

SCHEDULE 7

OPERATION AND MAINTENANCE REQUIREMENTS

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1. INTERPRETATION

1.1 Definitions

In this Schedule, in addition to the definitions set out in Section 1.1 of this Agreement:

"Additional Services" means any services over and above the Operation and Maintenance Services;

"Annual Operation and Maintenance Plan" means the annual plan for Operation and Maintenance as established by the Operation and Maintenance Committee under Section 7.3 of this Schedule;

"Deficiency" means: **DELETED**

"Deficiency Notice" has the meaning given in Section 8.5 of this Schedule;

"Environmental Protocol" means the Environmental Protocol dated July 2000 prepared by Pottinger Gaherty Environmental Consultants Ltd. for Vancouver Hospital & Health Services Centre;

"Expert" has the meaning given in Section 8.2 of this Schedule;

"Facility Users" means any person entitled to enter into and use the Facility or the Site including VCHA, VCHA employees and agents, invitees of VCHA, the tenants/licensees of the Commercial Space and members of the public;

"Five Year Operation and Maintenance Plan" means the five year plan for Operation and Maintenance as established by the Operation and Maintenance Committee under Section 7.2 of this Schedule;

"Operation and Maintenance" means the operation and maintenance of the Facility and the Site and all components and parts thereof (except for the Parking Area, for which Project Co will be responsible for the Life Cycle Requirements only) and satisfaction of the Life Cycle Requirements in accordance with the terms of this Agreement, including routine and preventative cleaning, inspection, maintenance, repair, testing, landscaping, provision of security, and all other such activities on a day to day basis or otherwise, all as required so that the Facility and the Site remain cared for and available without interruption for their Intended Purposes;

"Operation and Maintenance Committee" has the meaning given in Section 6.1 of this Schedule;

"Preliminary Deficiency Notice" has the meaning given in Section 8.3 of this Schedule;

"Service Requirements" means the requirements set out in Table A to this Schedule; and

"Warning Notice" has the meaning given in Section 8.8 of this Schedule.

2. STANDARD OF PERFORMANCE

2.1 Applicable Standards

Project Co will, at all times and at any time during the Operational Term and in all respects, meet all obligations and provide the Operation and Maintenance Services as required under this Schedule so as to meet the following standards:

- (a) Knowledgeable Owner: subject to normal wear and tear, Project Co will operate and maintain the Facility and the Site to the standards of a prudent long term owner of a comparable ambulatory care facility in North America and comparable buildings in Vancouver, taking into account the age and use of the comparable facility; and
- (b) Published Standards: any reference to a published standard in this Schedule will be deemed to be a reference to the latest edition of such standard provided that any change in the published standard as at the date of Financial Close will constitute a Variation. In addition, the term "published standard" will include the "VGH Academic Ambulatory Care Centre non M&E Finishes" dated October 30, 2003 and the "Architectural, Structural and Landscape Performance Specification" dated October 8, 2003.

2.2 Service Requirements

Attached as Table A to this Schedule 7 are service requirements which, when met, the parties agree satisfy the standard of performance under this Agreement for response time and resolution time with respect to Operation and Maintenance Services referred to therein. Table A is not intended as an exhaustive list of all of Project Co's service obligations under this Agreement, and a service activity required to meet the standard of performance described under Section 2 of this Schedule that is not specifically listed in Table A will not be a Variation.

3. OPERATION AND MAINTENANCE

3.1 Project Co to Undertake Operation and Maintenance

Project Co will, commencing on the Substantial Completion Date and continuing during the Operational Term, undertake and provide all Operation and Maintenance Services:

- (a) for all common areas of the Facility and the Site;
- (b) for the VCHA Space, in accordance with and subject to the terms of this Agreement;
- (c) for the Parking Area, in accordance with Section 3.2 of this Schedule 7;
- (d) for the Teaching Clinic Space, in accordance with and subject to this Schedule 7 and Schedule 8 and any agreements Project Co enters into in accordance with the terms of this Agreement with respect to the Teaching Clinic Space; and

- (e) for the Commercial Space, in accordance with and subject to the terms of the agreements Project Co enters into in accordance with the terms of this Agreement with respect to the Commercial Space.

3.2 Operation and Maintenance of the Parking Area

Project Co will not be required to provide any Operation and Maintenance Services in respect of the Parking Area, except to the extent that those Operation and Maintenance Services relate directly to the Life Cycle Requirements. For greater certainty, except with respect to Life Cycle Requirements, VCHA will be fully responsible for the Parking Area and the Parking Business (including retaining any operator and any other services contractor therefor).

