

SCHEDULE 2
DESIGN AND CONSTRUCTION PROTOCOLS
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SCHEDULE 2

DESIGN AND CONSTRUCTION PROTOCOLS

1. INTERPRETATION

1.1 Definitions

In this Schedule, in addition to the definitions set out in Schedule 1 of this Agreement:

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

“Campbell River Hospital Hazardous Materials Reports” means the following reports:

- (a) the report by North West Environmental Consulting Group Ltd. entitled “Hazardous Building Material Risk Assessment Campbell River Hospital – Main Building” dated November 2012;
- (b) the report by North West Environmental Consulting Group Ltd. entitled “Hazardous Building Material Assessment Campbell River Hospital – 110 Birch Street - Sunshine Lodge - Groundskeeper Maintenance Shed - Metal Shed- Northeast Maintenance Shed” dated November 2012;

“Campbell River Demolition Period” means the period commencing on the Hand Over for Demolition Date until the Demolition and Surface Parking Completion Date;

“Certificate of Demolition and Surface Parking Completion” has the meaning set out in Section 14.3(a) of this Schedule;

“Certificate of Facility Completion” has the meaning set out in Section 14.3(a) of this Schedule;

“CGBC” means the Canada Green Building Council;

“CGBC LEED Rating System” means CGBC’s Leadership in Energy & Environmental Design (LEED) green building rating system for new construction;

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

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

“Deficiency” means a Facility Completion Deficiency or Demolition and Surface Parking Deficiency;

“Deficiency Deadline” has the meaning set out in Section 14.5 of this Schedule;

“Demolition and Surface Parking Deficiencies” has the meaning set out in Section 14.1;

“Demolition Plan” has the meaning set out in Section 6.12 of this Schedule;

“Design and Construction Representative” has the meaning set out in Section 2.1 of this Schedule;

“Facility Completion Deficiencies” has the meaning set out in Section 14.1;

“Facility Move-in Schedule” has the meaning set out in Section 10.5 of this Schedule;

“Facility Threat and Risk Assessment” has the meaning set out in Section 4.10 of this Schedule;

“Hand Over for Demolition Date” has the meaning set out in Section 13(b);

“Independent Certifier” has the meaning set out in Section 3.1 of this Schedule;

“Intended Uses” means the uses for each Facility as described in the Design and Construction Specifications;

“Issued For Construction Drawings” has the meaning set out in Section 5.3;

“LEED Gold Certification” means the award of a LEED gold certificate under the CGBC LEED Rating System or the USGBC LEED Rating System;

“NIC Lands” means the lands owned by North Island College adjacent to the Comox Valley Site;

“PDS” has the meaning set out in Section 6.19 of this Schedule;

“Permanent PDS Record” has the meaning set out in Section 6.19(b)(4) of this Schedule;

“Phasing Plan” has the meaning set out in Section 6.10(a)(1) of this Schedule;

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

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

“Proposal Extracts (Design and Construction)” means the provisions of Appendix 2F [Proposal Extracts (Design and Construction)];

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

“Quality Assurance Program” has the meaning set out in Section 8.4 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 Construction;

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

“Site Reports” means all reports that the Authority has made available to Project Co regarding existing conditions at one or both Sites, including the following:

- (c) the report by Thurber Engineering Ltd. entitled “North Island Hospitals Project Preliminary Geotechnical Assessment Report - Comox Valley– Lerwick Road Site” dated August 21, 2012, as amended by addendum dated August 30, 2012;
- (d) the report by Thurber Engineering Ltd. entitled “North Island Hospitals Project Geotechnical Assessment Report – Campbell River Site” dated March 18, 2011, as amended by addendum dated August 30, 2012;

“**Submittal**” has the meaning set out in Section 1 of Appendix 2B [User Consultation and Design Review].

“**Submittal Schedule**” has the meaning set out in Section 2(a) of Appendix 2B [User Consultation and Design Review];

“**Updated Project Schedule**” has the meaning set out in Section 10.2 of this Schedule;

“**User Consultation Group**” has the meaning set out in Section 5.3(a) of this Schedule; and

“**USGBC**” means the U.S. Green Building Council;

“**USGBC LEED Rating System**” means USGBC’s Leadership in Energy & Environmental Design (LEED) for Healthcare rating system;

“**Work Area A of the Campbell River Site**” means the area shown as Work Area A on Appendix 2G [Campbell River Site Plan];

“**Work Area B of the Campbell River Site**” means the area shown as Work Area B on Appendix 2G [Campbell River Site Plan];

“**Work Area A of the Comox Valley Site**” means the area shown as Work Area A on Appendix 2H [Comox Valley Site Plan];

“**Work Area B of the Comox Valley Site**” means the area shown as Work Area B on Appendix 2H [Comox Valley Site Plan];

“**Work Plan**” has the meaning set out in Section 6.11(c) of this Schedule.

2. PARTIES’ DESIGN AND CONSTRUCTION REPRESENTATIVES

2.1 Appointment of Representatives

Both parties will within 5 Business Days of the Effective Date designate in writing a person (the “**Design and Construction Representative**”) to be the party’s single point of contact with respect to the Design and the Construction. Project Co’s Design and Construction 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 Design and Construction Representative will be for the account of that party.

2.2 Replacement

Subject to Section 2.8 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 person appointed as the party's Design and Construction Representative. If for any reason a party's Design and Construction 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 a person reasonably acceptable to the objecting party.

2.3 Authority of Representatives

A party's Design and Construction 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 Design and Construction 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 2B [User Consultation and Design Review].

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 2B [User Consultation and Design Review], will be for the Authority's benefit only, and no review, acceptance, approval or confirmation of compliance by the Authority's Design and Construction Representative or other representative of the Authority will in any way relieve Project Co of its obligation for all aspects of the Design and 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 Service Commencement is achieved, a joint liaison committee (the "**Construction Period Joint Committee**") consisting of the Design and Construction Representatives, a representative of Partnerships British Columbia Inc. 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 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 (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.

3. INDEPENDENT CERTIFIER

3.1 Appointment

The parties will cooperate to jointly appoint a person (or firm of persons) (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].

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 5 Business Days of the date that is 20 Business Days after the Effective Date (or within 5 Business Days of the date of termination of the Independent Certifier’s appointment, if applicable), Project Co will provide the names of 3 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 Report

The parties will require the Independent Certifier to:

- (a) consult with the Design-Builder and others involved in the Design; and
- (b) conduct inspections of the Construction,

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:

- (c) the Design and Construction completed in the previous month; and
- (d) the progress of the Design and Construction relative to the Updated Project Schedule, with an overview analysis of any variances.

3.4 Payment Certificates

The parties will require the Independent Certifier to prepare and deliver to the Authority and Project Co a certificate certifying the Cost to Date for each Facility as described in 2.2(a) of Appendix 8B [Construction Period Payments] no later than the 10th day of each month (or other time in the case of payment under Schedule 8 [Payments]). 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 Cost to Date certificate will certify actual costs incurred by or on behalf of Project Co; and
- (b) except as required under Section 3.3 of this Schedule, the Independent Certifier will have no role in giving any directions or instructions with respect to any aspect of the Design or the Construction.

3.5 Applications for Certificates of Facility Completion and Demolition and Surface Parking Completion

The parties will require the Independent Certifier to perform the obligations of the Independent Certifier described in Section 14 of this Schedule.

3.6 Permitted Access

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

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

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 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 Construction of the Facilities;
- (b) perform and complete the Design and 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 health care facilities that at Facility Completion:
 - (A) are complete and operational and fit for the Intended Uses;
 - (B) will permit Project Co to provide the Services in accordance with the requirements of this Agreement; and
 - (C) are fully integrated with all planned building or structures as described in the Design and Construction Specifications; and
 - (3) to reflect and capture the benefits to the Authority of the Proposal Extracts (Design and Construction).

Each of the obligations in Sections 4.1(b)(1), 4.1(b)(2) and 4.1(b)(3) 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 Construction to the standards as required by Section 2.11 of Schedule 3 [Design and Construction Specifications].

