaning set out in Section 7.3 (Asset Register) of this Schedule;

“Certificate of Substantial Completion” means any of the Certificate of CPPS Substantial Completion, the Certificate of SFB Expansion Substantial Completion or the Certificate of New Tower Substantial Completion, as the context requires;

“Commissioning Plan” has the meaning set out in Section 12.3 (Commissioning Plan) of this Schedule;

“Construction Period Joint Committee” has the meaning set out in Section 2.6(a) (Construction Period Joint Committee) of this Schedule;

“Deficiency” has the meaning set out in Section 13.1 (Deficiency List) of this Schedule;

“Deficiency Deadline” has the meaning set out in Section 13.4 (Correction of Deficiencies, Total Completion) of this Schedule;

“Demolition Plan” has the meaning set out in Section 6.10 (Demolition and Site Preparation) of this Schedule;

“Facility (New Tower) Move-in Schedule” has the meaning set out in Section 10.5 (Move-In Schedules) of this Schedule;

“Facility (SFB Expansion) Move-in Schedule” has the meaning set out in Section 10.5 (Move-In Schedules) of this Schedule;

“Facility Move-in Schedules” means, collectively, the Facility (SFB Expansion) Move-in Schedule and the Facility (New Tower) Move-in Schedule, and **“Facility Move-in Schedule”** means either such schedule, as the context requires;

“Initial Project Schedule” has the meaning set out in Section 10.1 (Initial Project Schedule) of this Schedule;

“LEED Liquidated Damages” means the liquidated damages payable by Project Co pursuant to Section 4.6(h) (LEED Gold Certification) of this Schedule as a result of Project Co’s failure to achieve LEED Gold Certification for the New Tower as set forth therein;

“Move Plans” has the meaning set out in Section 12.4 (Move Plans) of this Schedule;

“New Tower Liquidated Damages” has the meaning set out in Section 11.2(a)(2) (Delay Liquidated Damages) of this Schedule;

“PDS” has the meaning set out in Section 6.18 (Photographic Documentation of Construction) of this Schedule;

“Permanent PDS Record” has the meaning set out in Section 6.18(b)(4) (Photographic Documentation of Construction) of this Schedule;

“Phasing Plan” has the meaning set out in Section 6.9(a) (Site Issues) of this Schedule;

“Project Co’s Quality Consultant” has the meaning set out in Section 8.3 (Project Co’s Quality Consultant) of this Schedule;

“Project Schedule” means the Initial Project Schedule as updated from time to time by the Updated Project Schedules delivered pursuant to Section 10.2 (Project Schedule Updates) of this Schedule;

“Proposal Extracts” means the provisions of Appendix 2G [Proposal Extracts];

“Quality Assurance Plan” has the meaning set out in Section 8.5 (Quality Assurance Plan) of this Schedule;

“Quality Assurance Program” has the meaning set out in Section 8.4 (Quality Assurance Program) of this Schedule;

“Quality System” means an organizational structure, procedures, processes and resources necessary to implement a comprehensive, planned and systematic program, designed and implemented by Project Co pursuant to this Agreement, to ensure that the standards of quality control, quality management and quality assurance required by this Agreement are achieved by Project Co in every material aspect of the Design and the Construction;

“Reviewed Drawings and Specifications” has the meaning set out in Section 6(a) of Appendix 2C [User Consultation and Review Procedure];

“SFB Expansion Liquidated Damages” has the meaning set out in Section 11.2(a)(1) (Delay Liquidated Damages) of this Schedule; and

“Updated Project Schedule” has the meaning set out in Section 10.2 (Project Schedule Updates) of this Schedule.

2. PARTIES’ REPRESENTATIVES

2.1 Appointment of Representatives

Project Co will within five Business Days of the Effective Date designate in writing an individual to be Project Co’s single point of contact with respect to the Design and the Construction. The Authority will within five Business Days of the Effective Date designate in writing an individual to be the Authority’s single point of contact with respect to the Design and the Construction. Each such point of contact is a **“Representative”** under this Agreement.

Project Co's Representative will be a Key Individual.

Except as otherwise set out in this Agreement, all costs or expenses incurred by or with respect to a party's Representative will be for the account of that party.

2.2 Replacement

Subject to Section 2.8 (Key Individuals) of this Agreement in respect of Key Individuals, a party may at any time and in its own discretion by notice to the other party change the individual appointed as the party's Representative. If for any reason a party's Representative is unable or unwilling to continue, then the party will immediately appoint a replacement Representative. If at any time a party objects to a Representative of the other party, then the other party will give reasonable consideration to replacing the Representative with an individual reasonably acceptable to the objecting party.

2.3 Authority of Representatives

Subject to limits of signing authority pursuant to Section 2.7 (Representatives) of this Agreement, a party's Representative will have full authority to act on behalf of and bind the party with respect to Design and Construction under this Agreement, including giving any review, acceptance, approval or confirmations which may be given by the Authority. Notwithstanding the above, a party's Representative will not have the authority to execute or agree to any amendments or to give any waivers of this Agreement.

2.4 Review Procedure

The parties will comply with Appendix 2C [User Consultation and Review Procedure].

2.5 Authority Not Responsible for Design or Construction

The Authority's review, acceptance, approval or confirmation of compliance with respect to any aspect of the Design or the Construction, including pursuant to Appendix 2C [User Consultation and Review Procedure], will be for the Authority's benefit only, and no review, acceptance, approval or confirmation of compliance by the Authority's Representative or other representative of the Authority will in any way relieve Project Co of its obligation for all aspects of the Design and the Construction of the Facilities except as may be expressly set out in this Agreement.

2.6 Construction Period Joint Committee

- (a) Not less than 20 Business Days after the Effective Date, the Authority and Project Co will establish, and will maintain until the date that Total Completion is achieved, a joint liaison committee (the "**Construction Period Joint Committee**") consisting of the Representatives, the CM Representative and such other members as the parties may agree from time to time.
- (b) The purpose of the Construction Period Joint Committee is to provide a formal forum for the parties to consult and cooperate in all matters relating to the Facilities during the Construction Period and any member appointed to the Construction Period Joint Committee will not have any duties or obligations arising out of such appointment

independent of such member's duties or obligations to the party making such appointment.

- (c) The Construction Period Joint Committee:
- (1) will only have the authority as expressly delegated to it by the Authority and Project Co, and both parties will give reasonable consideration to delegating appropriate authority to permit efficient decision making with respect to the Facilities;
 - (2) may strike, establish terms of reference for, delegate authority and appoint members having the necessary experience and qualifications to, such sub-committees as the Construction Period Joint Committee may determine are necessary from time to time, and all such sub-committees will report to the Construction Period Joint Committee;
 - (3) will establish protocols and procedures for undertaking the tasks and responsibilities delegated to it, including a co-operative and consultative process to review all documentation submitted to it in relation to the Design and the Construction;
 - (4) may make recommendations to the parties on all matters relating to the Facilities, which the parties may accept or reject in their complete discretion; and
 - (5) will have no authority to agree to any amendments or to give any waivers of this Agreement.
- (d) Subject to the provisions of this Agreement, the members of the Construction Period Joint Committee may adopt such procedures and practices for the conduct of the activities of the Construction Period Joint Committee as they consider appropriate from time to time and:
- (1) may invite to any meeting of the Construction Period Joint Committee such other (non-voting) Persons as a member may decide; and
 - (2) receive and review a report from any Person agreed by the members of the Construction Period Joint Committee.
- (e) The Construction Period Joint Committee will meet at least once each month at a location provided by Project Co at or near the Site (unless otherwise agreed by its members) and from time to time as necessary. If any member of the Construction Period Joint Committee requests an additional meeting, the parties will act reasonably in accommodating this request. Meetings of the Construction Period Joint Committee will be convened on not less than 10 Business Days' notice (which will also identify the agenda items to be discussed at the meeting), provided that in an emergency a meeting may be called at any time on such notice as may be reasonable in the circumstances. The Construction Period Joint Committee will be chaired by a representative of the Authority

unless the Authority requires that a representative of Project Co chair the Construction Period Joint Committee.

- (f) Project Co will keep minutes of all recommendations and meetings of the Construction Period Joint Committee in accordance with Schedule 14 [Records and Reports] and circulate such minutes to the parties promptly within five Business Days of the making of the recommendation or the holding of the meeting.

2.7 Key Individuals Involvement

Certain Key Individuals (as set out in Schedule 17 [Key Individuals]) will be required to attend the Construction Period Joint Committee meetings with the Authority at the Authority's request. The Authority may postpone any meetings if any such required Key Individuals are not available to attend.

3. INDEPENDENT CERTIFIER

3.1 Appointment

The parties will cooperate to jointly appoint a Person (the "**Independent Certifier**") who is:

- (a) qualified and experienced with respect to the design and construction of projects in British Columbia similar to the Project, and
- (b) independent from both the Authority and Project Co (and who will be impartial to the parties),

to provide certification services for the benefit of the parties during the Construction Period. The parties will enter into an agreement with the Independent Certifier on the terms generally as set out in Appendix 2A [Independent Certifier Agreement]. The parties confirm that Project Co may also appoint the Independent Certifier to provide certification services in respect of the Design-Build Agreement.

3.2 Appointment and Replacement

If within 20 Business Days of the Effective Date, the Independent Certifier has not been appointed, or if for any reason during the Construction Period the Independent Certifier is unable or unwilling to continue to perform the Independent Certifier services or if the Independent Certifier's appointment has been terminated by the Authority and Project Co, then:

- (a) within five Business Days of the date that is 20 Business Days after the Effective Date (or within five Business Days of the date of termination of the Independent Certifier's appointment, if applicable), Project Co will provide the names of three candidates acceptable to Project Co for consideration by the Authority;
- (b) within 10 Business Days of receiving the candidate names, the Authority will notify Project Co of the candidates acceptable to the Authority, and the parties will cooperate to enter into a contract with an acceptable candidate generally in the form set out in Appendix 2A [Independent Certifier Agreement]; and

- (c) if none of the candidates are acceptable to the Authority, acting reasonably, or if for any reason an Independent Certifier is not appointed within 40 Business Days of the Effective Date (or within 20 Business Days of the date of termination of the Independent Certifier's appointment, if applicable), then either party may immediately apply to the British Columbia International Commercial Arbitration Centre for the selection of an Independent Certifier, providing the other party the opportunity to participate in the selection and appointment process.

3.3 Monthly Inspections and Reports

The parties will require the Independent Certifier to:

- (a) consult with Project Co, the Authority, the Design-Builder and others involved in the Design;
- (b) conduct monthly inspections of the Construction; and
- (c) raise any quality concerns and investigate those identified by Project Co and/or the Authority,

as the Independent Certifier determines is required for purposes of the Independent Certifier's functions under this Agreement and, no later than the 10th day of each month, prepare and deliver to the Authority and Project Co a monthly written report containing a description of:

- (d) the Design and the Construction completed in the previous month; and
- (e) the progress of the Design and the Construction relative to the Project Schedule, with an overview analysis of variances and investigations of quality concerns.

3.4 Payment Certificates

The Independent Certifier will prepare and deliver to the Authority and Project Co a certificate certifying the Cost to Date as described in Section 4 (Construction Payment Invoicing and Payment) of Schedule 8 [Payments] no later than the 10th day of each month. The Authority and Project Co specifically agree to the following with respect to the preparation and delivery of the payment certificates by the Independent Certifier:

- (a) the certificate certifying the Cost to Date will certify actual costs incurred by or on behalf of Project Co; and
- (b) except as required under Section 3.3 (Monthly Inspections and Reports) of this Schedule, the Independent Certifier will have no role in monitoring or inspecting, or in giving any directions or instructions, with respect to any aspect of the Design or the Construction.

The certificate of Cost to Date will not include costs for any design, construction or other work that does not comply with this Agreement and the Reviewed Drawings and Specifications, and such design, construction or other work does not form part of the Design and the Construction for purposes of calculating the Cost to Date in Schedule 8 [Payments] and may not be taken into account in determining

the payments under Schedule 8 [Payments] and the determination of CPPS Substantial Completion, SFB Expansion Substantial Completion or New Tower Substantial Completion.

3.5 Completion Obligations

The parties will require the Independent Certifier to perform the obligations of the Independent Certifier described in Section 13 (Completion) of this Schedule.

3.6 Permitted Access

Project Co will give the Independent Certifier access to the Design and the Construction work as the Independent Certifier reasonably requests in order to be fully informed as to the progress of the Design and the Construction, including:

- (a) access to drawings, specifications, schedules, records, and other documents or data relating to the Design and the Construction, including such information that is being produced by or in the possession of the Design-Builder or others; and
- (b) access to the Site,

and Project Co will:

- (c) permit the Independent Certifier to attend all Design and Construction meetings during the Construction Period except to the extent Project Co and the Authority expressly otherwise agree; and
- (d) keep the Independent Certifier fully informed as to the progress of the Construction, including giving notice in accordance with Good Industry Practice of any part of the work on the Facilities before it becomes covered up and unavailable for inspection.

3.7 No Responsibility for Design or Construction

Nothing in this Agreement (including this Schedule) or in the parties' agreement with the Independent Certifier will be interpreted as giving the Independent Certifier any responsibility or authority for any aspect of the Design or the Construction, or as relieving Project Co of its responsibility for the Design and the Construction as set out in this Agreement, and neither Project Co nor the Design-Builder nor any Sub-Contractor will be entitled to rely on any review, acceptance, approval or confirmation that the Independent Certifier may give with respect to Design or Construction.

4. PROJECT CO'S RESPONSIBILITIES

4.1 Design/Build Responsibility

Notwithstanding any other provision of this Agreement, Project Co will:

- (a) have complete responsibility for the Design and the Construction of the Facilities;
- (b) perform and complete the Design and the Construction:

- (1) in accordance with all terms of this Agreement, including the terms of this Schedule and the Design and Construction Specifications;
- (2) so as to provide new and expanded health care facilities that are, at the SFB Expansion Substantial Completion Date and the New Tower Substantial Completion Date, as applicable:
 - (A) complete and operational and fit for the Intended Uses; and
 - (B) fully integrated with the Hospital and take into account any planned building or structure, as described in the Design and Construction Specifications;
- (3) to reflect and capture the benefits to the Authority of the Proposal Extracts; and
- (4) in a manner which is integrated and coordinated with the use and operation of the Hospital by the Authority, as described in the Design and Construction Specifications.

