

File No.: 04-1000-20-2018-536

February 4, 2019

s.22(1)

Dear s.22(1)

Re: **Request for Access to Records under the Freedom of Information and Protection of Privacy Act (the "Act")**

I am responding to your request of October 5, 2018 for:

On June 26, 2014, the City of Vancouver transferred to Howe Street Ventures Ltd for \$32,441,621 (1) Lots 1 through 3 of Block 123 District Lot 541, Plan 9587 (2) Lots 4 through 10 of Block 122 District Lot 541, Plan 210, (3) Lot G of Block 122 District Lot 541, Plan 15118, and (4) Lot H Block 122 District Lot 541, Plan 20641 referred to as the Property. Request is for the following:

- 1. A copy of any and all documentation and correspondence regarding the amount of property transfer tax paid on the Property when it was transferred to Howe Street Ventures;**
- 2. A copy of any and all documents such as internal and external emails, internal communications, instructions and draft and final appraisal reports related to establishing the value of the Property, including all communications with the Howe Street Ventures or its related entities;**
- 3. A copy of the purchase and sales agreements related to the Property executed with Howe Street Ventures Ltd.; and**
- 4. A copy of any documents indicating that the City of Vancouver sought competing bids from other buyers for the Property.**

Date Range: January 1, 2010 to October 5, 2018.

All responsive records are attached. Some information in the records has been severed, (blacked out), under s.21(1) of the Act. You can read or download this section here: http://www.bclaws.ca/EPLibraries/bclaws_new/document/ID/freeside/96165_00

Please note that there are no responsive records relating to part one of your request; the purchaser is required to pay property transfer tax and complete all related documentation regarding the transfer of property.

There are also no responsive records in relation to part four of your request, as the City is not required to seek competing bids under the City's direct sale policy. In circumstances where the sale of a City-owned site is essential to a site assembly for a development project, the City may negotiate a direct sale.

The attached responsive records relate to all remaining points of your request.

Under section 52 of the Act, and within 30 business days of receipt of this letter, you may ask the Information & Privacy Commissioner to review any matter related to the City's response to your FOI request by writing to: Office of the Information & Privacy Commissioner, info@oipc.bc.ca or by phoning 250-387-5629.

If you request a review, please provide the Commissioner's office with: 1) the request number (#04-1000-20-2018-536); 2) a copy of this letter; 3) a copy of your original request; and 4) detailed reasons why you are seeking the review.

Yours truly,



Barbara J. Van Fraassen, BA
Director, Access to Information & Privacy

Barbara.vanfraassen@vancouver.ca
453 W. 12th Avenue Vancouver BC V5Y 1V4

*If you have any questions, please email us at foi@vancouver.ca and we will respond to you as soon as possible. Or you can call the FOI Case Manager at 604.871.6584.

Encl.

:kt

**Appraisal of a
Potential Development Site**

located at:

**711 Beach Avenue, 1412 - 1480 Howe
Street, 710 Pacific Street, 1429 & 1410
Granville Street,
Vancouver, BC**

effective date of valuation:

December 2, 2010

prepared for:

City of Vancouver



Fred Mussett, B.Comm., AACI
David Hall, B.Sc., MRICS, RICS, AACI
Rose Wang, B.Comm., AACI
Andrew Blisak, B.Comm., AACI
Melvin Lee, B.Comm., AACI
Shannon Horne, Dipl. M.E.
Julie Chu, B.Comm.
Stuart Carmichael, B.Bus., AACI

Darla Seyler, AACI
Chris Dutton, B.Sc., MRICS, AACI
Philip Law, B.Comm., AACI
Tyra Luchhurst, B.Comm., AACI
Leanne Rolfe
Kirsty Cote
Susan Allford, B.S., AACI
Andrew Wilson, B.Comm., AACI

Alisdair Gordon, BRCI, AACI
John Ho, B.Comm., AACI
Megan McFarlane, B.Comm., AACI
Charmaine Cheng, B.Comm., AACI
Courtney Eyre, B.Sc.
Jeff Loughhead, BA
Paul Marsh, B.Comm.
Hayley Hajas, B.Bus. (Econ.)

CARMICHAEL WILSON PROPERTY CONSULTANTS LTD.

February 22, 2011

Our Reference Number: 9629-1210

City of Vancouver
Real Estate Services
300 – 515 West 10th Avenue
Vancouver, BC

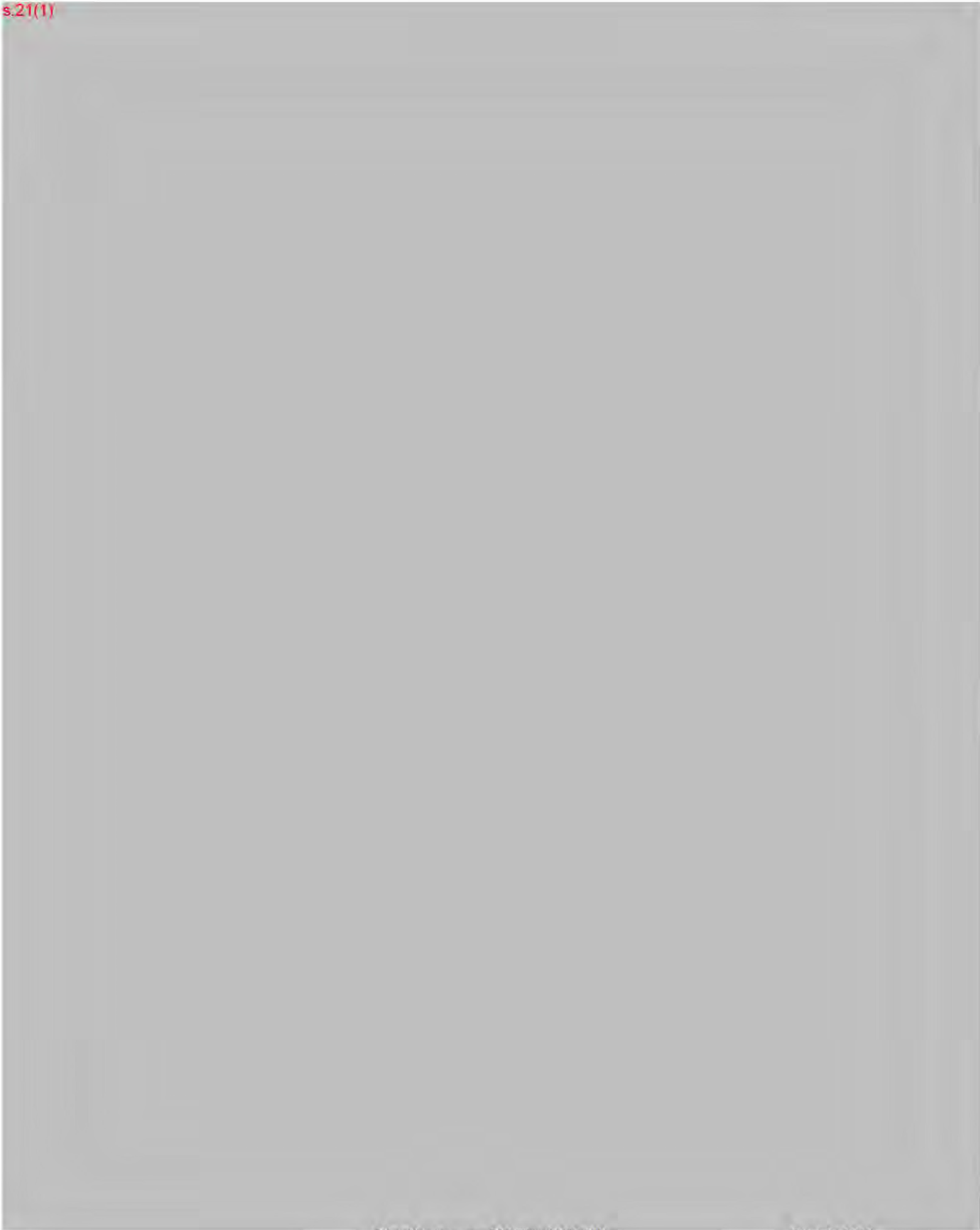
s.21(1)

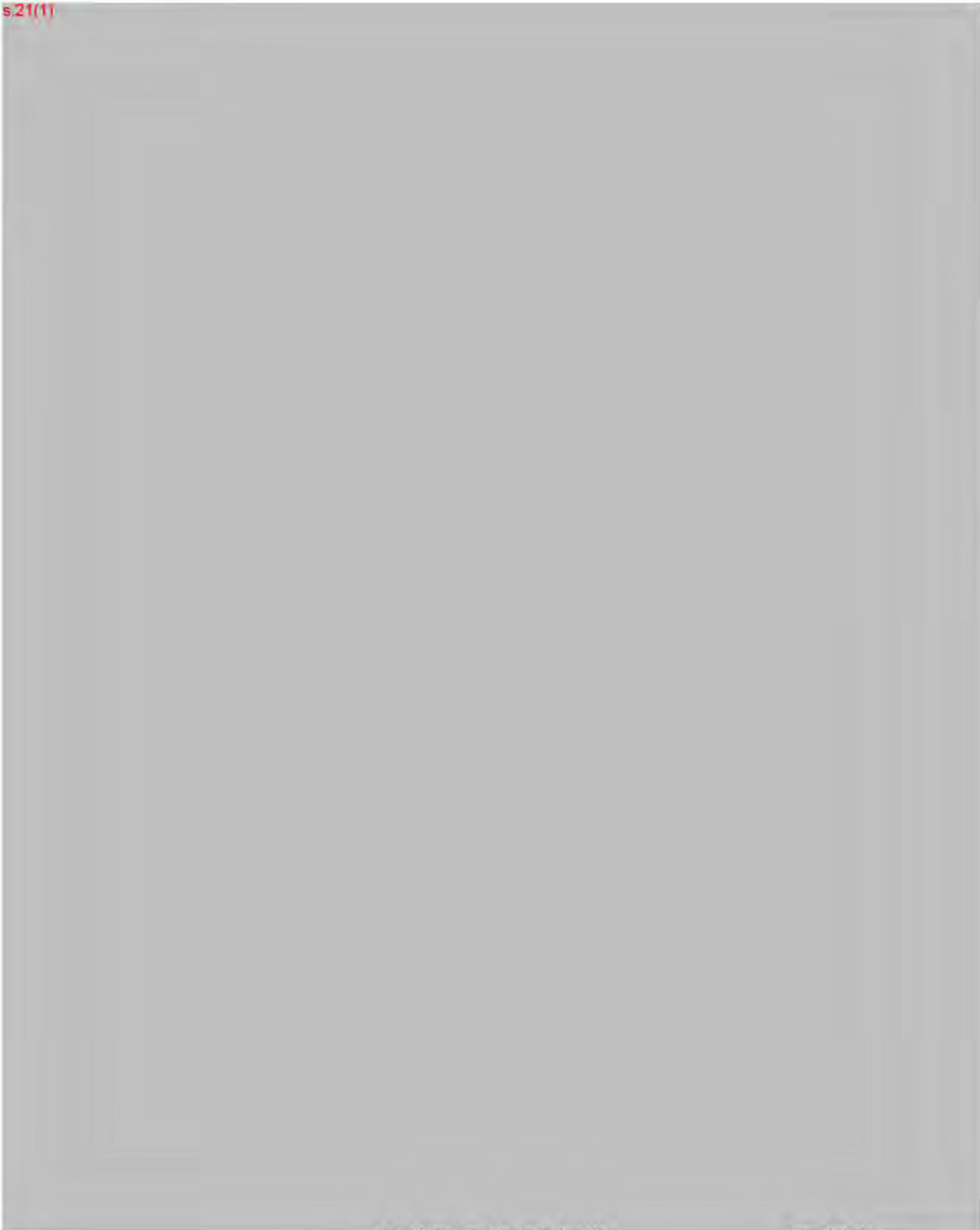
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Vancouver BC V5Z 1E5
T 604 876 1500

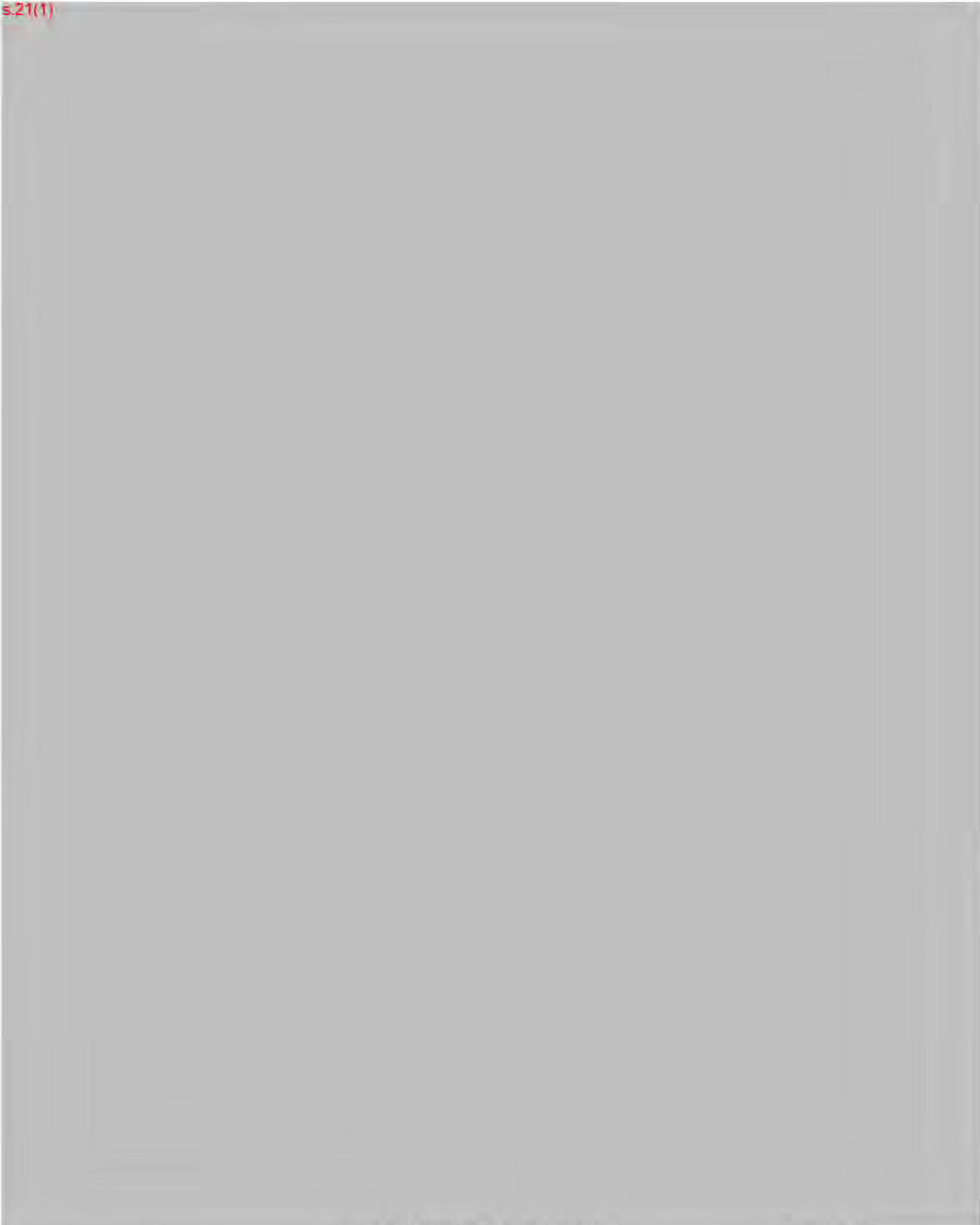
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T 604 583 8880

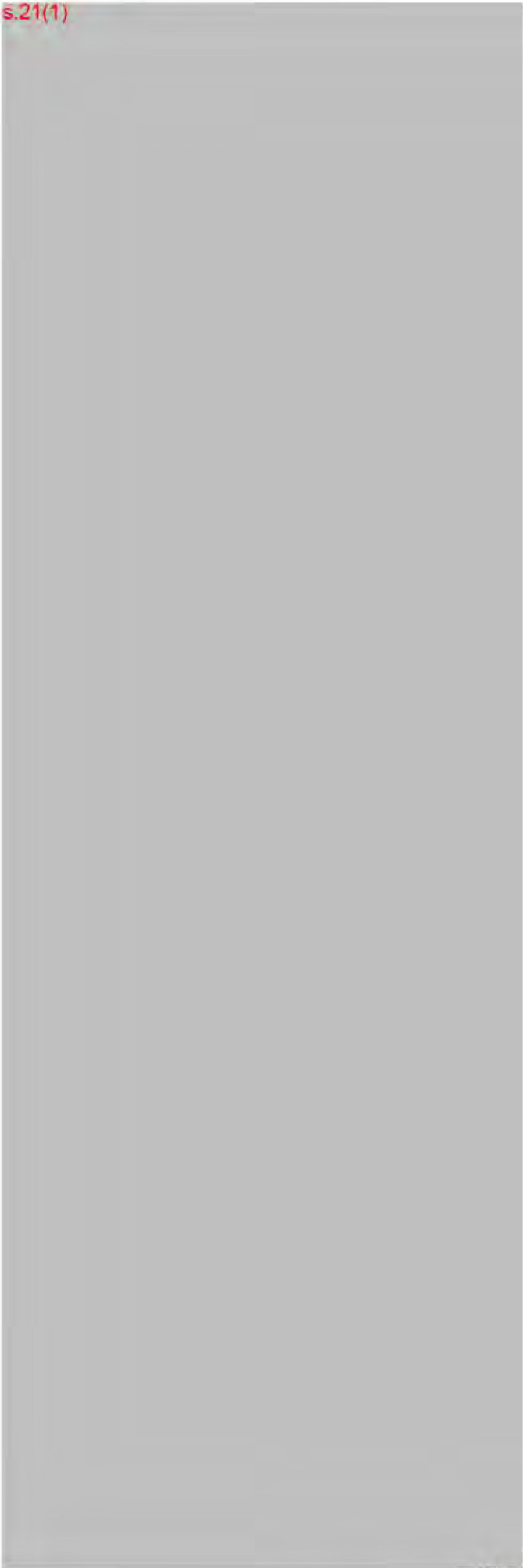
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Aurora ON L4G 1M3
T 416 607 5545

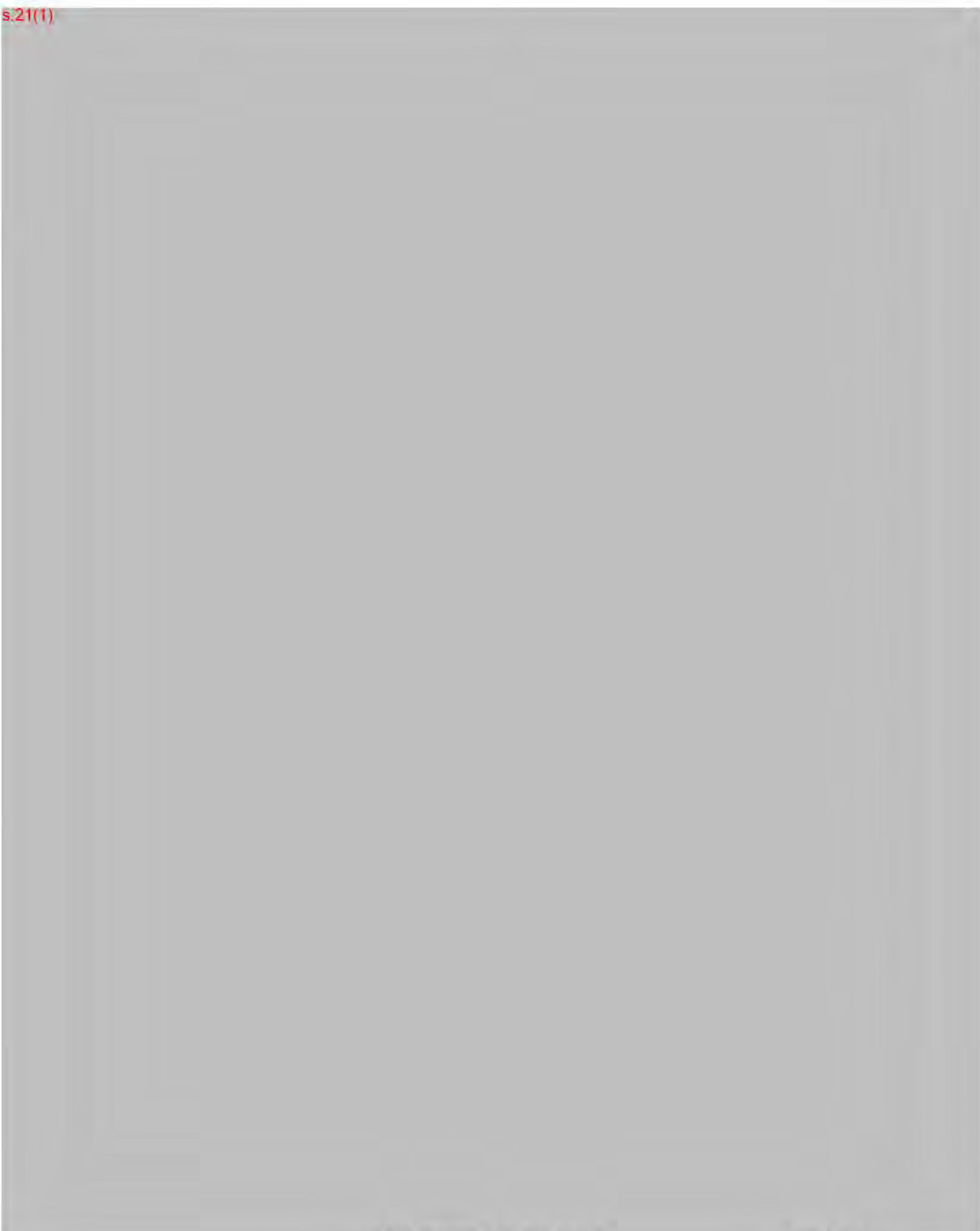
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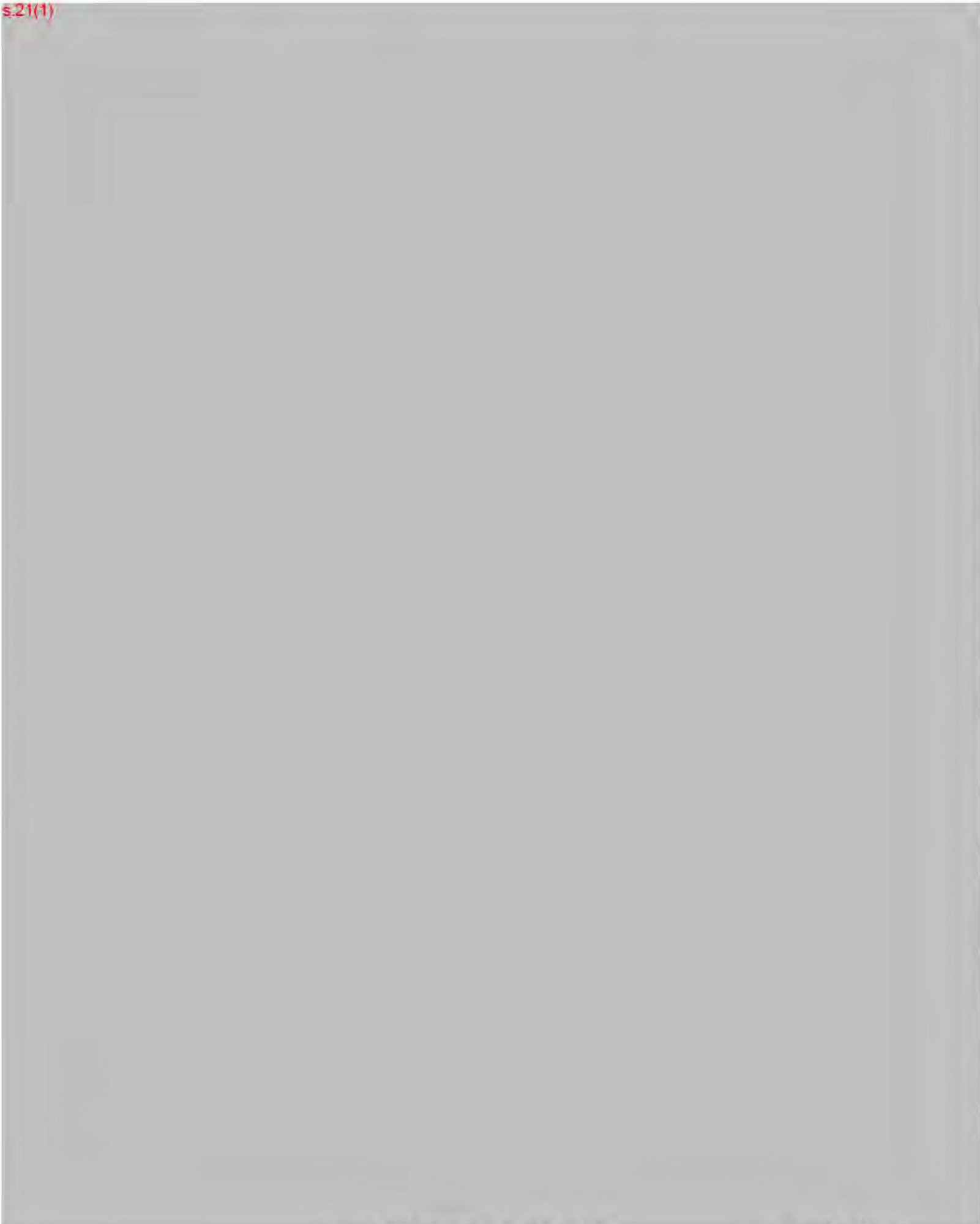


