

APPENDIX 2G
EQUIPMENT
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APPENDIX 2G

EQUIPMENT

1. DEFINITIONS

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

“Category A Equipment” means collectively the Category A1 Equipment, Category A2a Equipment, Category A2b Equipment and Category A3 Equipment as described and listed in the Equipment List;

“Category A Equipment Costs” means the amounts approved by the Authority and paid to suppliers for and on account of Category A Equipment;

“Category B Equipment” means Category B: Furniture, as described and listed in the Equipment List;

“Category C Equipment” means Category C: IMT/End Use Devices, as described and listed in the Equipment List;

“Category D Equipment” means collectively the Category D1 Equipment, Category D2a Equipment and Category D2b Equipment as described and listed in the Equipment List;

“Equipment” means collectively the Category A Equipment, the Category B Equipment, the Category C Equipment and the Category D Equipment;

“Equipment Cash Allowance” means the monies to be deposited by the Authority into the Equipment Cash Allowance Account in the amounts and at the times set out in Section 2.9 of this Appendix and paid from the Equipment Cash Allowance Account as contemplated hereunder either to suppliers of Category A Equipment for costs approved by the Authority or to the Authority as directed by the Authority;

“Equipment Cash Allowance Account” means a separate bank account for all Category A Equipment related cash flows that is maintained by Project Co at the Authority’s direction as contemplated hereunder;

“Equipment Committee” means the committee established pursuant to Section 6.4 of this Appendix;

“Equipment Data Sheets” means the equipment data sheets set out in Appendix 2I containing specifications for items of equipment and furniture on the Equipment List, as those data sheets may be updated in accordance with this Agreement;

“Equipment List” means the list of equipment set out in Appendix 2H {Equipment List} which includes a list of equipment by category (Part 1) and by allocation as “FF&E” (Part 2);

“Equipment Procurement Schedule” means Appendix 2J, as revised and finalized in accordance with Section 6.2 of this Appendix; and

“Request for Payment Approval” has the meaning set out in Section 2.17 of this Appendix.

2. CATEGORY A: MEDICAL EQUIPMENT

2.1 Project Co to Procure Category A Equipment

Project Co will procure, expedite, deliver, unpack and remove packing material, store, offload and handle on the Site, assemble and test (including acceptance tests in accordance with Good Industry Practice), install (including management of installation) and commission all Category A Equipment, and will procure and provide warranties, training, spare parts and start-up consumables for Category A Equipment as specified in the Equipment List and the Equipment Data Sheets. The Authority will bear the credit risk (including risk of bankruptcy) of suppliers of Category A Equipment.

2.2 Equipment Data Sheets

The Equipment Data Sheets for Category A Equipment are preliminary and the Authority may provide to Project Co updated Equipment Data Sheets on or before the applicable dates indicated in the Equipment Procurement Schedule in the column with the heading "Date for the Authority to Provide Specifications". Such updated Equipment Data Sheets may also include specifications for minimum warranty requirements, supplier installation and training, as well as spare parts and start-up consumables as typically supplied by the manufacturer, and may indicate whether particular items of Category A Equipment may be procured under a lease, managed equipment program, usage based pricing or other arrangement.

2.3 Substitutions of Equipment

Project Co will not substitute different equipment for Category A Equipment specified in the Equipment List and Equipment Data Sheets except with the written consent of the Authority or as otherwise permitted by this Appendix. Consent will only be provided if sufficient information is submitted by Project Co to allow the Authority to determine that the proposed substitute is equivalent or superior to the item it is to replace. This Section 2.3 will not limit any other restrictions on substitutions of Equipment under this Agreement.