Each of the obligations in Sections 4.1(b)(1), 4.1(b)(2), 4.1(b)(3) and 4.1(b)(4) of this Schedule are independent obligations, and the fact that Project Co has satisfied one obligation will be no defence to an allegation that it has failed to satisfy another.

4.2 Standard of Performance for Design and Construction

Without limiting the other requirements of this Agreement, Project Co will perform the Design and the Construction to the standards as required by Section 2.3 of Schedule 3 [Design and Construction Specifications].

4.3 Defects in Design or Construction

Without limiting Project Co's obligations to correct Defects and Construction Latent Defects pursuant to Section 14 of this Schedule, Project Co will correct any Defect that becomes apparent during Construction.

4.4 Compliance with Laws

Project Co will undertake and perform the Design and the Construction in accordance with applicable Laws, and so that all elements of the Design and the Construction, including all workmanship, construction equipment and materials, and the supply and installation of Equipment, meet or exceed the requirements of applicable Laws. If there is any conflict or ambiguity between the provisions of applicable Laws, or between a provision of applicable Laws and the Design and Construction Specifications, or between provisions of the Design and Construction Specifications, then the provision of higher quality or higher standard will govern.

4.5 Permits for the Design and Construction

Except as expressly provided otherwise in this Agreement, Project Co will obtain all Permits required for the Design and the Construction. Project Co will:

- (a) keep the Authority's Representative fully informed of the details of all discussions and negotiations with Governmental Authorities with respect to all Permits for which it is responsible;
- (b) upon request from the Authority's Representative, provide to the Authority copies of all documentation and correspondence with a Government Authority relating to such Permits; and
- (c) provide reasonable advance notice to the Authority of any meetings with the City or other Governmental Authorities (where practicable) and upon request by the Authority permit a representative of the Authority to attend any such meetings.

Subject to the following paragraphs, Project Co assumes all risk and costs arising in relation to Permits for which Project Co is responsible as described in this Section 4.5, including delays to the Project Schedule arising from delays in obtaining Permits or inability to obtain Permits, conditions of obtaining Permits, or amendments to Permits as may be required. The Authority will provide Project Co with such information within the Authority's possession, and co-operate with Project Co, as Project Co may reasonably require, in relation to all Permits for which Project Co is responsible.

As regards any Construction to be carried out in the Nursing Tower, Project Co may assume:

- (1) the City will not require any structural upgrades as a result of the work to be carried out under this Agreement; and
- (2) the City will require that non-structural upgrades to the Nursing Tower under this Agreement are limited to only new components that must be installed, which need to meet current BCBC 2018 Post disaster requirements.

To the extent these assumptions are incorrect and the City requires additional upgrades, such additional City requirements shall be deemed to be a Change and Schedule 6 [Changes] shall apply.

4.6 LEED Gold Certification

Project Co will, subject to Section 4.6(j) of this Schedule obtain LEED Gold Certification for the New Tower in accordance with the following:

- (a) Project Co acknowledges that the Authority has registered the New Tower with the LEED Certifier for the purposes of LEED Gold Certification under the LEED Rating System and for the pilot alternative compliance path for the Optimize Energy Performance credit (Alternative Energy Performance Metric).
- (b) Project Co will use the LEED Certifier's split review certification process.
- (c) Project Co will, subject to this Section, achieve all necessary prerequisites, credits and points under the LEED Rating System required to achieve the LEED Gold Certification and, except as set out in Schedule 3 [Design and Construction Specifications], may in its discretion determine which of the credits and points to pursue in addition to those outlined

in this Section. The Authority will provide reasonable cooperation to Project Co to assist Project Co in achieving the LEED Gold Certification.

- (d) Project Co will achieve the LEED credits/points required under Schedule 3 [Design and Construction Specifications].
- (e) If at any time after the Effective Date, the requirements to achieve LEED Gold Certification under the LEED Rating System change, and Project Co is required to comply with such change in order to achieve LEED Gold Certification for the New Tower, then Project Co will forthwith notify the Authority of such change and such change will be a Change pursuant to Schedule 6 [Changes].
- (f) All prerequisites required to achieve LEED Gold Certification are mandatory.
- (g) Project Co will compile and submit the required documents for LEED Gold Certification;
- (h) If for any reason Project Co fails to obtain LEED Gold Certification for the New Tower within 36 months of the New Tower Substantial Completion Date then Project Co will, upon written demand from the Authority, immediately pay to the Authority \$125,000 for every point less than the number of points required to obtain LEED Gold Certification, to a maximum payment amount of \$1,000,000.
- (i) In respect of Project Co's obligation to pay LEED Liquidated Damages:
 - (1) If Project Co fails to pay any LEED Liquidated Damages to the Authority as required pursuant to Section 4.6(h), the Authority will be entitled to discharge such obligation by:
 - (A) applying an amount from the LEED Holdback; and/or
 - (B) if a LEED Holdback Letter of Credit has been provided by Project Co, making a demand under such LEED Holdback Letter of Credit,

up to an amount in aggregate equal to the amount of such liquidated damages;
and
 - (2) Project Co's obligation to pay such LEED Liquidated Damages will only be discharged to the extent of the amount so applied and/or demanded by the Authority.
- (j) Upon payment of LEED Liquidated Damages, if any, owing under this Section 4.6 (including, for greater certainty, to the extent such obligations are discharged pursuant to Section 4.6(i)), Project Co will have no further obligations or liabilities in respect of obtaining LEED Gold Certification, except to provide the Authority with such information and administrative assistance as the Authority may reasonably require in relation to obtaining LEED Gold Certification, and for greater certainty, the failure to obtain LEED Gold Certification will not be a Project Co Event of Default.

- (k) The Authority and Project Co expressly agree that the amounts payable by Project Co as LEED Liquidated Damages are liquidated damages that represent a genuine pre-estimate of the damages and expenses that the Authority is likely to incur for such failure to achieve the LEED credits/points referred to in this Section 4.6 and LEED Gold Certification, and both parties expressly agree that such amounts are not a penalty.

4.7 LEED Project Checklist

As a condition of New Tower Substantial Completion, Project Co will deliver to the Authority:

- (a) a LEED project checklist, generally in accordance with the LEED Certifier's requirements, together with a written confirmation that, in Project Co's judgment:
- (1) the LEED credits/points required by Section 4.6 (LEED Gold Certification) of this Schedule will be achieved for the New Tower; and
 - (2) LEED Gold Certification will be achieved for the New Tower; and
- (b) a written opinion from a LEED accredited professional that Project Co's confirmation described in Section 4.7(a) is reasonable.

4.8 Energy and Carbon Guarantees

Without limiting the Design and Construction Specifications, Project Co will comply with the requirements of Appendix 2D [Energy and Carbon Guarantees].

4.9 Single Building Approach

- (a) If Project Co proceeds with the Design and the Construction of a single building, incorporating the New Tower and the SFB Expansion (which may also include the Energy Centre, if the Energy Centre forms part of the New Tower or the SFB Expansion) (the "**Building**"), this Agreement shall be interpreted so that:
- (1) Project Co shall not be able to achieve New Tower Substantial Completion or SFB Expansion Substantial Completion independently of each other;
 - (2) Project Co will deliver Facility Move in Schedules for the New Tower and SFB Expansion at the same time and showing consistent move in dates for the Building as a whole;
 - (3) Project Co will be required to obtain LEED Gold Certification for Phase 1A (as delineated in Appendix 2G) and the Energy Centre, provided that if the LEED Certifier prevents Project Co from obtaining LEED Gold Certification for Phase 1A and the Energy Centre without also obtaining LEED Gold Certification for Phase 1B, Project Co will be required to obtain LEED Gold Certification for the Building as a whole; and

- (4) if the proviso in Section 4.9(a)(3) applies, the lead in wording to 4.6 and in Sections 4.6(e), 4.6(h) and 4.7(a) and the definition of LEED Liquidated Damages, the words "New Tower" shall be replaced by "Building".
- (b) If Project Co proceeds with the Design and the Construction of the Energy Centre as a part of the SFB Expansion, whether or not as a single building with the New Tower, then the definitions of New Tower Substantial Completion and SFB Substantial Completion shall be amended so that:
 - (1) references to the Energy Centre are deleted from the definition of New Tower Substantial Completion and added to the equivalent provisions in the definition of SFB Expansion Substantial Completion; and
 - (2) equivalent changes are made elsewhere in this Agreement to reflect the change in the definitions.

5. DESIGN

5.1 Additional Design Considerations

In addition to other requirements of this Agreement, Project Co will undertake and perform the Design so that the Design:

- (a) is undertaken by a design team exercising such degree of care, skill and diligence as would reasonably be expected from consultants qualified to perform services similar in scope, nature and complexity to the Design, as of the date of this Agreement, and Project Co will appoint a design team that:
 - (1) is so qualified;
 - (2) includes (as required by applicable Law or Good Industry Practice) licensed or registered professional engineers and architects; and
 - (3) has sufficient expertise and experience to expeditiously and efficiently perform all of the Design in a proper and professional manner to the standard set out in this Agreement;
- (b) includes specific consideration of "constructability" and "life cycle" cost issues at all stages of Design, as appropriate; and
- (c) includes consideration of efficient and cost-effective operation and maintenance of the Facilities.

5.2 Zoning Approval

Project Co will be fully responsible to obtain and perform the obligations of all permits and approvals required for the Construction of the Facilities including the "Preliminary Plan Approval" and any "Services Agreements" as may be required by the City.

5.3 Design Process

- (a) Without limiting Project Co's obligation to comply with the requirements set out in Schedule 3 [Design and Construction Specifications], including Section 2.4, Project Co will undertake the Design:
- (1) in accordance with Appendix 2C [User Consultation and Review Procedure], including providing Submittals to the Authority in accordance with the Submittal Schedule and undertaking consultation with representatives of the Facility Users (the "**User Consultation Groups**") in accordance with Appendix 2C [User Consultation and Review Procedure];
 - (2) in phases progressively, with each phase capturing the information and detail of a previous phase, as follows:
 - (A) Design and Construction Documents - 30%;
 - (B) Design and Construction Documents - 50%;
 - (C) Design and Construction Documents - 70%;
 - (D) Design and Construction Documents - 90%; and
 - (E) Design and Construction Documents - 100%; and
 - (3) providing at each phase a report detailing and describing the manner in which the following have been taken into account in the Design:
 - (A) clinical operations and delivery including the following flows: Patients, family, providers, equipment, medication, supplies, food, linen and waste and recycling;
 - (B) LEED Gold Certification, including energy efficiency/sustainability and the relevant LEED requirements;
 - (C) interior and exterior materials selection;
 - (D) constructability and serviceability;
 - (E) security and post disaster management;
 - (F) building operating services;
 - (G) IM/IT;
 - (H) any other report submittals the Authority reasonably requires.
- (b) Project Co will only issue drawings and specifications for construction purposes based on Reviewed Drawings and Specifications as described in Appendix 2C [User Consultation and Design Review].

5.4 Design Change

The following will apply to the Authority's requests for amendments to the design of the Facilities:

- (a) revisions to drawings, specifications, equipment and additional Design requested by the Authority under the processes described in Section 5 (Design) of this Schedule and in Appendix 2C [User Consultation and Review Procedure] are not Changes and will be completed at Project Co's cost (except to the extent that any such requested revision would constitute a material change to the Design and Construction Specifications, in which case the terms of Schedule 6 [Changes] will apply and such revision will not be implemented except under a Change Certificate issued by the Authority); and
- (b) if and to the extent the Authority requires a variation of any Design described in the Reviewed Drawings and Specifications, then such variation will be a Change and the terms of Schedule 6 [Changes] will apply (other than in respect of a variation required to bring the Design into conformity with this Agreement, which variation is not a Change and will be completed at Project Co's cost).

5.5 Mock-Ups and Prototype Rooms

Project Co will provide and make available to the Authority for review the "mock-ups" and "prototype" rooms described in Section 2.5 of Schedule 3 [Design and Construction Specifications]. The purpose of the mock-ups and prototypes is to illustrate the Design and neither party may rely on the mock-ups and prototypes. Project Co acknowledges that certain of the "mock-ups" and "prototype" rooms described in Section 2.5 of Schedule 3 [Design and Construction Specifications] relate to the CM Work and that these are to be provided by Project Co in order to enable a coordinated review by the Authority.

5.6 Ownership of Design

With respect to ownership and property rights relating to the Design:

- (a) the Authority will not have an ownership interest in the Design, including any of the drawings or specifications prepared and produced by Project Co, the Design-Builder or any Sub-Contractor;
- (b) Project Co grants to the Authority, or will cause the Design-Builder and all Sub-Contractors to grant to the Authority, an irrevocable perpetual license giving the Authority the non-exclusive right to use the Design, including any of the documents and information listed in Section 6.25 (Project Records) of this Schedule:
 - (1) in connection with the Facilities during and beyond the end of the Term and as long as the Facilities exist, including for operational purposes, and for renovations, additions and alterations to the Facilities; and
 - (2) for reference purposes in connection with other operations, projects and facilities of the Authority; and

- (c) Project Co will execute and deliver, or cause to be executed and delivered, any and all further and other documents as the Authority may reasonably request to effect and record the license referred to in Section 5.6(b) of this Schedule.

5.7 Record of Adjustments to Design and Construction

The parties wish to create a single record in respect of each of the CPPS, Energy Centre, the SFB Expansion and the New Tower of adjustments to the Design and the Construction that are reflected in the Reviewed Drawings and Specifications, but which do not constitute Changes for which there are adjustments to payments or the Target CPPS Substantial Completion Date, the Target SFB Expansion Substantial Completion Date or the Target New Tower Substantial Completion Date. The adjustments include all inconsistencies with or differences from the Design and Construction Specifications, the Proposal Extracts, this Schedule 2, and any other parts of this Agreement. Project Co will maintain discrete lists of all such adjustments, to be referred to as “Adds/Omits” or other name agreed to by the parties. Project Co will provide a copy of such lists, and proposed updates to the lists, together with each of the phases of Design set out in Section 5.3 (Design Process), and will modify the lists for reasonable comments made by the Authority. The parties intend to agree on documentation to reflect such adjustments and may for convenience set out such adjustments in a Change Certificate.