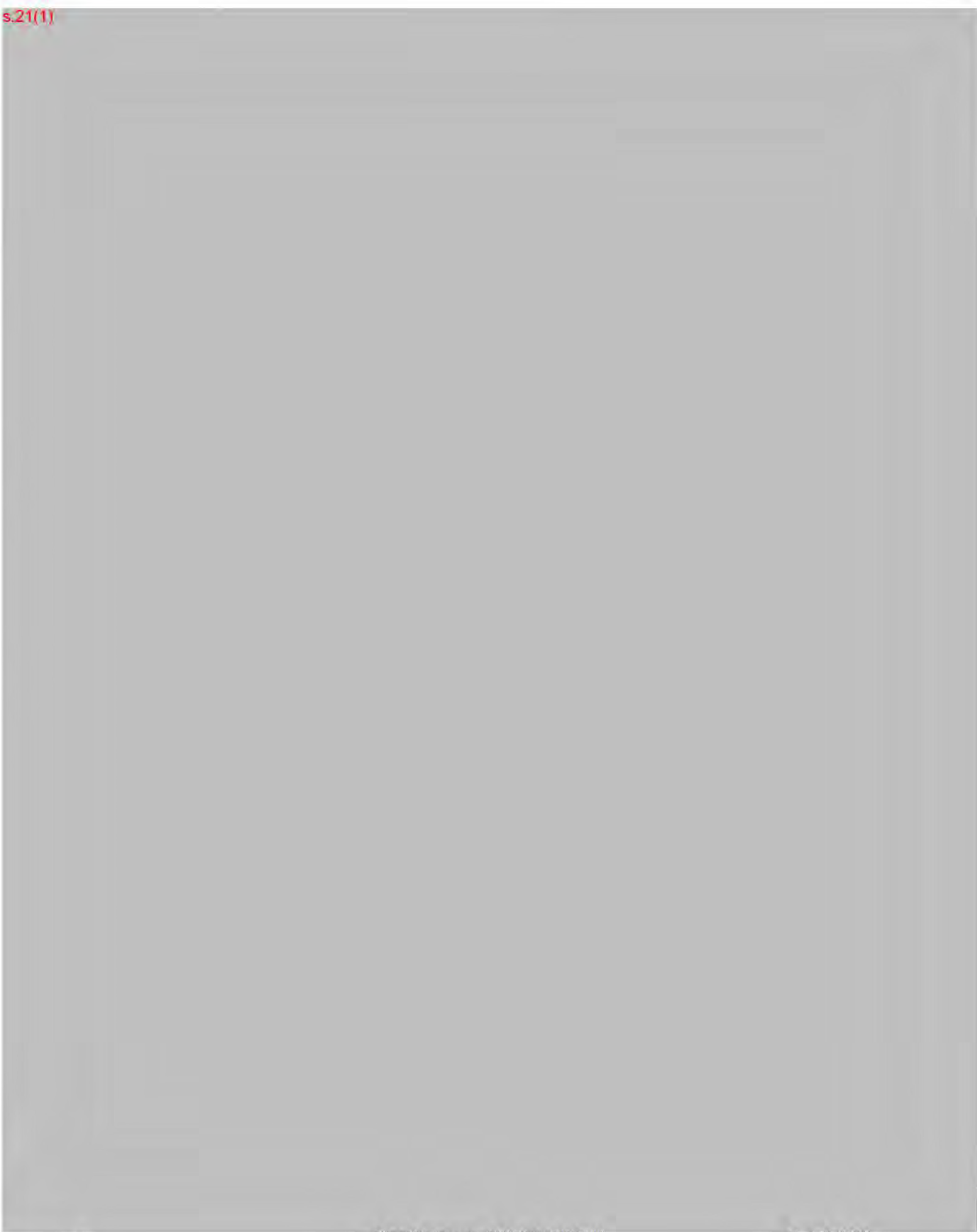


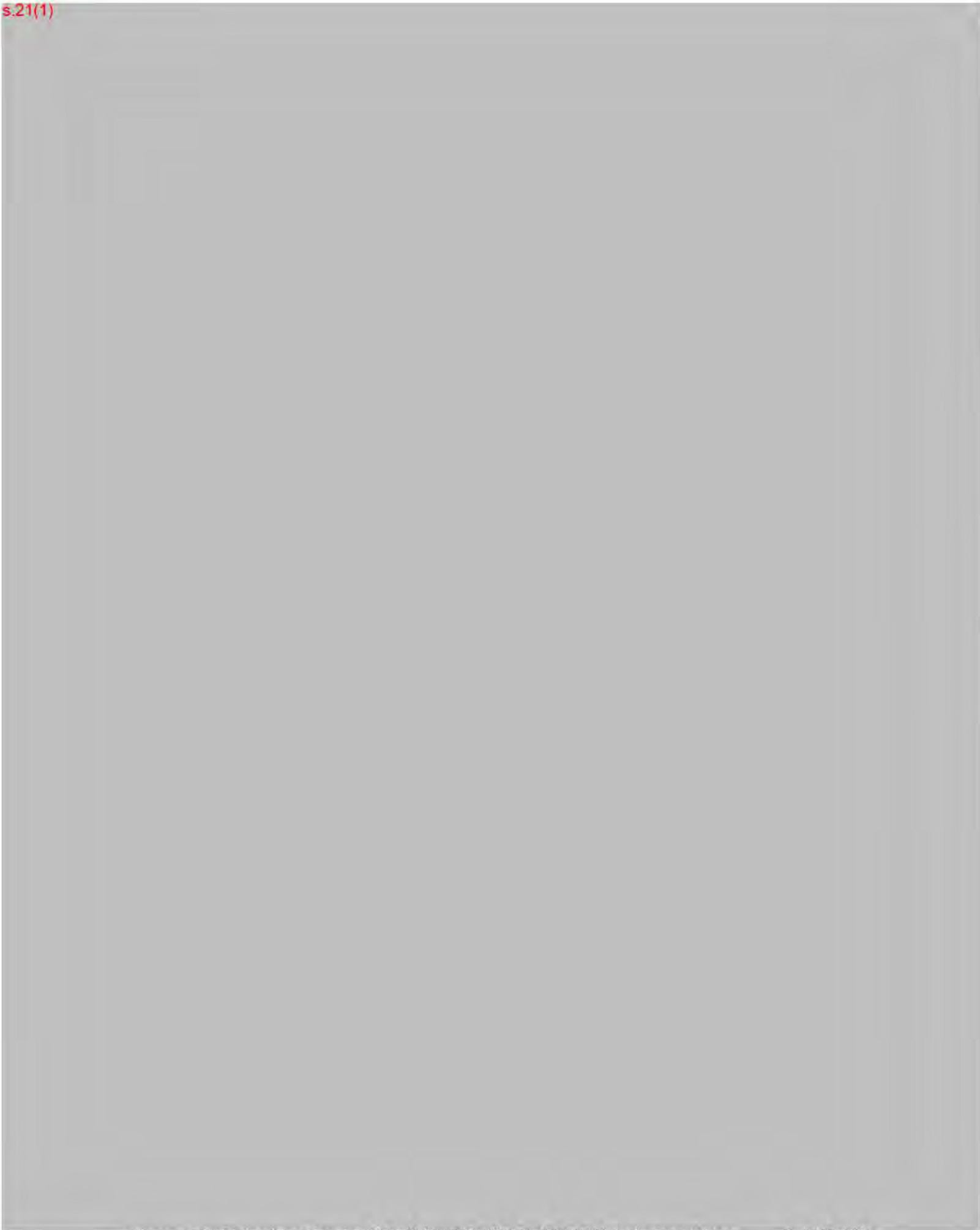


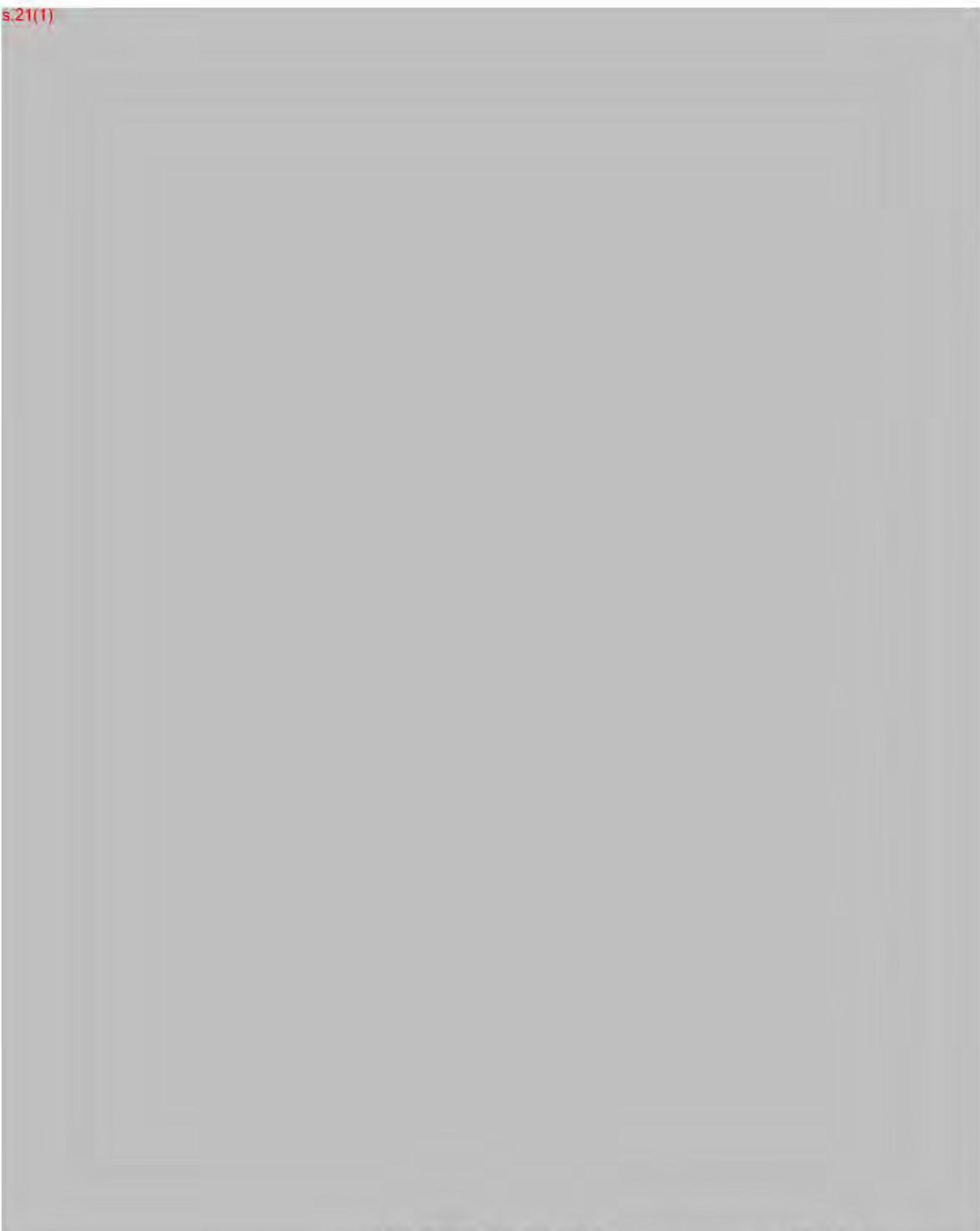


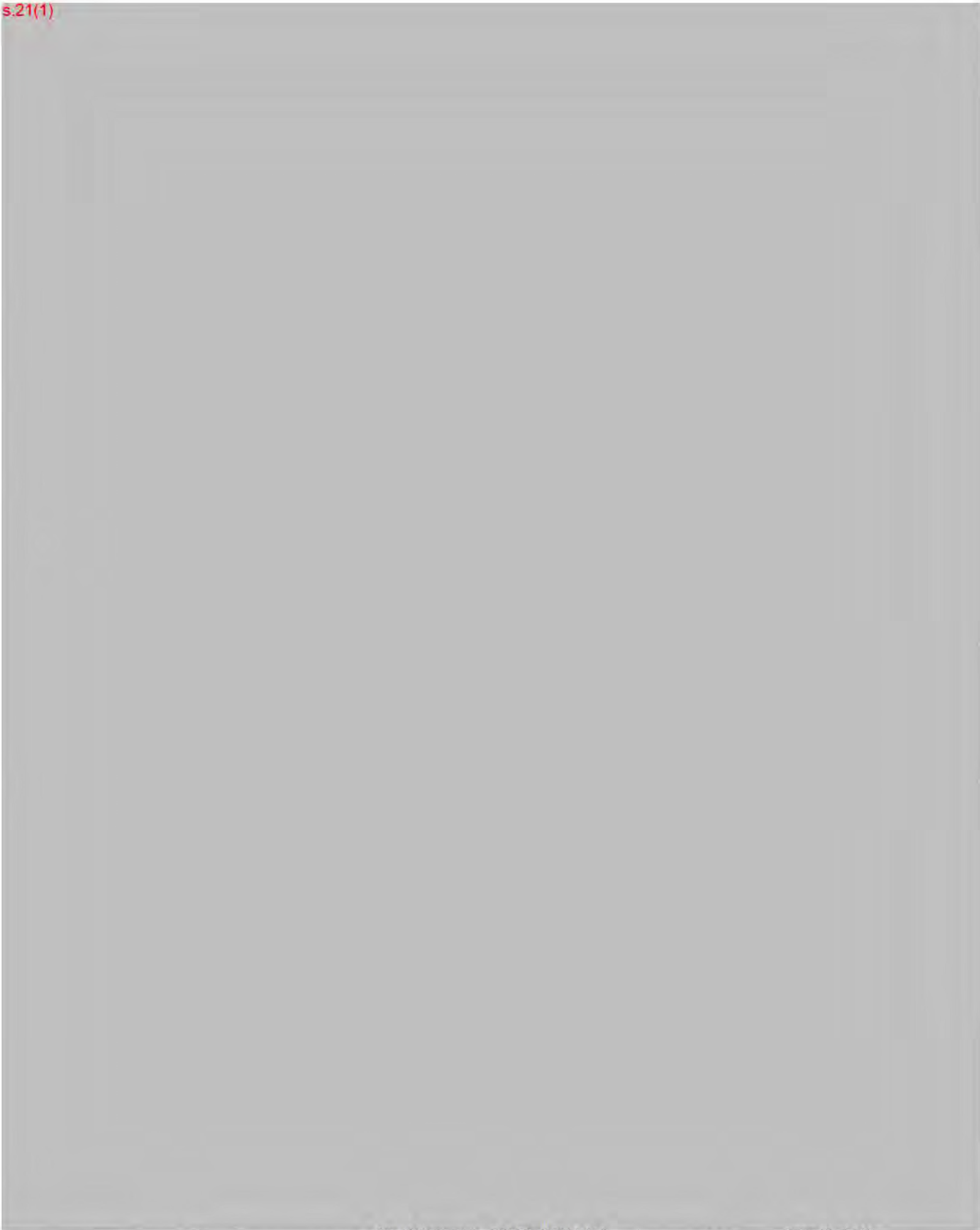


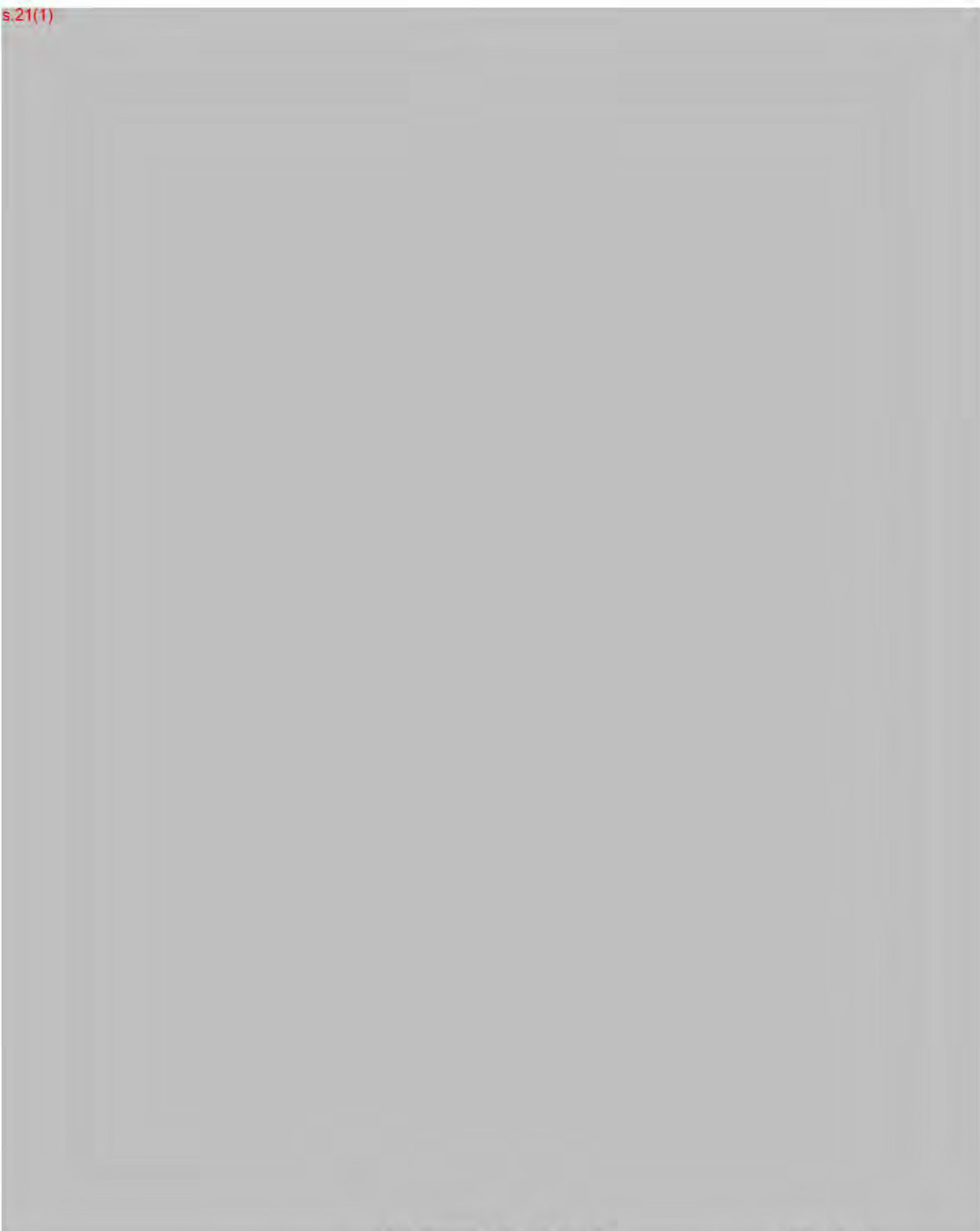


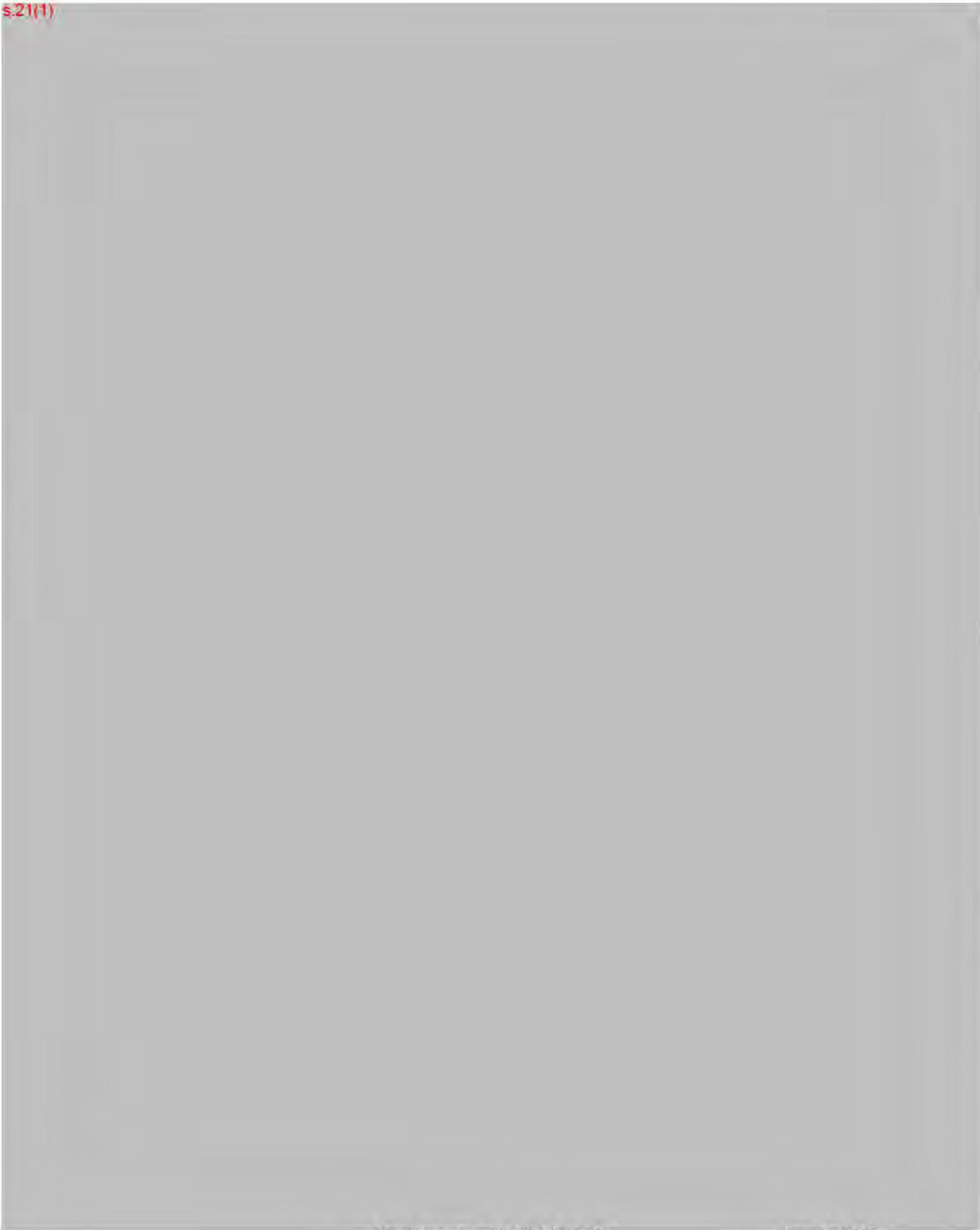


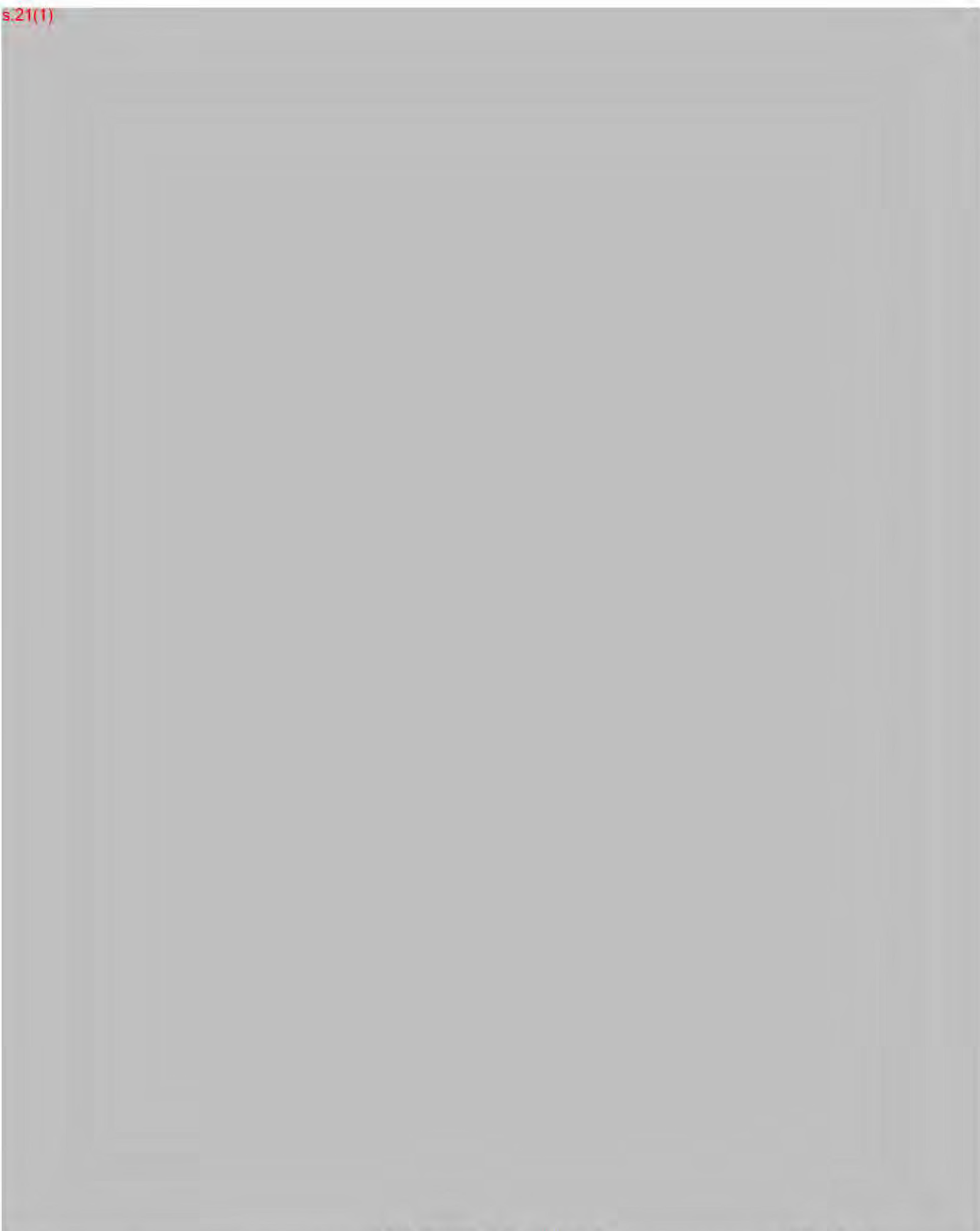


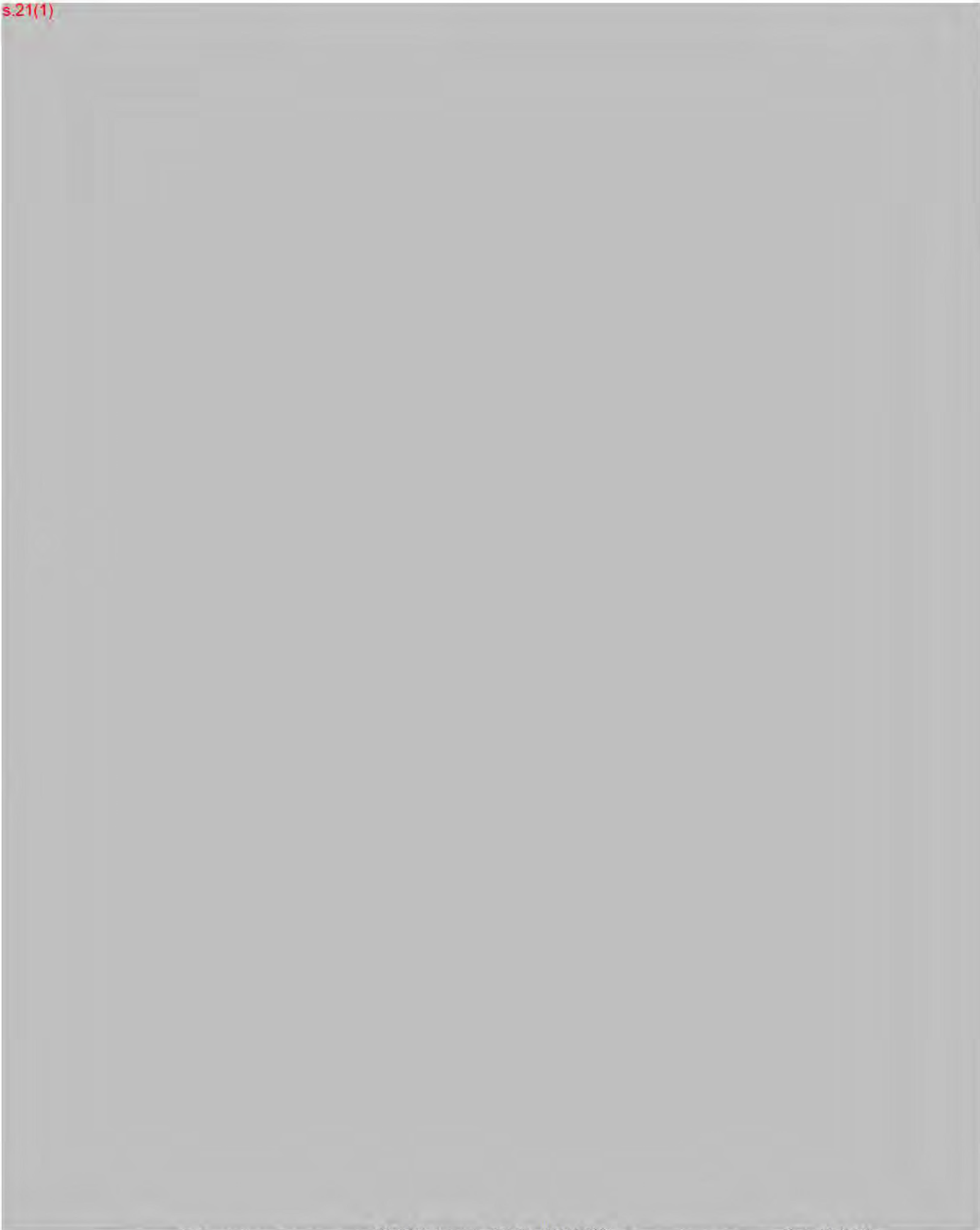


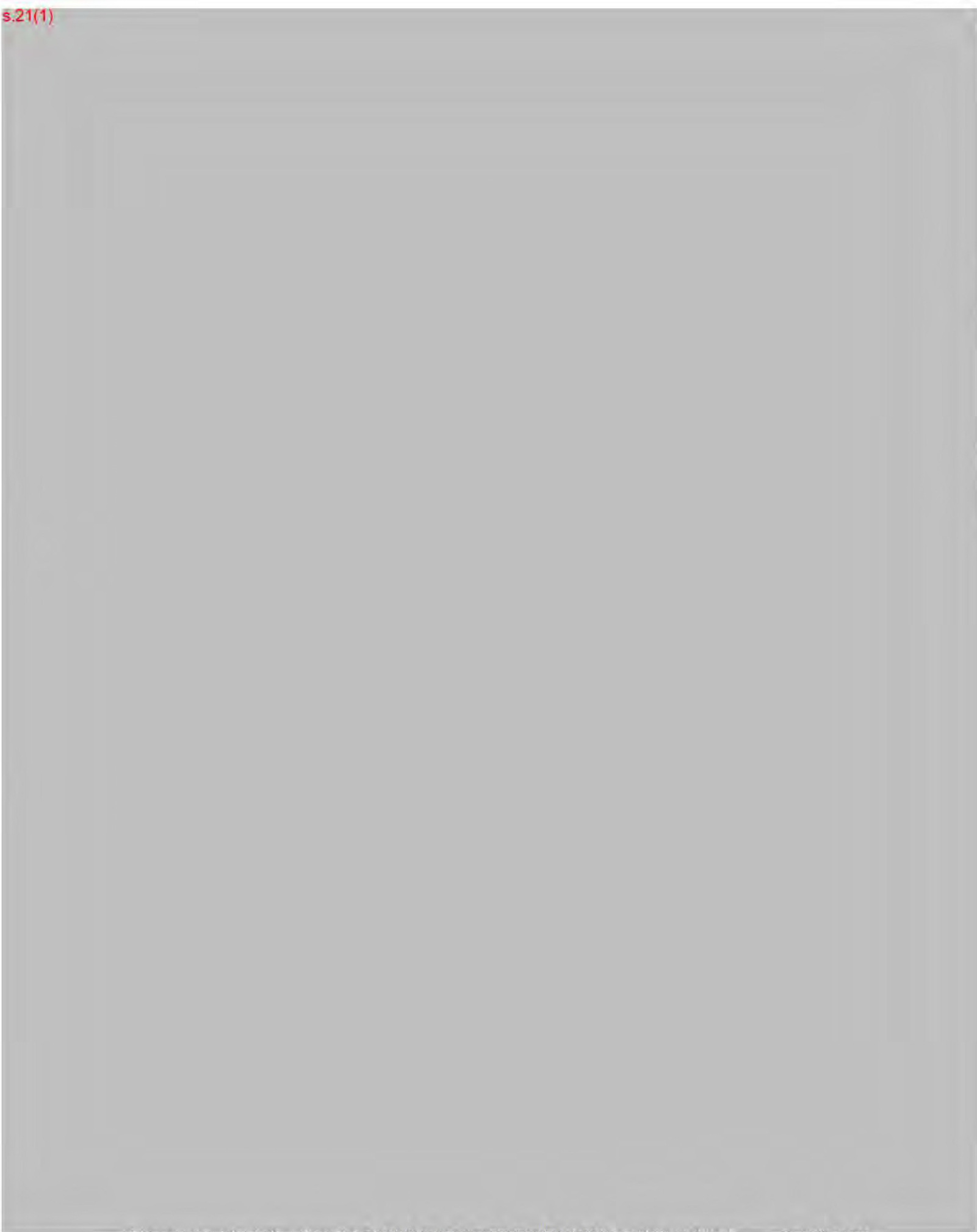


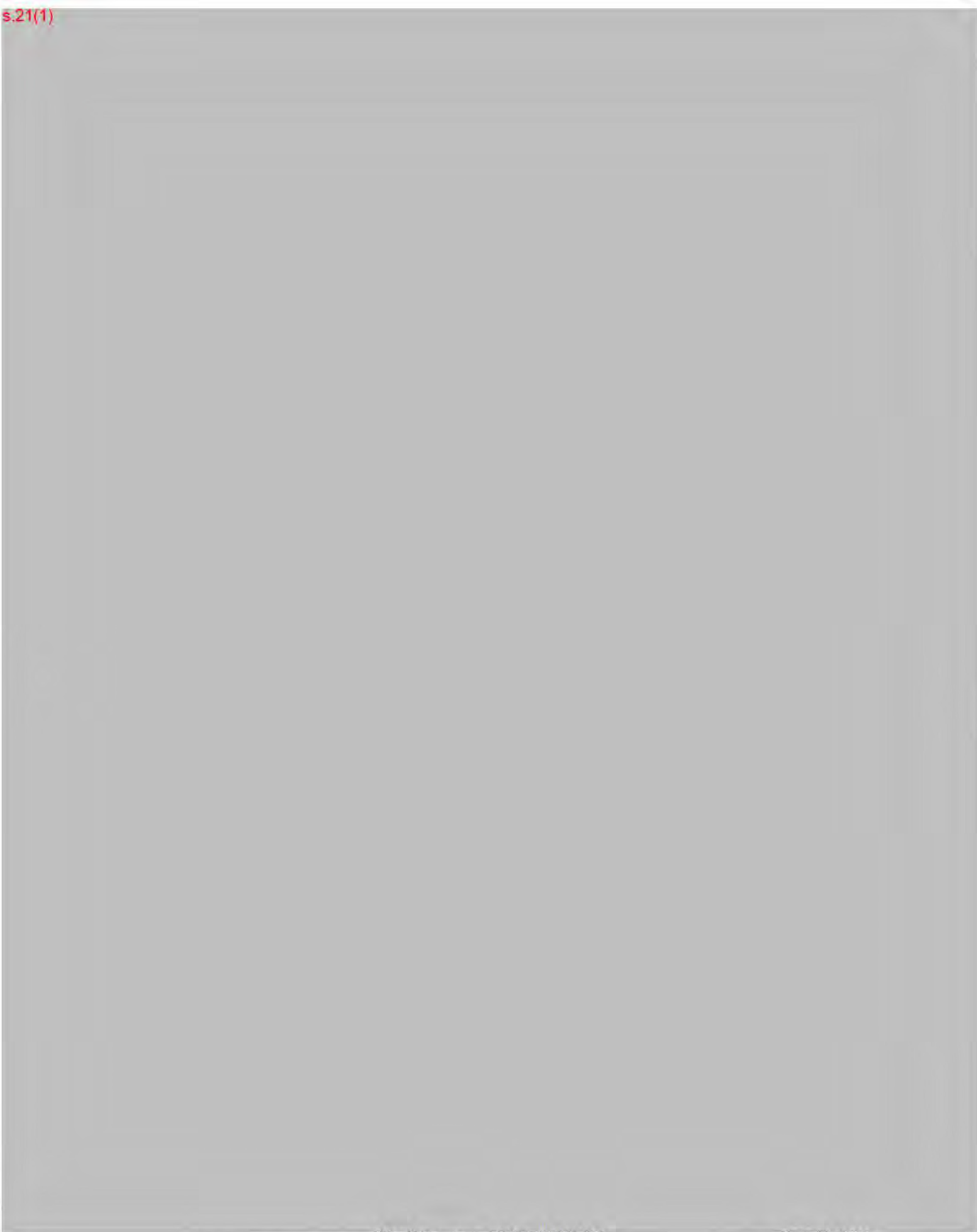


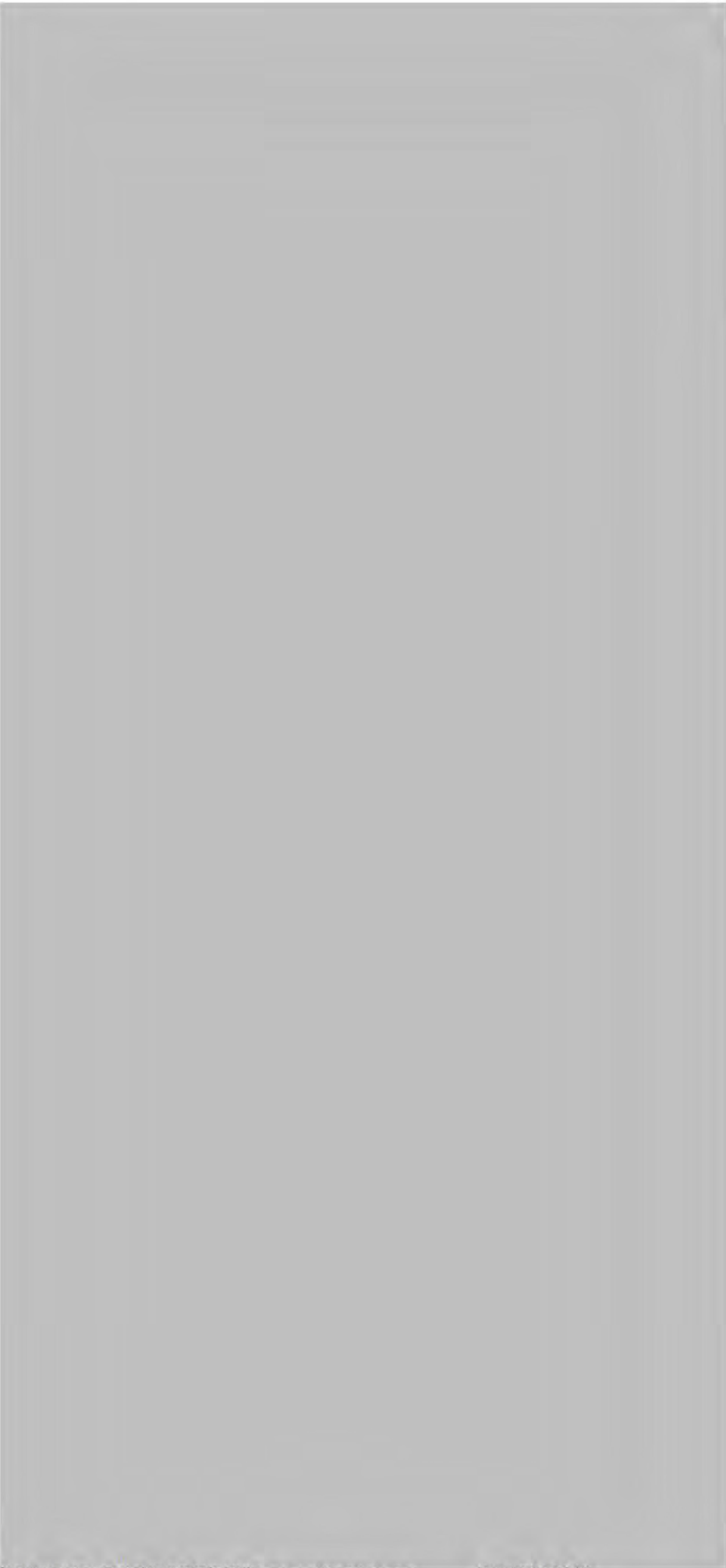
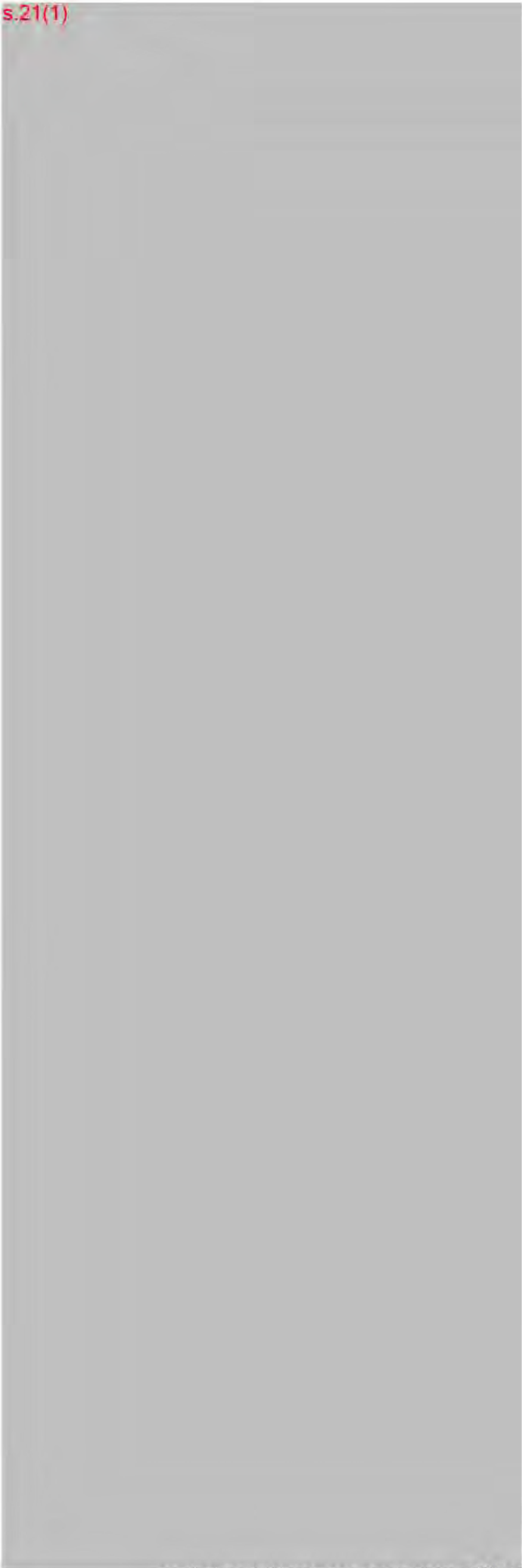


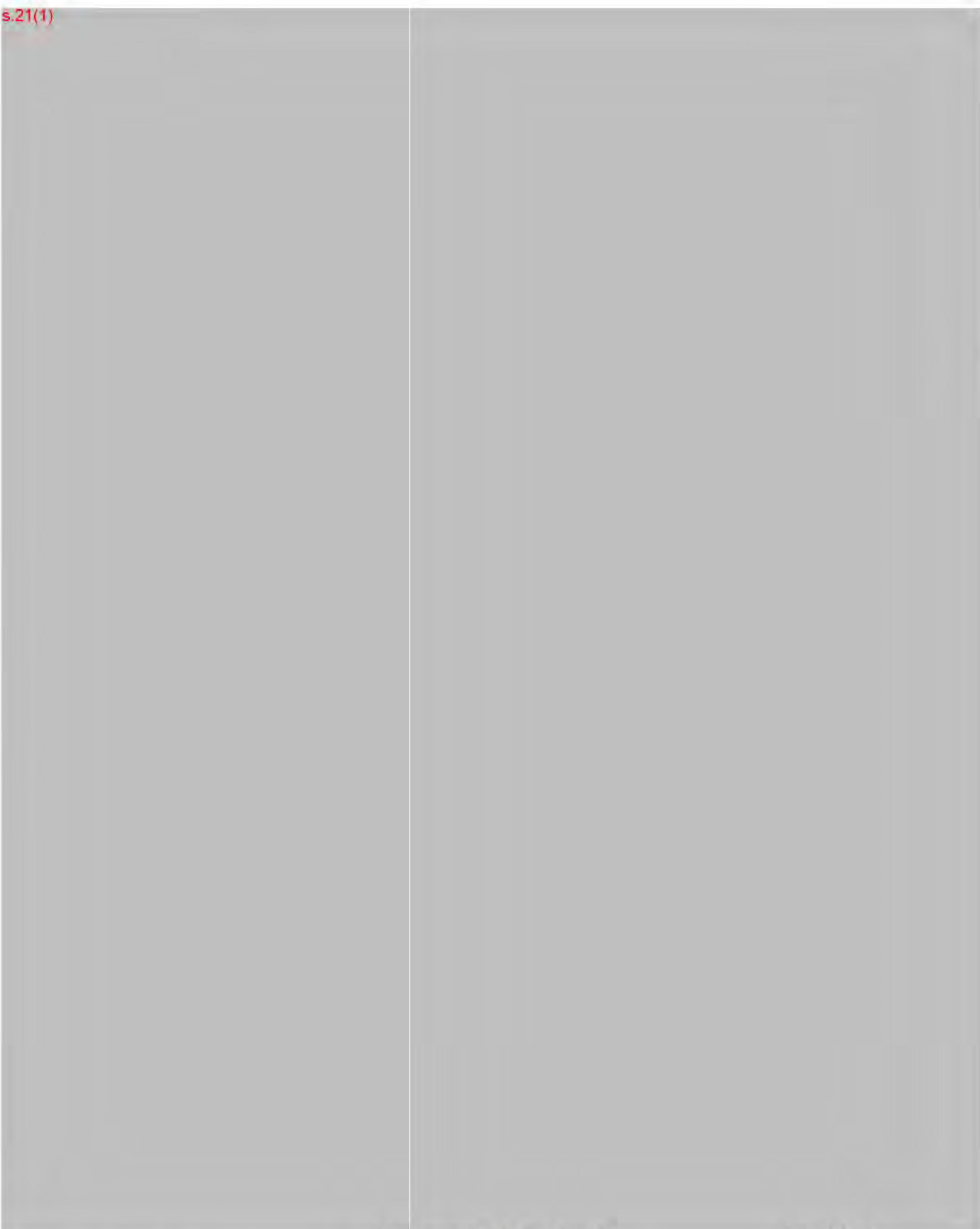






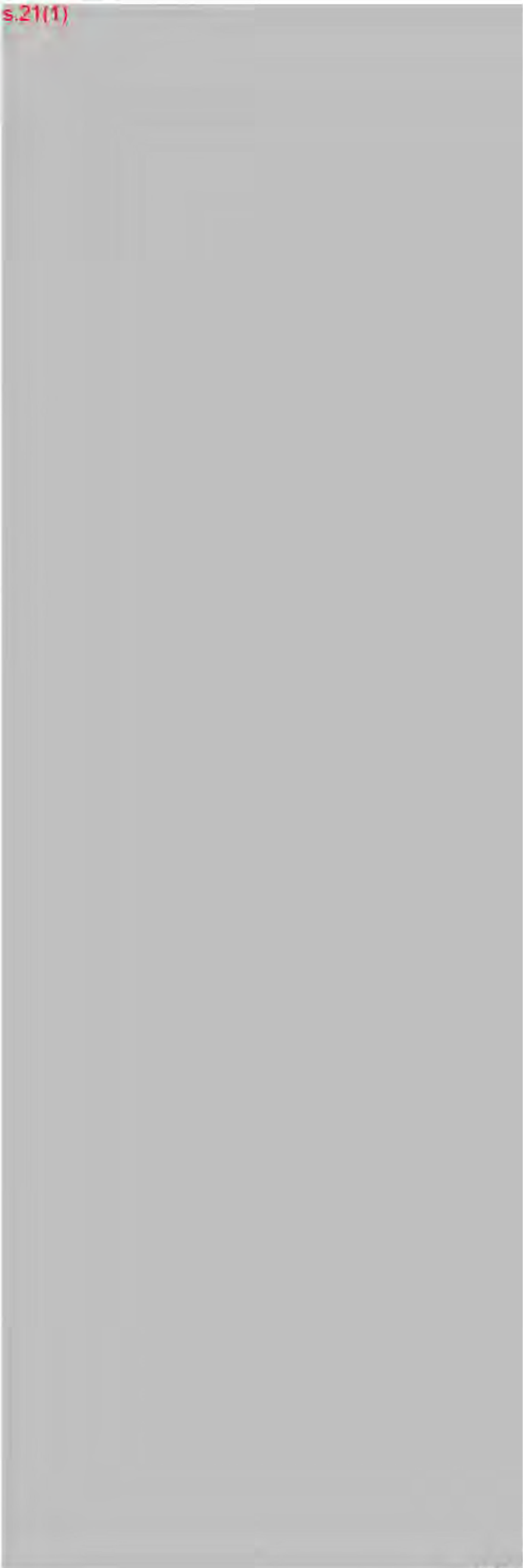


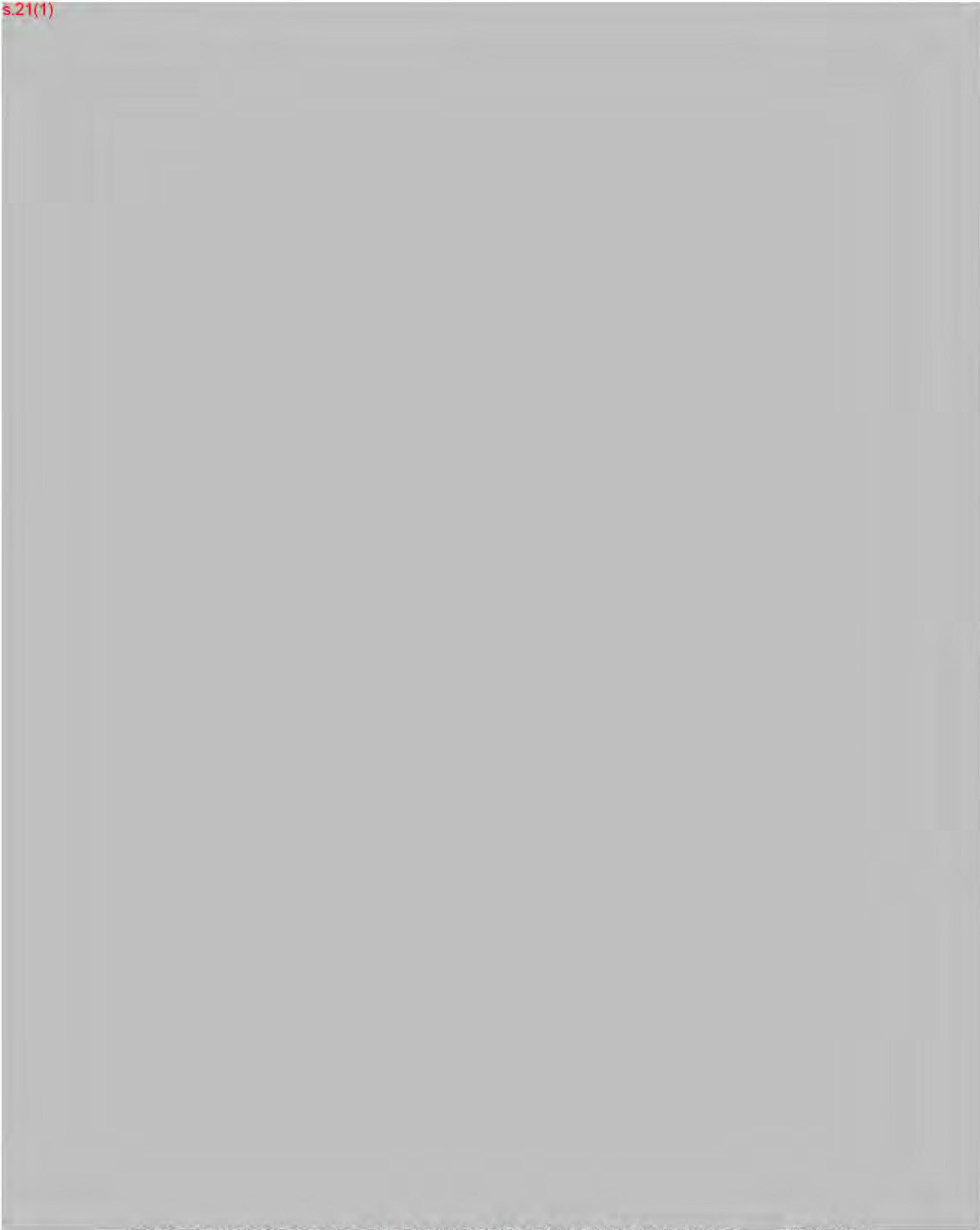


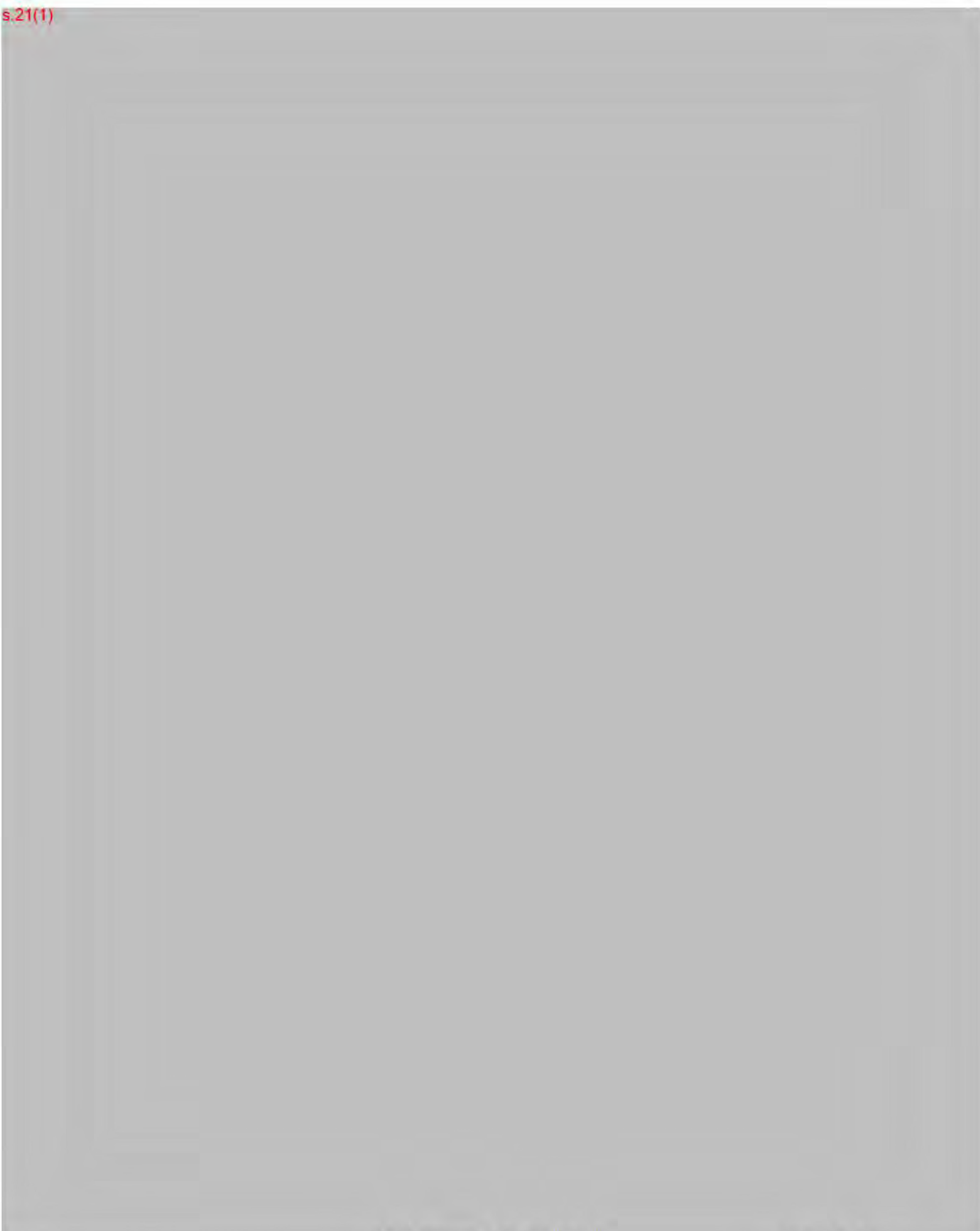


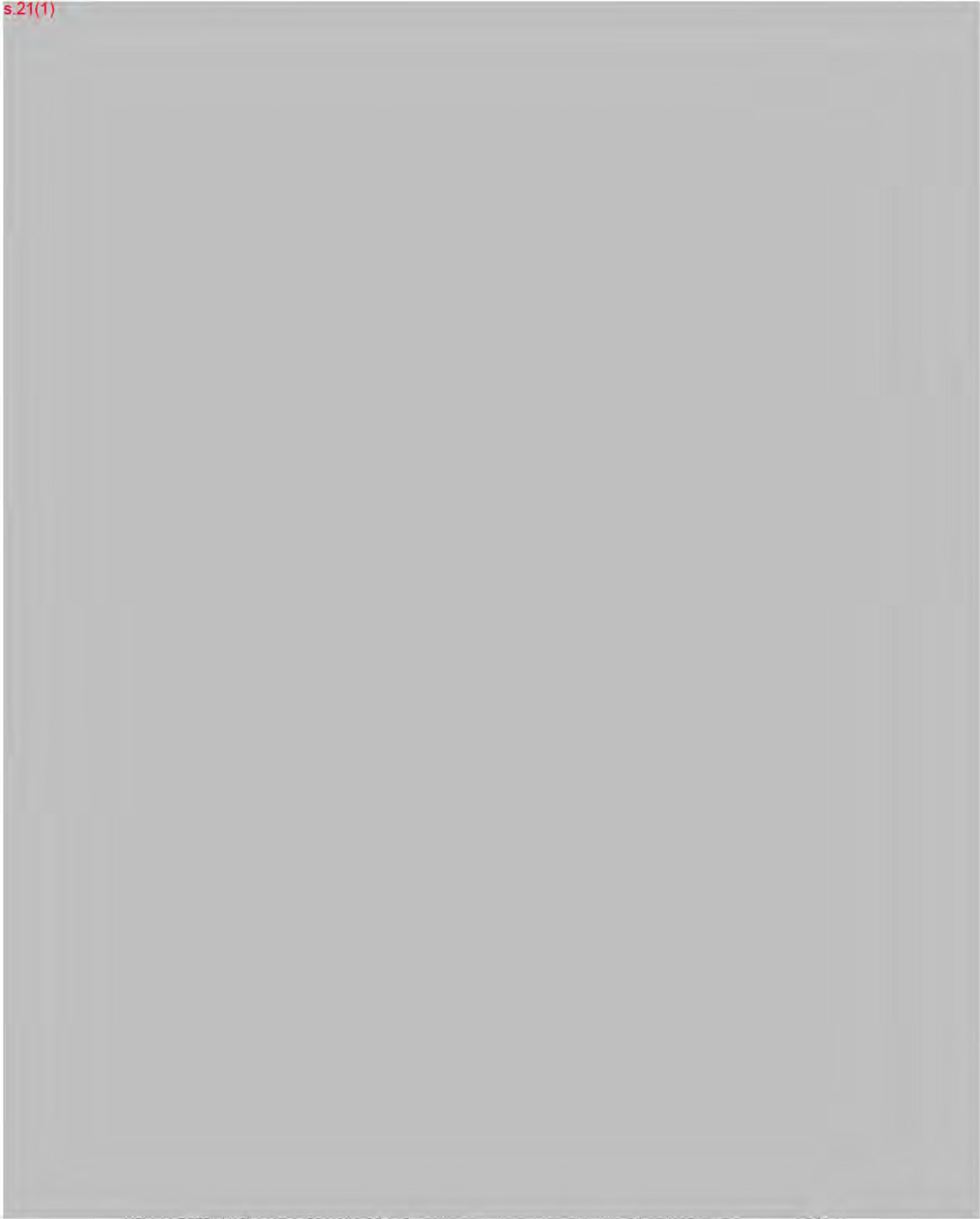
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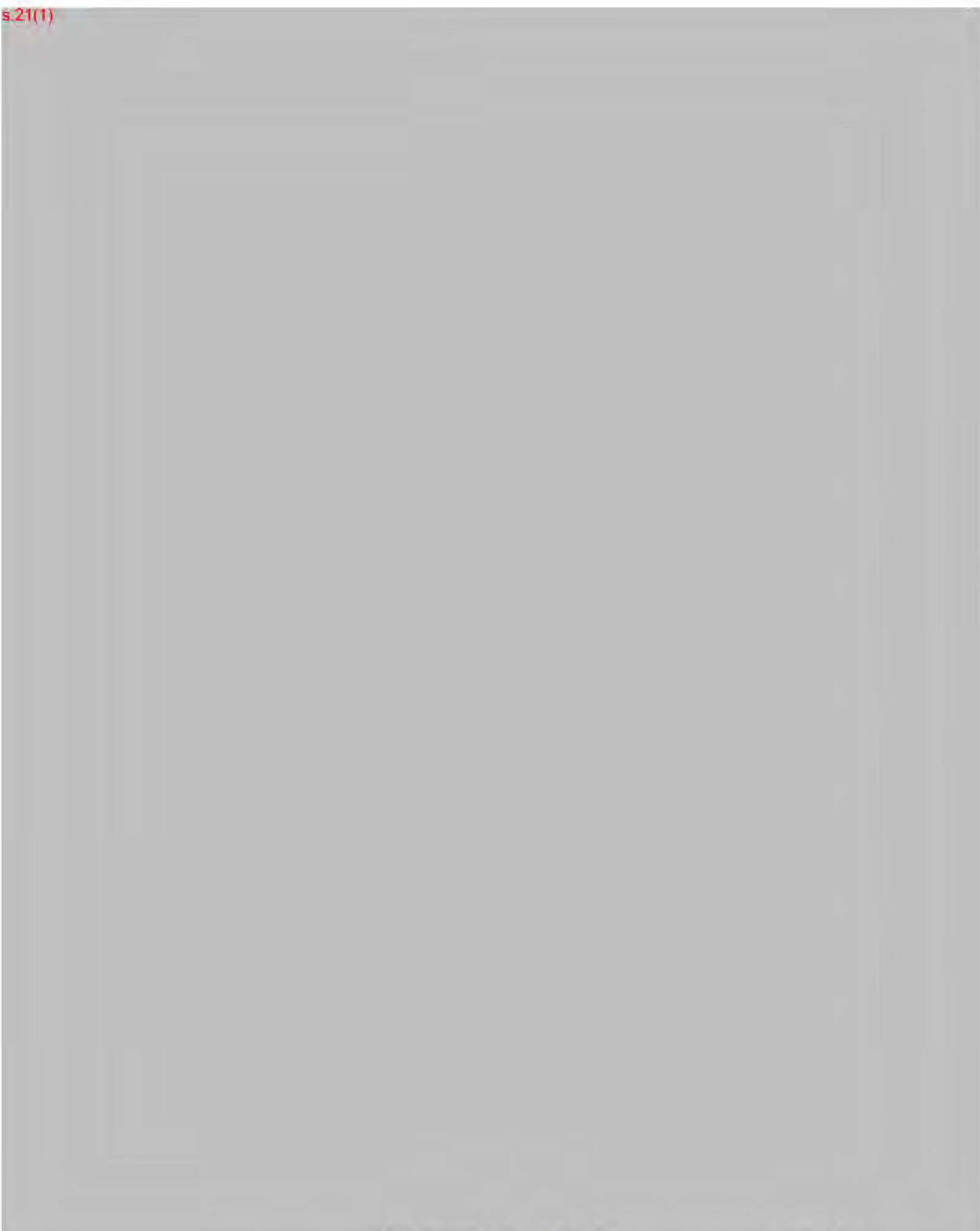
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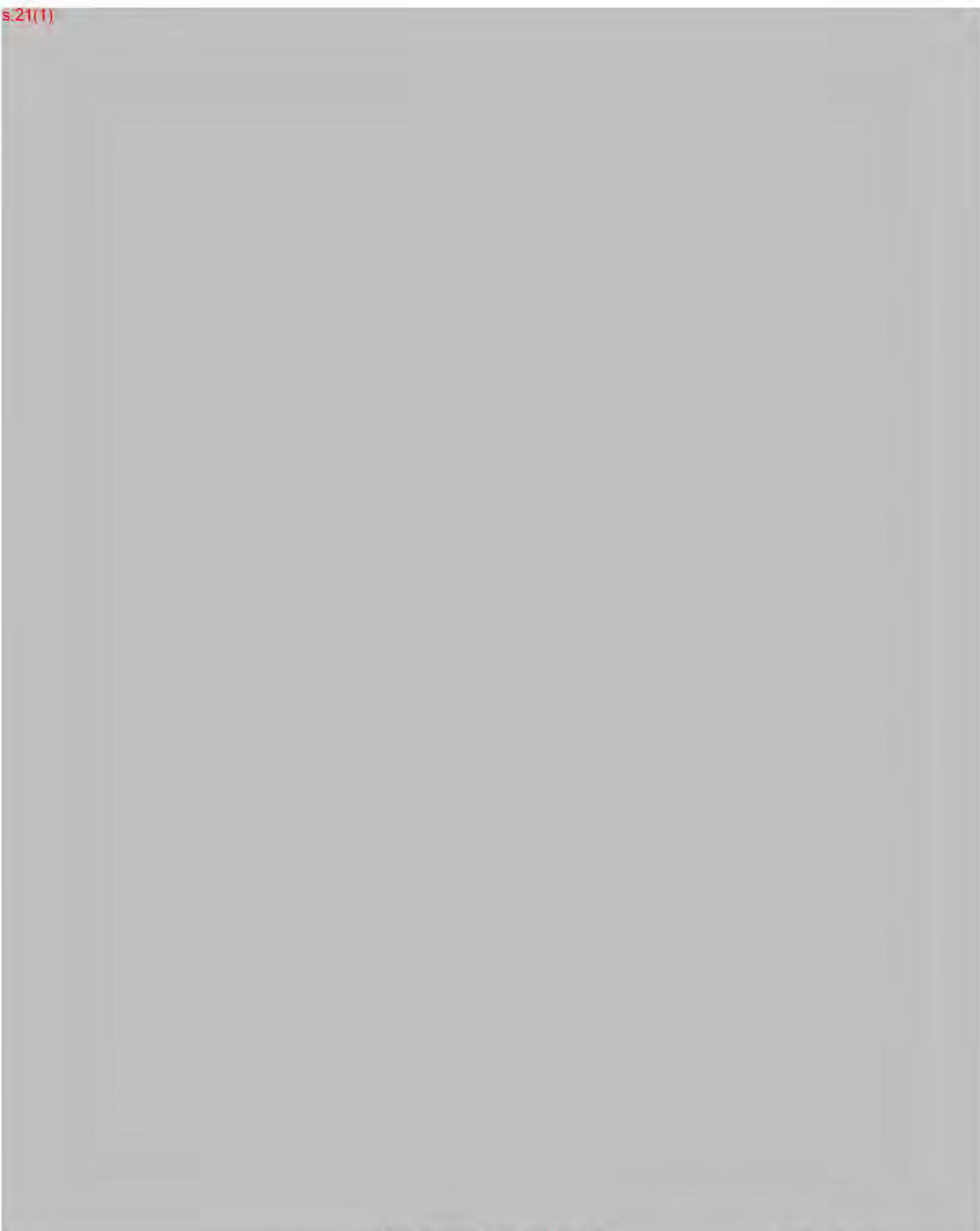


