

## SCHEDULE 8

### TEACHING CLINIC SPACE

#### 1. DEFINITIONS AND INTERPRETATION

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

- (a) **"Integrated Academic Space"** has the meaning given to it in Section 2.3 of this Schedule;
- (b) **"Licensing Plans"** means the floor plans to be developed during the Design and User consultation process indicating the intended uses for the different portions of the floors of the Facility, including those areas which will be Teaching Clinic Space and Integrated Academic Space;
- (c) **"Teaching Clinic Space"** means any portion of the Building that is licensed or sub-leased by VCHA to any physician or any other approved occupant, either on an individual or on a group practice basis, for the purpose of undertaking integrated teaching and clinical activities; and
- (d) **"UBCFM"** means the University of British Columbia Faculty of Medicine.

1.2 The provisions of this Schedule do not limit any other obligation of Project Co or VCHA pursuant to this Agreement.

#### 2. OBLIGATIONS

##### 2.1 Project Co to Manage

Project Co will manage the Teaching Clinic Space on behalf of, and as agent for, VCHA, diligently and in an economical and efficient manner, including:

- (a) using reasonable commercial efforts to license (using a standard form of licence agreement satisfactory to VCHA and Project Co., each acting reasonably) physicians and other occupants for the Teaching Clinic Space for the Intended Purposes, or such other purposes agreed by the parties, acting reasonably;
- (b) licensing physicians in group practices as much as possible;
- (c) supervising occupant fit-up and interface with occupants to facilitate move-in;
- (d) identifying (including by posting appropriate signage) the Integrated Academic Space as reasonably required by VCHA;

provided that:

- (e) Project Co will determine the licence fee rates and other commercial terms applicable to the licences;

- (f) Project Co will be entitled to offer physicians who licence space in the Building a monthly parking space at a price equal to the prevailing monthly parking rates from time to time for the Parking Area.

## 2.2 Licensing Plans

- (a) As part of the Design process, Project Co and VCHA will jointly develop the Licensing Plans. Subject to 2.2(c) the Licensing Plans will allow for Teaching Clinic Space of at least 75,000 square feet of rentable space;
- (b) VCHA agrees that none of the VCHA Space will be licensed or sub-leased by it for use as Teaching Clinic Space unless it is identified as such on the Licensing Plans;
- (c) Either VCHA or Project Co may request an amendment to any of the Licensing Plans by notice to each other, in which case VCHA and Project Co will consult and, acting reasonably and in good faith, will use all reasonable efforts to agree to any amendment to the Licensing Plans. No amendment to the Licensing Plans will be effective unless agreed to by both parties, and any dispute will be resolved as set out in Dispute Resolution Procedure;
- (d) If under 2.2(c) the parties agree, or it is determined through Dispute Resolution Procedure, that there is to be an amendment to the Licensing Plans that will reduce the Teaching Clinic Space below 75,000 square feet of rentable space, VCHA will to pay Project Co an additional periodic license fee, on a square foot basis for each square foot below 75,000, equal to the average gross license fee being received under licences for Teaching Clinic Space entered into in the five year period immediately prior to such amendment to the Licensing Plans; and
- (e) If under 2.2(c) the parties agree, or it is determined through Dispute Resolution Procedure, that there is to be an amendment to the Licensing Plans that will increase the Teaching Clinic Space above 75,000 square feet of rentable space, AHV will manage this additional space in a manner consistent with the existing Teaching Clinic Space without any additional compensation being payable by VCHA.

## 2.3 Integrated Academic Space

Interspersed with the Teaching Clinic Space will be a portion (expected to be initially approximately 60,000 square feet, subject to change as contemplated below) of the VCHA Space (the “**Integrated Academic Space**”) which are provided by VCHA for academic teaching purposes within individual or group physician clinics. The various portions of the Integrated Academic Space will not be contiguous with each other or with other portions of the VCHA Space.

VCHA and Project Co will cooperate in the determination of the location and dimensions of the various portions of the Integrated Academic Space so that those various portions will be contained within premises located in physician practice offices or premises of other health-

related tenants who have sublet premises from VCHA, with the intention that the portions of the Integrated Academic Space contained within such offices will be used by those licensees/subtenants for medical education purposes.

The square footage and locations of the areas within the Facility that are designated as part of the Integrated Academic Space will be changed over the Operational Term, based on a number of factors including technological and pedagogic change, altered functional needs, the evolving teaching and clinical requirements of UBCFM and VCHA as well as Project Co's plans for licensing of the Teaching Clinic Space. Project Co and VCHA will cooperate with each other, both in the initial licensing of the Teaching Clinic Space and in the ongoing operation and licensing of the Teaching Clinic Space, with the intention of ensuring that there are at all times portions of the Facility designated as part of the Integrated Academic Space to serve the desired purpose of having VCHA provide to physicians and other health-related subtenants of VCHA areas within their premises dedicated to medical education purposes, as required by agreement between VCHA and UBCFM.

If VCHA proposes:

- (a) to reduce the Integrated Academic Space by more than 1800 square feet; or
- (b) collect rent or other remuneration for the use of such space separately from the Teaching Clinic Space,

then VCHA must make a Variation Enquiry in respect of any such proposal.

## **2.4 Information**

Each of VCHA and Project Co will provide the other in a timely manner with any and all information relevant or helpful to the coordinated operation of the Teaching Clinic Space with the Integrated Academic Space, including information regarding pending physician and staff departures, recruitment of replacements and related timing.