Unless otherwise agreed:

- (a) at least 90 days prior to the CPPS Substantial Completion Date, Project Co will provide the Authority with a draft Change Report, without adjustments to payments or to the Target CPPS Substantial Completion Date, setting out such adjustments in respect of the CPPS, and the parties will seek to agree on final documentation within 30 days after the CPPS Substantial Completion Date; and
- (b) at least 90 days prior to the SFB Expansion Substantial Completion Date, Project Co will provide the Authority with a draft Change Report, without adjustments to payments or to the Target SFB Expansion Substantial Completion Date, setting out such adjustments in respect of the SFB Expansion, and the parties will seek to agree on final documentation within 30 days after the SFB Expansion Substantial Completion Date; and
- (c) at least 90 days prior to the New Tower Substantial Completion Date, Project Co will provide the Authority with a draft Change Report, without adjustments to payments or to the Target New Tower Substantial Completion Date, setting out such adjustments in respect of the New Tower and the Energy Centre, and the parties will seek to agree on final documentation within 30 days after the New Tower Substantial Completion Date.

For convenience in preparing and maintaining the records of adjustments, the parties will also seek to agree on such documentation on a preliminary basis at two reasonable times prior to each of the CPPS Substantial Completion Date, the SFB Expansion Substantial Completion Date and the New Tower Substantial Completion Date, as applicable. This Section 5.7 will not limit Project Co’s responsibilities to provide the documentation set out in Section 6.25 (Project Records) of this Schedule.

6. CONSTRUCTION

6.1 Construction of the Facilities

Project Co will perform the Construction in strict conformity with the Reviewed Drawings and Specifications, as may be modified and amended from time to time in accordance with the terms of this Agreement, and this obligation will be in addition to all other obligations of Project Co under this Agreement.

6.2 Amendments and Changes to the Drawings and Specifications

During the Construction, Project Co will submit all amendments or additions to the Reviewed Drawings and Specifications to the Authority's Representative for review under Appendix 2C [User Consultation and Review Procedure].

Any Changes during the Construction will be subject to the terms of Schedule 6 [Changes].

6.3 Skilled Workers

Project Co will employ or cause the Design-Builder to employ a sufficient number of sufficiently skilled workers to perform the Construction in compliance with this Agreement. Trades and other workers will be licensed or registered as required by applicable Law or Good Industry Practice.

6.4 Control of the Construction

Project Co will have total control of the Construction and will effectively direct and supervise the Construction so that it is undertaken in compliance with the terms of this Agreement. Project Co will be responsible for all construction means, methods, techniques, sequences and procedures with respect to the Construction and for coordinating the various elements of the Construction, and nothing in this Agreement (including this Schedule) will be interpreted as giving any responsibility for the above to the Authority, the Authority's Representative or any other representative or agent of the Authority, or to the Independent Certifier.

6.5 Existing Utilities and Services

Project Co will confirm the location of, and protect all existing utilities and services that may be affected by the Construction.

Project Co will relocate any existing utilities and services that conflict with Construction.

All existing utilities and services to the BH Campus must remain in operation at all times, with interruption only with the prior consent of the Authority's Representative, not to be unreasonably withheld or delayed, following a request by Project Co (such request to be made reasonably in advance of the proposed interruption) and in any event not later than the periods set out in Section 2.8 of Schedule 3 [Design and Construction Specifications].

The foregoing is in no way intended to limit Project Co's obligations pursuant to Section 6.11 (Connection and Integration to the Hospital) of this Schedule and any request for consent made under this Section 6.5 should be made as part of a Work Plan under that Section 6.11.

6.6 Site Investigation

By entering into this Agreement, Project Co will be deemed to have inspected the Site and the BH Campus in relation to the performance of its obligations under this Agreement and to have satisfied itself and accepted all risks and related responsibilities relating to the Site and BH Campus (except as expressly provided to the contrary in this Agreement), including:

- (a) the adequacy of the rights of access to and through the Site for the Construction;
- (b) the adequacy of vehicular access to, and parking on, the Site;
- (c) temporary storage of building materials and equipment;
- (d) existing utilities and services on the Site and on the BH Campus;
- (e) tie-in points for building links and systems;
- (f) existing building structures to receive tie-ins;
- (g) building components requiring demolition and disposal; and
- (h) geotechnical conditions.

6.7 Geotechnical Report

The Authority has made available the Geotechnical Report. The Authority makes no representation whatsoever as to the accuracy or completeness of any information in the Geotechnical Report and Project Co specifically acknowledges that the Authority assumes and accepts no responsibility that the geotechnical information, as may be available in the Geotechnical Report, is accurate or completely describes actual site conditions including geotechnical or soil conditions (including presence of boulders, rock, low-strength soil and voids) and ground water conditions (including presence of underground streams or water table conditions) that may affect the Design or the Construction or other responsibilities of Project Co under this Agreement.

6.8 Environmental Reports

The Authority has made available the Environmental Reports. The Authority makes no representation whatsoever as to the accuracy or completeness of any information in the Environmental Reports and Project Co specifically acknowledges that the Authority assumes and accepts no responsibility that the environmental information, as may be available in the Environmental Reports, is accurate or completely describes actual site conditions that may affect the Design or the Construction or other responsibilities of Project Co under this Agreement.

6.9 Site Issues

Project Co will:

- (a) carry out the Construction in accordance with a phasing plan (the “**Phasing Plan**”) that ensures the Authority’s 24/7 operations continue without interruption, except to the extent

expressly permitted pursuant to Section 6.11 (Connections and Integration to the Hospital) of this Schedule. The phasing plan is to include the details for Project Co's phasing of all parts of the Construction, including:

- (1) provide painted hoarding with visible access to the construction site appropriate for all ages;
- (2) Site preparation;
- (3) demolition, as required by the Design and Construction Specifications;
- (4) Construction of the Facilities, including:
 - (A) the requirements and timing for construction and commissioning (including all systems and equipment) for each room;
 - (B) temporary signage plans during construction;
 - (C) fire access plans;
 - (D) emergency egress routes;
 - (E) providing temporary safe and convenient handicapped accessible pedestrian and vehicle access routes/walkways; and
 - (F) addressing all requirements of the Design and Construction Specifications,

and Project Co will submit the Phasing Plan to the Authority not less than 30 days after the Effective Date and will not proceed with any Construction until the Phasing Plan has received the notation "Reviewed" under Appendix 2C [User Consultation and Review Procedure];

- (b) comply with the reviewed Phasing Plan;
- (c) construct the Facilities within the Site;
- (d) perform all Construction activities on the BH Campus within the areas identified as the Site on Appendix 2H [Site Plan] except as approved by the Authority under Section 6.11 (Connections and Integration to the Hospital) of this Schedule for any work required in other areas of the BH Campus (a Work Plan for such Construction activity must include an adequate plan for maintaining vehicle (including ambulance) and handicapped accessible pedestrian access to Hospital buildings within or adjacent to the Site, including the areas listed in Section 6.9(e));
- (e) perform all Construction activities without blocking or disrupting vehicle or pedestrian access to, except as may be permitted pursuant to a Work Plan, the Hospital's:

- (1) exit stairwells and doors and associated walkways for fire and other emergency exit to and through the Site; and
 - (2) parkade;
- (f) cause Project Co Persons, Construction workers and suppliers to enter or exit the Site only at the access routes approved by the Authority;
- (g) ensure that Construction workers or suppliers do not:
- (1) use any portion of the BH Campus for vehicular parking or any streets within 1km of the BH Campus; or
 - (2) smoke on any portion of the BH Campus. Smoking is limited to outside the BH Campus away from any transit stops;
 - (3) access any other part of the BH Campus except for purposes of performing Construction;
 - (4) pass through any clinical or clinical support areas of the Hospital; or
 - (5) interfere with regular vehicle circulation routes.
- (h) provide a 24-hour hotline (and post the phone number in a prominent location on the Site) for:
- (1) Authority staff to notify Project Co of any Construction related emergencies; and
 - (2) neighbours and passers-by to contact Project Co;
- and Project Co will respond to any phone calls made on the hotline within one hour;
- (i) provide a community liaison officer to provide a single point of contact with the local community regarding construction and development issues;
- (j) from the commencement of Construction until the Substantial Completion Date, provide a high quality colour webcam service with one or more webcams that are linked to the Authority's public website for the Project and that provide frequently refreshed high quality images showing the Construction activities at the Site, with the Authority to provide Project Co with one or more locations reasonably required by Project Co on the BH Campus for Project Co to install cameras and supporting infrastructure and services (including internet service);
- (k) before commencing the Construction, prepare and implement in co-operation with the Authority a construction fire safety plan and emergency response plan for the Project, which plan will describe emergency access and egress routes to and from the Facilities and the BH Campus during an emergency; and

- (l) if Project Co performs any Construction on the BH Campus outside of the areas identified as the Site on Appendix 2H [Site Plan], without limiting any other provisions of this Agreement, including the Design and Construction Specifications, comply with the Authority's Contractor Safety Checklist and Handbook and all other policies and requirements of the Authority.

6.10 Demolition and Site Preparation

As part of the Construction, Project Co will carry out the demolition and reconstruction of parts of the BH Campus and prepare the site as described in the Design and Construction Specifications, including Appendix 3G [Demolition and Related Work]. Project Co will carry out all such activities in accordance with a demolition plan (the "**Demolition Plan**") that includes the details for all such activities including:

- (a) timing of demolition activities;
- (b) Site security;
- (c) safety and emergency response plans;
- (d) vehicle and pedestrian traffic control;
- (e) mitigation of vibration, dust, noise, noxious odours;
- (f) temporary wayfinding and signage plan;
- (g) access and egress for existing buildings to remain that are affected by the demolition;
- (h) handling, removal from the Site and disposal of Hazardous Substances, including certification of proper disposal;
- (i) re-use of materials and recycling content;
- (j) any other matters set out in this Agreement, including the Design and Construction Specifications, as applicable to the demolition, reconstruction and site preparation; and
- (k) any other activities that could affect the activities of the Authority, the public or the BH Campus.

Project Co will submit the preliminary Demolition Plan to the Authority not less than 60 calendar days in advance of the commencement of demolition activities. Within 14 calendar days of submission of the preliminary Demolition Plan, Project Co will submit a detailed Demolition Plan to the Authority, and will not proceed with the activities described therein until the Demolition Plan has received the notation "Reviewed" under Appendix 2C [User Consultation and Review Procedure].

Project Co will comply with the reviewed Demolition Plan.

Unless otherwise required by the Authority, the title to all salvage material and equipment will transfer to Project Co.

6.11 Connections and Integration to the Hospital

Except to the extent permitted by a Work Plan that has been approved by the Authority as set forth in this Section 6.11, the Hospital must remain fully operational at all times during Construction and Project Co must not disrupt the 24/7 operations of the Hospital. Project Co will:

- (a) co-operate with the Authority to co-ordinate any work required to connect to the Hospital to minimize the interference to or disruption of the on-going operation of the Hospital, including the delivery of quality patient care;
- (b) adhere to all Authority policies and procedures relating to the Hospital established from time to time, provided that if the Authority changes any such policies or procedures, including by any amendments or additional policies or procedures after the Effective Date, and such changes are a Change and might reasonably be expected to result in an increase in Project Co's costs of performing the Design or the Construction, then such changes will be made in accordance with Schedule 6 [Changes];
- (c) before undertaking any work in the Hospital or work that is reasonably likely to interfere with or disrupt ongoing Hospital services or work that will require a shutdown of Hospital services, deliver to the Authority reasonably in advance of when such work is intended to take place and in any event not later than the periods set out in Section 2.8 of Schedule 3 [Design and Construction Specifications], and obtain the Authority's approval of, a work plan ("**Work Plan**") clearly identifying:
 - (1) the activity that may interfere with or disrupt the operation of the Hospital, including a description of the nature, timing and extent of interference or disruption;
 - (2) the steps Project Co intends to take to minimize the extent of such interference or disruption;
 - (3) the temporary measures that the Authority will be required to take to accommodate the interference or disruption; and
 - (4) any specific reporting relationships between Project Co and the staff desirable or required to coordinate the interference or disruption,

unless the Authority, at its discretion, notifies Project Co in writing that a Work Plan will not be required for particular work or a particular shutdown;
- (d) prior to delivering a Work Plan, consult with the Authority and incorporate any reasonable feedback received from such consultation and, upon reasonable request, the Authority will make appropriate staff available for such consultation to prepare a Work Plan that will minimize interference or disruption to the Hospital;
- (e) not proceed with any work described in Section 6.11(c) without:

- (1) the Authority's prior written approval of the relevant Work Plan, such approval not to be unreasonably withheld or delayed; or
 - (2) advance written notice from the Authority confirming that a Work Plan is not required for such work ;and
- (f) undertake the Construction in accordance with any Work Plan approved by the Authority.

6.12 The Authority's Access to the Site

Subject to complying with all relevant safety procedures, including any relevant health and safety plans for the carrying out of the Construction and Project Co's and/or the Design-Builder's Site rules, the Authority's Representative and its delegates and any other Person designated by the Authority will have access at all reasonable times during normal working hours to:

- (a) attend the Site and view the Construction and any test or investigation being carried out in respect of the Construction;
- (b) access the Site for all reasonable purposes of the Authority, including to perform maintenance, repairs and emergency response on buildings, structures and appurtenances on the BH Campus; and
- (c) subject to obtaining the consent of the relevant manufacturer or supplier (which Project Co will use all reasonable efforts to obtain), visit any site or workshop where materials, plant or equipment are being manufactured, prepared or stored for use in the Construction for the purposes of general inspection and of attending any test or investigation being carried out in respect of the Construction.

The Authority's Representative and its delegates will have the right to attend all monthly progress meetings and other Site meetings, including meetings between Project Co and the Design-Builder or its Sub-Contractors. Details of such meetings will be provided to the Authority weekly by way of a three week look-ahead schedule.

Project Co will cooperate with the Authority to arrange for tours of the Site at reasonable times during Construction, in a way that does not interfere with the progress of the Construction.

Except as set out above or as otherwise provided for in this Agreement, the Authority will not grant any Person access to the SFB Expansion or related parts of the Site before the SFB Expansion Substantial Completion Date or to the New Tower or the Energy Centre or related parts of the Site before the New Tower Substantial Completion Date, in each case, without the consent of Project Co, such consent not to be unreasonably withheld or delayed.