4.3 Defects in Design or Construction

Project Co will, without cost to the Authority, and without limiting Project Co's obligations to perform the Services as set out in this Agreement, including Schedule 4 [Services Protocols and Specifications], correct any Defect that becomes apparent at any time during the Term, subject to the terms of this Agreement, including any Scheduled Maintenance and the Handback Requirements.

4.4 Compliance with Laws

Project Co will undertake and perform the Design and 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 at its cost all Permits required for the Design and Construction. Project Co will:

- (a) keep the Authority's Design and Construction 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 Design and Construction 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 of Campbell River, City of Courtenay or other Governmental Authorities (where practicable) and upon request by the Authority permit a representative of the Authority to attend any such meetings.

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.

4.6 LEED Gold Certification

Project Co will obtain LEED Gold Certification of each Facility in accordance with the following:

- (a) Project Co will, subject to this Section, achieve all necessary prerequisites, credits and points to achieve LEED Gold Certification and may in its discretion determine: whether to use the CGBC LEED Rating System or the USGBC LEED Rating System; and which of the credits and points to pursue under the selected rating system;
- (b) the Authority has registered the Facilities with the CGBC and the USGBC;
- (c) if at any time after the Effective Date the requirements to achieve LEED Gold Certification change, and Project Co is required to comply with such change in order to achieve LEED Gold Certification for the Facilities, then Project Co will forthwith notify the Authority of such change and such change will be a Change pursuant to Schedule 6 [Changes, Minor Works and Innovation Proposals];
- (d) Project Co will compile and submit the required documents for certification;
- (e) if for any reason Project Co fails to obtain LEED Gold Certification for either Facility within 36 months of the applicable Facility Completion Date then Project Co will, upon written demand from the Authority, immediately pay to the Authority \$100,000 for every point less than the number of points required for LEED Gold Certification, to a maximum payment amount of \$500,000 per Facility; and
- (f) upon payment of amounts, if any, owing under this Section 4.6 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.

4.7 Authority Policies and Programs

The Authority will implement and maintain the following programs and policies in each Facility after Facility Completion, which may be relevant to Project Co obtaining prerequisites, credits or points related to LEED Gold Certification of the Facility:

- (a) a policy prohibiting smoking at the Site and in the Facility;
- (b) a scent-free policy for Authority staff working in the Facility;
- (c) a recycling program in the Facility generally for the following materials: paper, cardboard, glass, metal and plastic (if and to the extent recycling of such materials is available at Facility Completion); and
- (d) an education program designed by the Authority to inform visitors to the Facility of sustainable features of the Facility.

The Authority makes no representation as to the relevance or sufficiency of the above Authority policies and programs to Project Co's obligation to obtain LEED Gold Certification of the Facilities. While Project Co may rely on the Authority to comply with this Section, Project Co will otherwise be completely responsible for obtaining LEED Gold Certification of the Facilities in accordance with Section 4.6.

4.8 LEED Project Checklist

As a condition of Facility Completion Project Co will deliver to the Authority:

- (a) a LEED project checklist, generally in accordance with CGBC or USGBC requirements, together with a written confirmation that, in Project Co's judgment LEED Gold Certification will be achieved for each Facility as required by Section 4.6 of this Schedule; and
- (b) a written opinion from a LEED accredited professional that Project Co's confirmation under Section 4.8(a) above is reasonable.

4.9 Energy

Project Co will comply with the requirements of Appendix 2C [Energy].

4.10 Facility Threat and Risk Assessment

Project Co will, by the date specified in the Submittal Schedule, deliver to the Authority a comprehensive threat and risk assessment report for each Facility ("**Facility Threat and Risk Assessment**") identifying specific risks and vulnerabilities to people, property and the Authority associated with each Facility and the surrounding community, and describing how the Design will mitigate these risks and vulnerabilities. The Facility Threat and Risk Assessment will be based on the preliminary facility threat and risk assessment included in the Proposal Extracts (Design and Construction). The Authority may provide comments on a Facility Threat and Risk Assessment within 15 Business Days of receiving it. Project Co will, acting reasonably, take account of the Authority's comments in finalizing the Facility Threat and Risk Assessment for each Facility and deliver to the Authority a copy of the final Facility Threat and Risk Assessment for each Facility within 15 Business Days of receiving the Authority's comments. Project Co will implement the risk mitigation strategies described in the Facility Threat and Risk Assessments in developing the Design.

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.

5.2 Zoning Approval

The Authority has obtained re-zoning of the Comox Valley Site to permit the Construction of the Comox Valley Facility.

The City of Campbell River's zoning bylaw permits construction of a hospital building on the Campbell River Site, and the Authority has obtained from the City of Campbell River a development variance permit (DVP12-024) for the Campbell River Site regarding maximum height for a hospital building.

Copies of related documents have been made available to Project Co. Project Co will be fully responsible to obtain all other permits and approvals required for the Construction of the Facilities including any "Development Permit" that may be required, and entering into "Servicing Agreements" as may be required by the City of Campbell River and the City of Courtenay. Without limiting Section 4.5, Project Co will be responsible for all costs associated with such permits and agreements, including development cost charges.

5.3 Design Process

Project Co will undertake the Design of each Facility:

- (a) in accordance with Appendix 2B [User Consultation and Design Review], including providing Submittals to the Authority in accordance with the Submittal Schedule and undertaking consultation with representatives of the Facility Users (the “**User Consultation Group**”);
- (b) in phases progressively, with each phase capturing the information and detail of a previous phase, as follows:

- (1) Schematic Design Phase

This phase will include supplemental information not included in Appendix 2F [Proposal Extracts (Design and Construction)] and development of drawings and other documents illustrating the scale and character of the Facility, architecture and all engineering systems and any development permit (if applicable) in sufficient detail to describe how all the parts of the Facility functionally relate to each other, such as the site plan, spatial relationship diagrams, principal floor

plans, building systems, sections, and elevations; together with a written project brief.

At a minimum Project Co will address the following items for each Facility:

- (A) proposal for a design vision, aesthetics, materials and building character, including Facility elevations and including, as required by Schedule 3, a master colour sample palette and a sample board for exterior material finishes;
- (B) how the design promotes close ties with the neighbourhood and integration with the surrounding community;
- (C) how the design promotes coherent and harmonious integration of the architectural elements;
- (D) design principles: design vision, Project Co's overall approach to achieving Facility Users' objectives;
- (E) plan of the site and campus context showing building blocks and main accesses and egresses;
- (F) Site plan, focusing on access, egress and drop-offs (pedestrian, vehicle, ambulance and fire trucks);
- (G) plans of functional department blocking, layouts, building stacking and links, internal and external flow of circulation and department drawings;
- (H) analysis of preliminary plans for the flow of patients, personnel and material;
- (I) a report describing the helipad design, including drawings;
- (J) Site and building flexibility concepts;
- (K) a comparison of the functional space requirements set out in the Clinical Specifications and that of the proposed design;
- (L) analysis of space organization to verify if spaces offer medical and support teams optimal processes compared to the process maps;
- (M) verification of aspects of accessibility and signage concepts;
- (N) efficient integration of major equipment for optimal operations;
- (O) description of all information management and information technology and security systems and how these systems will enable and enhance clinical functionality; and

(P) Facility Threat and Risk Assessment report.

The end of this phase for a Facility will occur when all Schematic Design Submittals for that Facility have been assigned a "REVIEWED" comment, after which the Design Development Phase may begin.

(2) Design Development Phase

This phase will include drawings and other documents, including a site plan, elevations and sections, together with a written project brief detailing area calculations, detailing all building systems and outline specifications, to fully describe the size and character of the entire Facility including the architectural, landscaping, civil, structural, mechanical, electrical and IMIT systems, materials and other elements to fully describe the Facility.