2.4 Solicitation of Proposals

Project Co will obtain proposals for each item of Category A Equipment according to the following:

- (a) if the Equipment Data Sheets indicate that only a specific make or model number is acceptable for an item of Category A Equipment, then Project Co will obtain pricing for such item;
- (b) if the Equipment Data Sheets specify one or more alternative specific makes or model numbers for an item of Category A Equipment, then Project Co will obtain pricing for each such item;
- (c) if the Equipment Data Sheets indicate that an item of Category A Equipment must meet or exceed the specifications of the referenced make and model number, then Project Co will obtain and submit to the Authority prices sought on a competitive basis from any supplier and for any make or model number that will meet or exceed the specifications indicated. Project Co will issue competitive bidding documents to at least two different

suppliers for at least two different makes and models (unless less than two suppliers and less than two models for such Equipment exist) for each referenced make and model number, such prices to be on comparable terms and conditions; and

- (d) Project Co will comply with the requirements of the Agreement on Internal Trade (including Chapter 5 and Annex 502.4 thereof) to the same extent that such requirements are, by policy of the Province of British Columbia or the Authority, or by Law, applicable to the Authority and the Authority will, upon the request of Project Co from time to time, provide guidelines to Project Co for such compliance.

2.5 Project Co Recommendations

Based on the proposals received under Section 2.4 of this Appendix, Project Co will make a recommendation to the Authority for the procurement of each item of Category A Equipment on or before the date indicated in the Equipment Procurement Schedule in the column with the heading "Date for Project Co to Provide Recommendations". Each such recommendation will include the following:

- (a) item description, item number, and quantities;
- (b) the manufacturer, model number, supplier, specifications and options for the item;
- (c) an analysis, including consideration of compliance with the relevant specifications in the Equipment Data Sheets, and recommendation as to which make, model number and supplier of the item provides, in Project Co's opinion, the overall best value for the Authority, and any other benefits of the recommendation;
- (d) an analysis of the effect of the item on the overall design of the Facility and the relevant areas within the Facility;
- (e) details of the warranties, installation services, training, spare parts and start-up consumables included with the items by the relevant manufacturer or supplier;
- (f) the date and time when the item will be delivered to the Site;
- (g) the cost of the item, with a breakdown of applicable GST and PST and net of all direct or indirect discounts, rebates, refunds, chargebacks, credits, price adjustments or any other allowances obtained across all categories of Equipment that effectively reduce the net selling price;
- (h) based on the information in Section 2.5(g) of this Appendix, the total amounts and timing of the Equipment Cash Allowance cash flows required to implement the recommendation and the full details of the calculation of such amounts;
- (i) whether the procurement is a purchase, a lease, part of a managed equipment program, based on usage pricing or other arrangement, and the terms and timing of payments thereof;
- (j) any Taxes applicable to the item;

- (k) if so requested by the Authority, a copy of each quote or proposal and all other relevant information in respect of the item and such other documentation as the Authority may reasonably require, all of which Project Co will provide on a fully transparent and open basis to the Authority;
- (l) the latest date (not to be less than 10 Business Days after receipt by the Authority of the recommendation) by which a final procurement decision on the item is required from the Authority without causing delays to the Construction or additional costs for that item; and
- (m) if no proposals for items of Category A Equipment are available or have been received by Project Co, an alternate recommended course of action for procurement by Project Co including possible substitutes for such items.

The Authority may request additional information from Project Co regarding the recommendations of Project Co, which Project Co will provide to the Authority as soon as reasonably practicable thereafter.

2.6 Authority Approval

In response to the recommendations for items of Category A Equipment made by Project Co to the Authority under Section 2.5 of this Appendix, the Authority may, on or before the latest date for such decision as set out in the recommendation pursuant to Section 2.5(l) of this Appendix, do any of the following with respect of some or all of the items:

- (a) instruct Project Co to proceed with the procurement;
- (b) withdraw the requirement for Project Co to proceed with the procurement;
- (c) subject to Section 2.20 of this Appendix, increase or decrease the quantities, require the procurement of other items in substitution for such items, or otherwise change the items to be procured;
- (d) acting reasonably, reject any supplier or item of Category A Equipment as unacceptable to the Authority;
- (e) elect to obtain certain items of Category A Equipment for the Project by obtaining, transferring or relocating existing equipment from the Authority or others (provided that any effect on the Design, Construction or Services will constitute a Change); or
- (f) elect to procure directly certain items of Category A Equipment.