6.13 Inspection

Prior to the CPPS Substantial Completion Date, SFB Expansion Substantial Completion Date or the New Tower Substantial Completion Date, Project Co will, upon request by the Authority's Representative including detailed reasons for the request, open up for inspection by the Authority's Representative any

part of the work on the CPPS, the SFB Expansion, the Energy Centre, or the New Tower, as applicable, which the Authority's Representative, acting reasonably, believes is defective and:

- (a) if the parties agree or if it is determined in accordance with the Dispute Resolution Procedure that there are no Defects in the relevant part of such work, and Project Co complied with the requirements of Section 3.6 (Permitted Access) of this Schedule, then any delay caused by the exercise of such rights will be treated as a Compensation Event and be subject to Section 8.3 (Project Co's Entitlements Upon Occurrence of a Compensation Event) of this Agreement;
- (b) if the parties agree or if it is determined in accordance with the Dispute Resolution Procedure that any relevant part of the work on the Facilities is defective, then:
 - (1) Project Co will rectify and make good such Defect(s);
 - (2) any consequence of such rectification or making good Defect(s) will be carried out by Project Co at no cost to the Authority; and
 - (3) Project Co will not be entitled to any extension of time to the Project Schedule in relation to such rectification and making good of such work; and
- (c) if the parties are unable to reach agreement in accordance with Sections 6.13(a) or (b), then the matter will, at the request of either party, be referred to the Dispute Resolution Procedure. If, in order to maintain compliance with the Project Schedule, it is necessary to proceed in respect of the matter in Dispute, the parties will proceed in accordance with the position of the Authority, provided that Project Co proceeding in accordance with the Authority's position will be a Compensation Event if the relevant matter in Dispute is determined in favour of Project Co.

6.14 Safety

Project Co will:

- (a) be solely responsible for safety in respect of Construction of the CPPS until the CPPS Substantial Completion Date, the SFB Expansion until the SFB Expansion Substantial Completion Date and in respect of Construction of the New Tower and the Energy Centre until the New Tower Substantial Completion Date, including the safety of all Persons on the Site and any other location where the Construction is performed (whether on the Site or other location lawfully or not) and members of the public, and will comply with the requirements of applicable Laws, applicable construction safety legislation, regulations and codes and Good Industry Practice; and
- (b) immediately notify the Authority of any accident and will provide the Authority with all accident reports within 48 hours.

6.15 Protection of Property

Project Co will:

- (a) protect the Authority's property (and any third party's property) from damage caused by the Construction, including buildings, roadways, drainage systems, landscaping, surfaces, services and infrastructure; and
- (b) promptly repair any damage to property caused by Project Co in undertaking the Construction, including any damage caused by site settlement or ground vibration.

Project Co acknowledges that Construction-caused settlement of existing buildings and structures on the BH Campus and Construction-caused ground vibration may disrupt the operation of medical equipment (including laboratory and diagnostic imaging equipment in the adjacent buildings), requiring the equipment to be shut-down and re-calibrated, and may disrupt utility services to BH. Project Co will cooperate with the Authority and take all reasonable steps to avoid disrupting such equipment and services, including meeting with the Authority's staff and equipment suppliers in advance of Construction to develop a Work Plan describing measures that Project Co will take to minimize any potential disruption or interference, and implementing the Work Plan, all in accordance with Section 6.11 (Connections and Integration to the Hospital) of this Schedule. Project Co will monitor site settlement and ground vibration during Construction (as required by Sections 6.17 (Survey and Monitoring) and 6.18 (Photographic Documentation of Construction) of this Schedule) and take additional steps as may be required to avoid equipment or service disruptions as the Construction progresses. In addition to its obligations to promptly repair any damage to property as required by Section 6.15(b) of this Schedule, if any vibration exceeds the tolerances established in Section 6.19(a)(1) (Control of Vibration) and if medical equipment is disrupted as a result of Construction-caused settlement or ground vibration outside the established tolerances, Project Co or the Authority will, at Project Co's cost, arrange for the Authority's equipment suppliers to re-calibrate the equipment and return it to service as quickly as possible.

6.16 Existing Roof

Without limiting Project Co's obligations under Section 6.15 of this Schedule, if at any time after Project Co carries out any Construction that has the potential to impact the existing roof of the Support Facilities Building (the "**Existing Roof**"), Project Co:

- (a) will be responsible to repair any damage to the Existing Roof; and
- (b) be responsible for the costs of repairing any damage to the Support Facilities Building resulting from any damage to the Existing Roof,

regardless of the cause of the damage and including damage resulting from wear and tear.

Project Co will immediately on becoming aware of any damage to the Existing Roof perform such emergency repairs as are needed to prevent consequential damage to the Support Facilities Building.

6.17 Survey and Monitoring

Project Co will:

- (a) prior to start of any Construction (including stockpiling of materials), conduct a pre-construction survey of the Site and BH buildings and pre-construction surveys of all adjacent properties, infrastructure, roadways (including all underground services and installations) within a radius required by the Authority and in a form and detail satisfactory to the Authority, acting reasonably, which will include field observations of existing conditions, with spot elevations by a British Columbia Land Surveyor (BCLS) registered surveyor at locations that will be accessible throughout and following construction for ongoing settlement monitoring and which will meet the requirements set out in Section 6.18 (Photographic Documentation of Construction), and deliver a copy of the pre-construction survey reports to the Authority; and
- (b) conduct monitoring surveys at monthly intervals throughout the Construction Period to determine ongoing settlement effects until structures are complete and then again, for the SFB Expansion, at 12 months following the SFB Expansion Substantial Completion Date, and for the New Tower and the Energy Centre, at 12 months following the New Tower Substantial Completion Date, and deliver such monitoring surveys to the Authority in a form and detail satisfactory to the Authority, acting reasonably.

The monitoring will include all locations identified in the Design and Construction Specifications.

6.18 Photographic Documentation of Construction

Project Co will provide a photo documentation service (“**PDS**”) of construction progress and as-built conditions for the Facilities in accordance with the requirements of this Section.

- (a) Required Elements
 - (1) The PDS will combine inspection-grade digital photography with an indexing, navigation and storage system to capture actual conditions throughout the Construction Period, including at critical milestones determined in consultation with the Authority. The PDS will incorporate the architectural, civil, mechanical and electrical drawings, making such drawings interactive using an on-line interface where each file is unrestricted and easy to download. For all PDS documentation referenced, indexing and navigation will be organized by both time (date-stamped) and location.
 - (2) The PDS documentation will include a pre-construction site survey providing overlapping photo documentation of the Site and its immediately surrounding areas to carefully memorialize conditions before the Construction commences.
 - (3) Construction progress will be tracked through the PDS at regular intervals, monthly as a minimum. The PDS will capture:
 - (A) a general overview of both the exterior and interior construction of the Facilities, including all elevations and major site features; and
 - (B) interior improvements by each area, including:

- (i) overlapping images of all in-floor/ceilings utilities within the building envelope;
 - (ii) the mechanical, electrical, plumbing and all other systems prior to pre-insulation, sheet rock or dry wall installation and overlapping images of all finished systems located in the walls and ceilings of the Facilities; and
 - (iii) all interior walls, ceilings and floors in their post-inspection, completed condition, prior to occupancy.
- (4) The PDS will capture all miscellaneous events that do not fit into the regular photo path, such events including the arrival of materials on site, with these miscellaneous events dated and inserted into a separate section in the navigation structure of the PDS.
- (b) Hosting Requirements and End Product:
- (1) All PDS documentation will be made accessible at all times on-line, through the use of any standard internet connection, to the Authority and any Authority Persons. The PDS will enable multiple-user access, simultaneously, online and access will be secure and accomplished through password protection.
 - (2) Project Co will provide redundant server back-up of the PDS documentation for the period from the Effective Date until the Substantial Completion Date.
 - (3) Project Co will make available to the Authority and Authority Persons, at the cost of Project Co, any necessary technical support related to the use of the PDS.
 - (4) As soon as reasonably practicable after the Substantial Completion Date, and in any event within five Business Days, Project Co will provide to the Authority final copies of the PDS documentation (the "**Permanent PDS Record**") with the indexing and navigation system embedded and active, in an electronic media format, typically an external hard-drive. On-line access will be deleted and all records removed from the hosting sites upon delivery of the Permanent PDS Record.

6.19 Control of Vibration

Project Co will discuss with the Authority any expected ground vibration from Project Co's Construction activities in advance of those activities (as vibration may affect Hospital operations and function of sensitive medical equipment). Without limiting the foregoing, Project Co will:

- (a) carry out its Construction activities so that:
 - (1) ground vibration from Project Co's construction activities does not exceed 5mm per second peak particle velocity at any time (except with prior written approval from the Authority); and

- (2) vibration transfer to adjacent Hospital buildings does not adversely affect Hospital operations, except to the extent expressly permitted pursuant to this Agreement; and
- (b) complete a vibration monitoring program as follows:
- (1) Project Co will complete vibration monitoring during the Construction activities to confirm that the vibrations caused by the Construction activities do not exceed the limits specified in this Section 6.19;
 - (2) Project Co will undertake preliminary vibration monitoring at the Site during the initial stages of all Construction activities that are expected to cause vibrations in order to determine magnitude and dissipation rate of the vibrations for each activity and provide a mitigation procedure to prevent exceeding the vibration limits specified in this Section 6.19. Project Co will complete initial vibration related Construction activities at a significant distance away from other Hospital buildings. The vibration monitor will provide the Authority and Project Co with a report outlining the vibration results from each Construction activity. The Authority will review the preliminary vibration monitoring report and without relieving Project Co of its responsibilities, may require Project Co to comply with additional vibration monitoring requirements for each Construction activity prior to commencement of the Construction activity;
 - (3) Project Co will install vibration monitoring stations on adjacent Hospital buildings. The vibration monitoring stations will be installed at each existing building corner and spaced at 30m intervals along the building walls adjacent to the construction area. Project Co will submit typical detail of monitoring stations for the Authority's review prior to installation;
 - (4) Project Co will conduct vibration monitoring during all Construction activity that occurs within 15 m of existing buildings, and as determined by the results of the preliminary vibration monitoring report. Project Co is to immediately alert the Authority (or designate) and if vibrations exceed the limits specified in this Section 6.19 or if Project Co is otherwise not in compliance with this Section 6.19 Project Co will immediately cease the activity causing the vibration; and
 - (5) Project Co will provide the Authority and with a weekly report detailing the results of the monitoring for the previous month.

6.20 Control of Noise

Project Co will discuss with the Authority any Construction activities that are expected to produce sound levels that are materially higher than the usual sound levels from Project Co's Construction activities in advance of those activities (as noise may affect Hospital operations and patient care) and will comply with the provisions of Section 6.11 (Connections and Integration to the Hospital) of this Schedule in this respect. Without limiting the foregoing, Project Co will comply with the requirements of Sections 2.6.4 and 2.6.5 of Schedule 3 [Design and Construction Specifications].

6.21 Infection Control and Control of Dust and Noxious Odours

Project Co will appoint a qualified, independent industrial hygienist, who is expert and experienced in industrial hygiene, to anticipate, recognize, evaluate, and monitor environmental conditions relating to the Construction that may cause injury, illness or infectious outbreak at the Site or Hospital. Project Co will cause the industrial hygienist to advise and report to Project Co and the Authority regarding risks of such environmental conditions, including air quality, and including risks to patients who are immune-compromised and other patients. Project Co will cause the industrial hygienist to conduct regular monitoring and to make recommendations regarding risk mitigation and risk remediation, and Project Co will comply with all such recommendations.

6.22 Signage

Project Co may erect a sign at the Site during the Construction Period to identify Project Co and the Design-Builder. The sign and any other visible information identifying Project Co, the Design-Builder or any Sub-Contractor shall be approved in advance by the Authority's Representative, acting reasonably.

6.23 Temporary Works

During the Construction Period, Project Co will:

- (a) have the sole responsibility for the design, erection, operation, maintenance and removal of temporary structures and other temporary facilities and the design and execution of construction methods required in their use; and
- (b) provide its own services necessary for Project Co's construction use, including to power, telephone, water and sewage, and will not connect directly to the Hospital buildings or infrastructure except with the Authority's prior approval.

6.24 Project Meetings

Without limiting the obligations pursuant to Section 2.6 (Construction Period Joint Committee) of this Schedule in respect of the Construction Period Joint Committee, at the Authority's request, Project Co's Representative will attend meetings to update the Authority on the progress of the Construction and to discuss any issues that have arisen. The meetings will be at least weekly unless agreed otherwise by the Authority.

6.25 Project Records

Notwithstanding any other provision of this Agreement and in particular the provisions of Appendix 2B [BIM Requirements] and Appendix 2K [Asset Management Requirements]:

- (a) As-Built Drawings and Specifications: Project Co will:
 - (1) throughout the Construction Period, update the Reviewed Drawings and Specifications (with respect to the drawings, such update will be in hard copy and "CAD" or other editable electronic format), including all final shop drawings, so as to produce accurate and complete as-built documents for the Facilities, including any revisions permitted under this Agreement to the requirements of the Design

and Construction Specifications, the Proposal Extracts or other provisions of this Agreement;

- (2) as requested from time to time during the Construction Period, make available such as-built drawings and specifications in hard copy and "CAD" or other editable electronic format to the Authority's Representative for review to permit the Authority's Representative to monitor Project Co's compliance with the requirements of this Section 6.25(a) and for the Authority's operational and other use;
- (3) in respect of the SFB Expansion:
 - (A) provide three full-size hard copies, two electronic copies in ".dwg" format and one electronic copy in editable PDF format of the completed as-built drawings, the items required under section 9 of Appendix 2B [BIM Requirements] and the specifications for the SFB Expansion before the SFB Expansion Substantial Completion Date; and
 - (B) within 60 days following the SFB Expansion Substantial Completion Date, provide electronic copies of the final as-built drawings and specifications of all floors of the SFB Expansion inserted into the Authority's as-built plan for the BH Campus and Record Revit Design Models updated to the version agreed in the BIM Project Execution Plan;
- (4) in respect of the New Tower and the Energy Centre:
 - (A) provide three full-size hard copies, two electronic copies in ".dwg" format and one electronic copy in editable PDF format of the completed as-built drawings, the items required under section 9 of Appendix 2B [BIM Requirements] and the specifications for the New Tower and the Energy Centre before the New Tower Substantial Completion Date; and
 - (B) within 60 days following the New Tower Substantial Completion Date, provide electronic copies of the final as-built drawings and specifications of all floors of the New Tower inserted into the Authority's as-built plan for the BH Campus and Record Revit Design Models updated to the version agreed in the BIM Project Execution Plan; and
- (5) in respect of the CPPS:
 - (A) provide three full-size hard copies, two electronic copies in ".dwg" format and one electronic copy in editable PDF format of the completed as-built drawings, the items required under section 9 of Appendix 2B [BIM Requirements] and the specifications for the CPPS before the CPPS Substantial Completion Date; and
 - (B) within 60 days following the CPPS Substantial Completion Date, provide electronic copies of the final as-built drawings and specifications of the

CPPS inserted into the Authority's as-built plan for the BH Campus and Record Revit Design Models updated to the version agreed in the BIM Project Execution Plan.

