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EQUIPMENT AND FURNITURE
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APPENDIX 2E

EQUIPMENT AND FURNITURE

1. DEFINITIONS

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

“Acceptance Protocol” has the meaning given in Section 3.1(a)(3) of this Appendix;

“Category A Equipment” means collectively the Category A1 Equipment and the Category A2 Equipment;

“Category A1 Equipment” means the equipment described and listed as “Category A1” in the Equipment List and Equipment Data Sheets (or similar equipment);

“Category A2 Equipment” means the equipment described and listed as “Category A2” in the Equipment List and Equipment Data Sheets (or similar equipment);

“Category B Equipment” means collectively the Category B1 Equipment, the Category B2 Equipment and the Category B3 Equipment;

“Category B1 Equipment” means the equipment described and listed as “Category B1” in the Equipment List and Equipment Data Sheets (or similar equipment);

“Category B2 Equipment” means the equipment described and listed as “Category B2” in the Equipment List and Equipment Data Sheets (or similar equipment);

“Category B3 Equipment” means the equipment described and listed as “Category B3” in the Equipment List and Equipment Data Sheets (or similar equipment);

“Category C Equipment” means the equipment described and listed as “Category C” in the Equipment List and Equipment Data Sheets (or similar equipment);

“Category D Equipment” means the equipment described and listed as “Category D” in the Equipment List and Equipment Data Sheets (or similar equipment);

“Category E Equipment” means collectively the Category E1 Equipment and the Category E2 Equipment;

“Category E1 Equipment” means the equipment described and listed as “Category E1” in the Equipment List and Equipment Data Sheets (or similar equipment);

“Category E2 Equipment” means the equipment described and listed as “Category E2” in the Equipment List and Equipment Data Sheets (or similar equipment);

“Category F Equipment” means collectively the Category F1 Equipment and the Category F2 Equipment;

“Category F1 Equipment” means the equipment described and listed as “Category F1” in the Equipment List and Equipment Data Sheets (or similar equipment);

“Category F2 Equipment” means the equipment described and listed as “Category F2” in the Equipment List and Equipment Data Sheets (or similar equipment);

“Commissioning” means testing and commissioning the equipment or system in accordance with any commissioning requirements set out in this Agreement, all applicable standards and Good Industry Practice, including to ensure that the Equipment is operating in accordance with the manufacturer’s requirements and specifications;

“Delivery” means delivery to the Facility;

“Equipment” means collectively the Category A Equipment, the Category B Equipment, the Category C Equipment, the Category D Equipment, the Category E Equipment and the Category F 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 required pursuant to this Appendix and paid from the Equipment Cash Allowance Account for the purchase of Category A Equipment pursuant to this Appendix;

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

“Equipment Committee” means the committee established pursuant to Section 8.8 of this Appendix;

“Equipment Consultant” means the equipment consultant engaged by Project Co pursuant to Section 8.9 of this Appendix;

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

“Equipment List” means the list of Category A Equipment, Category B Equipment, Category C Equipment, Category D Equipment, the Category E Equipment and the Category F Equipment set out in Attachment 1 to this Appendix;

“Equipment Procurement Schedule” means the schedule attached as Attachment 3 to this Appendix, as updated in accordance with Section 8.5 of this Appendix;

“Installation” means, as applicable, connection to necessary building services, including plumbing, heating, cooling, ventilation and electricity, and connection to necessary communication or network interfaces or devices;

“Procurement” means the management and completion of procurement processes for Project Co Procured Equipment pursuant to Section 3 of this Appendix;

“Project Co Procured Equipment” has the meaning set out in Section 3.1 of this Appendix;

“**Request for Payment Approval**” has the meaning given in Section 3.10 of this Appendix; and

“**Setup**” includes:

- (a) transportation and movement within the Facility from the delivery location to the final installation location;
- (b) placement in the final location within the Facility; and
- (c) any necessary unwrapping, unpacking and assembly.

2. CATEGORY A EQUIPMENT AND CATEGORY B EQUIPMENT

2.1 Category A1 Equipment and Category B1 Equipment

Subject to Section 3.13, Project Co will be responsible for the Procurement, Delivery, Setup, Installation and Commissioning of all Category A1 Equipment and all Category B1 Equipment, but will not be responsible for the maintenance or replacement of any Category A1 Equipment or any Category B1 Equipment.