At a minimum Project Co will address the following items for each Facility:

- (A) developed design;
- (B) signage, orientation, etc.;
- (C) developed exterior elevations of the buildings, wall cross-sections;
- (D) developed integration of exterior spaces, including courtyards, vehicle access/egress (including drop-off and pick-up access to parking, temporary parking, etc.).
- (E) developed integration of other campus buildings;
- (F) developed interior concepts and key elevations;
- (G) relevant draft policies and plans as required by Schedule 4 [Services Protocols and Specifications], including Appendix 4C [FM Services];
- (H) developed landscape plans;
- (I) developed room numbering plan for Authority use (public and patient wayfinding);
- (J) the following related to clinical aspects:
 - (i) review of drawings based on the comments from the schematic design phase;
 - (ii) plans showing all rooms with dimensions: interior elevations and reflected ceiling plans, with relevant equipment shown;
 - (iii) a full lighting and switching layout for each room and floor plates;

- (iv) develop interior finishes (flooring, walls, wall protection and ceiling finishes) for all rooms and floor plates;
 - (v) verification of the impact of the layout of the premises on the flow of patients, personnel and material;
 - (vi) efficient integration of major equipment for optimal operations;
 - (vii) review wayfinding strategies from the proposal stage and how it will be incorporated with details in the current design;
 - (viii) review standard millwork types and details;
 - (ix) review of door controls and hardware concepts/strategies; and
 - (x) review of security strategies.
- (K) the following related to technical aspects:
- (i) roofing plan;
 - (ii) main engineering component drawings that relate to the connection of municipal infrastructures and public services;
 - (iii) main engineering component drawings that relate to the clinical design;
 - (iv) main engineering component drawings that relate to equipment infrastructure;
 - (v) main engineering component drawings that relate to the mechanical system;
 - (vi) main engineering component drawings that relate to the electrical system;
 - (vii) main engineering component drawings that relate to the plumbing system;
 - (viii) main engineering component drawings that relate to the medical gas system;
 - (ix) main engineering component drawings that relate to landscaping, exterior lighting, storm water retention and civil engineering;
 - (x) main engineering component drawings that relate to the structural system including links to other campus buildings.

- (xi) main engineering component drawings that relate to the life safety system;
- (xii) drawings indicating future engineering system flexibility; and
- (xiii) redundancy and spare capacity calculations.

Clinical and technical aspects may be combined.

- (L) At a minimum Project Co will address the following items for clinical equipment and information management and information technology:
 - (i) main component drawings that relate to the clinical equipment; and
 - (ii) main component drawings that relate to all information management and information technology

(3) Construction Documents Phase

This phase will include construction documents consisting of drawings and specifications describing in detail the requirements for the construction of all components, systems and equipment for each Facility:

- (A) at 50% completion; and
- (B) at 95% completion,

in accordance with the Submittal Schedule, in a timely way in advance of Construction with sufficient detail to permit the Authority to understand and assess the Design of each Facility.

If Project Co intends to proceed with construction of an element of a Facility in advance of the completion of the design of the entire Facility then Project Co will deliver the 50% and 95% construction documents for that element (with sufficient accompanying detail to permit the Authority to understand and assess the design of that element) in advance of the design documents for other elements of the Facility;

- (c) so that in each phase, Project Co will provide to the Authority the level of detail and documentation that the Authority would customarily receive or expect to receive for a facility similar to the Facility in accordance with Good Industry Practice, including (as applicable to a particular phase):
 - (1) dimensioned floor plans and elevations showing all millwork;
 - (2) furniture and equipment;

- (3) interior elevations for all rooms and spaces, including all interior finishes, millwork, mechanical and electrical;
- (4) exterior building elevations;
- (5) completed site and landscaping plans;
- (6) room data sheets;
- (7) room finish schedules;
- (8) reflected ceiling plans;
- (9) interior finishes;
- (10) a written report detailing and describing the manner in which the following have been taken into account in the Design:
 - (A) clinical operations and delivery;
 - (B) LEED Gold Certification, including energy efficiency/sustainability and the relevant LEED project checklist and points;
 - (C) material selection;
 - (D) constructability;
 - (E) Life Cycle Requirements;
 - (F) the Facility Threat and Risk Assessment; and
 - (G) building operating services; and
- (11) clearly identifying sections for:
 - (A) architectural design;
 - (B) site development and landscaping;
 - (C) structural design;
 - (D) mechanical design;
 - (E) electrical design; and
 - (F) sustainable design.

Project Co will only issue drawings and specifications for construction purposes based on Reviewed Drawings and Specifications as described in Appendix 2B [User Consultation and Design Review]. Project Co will print drawings issued for construction purposes (“**Issued For Construction Drawings**”)

on paper that is a distinct colour, and will provide copies of all Issued For Construction Drawings to the Authority as soon as possible after they are issued for construction.

This Section 5.2 does not limit Project Co's obligation to comply with any requirements set out in the Design and Construction Specification in relation to the stages and requirements for Design.

5.4 Design Change

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

- (a) revisions to drawings, specifications, equipment and additional Design requested by the Authority under the processes described in Section 5 of this Schedule and in Appendix 2B [User Consultation and Design Review] 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, the terms of Schedule 6 [Changes, Minor Works and Innovation Proposals] 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 (other than a variation required to bring the Design into conformity with this Agreement then such variation will be a Change and the terms of Schedule 6 [Changes, Minor Works and Innovation Proposals] will apply.

5.5 Building Information Modeling

Project Co will undertake the Design utilizing a fully integrated, three-dimensional, real-time dynamic building information modeling ("**BIM**") capable software solution that meets the requirements set out in this Section.

- (a) BIM Platform. Project Co will use a BIM platform that:
 - (1) is a relational database with object-orientated capabilities;
 - (2) is capable of three dimensional (3D) parametric modeling;
 - (3) is fully integrated to support all design disciplines,
 - (4) supports data attributes associated with objects;
 - (5) allows exchange of information between the component parties and other software solutions utilizing industry foundation classes (IFC).
- (b) Visualization. The Authority's goal in requiring BIM is to help with providing clarity during the Design so that the communication of ideas, particularly to those groups not familiar with interpreting two dimensional drawings, is enhanced. Accordingly, Project Co will:
 - (1) use an active 3D model for all design, user group meetings (in addition to paper documents); and

- (2) use colour to distinguish, zones, ratings, systems, etc. to support the communication of the design and provide clarity of intent;
- (c) Submittals. Refer to Appendix 2B [User Consultation and Design Review] for requirements related to Submittals.
- (d) Digital Data
 - (1) Project Co will collect the following information during design and construction and attach it to the model objects (with the data / information accessible from a cloud environment via a simple interactive interface):
 - (A) photographic images – the BIM will be fully integrated with the PDS (described in Section 6.19), with all PDS documentation linked to the model;
 - (B) the following documents linked to the objects in the model to which they relate:
 - (i) shop drawings,
 - (ii) maintenance manuals,
 - (iii) commissioning data / verification documents;
 - (C) the following meta (text) data attached to the objects to which it relates:
 - (i) life cycle data; and
 - (ii) equipment control codes.

5.6 Mock-Ups and Prototype Rooms

Project Co will, at its cost and as part of the user consultation and design review process described in Appendix 2B [User Consultation and Design Review], provide and make available to the Authority for review the “mock-ups” and “prototype” rooms described in this Section 5.5. Project Co will include dates on the Submittal Schedule for construction of and for Authority review of mock-ups. The time periods for Authority review and comments on Submittals set out in Appendix 2B will apply to mock-ups.