Project Co will submit all electronic copies in compliance with the standards established by the Authority from time to time for electronic copies. Project Co acknowledges and agrees that it is a criterion for SFB Expansion Substantial Completion to provide the BIM (Building Information Model) to the Authority for the SFB Expansion as required by Section 6.25(a)(3)(A), that it is a criterion for New Tower Substantial Completion to provide the BIM (Building Information Models) to the Authority for both the Energy Centre and the New Tower as required by Section 6.25(a)(4)(A), and that it is a criterion for CPPS Substantial Completion to provide the BIM (Building Information Model) to the Authority for the CPPS as required by Section 6.25(a)(5)(A).

- (b) Maintenance Manuals: Project Co will:
- (1) on or before the SFB Expansion Substantial Completion Date, make available all maintenance manuals, specifications, warranties and related information, in written and electronic form, for all the equipment and systems that have been included in the Design and the Construction of the SFB Expansion for review by the Authority's Representative;
 - (2) on or before the New Tower Substantial Completion Date, make available all maintenance manuals, specifications, warranties and related information, in written and electronic form, for all the equipment and systems that have been included in the Design and the Construction of the New Tower and the Energy Centre for review by the Authority's Representative; and
 - (3) organize and store such information in accordance with Schedule 14 [Records and Reports];
- (c) Design Records: Project Co will retain records of the Design process;
- (d) Minutes of Meetings: Project Co will retain minutes of all meetings between the Authority and Project Co relating to the Design and the Construction. Project Co will circulate such minutes to the Authority's Representative for review and comment within the time period specified in this Agreement for the particular meeting or if no time period is specified then as soon as reasonably possible after the relevant meeting, and a reasonable period before any subsequent meeting so that all parties may consider the minutes and take required actions in advance of the subsequent meeting;
- (e) Inspection Reports and Tests Results: Project Co will retain official reports and certified test records of all inspections and tests which were undertaken as part of the Construction;
- (f) Monitoring Results: Project Co will retain all survey and monitoring records obtained in connection with Section 6.17 (Survey and Monitoring) of this Schedule;

- (g) Utility Plans: Project Co will retain utility plans for the Facilities and the Site;
- (h) Landscape and Irrigation Plans: Project Co will retain landscape and irrigation plans for the Facilities and the Site;
- (i) Copies of all Permits: Project Co will retain copies of all Permits for the Construction and occupation of the Facilities; and
- (j) Signed Quality Assurance Plan: Project Co will retain a signed copy of the Quality Assurance Plan for the Construction and all records of the Quality Assurance Program implemented as required by this Agreement.
- (k) Project Binder: Project Co will prepare and provide to the Authority a set of documentation that is bound in one or more binders, and which is complete and organized, which documentation will include the following:
 - (1) commissioning reports satisfactory to the Authority;
 - (2) all inspections, certifications, guarantees and warranties;
 - (3) maintenance manuals and operating instructions;
 - (4) certification by all testing, cleaning or inspection authorities or associations;
 - (5) copies of all warranties and guarantees from Subcontractors; and
 - (6) all other documentation that is reasonably required by the Authority or by any party on behalf of the Authority to operate and maintain the Facilities.

The Project Binder will be updated as new documents become available with all documentation for Construction completed up to the date the Project Binder is updated. Project Co will provide and update one copy of the Project Binder, and will include one electronic file on a flashdrive, unless directed to use a different format by the Authority, acting reasonably.

6.26 Apprentices on Public Projects in British Columbia

- (a) Project Co acknowledges that Project Co and the Design-Builder have obtained a copy of and have reviewed the Ministry of Advanced Education, Skills and Training ("**AEST**") policy set out in Apprentices on Public Projects Policy and Procedure Guidelines, Date: July, 2015, Update: March, 2016 available at https://www2.gov.bc.ca/assets/gov/business/economic-development/assets/apprentices-on-public-projects/policy_and_procedure_guidelines.pdf (the "**Apprenticeship Policy**").
- (b) Unless defined in this Agreement, capitalized terms in this Section 6.26 have the meaning given in the Apprenticeship Policy.

- (c) Project Co agrees that the Apprenticeship Policy applies to this Agreement and Project Co will, subject to the reasonable assistance of the Authority, comply with the requirements of the Apprenticeship Policy.
- (d) Project Co agrees that the Authority requires Project Co to apply the Apprenticeship Policy to the Design-Builder and the Sub-Contractors and Sub-Contracts (of all tiers) valued at \$500,000 or more.
- (e) Project Co acknowledges that the requirements of the Apprenticeship Policy and this Section 6.26 include:
 - (1) using Registered Apprentice(s) in respect of the Design-Build Agreement and Sub-Contracts for Specified Trades valued at \$500,000 or more;
 - (2) reporting in Form A: Confirmation of Intent to Use Registered Apprentices as soon as practicable and at least five days prior to commencement of work and completing all supplementary forms (Form A) as required;
 - (3) reporting in Form B: Apprentice Utilization Report quarterly and upon completion of the work under the applicable Design-Build Agreement or Sub-Contract; and
 - (4) complying with applicable requirements in relation to Personal Information.
- (f) Project Co further acknowledges that under the Apprenticeship Policy the Authority may, or may permit AEST, to exercise all provisions of the Apprenticeship Policy applicable to the Contracting Authority (as defined in the guidelines) or the Province (whether through JTST or otherwise) that permit the Contracting Authority:
 - (1) to delay the start of work on the Project until the Authority has confirmed, through AEST, that Registered Apprentices will be used on the Project; and
 - (2) to delay issue of final payment in relation to the applicable work until the final Form B is submitted.
- (g) Project Co represents that all work to which the Apprenticeship Policy applies will be performed by the Design-Builder or Sub-Contractors and not by Project Co itself, and that Project Co will ensure that the provisions of this Section 6.26 are incorporated into the Design-Build Agreement and applicable Sub-Contracts.
- (h) Project Co and the Authority acknowledge that any change to the Apprenticeship Policy will, if required by the Authority to be implemented for purposes of this Agreement, be implemented as a Change under Schedule 6 [Changes].

7. EQUIPMENT SUPPLY AND INSTALLATION

7.1 Design and Construction Requirements

The parties will comply with Appendix 2E [Clinical Equipment and Furniture], Appendix J [Construction Items], Appendix 2L [Food Services Equipment] and Appendix 3F [IM/IT Equipment List].

Without limiting those Appendices, Project Co will complete the Design and the Construction to accommodate in the Facilities the installation, operation, repair and maintenance of all the Equipment, including as required all electrical and plumbing connections, structural support, seismic restraints, and space for efficient access, all to the tolerances and specifications as may be specified and required by the manufacturers or suppliers of such equipment (which may be of a higher standard than specified in Schedule 3 [Design and Construction Specifications]).

Any items of equipment or systems referred to in this Schedule 2 Design and Construction Protocols and the Design and Construction Specifications that are not specifically listed in the Equipment List referred to in Appendix 2E [Clinical Equipment and Furniture] or in and Appendix 3F [Equipment List - IM/IT] are the sole responsibility of Project Co to be procured, supplied and installed as part of the Facilities. Appendix 2J [Construction Items] captures the additional equipment or systems that are not listed in the Design and Construction Specifications and Appendix 2L [Food Services Equipment] captures additional food services equipment. Items of equipment or systems listed in Appendix 2J [Construction Items] and Appendix 2L [Food Services Equipment] as being supplied under this Agreement are the sole responsibility of Project Co to be procured, supplied and installed as part of the Facilities.

7.2 Asset Tagging

Project Co will, in consultation with the Authority, prior to the SFB Expansion Substantial Completion Date or the New Tower Substantial Completion Date, as applicable, affix an Authority approved asset identification tag to each piece of equipment installed in the Facilities as required by the BIM Requirements and Appendix 2K [Asset Management Requirements] including:

- (a) all Equipment (excluding Category 2 Equipment and non-physical Equipment such as software licences); and
- (b) all mechanical, HVAC and communications systems equipment.

Each asset identification tag with include a unique numerical identifier.

For any equipment that is a Tracked Asset, Project Co shall comply with the asset naming and labelling requirements set out in the BIM Requirements and Appendix 2K [Asset Management Requirements].

7.3 Asset Register

Prior to each of the SFB Expansion Substantial Completion Date and the New Tower Substantial Completion Date, as applicable, Project Co will deliver to the Authority, an asset register of all equipment installed in the relevant Facility (the “**Asset Register**”), including:

- (a) all Equipment (excluding Category 2 Equipment); and
- (b) all mechanical, HVAC and communications systems equipment.

The Asset Register will be delivered in hardcopy paper format as well as in the form of an electronic spreadsheet.

For any equipment that is a Tracked Asset, Project Co shall, in accordance with the BIM Requirements, enter such Tracked Assets into the BIM Database, which will become the source of the Asset Register for Tracked Assets.

For each other item of equipment recorded on the Asset Register, Project Co will, as applicable, record the following information:

- (a) asset number and item description;
- (b) make, model and device type;
- (c) equipment item number;
- (d) asset tag number;
- (e) serial number;
- (f) purchase order or equipment purchase contract identifier;
- (g) equipment supplier and contact information for the equipment supplier;
- (h) installed location (room number);
- (i) date installed;
- (j) anticipated replacement date or timeframe;
- (k) warranty start date and expiry date;
- (l) required utility, HVAC, medical gas or other connections; and
- (m) any other information that may be agreed upon by the Authority and Project Co.

8. QUALITY MANAGEMENT

8.1 Quality of the Design and Construction

Project Co is solely responsible for the quality of the Design and the Construction.

8.2 Quality System

Project Co acknowledges that a comprehensive Quality System is critical for the proper and timely completion of the Design and the Construction, and accordingly, Project Co will implement and follow a Quality System.

8.3 Project Co's Quality Consultant

Project Co will appoint a qualified expert in quality management ("**Project Co's Quality Consultant**") to develop, implement and oversee a Quality Assurance Program and Quality Assurance Plan. Project Co

will not permit Project Co's Quality Consultant to perform any role in the Design and the Construction except for the role described in this Section 8 (Quality Management).

8.4 Quality Assurance Program

Project Co's quality assurance program (the "**Quality Assurance Program**") will:

- (a) detail Project Co's measures required to complete all aspects of the Design and the Construction pursuant to its Quality System and in accordance with the requirements of this Agreement, including this Schedule 2 [Design and Construction Protocols] and Schedule 3 [Design and Construction Specifications];
- (b) address and be applicable to all aspects of the Design and the Construction;
- (c) provide for a graded approach to quality in which the appropriate level of quality assurance requirements for various elements of the Design and the Construction are defined;
- (d) describe or comply with the following:
 - (1) the required quality level for each process or activity involved in the Design and the Construction and the means of achieving it;
 - (2) the steps to ensure that everyone participating in the Design or the Construction is committed to the Quality Assurance Program;
 - (3) the steps to ensure that the management and organizational structure and responsibilities are defined and understood by everyone participating in the Design or the Construction;
 - (4) require that all Persons participating in the Design or the Construction are competent to do their required tasks;
 - (5) require that individuals involved with the Quality Assurance Program will be held accountable for their work;
 - (6) provide that the right people will have the right information at the right time;
 - (7) provide that relevant experience for each process or activity will be sought and used;
 - (8) Design and Construction activities are planned and controlled;
 - (9) the right items, processes, and practices will be used;
 - (10) materials and services are verified to confirm that they are correct, and Persons giving such verification will be sufficiently qualified and will be independent from those who install or perform the materials or services;

- (11) peer reviews and inspections will be performed on a structured planned basis on all elements of the Design and the Construction and:
 - (A) errors and deficiencies will be identified and recorded;
 - (B) errors and deficiencies remedied or corrected and a record maintained of the remedy or correction; and
 - (C) the building envelope designs, which were initially designed by B+H Architects Inc., with subcontractors' and manufacturers' input, will be reviewed by a building envelope specialist (Morrison Hershfield Limited), as well as by a specialist in the Design-Builder's Engineering/Research & Development Group and its Quality Assurance Department; and
- (12) maintain records as required by this Agreement;
- (e) provide for design verification in accordance with Good Industry Practice;
- (f) provide that professionals of record will:
 - (1) carry out on-site inspections, review materials testing and inspector's reports, undertake required surveying, measuring, and verification of materials and construction methods to ensure conformance with the Reviewed Drawings and Specifications and the Design and Construction Specifications; and
 - (2) provide a letter of assurance that is an attestation that the Design and the Construction has been performed in accordance with the Reviewed Drawings and Specifications and the Design and Construction Specifications.

8.5 Quality Assurance Plan

Project Co will develop a reasonable quality assurance plan (the "**Quality Assurance Plan**") that describes the implementation of the Quality Assurance Program in accordance with the following:

- (a) Project Co will deliver to the Authority a draft of the Quality Assurance Plan not less than 20 Business Days after the Effective Date;
- (b) the Authority will provide its comments, if any, on the draft to Project Co within 20 Business Days of receipt of the draft;
- (c) Project Co will deliver a revised draft of the Quality Assurance Plan to the Authority not less than 20 Business Days after receiving the Authority's comments;
- (d) the Authority will, within 15 Business Days of receipt of the revised draft, advise Project Co whether the Authority accepts the Quality Assurance Plan, and if the Authority does not accept it the Authority will provide its reasons for such non-acceptance in sufficient detail to allow Project Co to address them;

- (e) if the Authority does not accept the Quality Assurance Plan, the parties will, acting reasonably, diligently work together with a view to revising the Quality Assurance Plan to address the Authority's reasons for non-acceptance; and
- (f) if the Authority has not accepted the Quality Assurance Plan by the date that is 90 Business Days after the Effective Date, Project Co may refer the Dispute to the Dispute Resolution Procedure to determine whether Project Co's proposed Quality Assurance Plan is reasonable.

Project Co will promptly implement and strictly comply with the Quality Assurance Plan developed under this Section 8.5.

8.6 Reporting

Project Co will deliver to the Authority a monthly report of the Quality Assurance Plan prepared by Project Co's Quality Consultant covering all aspects of the Design and the Construction completed in the reporting period that are relevant to the Quality Assurance Plan. Project Co will highlight any deficiencies identified and corrective actions taken to address such deficiencies during the period covered by such report. The report will include all supporting documentation, including field reviews, photographs, reports and other material.