2.7 Project Co To Implement Authority Instructions

Project Co will proceed diligently to implement the Authority's instructions made pursuant to Section 2.6 of this Appendix, including promptly making alternate recommendations for any item the proposed supplier of which has been rejected under Section 2.6(d) of this Appendix.

2.8 Responsibility for Authority-Obtained Category A Equipment

If the Authority elects to obtain or procure certain items of Equipment pursuant to Sections 2.6(e) or 2.6(f) of this Appendix:

- (a) the Authority will deliver or cause to be ordered such items of Equipment in accordance with the Equipment Procurement Schedule;
- (b) Project Co will install and commission such items upon delivery to the Site to the extent such items are in substitution for, and not in addition to, the items of Equipment identified in the Equipment List; and
- (c) Project Co will not be responsible for the condition of any previously used items of Equipment, including any failure of such Equipment to meet commissioning requirements as a result of such condition.

2.9 Deposits to Equipment Cash Allowance Account

The Authority will deposit funds into the Equipment Cash Allowance Account in accordance with a schedule that is consistent with the finalized Equipment Procurement Schedule and that is agreed by Project Co and the Authority, both acting reasonably, within 60 days after the Effective Date.

Subject to Section 2.15 of this Appendix, the Authority will make deposits into the Equipment Cash Allowance Account if the payment requirements, including applicable GST and PST, for procurements instructed by the Authority pursuant to Section 2.6 of this Appendix exceed the then balance of the Equipment Cash Allowance Account.

2.10 Management of Equipment Cash Allowance Account

Project Co will manage all monies in the Equipment Cash Allowance Account in trust for the benefit of, and as directed by, the Authority as follows:

- (a) interest earned will accrue in the Equipment Cash Allowance Account and will be for the benefit of the Authority;
- (b) Project Co will withdraw monies from the Equipment Cash Allowance Account as and at the times directed by the Authority as required to pay for procurements instructed by the Authority pursuant to this Appendix, net of all direct or indirect discounts, rebates, refunds, chargebacks, credits, price adjustments or any other allowances obtained across all categories of Equipment that effectively reduce the net selling price. The Authority may direct that monies not required for such procurements be paid to the Authority or as otherwise directed by the Authority;
- (c) Project Co will provide a reconciliation of the Equipment Cash Allowance Account to the Authority on a monthly basis;
- (d) as procurements are completed, Project Co will keep and update an overall budget for the Equipment Cash Allowance and will provide access to and copies of such budget to the Authority monthly and as otherwise required by the Authority;

- (e) if at Service Commencement there is a positive balance in the Equipment Cash Allowance Account, such balance will be the property of the Authority and will be paid by Project Co as directed by the Authority (less any amounts provisioned for settlement on certain equipment); and
- (f) the parties will review the operation of the Equipment Cash Allowance Account on a regular basis and agree to any appropriate modifications to ensure its efficient operation.

2.11 Warranties

Project Co will either:

- (a) ensure that all manufacturer's and supplier's warranties for Category A Equipment items commence no earlier than the Service Commencement Date and are in the Authority's name; or
- (b) transfer to the Authority the benefit of all such warranties effective as of the date the Authority obtains title to the Category A Equipment items (and in any event no later than as of the Service Commencement Date).

The Authority will make available to Project Co the benefit of such warranties to the extent required by Project Co and the Service Provider(s) in connection with the performance of the Services.

2.12 Training Material

On or before the Service Commencement Date, Project Co will transfer and deliver to the Authority all guidance and training material and manuals relating to Category A Equipment produced and provided by the manufacturer or the supplier of Category A Equipment.

2.13 Alternatives to Purchase

The Authority's preference is that items of Category A Equipment procured by Project Co be purchased, but in some circumstances, including as may be indicated on the Equipment Data Sheets, there may be advantages to procuring specific items of Category A Equipment under a lease, managed equipment program, usage based pricing or other arrangement. Project Co will present such options to the Authority in its recommendation pursuant to Section 2.5 of this Appendix, but will procure items of Category A Equipment under a lease, managed equipment program, usage based pricing or other arrangement only with the prior written consent of the Authority. The Authority will assume the obligation to make payments in respect of Category A Equipment that are payable to a supplier under a lease, managed equipment program, usage based pricing and other such arrangement, however nothing in this Section will relieve Project Co of its obligations under Section 2.1 of this Appendix or waive, modify or otherwise affect the matters contained in Section 2.15 of this Appendix.