- (a) By the date set out in the Submittal Schedule, Project Co will provide 1:1 scale mock-ups (using either paper, tape markings on the floor or similar) of the following rooms indicating the dimensions and sizing of the room and the location and configuration of millwork, casework, furniture, services, equipment and headwalls:
 - (1) for the Comox Valley Facility:
 - (A) operating room;
 - (B) psychiatry inpatient unit patient room;

- (C) recovery room;
 - (D) IPU room with bathroom;
 - (E) blood collection cubicle (RID 13); and
 - (F) MDRD elevator; and
- (2) for the Campbell River Facility:
- (A) medication room;
 - (B) clean / soiled room;
 - (C) labour, delivery and postpartum room (LDRP);
 - (D) emergency department – patient room;
 - (E) intensive care unit room; and
 - (F) endoscopy / procedure room.
- (b) By the date set out in the Submittal Schedule, Project Co will provide a 3-dimensional rendering of the following rooms indicating the dimensions and sizing of the room and the location and configuration of millwork, casework, furniture, services, equipment and headwalls:
- (1) for the Comox Valley Facility:
- (A) operating room;
 - (B) psychiatry inpatient unit patient room;
 - (C) recovery room;
 - (D) IPU room with bathroom; and
 - (E) blood collection cubicle (RID 13); and
- (2) for the Campbell River Facility:
- (A) medication room;
 - (B) clean / soiled room;
 - (C) labour, delivery and postpartum room (LDRP);
 - (D) emergency department – patient room;
 - (E) intensive care unit room; and

- (F) endoscopy / procedure room.
- (c) By the date set out in the Submittal Schedule, Project Co will provide fully constructed mock-ups of the following rooms (at a location either within one of the Facilities as it is under construction or at another location provided by Project Co near one of the Facilities), including all actual materials, finishes, millwork, casework, furniture, services, equipment and headwalls included in the design of the room so that the Authority and the User Consultation Group can experience all features of the Design and make Design decisions:
- (1) for the Comox Valley Facility:
 - (A) operating room;
 - (B) psychiatry inpatient unit patient room;
 - (C) recovery room; and
 - (D) IPU room with bathroom; and
 - (E) blood collection cubicle (RID 13); and
 - (2) for the Campbell River Facility:
 - (A) medication room;
 - (B) clean / soiled room;
 - (C) labour, delivery and postpartum room (LDRP);
 - (D) emergency department – patient room;
 - (E) intensive care unit room; and
 - (F) endoscopy / procedure room.
- (d) During Construction, Project Co will construct an in-situ “prototype” of each of the following rooms and make each prototype available to the Authority at appropriate stages of construction so that the Authority and the User Consultation Group can review the prototype room (including all materials, finishes, millwork, casework, furniture, services, equipment and headwalls) in its actual location within the Facility at various stages of construction, and consider whether any design adjustments are necessary:
- (1) for the Comox Valley Facility:
 - (A) operating room;
 - (B) psychiatry inpatient unit patient room;
 - (C) recovery room;

- (D) IPU room with bathroom; and
- (E) blood collection cubicle (RID 13); and
- (2) for the Campbell River Facility:
 - (A) medication room;
 - (B) clean / soiled room;
 - (C) labour, delivery and postpartum room (LDRP);
 - (D) emergency department – patient room;
 - (E) intensive care unit room; and
 - (F) endoscopy / procedure room.

Equipment (including booms and monitors) and furniture may be actual pieces or replicas, but must accurately represent the actual physical dimensions

Project Co will modify the mock-ups and prototypes as may be required as the Design develops based on feedback from the User Consultation Group and the Authority.

The purpose of the mock-ups and prototypes is to illustrate the Design. Project Co will update all Design documentation to reflect the mock-ups and prototypes, and any input from the Authority, including User Consultation Groups, and will submit all such updated Design documentation to the Authority for review under Appendix 2B [User Consultation and Design Review].

Project Co will provide a site for the mock-ups and prototypes unless otherwise agreed by the Authority.

5.7 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 6.26 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 during the Term 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 5.7(b) of this Schedule.

5.8 Record of Adjustments to Design and Construction

The parties wish to create a single record of adjustments to the Design and 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 Facility Completion Dates. 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 a list 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 list, and proposed updates to the list, together with each of the phases of Design set out in Section 5.3 above, and will modify the list for reasonable comments made by the Authority. Upon the achievement of Service Commencement, 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, at least 90 days prior to the Service Commencement Date, Project Co will provide the Authority with a draft Change Report (and, if requested by the Authority, a draft markup of the Design and Construction Specifications) setting out such adjustments, without adjustments to payments or to the Target Service Commencement Date, and the parties will seek to agree on final documentation within 30 days after the Service Commencement Date.

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. 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 Design and Construction Representative for review under Appendix 2B [User Consultation and Design Review].

Any Changes during the Construction will be subject to the terms of Schedule 6 [Changes, Minor Works and Innovation Proposals].

6.3 Site Supervisor for each Site

Project Co will employ or cause the Design-Builder to employ a full time site supervisor at each Site.

6.4 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.

6.5 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 Design and Construction Representative or any other representative or agent of the Authority, or to the Independent Certifier.

6.6 Existing Utilities and Services

Project Co will confirm the location of, and protect:

- (a) all existing off-Site utilities and services that may be affected by the Construction; and
- (b) all existing on-Site utilities and services that may be affected by the Construction.

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

All existing utilities and services to the Existing Campbell River Hospital must remain in operation at all times until the Hand Over for Demolition Date. Interruptions will be permitted only if there is no reasonable alternative to the interruption and if the interruption has been approved in advance by the Authority under Section 6.11.

6.7 Site Investigation

By entering into this Agreement, Project Co will be deemed to have inspected the Sites 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 Sites (except as expressly provided to the contrary in this Agreement) including:

- (a) the adequacy of the rights of access to and through the Sites for the Construction;
- (b) vehicular access and parking;
- (c) temporary storage of building materials and equipment;
- (d) existing utilities and services on the Sites;
- (e) existing structures requiring demolition and disposal; and
- (f) geotechnical conditions.

6.8 Site Reports

The Authority has made available the Site Reports for Project Co's reference. The Authority makes no representation whatsoever as to the accuracy or completeness of any information in the Site Reports and Project Co specifically acknowledges that the Authority assumes and accepts no responsibility that the

information, as may be available in the Site Reports, 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 Construction or other responsibilities of Project Co under this Agreement. Project Co will not be entitled to any compensation from the Authority if actual conditions vary from those described in the Site Reports other than with respect to Undisclosed Environmental Liabilities.

6.9 Campbell River Hospital Hazardous Materials Report

The Authority has made available the Campbell River Hospital Hazardous Materials Reports for Project Co's reference, but Project Co acknowledges that the Authority makes no representation whatsoever as to the accuracy or completeness of any information in the Hazardous Materials Reports. Project Co will not be entitled to any compensation from the Authority if actual conditions vary from those described in the Campbell River Hospital Hazardous Materials Reports.

6.10 Site Issues

(a) Project Co will:

(1) carry out the Construction in accordance with a phasing plan (the "**Phasing Plan**") for each Facility that includes the details for Project Co's phasing of all parts of the Construction, including:

(A) all Site preparation;

(B) Construction of the Facility, including the requirements and timing for construction and commissioning (including all systems and equipment) for each operating room;

(C) for the Campbell River Site, demolition of buildings in Work Area B;

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

(2) comply with the reviewed Phasing Plan;

(3) at the Campbell River Site:

(A) construct the Campbell River Acute Care Facility, Campbell River Clinical Support Building and Campbell River Parkade within Work Area A of the Campbell River Site;

(B) perform all Construction activities within Work Area A of the Campbell River Site except as approved by the Authority under Section 6.11 (Continued Operation of Existing Campbell River Hospital During Construction) or as permitted by Section 6.12 (Demolition of Existing Campbell River Hospital) of this Schedule;