3.3 Operate for Benefit of Facility Users

Subject to the terms and conditions of each of the VCHA Sublease and the agreements Project Co enters into with respect to the Commercial Space and the Teaching Clinic Space, Project Co will operate the Facility so as at all times to accommodate the Intended Purposes and for the benefit of the Facility Users.

3.4 Hours of Operation

Project Co will operate the Facility throughout the Operational Term so that it is available for the Intended Purposes by the Facility Users during Normal Business Hours.

3.5 Corrections and Repairs

If at any time during the Operational Term:

- (a) for any reason any element of the Facility or Site requires Correction or Repair;
or
- (b) a defect, deficiency or fault is discovered in a Renovation,

then Project Co will at its own cost and expense, and without cost or expense to VCHA (except as set out below), undertake the Correction or Repair or undertake to remedy the defect, deficiency or fault in the Renovation, in each case, in a timely way, in accordance with the requirements of this Agreement, and in a manner that minimizes to the extent reasonably possible the interference to or effect on the Facility Users.

If a Repair (other than normal wear and tear) is required as a result of an act or omission of VCHA or any person for whom VCHA is responsible at law, then Project Co will remain obligated to complete the Repair but the cost and expense of such Repair will be paid by VCHA within 30 days of receipt of an invoice from Project Co.

3.6 Application of Design and Construction Requirements

Project Co will undertake all Corrections and Repairs so that they comply with the Design and Construction Requirements.

3.7 Life Cycle Works

Project Co will carry out the Life Cycle Works in respect of each Life Cycle Component, and will ensure that each Life Cycle Component is supplied, installed, constructed and commissioned:

- (a) so as to be operational and fit for the Intended Purposes;
- (b) in a manner which is consistent with, and so as to enable achievement of, the Service Requirements;
- (c) using good design and construction practices and to the standards described in Section 2.1; and
- (d) in a manner which, except to the extent otherwise provided under this Agreement, allows the Facility to remain operational and open to the general public during the Normal Business Hours and minimizes as far as reasonably practicable any disruption to the Facility Users.

3.8 Additional Services

VCHA may request Project Co to provide or cause to be provided Additional Services to the VCHA Sublease Premises through the Small Works or Variation mechanisms, as the case may be, set out in Schedule 17 of the Project Agreement, or such other mechanism agreed by the parties from time to time, acting reasonably.

4. USES OF THE FACILITY

4.1 Intended Purposes

Subject to the terms and conditions of the Leases, neither Project Co nor VCHA will use the Facility for any purpose not included or described in the Intended Purposes.

5. CHANGES TO THE FACILITY

5.1 Operation and Maintenance Efficiencies

Project Co will throughout the Operational Term review the Facility and its components to look for and consider improvements of any kind or nature that might reduce the Operation and Maintenance cost, with particular reference to events such as required Repairs when new technology, systems or other changes might offer savings.

5.2 Programming Improvements

Project Co, with VCHA, will, throughout the Operational Term, undertake a review of the Intended Purposes and the programming in the Facility and where appropriate include the involvement of healthcare programmers in such review, and offer suggestions for improvements to the efficient use of the Facility, considering experiences and practices of other similar facilities.

5.3 Renovations

Any Renovations to the Facility will not be undertaken by Project Co until Project Co and VCHA have agreed to the terms and conditions of such Renovations (including payment therefor and timing thereof) through the Variations procedure set out in Schedule 17.

5.4 Variations

All Variations will be governed by Schedule 17.

6. OPERATION AND MAINTENANCE COMMITTEE

6.1 Establishment

Prior to the Substantial Completion Date, VCHA and Project Co will establish and maintain throughout the Operational Term a joint liaison committee (the "**Operation and Maintenance Committee**") consisting of two members, one appointed by each of VCHA and Project Co. The purpose of the Operation and Maintenance Committee is to provide a formal forum for the parties to consult and cooperate in all matters relating to the Facility during the Operational Term.

6.2 Authority of the Operation and Maintenance Committee

The Operation and Maintenance Committee:

- (a) will only have the authority as expressly delegated to it by VCHA and Project Co, and both parties will give reasonable consideration to delegating appropriate authority to permit efficient decision making with respect to the Facility and the Site;
- (b) may make recommendations to the parties on all matters relating to the Facility and the Site, which the parties may accept or reject in their complete discretion; and
- (c) will have no authority to agree to any amendment to the Agreement whatsoever.

6.3 Appointment, Change and Alternates

At any time, the members of the Operation and Maintenance Committee may vary as follows:

- (a) at any time a member may, in writing, authorize an alternate to attend an Operation and Maintenance Committee meeting as a temporary substitute; and
- (b) either party may, at any time by notice delivered to the other party, change its appointed member.