2.2 Category A2 Equipment and Category B2 Equipment

Subject to Section 3.13, Project Co will:

- (a) be responsible for the Procurement, Delivery, Setup, Installation and Commissioning of all Category A2 Equipment and all Category B2 Equipment; and
- (b) maintain all Category A2 Equipment and all Category B2 Equipment in accordance with Schedule 4 [Services Protocols and Specifications].

Project Co will not be responsible for the replacement of any Category A2 Equipment or any Category B2 Equipment. The Authority will replace all Category A2 Equipment and all Category B2 Equipment in accordance with Good Industry Practice and the time frames specified in the Equipment List.

2.3 Category B3 Equipment

Subject to Section 8.1 of this Appendix, the Authority will, at its cost, be responsible for the procurement, Delivery, Setup, Installation, commissioning, maintenance and replacement of any Category B3 Equipment.

3. PROCUREMENT OF AND PAYMENT FOR CATEGORY A, B1 AND B2 EQUIPMENT

3.1 Solicitation of Proposals

For each item of Category A Equipment, Category B1 Equipment and Category B2 Equipment (the “**Project Co Procured Equipment**”), Project Co will:

- (a) in consultation with the Authority, draft competitive bidding documents, such documents to include:

- (1) specifications for the relevant Equipment;
 - (2) terms and conditions for the relevant equipment purchase contract or purchase order, including training for Authority staff;
 - (3) a protocol for testing the relevant Equipment to demonstrate that it has been installed in accordance with the manufacturer's requirements and is functioning in accordance with the specifications included in the relevant equipment purchase contract or purchase order (an "**Acceptance Protocol**"); and
 - (4) the scope of any Setup or Installation work that the Equipment vendor will perform;
- (b) obtain and submit to the Authority prices sought on a competitive basis from any supplier and for any make or model that will meet or exceed the specifications of the referenced make and model, if any, for that item of Equipment; and
 - (c) issue competitive bidding documents to at least two different suppliers for prices for at least two different makes and models (unless less than two suppliers and less than two models for such Equipment exist), such prices to be on comparable terms and conditions.

Project Co assumes all risk of delays to the Project Schedule caused by late procurement or delivery of any Project Co Procured Equipment, unless such delay is caused or directly attributable to a delay by the Authority or any Authority Person in the approval process pursuant to Section 3.4 of this Appendix.

3.2 Compliance with Trade Agreements

Project Co will comply with the requirements of the Agreement on Internal Trade (including Chapter 5 and Annex 502.4 thereof) and the Trade, Investment and Labour Mobility Agreement 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.

3.3 Project Co Analysis and Recommendations

Based on the proposals received under Section 3.1 of this Appendix, Project Co will provide a written analysis to the Authority for the procurement of each item of Project Co Procured Equipment, which 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 List and the Equipment Data Sheets and recommendation as to which make, model and supplier of the item provides, in Project Co's opinion, the overall best value to the Authority, and any other benefits of the recommended item;
- (d) an analysis of the effect the item will have 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 item 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, including a breakdown of:
 - (1) subject to Section 3.8(b) of this Appendix, any cost to the Authority for any Setup and Installation to be performed by the Equipment vendor; and
 - (2) applicable Taxes,

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 3.3(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) 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;
- (k) the latest date (not to be less than 30 Business Days after receipt by the Authority of the recommendation or such other period as the parties may agree each acting reasonably) by which a final procurement decision on the item is required from the Authority without causing delays to the Construction or Service Commencement or additional costs for that item; and
- (l) if no proposals for items of Project Co Procured 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 analysis and recommendations of Project Co, which Project Co will provide to the Authority as soon as reasonably practicable thereafter.

3.4 Authority Approval

In response to the recommendations for items of Project Co Procured Equipment made by Project Co to the Authority under Section 3.3 of this Appendix, the Authority may, on or before the latest date for such decision as set out in the recommendation pursuant to Section 3.3(k) of this Appendix, do any of the following with respect to 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 8.4 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 Project Co Procured Equipment as unacceptable to the Authority;
- (e) elect to obtain certain items of Project Co Procured Equipment for the Project by obtaining, transferring or relocating existing equipment from the Authority or others; or
- (f) elect to procure directly certain items of Project Co Procured Equipment.