- (C) install a 1.8 metre fence around the perimeter of Work Area A of the Campbell River Site (except where the Authority has installed a fence already) and such hoarding as may be required to separate the Site from adjacent lands;
 - (D) maintain a 15 metre wide landscape buffer along the eastern boundary of Work Area A of the Campbell River Site, as shown on Appendix 2G [Campbell River Site Plan];
 - (E) if Project Co constructs any permanent structure on the portion of Work Area A of the Campbell River Site adjacent to Yucalta Lodge that is shown on Appendix 2G [Campbell River Site Plan], design and install a landscape buffer in the area shown on Appendix 2G in accordance with the details shown in on sheet 2/2 of Appendix 2G;
 - (F) perform all Construction activities without blocking or disrupting vehicle or pedestrian access to, except as may be permitted pursuant to a Work Plan, the Existing Campbell River Hospital; and
 - (G) if Project Co intends to use the portion of Birch Street shown on Appendix 2G [Campbell River Site Plan] as "Potential Birch Street Temporary Closure Area (Construction Phase)", obtain and comply with all Permits required by the City of Campbell River for such use, including a "Works and City Lands Permit" and a "Road Closure Permit".
- (4) at the Comox Valley Site:
- (A) not undertake any Construction activities in the Interface Zone, except:
 - (i) that Project Co will at the completion of Construction remove all tree-protection and construction fencing from the Comox Valley Site, including any fencing within the Interface Zone; and
 - (ii) as required by Section 4.2.2.18 of Schedule 3 [Design and Construction Specifications];
 - (B) maintain the Interface Zone in accordance with Section 1.3 of Appendix 4G [Roads, Grounds and Landscape Maintenance] during the period from July 1, 2016 until the Comox Valley Facility Completion Date;
- (5) cause Project Co Persons, Construction workers and suppliers to enter or exit the Site only at the access routes indicated on Appendix 2G [Campbell River Site Plan] and Appendix 2H [Comox Valley Site Plan], unless otherwise approved by the Authority;
- (6) take reasonable steps to ensure that Construction workers or suppliers do not:
- (A) use for vehicular parking:

- (i) any portion of the Campbell River Site outside of Work Area A;
 - (ii) any streets within 1km of the Campbell River Site except for that portion of Birch Street that may be designated by the City of Campbell River for parking by construction workers; or
 - (iii) any portion of the NIC Lands, Queenish Elementary School (SD #71) or Comox Valley Regional District Aquatic Centre; or
 - (iv) any streets within 1km of the Comox Valley Site,
- (B) smoke on any portion of the Sites;
- (C) use the washroom, cafeteria or other facilities at the Existing Campbell River Hospital;
- (7) provide a 24-hour hotline (and post the phone number in a prominent location on each Site) for:
- (A) Authority staff to notify Project Co of any Construction related emergencies; and
 - (B) neighbours and passers-by to contact Project Co;
- and Project Co will respond to any phone calls made on the hotline within 1 hour;
- (8) provide the neighbourhood committee with a Project Co name and number to voice concerns;
- (9) provide a community liaison officer to provide a single point of contact regarding construction and development issues;
- (10) from the commencement of Construction until Facility Completion, 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 each Site, with the Authority to provide Project Co with one or more locations reasonably required by Project Co for Project Co to install cameras and supporting infrastructure and services (including internet service); and
- (11) before commencing the Construction, prepare and implement in co-operation with the Authority a construction fire safety plan for each Site, which plan will describe emergency access routes to and from the Sites during an emergency; and
- (b) if Project Co performs any Construction outside of the area designated as the Sites, Project Co will comply with all policies and other requirements of the Authority.

6.11 Continued Operation of Existing Campbell River Hospital During Construction

The Existing Campbell River Hospital must remain fully operational at all times during construction of the Campbell River Facility. All Buildings in Work Area B of the Campbell River Site must remain fully operational until the Hand Over for Demolition Date. Project Co will:

- (a) co-operate with the Authority to co-ordinate any work required that might interfere with the Existing Campbell River Hospital to minimize the interference to or disruption of the on-going operation of the Existing Campbell River Hospital, including the delivery of quality patient care;
- (b) adhere to all Authority policies and procedures relating to the Existing Campbell River 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 or 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, Minor Works and Innovation Proposals];
- (c) at least seven days before undertaking any work that may interfere with the Existing Campbell River Hospital, including any proposed shutdown of Existing Campbell River Hospital services, deliver to the Authority 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 Existing Campbell River 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, upon reasonable request, the Authority will make appropriate staff available for such consultation to determine the Work Plan that minimizes interference or disruption to the Existing Campbell River Hospital.
- (e) not proceed with any work described in Section 6.11(c) above without:

- (1) the Authority's prior written approval of a Work Plan under this Section 6.11, 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; and
- (f) undertake the Construction in accordance with any Work Plan approved by the Authority.

6.12 Demolition of Existing Campbell River Hospital

After Facility Completion of the Campbell River Facility, Project Co will carry out the demolition of all buildings and structures in Work Area B of the Campbell River Site (including the general hospital and the Sunshine Wellness Centre but not including the administration building) in accordance with a demolition plan (the "**Demolition Plan**") that includes the details for Project Co's demolition of existing buildings, including:

- (a) description of the demolition activities;
- (b) a schedule for the demolition activities (demolition activities may not commence until the date that is 6 months after Facility Completion of the Campbell River Facility);
- (c) Site security;
- (d) safety;
- (e) traffic control;
- (f) mitigation of dust, noise, noxious odours;
- (g) handling, removal from the Site and disposal of hazardous materials, including certification of proper disposal;
- (h) re-use of materials and recycling content; and
- (i) any other matters set out in this Agreement, including the Design and Construction Specifications, as applicable to the demolition and preparation of the Site; and
- (j) any other activities that could affect the activities of the Authority or the public.

The Demolition Plan will be consistent with the requirements of Section 13 (Transition from Existing Campbell River Hospital).

Project Co will submit the Demolition Plan to the Authority not less than 60 days in advance of the commencement of demolition activities, and will not proceed until the Demolition Plan has received the notation "Reviewed" under Appendix 2C [Review Procedure]. Project Co will comply with the reviewed Demolition Plan.

Project Co will not use any explosives without the Authority's consent, which consent may be unreasonably withheld.

6.13 The Authority's Access to the Sites

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 Design and Construction 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 Sites and view the Construction and any test or investigation being carried out in respect of the Construction; and
- (b) 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 Design and Construction Representative and its delegates will have the right to attend all monthly progress meetings and Site meetings, including meetings between Project Co and the Design-Builder or its Sub-Contractors.

Project Co will cooperate with the Authority to arrange for tours of the Sites at reasonable times during Construction for interested doctors and other health care officials and personnel, 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 Sites or Facilities during the Construction Period without the consent of Project Co, such consent not to be unreasonably withheld or delayed.

6.14 Inspection

Prior to the Facility Completion Date, Project Co will, upon request by the Authority's Design and Construction Representative including detailed reasons for the request, open up for inspection by the Authority's Design and Construction Representative any part of the work on the applicable Facility which the Authority's Design and Construction 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 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 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 applicable Facility 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 6.14(a) or (b) above, 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.

6.15 Builders Lien Act and Builders Liens

With respect to builders liens and the requirements of the *Builders Lien Act* (British Columbia):

- (a) the Authority will not have any responsibility to be the payment certifier under any contract related to Construction;
- (b) Project Co will make all required builders lien holdbacks;
- (c) no builders lien holdback will be retained by the Authority under this Agreement;
- (d) if it is determined that any builders lien holdback is required to be retained by the Authority, then Project Co agrees that it is making and will make all of its required holdbacks as agent for the Authority;
- (e) Project Co will indemnify the Authority from any damages, costs, claims and expenses of any kind, including actual solicitors costs, arising from the failure of the Authority to retain a builders lien holdback; and
- (f) failure to hold back payment of amounts due to any Person in accordance with section 4 of the *Builders Lien Act* (British Columbia) will not constitute a Project Co Event of Default.

6.16 Safety

Project Co will be solely responsible for safety during the Construction Period, including the safety of all persons on the Sites and any other location where the Construction is performed (whether on the Sites 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.

6.17 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 Campbell River Site and Construction-caused ground vibration may disrupt the operation of medical equipment (including diagnostic imaging equipment in the adjacent buildings), requiring the equipment to be shut-down and re-calibrated, and may disrupt utility services to the Existing Campbell River Hospital . Project Co will co-operate 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 of this Schedule. Project Co will monitor site settlement and ground vibration during Construction (as required by Sections 6.18 and 6.19 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 6.17(b) of this Schedule, if any medical equipment is disrupted by Construction-caused settlement or ground vibration in excess of the vibration permitted under Section 6.20, Project Co will, at its cost, arrange for the Authority's equipment suppliers to re-calibrate the equipment and return it to service as quickly as possible.