8.7 Quality Review by the Authority

- (a) The Authority may, at its discretion, perform its own audits of the Quality Assurance Program and for that purpose Project Co will make available for review by the Authority, upon request from the Authority, all records of the Quality Assurance Program and the Quality Assurance Plan to permit the Authority to be satisfied that Project Co is following its Quality Assurance Plan.
- (b) Project Co will provide the Authority with five tablet devices, loaded with the necessary programs and applications to access the Quality Assurance Program and, in particular, to access Project Co's regime to record and rectify deficiencies.

9. WORKERS COMPENSATION

9.1 Evidence of WorkSafe BC Compliance

Project Co will provide evidence, satisfactory to the Authority's Representative, of compliance by Project Co and the Design-Builder with the requirements of the *Workers Compensation Act* (British Columbia), as amended, and all regulations and successor legislation thereto, including payments due thereunder at the following times:

- (a) prior to commencing the Construction; and
- (b) at any time during Construction, upon request of the Authority's Representative, acting reasonably.

9.2 Indemnity for WorkSafe BC Non-Compliance

If Project Co or anyone employed by or through Project Co in the performance of any Construction does not comply with the requirements of the *Workers Compensation Act* (British Columbia), as amended, and all regulations and successor legislation thereto, including payment and deduction and remittance of any and all contributions, fees, assessments and charges required to be made pursuant to the above, Project Co will indemnify the Authority from any cost, loss, liability or obligation which the Authority may incur as a result.

9.3 Prime Contractor

- (a) For the purposes of applicable legislation and regulations, Project Co agrees to be, or will cause the Design-Builder to be, at all times during the Construction Period, the prime contractor as defined in the *Workers Compensation Act* (British Columbia) for the Site and accordingly will comply, or will cause to be complied, with all resulting requirements and obligations, including:
 - (1) ensuring continuing coordination of the occupational health and safety activities of all employers on the Site, including the Authority, the Authority's Representative, any other contractors, and everyone engaged by or through any of them;
 - (2) delivering any notices of the Project as required by applicable regulations; and
 - (3) complying with the obligations of a prime contractor for a multi-employer workplace as prescribed by the applicable regulations.
- (b) Where there is any overlap between the Site and the CM Work prior to the SFB Substantial Completion Date, the provisions of Section 9.3(a) will apply to the area of overlap, so that Project Co will be, or will cause the Design-Builder to be, the prime contractor for that area of overlap. With effect from the SFB Substantial Completion Date, the Construction Manager shall be the prime contractor for any such area and Project Co will ensure that there is a smooth transition of responsibility for health and safety matters to the Construction Manager.
- (c) If for any reason WorkSafe BC (the Workers Compensation Board of British Columbia) refuses to recognize Project Co or the Design-Builder as the prime contractor then, to the extent permitted by law, Project Co will cooperate with the Authority and perform on behalf of the Authority the obligations which the Authority is required to undertake as prime contractor in connection with the Construction by virtue of the *Workers Compensation Act* (British Columbia) and Regulations, or other statutes.

9.4 Failure to Comply with WorkSafe BC Requirements

If at any time the Construction is stopped because Project Co, or any Project Co Person providing services or work on the Project, unreasonably fails or refuses to comply with an order issued pursuant to the *Workers Compensation Act* (British Columbia), then such failure or refusal will be considered a Project Co Material Breach.

10. PROJECT SCHEDULE AND SCHEDULING

10.1 Initial Project Schedule

Attached as Appendix 2F [Initial Project Schedule] is the initial project schedule (the “**Initial Project Schedule**”), which the parties have relied upon in entering into this Agreement. As of the Effective Date, the Initial Project Schedule will be the Project Schedule under this Agreement until updated in accordance with Section 10.2 (Project Schedule Updates) of this Schedule. The Project Schedule shall have two elements:

- (a) a high-level schedule that shows the overall project schedule for the Redevelopment and the interaction between the Design and Construction, the Services and the Work; and
- (b) a detailed schedule showing the schedule for the Design and Construction under this Agreement.

10.2 Project Schedule Updates

Project Co will, as required from time to time until the Substantial Completion Date, but no less than once per calendar month by the 15th day of each month, in consultation with the Authority, update the Project Schedule so that it is at all times an accurate, reasonable and realistic representation of Project Co's plans for the completion of the Design and the Construction of the Facilities in accordance with the requirements of this Agreement. The updates will include:

- (a) adjustments resulting from Supervening Events and Changes, if any, as permitted by this Agreement;
- (b) best estimates of the following:
 - (1) the start and completion dates for the Design phases described in Section 5.3 (Design Process) of this Schedule;
 - (2) the dates for the meetings of the User Consultation Groups in accordance with Appendix 2C [User Consultation and Review Procedure];
 - (3) the commencement of the Construction; and
 - (4) the planned start and completion dates of the major activities of the Construction, including, for greater certainty, of the Construction of the Energy Centre and the CPPS;
- (c) the planned start and completion dates of work required to connect to the Hospital or any proposed interruption to, disruption to, or shut-down of, Hospital services as permitted under this Agreement; and
- (d) the Target CPPS Substantial Completion Date, the Target SFB Expansion Substantial Completion Date and the Target New Tower Substantial Completion Date, which (except to the extent necessary to reflect adjustments made in accordance with Section 10.2(a) of

this Schedule) may not be updated or otherwise changed unless the Authority, in its discretion, consents.

Project Co will deliver an updated Project Schedule monthly to the Authority and the Independent Certifier and upon delivery, such updated Project Schedule (each, an “**Updated Project Schedule**”) will be the Project Schedule under this Agreement in substitution for the previously issued Project Schedule. If at any time the Authority does not agree with the proposed updates reflected in an Updated Project Schedule then the disagreement may be referred to the Dispute Resolution Procedure.

10.3 Failure to Update Project Schedule

If Project Co fails or refuses to deliver an Updated Project Schedule as required under Section 10.2 (Project Schedule Updates) of this Schedule, then such failure or refusal will be deemed to be a Project Co Material Breach.

10.4 Compliance with Project Schedule

Project Co will undertake the Design and the Construction of the Facilities in compliance with the Project Schedule, as may be updated pursuant to this Agreement.

10.5 Move-In Schedules

Project Co acknowledges that the Authority will rely on the Target SFB Expansion Substantial Completion Date and the Target New Tower Substantial Completion Date as each are set out in the Project Schedule (as may be adjusted under Section 10.2 (Project Schedule Updates) of this Schedule).

As soon as reasonably practicable, but in any event no later than 365 days prior to the Target SFB Expansion Substantial Completion Date, Project Co will deliver to the Authority’s Representative a move-in schedule in respect of the SFB Expansion (the “**Facility (SFB Expansion) Move-in Schedule**”), indicating the anticipated dates when such areas will become available for occupation by the Authority so as to facilitate and permit the Authority to progressively take up occupation in an efficient manner.

As soon as reasonably practicable, but in any event no later than 365 days prior to the Target New Tower Substantial Completion Date, Project Co will deliver to the Authority’s Representative a move-in schedule in respect of the New Tower (the “**Facility (New Tower) Move-in Schedule**”), indicating the anticipated dates when such areas will become available for occupation by the Authority so as to facilitate and permit the Authority to progressively take up occupation in an efficient manner.

The Authority’s Representative will advise Project Co of any key or significant moves or move-in requirements, and Project Co will, as reasonably possible, accommodate the Authority’s requirements and requests. Project Co will, as may be required from time to time, update the Facility Move-in Schedules to accommodate such requirements and requests.

11. DELAYS AND ACCELERATION

11.1 Acceleration to Recover Project Co Delays

If at any time the Authority, acting reasonably, determines that Project Co is behind the Project Schedule and will not achieve CPPS Substantial Completion by the Target CPPS Substantial Completion Date,

SFB Expansion Substantial Completion by the Target SFB Expansion Substantial Completion Date or New Tower Substantial Completion by the Target New Tower Substantial Completion Date, then the Authority may deliver notice to Project Co's Representative to use commercially reasonable efforts, at Project Co's own cost and at no cost to the Authority, to accelerate the Construction so as to conform to the Project Schedule and achieve CPPS Substantial Completion by the Target CPPS Substantial Completion Date, SFB Expansion Substantial Completion by the Target SFB Expansion Substantial Completion Date or New Tower Substantial Completion by the Target New Tower Substantial Completion Date, as applicable.

11.2 Delay Liquidated Damages

The Authority and Project Co acknowledge and agree that:

- (a) Project Co will pay the Authority damages in the amounts specified in this Section 11.2 as a genuine pre-estimate of the damages and expenses likely to be suffered by the Authority as a result of a delay by Project Co in achieving:
 - (1) SFB Expansion Substantial Completion by the then scheduled Target SFB Expansion Substantial Completion Date (as updated from time to time as a result of a Change or a Supervening Event) ("**SFB Expansion Delay Liquidated Damages**"); or
 - (2) New Tower Substantial Completion by the then scheduled Target New Tower Substantial Completion Date (as updated from time to time as a result of a Change or a Supervening Event) ("**New Tower Delay Liquidated Damages**", and together with SFB Expansion Delay Liquidated Damages, "**Delay Liquidated Damages**");
- (b) the parties agree that the Delay Liquidated Damages are a genuine pre-estimate of damages and not a penalty;
- (c) Project Co will pay:
 - (1) SFB Expansion Delay Liquidated Damages of \$18,000 per day from the then scheduled Target SFB Expansion Substantial Completion Date (as updated from time to time as a result of a Change or a Supervening Event) until the first to occur of SFB Expansion Substantial Completion, the Longstop Date, and the date of termination of this Agreement (provided, for greater certainty, that no claim in respect of any unpaid SFB Expansion Delay Liquidated Damages outstanding as at the time of termination will be extinguished as at such relevant time); and/or
 - (2) New Tower Delay Liquidated Damages of \$30,000 per day from the then scheduled Target New Tower Substantial Completion Date (as updated from time to time as a result of a Change or a Supervening Event) until the first to occur of New Tower Substantial Completion, the Longstop Date, and the date of termination of this Agreement (provided, for greater certainty, that no claim in

respect of any unpaid New Tower Delay Liquidated Damages outstanding as at the time of termination will be extinguished as at such relevant time),

provided that during any period that both SFB Expansion Delay Liquidated Damages and New Tower Delay Liquidated Damages would be payable as set out above, the aggregate amount of SFB Expansion Delay Liquidated Damages and New Tower Delay Liquidated Damages shall be reduced to \$35,000 a day;

- (d) Delay Liquidated Damages will accrue on a daily basis and be payable by Project Co to the Authority on Friday of each week or portion thereof in respect of which Delay Liquidated Damages accrue (whether or not the Authority has issued an invoice or demand therefor, except that, if requested by Project Co, the Authority will issue an invoice therefor as soon as reasonably practicable after the receipt of such request);
- (e) payment by Project Co of Delay Liquidated Damages and any other amount contemplated in this Section 11.2 is subject to the Delay LD Cap under this Agreement, but neither such payment nor the existence of any limitations of liability under this Agreement will relieve Project Co of its obligations to carry out and complete the Design and the Construction; and
- (f) Project Co's maximum aggregate liability for Delay Liquidated Damages under this Agreement will be limited to an amount equal to 5% of the Contract Price (the "**Delay LD Cap**").

11.3 Delay Costs

- (a) If, other than due to a Supervening Event or a Change, Project Co fails to meet the dates set out in a Facility Move-in Schedule, then Project Co will reimburse the Authority for any additional out-of-pocket costs which the Authority reasonably incurs and evidences to Project Co because the Authority relied on the relevant Facility Move-in Schedule, which are in excess of the costs which the Authority would have incurred had Project Co achieved the dates set out in the relevant Facility Move-in Schedule. Notwithstanding anything contained in this Agreement (including any Schedule) but without prejudice to the requirement to pay Delay Liquidated Damages, the liability of Project Co for failing to meet the dates set out in a Facility Move-in Schedule will not exceed \$10,000 per day.
- (b) If, other than due to a Supervening Event or a Change, Project Co fails to achieve CPPS Substantial Completion by the Target CPPS Substantial Completion Date, then Project Co will reimburse the Authority for any additional out-of-pocket costs which the Authority reasonably incurs and evidences to Project Co as a result of the delay, including any additional amounts payable by the Authority to any utility company as a result of the delay in achieving CPPS Substantial Completion. Notwithstanding anything contained in this Agreement (including any Schedule) the liability of Project Co for failing to achieve CPPS Substantial Completion by the Target CPPS Substantial Completion Date will not exceed:
 - (1) in respect of any costs other than amounts payable by the Authority to any utility company, \$2,000 per day; and

- (2) in respect of any amounts payable by the Authority to any utility company, an aggregate of \$500,000.
- (c) Regardless of when the Authority invoices any costs that are reimbursable under Sections 11.3(a) or 11.3(b) of this Schedule, it will not set such costs off against the Substantial Completion Payment.

11.4 Acceleration of Project Schedule

Without prejudice to the Authority's rights under Section 11.1 (Acceleration to Recover Project Co Delays) of this Schedule, if at any time the Authority determines that it requires the Construction to proceed in advance of the Project Schedule then the Authority may give written notice to Project Co to provide the Authority with a written proposal to accelerate the Construction, including cost estimates and an estimate of the time saved. If the Authority acting reasonably decides to proceed with the acceleration then:

- (a) the Authority will notify Project Co in writing;
- (b) Project Co will implement the directed acceleration in accordance with its proposal;
- (c) the Authority will reimburse Project Co for costs that were described in Project Co's proposal and reasonably incurred by Project Co (but not for any other costs); and
- (d) if the acceleration involves a Change (other than to the Project Schedule) then such Change will be made in accordance with Schedule 6 [Changes].