6.4 Procedures and Practices

Subject to the provisions of this Agreement, the members of the Operation and Maintenance Committee may adopt such procedures and practices for the conduct of the activities of the Operation and Maintenance Committee as they consider appropriate from time to time and:

- (a) may invite to any meeting of the Operation and Maintenance Committee such other (non voting) persons as a member may decide; and
- (b) receive and review a report from any person agreed by the members of the Operation and Maintenance Committee.

6.5 Voting

Recommendations and other decisions of the Operation and Maintenance Committee must be unanimous.

6.6 Convening of Meetings

The Operation and Maintenance Committee will meet at least once each quarter (unless otherwise agreed by its members) and from time to time as necessary. Any member of the Operation and Maintenance Committee may convene a meeting of the Operation and Maintenance Committee at any time. Meetings of the Operation and Maintenance 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.

6.7 Telephone Meetings

Where the Operation and Maintenance Committee decides it is appropriate, meetings may also be held by telephone or another form of telecommunication, by which each participant can hear and speak to all other participants at the same time.

6.8 Minutes

Minutes of all recommendations (including those made by telephone or other form of telecommunication) and meetings of the Operation and Maintenance Committee will be kept by Project Co and copies circulated promptly to the parties, normally within five Business Days of the making of the recommendation or the holding of the meeting. A full set of minutes will be open to inspection by either party at any time, upon request.

7. MAINTENANCE PLANS

7.1 Commissioning and Startup Plans

The Operation and Maintenance Committee will, not less than three months prior to the estimated Substantial Completion Date, meet with VCHA's Representative and Project Co's Representative to review:

- (a) the Project records described in Schedule 4;
- (b) any required commissioning and start up steps and procedures and transitioning requirements for the equipment in the Facility;
- (c) all warranties for the Facility or equipment or component in the Facility, including any inspections or tests that may be required; and
- (d) the Life Cycle Report.

7.2 Five Year Operation and Maintenance Plans

The Operation and Maintenance Committee will establish Five Year Operation and Maintenance Plans as follows:

- (a) Initial Plan: not later than three months prior to the commencement of the Operational Term, the Operation and Maintenance Committee will, based on the material described in Section 7.1 of this Schedule, establish the Five Year Operation and Maintenance Plan for the first five Contract Years (or portion thereof in the case of the first Contract Year) of the Operational Term; and
- (b) Annual Review and Update: at least once per Contract Year, before the end of the Contract Year, the Operation and Maintenance Committee will review the existing Five Year Operation and Maintenance Plan and, considering Life Cycle Requirements, cost of the Operation and Maintenance Services, improvements to the Facility as may be recommended under Section 5.2 of this Schedule, or Renovations that may be considered under Section 5.3 of this Schedule, establish an up-dated Five Year Operation and Maintenance Plan for the ensuing five Contract Year period. To assist proper planning and continuity, in the last five Contract Years of the Operational Term, the Five Year Operation and Maintenance Plan will continue to include the ensuing five years, which will include periods of time after the completion of the Term.

7.3 Annual Operation and Maintenance Plan

The Operation and Maintenance Committee will establish Annual Operation and Maintenance Plans as follows:

- (a) prior to the Substantial Completion Date, the Operation and Maintenance Committee will establish the Annual Operation and Maintenance Plan covering the balance of the Contract Year in which the Substantial Completion Date occurs as well as the next ensuing Contract Year, based on the material described in Section 7.1 of this Schedule; and
- (b) thereafter, in the last quarter of each Contract Year the Operation and Maintenance Committee will establish the Annual Operation and Maintenance Plan for the next Contract Year, taking into account the then current Five Year

Operation and Maintenance Plan and any circumstances in the Facility or at the Site that require attention (subject to the terms of this Agreement).

7.4 Environmental Management Plans

The Operation and Maintenance Committee will establish environmental management plans, as contemplated by the Environmental Protocol:

- (a) for the Site; and
- (b) for the VCHA Sublease Premises specifically.

For this purpose, Project Co will prepare drafts of such plans in a timely way so that they may be settled and approved by the Operation and Maintenance Committee prior to the Substantial Completion Date.

7.5 Life Cycle Report

No later than the fifth anniversary of the Substantial Completion Date and every five years thereafter, the Operation and Maintenance Committee will review and, if appropriate, update the Life Cycle Report to:

- (a) identify the current condition and project the remaining life expectancy of major elements of the Facility; and
- (b) make recommendations on the most advantageous steps to be taken, considering efficient use of the Facility and cost to maintain the Facility.