6.18 Survey and Monitoring

Project Co will:

- (a) prior to start of any Construction, conduct a pre-construction survey of the Sites and Existing Campbell River Hospital 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 without limitation meet the requirements set out in Section 6.19 (Photographic Documentation), and deliver a copy of the pre-construction survey reports to the Authority; and
- (b) conduct monitoring surveys at regular intervals throughout the Construction Period and at six months following Facility Completion, and deliver monitoring surveys to the Authority in a form and detail satisfactory to the Authority, acting reasonably.

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

6.19 Photographic Documentation of Construction

Project Co will provide a photo documentation service ("**PDS**") of construction progress and as-built conditions for each Facility 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 drawings, making

such drawings interactive using an on-line interface. 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 as at the Effective Date 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 Facility, 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 Facility; 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 or 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 Service Commencement Date.
 - (3) Project Co will make available to the Authority or 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 Service Commencement Date, 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 a DVD or external hard-drive. On-line access will be deleted and all records removed from the hosting sites upon delivery of the Permanent PDS Record.

6.20 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 operations and function of sensitive medical equipment in the Existing Campbell River Hospital, and vibration from demolition activities may affect the Campbell River Facility during the Demolition Period), and without limiting the previous sentence 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);
 - (2) ground vibration in excess of 0.3mm per second peak particle velocity is limited to certain times of the day and certain days of the week as determined by the Authority, acting reasonably; and
 - (3) vibration transfer to adjacent Existing Campbell River Hospital buildings does not adversely affect existing operations (including in particular diagnostic operations in the adjacent buildings); and
- (b) install vibration monitoring devices adjacent to Existing Campbell River Hospital buildings (and adjacent to the Campbell River Facility buildings after Facility Completion and before demolition commences in Work Area B of the Campbell River Site) to monitor compliance with this Section during Construction and, and deliver to the Authority no later than the 5th day of each month, a monitoring report for the previous month.

6.21 Infection Control and Control of Dust, Noise and Noxious Odours

Project Co will:

- (a) take all reasonable steps (including any specific steps reasonably required by the Authority) to minimize dust, noise and noxious odours (including diesel exhaust) from the Construction (including demolition and preparation of the Sites) at each of the Sites and to mitigate any adverse effects on the Existing Campbell River Hospital and properties adjacent to the Campbell River Site and the Comox Valley Site; and
- (b) without limiting Project Co's obligation under Section (a) above:
 - (1) comply with CSA Z317.13 (Infection Control during Construction, Renovation or Maintenance of Health Care Facilities), including "Preventative Measure IV", at all times during the Construction Period; and

- (2) monitor compliance with CSA Z317.13 on a daily basis during the Construction (including demolition and preparation of the Sites) and deliver to the Authority no later than the 5th day of each month, a performance report for the previous month that:
 - (A) describes the steps taken by Project Co to comply with CSA Z317.13; and
 - (B) confirms that Project Co complied with CSA Z317.13 or identifies any failure by Project Co to comply.

6.22 Construction Debris and Waste Management

Project Co will develop and implement a comprehensive waste management plan for the Construction that:

- (a) quantifies Project Co's material diversion, including recycling or salvage, goals;
- (b) identifies materials that will be recycled, including the following items:
 - (1) clean dimensional wood and palette wood;
 - (2) concrete/brick/concrete block/asphalt;
 - (3) drywall
 - (4) florescent tubes
 - (5) old corrugated cardboard
 - (6) paint; and
 - (7) scrap metal; and
- (c) describes the plans and procedures to be implemented by Project Co for:
 - (1) the separation of materials, and prevention of contamination of materials, to be recycled or salvaged; and
 - (2) the removal, handling and disposal of hazardous wastes in accordance with applicable Laws and Good Industry Practice.

Project Co will deliver to the Authority a copy of its waste management plan by the date specified in the Submittal Schedule.

6.23 Signage

Project Co may erect signage at the Sites during Construction to identify Project Co, the Design-Builder and Project Contractors provided such signs are acceptable to the Authority's Design and Construction Representative, acting reasonably.

6.24 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 but not limited to power, telephone, water and sewage, and will not connect directly to the Existing Campbell River Hospital buildings or infrastructure except with the Authority's prior approval.

6.25 Project Meetings

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

6.26 Project Records

Notwithstanding any other provision of this Agreement:

- (a) As-Built Drawings and Specifications: Project Co will:
 - (1) throughout the Construction, update the Reviewed Drawings and Specifications and Issued For Construction Drawings (with respect to the drawings, such update will be in hard copy and "CAD" or other electronic format), including all final shop drawings, so as to produce accurate and complete as-built documents for each Facility;
 - (2) upon request by the Authority from time to time during the Construction, make available such as-built drawings and specifications to the Authority's Design and Construction Representative for review to permit the Authority's Design and Construction Representative to monitor Project Co's compliance with the requirements of this Section and for the Authority's operational and other use; and
 - (3) provide three full-size hard copies plus electronic copies of drawings and the 3D model in the formats specified below of the completed as-built drawings and specifications on or before Service Commencement.
 - (A) 2D drawings will be in both Autodesk Design Review 'DWF' and Adobe Reader 'PDF' format; and
 - (B) the 3D combined model will be in both Autodesk Design Review 'DWF' and either NavisWorks Freedom 'NWD' or Tekla BIMsight;

Project Co will submit all electronic copies in compliance with the standards established by the Authority from time to time for electronic copies.

- (b) Maintenance Manuals: Project Co will:
- (1) on or before Facility Completion for each Facility, make available Facility-specific operation and maintenance manuals, specifications, warranties and related information, in either written or electronic form, for all the equipment and systems that have been included in the Design and Construction of the Facility for review by the Authority's Design and Construction Representative; and
 - (2) 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 Construction. Project Co will circulate such minutes to the Authority's Design and Construction 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 within 5 days 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 6.18 (Survey and Monitoring);
- (g) Utility Plans: Project Co will retain utility plans for the Facilities and the Sites;
- (h) Landscape and Irrigation Plans: Project Co will retain landscape and irrigation plans for the Facilities and the Sites;
- (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.

7. EQUIPMENT SUPPLY AND INSTALLATION

7.1 Design and Construction Requirements

The parties will comply with Appendix 2D [Equipment and Furniture].

Without limiting Appendix 2D [Equipment and Furniture], Project Co will complete the Design and Construction to accommodate in the Facilities the installation, operation, repair and maintenance of all the Equipment, including as required all electrical, data 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 the Design and Construction Specifications that are not specifically listed in the Equipment List referred to in Appendix 2D [Equipment and Furniture] are the sole responsibility of Project Co to be supplied and included as part of the Facilities.

7.2 Asset Tagging

Project Co will, in consultation with the Authority, affix an Authority approved unique numerical asset identification tag or tags to each piece of equipment installed in the Facilities, including:

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

Project Co will also attach RFID tags on specific equipment as required by Appendix 2D [Equipment and Furniture].

7.3 Asset Register

Project Co will create, maintain, update and share with the Authority, an asset register of all equipment installed in each Facility (the “**Asset Register**”), including:

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

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

- (c) manufacturer, model and device type;
- (d) equipment item number;
- (e) unique asset tag number (and RFID number if applicable);
- (f) serial number;
- (g) purchase order or equipment purchase contract identifier;
- (h) equipment supplier and contact information for the equipment supplier;
- (i) installed location (room number);

- (j) date installed;
- (k) anticipated replacement date or timeframe;
- (l) warranty start date and expiry date;
- (m) required utility, HVAC, medical gas or other connections; and
- (n) 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 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 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 will not permit Project Co's Quality Consultant to perform any role in the Design and Construction except for the role described in this Section.