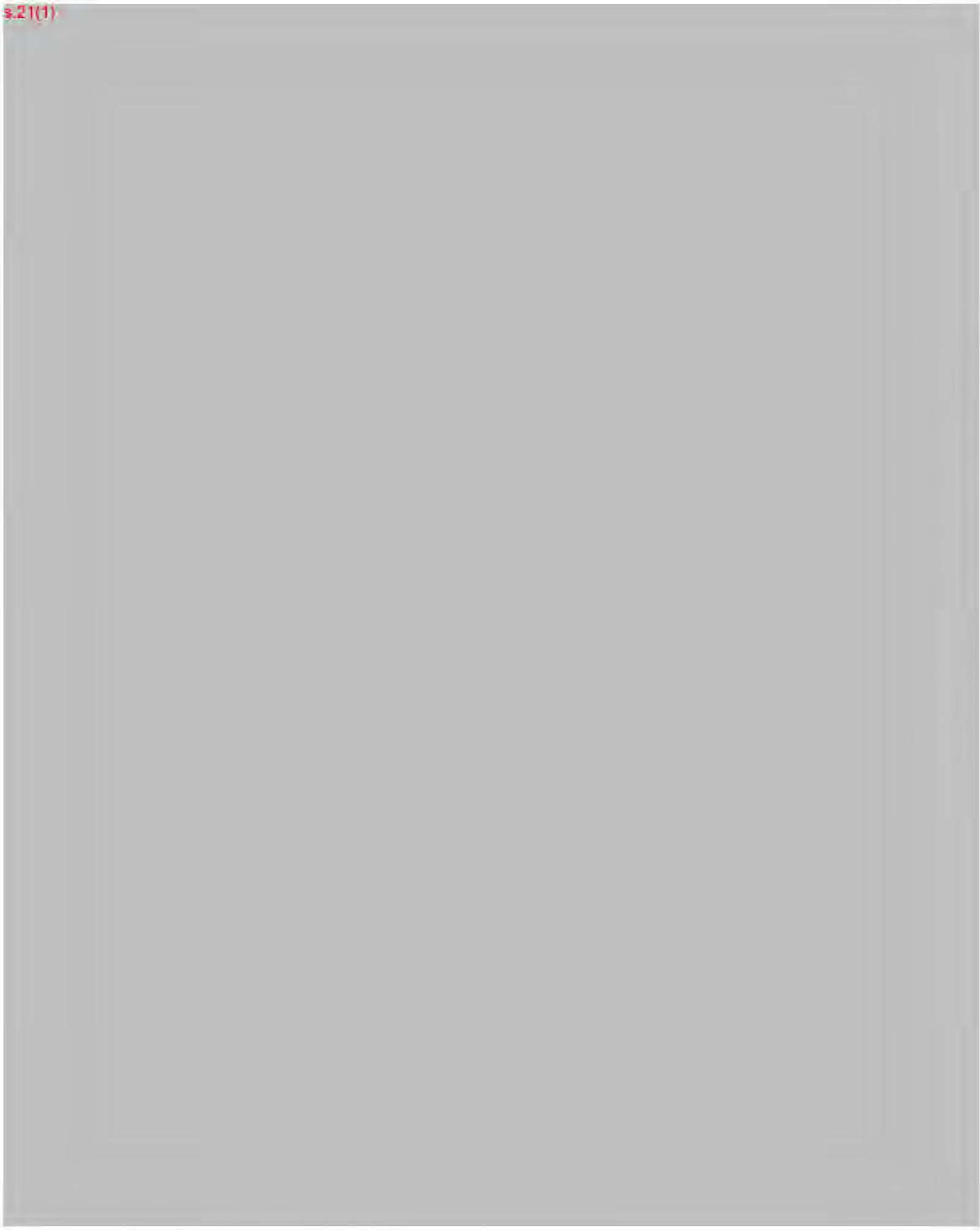


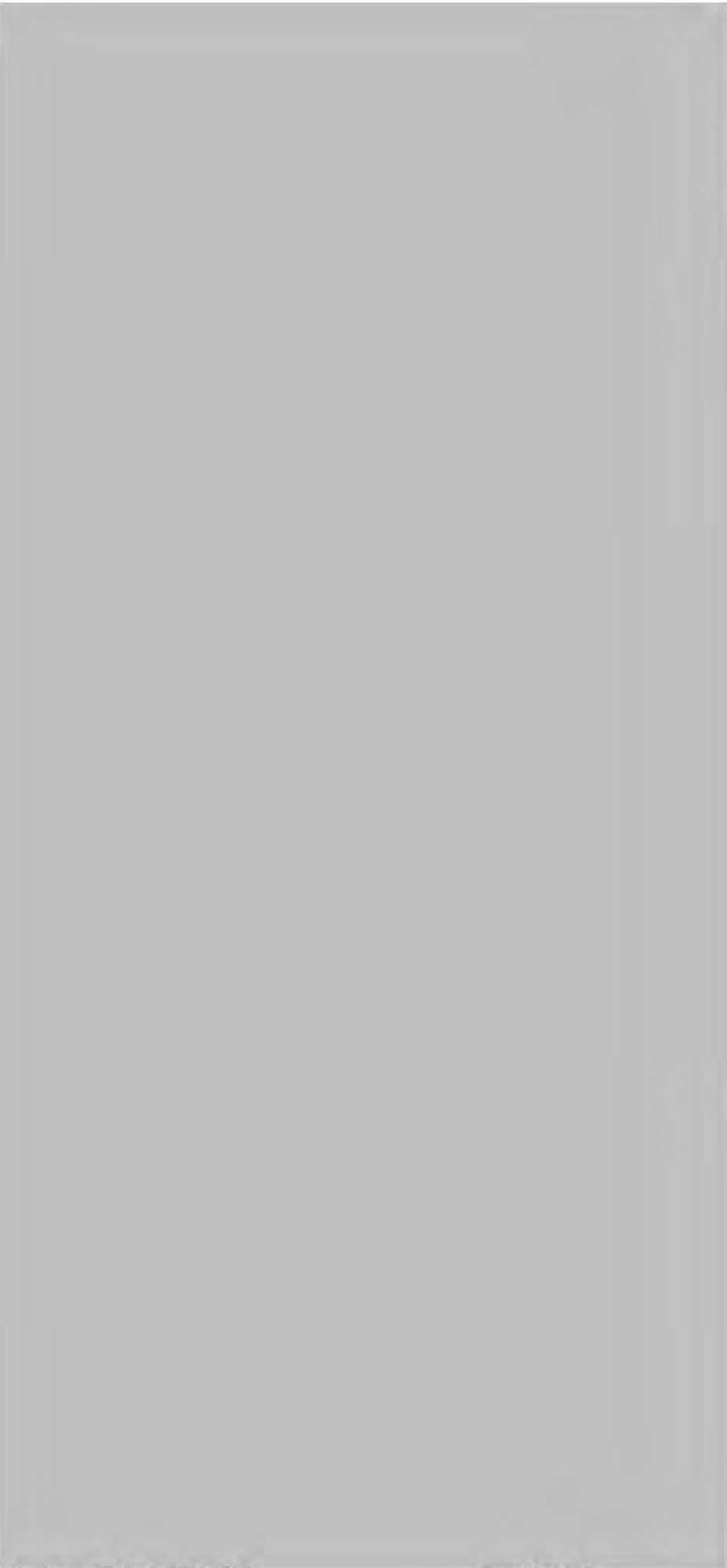
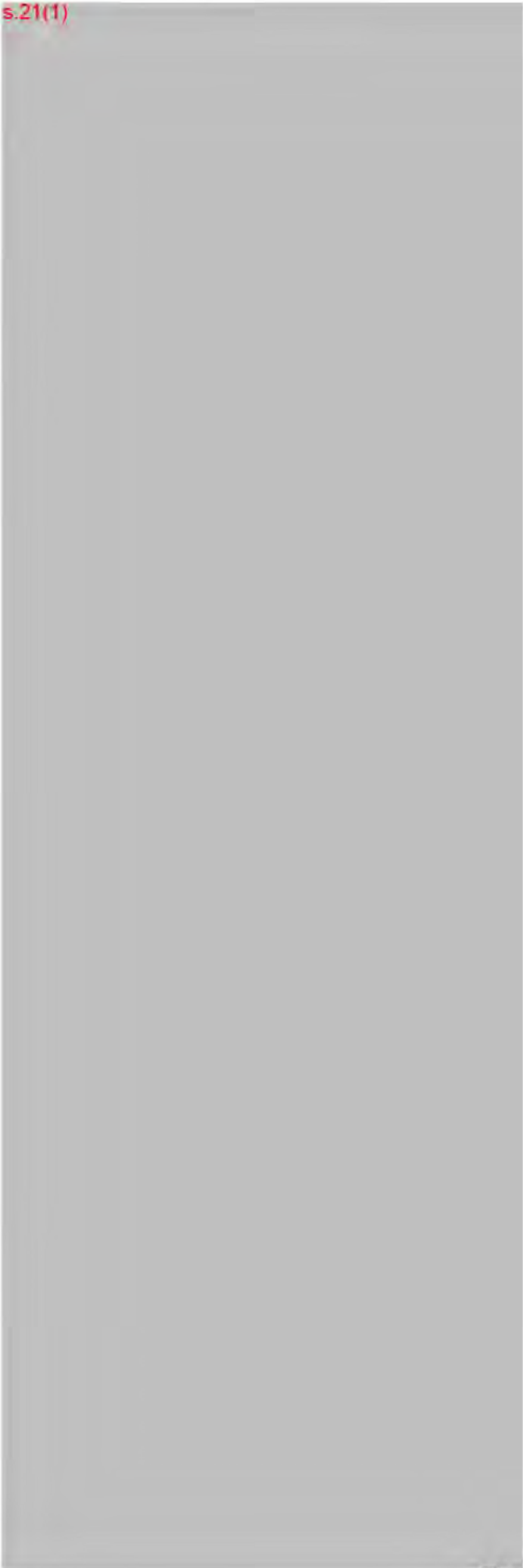


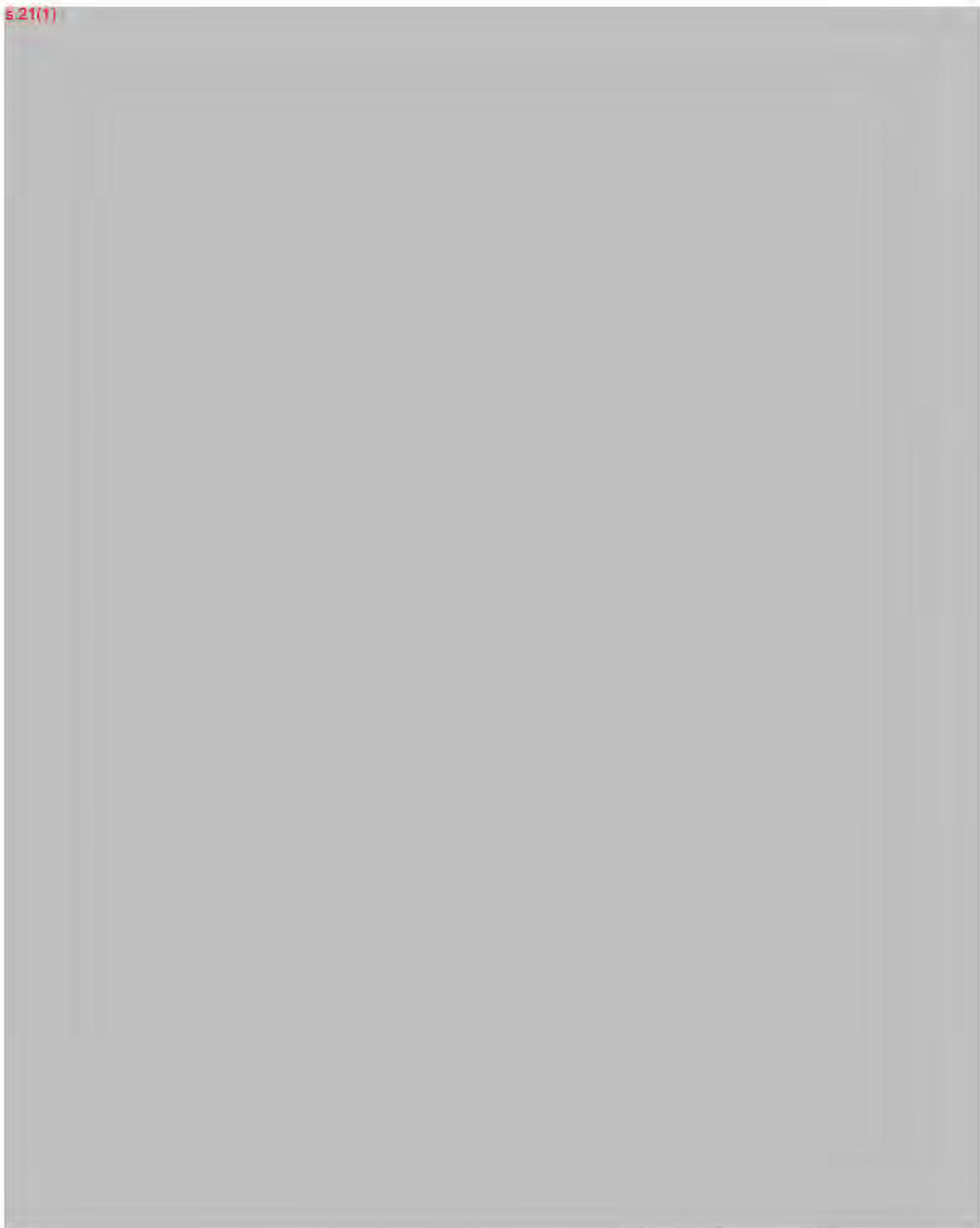


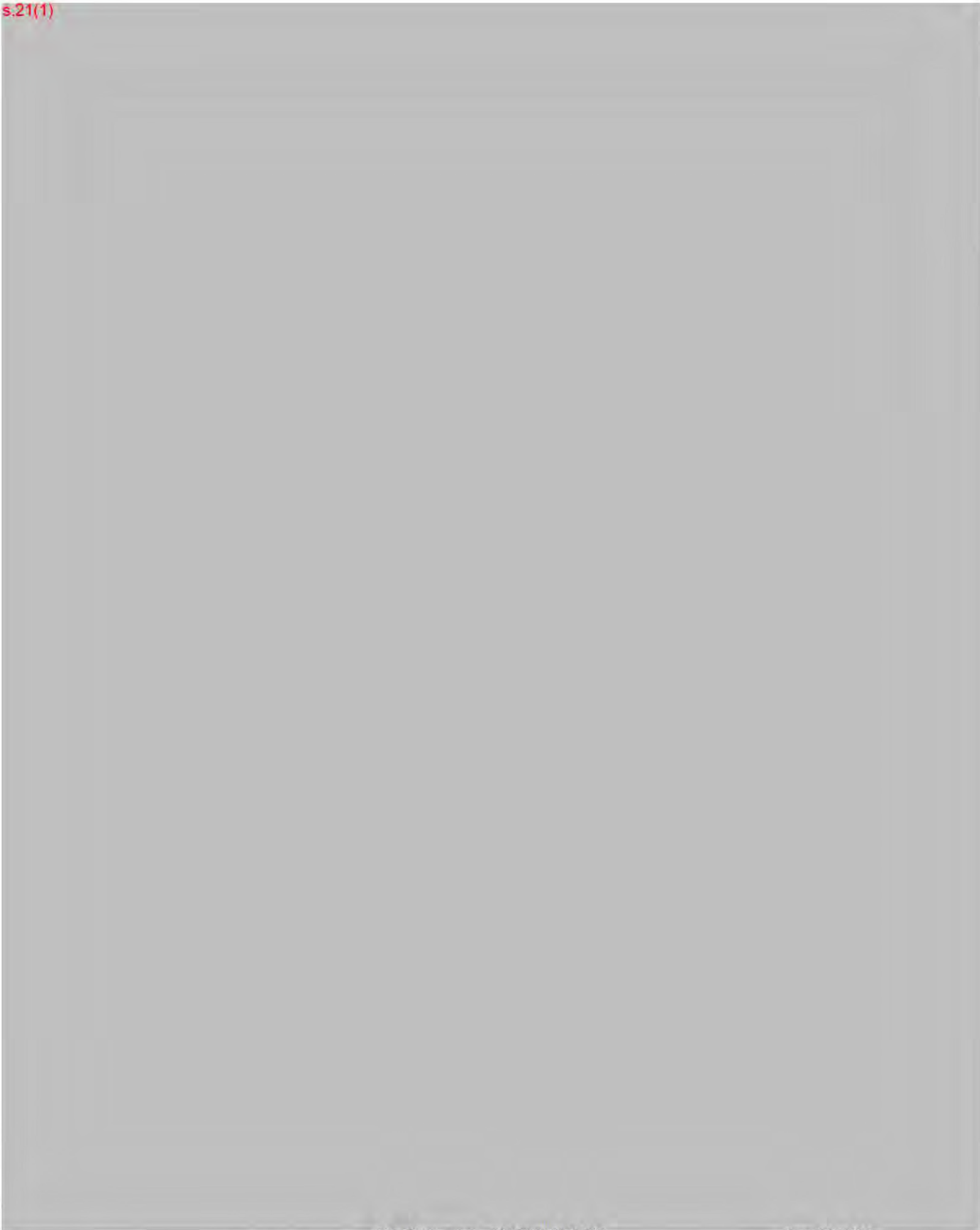


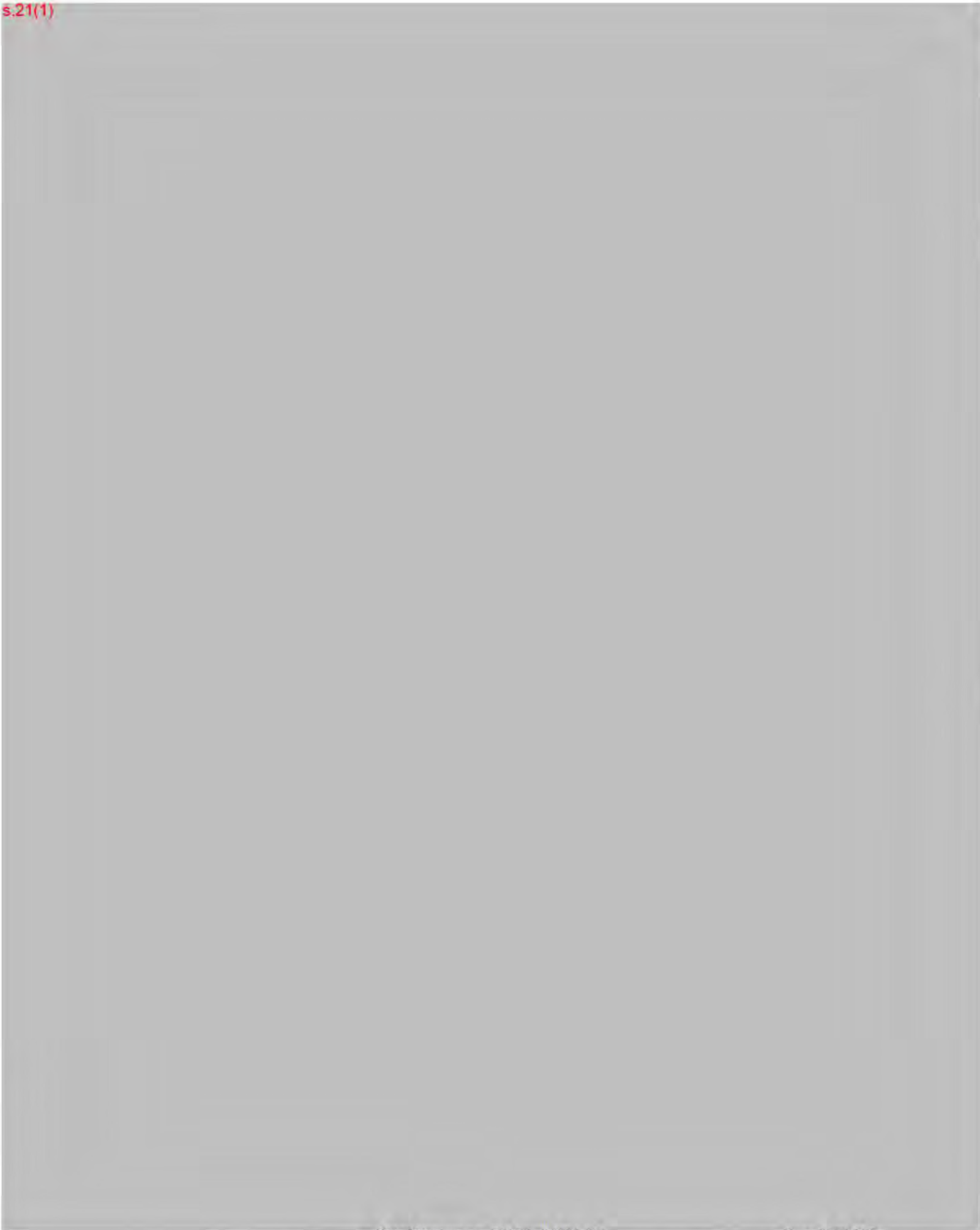


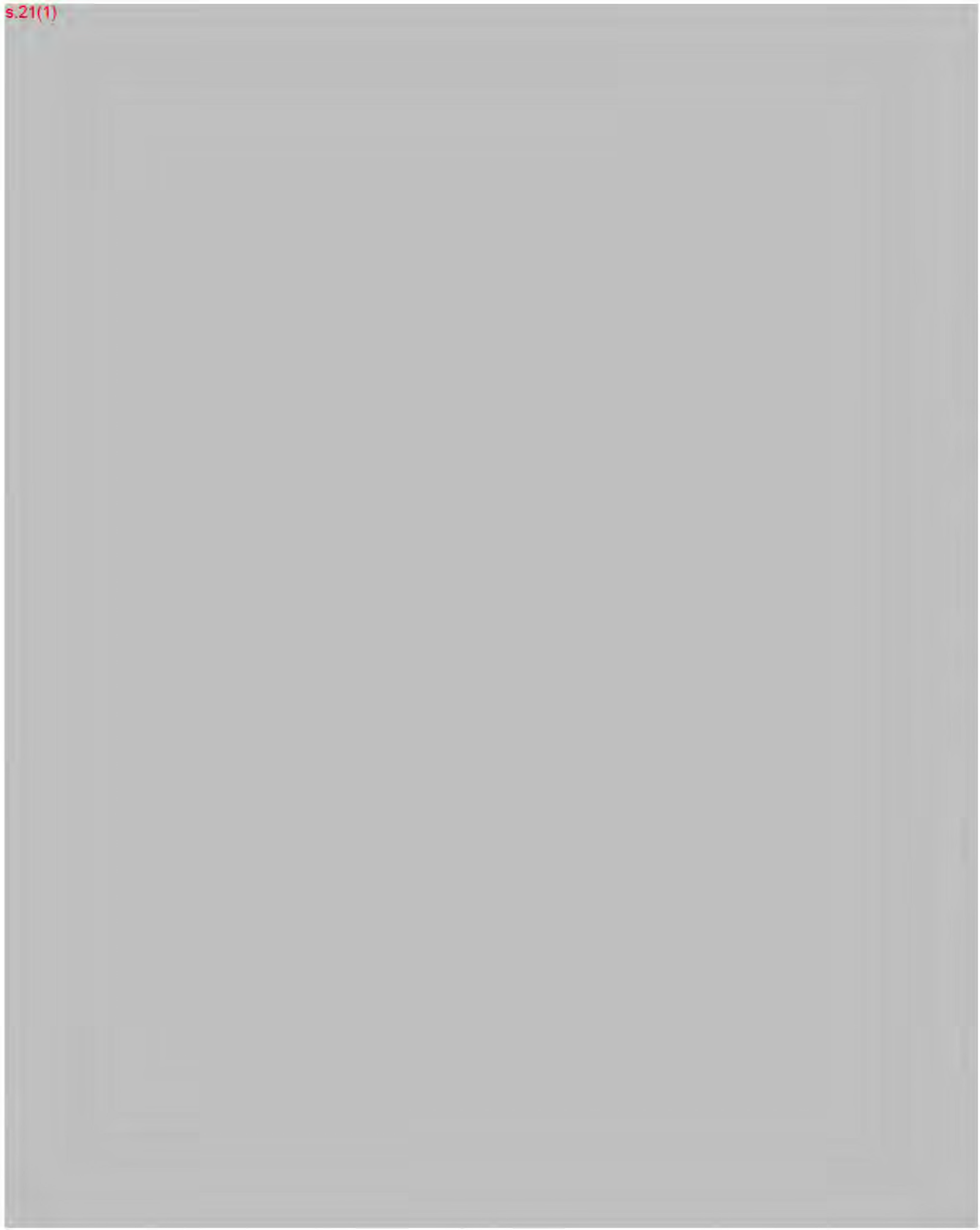


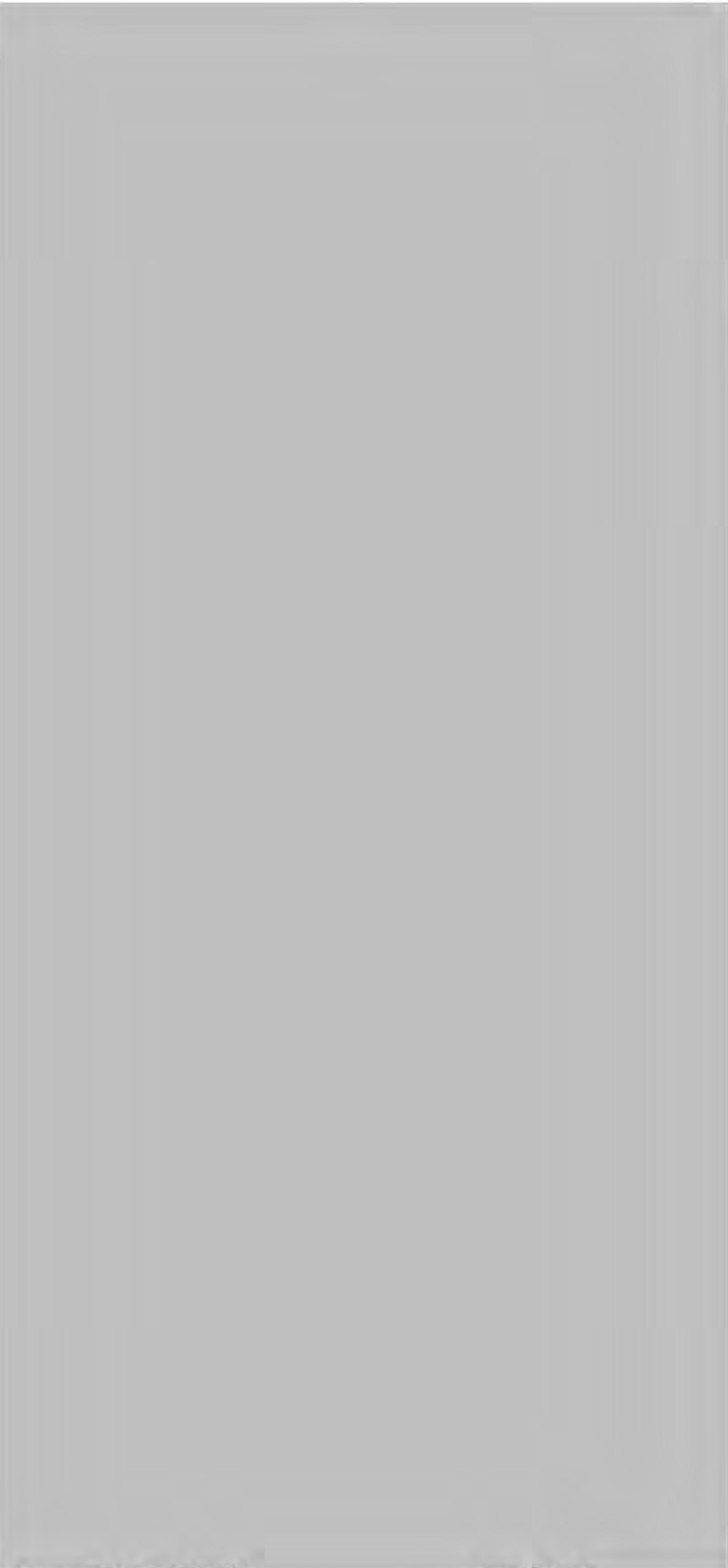
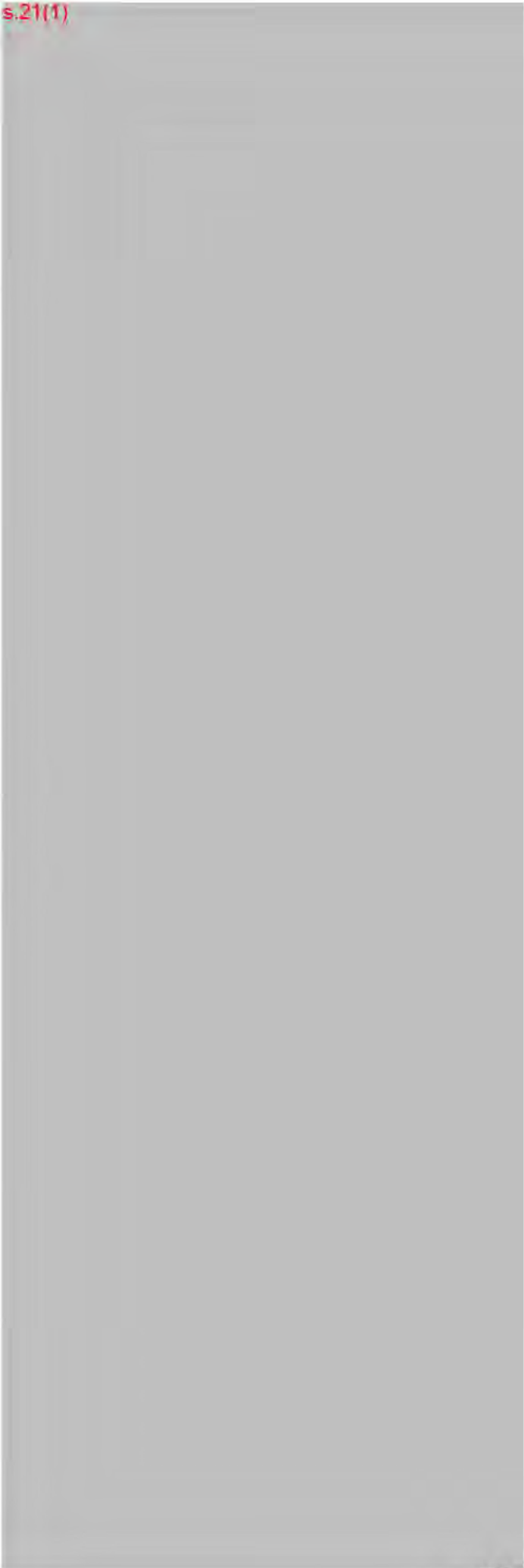