8. COMPLIANCE

8.1 VCHA's Right of Access

VCHA may, at all reasonable times during the Operational Term and on reasonable prior notice to Project Co, inspect the Facility (including carrying out sample checks) and any Renovations, Corrections or Repairs Project Co undertakes on the Facility, so as to confirm:

- (a) the adequacy of the supervision by Project Co of any Operation and Maintenance; and
- (b) that the terms of this Agreement are being met with respect to Operation and Maintenance.

VCHA may at any time and at its own cost appoint an agent or contractor for the purposes of carrying out any such inspection.

Any such inspection will be for the benefit of VCHA only, and VCHA will be under no duty to Project Co to undertake any inspection. Following any such inspections, VCHA will advise Project Co of any matters for which it believes a Correction or Repair is required and may (but is not obligated to) include suggestions or recommendations of the proposed work relating thereto.

In no event will any such suggestions or recommendations relieve Project Co of its obligations to provide Operation and Maintenance Services as described in this Agreement.

VCHA's access rights set out in this Section 8.1 will be subject to:

- (a) the terms and conditions of any leases or other agreements relating to the Commercial Space;
- (b) compliance by VCHA, or any agent or contractor appointed by VCHA, with all relevant safety procedures; and
- (c) VCHA taking all reasonable care to ensure that it, or its agent or contractor, does not adversely interfere with the Operations and Maintenance or the activities of any other party at the Facility.

8.2 Dispute Regarding Correction or Repair – Appointment of Expert

If at any time:

- (a) Project Co disputes VCHA's assertion that a Correction or Repair is required (or the extent of the work proposed by VCHA relating thereto); or
- (b) VCHA disputes the necessity for, or the remedial steps proposed by Project Co relating to, a Correction or Repair,

then the party in disagreement will so advise the other party in writing. In the case of such dispute, Project Co and VCHA will appoint, within 10 Business Days after notice is received by Project Co or VCHA, as the case may be, an independent qualified expert ("**Expert**") to make a determination as to whether the requirement for Correction and Repair exists (based upon the Design and Construction Requirements) and the work required to complete such Correction or Repair. If the Expert makes a determination in favour of VCHA, then the cost of the Expert will be borne by Project Co and Project Co will, if applicable, use all commercially reasonable efforts to undertake the Correction or Repair within the time period set by the Expert; alternatively, if the Expert makes a determination in favour of Project Co, then the cost of the Expert will be borne by VCHA. The determination made by the Expert is not binding on the parties and may be submitted to the Dispute Resolution Procedure if either party is not satisfied, acting reasonably, with such determination.

8.3 Preliminary Deficiency Notice

If at any time during the Operational Term VCHA identifies a Deficiency, then VCHA's Representative may (but will not be obligated to) give Project Co's Representative, with a copy to the Services Contractor, written notice (a "**Preliminary Deficiency Notice**") describing the Deficiency and VCHA may include in such Preliminary Deficiency Notice a demand for specified reasonable remedial action.

8.4 Project Co to Correct

Upon Project Co's receipt of a Preliminary Deficiency Notice:

- (a) if the Deficiency constitutes, or occurs in the context of, an Emergency, then, without prejudice to Project Co's right to have any matter related to the Preliminary Deficiency Notice determined pursuant to the Dispute Resolution Procedure, Project Co will remedy the Deficiency as contemplated in Table A to this Schedule;
- (b) if the Deficiency does not constitute or does not occur in the context of an Emergency then Project Co may within three Business Days from Project Co's receipt of a Preliminary Deficiency Notice deliver to VCHA's Representative a written objection to the Preliminary Deficiency Notice. Any objection will immediately be referred to the Operations and Maintenance Committee for consideration, but if the Deficiency itself or the manner of dealing with the issue described in the Preliminary Deficiency Notice is not completely agreed to within 10 Business Days of VCHA's receipt of Project Co's objection then either party may refer the matter to be settled pursuant to the Dispute Resolution Procedure and, pending resolution, VCHA will not issue a Deficiency Notice in respect thereof; or
- (c) if the Deficiency does not constitute or does not occur in the context of an Emergency and Project Co has not delivered a written objection under Section 8.4(b), then:
 - (1) Project Co may, within 10 Business Days of its receipt of the Preliminary Deficiency Notice, submit to the VCHA Representative a reasonable program (set out, if appropriate, in stages) for remedying the Deficiency. The program will specify in reasonable and sufficient detail the manner in, and the latest date by, which the Deficiency will be remedied;
 - (2) VCHA will have five Business Days from receipt of the program within which to notify Project Co that VCHA (acting reasonably) does not accept the program, failing which VCHA will be deemed to have accepted the program;
 - (3) upon the acceptance or deemed acceptance of the program by VCHA, Project Co will proceed diligently to remedy the Deficiency in accordance with the program, incorporating requests and suggestions from VCHA acting reasonably; and
 - (4) if VCHA notifies Project Co that it does not accept the program as being reasonable and sufficient, the parties will endeavour within the following five Business Days to agree to any necessary amendments to the program, but if a revised program is not completely agreed to within such

five Business Days then either party may refer the matter to be settled pursuant to the Dispute Resolution Procedure.