3.5 Project Co To Implement Authority Instructions

Project Co will proceed diligently to implement the Authority's instructions given pursuant to Section 3.4 of this Appendix, including promptly making alternate recommendations for any item the proposed supplier of which has been rejected under Section 3.4(d) of this Appendix.

3.6 Management of Equipment Cash Allowance Account

Project Co will establish the Equipment Cash Allowance Account and will manage all monies deposited in the Equipment Cash Allowance Account by the Authority pursuant to Section 3.7 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 grant to the Authority a first priority security interest in and to the Equipment Cash Allowance Account and the funds deposited therein and will execute all documents reasonably required by the Authority in connection with such security;
- (c) 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 approved by the Authority pursuant to Section 3.11 of 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;
- (d) Project Co will provide a reconciliation of the Equipment Cash Allowance Account to the Authority on a monthly basis;
- (e) 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;

- (f) 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
- (g) 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.

3.7 Deposits to Equipment Cash Allowance Account

The Authority will deposit funds into the Equipment Cash Allowance Account in accordance with the Equipment Procurement Schedule.

Subject to Section 3.9 of this Appendix, the Authority will make deposits into the Equipment Cash Allowance Account if the payment requirements, including applicable Taxes, for procurements approved by the Authority pursuant to Section 3.11 of this Appendix exceed the then balance of the Equipment Cash Allowance Account.

3.8 Minimizing Costs

Project Co will:

- (a) use all reasonable efforts to minimize the cost to the Authority of Project Co Procured Equipment and to conduct its procurement so as to minimize any reasonably avoidable adverse effect on the cost to the Authority of Project Co Procured Equipment;
- (b) ensure that the cost to the Authority of Project Co Procured Equipment includes costs for Setup and Installation performed by the Equipment vendor only to the extent that such Setup or Installation is in the normal scope of the purchase and sale of equipment similar to the Project Co Procured Equipment for a project similar to the Project and is commonly performed by the Equipment vendor; and
- (c) cause all discounts, rebates, refunds, chargebacks, credits, price adjustments and other allowances available in connection with the Project Co Procured Equipment to be attributed solely to and to benefit the pricing of Project Co Procured Equipment.

3.9 Mark-Ups

Project Co agrees that:

- (a) any amount paid from the Equipment Cash Allowance will not include any mark-up for overhead, other costs and profit of Project Co and any other Project Co Person other than the suppliers of Project Co Procured Equipment; and
- (b) there will be no adjustment to the payment out of the Equipment Cash Allowance Account on account of profit, overhead, or other costs associated with procurement, expediting, installation, delivery, unpacking, training, assembling and testing, and commissioning of Project Co Procured Equipment by Project Co and any other Project Co Persons other than the suppliers of Project Co Procured 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.

3.10 Request for Payment Approval

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

- (a) details of all supplier invoices that are due for payment that month, including relevant supporting documentation;
- (b) reconciliation with the Equipment List of the Project Co Procured Equipment for which payment approval is requested;
- (c) any discounts, rebates, refunds, chargebacks, credits, price adjustments and other allowances available in connection with the Project Co Procured Equipment; and
- (d) the cash flow process with respect to the Equipment Cash Allowance as set out in Section 3.6 of this Appendix.

3.11 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 is 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.

3.12 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.

3.13 Responsibility for Authority-Obtained Category A, B1 or B2 Equipment

If the Authority elects to obtain or procure certain items of Project Co Procured Equipment pursuant to Sections 3.4(e) or 3.4(f) of this Appendix:

- (a) as soon as is reasonable practicable after such election, Project Co will advise the Authority:
 - (1) if such Equipment must be installed in the Facility for Project Co to achieve Service Commencement; and
 - (2) if applicable, the date by which such Equipment must be delivered so as not to delay the Design, the Construction, Service Commencement or the Authority's use and occupation of the Facility;

- (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.