12. COMMISSIONING AND OPERATIONAL READINESS

12.1 Testing and Commissioning

- (a) Project Co will in accordance with the Design and Construction Specifications retain a qualified independent commissioning authority (who is neither a Project Co Person nor an Affiliate of a Project Co Person; and who is acceptable to the Authority, acting reasonably) (the "**Commissioning Authority**") to monitor the testing and commissioning of all equipment (including Equipment on the Equipment List) and systems in the Facilities to demonstrate to the Authority's Representative that the Facilities' equipment and systems, including all major systems, are operating so that the Authority may occupy the Facilities for their Intended Uses and to do all such other things required of the Commissioning Authority pursuant to the terms of this Agreement. Project Co will submit to the Authority all Commissioning reports in accordance with this Agreement, including Schedule 3 [Design and Construction Specifications] (including Appendix 3H [Commissioning Roles and Requirements]) and Appendix 2E [Clinical Equipment and Furniture].
- (b) Testing and commissioning will include the following:
 - (1) a complete and successful demonstration in real time under full stress conditions for all equipment and systems that require or are provided with redundancy or spare capacity;

- (2) end to end testing and commissioning of key equipment and systems, including all medical Equipment, MDRD Equipment, communication systems (patient call, hands free devices, intercom, overhead paging, telephones) and door controls; and
 - (3) clinical validation of proper function of equipment and systems and all points of integration between equipment and systems.
- (c) Project Co will be responsible for arranging, delivery and costs for all fuel, propane, natural gas, and any other energy source required to test and commission all mechanical and electrical systems. The various storage systems will be filled prior to the start of testing and commissioning phase by Project Co. All subsequent refilling of the various storage systems prior to the relevant Substantial Completion Date will be the responsibility of Project Co.
- (d) Project Co will carry out all Commissioning and any activities or deliverables related thereto in accordance with the provisions of this Agreement, including this Schedule 2 [Design and Construction Protocols], Schedule 3 [Design and Construction Specifications] (including Appendix 3H [Commissioning Roles and Requirements]), and Appendix 2E [Clinical Equipment and Furniture].

12.2 Equipment and Systems Operation and Training

Project Co will be knowledgeable on the proper use and maintenance of all equipment and systems Project Co installs in the Facilities, including all equipment and systems described in the Design and Construction Specifications or in the Appendices to this Schedule and any other communication systems, and will provide sufficient training and education to the Authority staff to enable the Authority to properly utilize such equipment and systems, including any training and education with respect to Equipment required under Appendix 2E [Clinical Equipment and Furniture]. The Authority will identify the relevant Authority staff and make such staff available for training at reasonable times before the SFB Expansion Substantial Completion Date and the New Tower Substantial Completion Date, as applicable. All training in respect of the SFB Expansion and the New Tower and the Energy Centre will be completed before the SFB Expansion Substantial Completion Date and the New Tower Substantial Completion Date, respectively, unless agreed by the Authority, acting reasonably. Training in respect of the Energy Centre, the SFB Expansion or the New Tower may be after the SFB Expansion Substantial Completion Date or the New Tower Substantial Completion Date, as applicable, if required by the Authority, or at the request of Project Co with the consent of the Authority, acting reasonably.

12.3 Commissioning Plan

Project Co will, in consultation with the Authority and in accordance with the provisions of this Agreement, prepare and deliver to the Authority's Representative and the Independent Certifier a detailed plan (the "**Commissioning Plan**") setting out the testing, commissioning, training and other activities in respect of each of the CPPS, Energy Centre, the SFB Expansion and the New Tower that Project Co intends to carry out to satisfy Sections 12.1 (Testing and Commissioning), 12.2 (Equipment and Systems Operation and Training) and this Section 12.3 of this Schedule and to achieve CPPS Substantial Completion, SFB

Expansion Substantial Completion and New Tower Substantial Completion, and to satisfy its other obligations under this Agreement, including:

- (a) a description of all Equipment, IMIT, individual systems and interconnected systems to be tested and commissioned before CPPS Substantial Completion, SFB Expansion Substantial Completion or New Tower Substantial Completion, as applicable, and the associated commissioning requirements, which will at a minimum, include a schedule and description of programming, training, and hand over;
- (b) supporting documentation, including as appropriate:
 - (1) design calculations and/or assumptions;
 - (2) manufacturer's specifications;
 - (3) identification of all equipment and systems that require or are provided with redundancy or spare capacity and that will include complete successful demonstration in real time under full stress conditions;
 - (4) identification of post-disaster requirements and protocols for all equipment and systems to be commissioned;
 - (5) a description of all systems which will be tested and commissioned for integration to other systems; and
 - (6) a description of all systems and equipment where the Authority's clinical staff will be required to develop functional scenarios and to test and witness these functional scenarios;
- (c) a description of the training and education that Project Co intends to provide to the Authority's staff to enable the Authority to properly utilize the equipment and systems installed in the Energy Centre, the SFB Expansion or the New Tower, including all training and education to be completed before SFB Expansion Substantial Completion or New Tower Substantial Completion, as applicable;
- (d) the name of the Commissioning Authority and the names of other Persons to be involved in testing, commissioning and training;
- (e) a description of Project Co's system for managing records of tests, inspections, quality assurance and training;
- (f) a general description of Project Co's transition plans for handover to the Authority of the CPPS, Energy Centre, the SFB Expansion or the New Tower at the CPPS Substantial Completion Date, SFB Expansion Substantial Completion Date or the New Tower Substantial Completion Date, as applicable;
- (g) a schedule, as part of, and integrated with, the Project Schedule, showing:
 - (1) the timing of all testing and commissioning and training;

- (2) for each requirement of CPPS Substantial Completion, SFB Expansion Substantial Completion or New Tower Substantial Completion (in each case, described in Schedule 1 [Definitions and Interpretation]), the date upon which Project Co anticipates achieving the requirement;
- (3) a matrix of all equipment and systems, including all integrated Equipment and systems, and how they integrate with each other, along with an overview of the procedures that will be followed to demonstrate that integration of all equipment and systems has been and will be achieved; and
- (4) the timing and development of the functional scenarios with the Authority's clinical staff.

The Commissioning Plan must be reasonable having regard to the requirements of Sections 12.1 (Testing and Commissioning), 12.2 (Equipment and Systems Operation and Training) and this Section 12.3 of this Schedule, and the requirements of Appendix 2E [Clinical Equipment and Furniture] and Schedule 3 [Design and Construction Specifications] (including Appendix 3H [Commissioning Roles and Requirements]), and will be developed and finalized as follows:

- (h) Project Co will deliver an outline of the Commissioning Plan to the Authority with the 30% Design and Construction Documents;
- (i) Project Co will deliver a preliminary draft of the Commissioning Plan to the Authority with the 50% Design and Construction Documents;
- (j) the Authority will provide its comments, if any, on the preliminary draft Commissioning Plan to Project Co within 40 Business Days of receipt of the preliminary draft;
- (k) Project Co will deliver a first revised draft of the Commissioning Plan to the Authority with the 70% Design and Construction Documents;
- (l) the Authority will provide its comments, if any, on the first revised draft Commissioning Plan to Project Co within 40 Business Days of receipt of the first revised draft;
- (m) Project Co will deliver a second revised draft of the Commissioning Plan to the Authority with the 90% Design and Construction Documents;
- (n) the Authority will provide its comments, if any, on the second revised draft Commissioning Plan to Project Co within 40 Business Days of receipt of the second revised draft;
- (o) Project Co will deliver a third revised draft of the Commissioning Plan to the Authority with the 100% Design and Construction Documents;
- (p) the Authority will provide its comments, if any, on the third revised draft Commissioning Plan to Project Co within 40 Business Days of receipt of the third revised draft;
- (q) Project Co will deliver a fourth revised draft of the Commissioning Plan to the Authority within 90 days of submitting the 100% Design and Construction Documents;

- (r) the Authority will provide its comments, if any, on the fourth revised draft Commissioning Plan to Project Co within 40 Business Days of receipt of the fourth revised draft;
- (s) Project Co will deliver a final revised draft of the Commissioning Plan to the Authority within 180 days of submitting the 100% Design and Construction Documents;
- (t) the Authority will, within 40 Business Days of receipt of the final revised draft, advise Project Co whether the Authority accepts the Commissioning Plan, and if the Authority does not accept it, the Authority will provide its reasons for such non-acceptance in sufficient detail to allow Project Co to address them;
- (u) if the Authority does not accept the Commissioning Plan, the parties will, acting reasonably, diligently work together with a view to revising the Commissioning Plan to address the Authority's reasons for non-acceptance; and
- (v) if the Authority has not accepted the Commissioning Plan by the date that is six months before the Target CPPS Substantial Completion Date, Project Co may refer the Dispute to the Dispute Resolution Procedure to determine whether Project Co's proposed Commissioning Plan is reasonable.

12.4 Move Plans

Project Co will prepare and deliver to the Authority's Representative two detailed plans (the "**Move Plans**") setting out the coordination, planning, preparation, relocation, installation, testing, commissioning, training and other activities in respect of each of the SFB Expansion and the New Tower that Project Co will carry out to satisfy Sections 9 and 10 of Appendix 2E [Clinical Equipment and Furniture], including:

- (a) a description of the specific equipment, room by room furniture layouts, Equipment Data Sheets, Room Data Sheets for the room locations of the Equipment, location for workstation power/data outlets, IMIT equipment and wall-mounted items to be disconnected, removed, relocated, installed, tested and commissioned and the associated commissioning requirements;
- (b) supporting documentation, including as appropriate:
 - (1) design calculations and/or assumptions, signage and door keying requirements;
 - (2) manufacturer's specifications;
 - (3) identification of all equipment and systems that require or are provided with redundancy or spare capacity and that will include complete successful demonstration in real time under full stress conditions;
 - (4) identification of post-disaster requirements and protocols for all equipment and systems to be commissioned; and
 - (5) documentation proving all systems and equipment have been tested according to manufacturer's instruction and are 100% functional;

- (c) the name of the specialized healthcare equipment relocater and the Commissioning Authority and the names of other Persons to be involved in relocation, installation, testing, commissioning and training;
- (d) a description of Project Co's system for managing records of equipment inventory, installation, tests, commissioning, inspections, quality assurance and training;
- (e) a general description of Project Co's relocation plans and any other transition plans required in order to coordinate the move, installation and commissioning of the Equipment, office contents and wall-mounted items to the SFB Expansion or the New Tower, as applicable;
- (f) a schedule, related to the Project Schedule, showing:
 - (1) the timing of all planning, disconnecting, removal, moving, installation, testing and commissioning and training;
 - (2) a matrix of all equipment and systems, including all integrated equipment and systems, and how they integrate with each other, along with an overview of the procedures that will be followed to demonstrate that integration of all equipment and systems has been and will be achieved; and
 - (3) each Move Plan and schedule must be developed in consultation with the Authority and in consideration to minimize any clinical operational impacts;

The Move Plan must be reasonable having regard to the requirements of this Schedule and will be developed and finalized as part of the Commissioning Plan as follows:

- (g) Project Co will deliver a preliminary draft of each Move Plan to the Authority not less than 18 months before the Target SFB Expansion Substantial Completion Date or the Target New Tower Substantial Completion Date, as applicable;
- (h) the Authority will provide its comments, if any, on each preliminary draft Move Plan to Project Co within 30 Business Days of receipt of such preliminary draft;
- (i) Project Co will deliver a revised draft of such Move Plan to the Authority not less than 40 Business Days after receipt of the Authority's comments on the preliminary draft;
- (j) the Authority will, within 20 Business Days of receipt of the revised draft, advise Project Co whether the Authority accepts such Move Plan, and if the Authority does not accept it, the Authority will provide its reasons for such non-acceptance in sufficient detail to allow Project Co to address them;
- (k) if the Authority does not accept such Move Plan, the parties will, acting reasonably, diligently work together with a view to revising such Move Plan to address the Authority's reasons for non-acceptance; and
- (l) if the Authority has not accepted the relevant Move Plan by the date that is six months before the Target SFB Expansion Substantial Completion Date or the Target New Tower

Substantial Completion Date, as applicable, Project Co may refer the Dispute to the Dispute Resolution Procedure to determine whether Project Co's proposed Move Plan is reasonable.

12.5 BIM and Asset Management

Project Co will comply with all requirements set out in Appendix 2B [BIM Requirements] and Appendix 2K [Asset Management Requirements].

13. COMPLETION

13.1 Deficiency List

- (a) Prior to and as a condition of issuance of the Certificate of CPPS Substantial Completion, Project Co will, in cooperation with the Authority's Representative, prepare a complete list of Defects that are apparent upon inspection of the CPPS, at that time (the "**CPPS Deficiencies**") and deliver to the Authority's Representative a list of such CPPS Deficiencies.
- (b) Prior to and as a condition of issuance of each of the Certificate of SFB Expansion Substantial Completion and the Certificate of New Tower Substantial Completion, Project Co will, in cooperation with the Authority's Representative and the Independent Certifier, prepare a complete list of Defects that are apparent upon inspection of the SFB Expansion or the New Tower, as applicable, at that time (the "**Deficiencies**") and deliver to the Authority's Representative a list of such Deficiencies.
- (c) Subject to the right of Project Co to refer matters to the Dispute Resolution Procedure as set out below, each list of CPPS Deficiencies or Deficiencies will include all items required by the Authority to be included on such list.
- (d) The Authority or Project Co may refer matters relating to the accuracy or completeness of each list of CPPS Deficiencies or Deficiencies to the Dispute Resolution Procedure.
- (e) In an attempt to keep each list of Deficiencies to a minimum, Project Co will develop a deficiency program and tracking system established in advance of any areas or rooms being complete. As each area or room becomes complete, there will be a review completed and a deficiency item list created. Project Co will distribute this list to any Persons that are responsible for any defective work, and have an assigned date by which the deficiency must be corrected. This will be monitored and updated regularly as each of the Facilities progresses towards completion.

13.2 Advance Notices of Applications for Substantial Completion

Project Co acknowledges that the Independent Certifier will need sufficient time to complete any inspections, consult with the Authority, and consider each list of Deficiencies, and accordingly Project Co will:

- (a) at least 30 days (but no more than 60 days) before the Target SFB Expansion Substantial Completion Date, deliver to the Independent Certifier and the Authority's Representative a notice setting out:
 - (1) a description of all outstanding Design and Construction to be completed by Project Co prior to SFB Expansion Substantial Completion; and
 - (2) a list of all Defects in the SFB Expansion that Project Co is aware of at the time of the notice;
- (b) at least 30 days (but no more than 60 days) before the Target New Tower Substantial Completion Date, deliver to the Independent Certifier and the Authority's Representative a notice setting out:
 - (1) a description of all outstanding Design and Construction to be completed by Project Co prior to New Tower Substantial Completion; and
 - (2) a list of all Defects in the New Tower that Project Co is aware of at the time of the notice; and
- (c) assist the Independent Certifier to make any advance inspections requested by the Independent Certifier.