2.14 Minimizing Costs

Project Co will use all reasonable efforts to minimize Category A Equipment Costs and to conduct its procurement so as to minimize any reasonably avoidable adverse effect on Category A Equipment Costs. Project Co will cause all discounts, rebates, refunds, chargebacks, credits, price adjustments and other

allowances available in connection with the Category A Equipment to be attributed solely to and to benefit the pricing of Category A Equipment.

2.15 Mark-Ups

Category A Equipment Costs and the Equipment Cash Allowance are not to include any mark-up for overhead, other costs and profit of Project Co and any other Project Co parties other than the suppliers of Category A Equipment. There will be no adjustment to the Category A Equipment Costs or to the payment out of the Equipment Cash Allowance Account on account of profit, overhead, or other costs associated with procuring, expediting, installing, delivering, unpacking and removing packing material, training (except as provided in Section 6.11 of this Appendix), assembling and testing, and commissioning Category A Equipment by Project Co and any other Project Co Persons other than the suppliers of Category A Equipment, all of which Project Co has already included in, and will be paid by the Authority to Project Co as part of, the Service Payments.

2.16 Category A Equipment Reports

As of the 1st day of each month and as at Service Commencement Date, Project Co will provide reports to the Authority that include the following information:

- (a) itemized and aggregate amounts committed to date for all Category A Equipment Costs;
- (b) which Category A Equipment item numbers have been procured and the itemized and aggregate Category A Equipment Costs of such items;
- (c) the projected procurement of remaining Category A Equipment, the projected effect of such procurement on the Equipment Cash Allowance, and whether such procurement will be conducted by the dates indicated in the Equipment Procurement Schedule or whether Project Co requests the Authority to consent to revisions to the Equipment Procurement Schedule, which consent the Authority will not unreasonably withhold or delay;
- (d) the delivery dates for each item procured;
- (e) any authorized or agreed changes in the Equipment List and Equipment Data Sheets since the previous report, and the financial impact of such changes; and
- (f) any commentary on communication methods, the reporting method/approval process, frequency of communication and similar matters regarding Category A Equipment procurement and selection,

and Project Co will provide such reports within 10 Business Days of the effective date of the report.

2.17 Request for Payment Approval

Project Co will provide monthly a request to the Authority for payment approval (the "**Request for Payment Approval**") that will include the following:

- (a) details of all supplier invoices that are due for payment that month, including relevant supporting documentation;

- (b) reconciliation of the Category A Equipment being paid for with the Equipment List;
- (c) evidence that the commitment to purchase each item of Category A Equipment has, where required, been approved by the Authority;
- (d) any discounts, rebates, refunds, chargebacks, credits, price adjustments and other allowances available in connection with the Category A Equipment; and
- (e) the cash flow process with respect to the Equipment Cash Allowance as set out in Section 2.10 of this Appendix.

2.18 Payment Approval

The Authority will, acting reasonably and within 7 days of receipt of a Request for Payment Approval, advise Project Co in writing whether or not payment of the invoices set out in such Request for Payment Approval are approved. If the Authority does not approve payment of any invoice set out in a Request for Payment Approval, the Authority will provide full details-as to the reason for not approving such payment.

2.19 Payment of Approved Invoices

Project Co will, within 7 days of receipt of the Authority's approval of a Request for Payment Approval, as agent for the Authority only for purposes of payment from the Equipment Cash Allowance Account, make payment to the relevant suppliers as set out in the invoices in such Request for Payment Approval.