3.14 Project Co Procured Equipment Reports

As of the 1st day of each month during the Construction Period 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 costs to the Authority of Project Co Procured Equipment;
- (b) which Project Co Procured Equipment item numbers have been procured and the itemized and aggregate costs to the Authority of such items;
- (c) the projected procurement of remaining Project Co Procured Equipment and the projected effect of such procurement on the Equipment Cash Allowance;
- (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 Project Co Procured Equipment procurement and selection,

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

3.15 Warranties

Project Co will ensure that all manufacturer's and supplier's warranties for all Project Co Procured Equipment:

- (a) commence no earlier than the date of first clinical use of the relevant item of Project Co Procured Equipment; and
- (b) are in the Authority's name.

3.16 Standards for Equipment

Project Co will cause all Project Co Procured Equipment, except Project Co Procured Equipment procured by the Authority pursuant to Sections 3.4(e) or 3.4(f) of this Appendix, to be:

- (a) new;
- (b) of good quality and in a safe, serviceable and clean condition in accordance with Good Industry Practice;
- (c) in accordance with the Equipment List and the Equipment Data Sheets;
- (d) CSA approved; and
- (e) 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 3.16.

3.17 Training

Project Co will cause the relevant equipment vendor to provide appropriate and timely training to Authority staff on the proper use and maintenance of all Project Co Procured Equipment that Project Co installs in the Facility (except for those items of Project Co Procured Equipment that the Authority elects to obtain or procure pursuant to Sections 3.4(e) or 3.4(f) of this Appendix) and will provide sufficient training to the Authority's staff in accordance with Good Industry Practice to enable the Authority and its staff to properly utilize such Project Co Procured Equipment. The Authority will, in consultation with Project Co, schedule all such training activities.

3.18 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 Project Co Procured Equipment items as produced and provided by the manufacturer or the supplier of such items.

3.19 Insurance

As part of the Procurement of Project Co Procured Equipment (except for those items of Project Co Procured Equipment that the Authority elects to obtain or procure pursuant to Sections 3.4(e) or 3.4(f) of this Appendix), Project Co will require the supplier of each item of Project Co Procured Equipment to retain all risks related to such equipment (including replacement thereof in the event of damage or destruction) during the Delivery, Setup, Installation and Commissioning process and until such time as title to the Project Co Procured Equipment passes to the Authority in accordance with Section 8.10(a) of this Appendix.

3.20 No Limitation

Without limiting Sections 2.1 or 2.2 of this Appendix, Project Co Procured Equipment shown on the Equipment List and in the Equipment Data Sheets is not intended to be exhaustive or to be relied upon by Project Co, does not limit the requirements of the Design and Construction Specifications, and provides only an indication of some of Project Co Procured Equipment that the Authority may require.

4. CATEGORY C EQUIPMENT

Subject to Section 8.1 of this Appendix, the Authority will, at its cost, be responsible for the procurement, Delivery, Setup, Installation, commissioning, maintenance and replacement of any Category C Equipment.

5. CATEGORY D EQUIPMENT

Subject to Section 8.1 of this Appendix, the Authority will, at its cost, be responsible for the procurement, Delivery, Setup, Installation, commissioning, maintenance and replacement of any Category D Equipment.

6. CATEGORY E EQUIPMENT

6.1 Category E1 Equipment

The Authority intends that UBC will, but UBC is not obligated to, procure, deliver, setup, install, commission, maintain and replace the Category E1 Equipment.

6.2 Category E2 Equipment

The Authority intends that RMHC will, but RMHC is not obligated to, procure, deliver, setup, install, commission, maintain and replace the Category E2 Equipment.

7. CATEGORY F EQUIPMENT

Project Co's obligations with regard to Category F Equipment are intended to be complimentary to, and will not be interpreted to limit, Project Co's obligations in Schedule 3 [Design and Construction Specifications].

7.1 Category F1 Equipment

Project Co will, at its cost:

- (a) be responsible for the procurement, Delivery, Setup, Installation and Commissioning of any Category F1 Equipment; and
- (b) maintain and replace any Category F1 Equipment in accordance with Schedule 4 [Services Protocols and Specifications].

Refer to Schedule 3 [Design and Construction Specifications] for specifications applicable to furniture, millwork and casework.

7.2 Category F2 Equipment

Project Co will, at its cost, be responsible for the procurement, Delivery, Setup, Installation and Commissioning of any Category F2 Equipment, but will not be responsible for the maintenance or replacement of any Category F2 Equipment.