13.3 Application for Certificates of Substantial Completion

- (a) If Project Co believes it has achieved the requirements for CPPS Substantial Completion, then Project Co may apply to the Authority's Representative for a Certificate of CPPS Substantial Completion. No later than five Business Days after application by Project Co for a Certificate of CPPS Substantial Completion, the Authority's Representative will make an inspection of the CPPS, review the basis for Project Co's application for CPPS Substantial Completion, and then within a further five Business Days:
 - (1) if CPPS Substantial Completion has been achieved, issue a certificate indicating that CPPS Substantial Completion has been achieved (a "**Certificate of CPPS Substantial Completion**"), together with comments on the list of CPPS Deficiencies and the estimated costs of remedying such CPPS Deficiencies (if any); or
 - (2) if CPPS Substantial Completion has not been achieved, provide Project Co with a list of all incomplete Design and Construction that must be completed prior to CPPS Substantial Completion.
- (b) If Project Co believes it has achieved the requirements for SFB Expansion Substantial Completion and complied with the applicable requirements of Section 13.2 (Advance Notices of Applications for Substantial Completion) of this Schedule, then Project Co may apply to the Independent Certifier (with a copy to the Authority's Representative) for a Certificate of SFB Expansion Substantial Completion. No later than five Business Days after application by Project Co for a Certificate of SFB Expansion Substantial Completion,

the parties will require the Independent Certifier to, in cooperation with Project Co's Representative and the Authority's Representative, make an inspection of the SFB Expansion, review the basis for Project Co's application for SFB Expansion Substantial Completion, and then within a further five Business Days:

- (1) if SFB Expansion Substantial Completion has been achieved, issue a certificate indicating that SFB Expansion Substantial Completion has been achieved (a "**Certificate of SFB Expansion Substantial Completion**"), together with comments on the list of Deficiencies in the SFB Expansion and the estimated costs of remedying such Deficiencies (if any); or
 - (2) if SFB Expansion Substantial Completion has not been achieved, provide Project Co and the Authority's Representative with a list of all incomplete Design and Construction that must be completed prior to SFB Expansion Substantial Completion.
- (c) If Project Co believes it has achieved the requirements for New Tower Substantial Completion and complied with the applicable requirements of Section 13.2 (Advance Notices of Applications for Substantial Completion) of this Schedule, then Project Co may apply to the Independent Certifier (with a copy to the Authority's Representative) for a Certificate of New Tower Substantial Completion. No later than five Business Days after application by Project Co for a Certificate of New Tower Substantial Completion, the parties will require the Independent Certifier to, in cooperation with Project Co's Representative and the Authority's Representative, make an inspection of the New Tower, review the basis for Project Co's application for New Tower Substantial Completion, and then within a further five Business Days:
- (1) if New Tower Substantial Completion has been achieved, issue a certificate indicating that New Tower Substantial Completion has been achieved (a "**Certificate of New Tower Substantial Completion**"), together with comments on the list of Deficiencies in the New Tower and the estimated costs of remedying such Deficiencies (if any); or
 - (2) if New Tower Substantial Completion has not been achieved, provide Project Co and the Authority's Representative with a list of all incomplete Design and Construction that must be completed prior to New Tower Substantial Completion.
- (d) A Certificate of SFB Expansion Substantial Completion and a Certificate of New Tower Substantial Completion issued by the Independent Certifier will be final and not referable to the Dispute Resolution Procedure or otherwise subject to dispute between the parties.

13.4 Correction of Deficiencies, Total Completion

Upon issuance of the Certificate of CPPS Substantial Completion, Project Co will proceed expeditiously to correct each CPPS Deficiency by the date that is 30 days after the CPPS Substantial Completion Date, or such later date as may be reasonably required to provide sufficient time to correct the CPPS Deficiency and that is agreed by the Authority, acting reasonably.

Upon issuance of the Certificate of SFB Expansion Substantial Completion, Project Co will proceed expeditiously to correct each Deficiency in the SFB Expansion by the date that is 30 days after the SFB Expansion Substantial Completion Date, or such later date as may be reasonably required to provide sufficient time to correct the Deficiency and that is agreed by the Authority, acting reasonably.

Upon issuance of the Certificate of New Tower Substantial Completion, Project Co will proceed expeditiously to correct each Deficiency in the New Tower by the date that is 30 days after the New Tower Substantial Completion Date, or such later date as may be reasonably required to provide sufficient time to correct the Deficiency and that is agreed by the Authority, acting reasonably.

The deadlines for correcting each such CPPS Deficiency or Deficiency are each a “**Deficiency Deadline**”.

Project Co shall comply with the provisions of this Agreement, including Section 3.8 of Schedule 7 [Lands] in carrying out any work to correct CPPS Deficiencies and Deficiencies. Project Co will correct, at its cost, or pay the Authority for any damage resulting from the CPPS Deficiencies or Deficiencies or the work required to correct them.

If Project Co does not correct a CPPS Deficiency or Deficiency by its Deficiency Deadline, the Authority will have the right to perform or have performed by third parties the necessary work, and Project Co will reimburse the Authority for all reasonable costs and expenses (including costs for the Authority’s own personnel and services) in respect of the exercise of the Authority’s rights hereunder within five Business Days of demand by the Authority (which demand may be made by the Authority for aggregate amounts owing by Project Co after several or all Deficiency Deadlines have lapsed), provided that:

- (a) if Project Co fails to pay such costs and expenses to the Authority in respect of such corrective work, the Authority will be entitled to discharge such obligation by:
 - (1) in the case of a CPPS Deficiency, setting off against any Construction Payment otherwise payable to Project Co; and
 - (2) applying an amount from the Deficiency Holdback; and/or
 - (3) if a Deficiency Holdback Letter of Credit has been provided by Project Co, making a demand under such Deficiency Holdback Letter of Credit,
 up to an amount in aggregate equal to the amount of such costs and expenses; and
- (b) Project Co’s obligation to pay such costs and expenses will only be discharged to the extent of the amount so applied and/or demanded by the Authority.

Once all CPPS Deficiencies have been completed, either by Project Co or by the Authority (using its own forces or third parties) as contemplated by this Section 13.4, the Authority’s Representative will issue a certificate indicating that CPPS Total Completion has been achieved (a “**Certificate of CPPS Total Completion**”).

Once all Deficiencies in the SFB Expansion have been completed, either by Project Co or by the Authority (using its own forces or third parties) as contemplated by this Section 13.4, the Authority’s

Representative will issue a certificate indicating that SFB Expansion Total Completion has been achieved (a “**Certificate of SFB Expansion Total Completion**”).

Once all Deficiencies in the New Tower have been completed, either by Project Co or by the Authority (using its own forces or third parties) as contemplated by this Section 13.4, the Authority’s Representative will issue a certificate indicating that New Tower Total Completion has been achieved (a “**Certificate of New Tower Total Completion**”).

Nothing in this Section 13 (Completion) limits Project Co’s responsibilities set forth in Section 14 (Warranties and Liability for Defects) of this Schedule for correction of Defects that are identified after the preparation of the lists of Deficiencies.

14. WARRANTIES AND LIABILITY FOR DEFECTS

14.1 Warranty

- (a) Project Co represents, warrants and covenants that the Facilities will be free of any Defects.
- (b) Project Co will at its expense correct and make good all Defects that are discovered during the applicable Warranty Period (including any Deficiencies in accordance with this Schedule 2);
- (c) In addition to the obligation to correct and make good Defects during the applicable Warranty Period in accordance with Section 14.1(b), Project Co will at its expense correct and make good any Construction Latent Defects until:
 - (1) in the case of any Construction Latent Defect in the foundations, footings, support columns, structural roofing beams and structural support walls (which for greater certainty are the unclad frame of the Facilities and which provide actual structural support to the Facilities and do not include, among other things, materials contained within or behind walls, windows, curtain walls, gyproc or internal partitions) of the Design and the Construction, the expiry of the 15 year ultimate limitation period pursuant to the *Limitation Act* (British Columbia) in force on the Effective Date; and
 - (2) in the case of any other Construction Latent Defect not described in Section 14.1(c)(1), the date that is 10 years after: (i) the SFB Expansion Substantial Completion Date, in respect of a Construction Latent Defect in the SFB Expansion; or (ii) the New Tower Substantial Completion Date, in respect of a Construction Latent Defect in the New Tower or the Energy Centre; or (iii) the CPPS Substantial Completion Date, in respect of a Construction Latent Defect in the CPPS,

provided, however, that Project Co will only be required to correct any such Construction Latent Defect if it has received written notice thereof within two years of the date upon which such Construction Latent Defect was discovered (as such term is defined in the *Limitation Act* (British Columbia)).

- (d) If Project Co does not promptly and diligently, and in any event within 30 days of a request by the Authority (or such other period of time as may be acceptable to the Authority, acting reasonably), remedy a Defect or Construction Latent Defect pursuant to Section 14.1(b) or 14.1(c), as the case may be, the Authority, after five Business Days' notice to Project Co, will have the right to perform or have performed by third parties the necessary remedy, and Project Co will reimburse the Authority for all reasonable costs and expenses (including costs for the Authority's own personnel and services) in respect of the exercise of the Authority's rights hereunder within five Business Days of demand by the Authority, provided that:
- (1) if Project Co fails to pay such costs and expenses to the Authority in respect of such remedial work, the Authority will be entitled to discharge such obligation by:
 - (A) applying an amount from the Warranty Holdback; and/or
 - (B) if a Warranty Holdback Letter of Credit has been provided by Project Co, making a demand under such Warranty Holdback Letter of Credit,
 up to an amount in aggregate equal to the amount of such costs and expenses; and
 - (2) Project Co's obligation to pay such costs and expenses will only be discharged to the extent of the amount so applied and/or demanded by the Authority.
- (e) Subject to Section 9.6 (Limitation on Authority's Remedies), the sole obligations of Project Co with respect to Defects are set out in this Agreement, and the remedies of the Authority with respect to any Defects are limited to enforcement of the obligations of Project Co under this Agreement.

14.2 Terms of Contractor Warranties

Without limiting or derogating from any warranty obligations of Project Co contained in this Agreement, Project Co will:

- (a) ensure that the Design-Build Agreement contains provisions which:
 - (1) impose on the Design-Builder the same warranties as are contained in this Agreement in relation to all Design and Construction provided, performed or carried out and materials and equipment supplied by the Design-Builder;
 - (2) cause the Design-Builder to obtain any extended warranties specified in Schedule 3 [Design and Construction Specifications]; and
 - (3) acknowledge that such warranties are for the benefit of the Authority and its assignees as well as Project Co and are assignable in accordance with the terms of this Agreement;
- (b) transfer any industry standard warranties which may be available and which exceed the requirements of this Section 14.2 (including in respect of the term of such warranties) but

without any obligation on Project Co to obtain any such warranties which exceed the requirements of this Section 14.2, including warranties against defects in materials and workmanship from the Design-Builder and each Sub-Contractor in respect of the Design and Construction provided, performed or carried out and materials and equipment supplied by the Design-Builder under the Design-Build Agreement or by a Sub-Contractor under its Sub-Contract; and

- (c) at the request of the Authority, cooperate with and assist the Authority in the enforcement of any claims under warranties contained in the Design-Build Agreement or any Sub-Contract or otherwise given by the Design-Builder or any Sub-Contractor.

14.3 Assignment of Warranties to Authority

- (a) Project Co:
- (1) hereby absolutely assigns, on the terms set out in Section 14.3(b) of this Schedule, to the Authority all warranties contained in the Design-Build Agreement;
 - (2) will cause, by ensuring that the Design-Builder or any Sub-Contractor includes relevant provisions in all Sub-Contracts, all warranties contained in any such Sub-Contract to be absolutely assigned to the Authority, on the terms set out in Section 14.3(b) of this Schedule.
- (b) Notwithstanding the provisions of Sections 14.3(a)(1) and 14.3(a)(2) of this Schedule, Project Co or the Design-Builder that is the beneficiary of any warranties contained in the Design-Build Agreement or any Sub-Contract, as the case may be, will be permitted to enjoy the benefit of and enforce the warranties referred to in, respectively, Sections 14.3(a)(1) and 14.3(a)(2) of this Schedule as if the assignment made in Section 14.3(a)(1) and any assignments made pursuant to Section 14.3(a)(2) had not been made until (subject to and without prejudice to the rights of the Senior Lenders under, and as defined in, the Lenders' Remedies Agreement) the earlier of
- (1) the date on which the Authority gives Project Co or the relevant Sub-Contractor, as the case may be, a written notice stating that a Project Co Event of Default has occurred and that the Authority is exercising its rights pursuant to the relevant assignment;
 - (2) the Termination Date; and
 - (3) the Expiry Date.
- (c) Without limiting the provisions of Section 17.8 (Further Assurances), Project Co will:
- (1) cause to be included in the Design-Build Agreement a notice from Project Co to the Design-Builder of the assignment made in Section 14.3(a)(1) of this Schedule and an acknowledgement of such notice from the Design-Builder; and

- (2) cause to be included in any Sub-Contracts a notice from the Design-Builder or Sub-Contractor that is the beneficiary of any warranties contained in the relevant Sub-Contract to the Sub-Contractor that is the provider of such warranties of the assignment made pursuant to Section 14.3(a)(2) of this Schedule and an acknowledgement of such notice from the Sub-Contractor that is the provider of such warranties.

15. COMPLIANCE FAILURE EVENTS

15.1 Compliance Failure Events

Project Co will comply with the provisions of Appendix 2I [Compliance Failure Events] and the Authority will be entitled to make Deductions for any failure to comply in accordance with the Performance Indicators included in that Appendix.

16. POST SUBSTANTIAL COMPLETION SERVICES

16.1 Warranty Point of Contact

Project Co will designate an individual to act as the point of contact for the Authority for all warranty related matters during the Warranty Period.

16.2 Other Post-Substantial Completion Obligations

Project Co will comply with all other requirements in this Agreement that are stated to be carried out after Substantial Completion, including:

- (a) the requirements in Section 6.17(b) of this Schedule;
- (b) the requirements in Section 6.25(a)(3)(B) and 6.25(a)(4)(B) of this Schedule;
- (c) the requirements in Section 11.2 of Appendix 2E [Clinical Equipment and Furniture]; and
- (d) any requirements set out in Schedule 3 [Design and Construction Specifications].

The calculation of the Deficiency Holdback will include a calculation based on the reasonably estimated costs to comply with such requirements after the Substantial Completion Date, provided however that the amount included in the Deficiency Holdback for such requirements will be a single amount and not two times the reasonably estimated costs.