2.20 Changes

If the Authority increases or decreases the quantities of Category A Equipment, requires the procurement of other items in substitution for such items, or otherwise changes the items to be procured and there is an effect on the Design or Construction, such increase, decrease, requirement or change, and the effect thereof, will constitute a Change. Without duplication of the preceding sentence, if the Authority increases or decreases the total dollar amount of the Equipment Cash Allowance, then any change in direct costs incurred by Project Co (including for insurance) arising from such increase or decrease will constitute a Change.

For greater certainty, the cost of Category A Equipment will be paid from the Equipment Cash Allowance, and accordingly whenever there is a Change, including as described above in this Section 2.20, in relation to the Category A Equipment, the costs of such Change will not include, and margins for overhead and profit will not be calculated on, the amount paid to suppliers of Category A Equipment.

3. CATEGORY B: FURNITURE

3.1 Project Co to Procure Category B Equipment

Project Co will procure, expedite, deliver, unpack and remove packing material, store, offload and handle on the Site, assemble and test, install and commission all Category B Equipment items as specified in the Equipment List and Equipment Data Sheets.

3.2 Submission of Ordering Information to Authority

Project Co will submit to the Authority for review, 30 days prior to the applicable dates indicated in the Equipment Procurement Schedule in the column with the heading "**Order Date**", detailed ordering information including the manufacturer, model number, supplier, specifications, quantities, and details of warranties and spare parts.

3.3 Ordering Information Fails to Meet Specifications

If the information submitted by Project Co to the Authority under Section 3.2 of this Appendix varies from the specifications provided on the Equipment List and the Equipment Data Sheets and the Authority determines that the proposed items of Category B Equipment do not meet the required specifications, the Authority may, no later than 10 Business Days after receiving the information from Project Co pursuant to Section 3.2 of this Appendix, notify Project Co not to proceed with the order until appropriate changes are made to the order. In such a case, Project Co will revise its ordering information for the refused Category B Equipment item(s) until it meets the required specifications. If the parties are unable to come to agreement under this Section 3.3, either Party may refer the matter to be resolved pursuant to the Dispute Resolution Procedure.

3.4 Proceeding With Order

Project Co will proceed with an order if no notice is received from the Authority as set out in Section 3.3 of this Appendix or, if such a notice is received, when the matter has been resolved in accordance with Section 3.3 of this Appendix. Whether or not the Authority provides a notice under Section 3.3 of this Appendix with respect to an order, Project Co will remain responsible to procure, deliver, install and commission all Category B Equipment items as specified in the Equipment List and the Equipment Data Sheets.

3.5 Warranties

Project Co will either:

- (a) ensure that all manufacturer's and supplier's warranties for Category B Equipment items commence no earlier than the Service Commencement Date and are in the Authority's name; or
- (b) transfer to the Authority the benefit of all such warranties effective as of the date the Authority obtains title to the Category B Equipment items (and in any event no later than as of the Service Commencement Date).

The Authority will make available to Project Co the benefit of such warranties to the extent required by Project Co and the Service Provider(s) in connection with the performance of the Services.

3.6 Guidance Material and Manuals

On or before the Service Commencement Date, Project Co will transfer and deliver to the Authority all guidance material and manuals relating to Category B Equipment items as produced and provided by the manufacturer or the supplier of such items.

3.7 Category B Equipment Reports

As of the 1st day of each month and as at Service Commencement Date, Project Co will provide reports to the Authority that include the following information:

- (a) which Category B Equipment item numbers have been procured;
- (b) the projected procurement of remaining Category B Equipment items and whether such procurement will be conducted by the dates indicated in the Equipment Procurement Schedule or whether Project Co requests the Authority to consent to revisions to the Equipment Procurement Schedule, which consent the Authority will not unreasonably withhold or delay;
- (c) the delivery dates for each item of Category B Equipment procured;
- (d) any authorized or agreed changes in the Equipment List and Equipment Data Sheets since the previous report; and
- (e) any commentary on communication methods, the reporting method/approval process, frequency of communication and similar matters regarding Category B Equipment procurement and selection,

and Project Co will provide such reports within 10 Business Days of the effective date of the report.