8. GENERAL

8.1 Authority Not Obligated to Procure Equipment

The Authority intends to procure but, subject to Section 8.4 of this Appendix, the Authority is not obligated to procure the items of Category B3 Equipment, Category C Equipment, Category D Equipment or Category E Equipment shown on the Equipment List.

8.2 Integration of Equipment with Design of Facility

Project Co will ensure that all Equipment is integrated in accordance with Good Industry Practice with the overall design of the Facility and will include such Equipment as part of the design development process described in Section 5.3 of Schedule 2 [Design and Construction Protocols].

8.3 Acceptance Testing of Project Co Procured Equipment

Without limiting Project Co's obligation to Commission Project Co Procured Equipment, Project Co will, to the Authority's reasonable satisfaction, complete all of the aspects of the Acceptance Protocol for each item of Project Co Procured Equipment.

If:

- (a) prior to the Service Commencement Date, Project Co fails to complete any aspect of an Acceptance Protocol for any item of Project Co Procured Equipment; and
- (b) the Authority waives the requirement for Project Co to complete the relevant Acceptance Protocol prior to the Service Commencement Date,

each such failure will be a Deficiency and Section 13.4 of Schedule 2 [Design and Construction Protocols] will apply.

8.4 Changes to the Equipment List

The parties acknowledge that:

- (a) as at the Effective Date, the Equipment List and the Equipment Data Sheets have not been finalized and, during the Construction Period, changes to the Equipment List and/or the Equipment Data Sheets may be requested by the Authority or may occur as part of the design development process described in Section 5.3 of Schedule 2 [Design and Construction Protocols];

- (b) updates to the Equipment List and/or the Equipment Data Sheets may be required from time to time because of manufacturers' or suppliers' changes, including changes to equipment availability, specifications and models, and changes in clinical practice; and
- (c) increases or decreases in the quantities of Equipment, substitution of items on the Equipment List or other changes to the Equipment List and the effects that such changes to the Equipment List or the Equipment Data Sheets may have on the Design or the Construction may result in a net decrease, net increase or no net change in the cost to Project Co to complete the Design and the Construction.

Accordingly, the parties will:

- (d) cooperate to identify no net cost solutions to any proposed changes to the Equipment List or the Equipment Data Sheets;
- (e) endeavour to agree to an expedited Change process to deal with Equipment changes; and
- (f) cooperate to amend the Equipment List or the Equipment Data Sheets so that they are accurate and complete as required for Project Co to proceed with the Design and Construction without delay.

8.5 Equipment Procurement Schedule

The Equipment Procurement Schedule attached as Attachment 3 to this Appendix is preliminary and the parties will, each acting reasonably and within 40 Business Days after the Effective Date, finalize the Equipment Procurement Schedule in accordance with the following principles:

- (a) in order to take advantage of the most recent technological advances for Project Co Procured Equipment, final decisions on the selection of the Project Co Procured 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 competitive bidding documents, receive proposals, clarify aspects of proposals, and prepare written analyses and recommendations for the Authority as contemplated by this Appendix;
- (c) the Authority will require adequate time to evaluate Project Co's analyses and 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 Project Co Procured Equipment) and without any adverse effect on Project Co's ability to achieve Service Commencement by the Target Service Commencement Date; and

- (f) Project Co will, if possible, structure and carry out procurements to optimize the benefits of any purchasing leverage available to the parties.

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 Equipment Procurement Schedule so that it is at all times an accurate, reasonable and realistic representation of Project Co's plans for the procurement of the Project Co Procured Equipment in accordance with the requirements of this Agreement.