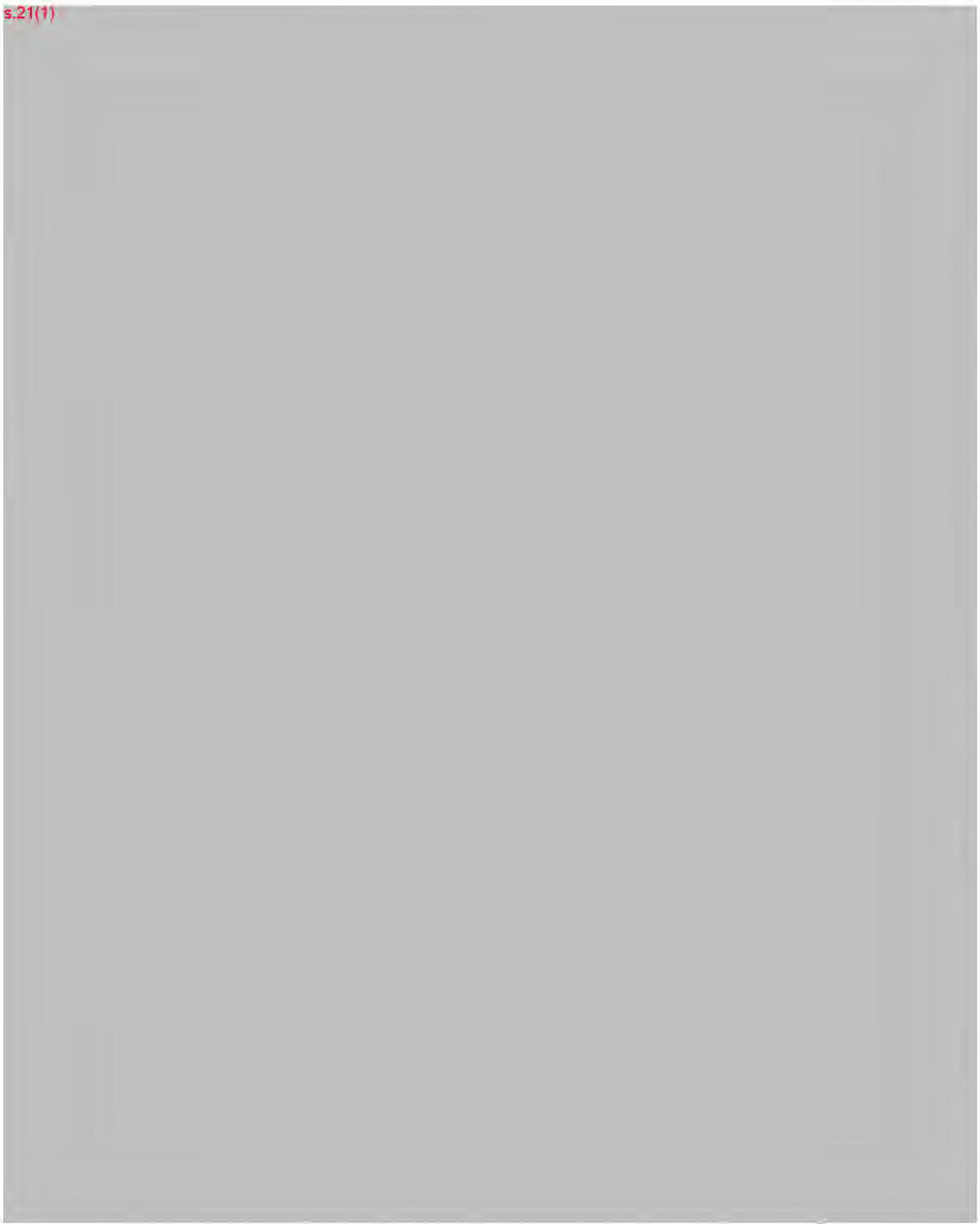


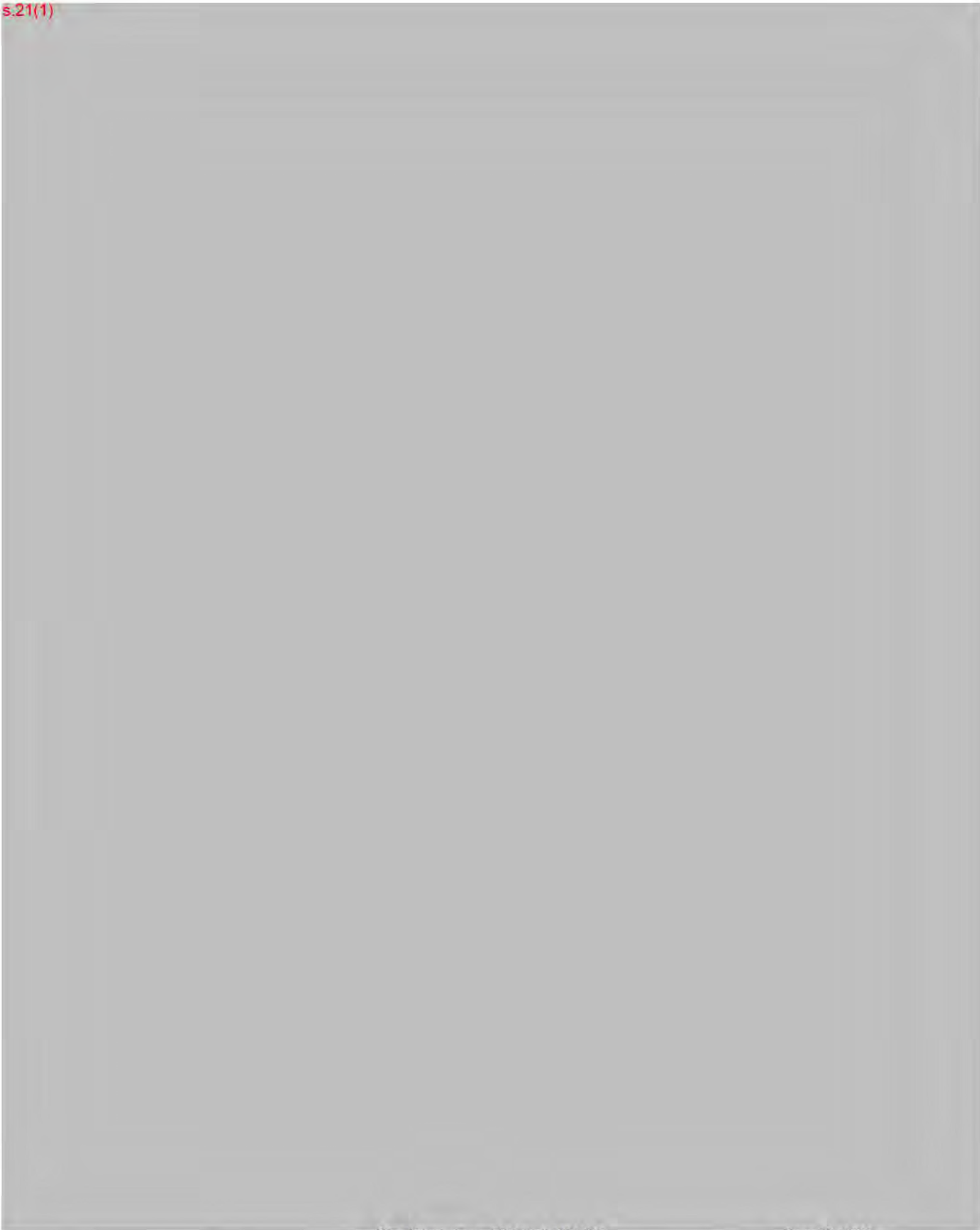


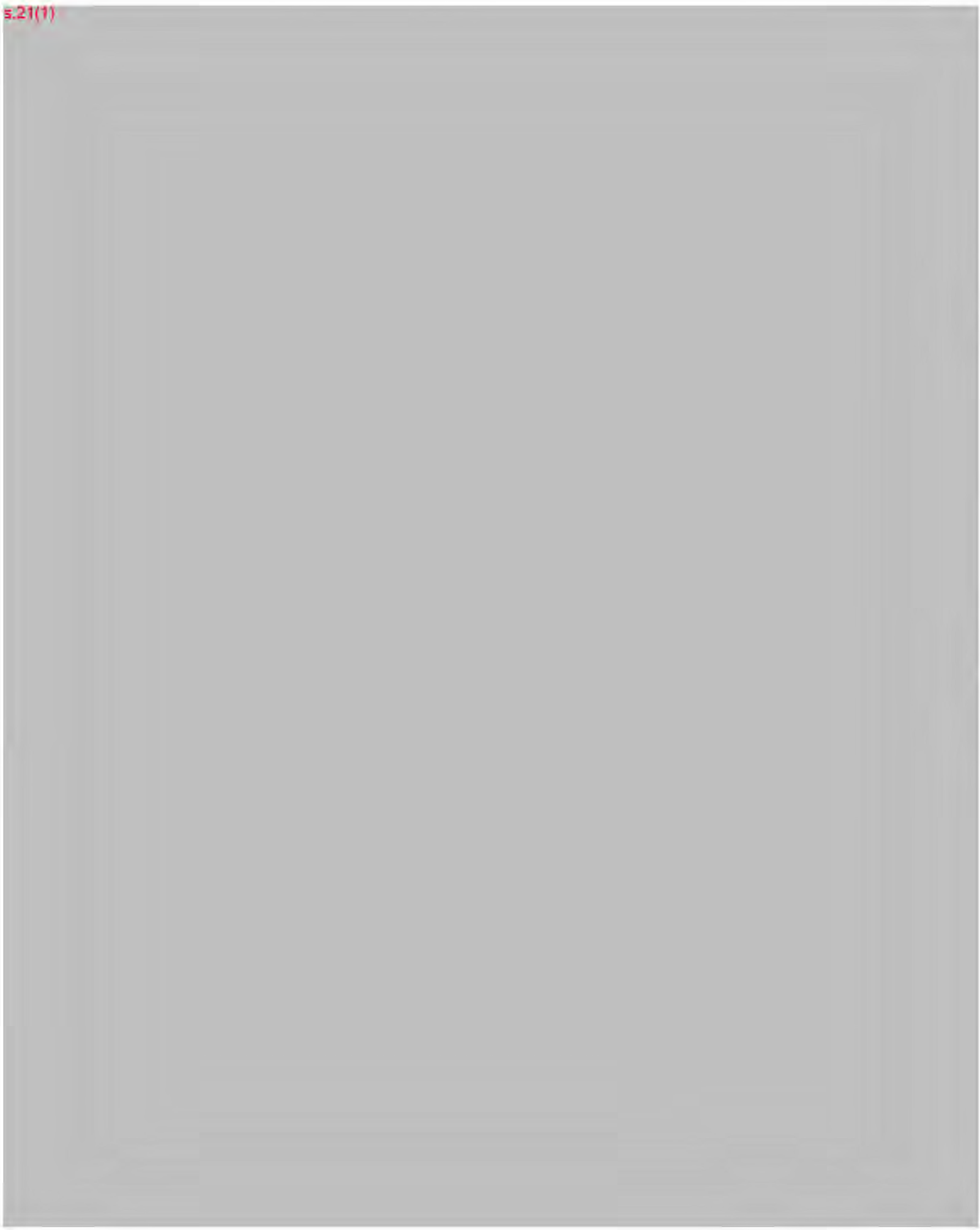


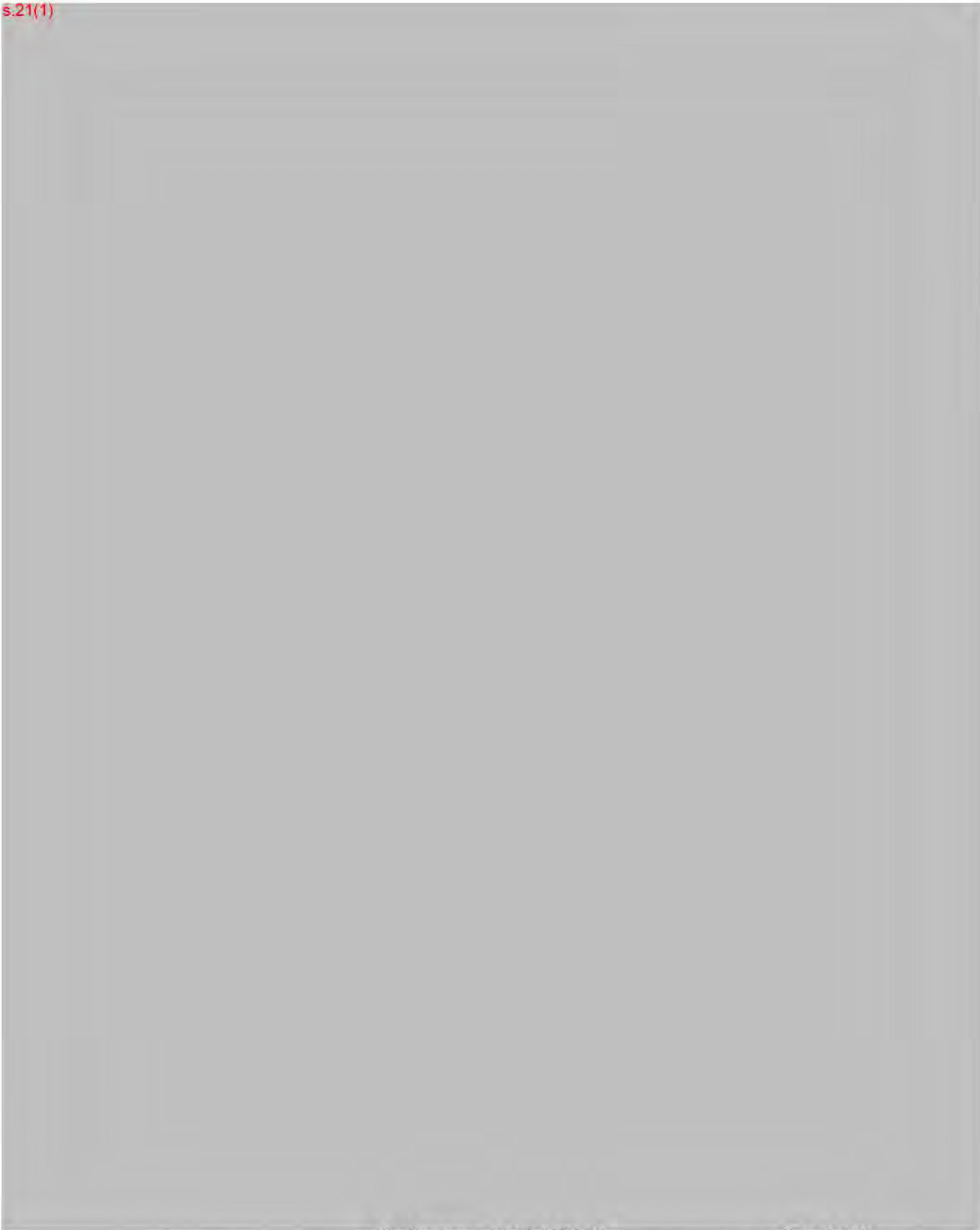


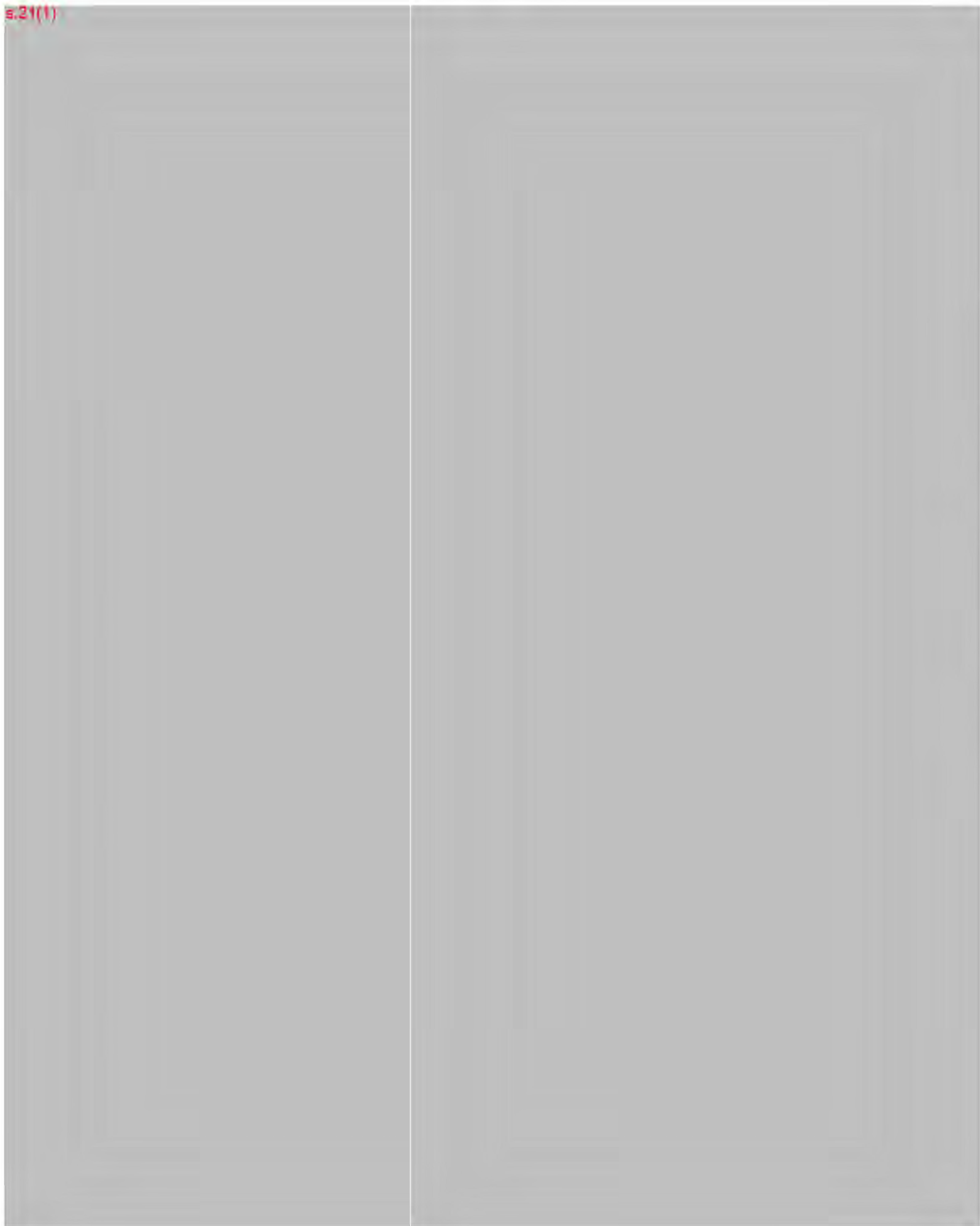


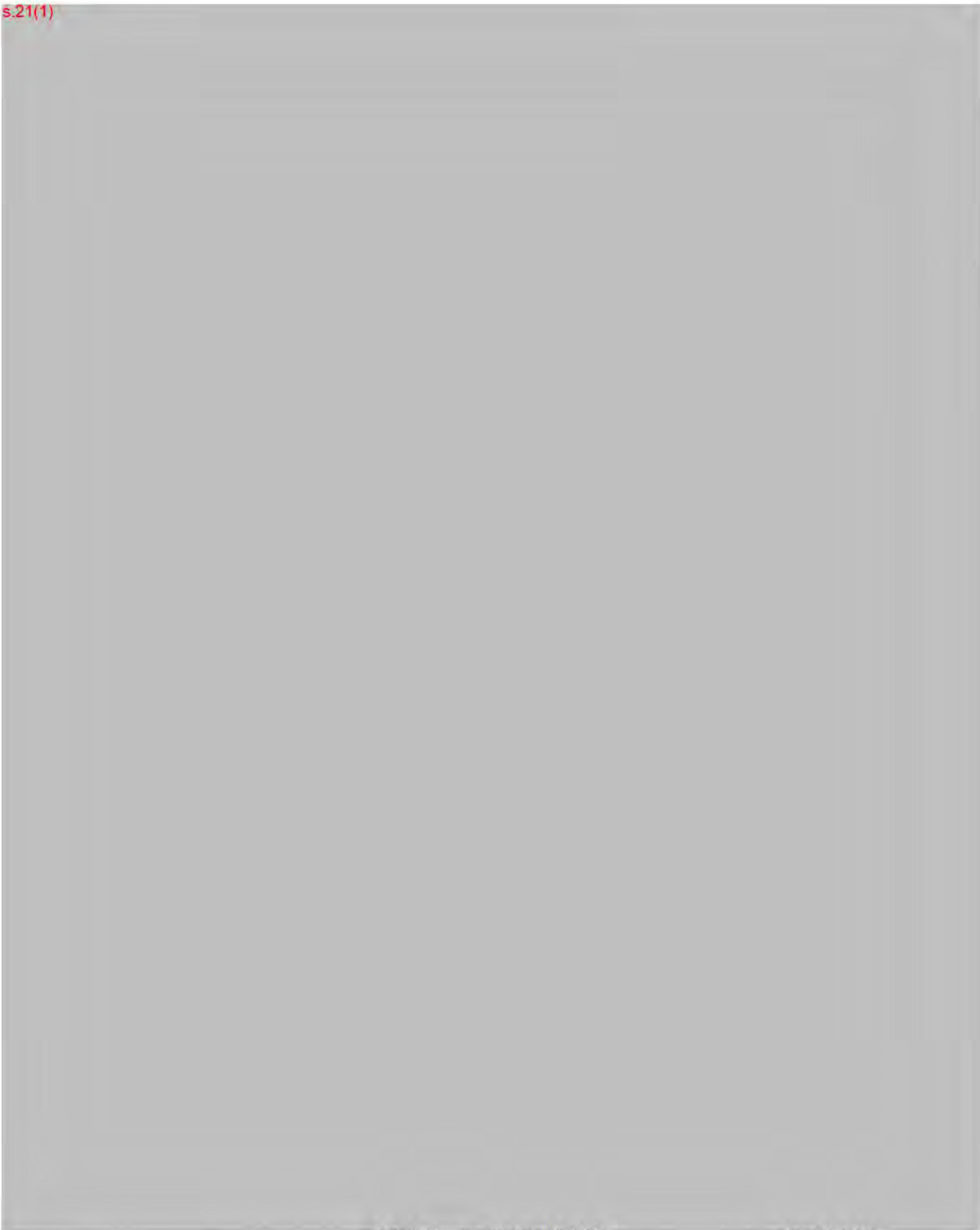


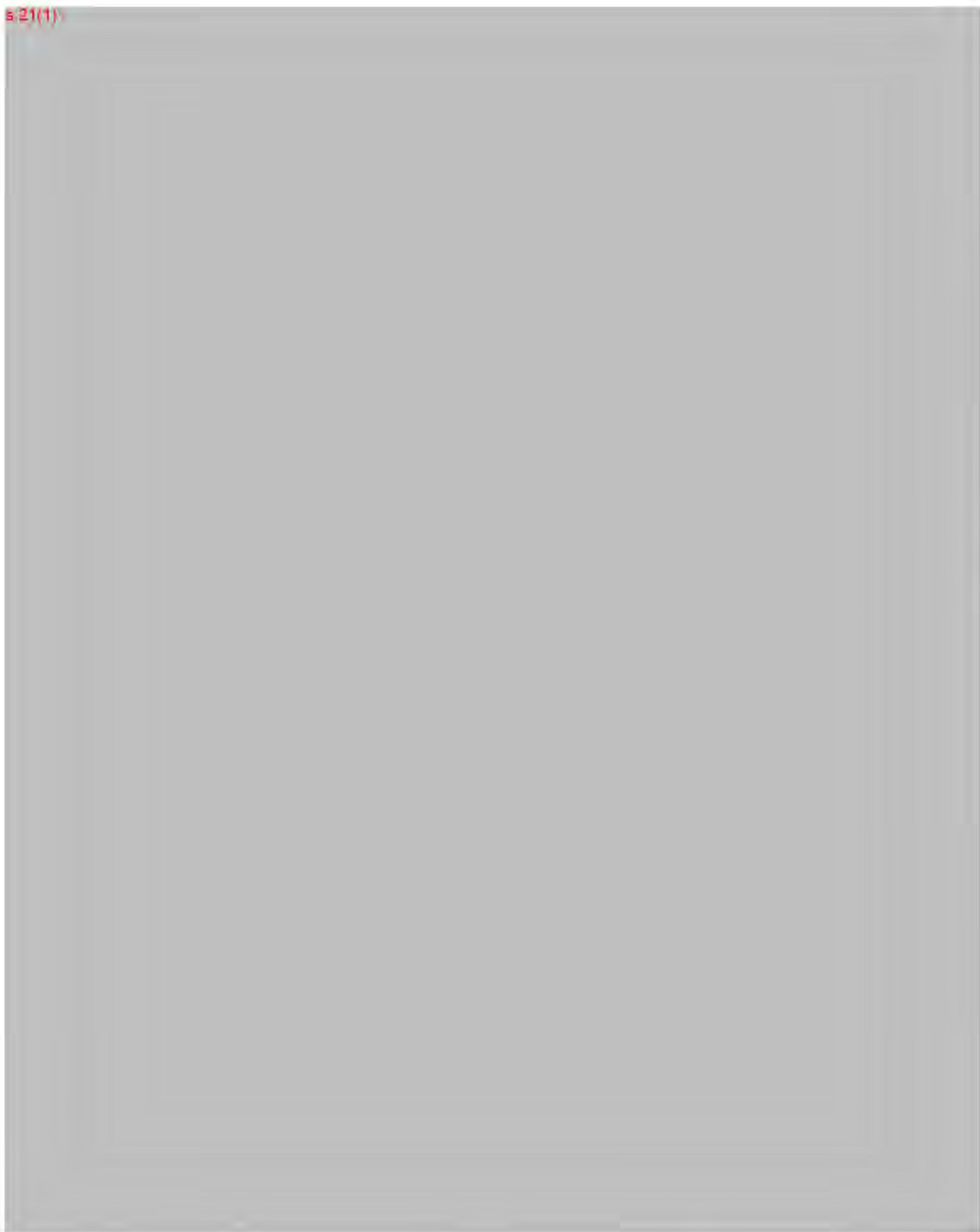


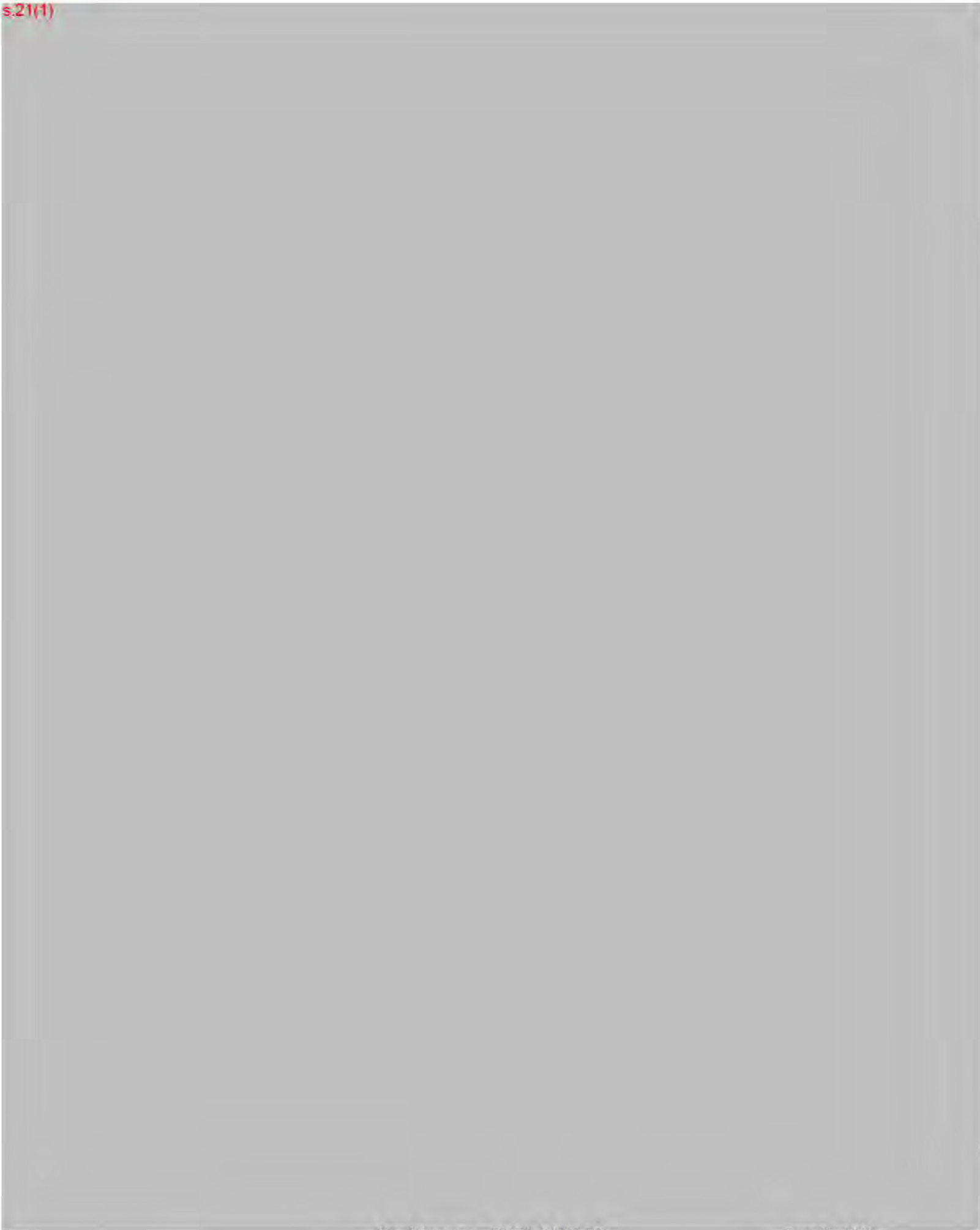


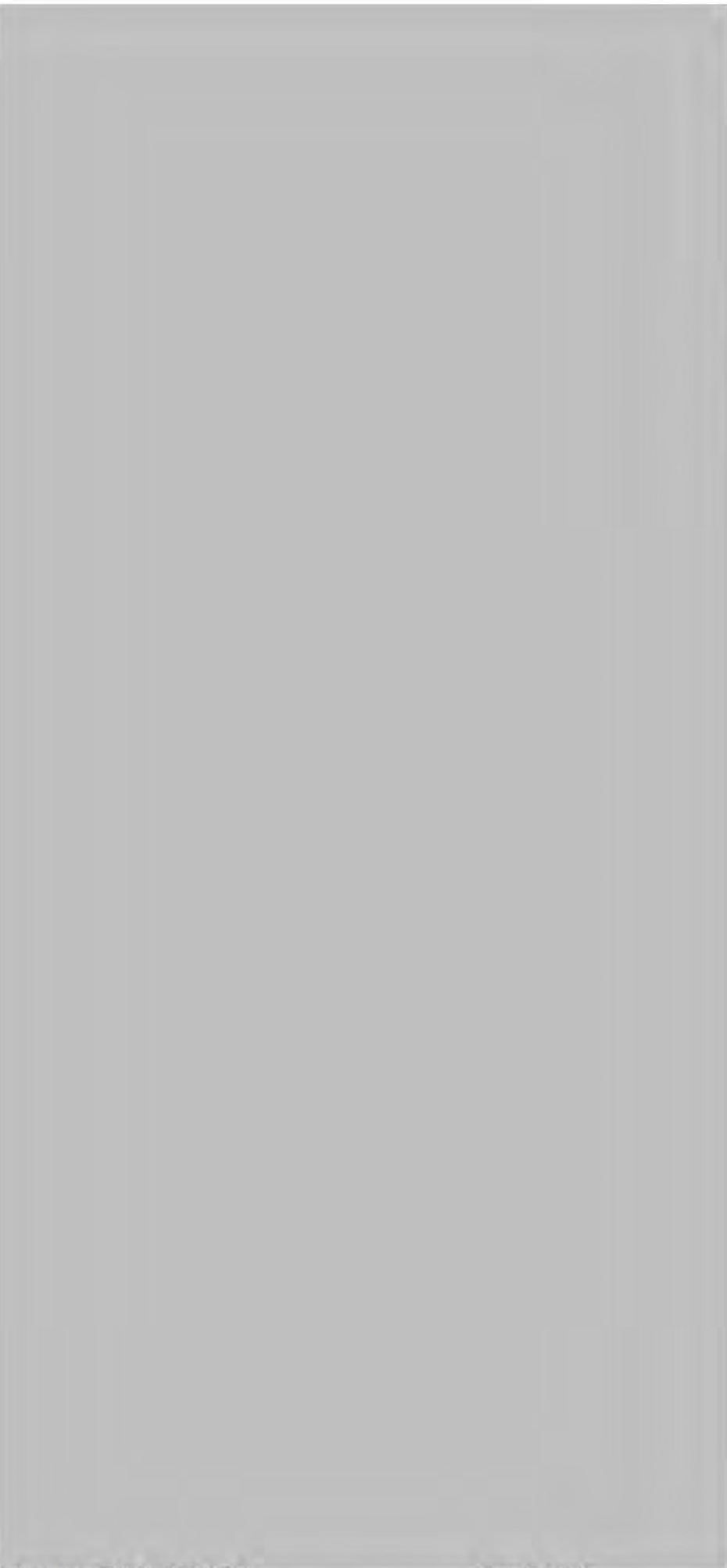
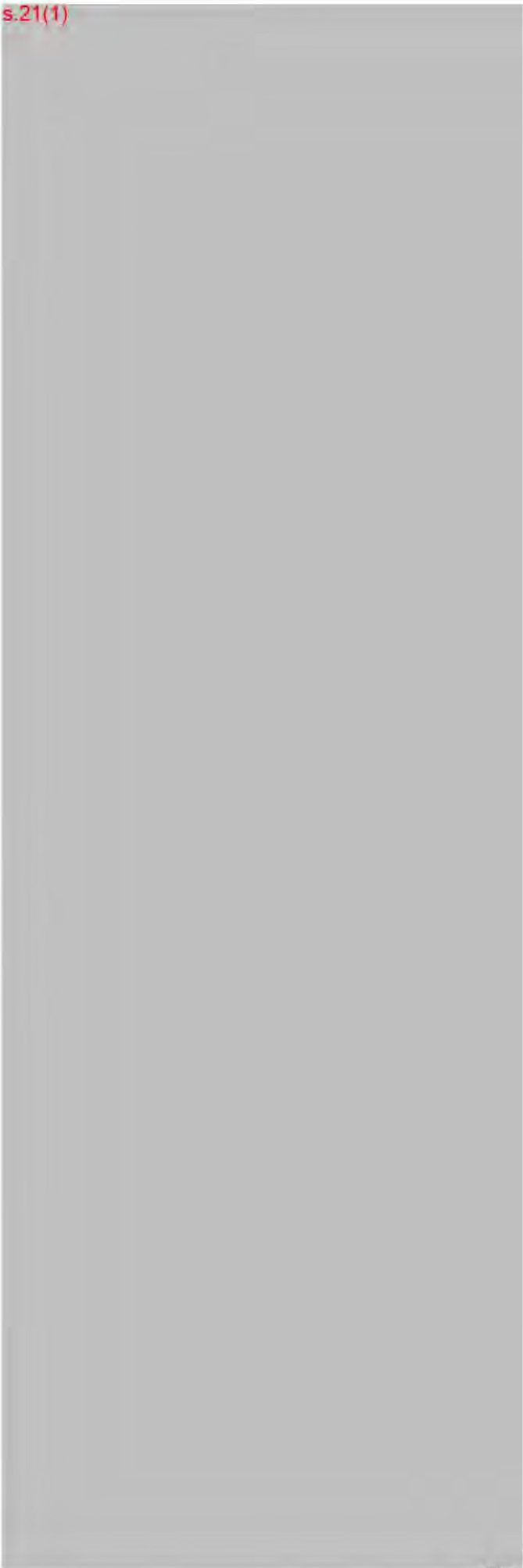


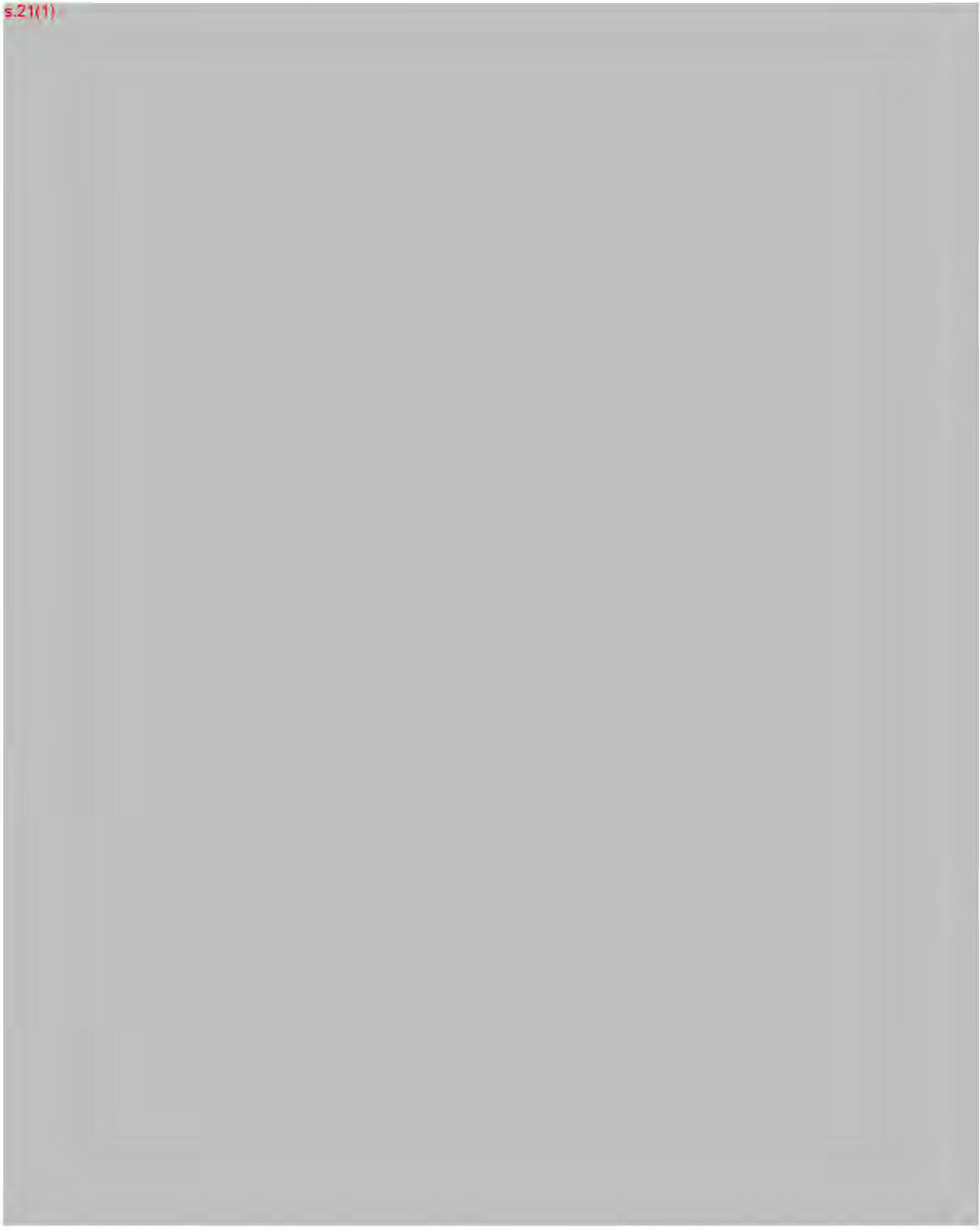


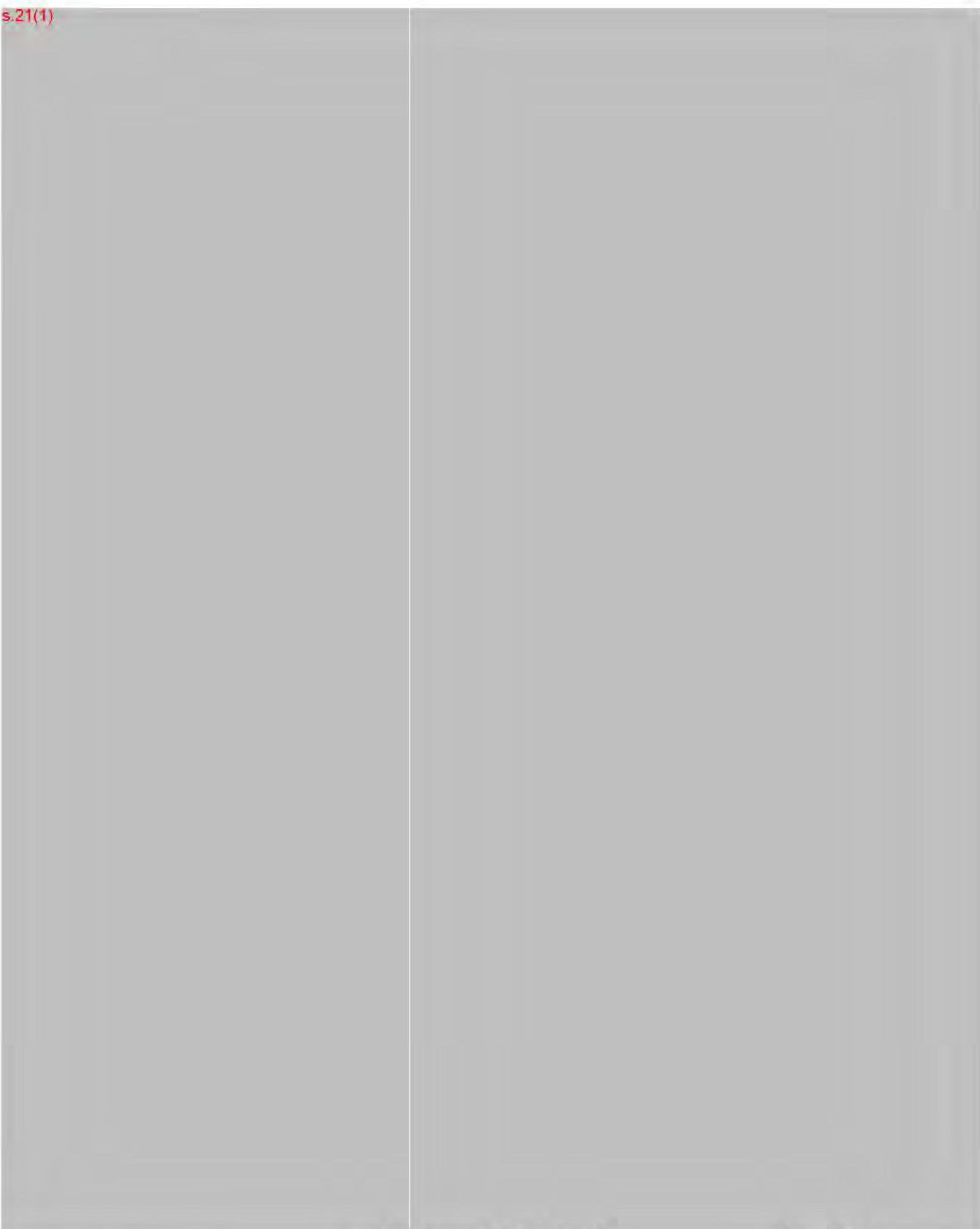


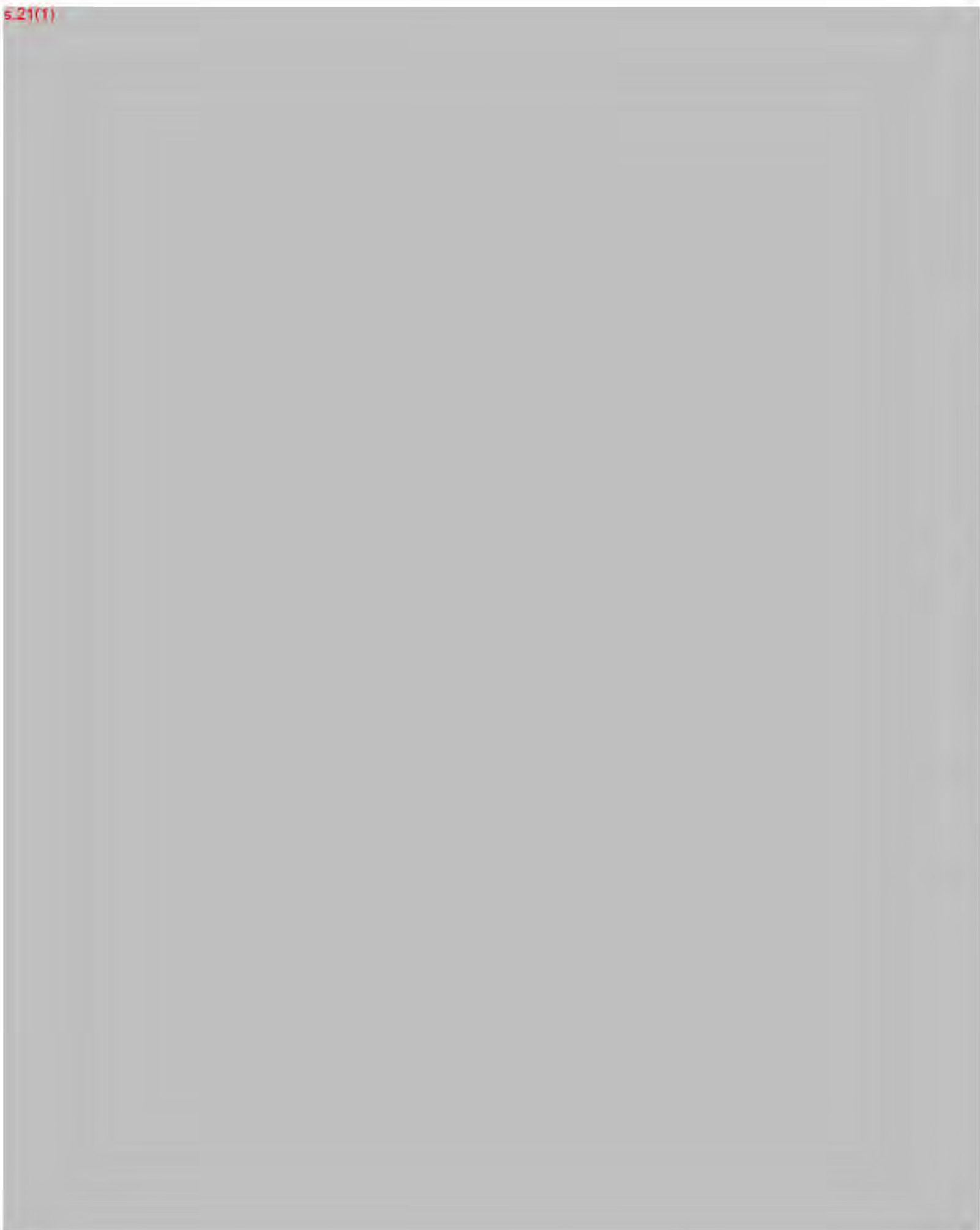


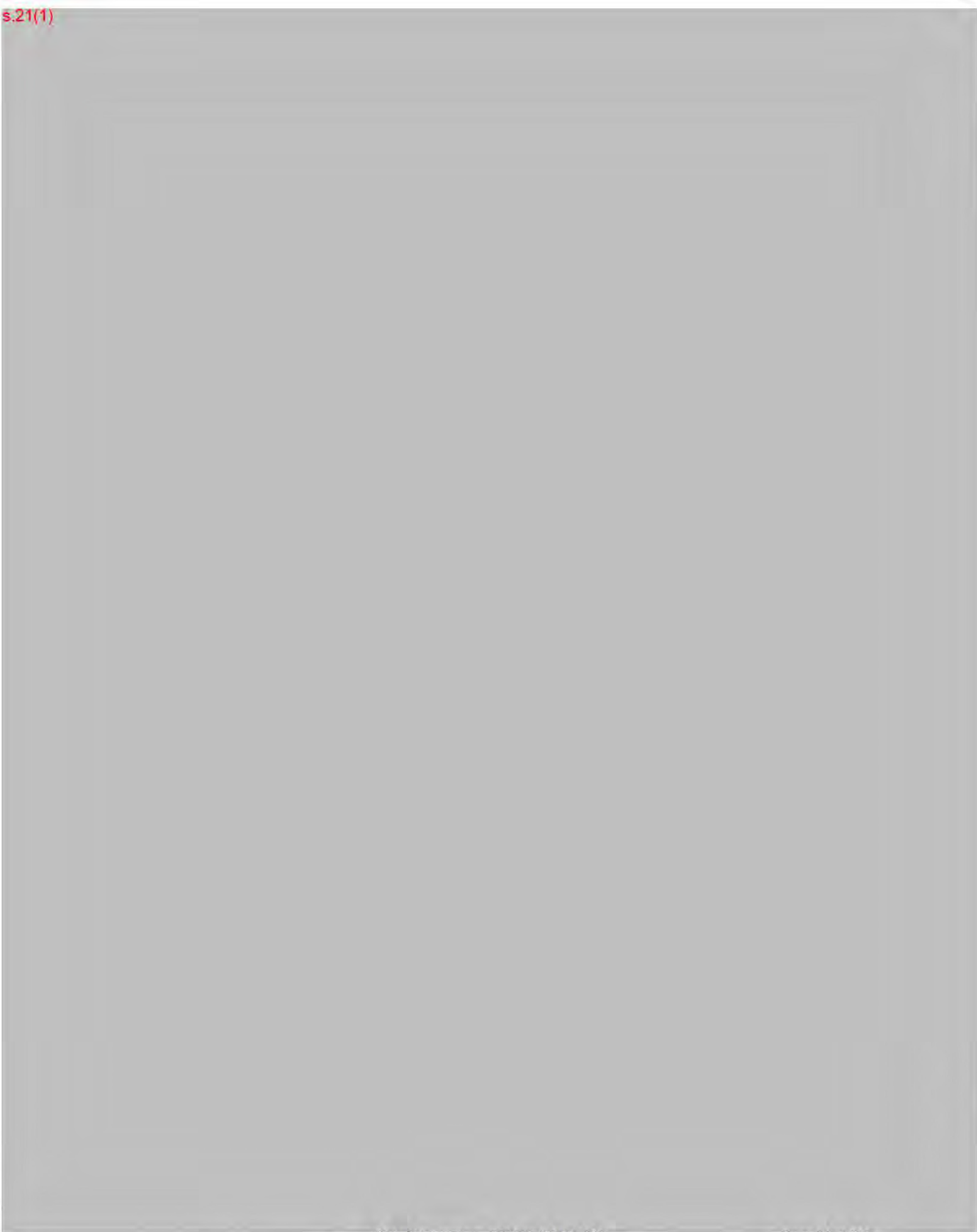


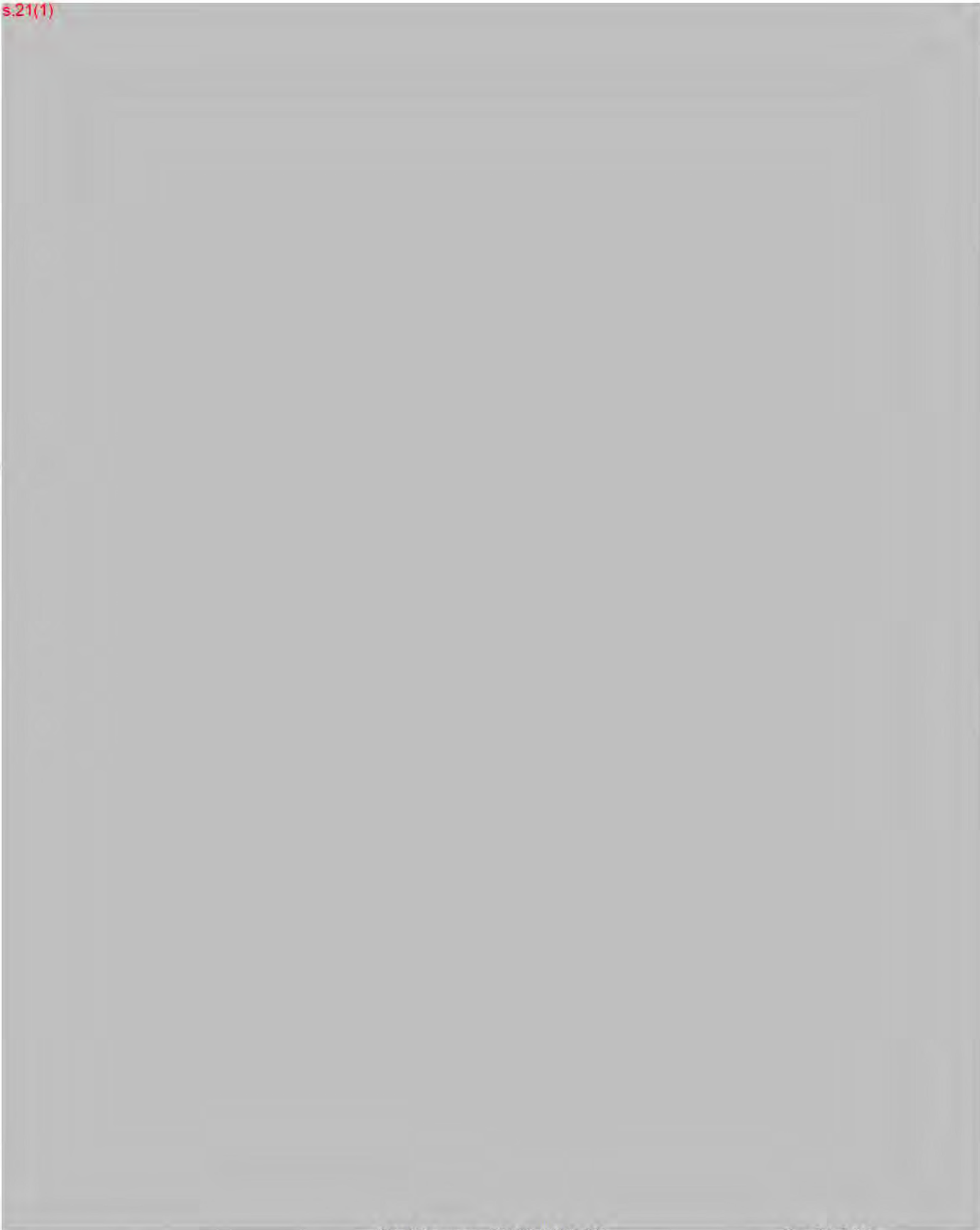


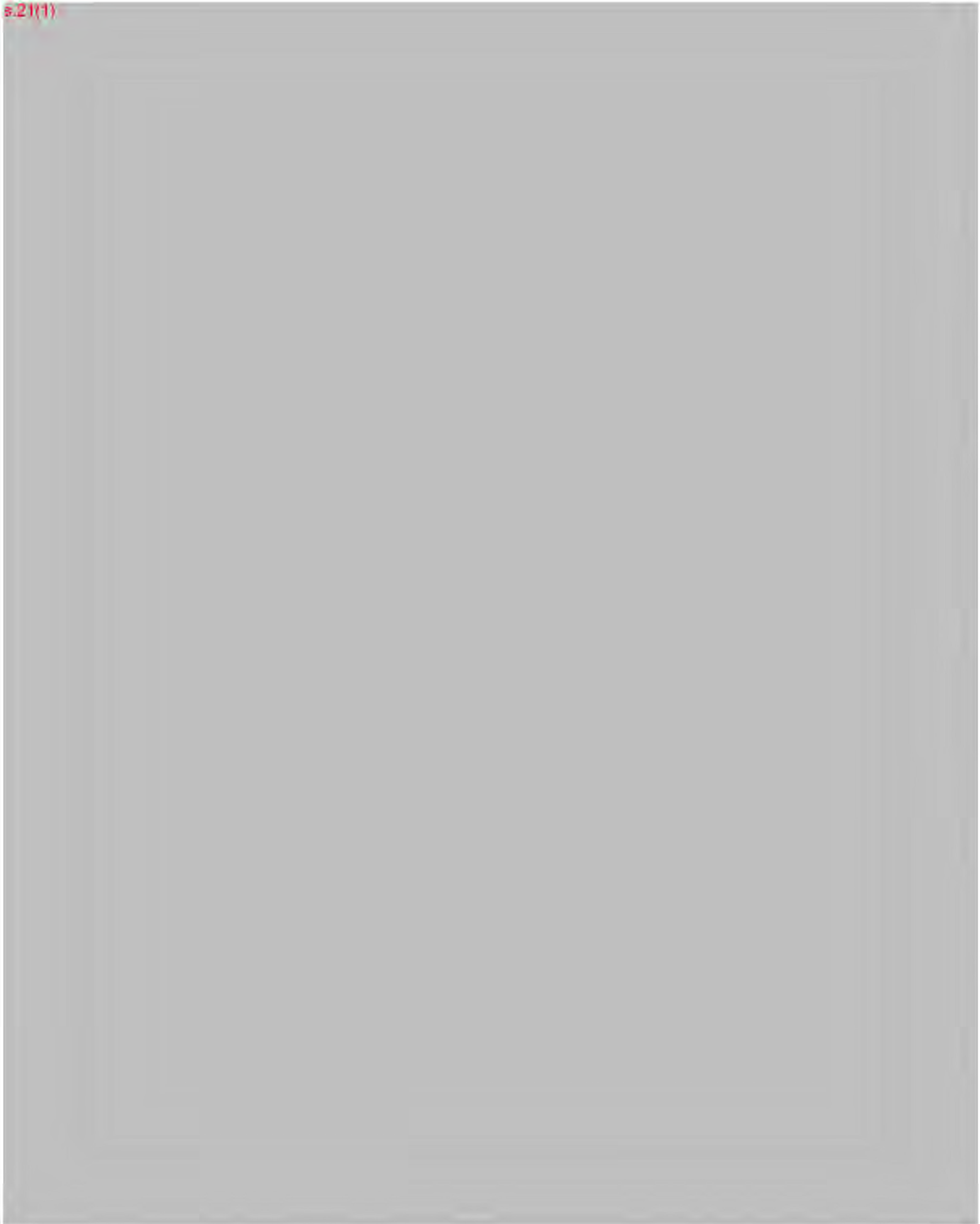




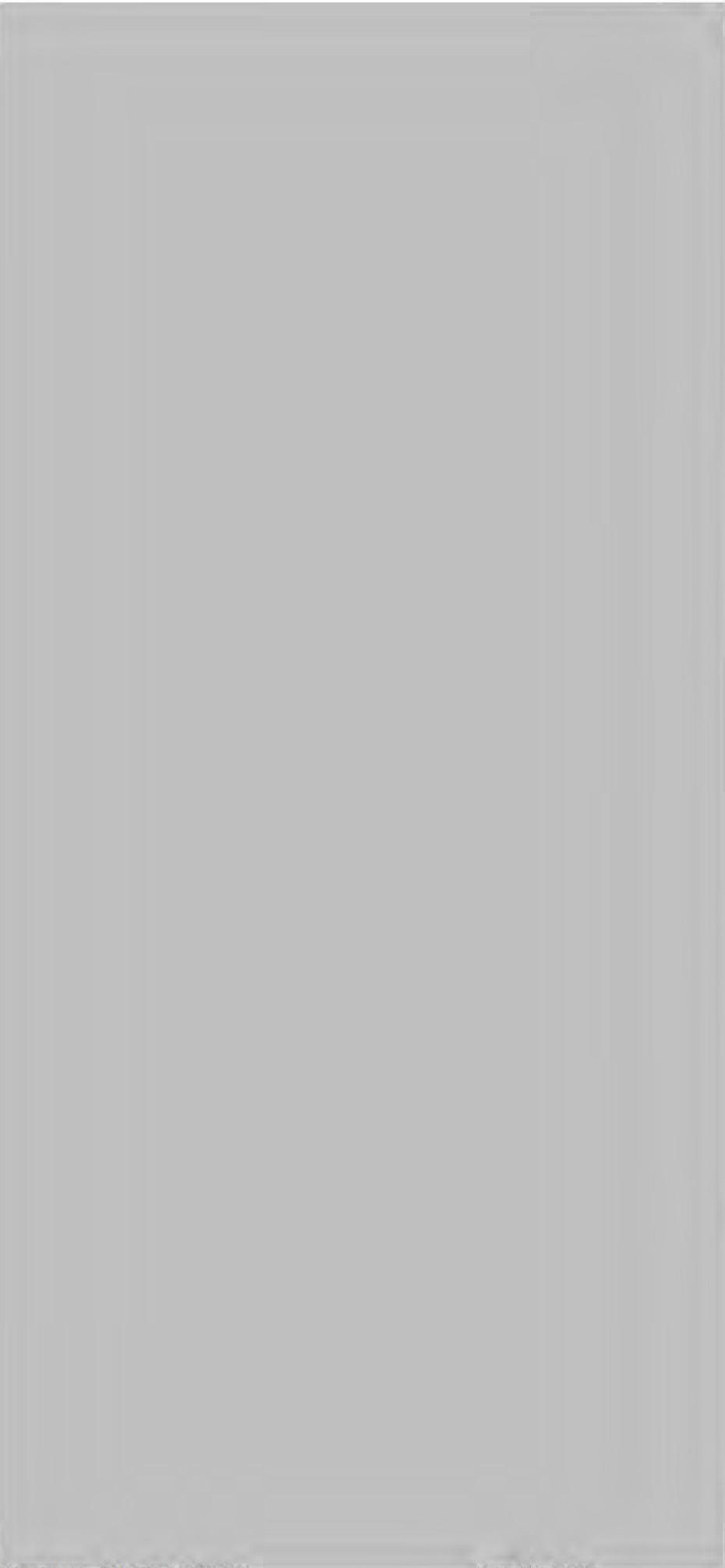
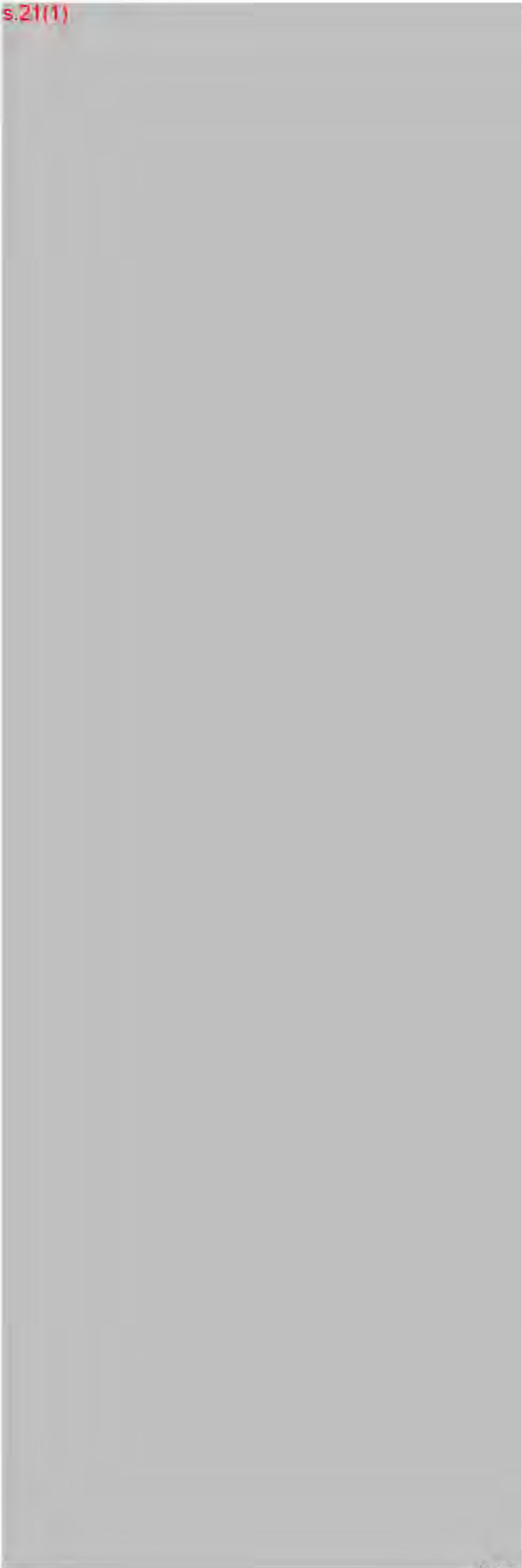