In the event of an Emergency, or at any time after a matter has been referred to the Dispute Resolution Procedure under this Section 8.4, VCHA may deliver written notice to Project Co directing Project Co to remedy the Deficiency in a timely manner. Such notice and Project Co's compliance therewith will be without prejudice to Project Co's right to have any matter related to the notice determined by the Dispute Resolution Procedure. If the outcome of the Dispute Resolution Procedure is that there was no Deficiency, then VCHA will be responsible (i) for its own costs and any damages resulting from VCHA taking any steps under this Section 8.4, and (ii) to Project Co for all costs and damages reasonably incurred by Project Co as a result of any steps taken by Project Co or VCHA in response to the direction from VCHA.

During the period when any Deficiency exists and is being cured or is being disputed pursuant to this Section 8.4, the parties will continue to satisfy all of their respective obligations under this Agreement (including the payment obligations of VCHA).

8.5 Deficiency Notice

If:

- (a) in the event of an Emergency, Project Co does not remedy the Deficiency through immediate and diligent action as required by Section 8.4(a);
- (b) Project Co puts forward a program pursuant to Section 8.4(c) which has been accepted (or deemed to be accepted) by VCHA or has been determined to be reasonable and Project Co fails to achieve any material element of the program or the end date of the program (subject to any extensions granted by VCHA, acting reasonably);
- (c) Project Co fails or refuses to proceed with VCHA's direction to remedy the Deficiency delivered in accordance with Section 8.4; or
- (d) Project Co does not put forward a program pursuant to Section 8.4(c) in response to a Preliminary Deficiency Notice and the Deficiency in question has not been remedied within 10 Business Days following receipt by Project Co of the Preliminary Deficiency Notice;

then VCHA may give to the Project Co Representative a written Deficiency notice (a "**Deficiency Notice**") with a copy to the Services Contractor.

8.6 VCHA Remedial Action

Upon the delivery of a Deficiency Notice to the Project Co Representative, VCHA may give a further written notice to Project Co, without prejudice to any other express rights of VCHA under this Agreement:

- (a) advising that VCHA will remedy the Deficiency;

- (b) a description of the remedial action VCHA will take; and
- (c) VCHA's estimated cost to complete such action,

following which VCHA may take or cause to be taken such action without any requirement for further notice or delay. Project Co may inspect any such remedial action undertaken by VCHA at any time including during the performance of the remedial action.

8.7 Payment for VCHA Remedial Action

Project Co will pay VCHA an amount equal to **DELETED** of the reasonable direct costs incurred by VCHA to complete the remedial action contemplated in Section 8.6 of this Schedule. VCHA will invoice Project Co for any and all amounts due to VCHA under this Section. Project Co will pay the amounts set out in such invoices within 30 days of its receipt thereof. If Project Co does not reimburse VCHA for such amounts within the 30-day period, VCHA will be entitled to set off such amounts against amounts owing by VCHA under this Agreement or the Leases (except as otherwise set out herein). Any dispute related to this Section will be settled pursuant to the Dispute Resolution Procedure.

8.8 Warning Notices

Without prejudice to any other express rights of VCHA under this Agreement, including, without limitation VCHA's right as provided under Section 8.6 of this Schedule, if at any time Project Co has been subject to 2 or more Deficiency Notices in any one calendar month or 6 or more Deficiency Notices in any 12 month period, then VCHA may give notice (a "**Warning Notice**") to Project Co, with a copy to the Services Contractor, setting out the matter or matters giving rise to such notice and containing a reminder to Project Co of the implications of such notice. Any such notice will state on its face that it is a "Warning Notice". Project Co may dispute any of the assertions set out in a Warning Notice by way of a notice delivered to VCHA within 15 Business Days of Project Co's receipt of the Warning Notice and if it does so VCHA will not be entitled to exercise its rights under Sections 15.3 and 15.4 of this Agreement in respect of such disputed Warning Notice until the dispute is resolved in accordance with the Dispute Resolution Procedure.