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 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 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 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 Construction and the means of achieving it;
 - (2) the steps to ensure that everyone participating in the Design or 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 Construction;
- (4) require that all persons participating in the Design or 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; persons giving verification will be sufficiently qualified and will be independent from those who perform or install the materials or services;
- (11) peer reviews and inspections will be performed on structured planned basis on all elements of the Design and 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
- (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 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 preliminary draft of the Quality Assurance Plan (that is based on the preliminary quality assurance plan included in the Proposal Extracts (Design and Construction) not less than 20 Business Days after the Effective Date, failing which, the Authority will be entitled to make a Deduction of \$2,500 for each week or part thereof after the date falling 20 Business Days after the Effective Date until Project Co has delivered to the Authority a preliminary draft of the Quality Assurance Plan but if Project Co has not delivered to the Authority a preliminary draft of the Quality Assurance Plan by the date falling 40 Business Days after the Effective Date, the Deduction applicable under this Section 8.5(a) will increase to \$5,000;
- (b) the Authority will provide its comments, if any, on the preliminary draft to Project Co within 20 Business Days of receipt of the preliminary 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, failing which, the Authority will be entitled to make a Deduction of \$5,000 for each week or part thereof after the date falling 20 Business Days after the Authority’s comments were received by Project Co until Project Co has delivered to the Authority a revised draft of the Quality Assurance Plan;
- (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;
- (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.
- (g) any Deduction the Authority is entitled to make pursuant to Section 8.5(a) or Section 8.5(c) of this Schedule will be made from the first Service Payment payable to Project Co pursuant to Schedule 8 [Payments]; and
- (h) Deductions made pursuant to this Section 8.5 will not be counted for the purposes of Sections 11.1 or 12.1(h) of this Agreement or Sections 6.7 or 6.8 of Schedule 4 [Services Protocols and Specifications].

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

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 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

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.

9. WORKERS COMPENSATION

9.1 Evidence of WorkSafe BC Compliance

Project Co will provide evidence, satisfactory to the Authority's Design and Construction Representative, of compliance by Project Co and all Project Contractors with the requirements of the *Workers Compensation Act*, 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 Design and Construction 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*, 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

For the purposes of applicable legislation and regulations, Project Co agrees to be, or will cause the Design-Builder to be:

- (a) at all times during Construction at the Comox Valley Site, the prime contractor as defined in the *Workers Compensation Act* for the Comox Valley Site;

- (b) at all times until Facility Completion of the Campbell River Site, the prime contractor as defined in the *Workers Compensation Act* for Work Area A of the Campbell River Site; and
- (c) at all times during the Campbell River Demolition Period, the prime contractor as defined in the *Workers Compensation Act* for Work Area B of the Campbell River Site;

and accordingly will comply, or will cause to be complied, with all resulting requirements and obligations including: ensuring continuing coordination of the occupational health and safety activities of all employers on the applicable Site or Work Area, including the Authority, the Authority's Design and Construction Representative, any other contractors and everyone engaged by or through any of them; delivering any notices of the Project as required by applicable regulations; and complying with the obligations of a prime contractor for a multi-employer workplace as prescribed by the applicable regulations.

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* 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*, 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 2E [Initial Project Schedule] is the initial project schedule (the "**Project Schedule**"), which the parties have relied upon in entering into this Agreement.

10.2 Project Schedule Updates

Project Co will, as required from time to time until Service Commencement, 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 Construction 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 of this Schedule;
 - (2) the commencement of Construction; and
 - (3) the planned start and completion dates of the major activities of Construction;
- (c) the planned start and completion dates of any proposed shut-down of services serving the Existing Campbell River Hospital; and
- (d) the Target Facility Completion Date for each Facility and the Target Demolition and Surface Parking 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 within 12 months of such date 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 the updated Project Schedule (the “**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 that may be required to the 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 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 Construction of the Facilities in compliance with the Updated 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 Facility Completion Date for each Facility as set out in the Project Schedule (as may be adjusted under Section 10.2 of this Schedule).

As soon as reasonably practicable, but in any event no later than 180 days prior to the Target Facility Completion Date for each Facility, Project Co will deliver to the Authority’s Design and Construction Representative a move-in schedule in respect of the Facility (the “**Facility 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 Design and Construction 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, up-date the Facility Move-in Schedule.

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 Updated Project Schedule and will not achieve Facility Completion for a Facility by the applicable Target Facility Completion Date, then the Authority may deliver notice to Project Co's Design and Construction Representative to use its best efforts, at Project Co's own cost and at no cost to the Authority, to accelerate the Construction so as to conform to the Updated Project Schedule and achieve Facility Completion by the applicable Target Facility Completion Date.

11.2 Delay Costs

If, other than due to a Supervening Event or a Change, Project Co fails to achieve Facility Completion for a Facility by the applicable Target Facility 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 because the Authority relied on the 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 move-in schedule. Notwithstanding anything contained in this Agreement (including any Schedule), the liability of Project Co for failing to achieve Facility Completion for a Facility by the applicable Target Facility Completion Date will not exceed \$ 10,000 per day.

11.3 Acceleration to Advance Facility Completion

Without prejudice to the Authority's rights under Section 11.1 of this Schedule, if at any time the Authority determines that it requires the Construction to proceed in advance of the Updated 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 Updated Project Schedule) then such Change will be made in accordance with Schedule 6 [Changes, Minor Works and Innovation Proposals].

12. COMMISSIONING AND OPERATIONAL READINESS

12.1 Testing and Commissioning

Project Co will, prior to applying for a Certificate of Facility Completion for a Facility, retain a qualified independent commissioning agent (who is neither a Project Co Person nor an Affiliate of a Project Co Person; and who is acceptable to the Authority, acting reasonably), to test and commission all equipment (including Equipment on the Equipment List) and systems in the Facility to demonstrate to the Authority's

Design and Construction Representative that the Facility equipment and systems, including all major systems, are operating so that the Authority may occupy the Facility for its Intended Uses and the Availability Conditions are satisfied for all Functional Units. The commissioning agent will prepare a written report to confirm the foregoing and completion of the commissioning activities scheduled in the Commissioning Plan to be completed before Facility Completion. Testing and commissioning will include the following:

- (a) 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;
- (b) end to end testing and commissioning of key equipment and systems including but not limited to all medical Equipment, sterile processing equipment, communication systems (nurse call, personal communication equipment, intercom, overhead paging, telephones) and door controls to ensure complete operational readiness; and
- (c) testing and commissioning will have clinical validation of proper function of equipment and systems and all points of integration between equipment and systems.

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 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 2D [Equipment and Furniture]. The Authority will identify the relevant Authority staff and make such staff available for training at reasonable times before the Facility Completion Date for each Facility. All training will be completed before the applicable Facility Completion Date unless agreed by the Authority, acting reasonably. Training may be after Facility Completion 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 prepare and deliver to the Authority's Design and Construction Representative and the Independent Certifier a detailed plan (the "**Commissioning Plan**") for each Facility setting out the testing, commissioning, training and other activities Project Co intends to carry out to satisfy Sections 12.1, 12.2 and 12.3 of this Schedule and to achieve Facility Completion, including:

- (a) a description of the specific equipment and systems to be tested and commissioned and the associated commissioning requirements, including those to be completed before Facility Completion;
- (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 Facility, including all training and education to be completed before Facility Completion;
 - (d) the name of the commissioning agent 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 Facility at Facility Completion;
 - (g) a schedule, related to the Project Schedule, showing:
 - (1) the timing of all testing and commissioning and training;
 - (2) for each requirement of Facility Completion (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, 12.2 and 12.3 of this Schedule and will be developed and finalized as follows:

- (h) Project Co will deliver a preliminary draft of the Commissioning Plan for each Facility to the Authority not less than 12 months before the Target Facility Completion Date for the

relevant Facility, failing which, the Authority will be entitled to make a Deduction of \$2,500 for each week or part thereof after the date falling 12 months before the Target Facility Completion Date for the relevant Facility until Project Co has delivered to the Authority a preliminary draft of the Commissioning Plan, but if Project Co has not delivered to the Authority a preliminary draft of the Commissioning Plan by the date falling 9 months before the Target Facility Completion Date for the relevant Facility, the Deduction applicable under this Section 12.3(h) will increase to \$5,000;