8.6 Delivery and Installation Timing

Project Co will:

- (a) as early as practicable in accordance with Good Industry Practice and without limiting any of Project Co's other obligations under this Section 8.6, identify to the Authority:
- (1) each item of Category B3 Equipment, Category C Equipment, Category D Equipment and Category E Equipment, if any, that must be Installed in the Facility for Project Co to achieve ED Opening or Service Commencement;
 - (2) for each item of Category B3 Equipment, Category C Equipment and Category D Equipment, the earliest date when the Facility will be available to the Authority to Install such item;
 - (3) for each item of Category E1, the earliest date when the Facility will be available to UBC to Install such item;
 - (4) for each item of Category E2, the earliest date when the Facility will be available to RMHC to Install such item; and
 - (5) for each item of Category B3 Equipment, Category C Equipment, Category D Equipment and Category E Equipment identified by Project Co under Section 8.6(a)(1) above, if any, the date by which such item must be Installed so as not to delay the Design, the Construction, ED Opening, Service Commencement or the Authority's use and occupation of the Facility;
- (b) as required from time to time until Service Commencement, but no less than once per calendar month, update the information in Section 8.6(a) above so that at all times it is an accurate and reasonable representation of Project Co's plans for the completion of the Design and Construction of the Facility and the availability of the Facility for the Installation of Category B3 Equipment, Category C Equipment, Category D Equipment and Category E Equipment.

The Authority will cause:

- (c) each item of Category B3 Equipment, Category C Equipment and Category D Equipment identified by Project Co under Section 8.6(a)(1) above to be Installed by the date specified by Project Co under Section 8.6(a)(5);

- (d) UBC to Install each item of Category E1 Equipment identified by Project Co under Section 8.6(a)(1) above by the date specified by Project Co under Section 8.6(a)(3); and
- (e) RMHC to Install each item of Category E2 Equipment identified by Project Co under Section 8.6(a)(1) above by the date specified by Project Co under Section 8.6(a)(4).

8.7 Staging and Storage

Project Co:

- (a) will provide a secure, dry space to accommodate staging and storage of any Category B3 Equipment;
- (b) allow Authority representatives to access and work within the space;
- (c) will ensure that the space is heated; and
- (d) provide power to the space and will notify the Authority, in advance, of any power interruptions.

8.8 Equipment Committee

The parties will establish an Equipment Committee composed of 2 (or any other number agreed between the parties) representatives of each party and the Equipment Consultant. 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.

8.9 Equipment Consultant

Project Co will engage an Equipment Consultant experienced with the equipment requirements of healthcare facilities similar to the Facility and experienced with the specification, procurement, installation and commissioning of equipment similar to the Equipment. If, for any reason, the Equipment Consultant resigns or is otherwise unavailable, then Project Co will use all reasonable efforts to retain a replacement with similar expertise and experience to the Equipment Consultant, satisfactory to the Authority acting reasonably. Project Co will not replace the Equipment Consultant without the Authority's consent, acting reasonably.

Project Co will cause the Equipment Consultant to:

- (a) participate in the design development process as described in Section 5.3 of Schedule 2 [Design and Construction Protocols], including to attend relevant consultations with the User Consultation Group and to identify and address issues related to Equipment;
- (b) attend Equipment Committee meetings;
- (c) consult regularly with the Authority throughout the procurement process described in Section 2.3 of this Appendix, including as reasonably requested by the Authority;

- (d) as part of the drafting process, review and provide input on any competitive bidding documents required pursuant to Section 3.1(a) of this Appendix; and
- (e) contribute to and review the analysis and recommendations included in each of Project Co's reports to the Authority pursuant to Section 3.3 of this Appendix.

8.10 Title

Project Co will:

- (a) cause the procurement arrangements for Project Co Procured Equipment to provide for a transfer of title to such Equipment to the Authority immediately upon the later of:
 - (1) the Service Commencement Date; and
 - (2) the date that Project Co completes, in accordance with Section 8.3 of this Appendix, the Acceptance Protocol for the relevant item of Project Co Procured Equipment;
- (b) cause purchase arrangements for Category F Equipment to provide for a transfer of title to such Equipment to the Authority immediately upon the later of:
 - (1) the Service Commencement Date; and
 - (2) the date that Project Co completes the Commissioning for the relevant item of Category F Equipment; and
- (c) pay (including as agent for the Authority only for purposes of payment from the Equipment Cash Allowance Account with respect to Project Co Procured Equipment) all unpaid suppliers prior to the Service Commencement Date for amounts owing on outstanding invoices.

8.11 Minimizing Disruptions

Project Co will ensure that its procurement, Delivery, Setup, Installation, Commissioning, maintenance, repair, decommissioning, upgrading 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.

ATTACHMENT 2
EQUIPMENT DATA SHEETS

[Note: See separate document]