9. UTILITIES

9.1 Services From Third Parties

Project Co will obtain, at its sole cost and expense, services from independent third parties and service and utility suppliers as required for the Facility with respect to electrical services, water services and such other services and utilities as set out in the Proposal Extracts.

9.2 Utilities

Project Co will promptly pay all charges for water, electricity and such other utilities and services as set out in the Proposal Extracts and used on or in respect of the Site, or any part of the Site, and the Facility, together with all costs and charges for all fittings, machines, apparatus, meters and any other thing leased or supplied in respect of such utilities and services and all costs and

charges for all work and services performed by any person in respect of such utilities and services in respect of the Site and the Facility. VCHA will not be responsible to provide any facilities for the foregoing utilities and services to the Site and the Facility. For greater certainty, steam heat will be provided by VCHA in accordance with Section 13.4(d) of the Building Lease.

10. SECURITY

Project Co will provide reasonable security in respect of the Facility and the Site in accordance with the Proposal Extracts, the standards as described in Section 2 of this Schedule and as required by Law.

11. NUISANCES AND ENVIRONMENTAL MATTERS

11.1 Compliance with Environmental Protocol

Project Co will at all times comply with the Environmental Protocol, including:

- (a) preparing and submitting to the Operation and Maintenance Committee, for its approval, the environmental management plans required by Section 7.4;
- (b) engaging an independent, qualified consultant to conduct a Phase I environmental site assessment of the Site once every three years during the Operational Term; and
- (c) providing to VCHA a copy of each such Phase I environmental site assessment forthwith after receipt of the same.

Any recommendations made by the consultant in the Phase I environmental site assessment will be referred to the Operation and Maintenance Committee for review in accordance with this Schedule.

11.2 Restriction of Use

During the Operational Term and except as set out in the Design and Construction Requirements, the Operation and Maintenance Requirements and Schedule 17 to the Agreement, Project Co will not install, use or store in the Facility, on the Site or adjacent property or into any conducting media servicing or inter-connecting with the Facility, any materials, equipment or apparatus the installation, use or storage of which is likely to cause or in fact causes:

- (a) material damage to the Facility or the Site, or any portion thereof;
- (b) any interference with Facility Users use and enjoyment of the Facility;
- (c) dust, noise or vibration constituting a nuisance to VCHA, the tenants/licensees in the Teaching Clinic Space and the Commercial Space, the general public or the owners or occupiers of any property adjacent to the Facility (with the

determination of nuisance to be made in accordance with the Dispute Resolution Procedure); or

- (d) the generation, accumulation or migration of any Hazardous Substance in contravention of applicable Laws. Without limiting the generality of the foregoing, Project Co will in no event use the Site to dispose of, handle or treat any Hazardous Substances in a manner that, in whole or in part, would cause the Site, or any adjacent property, to become a contaminated site under applicable Laws.

Except for substances or things commonly used or generated in facilities similar to the Facility, Project Co will notify VCHA in writing prior to installing, using or storing, or permitting any person (other than VCHA or any person for whom VCHA is responsible) to install, use or store, any Hazardous Substance in the Facility or on the Site.

11.3 Notification of Non-Compliance

Project Co will promptly notify VCHA in writing:

- (a) of any event that does not comply with its obligations in Sections 11.1 or 11.2;
- (b) a release of a Hazardous Substance or any other occurrence or condition at the Site or any adjacent property, in each case, of which it is aware, which could subject Project Co or VCHA to any fines, penalties, orders or proceedings under applicable Law;
- (c) any charge, order, investigation or notice of violation or non-compliance issued against Project Co or relating to the Facility or its operations at the Site under any applicable Law; and
- (d) any notice, claim, action or other proceeding by any third party against Project Co in respect of the Operation and Maintenance Services or concerning the release or alleged release of any Hazardous Substance at or from the Site.

Project Co will notify the appropriate Governmental Authorities of any release of any Hazardous Substance at or from the Facility or the Site in accordance with applicable Law. Failure by Project Co to do so will authorize, but not obligate, VCHA to notify the Governmental Authorities. Project Co covenants and agrees, at its sole cost and expense, to use all commercially reasonable efforts to ensure that VCHA is not a party to or named on any charge, order, investigation or notice issued against Project Co or relating to the Facility or Project Co's operations at the Site by any appropriate Governmental Authority under applicable Law except where the events or conditions in question are the result of the actions or omissions of VCHA or any person for whom it is in law responsible or the circumstances for the charge, order, investigation or notice pre-dates the Term.