- (i) the Authority will provide its comments, if any, on the preliminary draft Commissioning Plan to Project Co within 20 Business Days of receipt of the preliminary draft;
- (j) Project Co will deliver a revised draft of the Commissioning Plan to the Authority not less than 40 Business Days after receipt of the Authority's comments on the preliminary draft, failing which, the Authority will be entitled to make a Deduction of \$5,000 for each week or part thereof after the date falling 40 Business Days after the Authority's comments were received by Project Co until Project Co has delivered to the Authority a revised draft of the Commissioning Plan;
- (k) the Authority will, within 15 Business Days of receipt of the revised draft, advise Project Co whether the Authority accepts the Commissioning Plan, or 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;
- (l) 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;
- (m) if the Authority has not accepted the Commissioning Plan for a Facility by the date that is 6 months before the applicable Target Facility Completion Date, Project Co may refer the Dispute to the Dispute Resolution Procedure to determine whether Project Co's proposed Commissioning Plan is reasonable;
- (n) any Deduction the Authority is entitled to make pursuant to Section 12.3(h) or Section 12.3(j) of this Schedule will be made from the first Service Payment payable to Project Co pursuant to Schedule 8 [Payments]; and
- (o) Deductions made pursuant to this Section 12.3 will not be counted for the purposes of Sections 11.1 or 12.1(h) of this Agreement or Sections 6.7 or 6.8 of Schedule 4 [Services Protocols and Specifications].

13. TRANSITION FROM EXISTING CAMPBELL RIVER HOSPITAL

The following will apply with respect to the transitioning of operations from the existing Campbell River general hospital and the Sunshine Wellness Centre to the Campbell River Facility, and the removal of equipment and other materials from the Campbell River general hospital and the Sunshine Wellness Centre:

- (a) the Authority will have 6 months after Facility Completion of the Campbell River Facility to move its operations, and remove any supplies, equipment, fixtures or building materials that it wishes to retain, from the existing Campbell River general hospital and the Sunshine Wellness Centre (the Authority will have the right, but not the obligation, to remove and retain any such items);
- (b) on the date that is 6 months after the Facility Completion Date for the Campbell River Facility (the “**Hand Over for Demolition Date**”), the Authority will hand over control of and responsibility for Work Area B to Project Co for the Demolition Period and Project Co will perform the demolition in accordance with the requirements of the Design and Construction Specifications and the Demolition Plan.
- (c) title to any items remaining in the Campbell River general hospital and Sunshine Wellness Centre that are not affixed to the buildings (such as equipment, supplies, furniture or other loose items) will transfer to Project Co as at the Hand Over for Demolition Date, and title to fixtures or building materials that are affixed to or part of the existing buildings, structures or land will transfer to Project Co at the time Project Co detaches the fixtures or materials from the existing buildings, structures or land.

14. COMPLETION

14.1 Deficiency List

Prior to and as a condition of issuance of a Certificate of Facility Completion for a Facility or a Certificate of Demolition and Surface Parking Completion, Project Co will, in cooperation with the Authority’s Design and Construction Representative and the Independent Certifier, prepare a complete list of Defects that are apparent upon inspection of the Facility at that time (the “**Facility Completion Deficiencies**”) or upon inspection of Work Area B of the Campbell River Site in the case of the demolition of buildings and construction of surface parking in that Work Area B (the “**Demolition and Surface Parking Deficiencies**”) and deliver to the Authority’s Design and Construction Representative the list of Facility Completion Deficiencies or Demolition and Surface Parking Deficiencies.

Subject to the right of Project Co to refer matters to the Dispute Resolution Procedure as set out below, the list of Facility Completion Deficiencies or Demolition and Surface Parking Deficiencies will include all items required by the Authority to be included on such list.

The Authority or Project Co may refer matters relating to the accuracy or completeness of the lists of Facility Completion Deficiencies or Demolition and Surface Parking Deficiencies to the Dispute Resolution Procedure.

14.2 Advance Notice of Application for Facility Completion or Demolition and Surface Parking Completion

Project Co acknowledges that the Independent Certifier will need sufficient time to complete any inspections, consult with the Authority, and consider the lists of Facility Completion Deficiencies and Demolition and Surface Parking Deficiencies, and accordingly Project Co will:

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

14.3 Application for Certificate of Facility Completion or Demolition and Surface Parking Completion

If Project Co believes it has achieved the requirements for Facility Completion for a Facility or Demolition and Surface Parking Completion and complied with Section 14.2 then Project Co may apply to the Independent Certifier (with a copy to the Authority's Design and Construction Representative) for a Certificate of Facility Completion or Demolition and Surface Parking Completion. No later than 5 Business Days after application by Project Co for a Certificate of Facility Completion or a Certificate of Demolition and Surface Parking Completion, as the case may be, the parties will require the Independent Certifier to, in cooperation with Project Co's Design and Construction Representative and the Authority's Design and Construction Representative, make an inspection of the Facility (or Work Area B of the Campbell River Site as the case may be), review the basis for Project Co's application for Facility Completion or Demolition and Surface Parking Completion, and then within a further 5 Business Days:

- (a) if Facility Completion or Demolition and Surface Parking Completion has been achieved, issue a certificate indicating that Facility Completion has been achieved (a "**Certificate of Facility Completion**") or that Demolition and Surface Parking Completion has been achieved (a "**Certificate of Demolition and Surface Parking Completion**"), together with comments on the list of Facility Completion Deficiencies (if any) or Demolition and Surface Parking Deficiencies (if any) and attaching a copy of the list of Facility Completion Deficiencies or Demolition and Surface Parking Deficiencies as applicable; or
- (b) if Facility Completion or Demolition and Surface Parking Completion has not been achieved, provide Project Co and the Authority's Design and Construction Representative with a list of all incomplete Design and Construction that must be completed prior to Facility Completion or Demolition and Surface Parking Completion.

A Certificate of Facility Completion or a Certificate of Demolition and Surface Parking 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.

14.4 Early Facility Completion

Notwithstanding any other provision of this Schedule, without the prior written approval of the Authority, Project Co is not entitled to achieve Facility Completion or receive any Service Payments prior to the relevant Target Facility Completion Date in effect as of the Effective Date.

14.5 Correction of Deficiencies

Upon issuance of a Certificate of Facility Completion or a Certificate of Demolition and Surface Parking Completion, Project Co will proceed expeditiously to correct each Deficiency by the date that is 30 days after the applicable Facility Completion Date with respect to the Facility Completion Deficiencies for each Facility or Demolition and Surface Parking Completion Date with respect to the Demolition and Surface Parking Deficiencies, 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 (each Deficiency having its own "**Deficiency Deadline**"). Each Deficiency which has not been fully corrected by its Deficiency Deadline, unless such Deficiency cannot reasonably be corrected within this period due to the need for specialized parts, materials, tools or expertise and then such Deficiency will be corrected within a reasonable period of time taking into account the cause of the delay, will be deemed (without the requirement for any further action by the Authority) to have generated a Demand Maintenance request on that day and thereafter the applicable provisions of this Agreement, including applicable Rectification Periods and Deductions, will apply to each such deemed request. Nothing in this Section 13(b) limits Project Co's responsibilities for correction of Defects that are identified after the preparation of the lists of Facility Completion Deficiencies or Demolition and Surface Parking Completion Deficiencies.

APPENDIX 2A

INDEPENDENT CERTIFIER AGREEMENT

APPENDIX 2B

USER CONSULTATION AND DESIGN REVIEW

APPENDIX 2C

ENERGY

APPENDIX 2D
EQUIPMENT AND FURNITURE

APPENDIX 2E

INITIAL PROJECT SCHEDULE

APPENDIX 2F

PROPOSAL EXTRACTS (DESIGN AND CONSTRUCTION)

APPENDIX 2G

CAMPBELL RIVER SITE PLAN

APPENDIX 2H
COMOX VALLEY SITE PLAN