4. CATEGORY C: IMT/END USE DEVICES

4.1 Authority May Procure Category C Equipment

If the Authority, in its sole discretion, procures and delivers any or all Category C Equipment to the Facility, it will do so on or before the dates shown on the Equipment Procurement Schedule. The items of Category C Equipment shown on the Equipment List are provided for information purposes only and do not obligate the Authority to procure such items.

4.2 Authority Responsibilities for Category C Equipment

The Authority will cause Category C Equipment to be supplied to the Site pre-loaded (meaning that all required hardware and software has been installed), pre-staged (meaning that all pre-loaded hardware and software has been pre-tested), and pre-labeled (meaning that the relevant department and location have been identified). Project Co will not be responsible for any post-delivery configuration of Category C Equipment. The Authority will be responsible for receiving and unpacking, distributing, installing and commissioning the Category C Equipment and any replacement or renewal thereof.

5. CATEGORY D: START UP EQUIPMENT

5.1 Authority May Procure Category D Equipment

The Authority in its sole discretion may procure and deliver any or all Category D Equipment. The items of Category D Equipment shown on the Equipment List are provided for information purposes only and do not obligate the Authority to purchase such items.

5.2 Timing of Delivery of Category D Equipment

Unless:

- (a) required for the commissioning and installation of Equipment that is required to be commissioned as a requirement of Service Commencement; or
- (b) the delivery of such Equipment prior to Service Commencement will not adversely affect Construction,

the Authority will cause Category D Equipment to be delivered to the Site after Service Commencement at times mutually agreeable to the Authority and Project Co, each acting reasonably

5.3 Project Co's Responsibilities for Category D Equipment

Project Co will be responsible at its cost for:

- (a) receiving, unpacking and distributing Category D Equipment delivered in accordance with Section 5.2 of this Appendix;
- (b) installing Category D2b Equipment; and
- (c) maintaining Category D2a Equipment and Category D2b Equipment in accordance with Appendix 4D.

6. GENERAL

6.1 Integration of Equipment with Design of Facility

Project Co will ensure that all Equipment (to the extent that the Authority provides Project Co with detailed equipment data sheets, specifications and information therefor) is integrated in accordance with Good Industry Practice with the overall design of the Facility and will include the Equipment as part of the design development process under Section 5.4 of Schedule 2 [Design and Construction Protocols]. To the extent practicable, any required changes to the design of the Facility as a result of changes to Equipment requirements will be resolved as part of the design development process under Section 5.4 of Schedule 2 [Design and Construction Protocols].

6.2 Equipment Procurement Schedule

The Equipment Procurement Schedule attached as Appendix 2J is preliminary, with the dates set out therein as established by the parties as of the date of this Agreement for the categories of Equipment set out therein, and the Authority and Project Co, both acting reasonably, will within 60 days after the date of this Agreement revise and finalize the Equipment Procurement Schedule in accordance with the following principles:

- (a) in order to take advantage of the most recent technological advances for Category A Equipment, final decisions on the selection of the Category A Equipment, together with any training or service requirements, will not be made by the Authority until as late as possible into the Construction Period;

- (b) Project Co will require adequate time to issue requests for proposals to suppliers, receive proposals, clarify aspects of proposals, and prepare written procurement recommendations to the Authority as contemplated by this Appendix;
- (c) the Authority will require adequate time to evaluate Project Co's procurement recommendations as contemplated by this Appendix;
- (d) the Authority will require the ability to take advantage of bulk or other purchase opportunities advantageous to it;
- (e) Project Co will require the Equipment Procurement Schedule to allow adequate time to achieve the matters contemplated by this Appendix without any adverse effect on Design and Construction (including Design and Construction to accommodate the Category A Equipment) and without any adverse effect on Project Co's ability to achieve Service Commencement by the Service Commencement Date; and
- (f) the Authority will require that procurement where possible be structured and carried out to optimize the benefits of any purchasing leverage available to the parties.

6.3 Equipment Changes

The parties will endeavour to agree to an expedited Change process to deal with Equipment changes.