Project Co will take all commercially reasonable efforts to remedy, or to cause to be remedied, any event described above (except where the events or conditions in question are the result of the actions or omissions of VCHA or any person for whom it is in law responsible or the

circumstances for the charge, order, investigation or notice pre-dates the Term) and keep VCHA's Representative informed of all such efforts. VCHA will, subject to the terms and conditions of the Leases and any leases or other agreements relating to the Commercial Space or the Teaching Clinic Space, take all commercially reasonable steps to remedy, or cause to be remedied, any events or conditions which are the result of the actions or omissions of VCHA or any person for whom VCHA is responsible at law or which are the result of circumstances which pre-date the Term, and will keep Project Co's Representative informed of all such efforts.

11.4 Removal of Hazardous Substances

This Section 11.4 is subject to any Hazardous Substances present at, on, under or migrating from the Site as of the date of this Agreement (which will be the sole responsibility of VCHA) and to Section 6.5 of Schedule 4 to this Agreement.

If required by any Governmental Authority pursuant to applicable Law, Project Co will, at its own cost and in accordance with applicable Law, remove or cause to be removed from the Site any and all Hazardous Substances, and remediate or cause to be remediated any contamination of the Site or any adjacent property resulting from Hazardous Substances, in either case brought onto, used at or released from the Site by Project Co or any person for whom it is in law responsible. For greater certainty, the foregoing obligations of Project Co will include the treatment of water (including surface and groundwater) and the remediation by removal of any soils containing Hazardous Substances at levels exceeding the standards set as acceptable at the time of remediation by the applicable Governmental Authority, being with respect to soils, the standard applicable to property used for commercial purposes and with respect to water, as determined by the Governmental Authority given the character and use of water in the area of the Site. Any soil so removed will be promptly replaced by soil free of Hazardous Substances at concentrations above the standard described in the preceding sentence. The timing requirements for Project Co to fulfill its obligations under this paragraph will be determined by an independent, qualified third party.

Project Co will provide to VCHA full information with respect to any remedial work performed pursuant to this Section. Project Co will use a qualified environmental consultant approved by VCHA, acting reasonably, to perform the remediation. Project Co will, at its own cost, obtain such approvals and certificates from the B.C. Ministry of Water, Land and Air Protection (or its successor Ministry) in respect of the remediation as are required under applicable Law, including, if applicable, a certificate of compliance evidencing completion of the remediation satisfactory to the Ministry.

If an independent, qualified consultant reasonably determines that VCHA, its property, its reputation or the Site is placed in any jeopardy by the requirement for any such remedial work, VCHA may, but will be under no obligation to, provide notice to Project Co and undertake itself such work or any part thereof with VCHA's reasonable and direct, out-of-pocket costs and expenses to be paid by Project Co. Such costs and expenses of VCHA to undertake the remedial work will be agreed upon by VCHA and Project Co, each acting reasonably, prior to VCHA undertaking such work or any part thereof. If the parties are unable to agree upon such

costs and expenses, then the matter will be determined in accordance with the Dispute Resolution Procedure.

11.5 Ownership of Hazardous Substances

Subject to any Hazardous Substances present at, on, under or migrating from the Site as at the date of this Agreement (which will be the sole responsibility of VCHA) and to Section 6.5 of Schedule 4 to this Agreement, any Hazardous Substance or material or good containing a Hazardous Substance brought onto, used at or released from the Site by Project Co or any person for whom it is in law responsible, or any top soil, earth or other material containing a Hazardous Substance removed from the Site by Project Co or any person for whom it is in law responsible, will be and remain the sole and exclusive property and responsibility of Project Co and will not become the property of VCHA, notwithstanding the degree of its affixation to the Site and notwithstanding the expiry or earlier termination of this Agreement.

11.6 Delivery of Reports

In addition to the Phase I environmental site assessments delivered by Project Co to VCHA in accordance with Section 11.1(c) of this Schedule, Project Co will provide to VCHA a copy of any environmental site investigation, assessment, audit or report relating to the Site conducted by or for Project Co at any time before, during or after the Operational Term.

11.7 Confidentiality of Environmental Reports

Except as set out in this Schedule 7, each party will treat all environmental site investigations, assessments, audits and reports relating to the Facility and the Site as Confidential Information and will comply with their obligations relating thereto in accordance with Section 19 of this Agreement.

12. INSURANCE

Throughout the Operational Term, Project Co will at its own cost obtain and maintain the policies of insurance set out in Schedule 14 (other than Sections 1 and 2 of Schedule 14, which Sections are applicable for that portion of the Term prior to the Operational Term only).