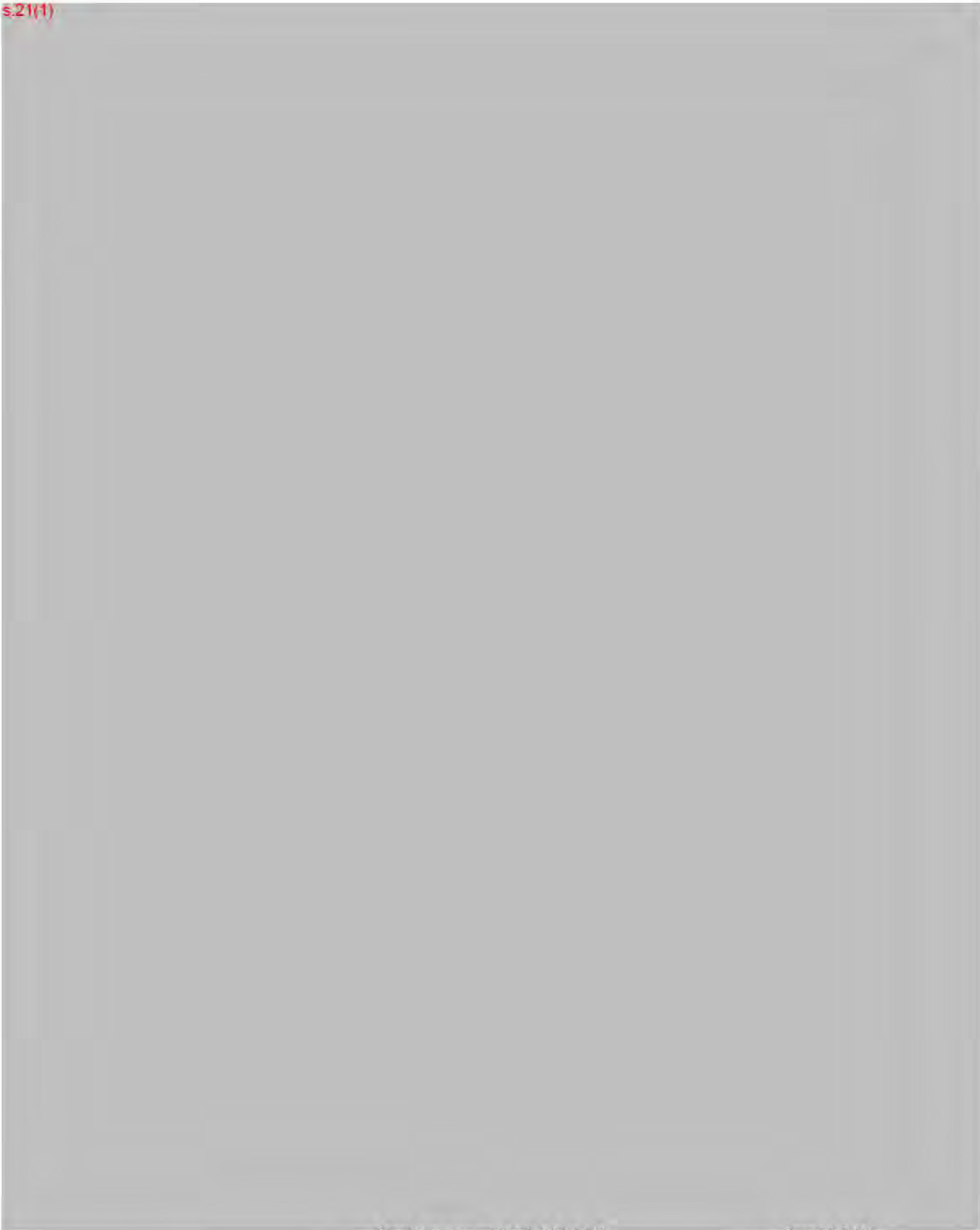


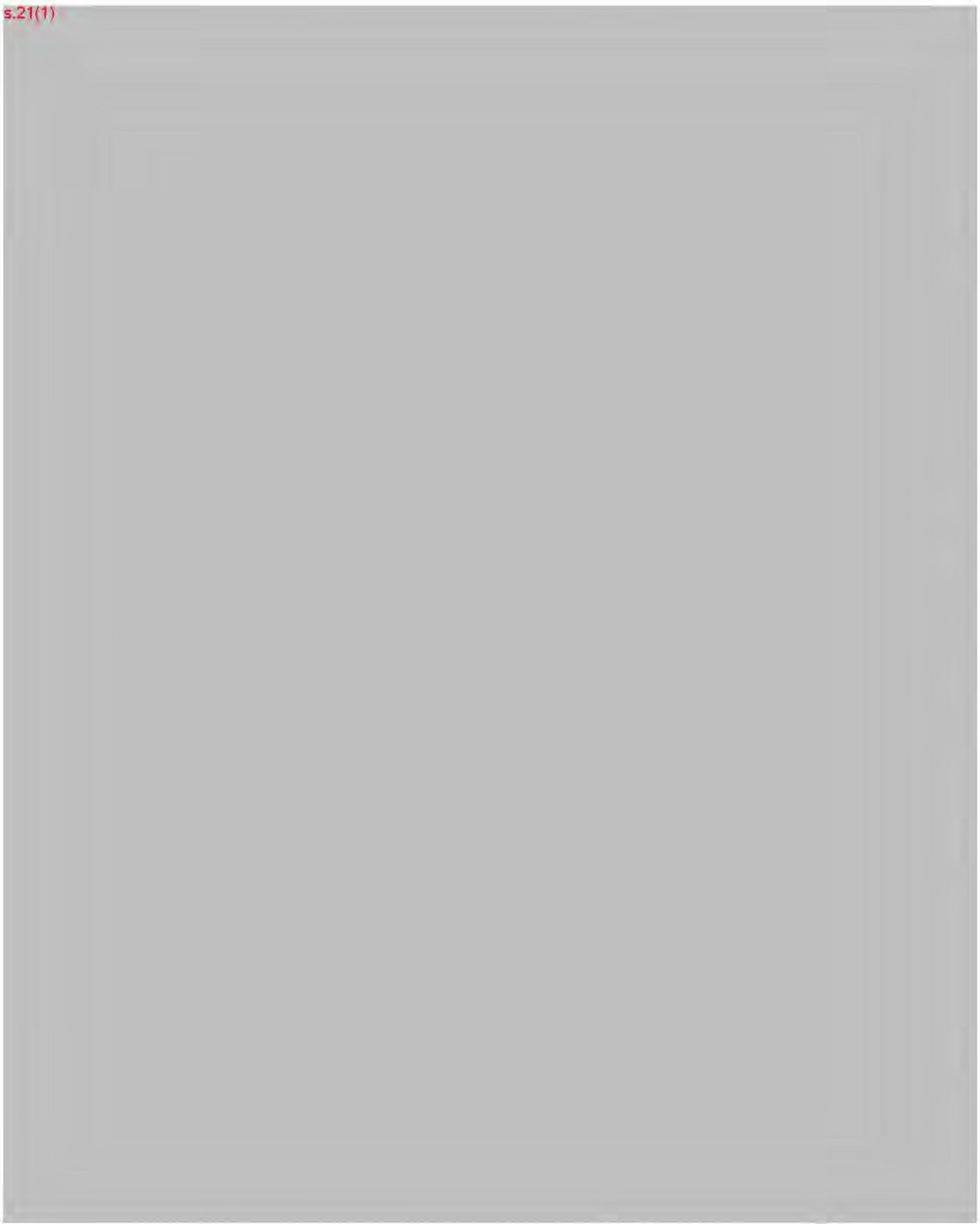


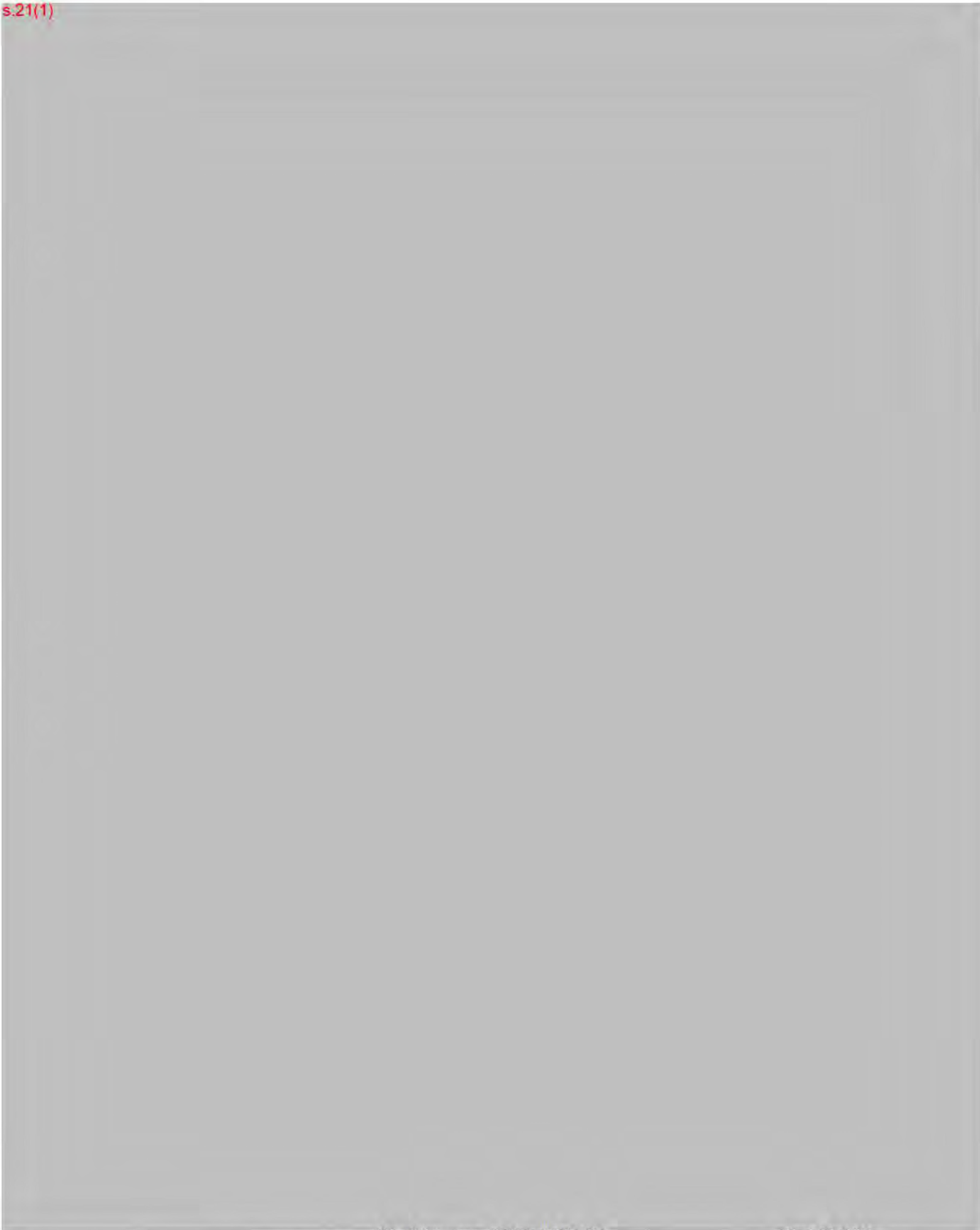


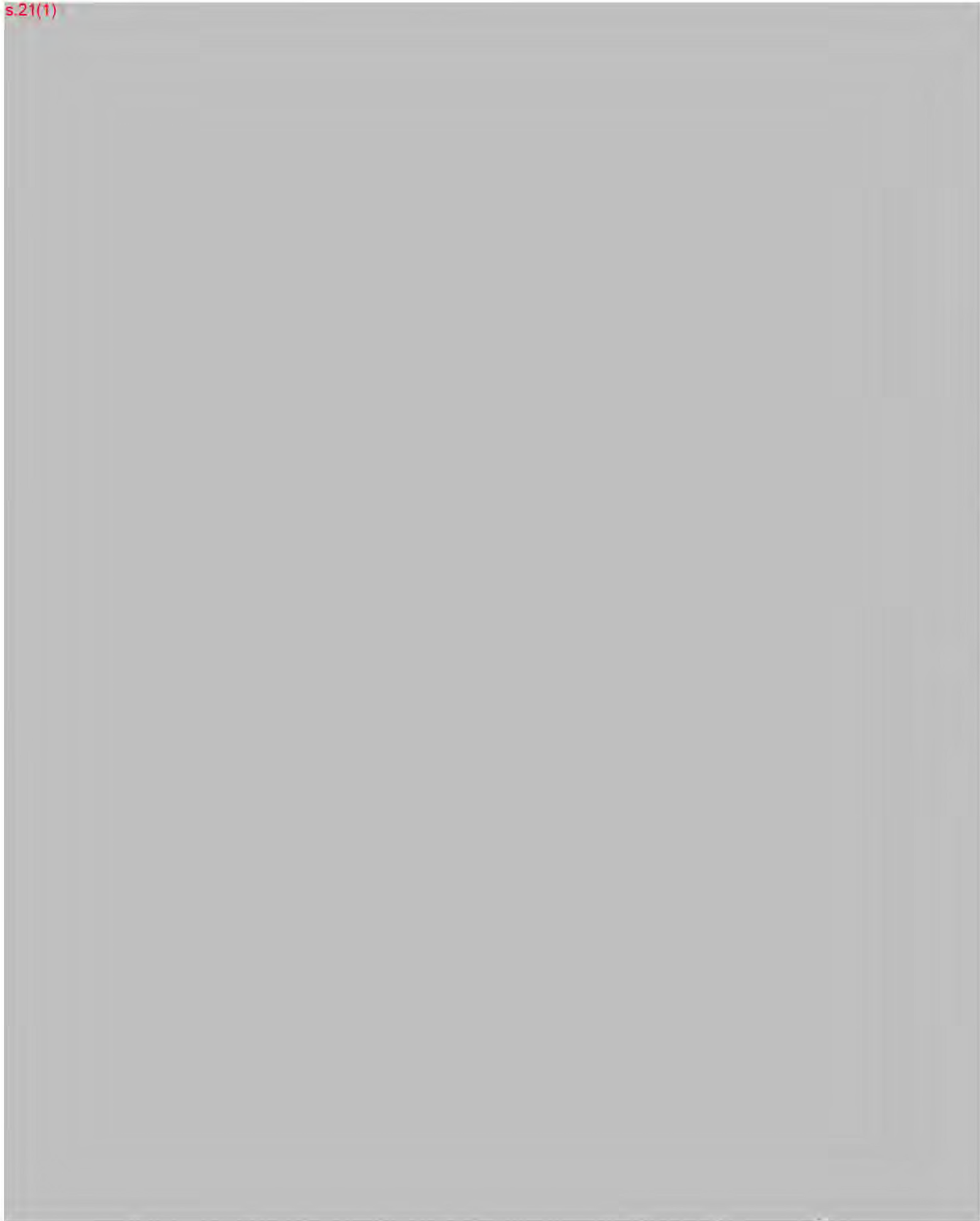


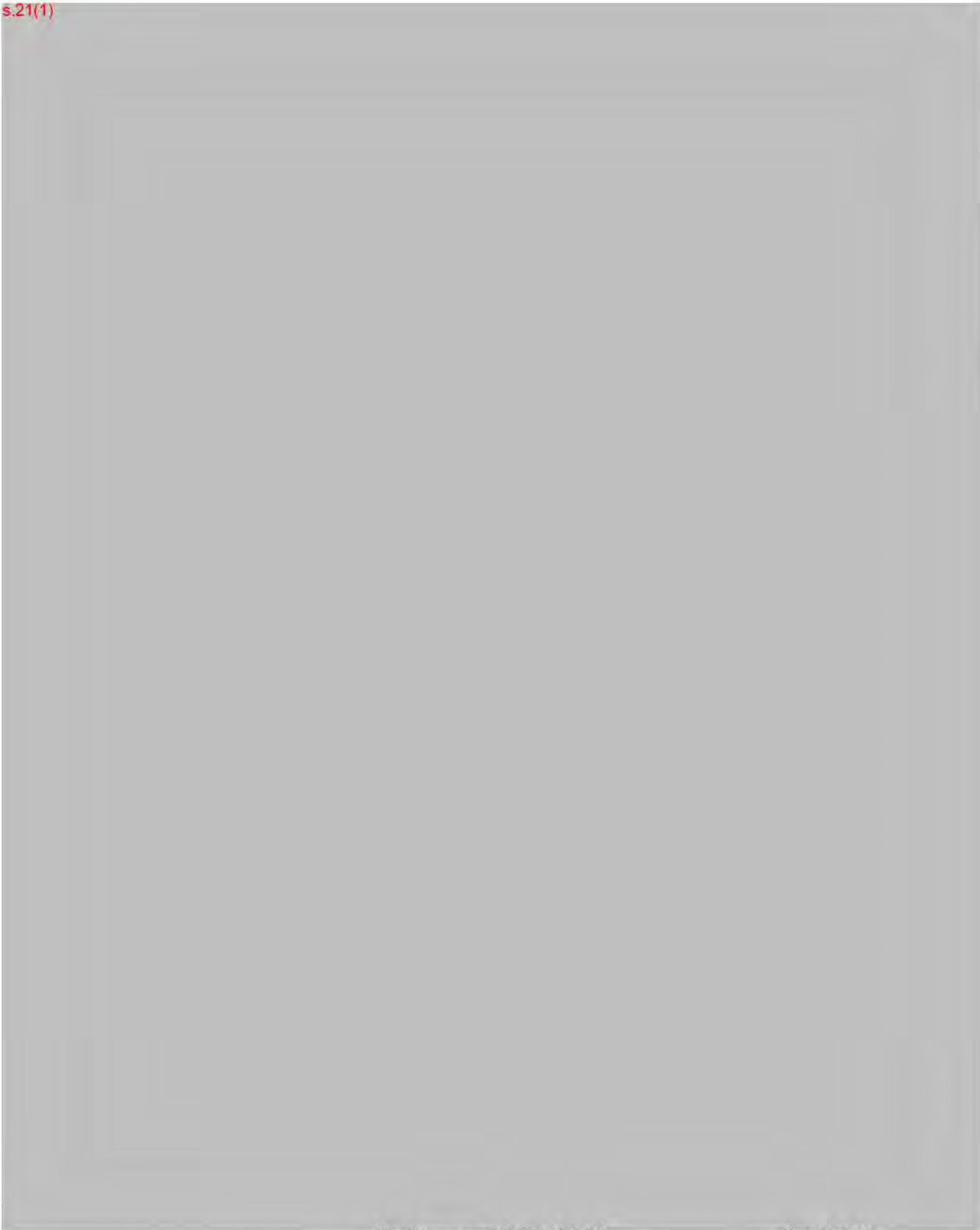


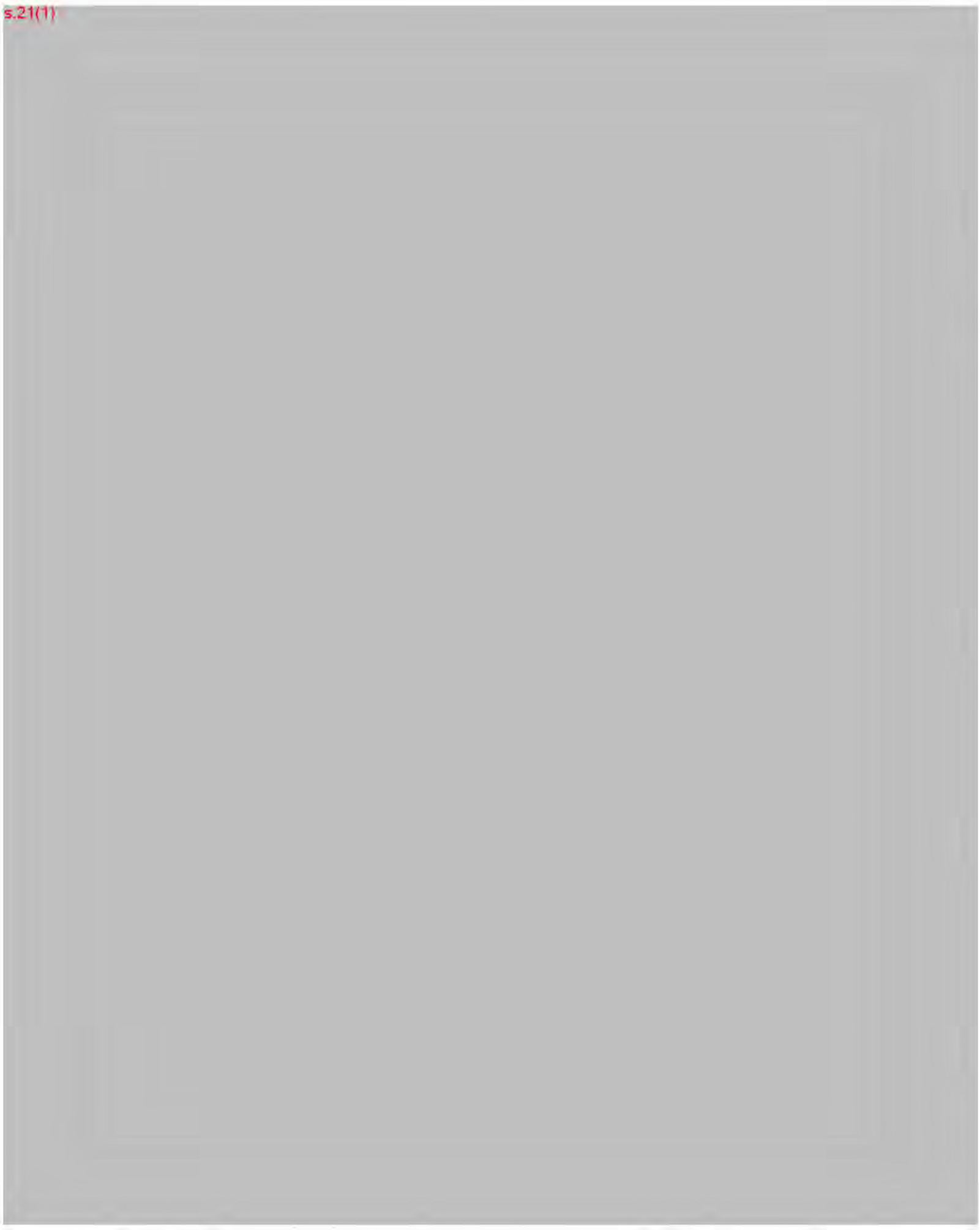


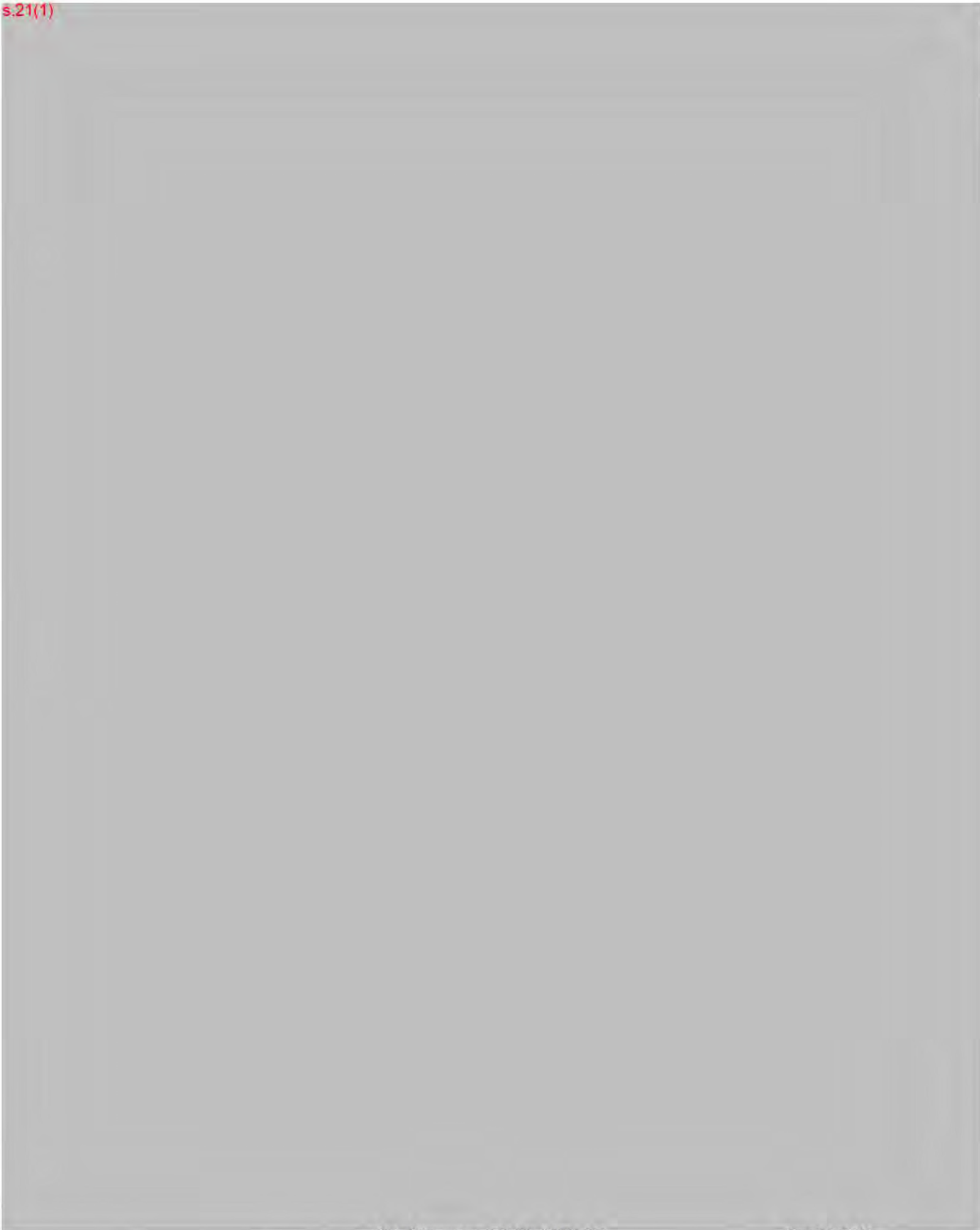


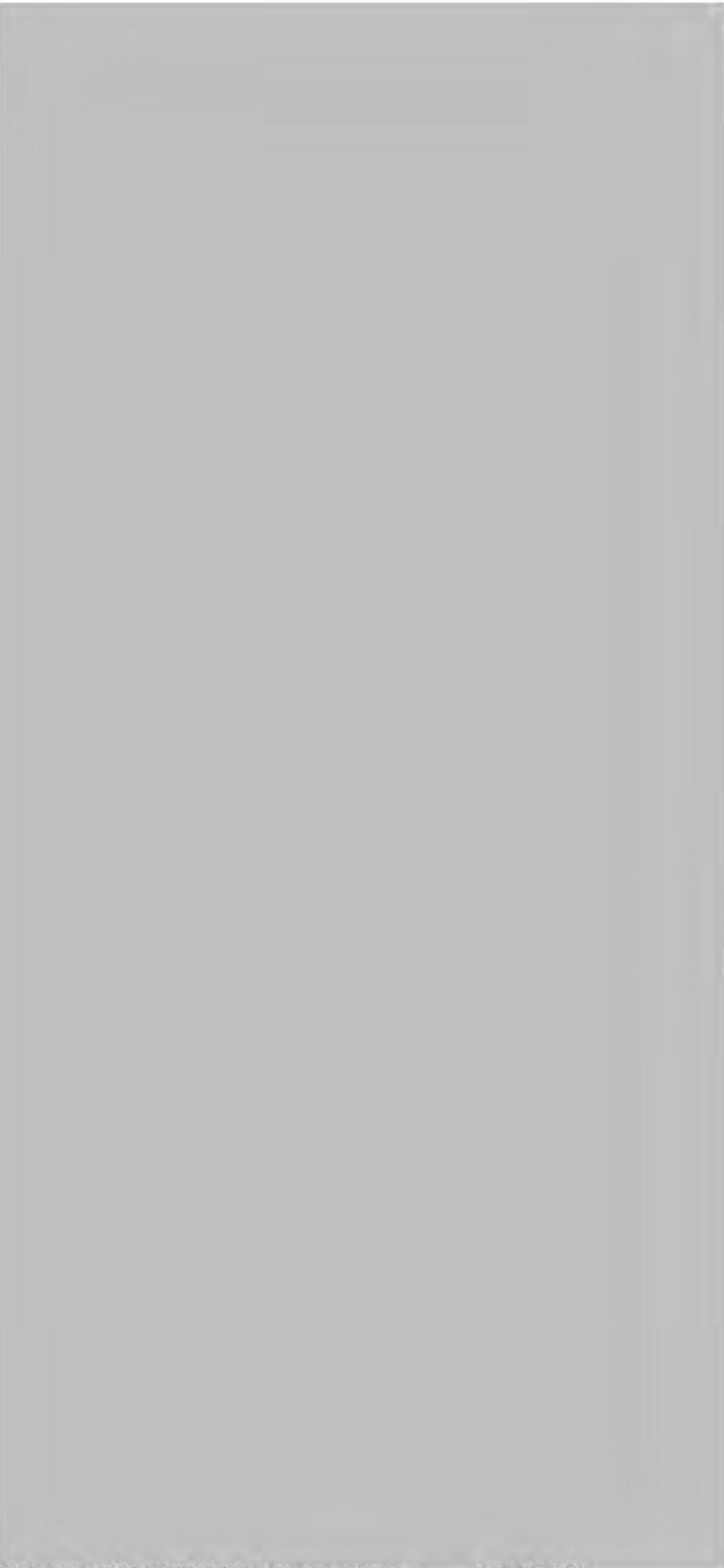


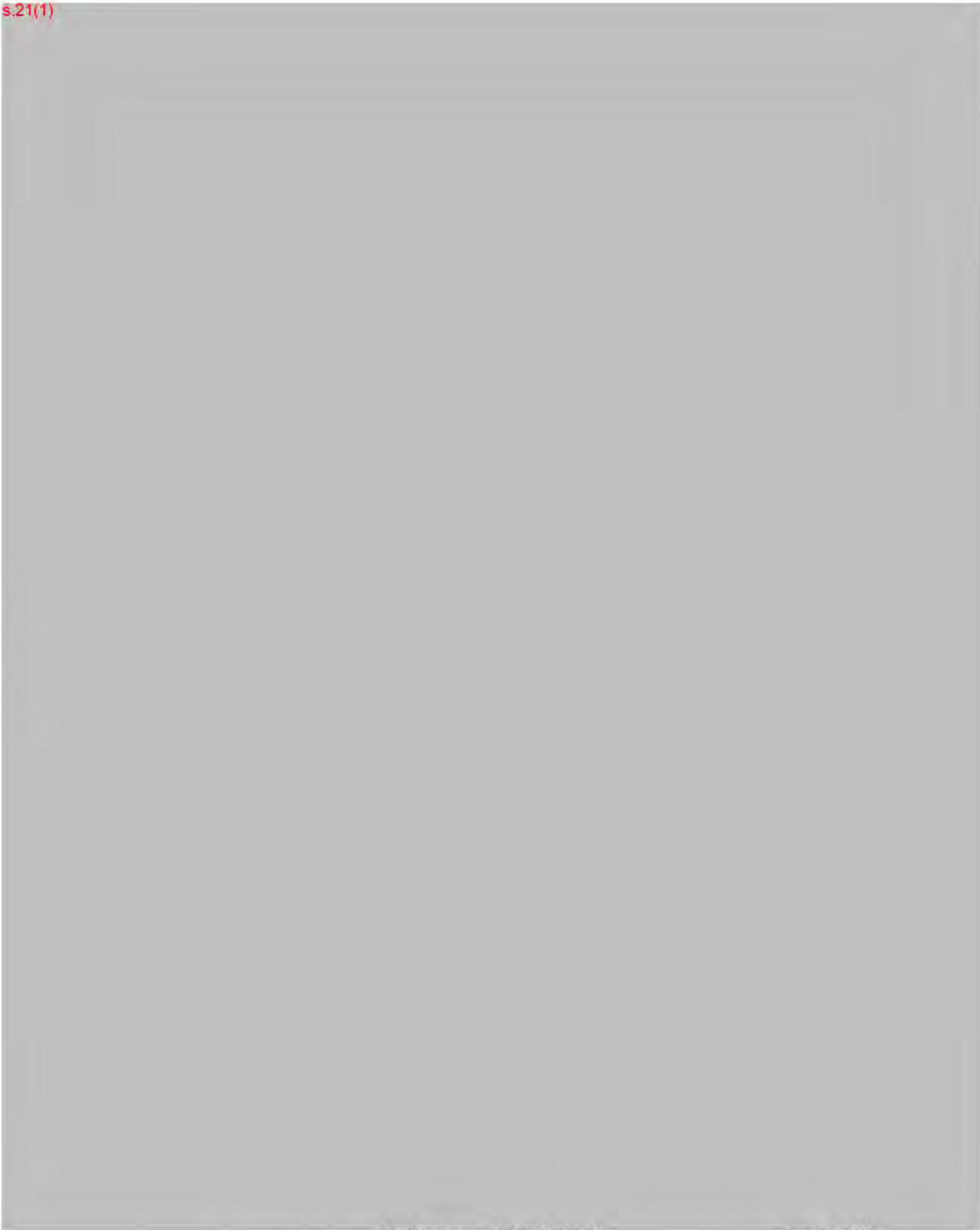


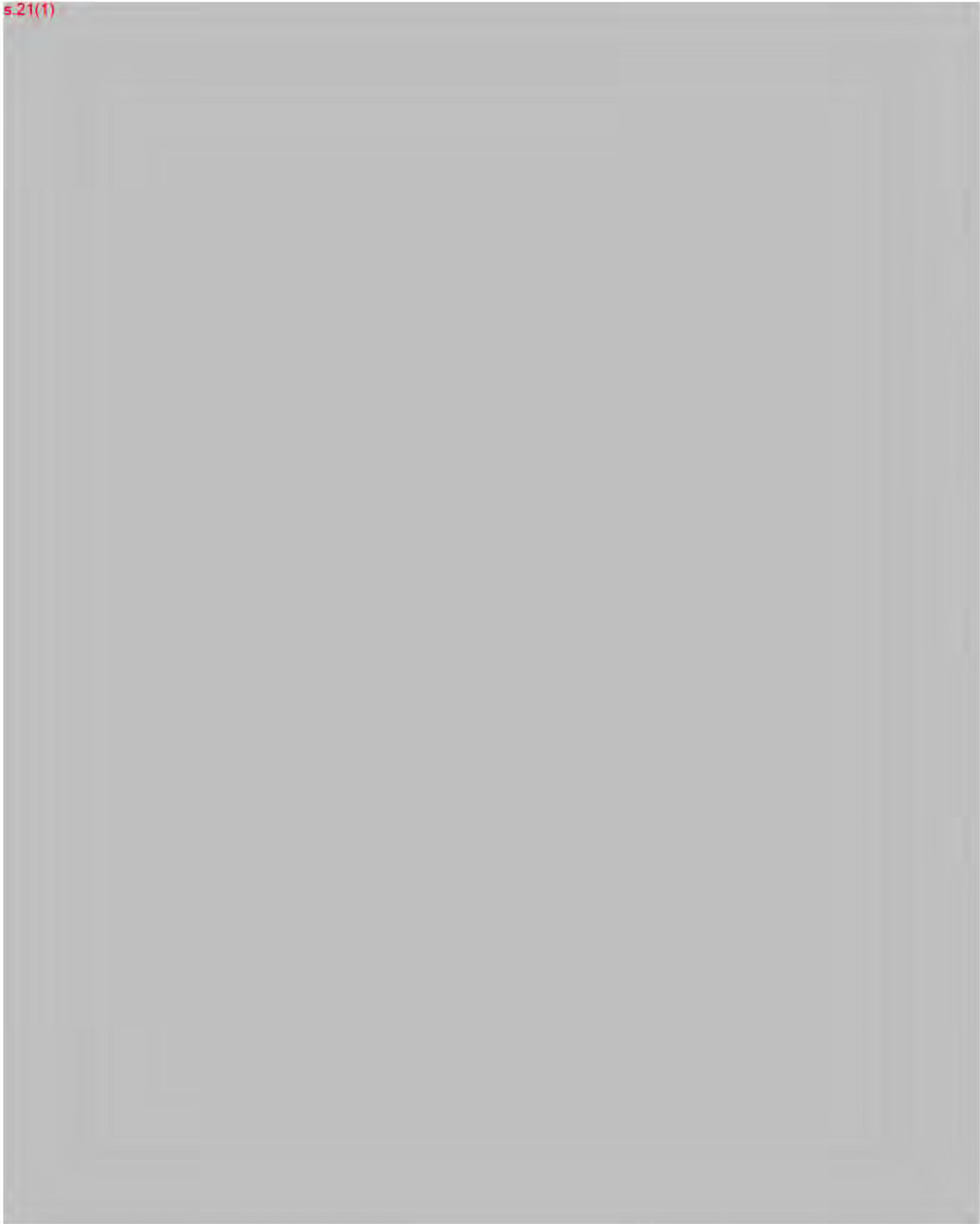


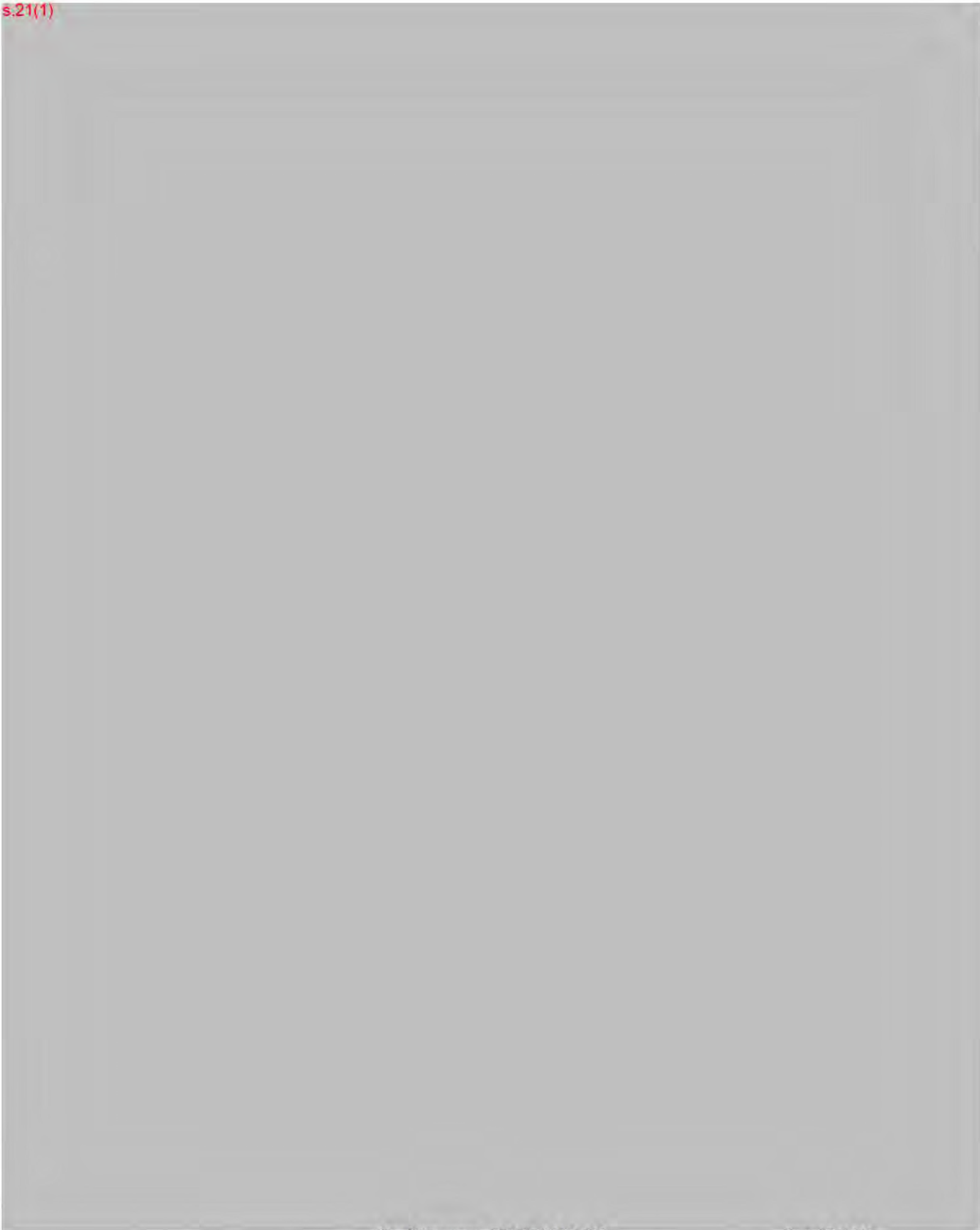


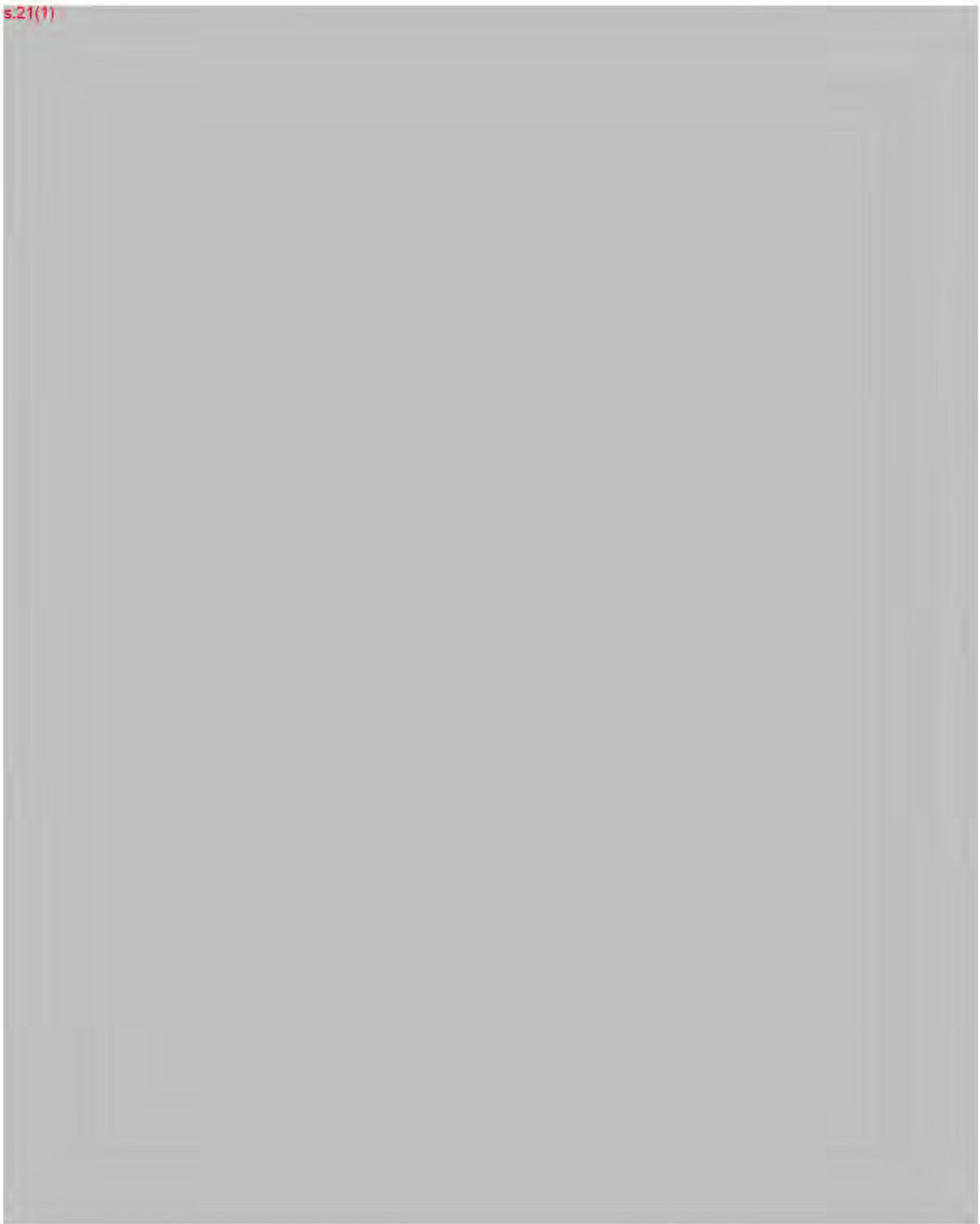


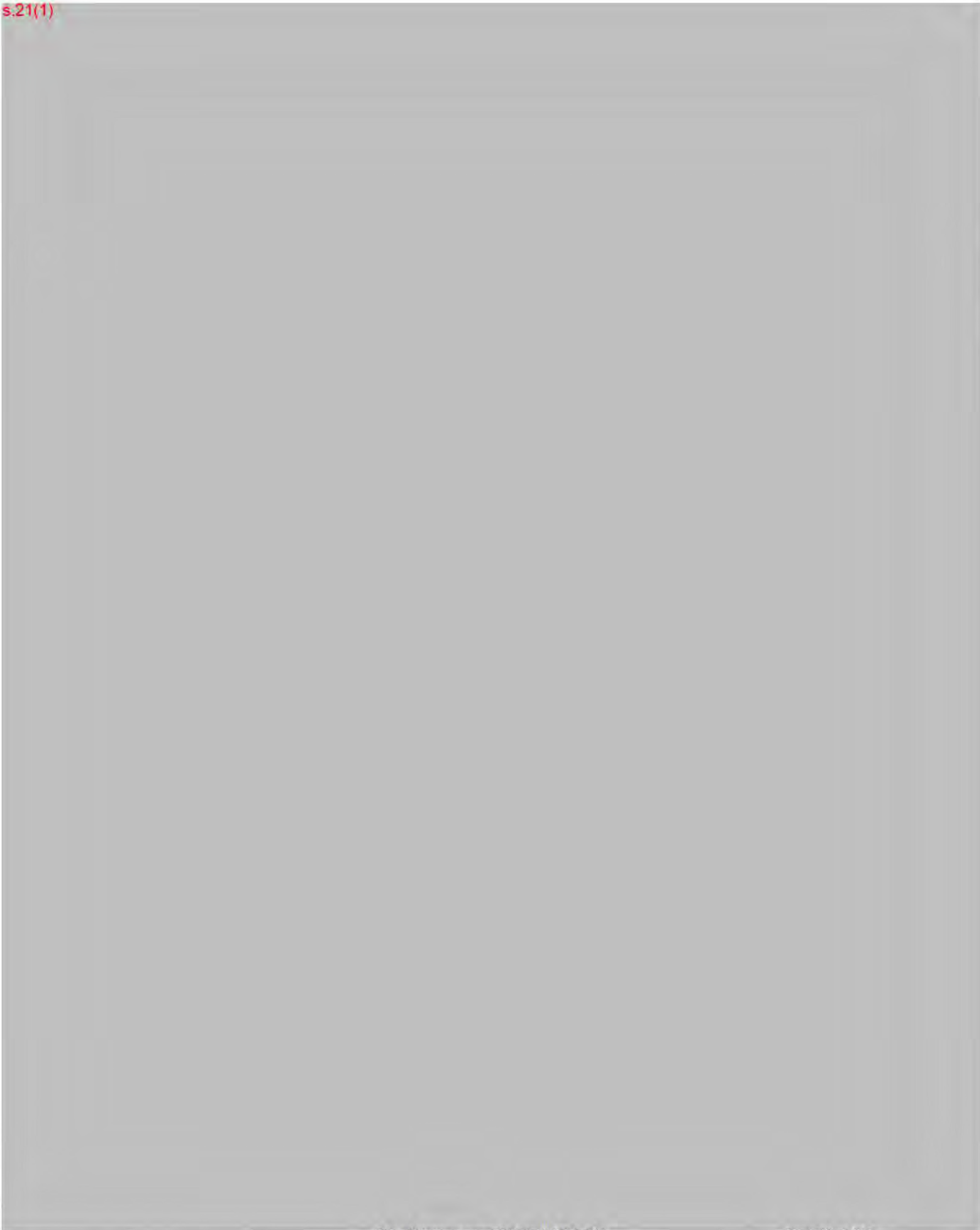


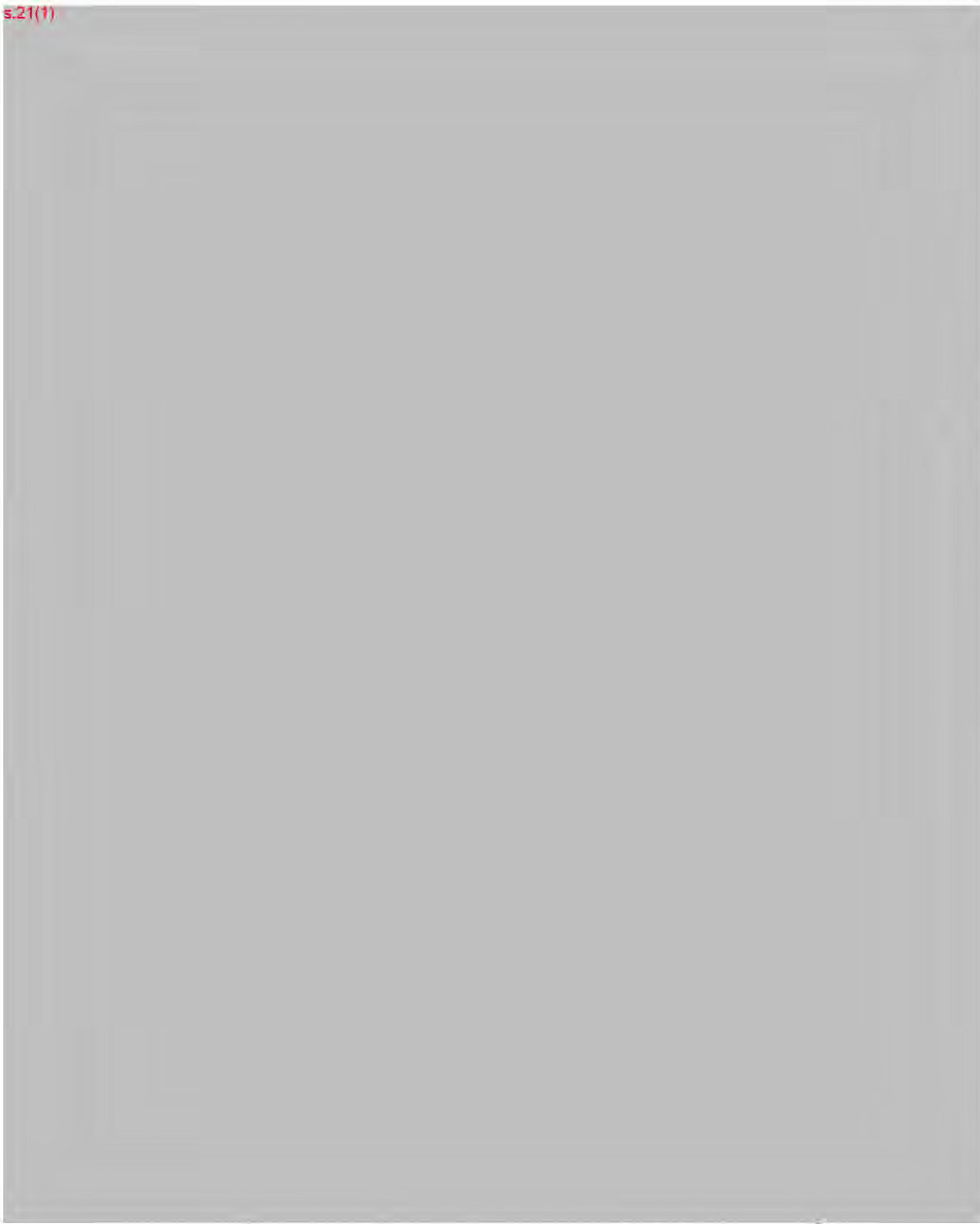


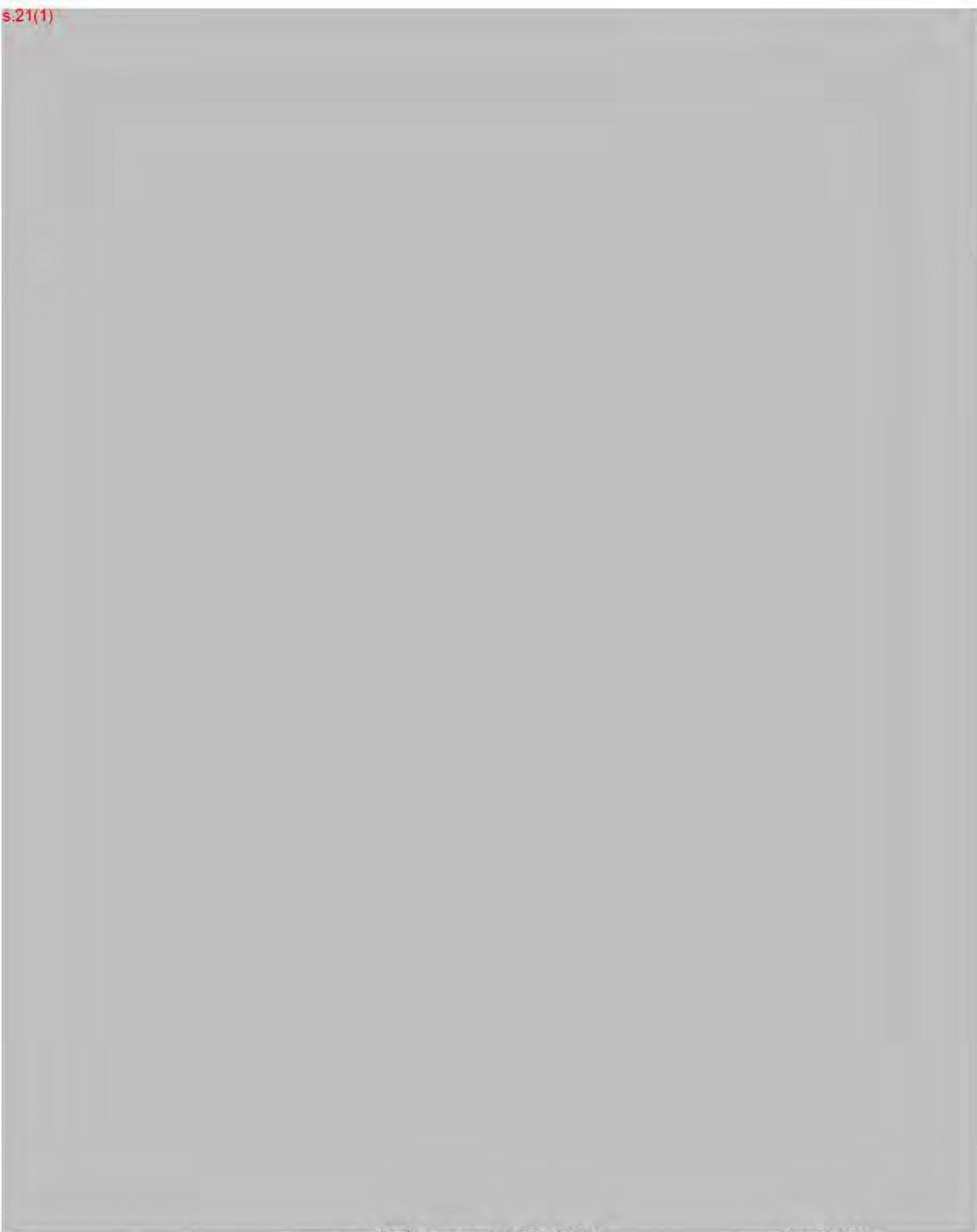


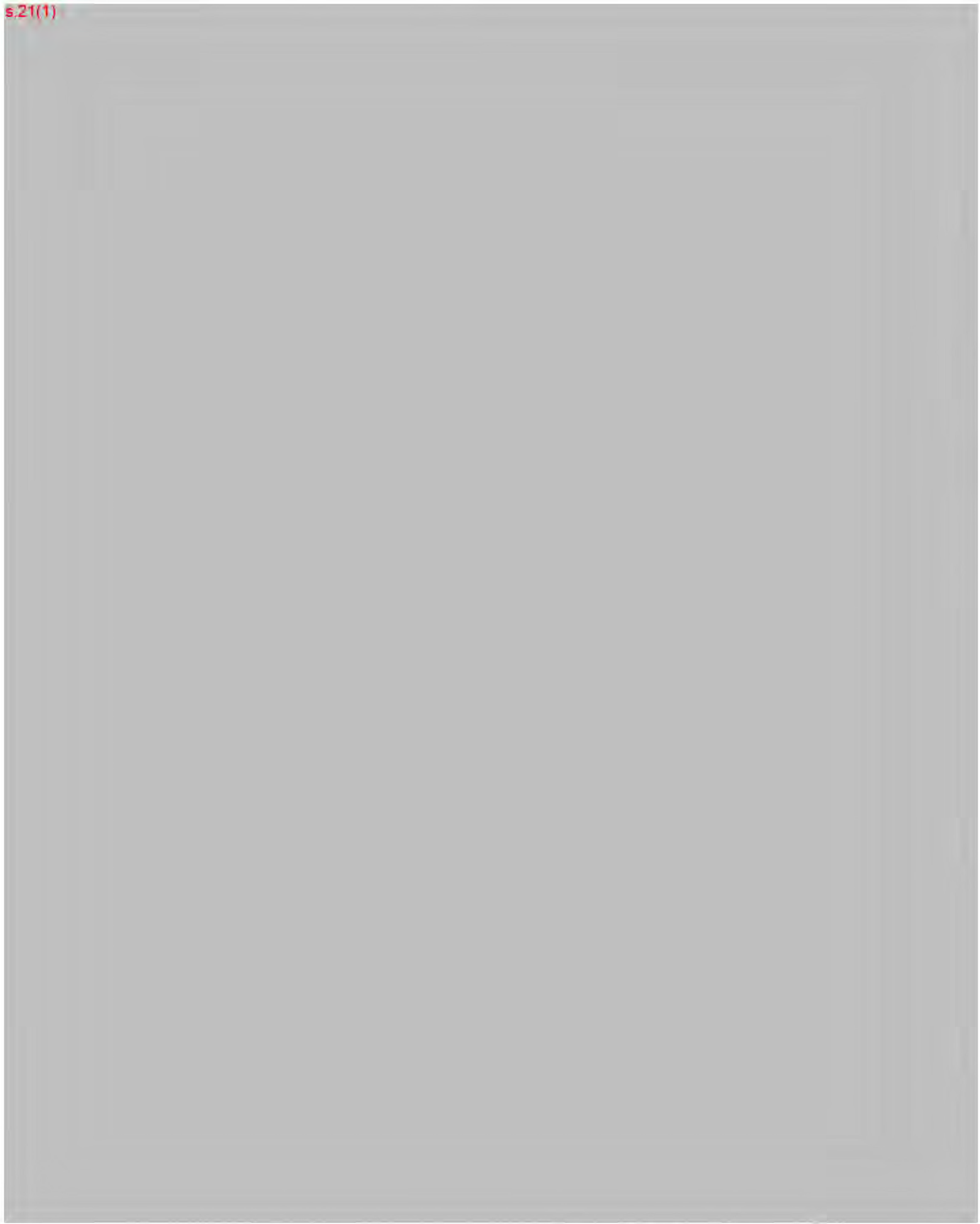


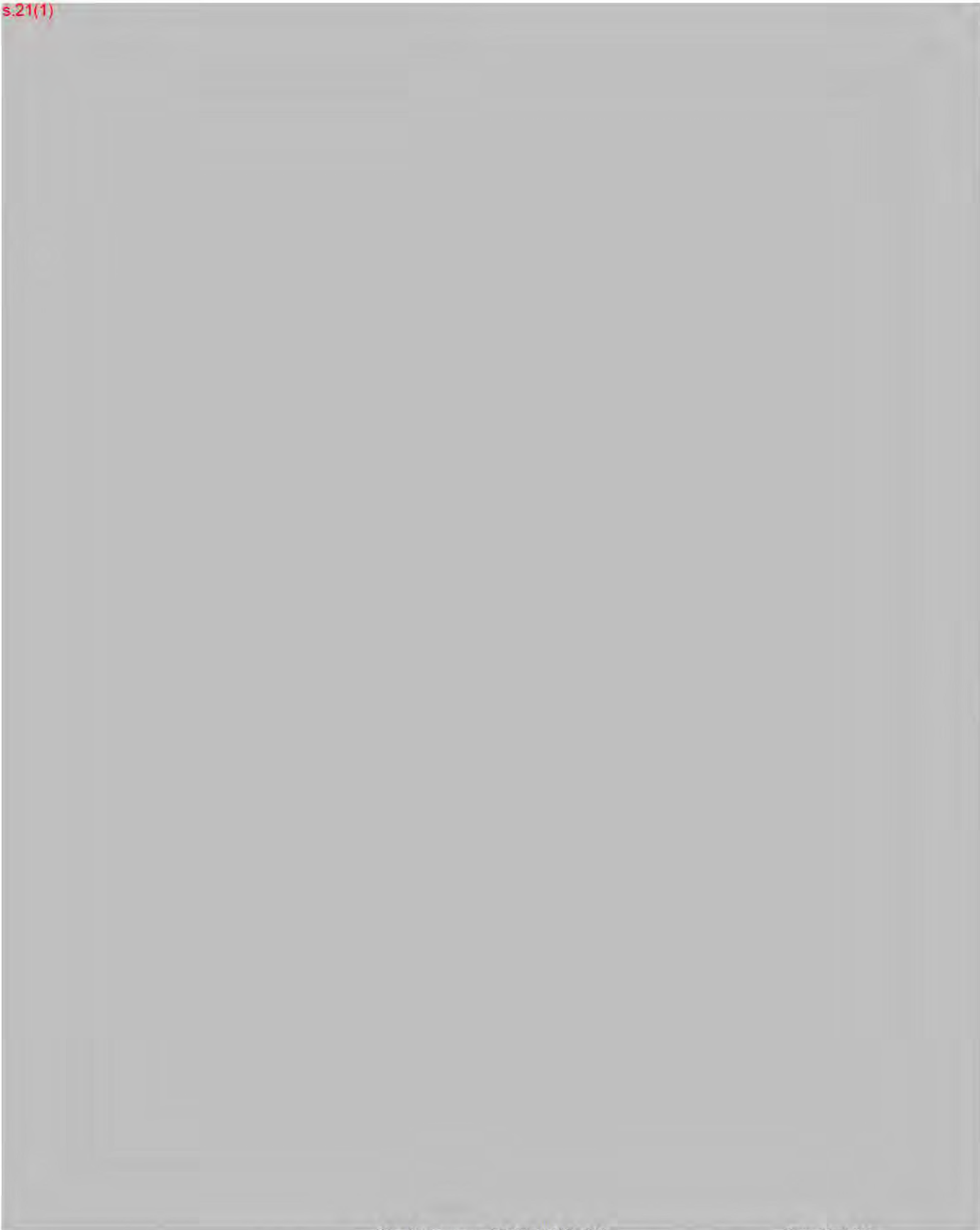


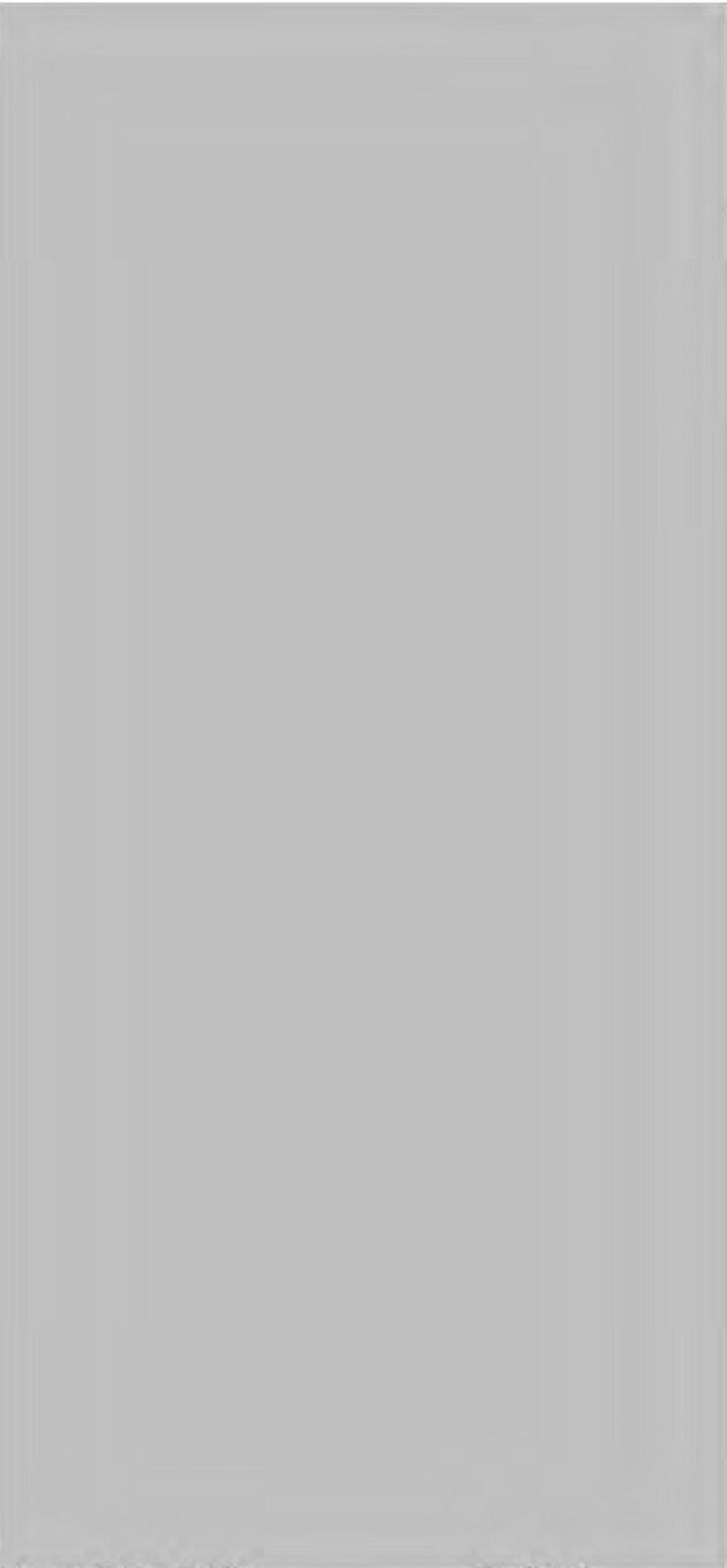
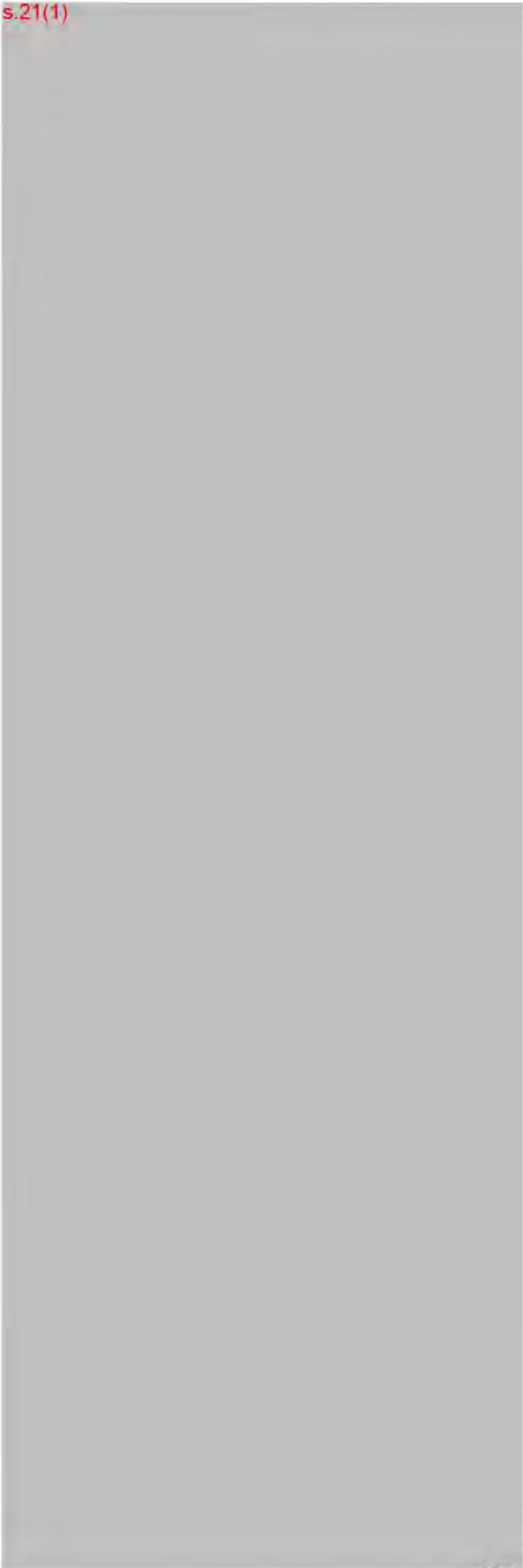