6.4 Equipment Committee

The parties will establish an Equipment Committee composed of 2 (or any other number agreed between the parties) representatives of each party. The Equipment Committee will meet regularly during the Construction Period (and not less than once per calendar quarter) to review the status of, and to provide advice to the parties with respect to, Equipment procurement, delivery and installation.

6.5 Title

Project Co will cause purchase arrangements for Category A and Category B Equipment to provide for a direct transfer of title to such Equipment from the suppliers to the Authority. Title to Equipment may be reserved by third party unpaid suppliers until the earlier of the date of payment and the Service Commencement Date. Project Co will pay (including as agent for the Authority only for purposes of payment from the Equipment Cash Allowance Account with respect to Class A Equipment) all such unpaid suppliers prior to the Service Commencement Date for amounts owing on outstanding invoices.

6.6 GST and PST

The Authority will be responsible for all GST and PST payable with respect to the procurement of Category A, C and D Equipment. With respect to Category A Equipment, the Authority will pay such amounts directly to Project Co for payment thereof as agent for the Authority only for purposes of payment from the Equipment Cash Allowance Account.

If the Authority provides to Project Co a certification for PST exemption, Project Co will provide such documentation to the suppliers in order to effect the eligible PST exemption. If subsequently it is

determined that such PST is applicable, then the Authority will pay such PST (and any applicable interest and penalties).

6.7 Standards for Equipment

Project Co will cause all Category A Equipment and Category B Equipment procured by Project Co to be:

- (a) new (except for any used items of Category A Equipment transferred by the Authority or others as contemplated in this Appendix);
- (b) of good quality and in a safe, serviceable and clean condition in accordance with the Equipment List, Equipment Data Sheets and Good Industry Practice;
- (c) of the type specified in the Design and Construction Specifications, if applicable; and
- (d) in compliance with all Laws.

Project Co will, as soon as practicable after receiving a request from the Authority, supply to the Authority evidence to demonstrate its compliance with this Section 6.7.

6.8 Maintenance and Life Cycle Responsibilities

Maintenance and life cycle responsibilities for Equipment are set out in Schedule 4 [Services Protocols and Specifications]. For greater certainty, Project Co is not responsible for the life cycle replacement of any Equipment.

6.9 Decommissioning of Equipment at End of Useful Life

The Authority may, at its discretion at the Authority's cost, require Project Co to arrange for the safe disposal of all Equipment at the end of its useful life during the Term in accordance with Good Industry Practice, all Laws and the requirements of Governmental Authorities. Any and all net proceeds of such disposition will, at the Authority's option, either be credited or paid to the Authority.

6.10 Minimizing Disruptions

Project Co will ensure that its procurement, delivery, installation, commissioning, maintenance, repair, decommissioning, upgrade and replacement of Equipment as required under this Agreement will be effective and efficient so as to minimize to the greatest extent reasonably possible all disruptions of Authority Activities and any additional costs to the Authority.

6.11 Training

For and in respect of each item of Equipment other than Category A Equipment procured by Project Co, Project Co will provide or at its cost arrange for adequate, appropriate and timely training in the item's proper operation and maintenance for all applicable staff of Project Co and the Authority. In addition to all training based on the manufacturer's or supplier's suggested requirements or specified in the Design and Construction Specifications, Project Co will provide such training as may be required by the appropriate governing or regulating body, including Governmental Authorities, or as may be required by a prudent

hospital facility operator or hospital equipment service provider operating and maintaining similar equipment procured for a similar facility in Canada.

For and in respect of Category A Equipment for which Project Co is to provide Plant Services as set out in Appendix 4D, Project Co will procure operator level start-up training, specialized start-up training and start-up "train the trainer" classes that will permit Project Co personnel to perform the Plant Services. The cost of such training will be the responsibility of the Authority and will be paid from the Equipment Cash Allowance in accordance with procurements instructed by the Authority pursuant to Section 2.6 of this Appendix.

6.12 Equipment Commissioning

Project Co will incorporate its Equipment commissioning responsibilities under this Appendix into its commissioning activities for the Facility as contemplated in this Agreement.