13. RECORDS AND REPORTS

Throughout the Operational Term, Project Co will retain and maintain all records and reports described in Schedule 10 in the manner described therein.

TABLE A
SERVICE REQUIREMENTS

Without limiting any other requirement of this Agreement, the Operation and Maintenance Services will be undertaken to meet the following performance specifications, and Project Co will undertake inspections of the Facility at appropriate intervals during the Operational Term to be satisfied that these specifications are at all times being met.

The response times noted in this Table A will commence upon notice being delivered to Project Co. Despite using commercially reasonable efforts, if Project Co is unable to resolve an issue within the resolution time noted below, then Project Co may present to VCHA a cure plan for acceptance by VCHA, acting reasonably.

The "resolution" of a Service Deficiency will include, when necessary, any measure which, on a short term basis, remedies the Deficiency.

In the case of an Emergency, Project Co will respond to the Deficiency through immediate and appropriate action. Project Co will proceed diligently and will use commercially reasonable efforts to remedy the Deficiency as quickly as reasonably possible and, in any event, within the resolution time noted below for the relevant Facility component.

Facility Component	Description of Service Level	Response Time	Resolution Time
Structural Framework, Building Envelope	Structural framework and building envelope are secure and sound and free of any material cracks, blemishes, staining, water penetration, vegetation or other organic growth.	DELETED	DELETED
External Doors & Windows	Doors and windows of Facility operate free from noise and are fully functioning, weather-resistant, heat-loss resistant, easily operable by Facility Users (including disabled users), safe, secure and attack resistant.	DELETED	DELETED
Water Supply System	Water supply to the Facility is uninterrupted, leak free, free from contamination and delivered at the system's designed pressure and temperature.	DELETED	DELETED
Sewerage Systems	Sewerage systems to be leak free, connected to the City of Vancouver systems as required by City bylaw.	DELETED	DELETED
Drainage System	Above and below ground drainage system collects and removes or redirects from the Facility and the Site all drainage water, including surface and sub-surface water without inconvenience or loss of full functionality of the Facility or the Site. The systems are to be all times self-contained and cause all such water to be free-flowing and free of: accumulated debris, ponding, leaks, odours, vibration, noise and pests.	DELETED	DELETED

Facility Component	Description of Service Level	Response Time	Resolution Time
Internal Walls and Doors	Internal ceilings, walls, partitioning, doors and floors will be structurally sound, stable, safe, secure, draught-free, easily operable by all Facility Users and free from visible damage and excessive wear	DELETED	DELETED
Internal Decorations and Finishes	Internal decorations and finishes, including ceilings, walls and floors, will be stable and firmly fixed, free from visible damage and excessive wear and all replacements to decorations and finishes will be, at a minimum, of consistent quality finish and design.	DELETED	DELETED
Vertical Transportation	Elevators function without interruption (subject to schedule maintenance), inspected and maintained in accordance with manufacturer's recommendations.	DELETED	DELETED
Lighting	<p>Internal areas will meet the following lighting levels:</p> <ul style="list-style-type: none"> • Office Accommodation – 400 lux at working plane • Conference Facility – 400 lux • Amenity Areas – 150 lux • WCs and Corridors – 150 lux <p>All light fittings, controls and switches will be fully functioning, safe, securely fixed and free from damage.</p> <p>External lighting to meet design intent.</p>	DELETED	DELETED
Fire Detection and Protection	Fire alarm systems and sprinkler systems are inspected and maintained to prove they are functional.	DELETED	DELETED
Janitorial Services	<p>Janitorial Services will meet all of the following standards: Health Canada "Infection Control Guidelines", U.S. Department of Health and Human Services Centre for Disease Control "Guideline for Hand Washing and Hospital Environment Control", Joint American Health Care Organization Standards, Department of Human Services & Infection Control (Australia)</p> <p>Cleaning schedules and methods will vary according to the area of the Facility, type of program being serviced, the types of surfaces and the amount and type of soil present. The following is a non-inclusive categorization of areas of the Facility:</p> <p>Group 1 [office areas, (including administrative, common, reception areas), servicing areas, (including shipping, storage, mechanical areas)]</p> <p>Group 2 (outpatient care units, diagnostics, cafeteria and kitchens, laboratories, radiology, physiotherapy, respiratory services, laboratories, microbiology, pharmacy outpatient blood collection areas)</p>	DELETED	DELETED

Facility Component	Description of Service Level	Response Time	Resolution Time
	Group 3 (treatment areas) Group 4 (sterile supply, invasive clinics, operating rooms, pharmacy administration areas)		
Occupant Comfort		DELETED	DELETED