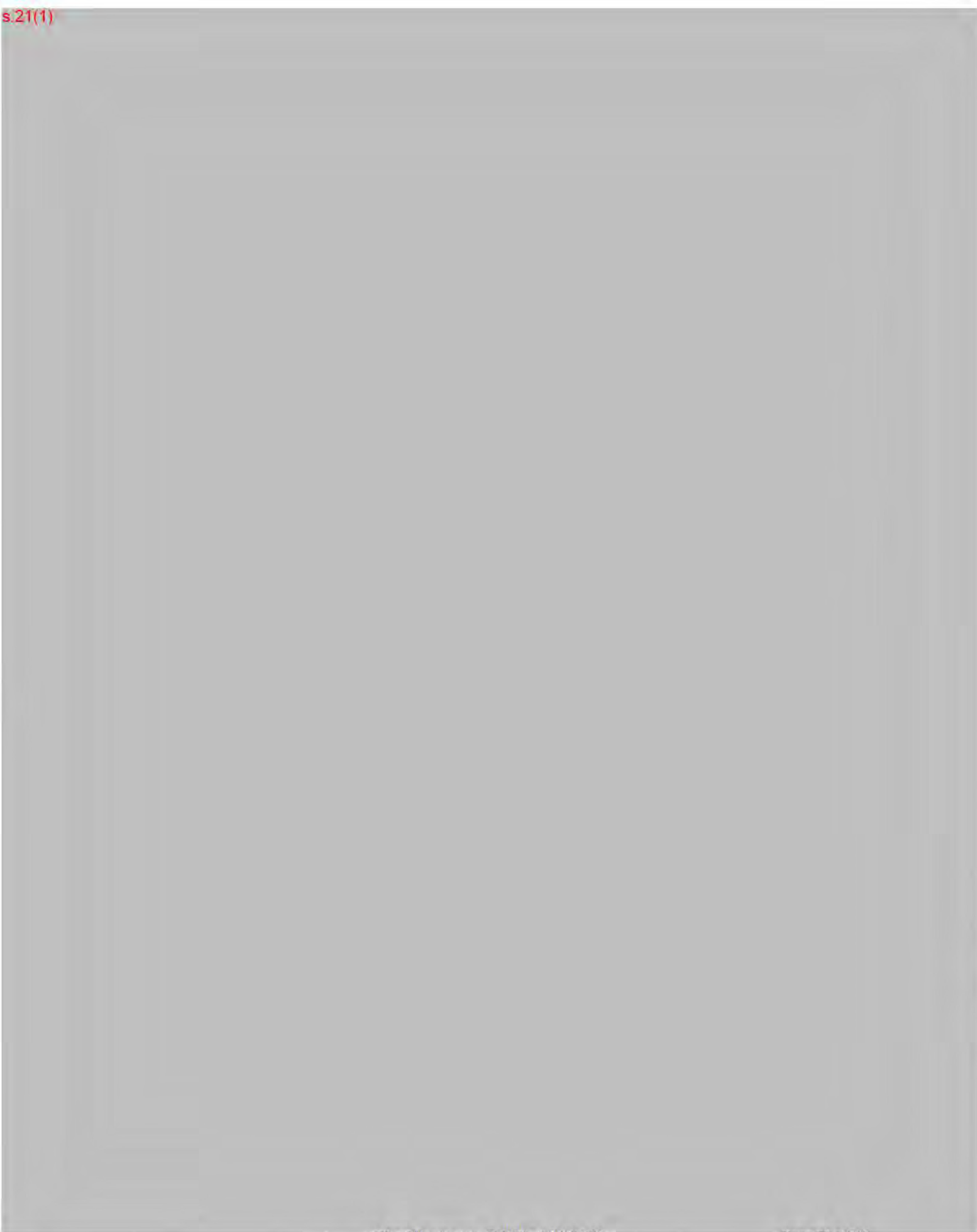




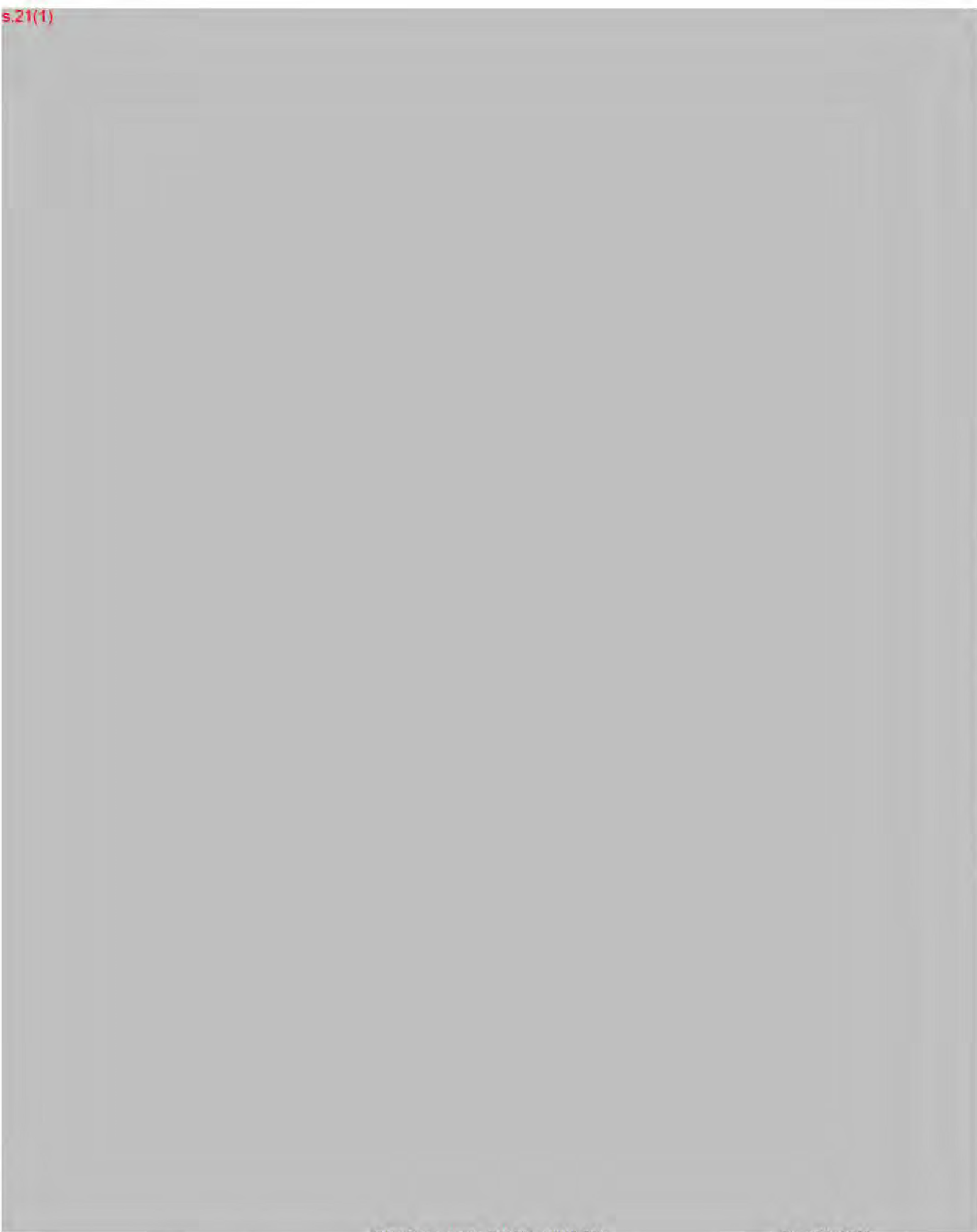


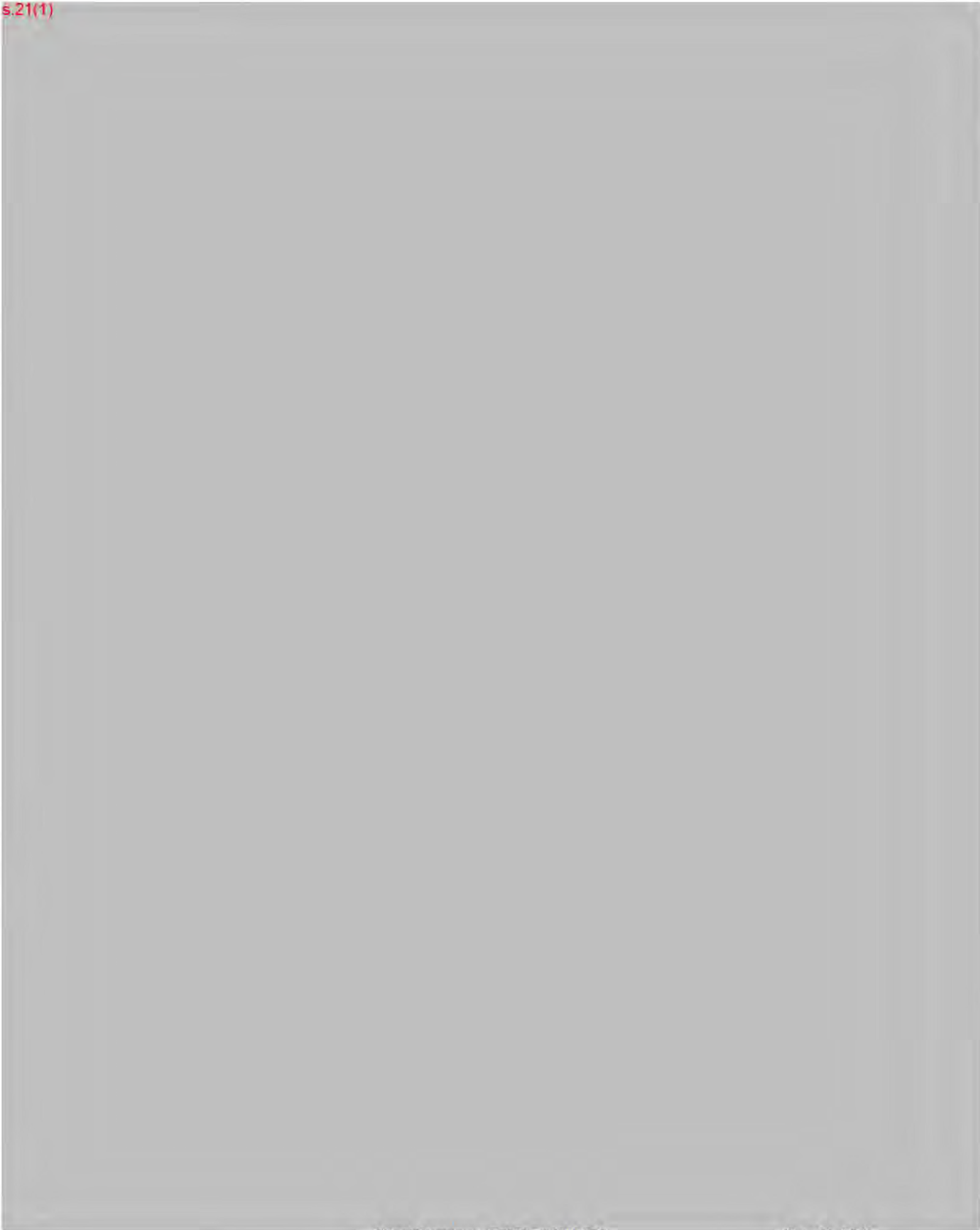


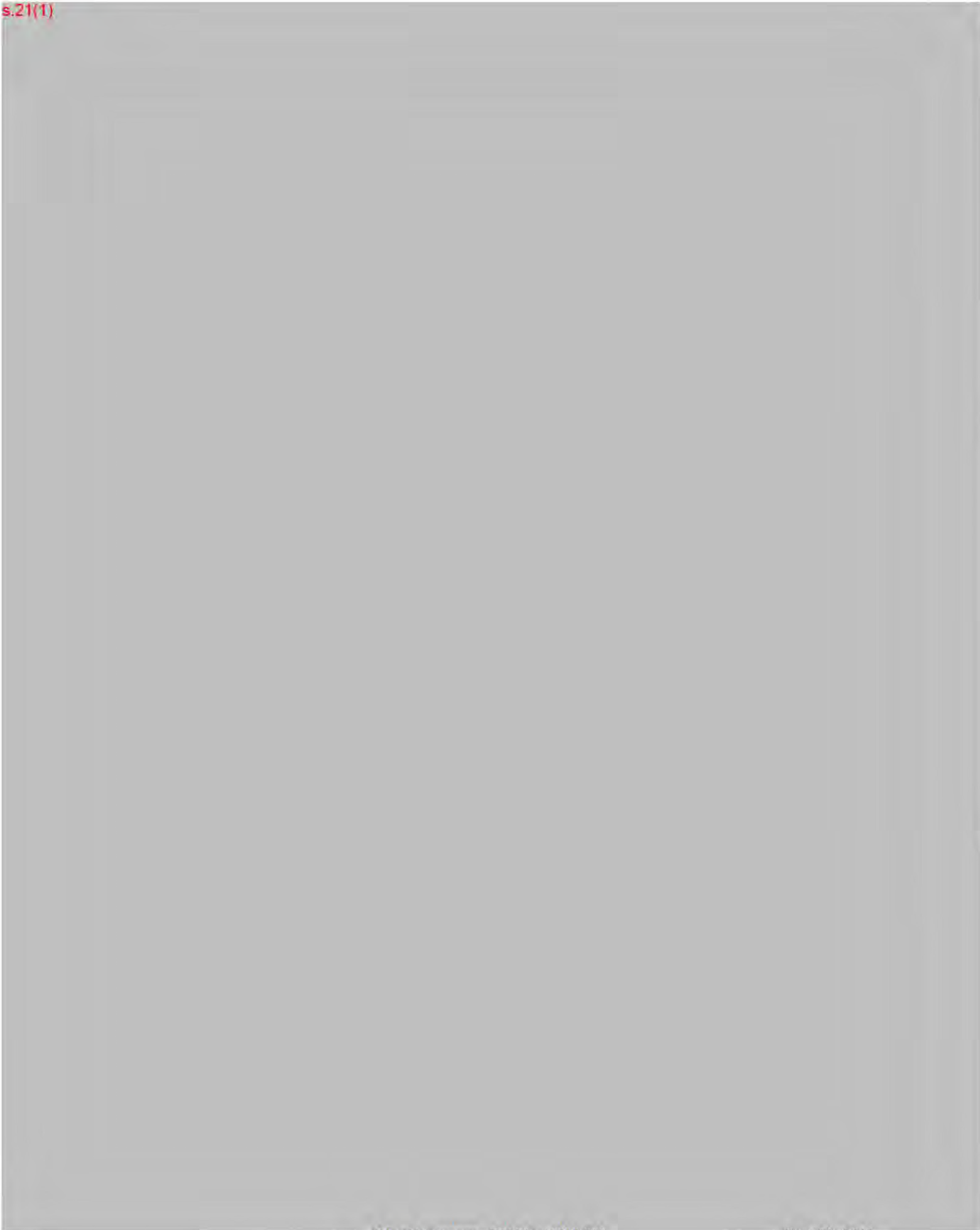


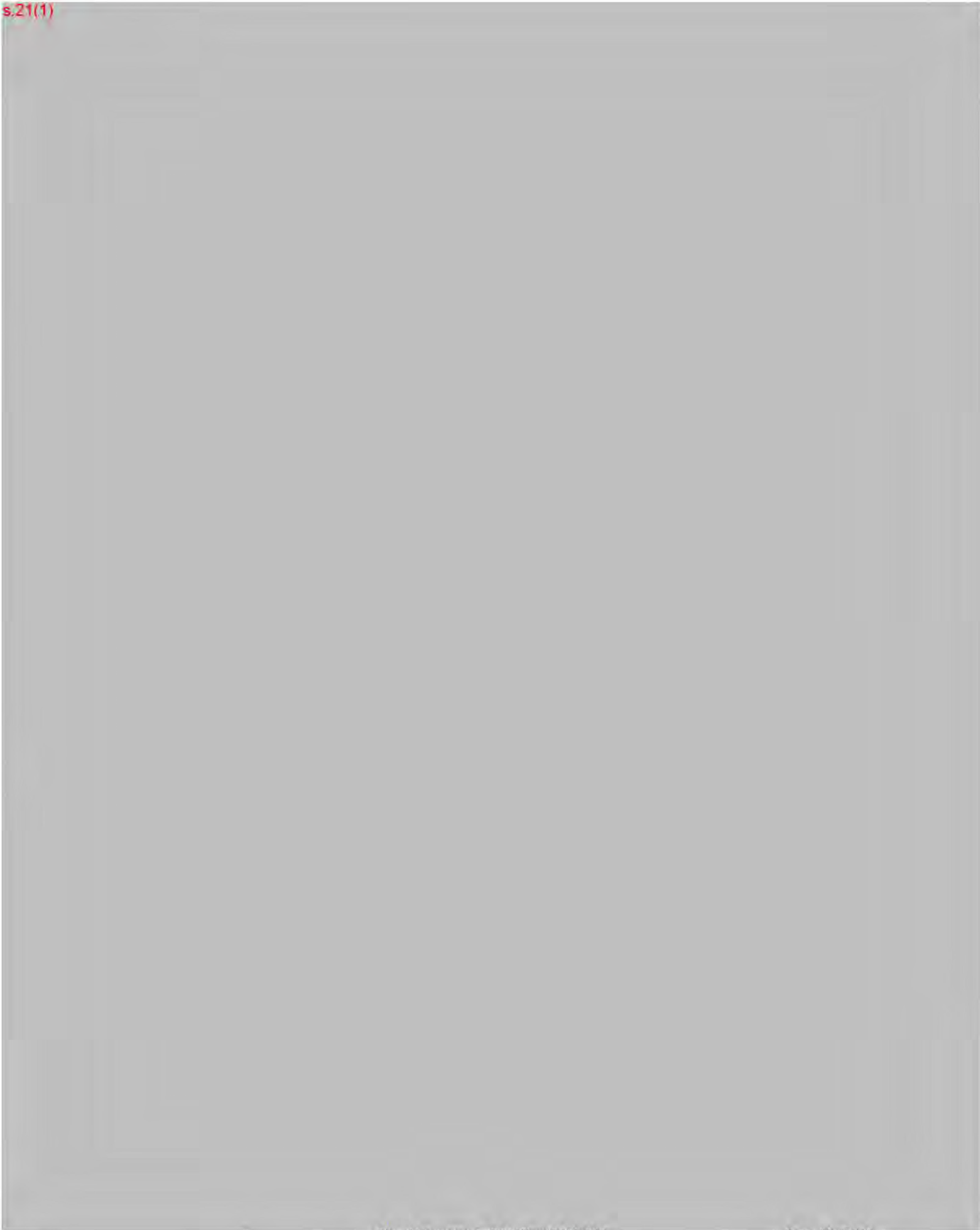


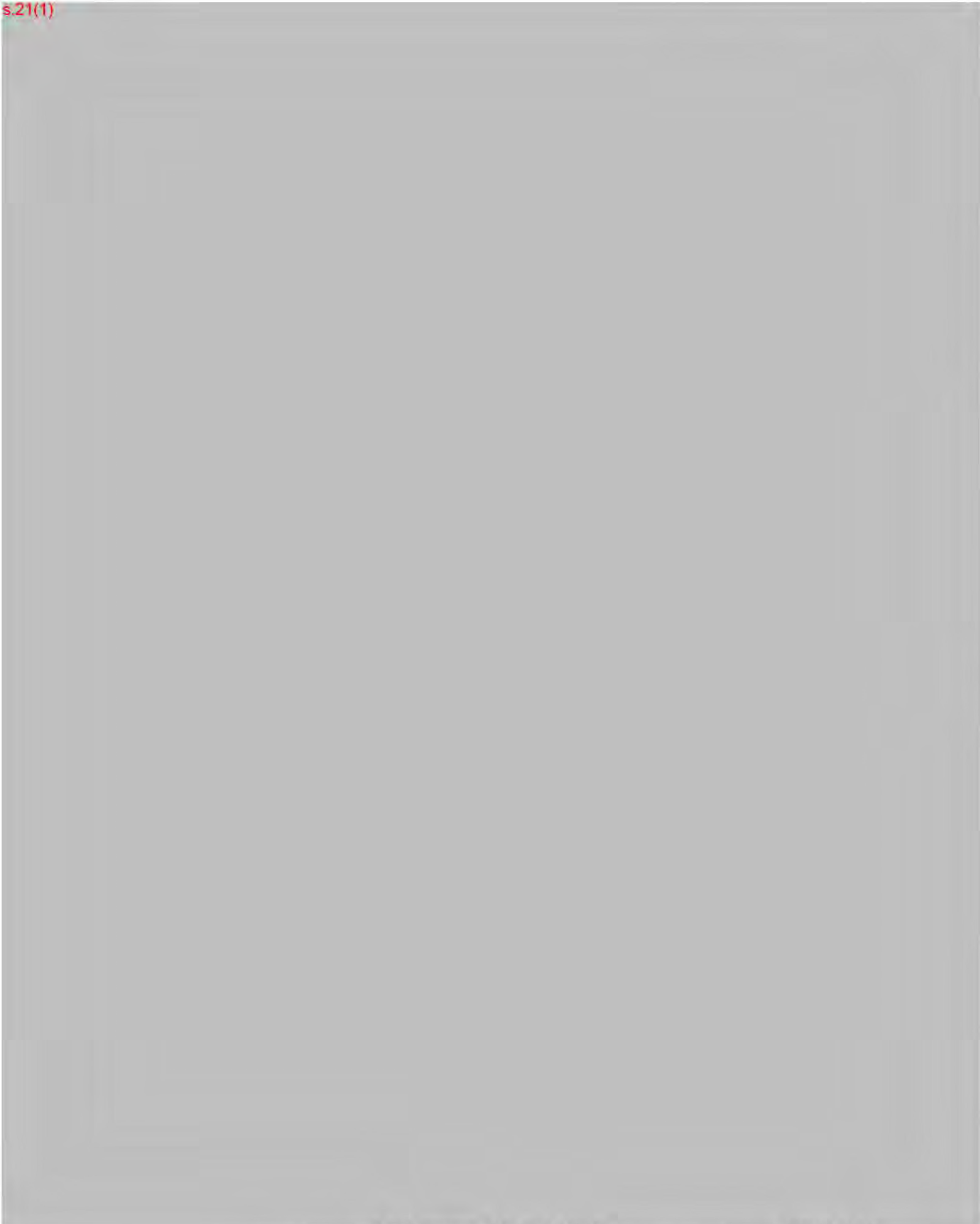


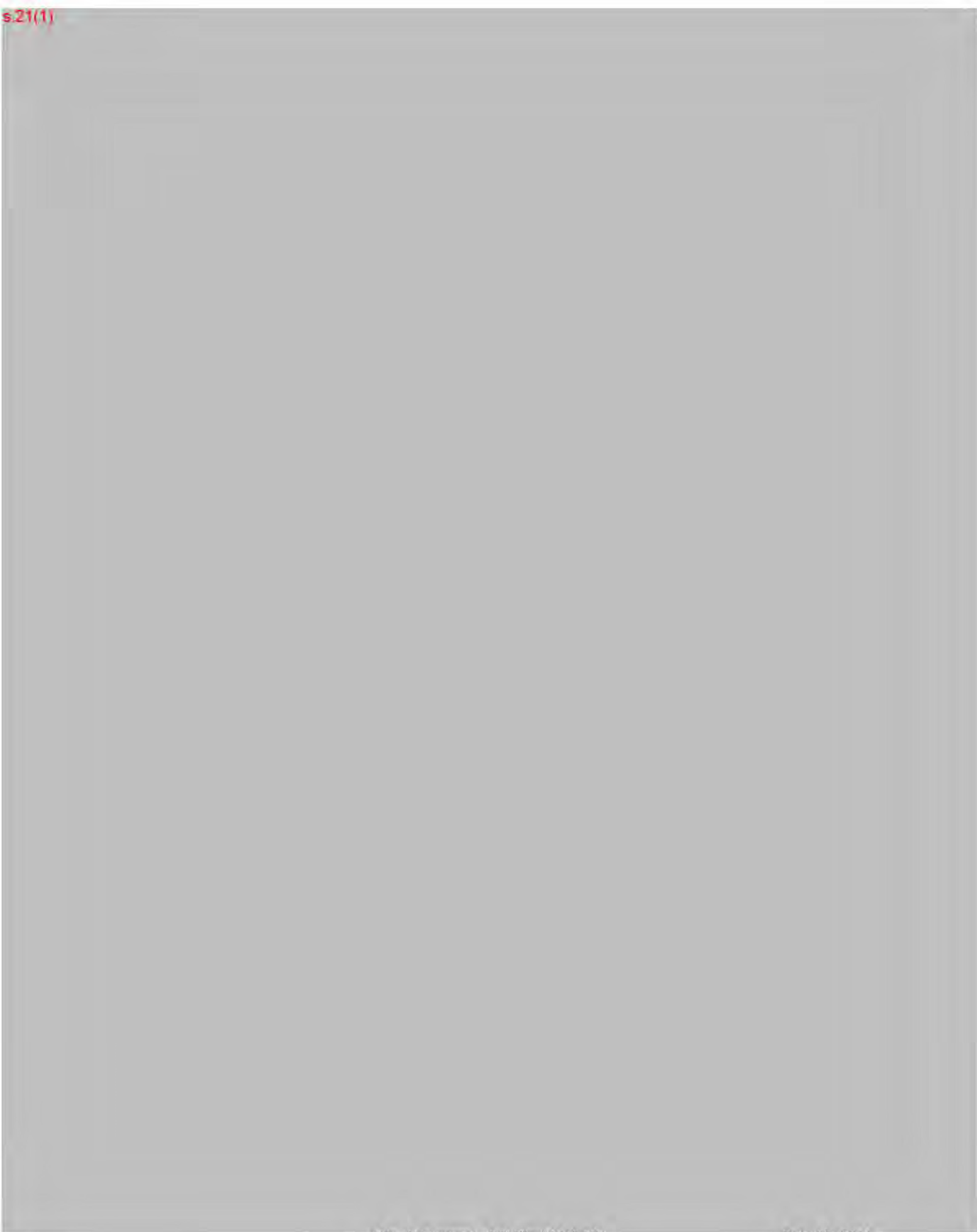


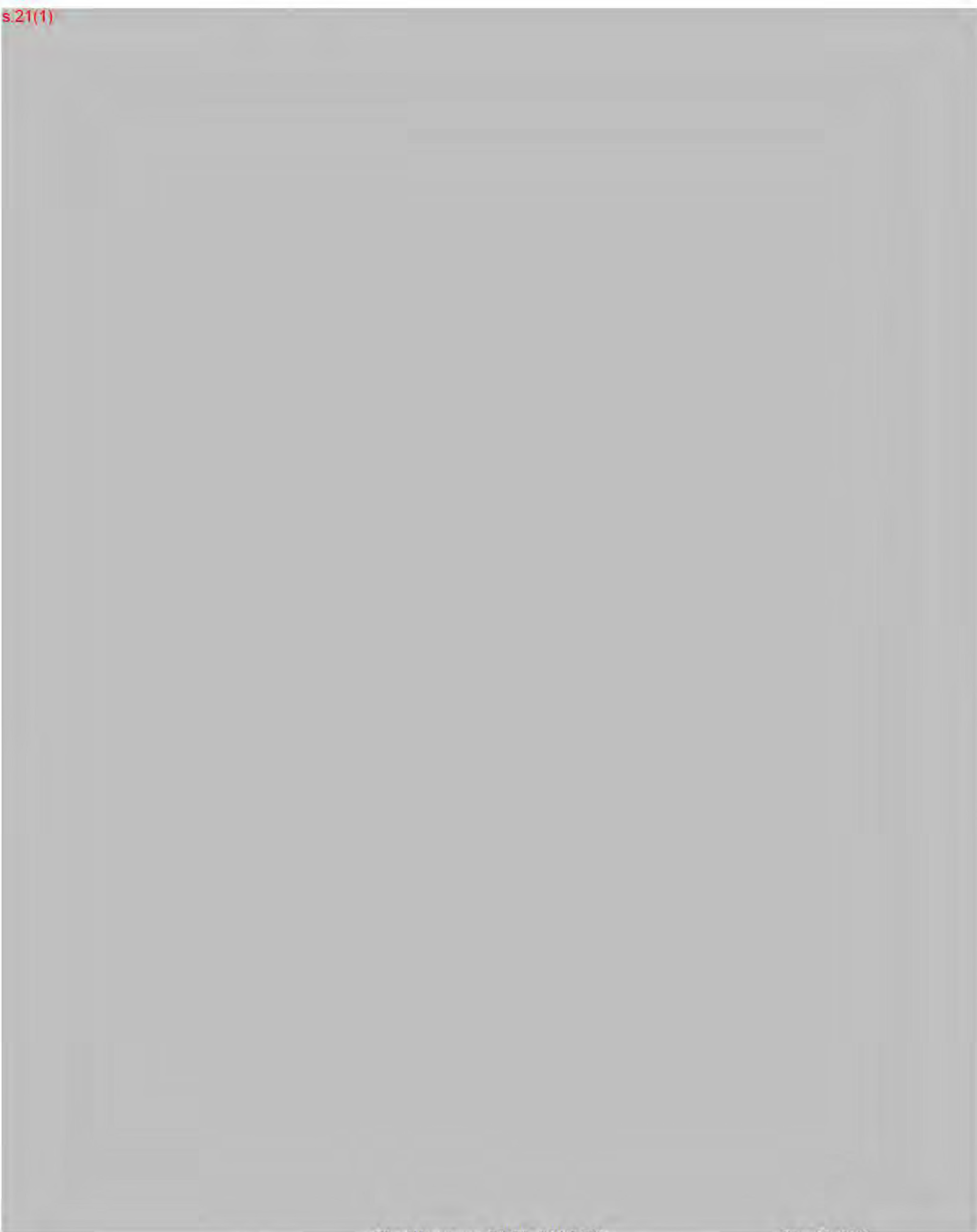


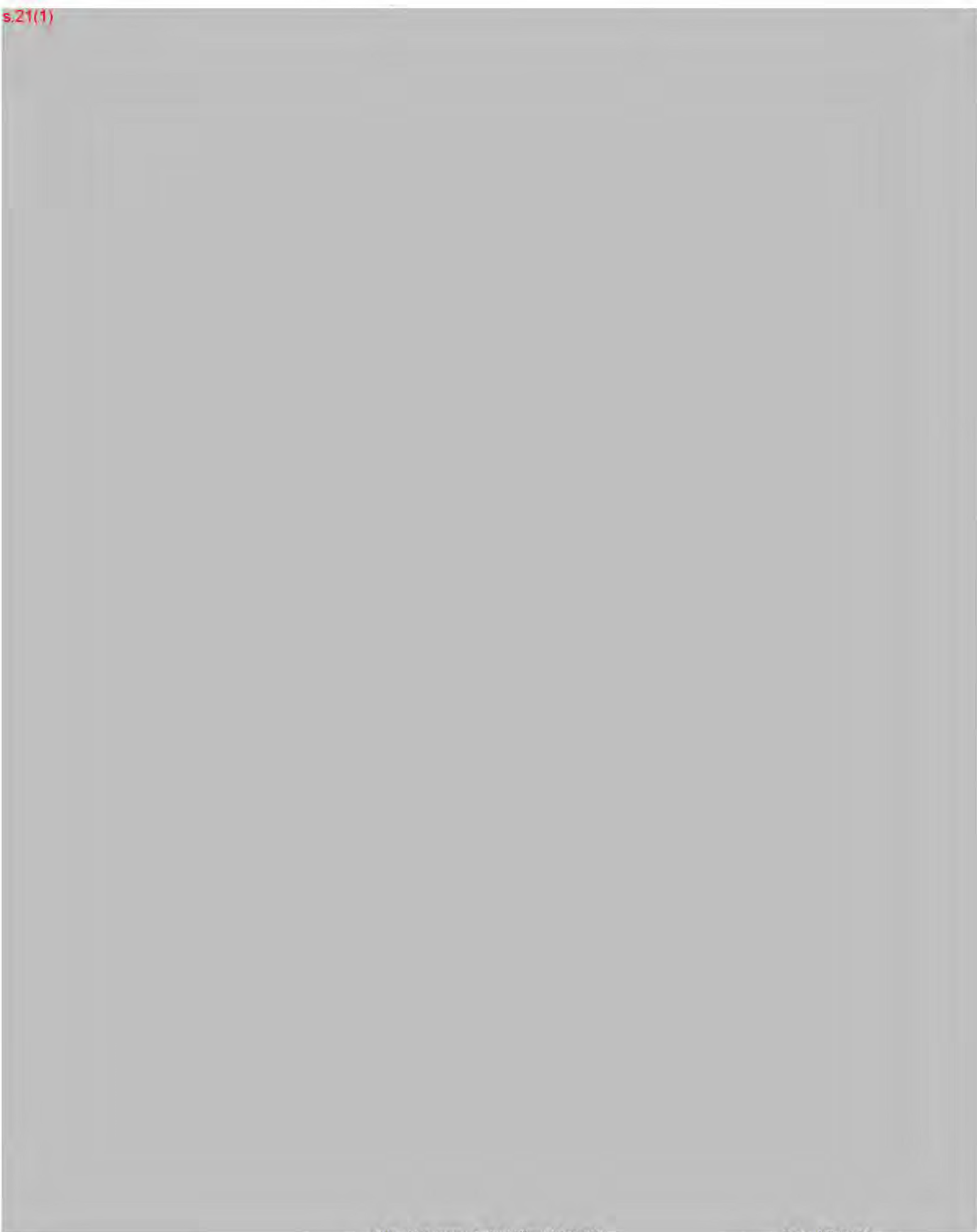


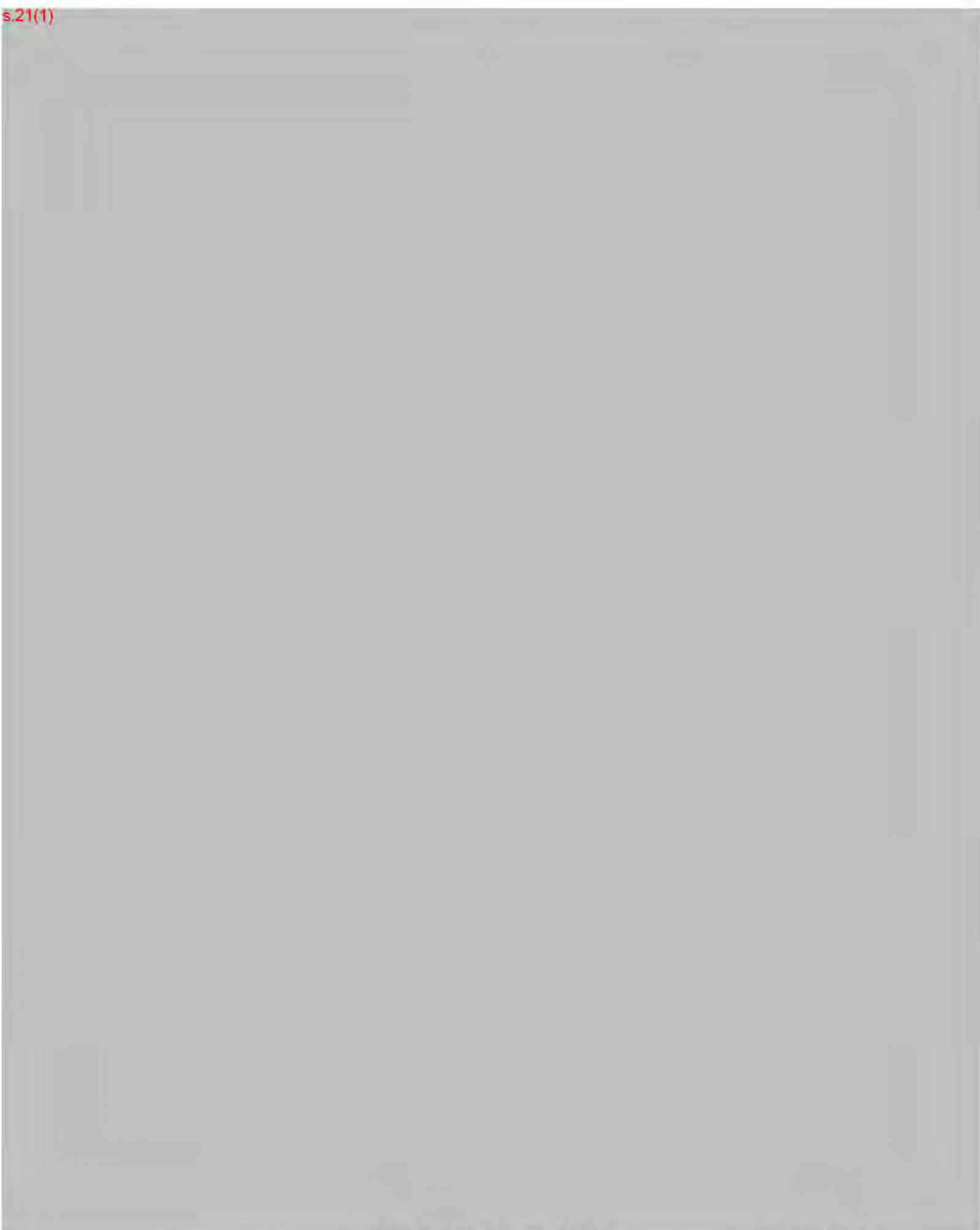


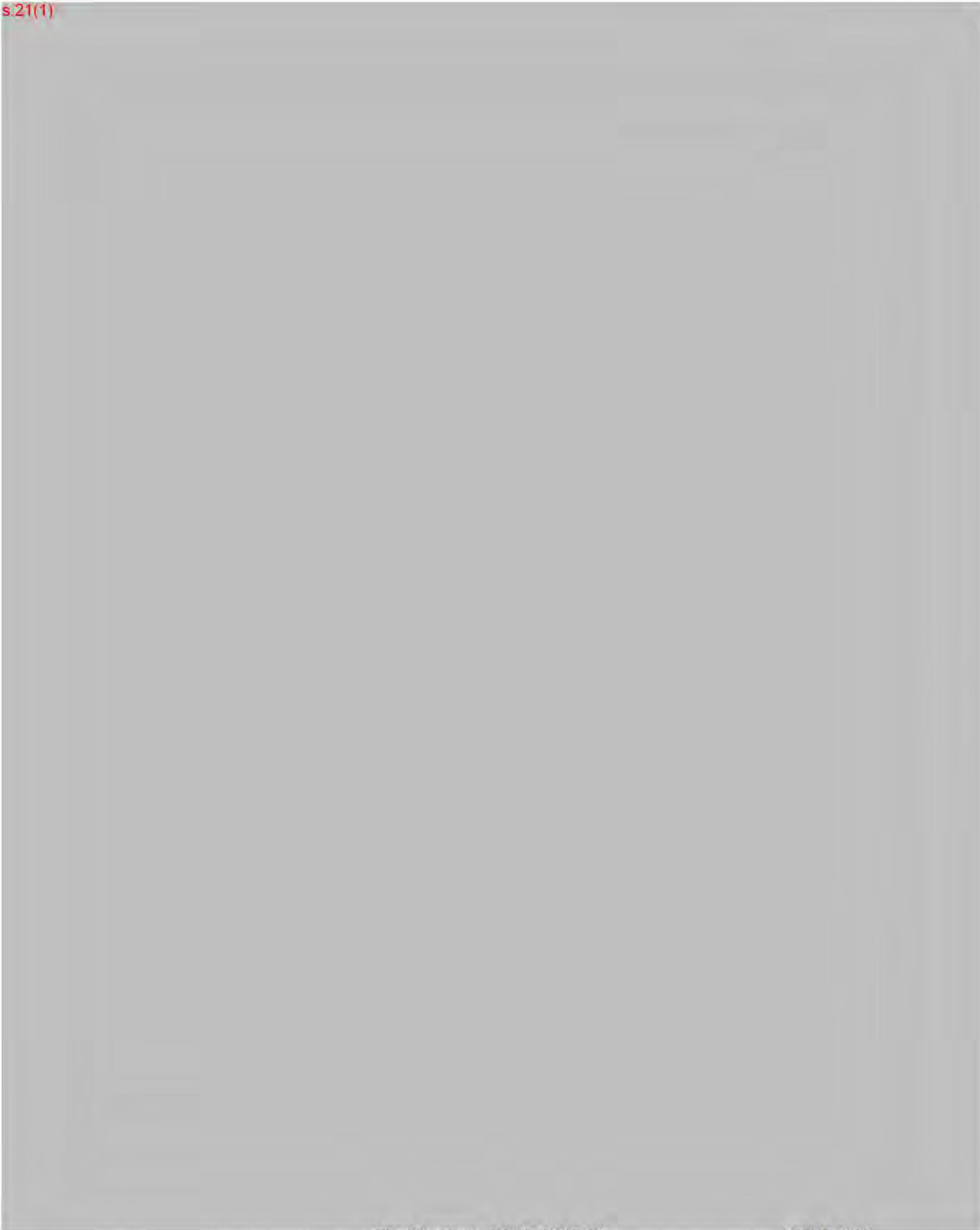


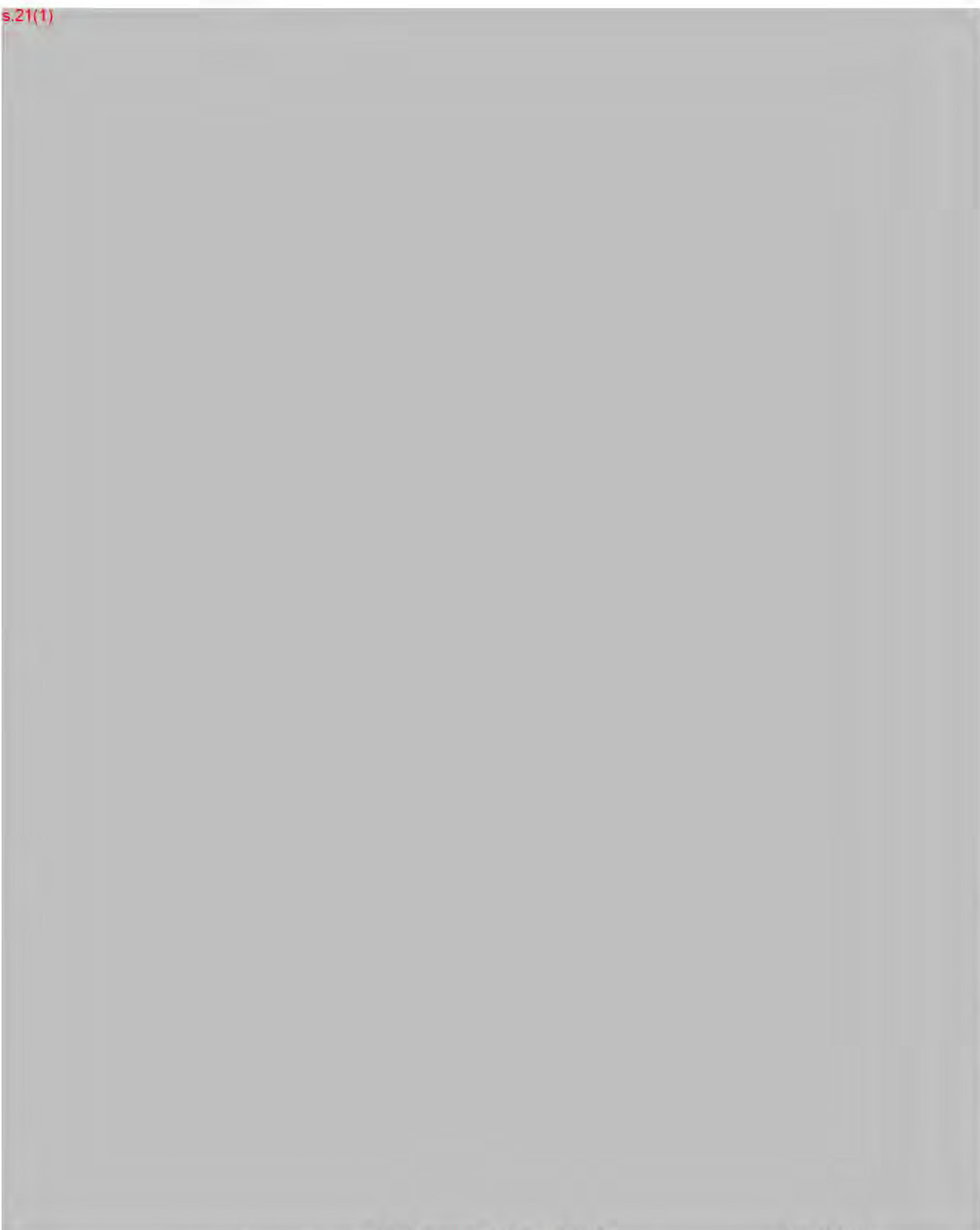


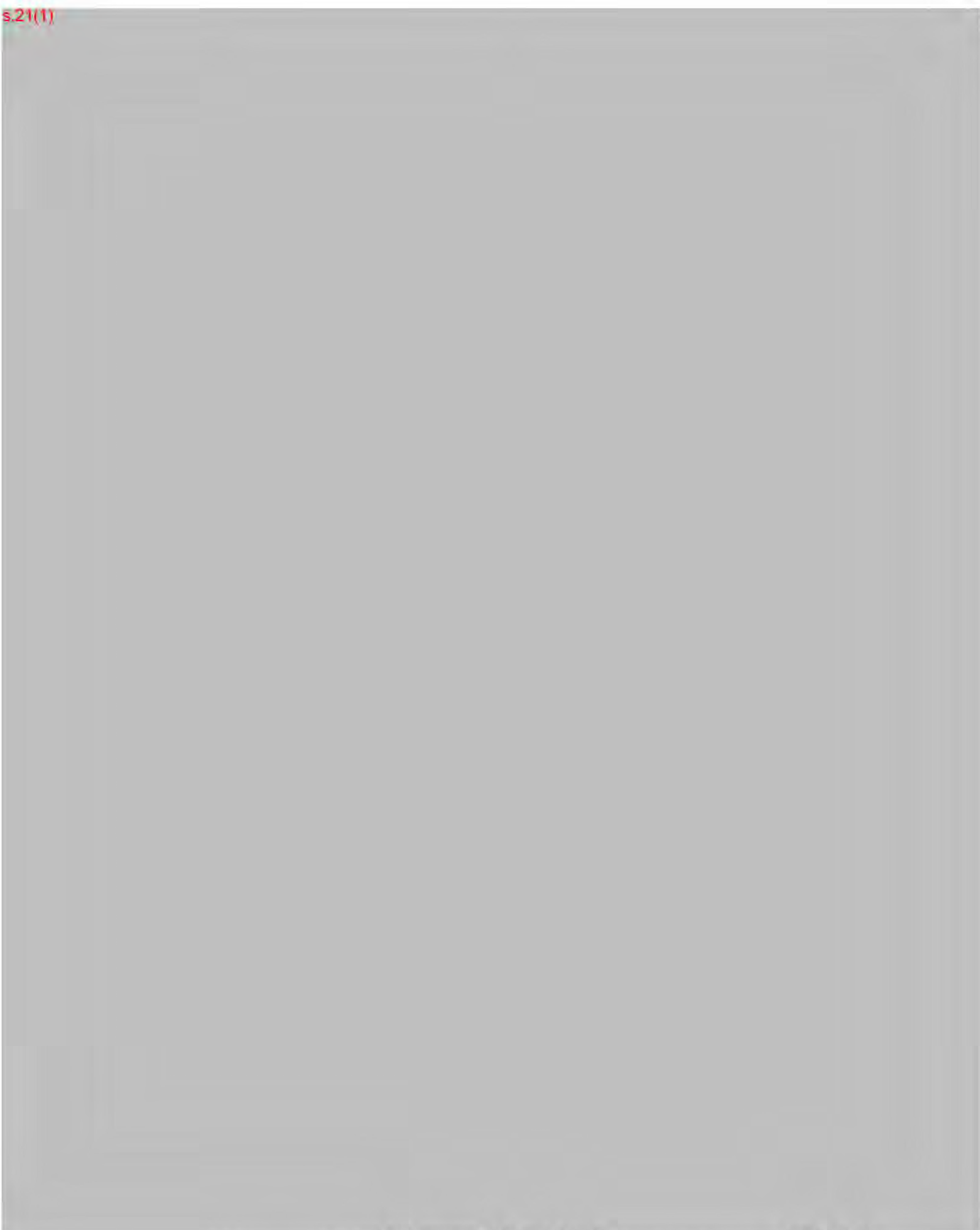


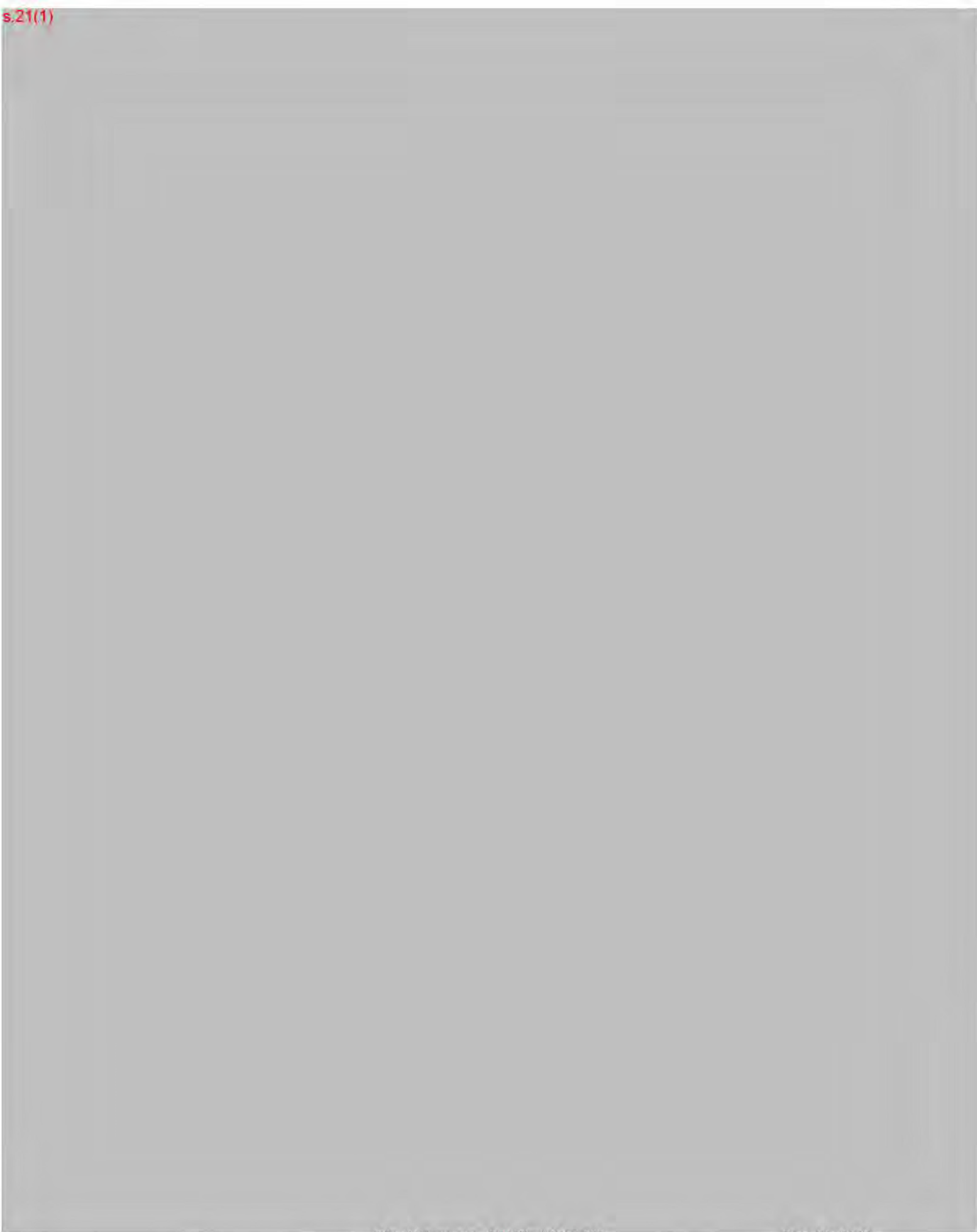


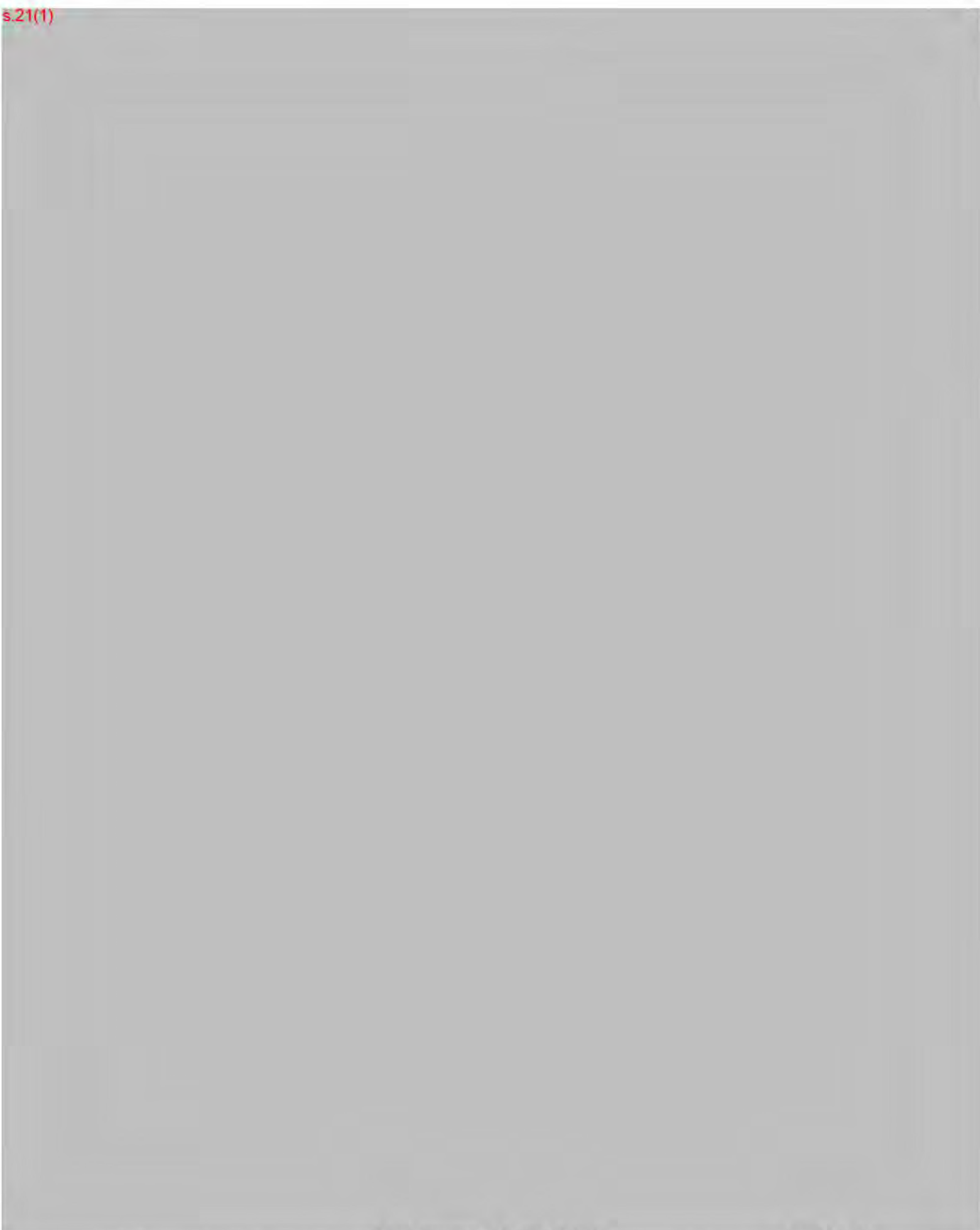


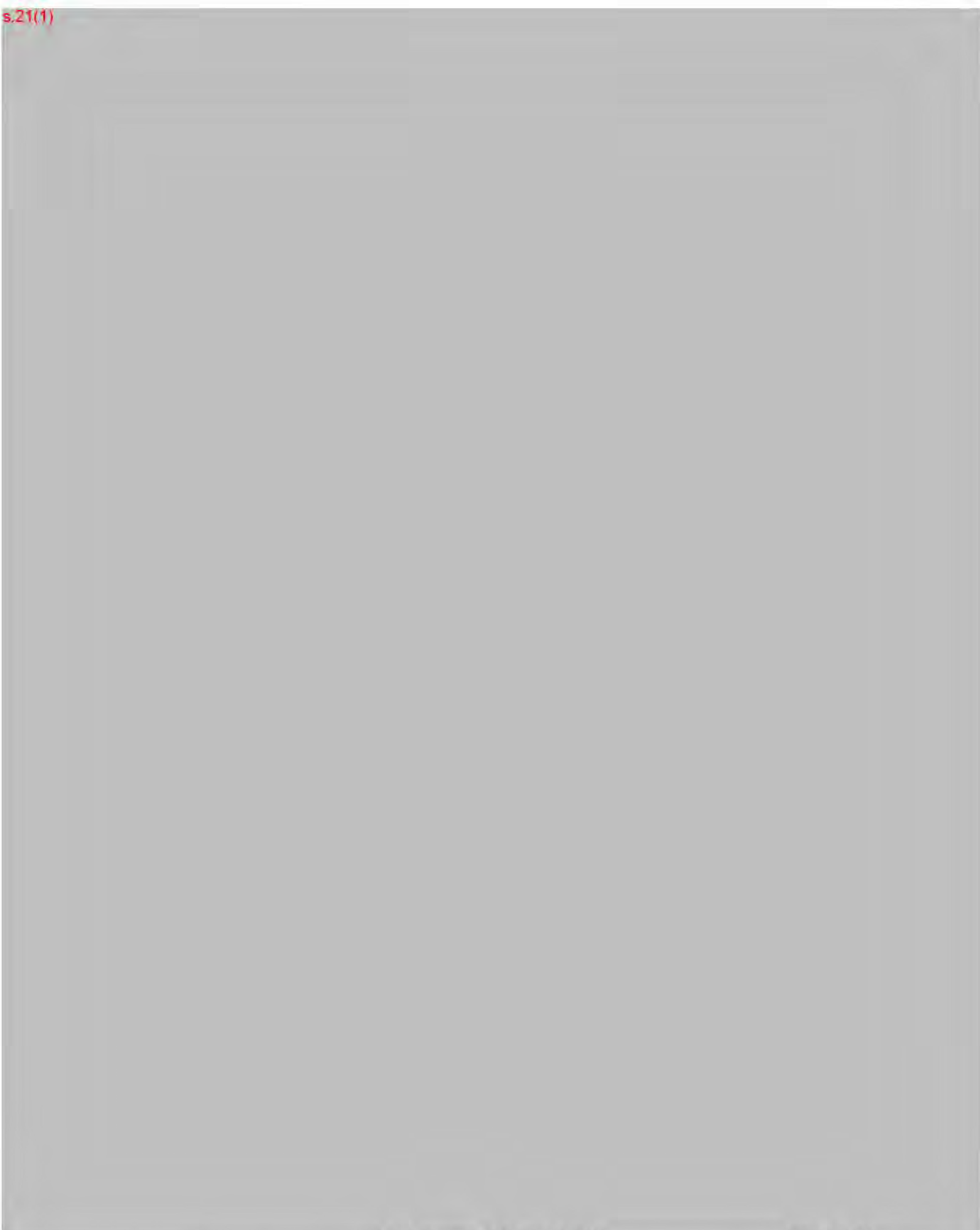


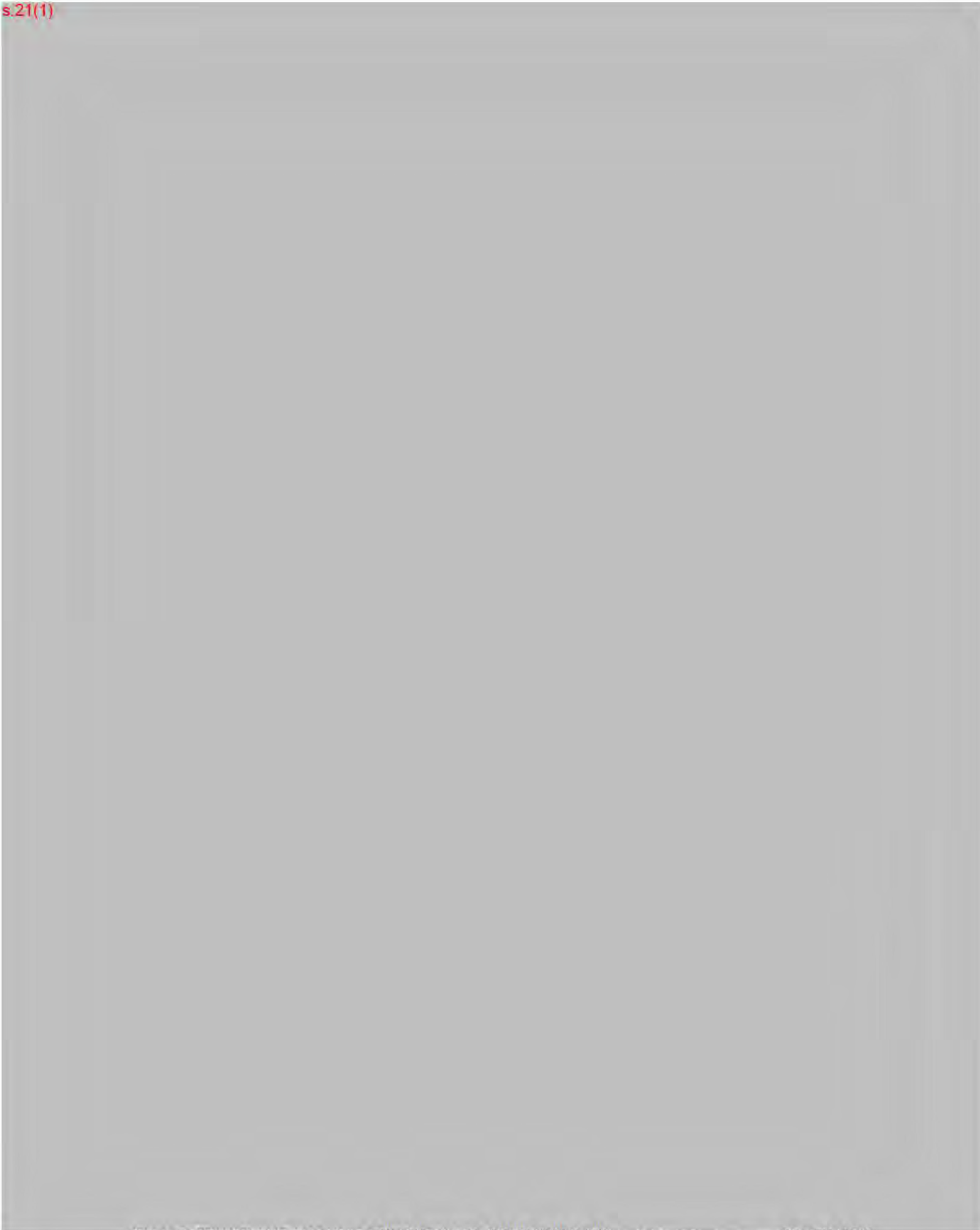


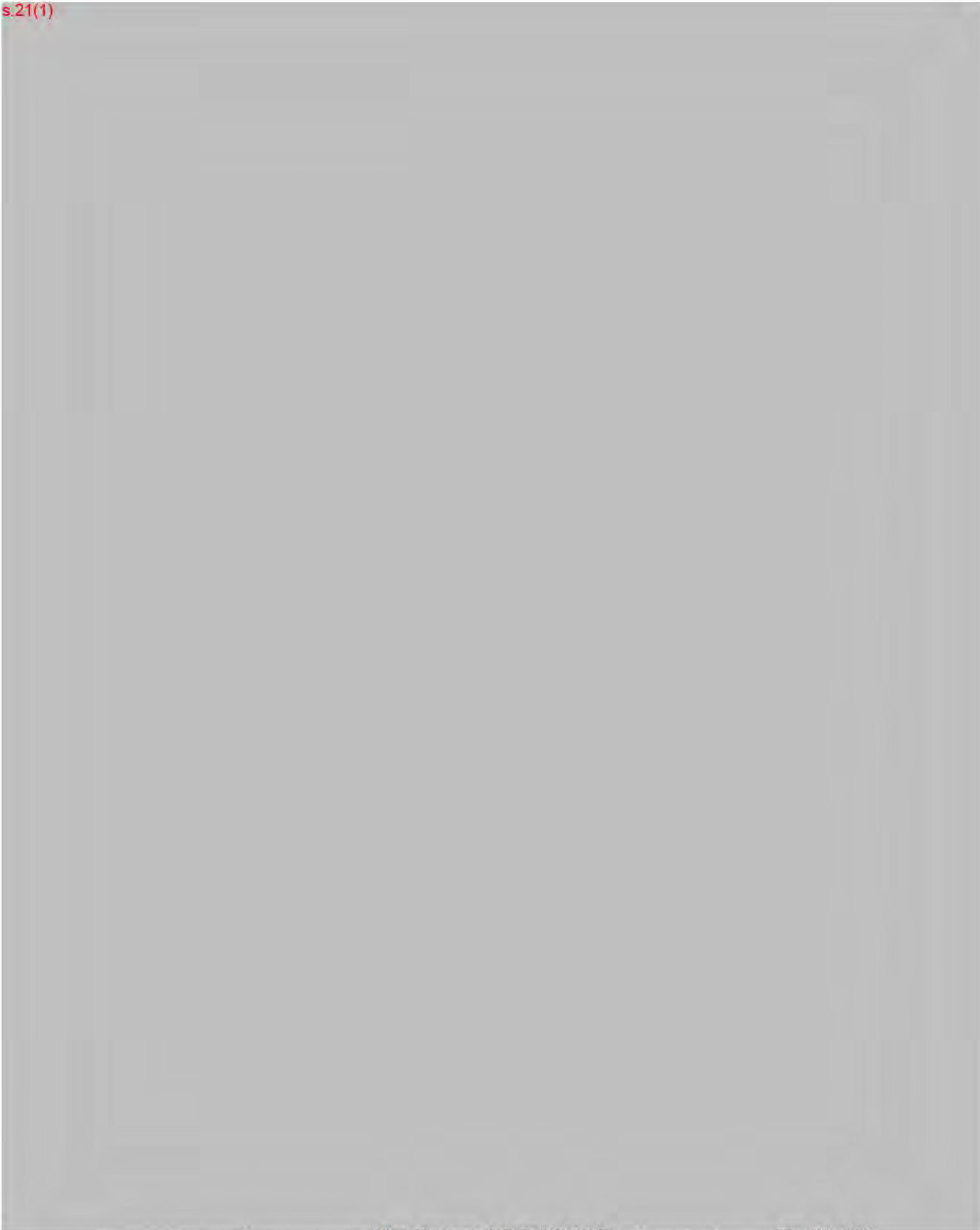


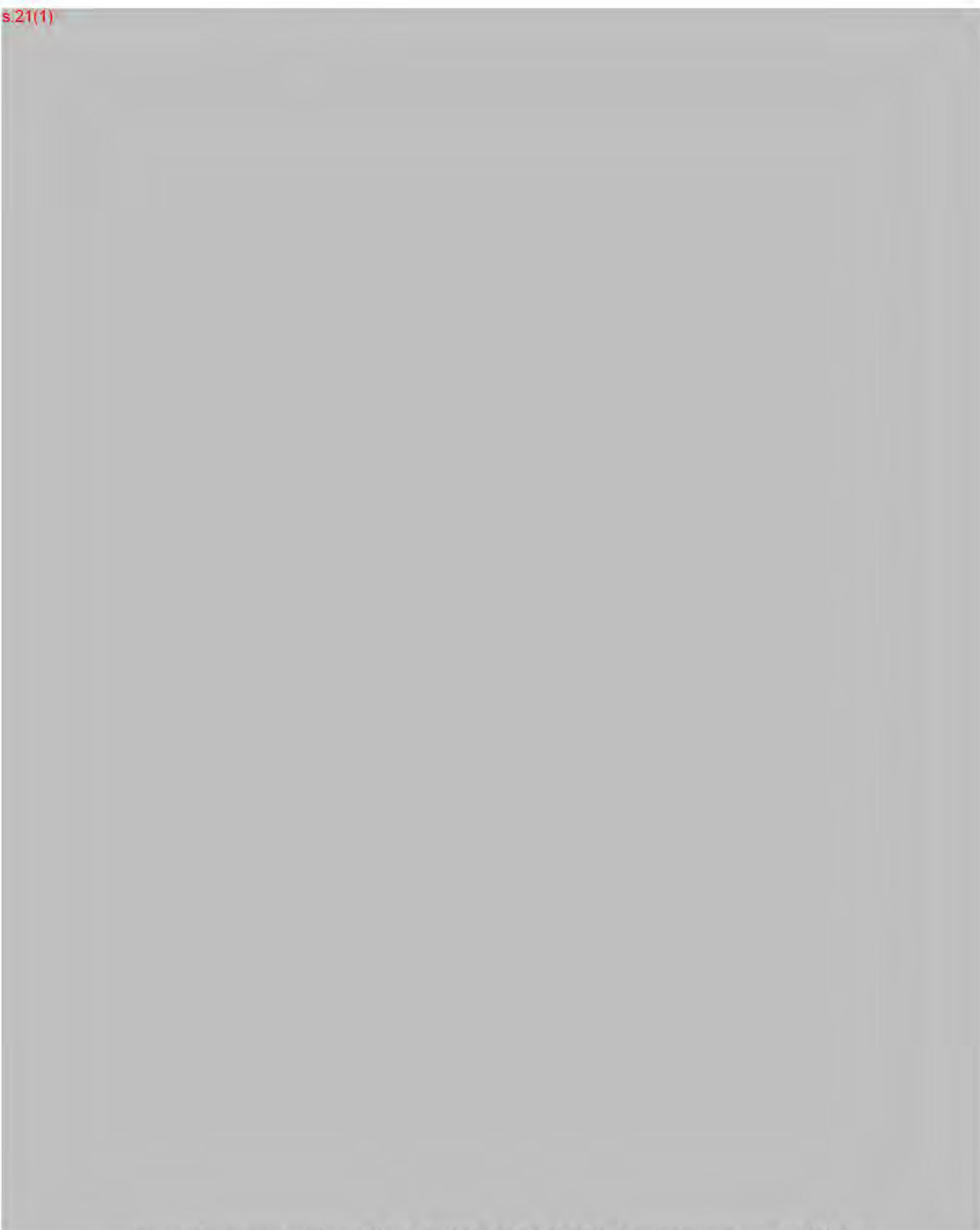


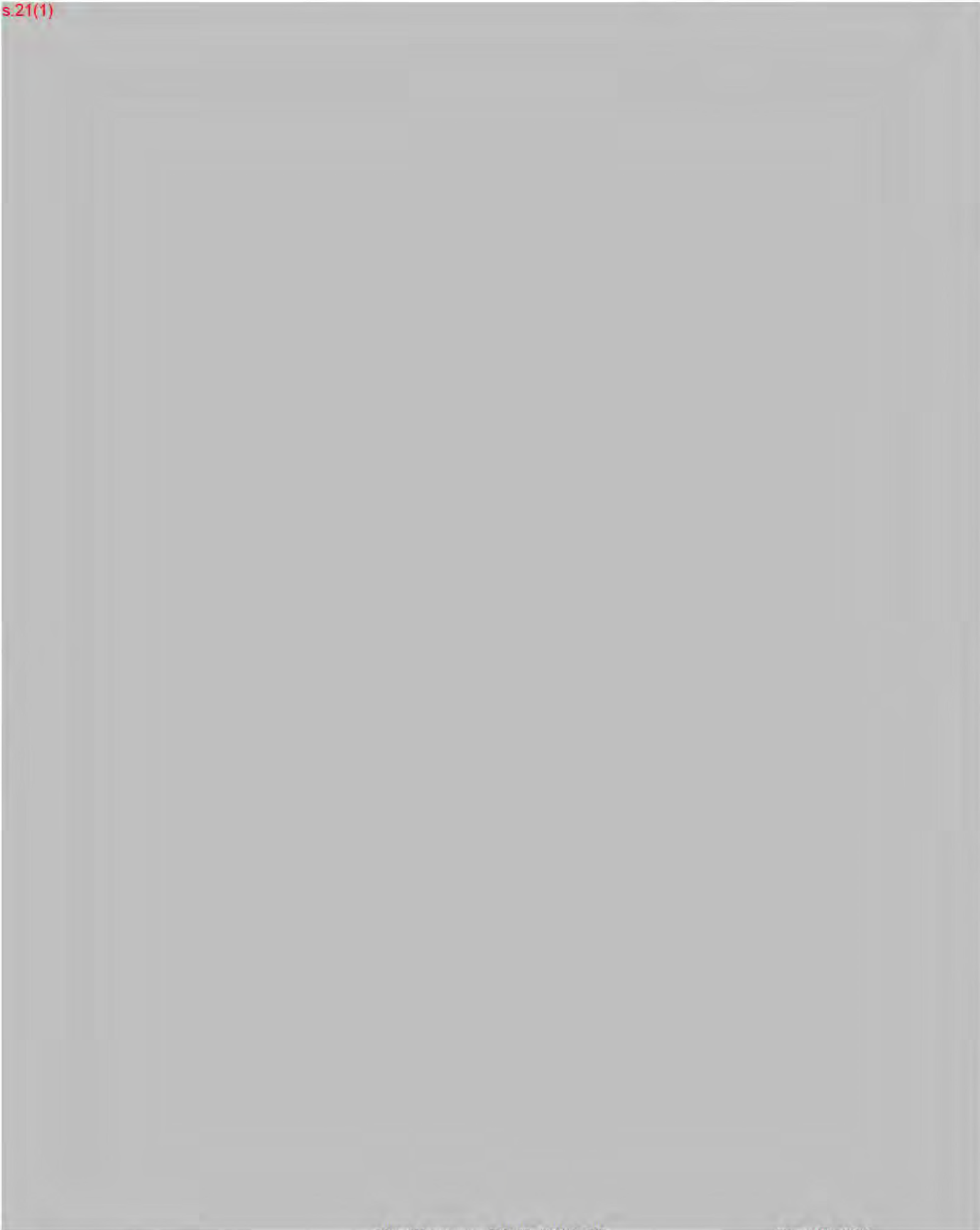


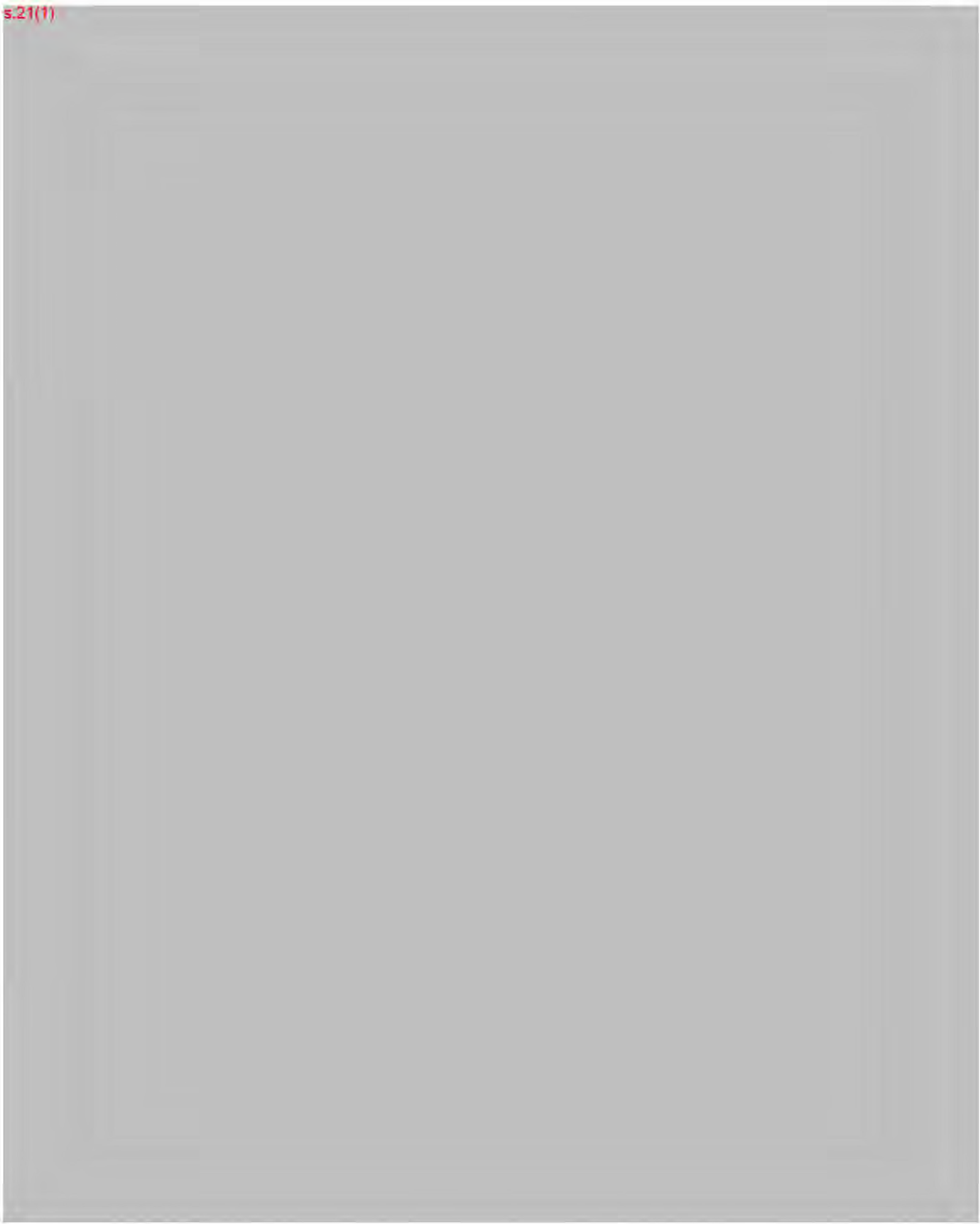


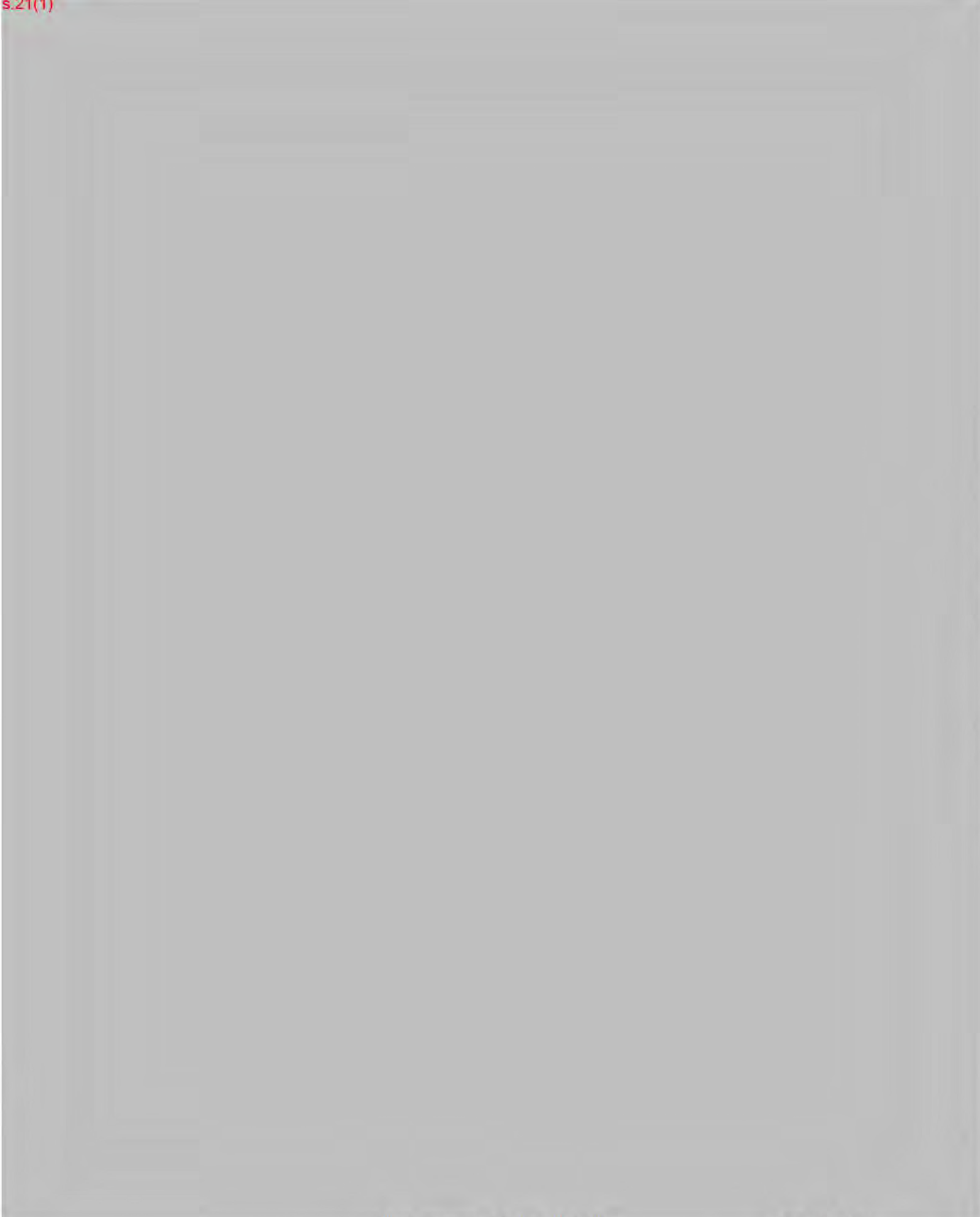


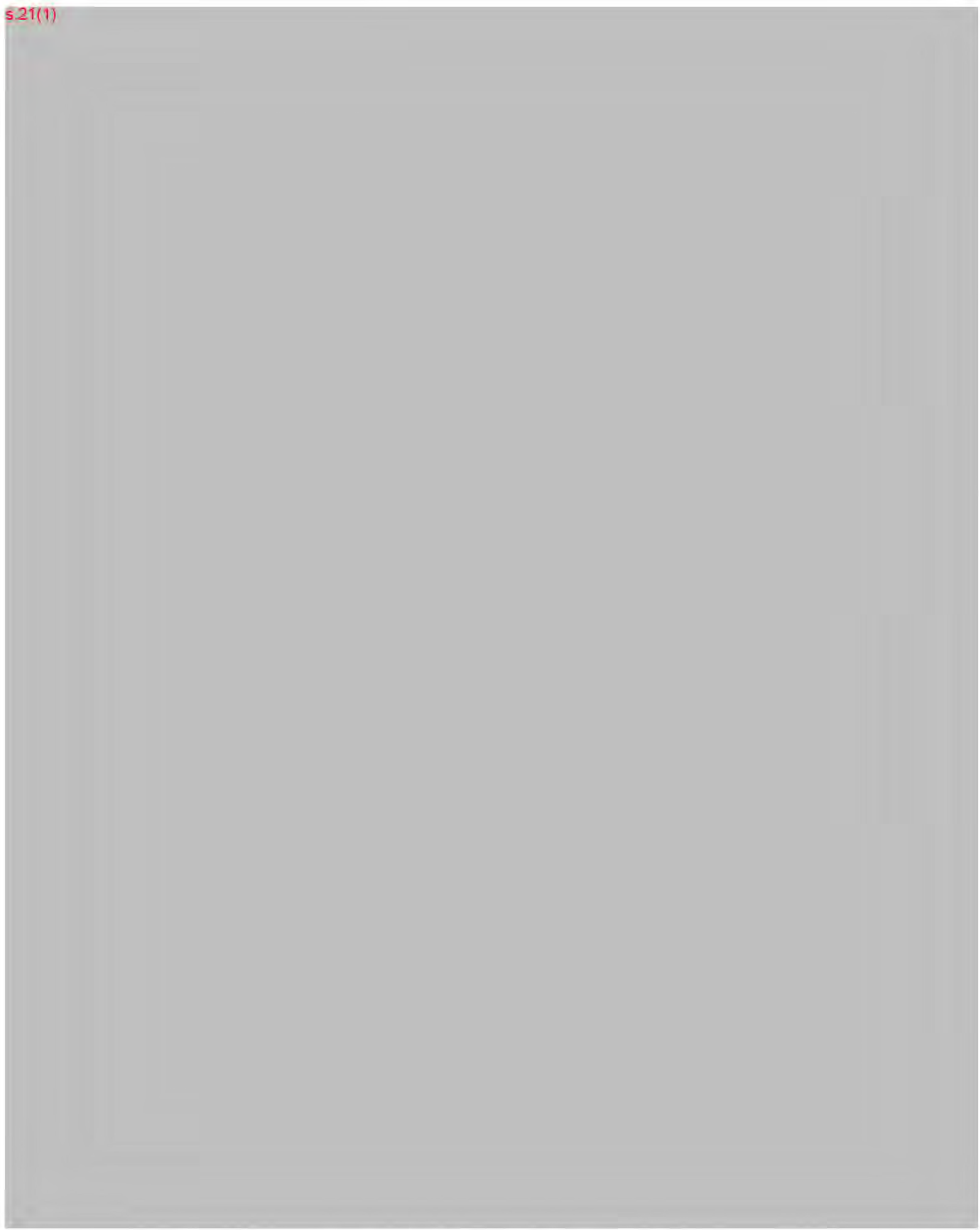


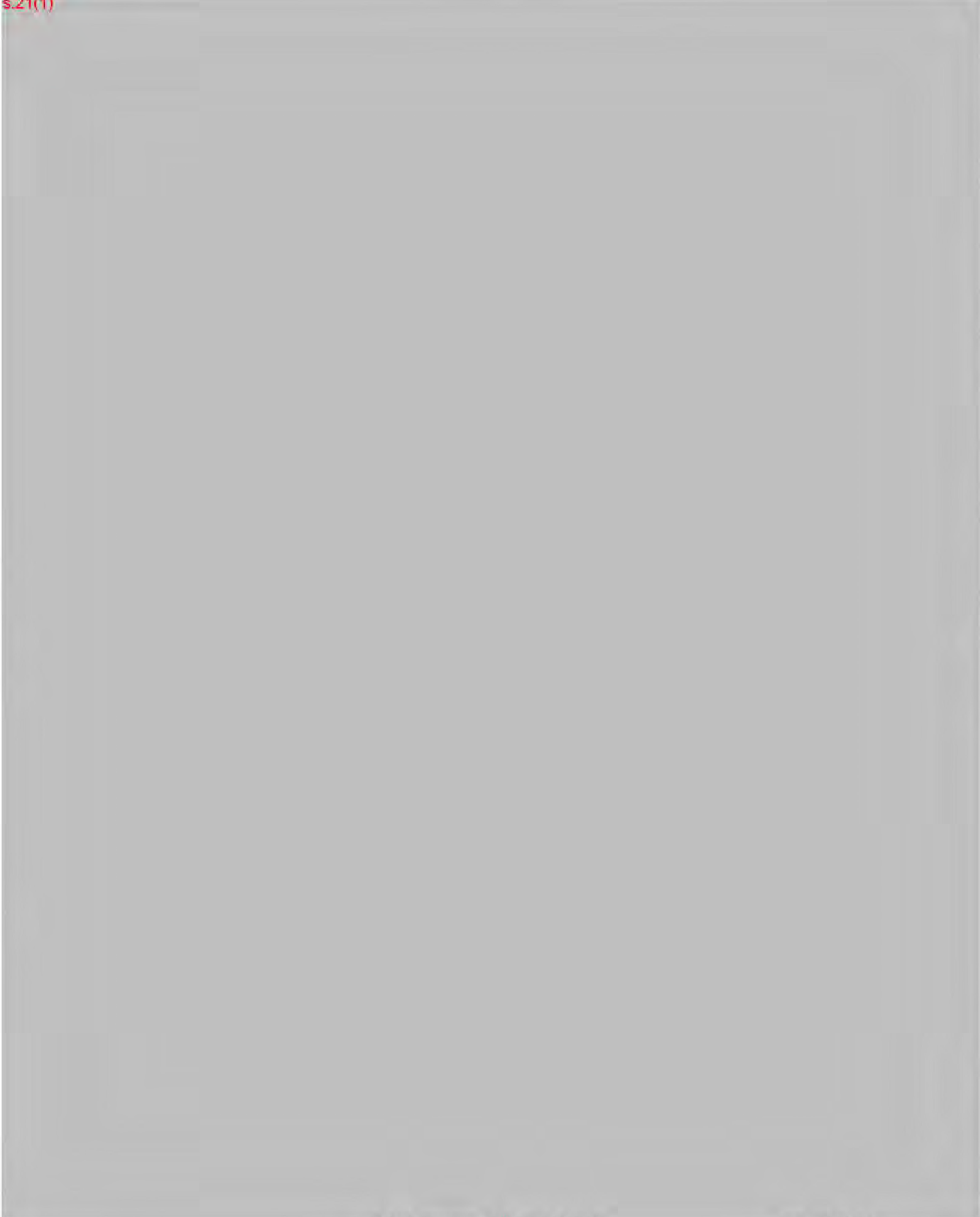


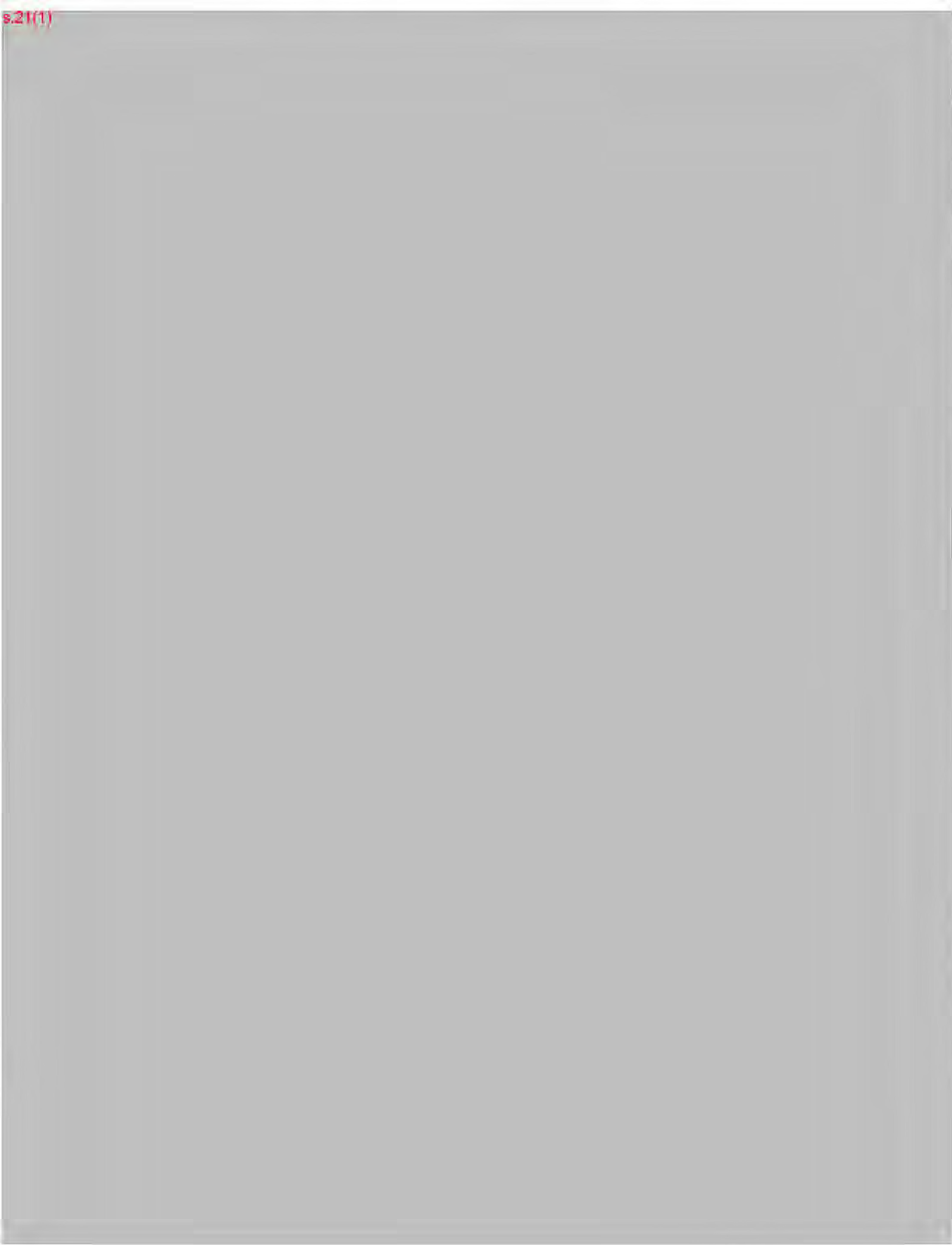


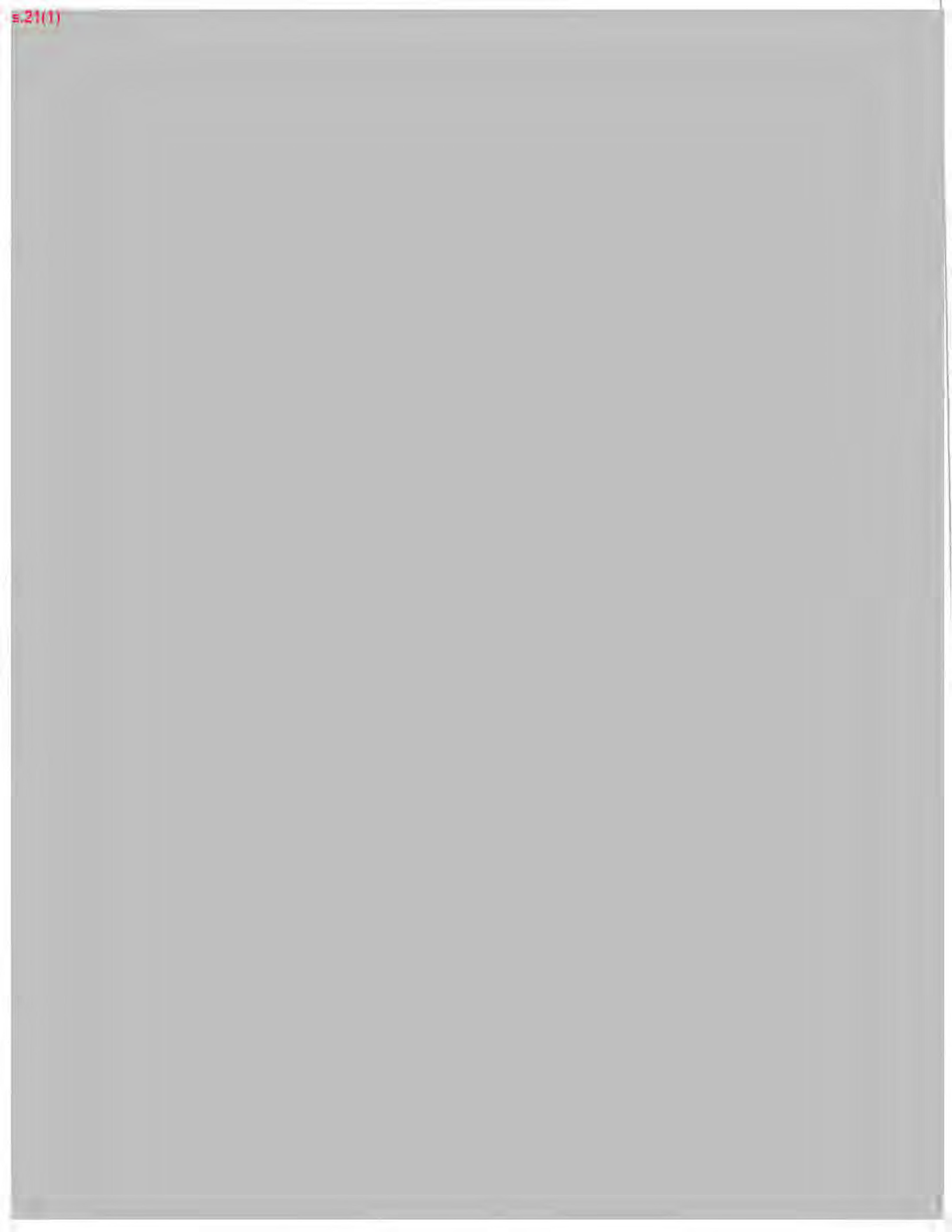


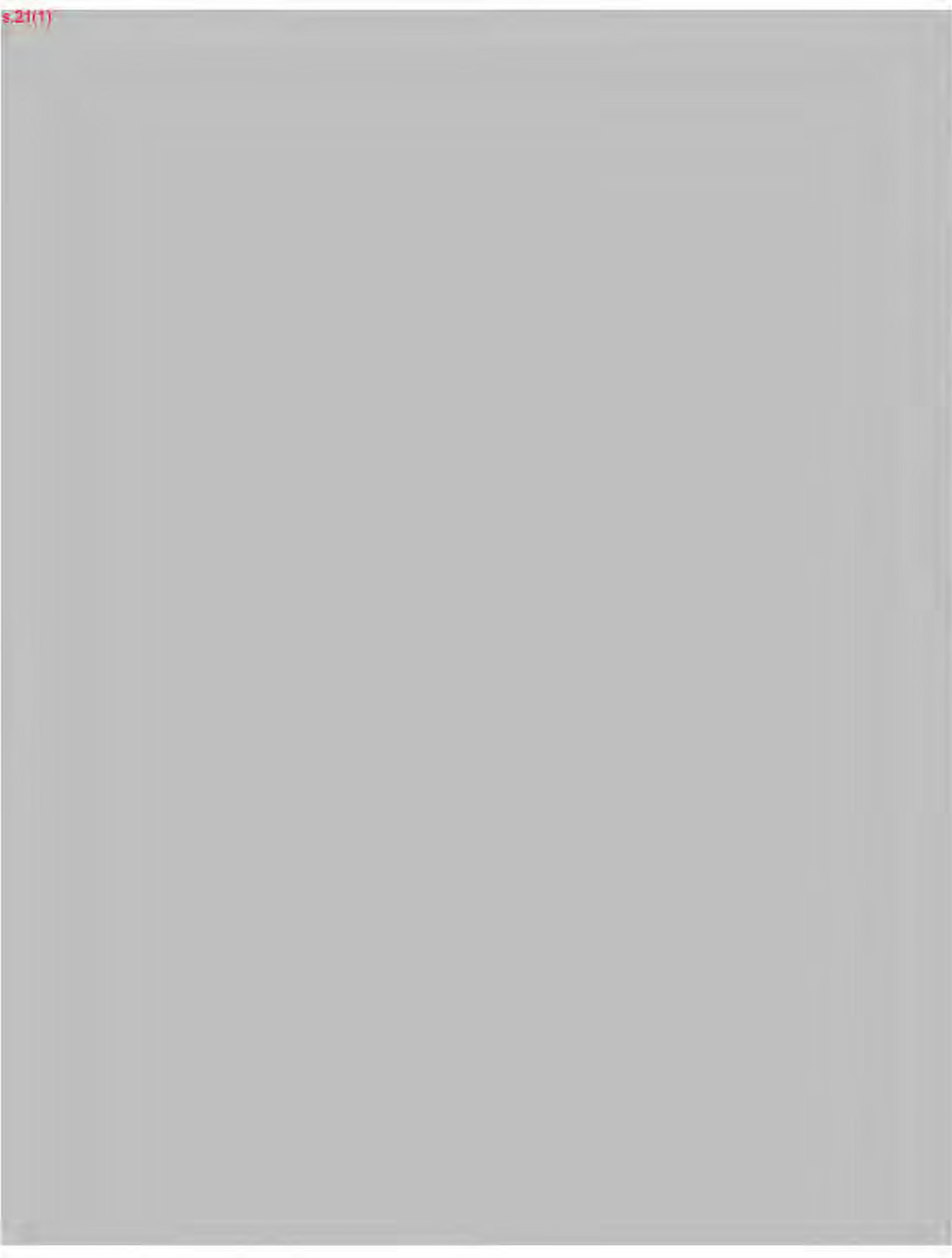


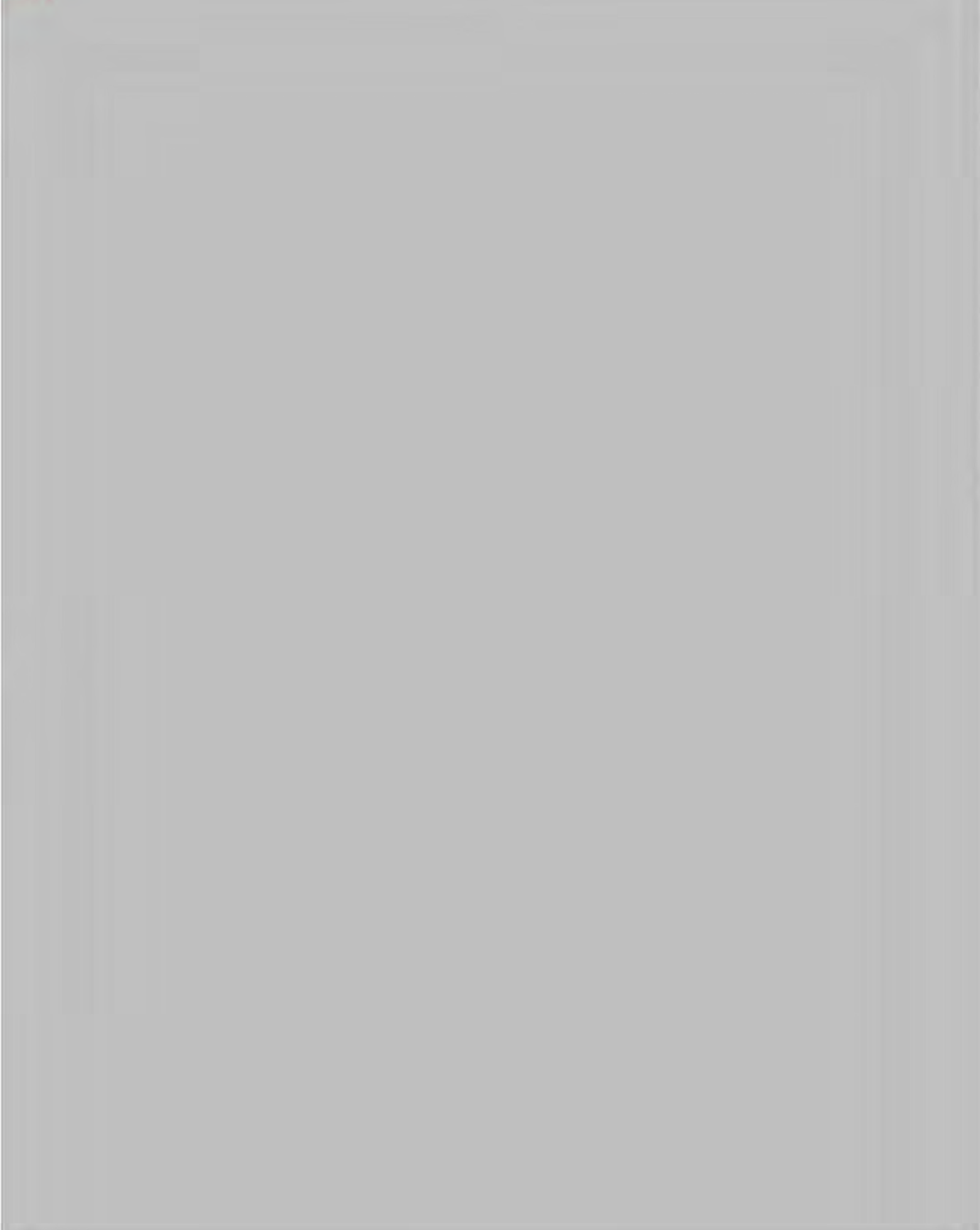


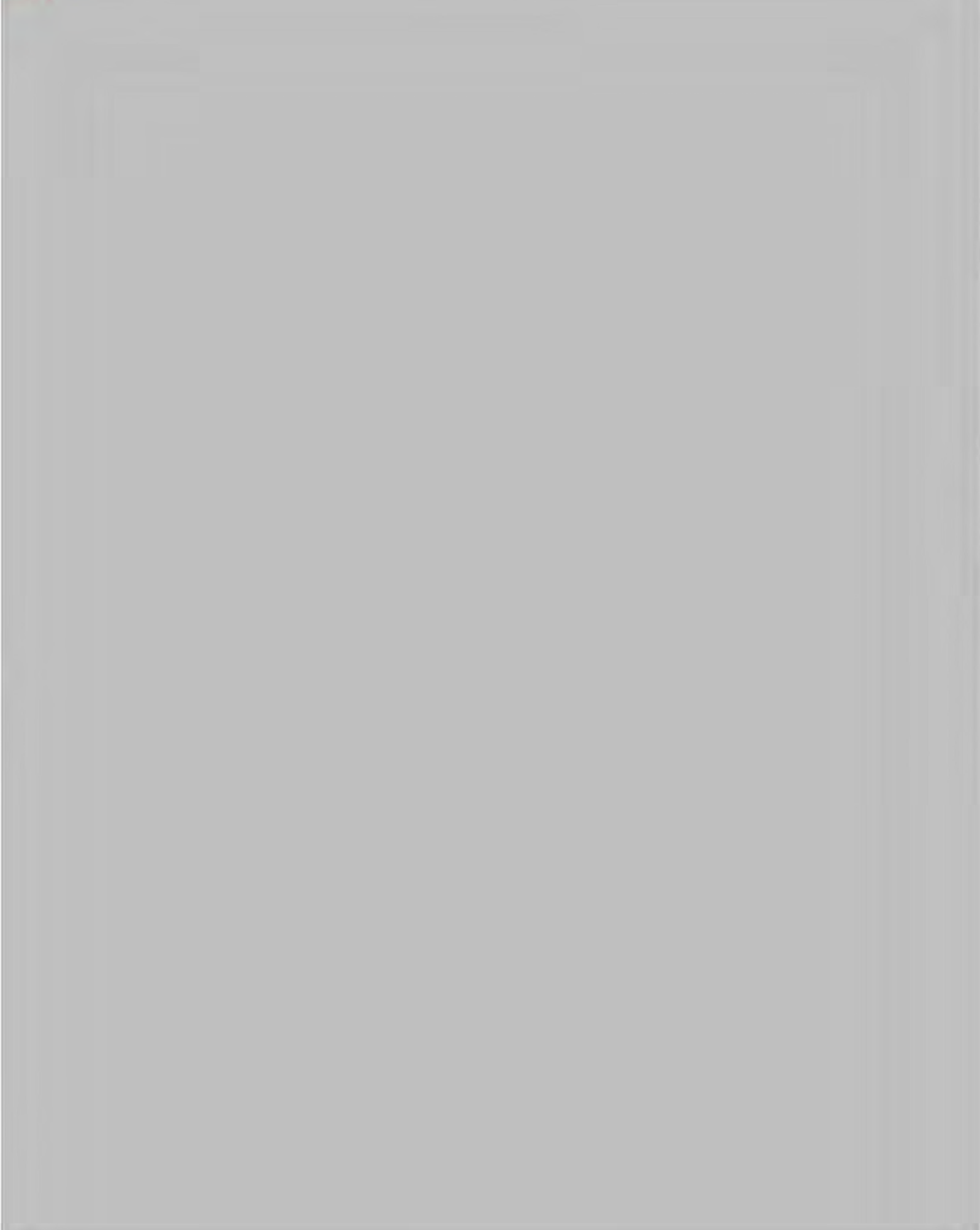


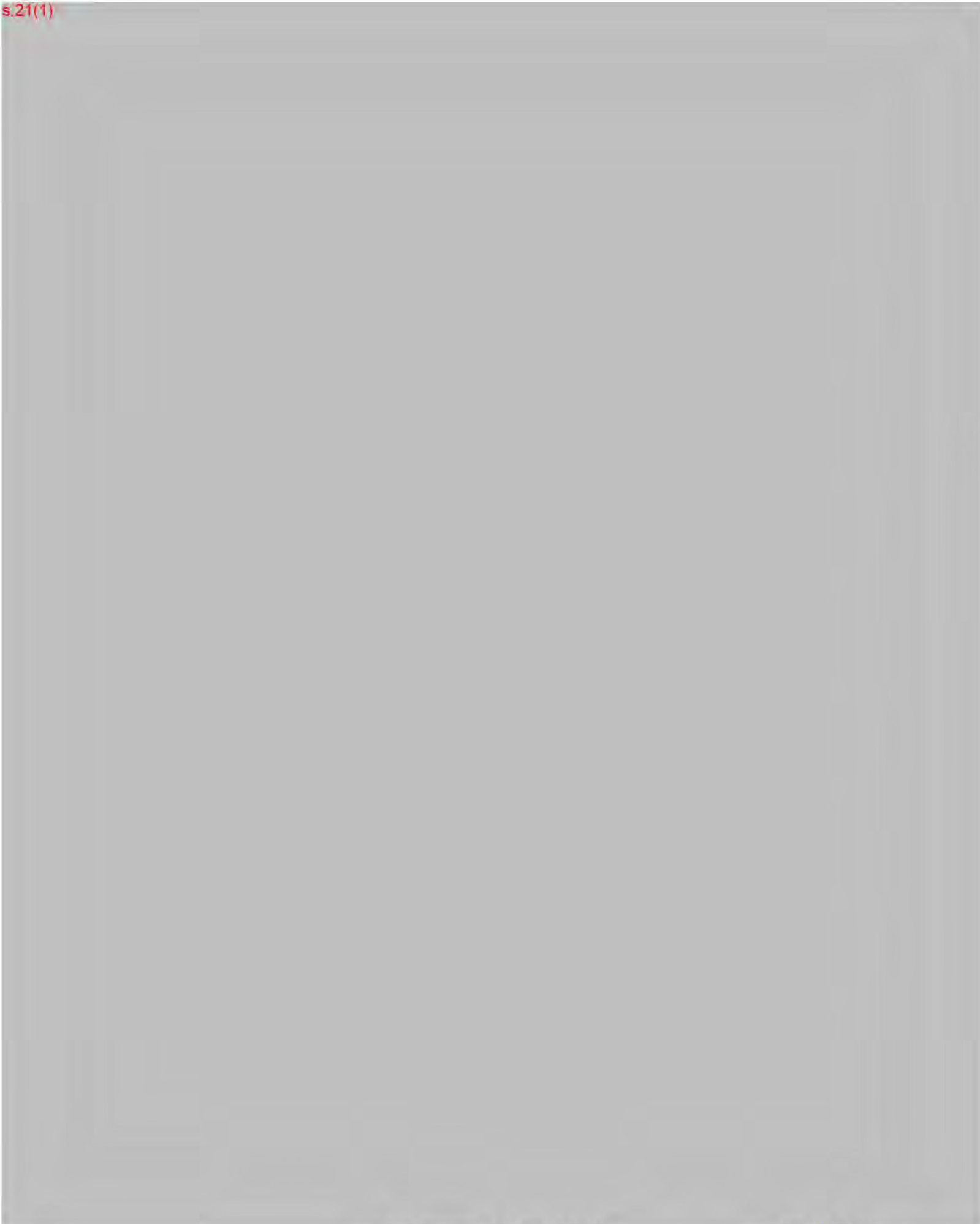


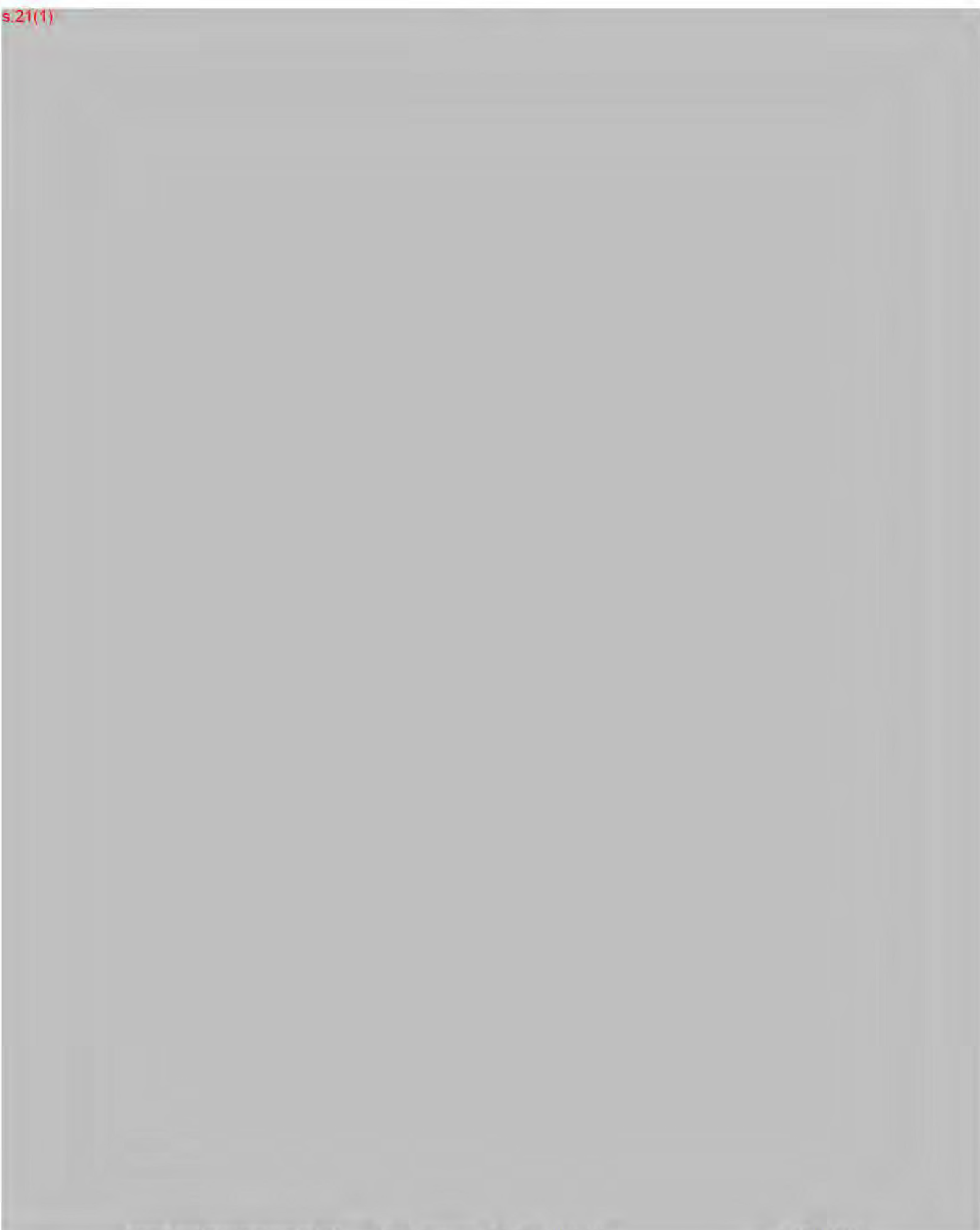


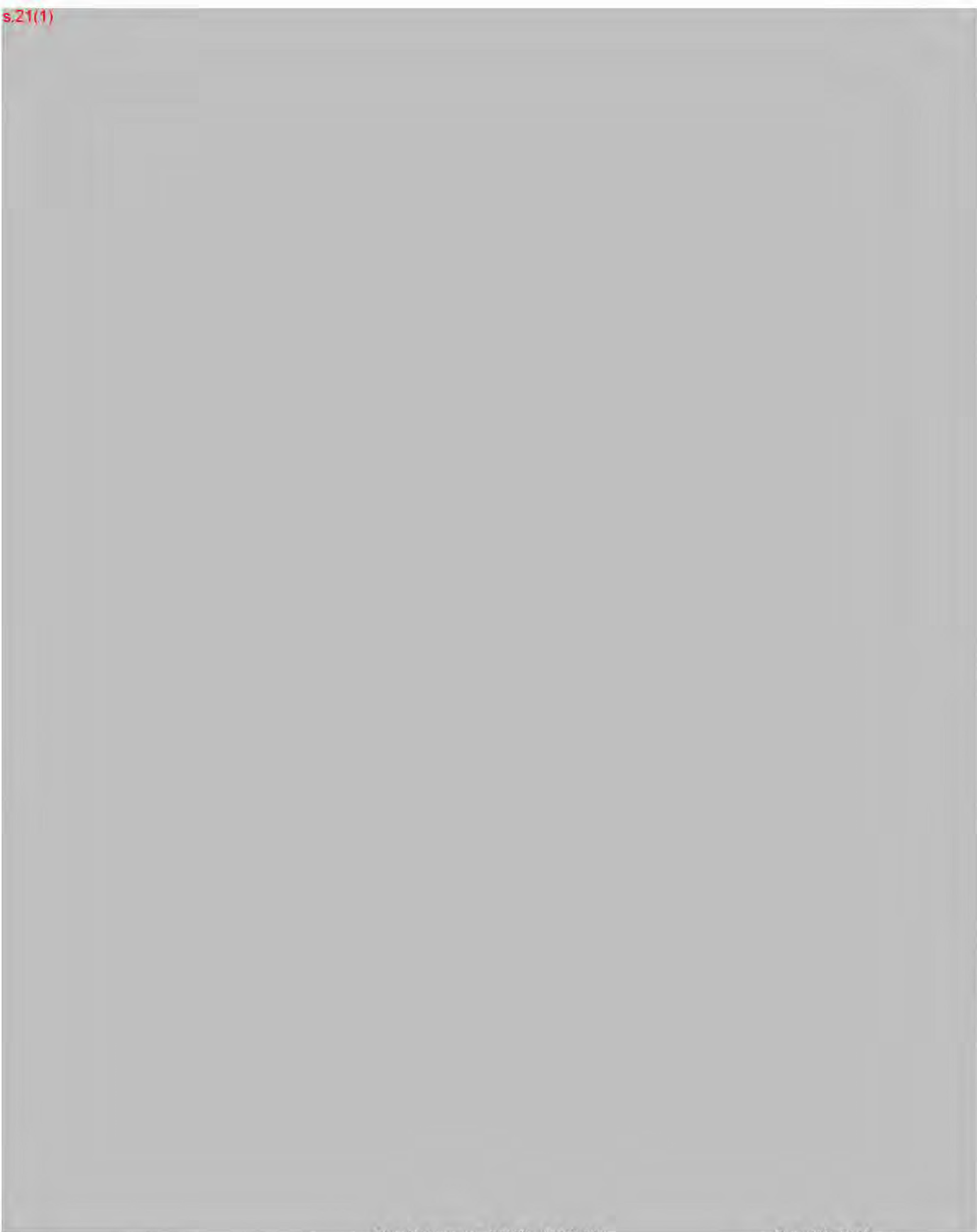


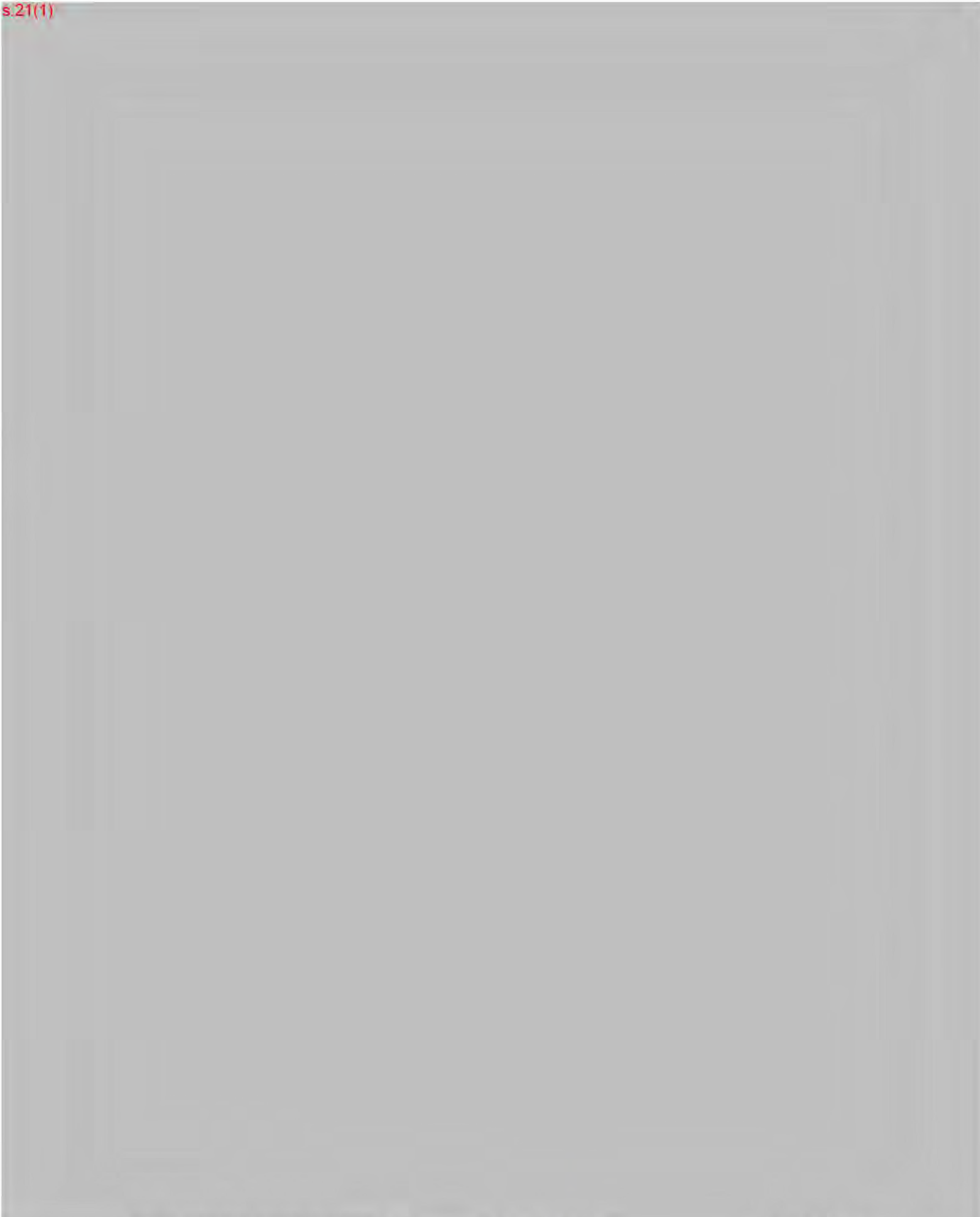


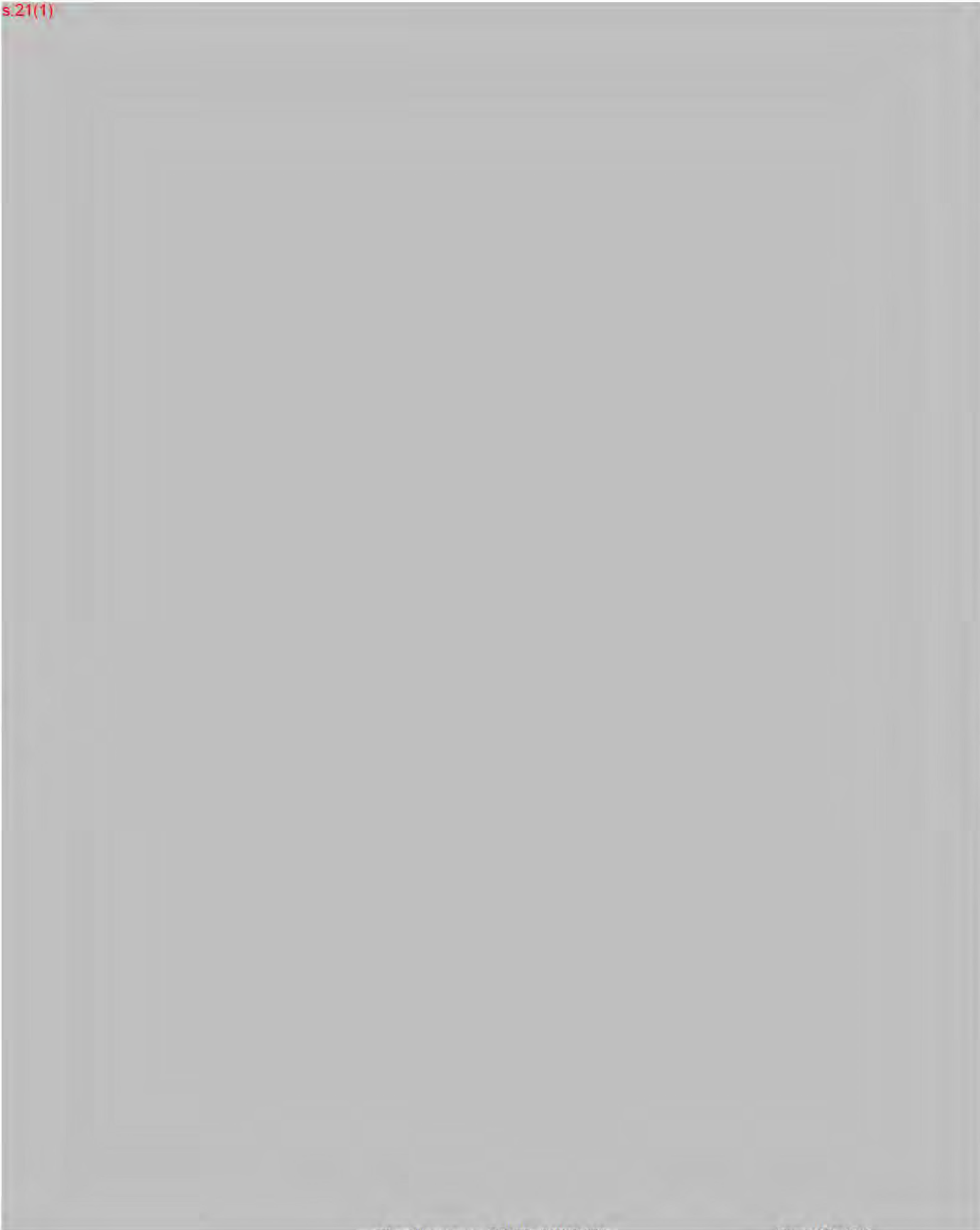


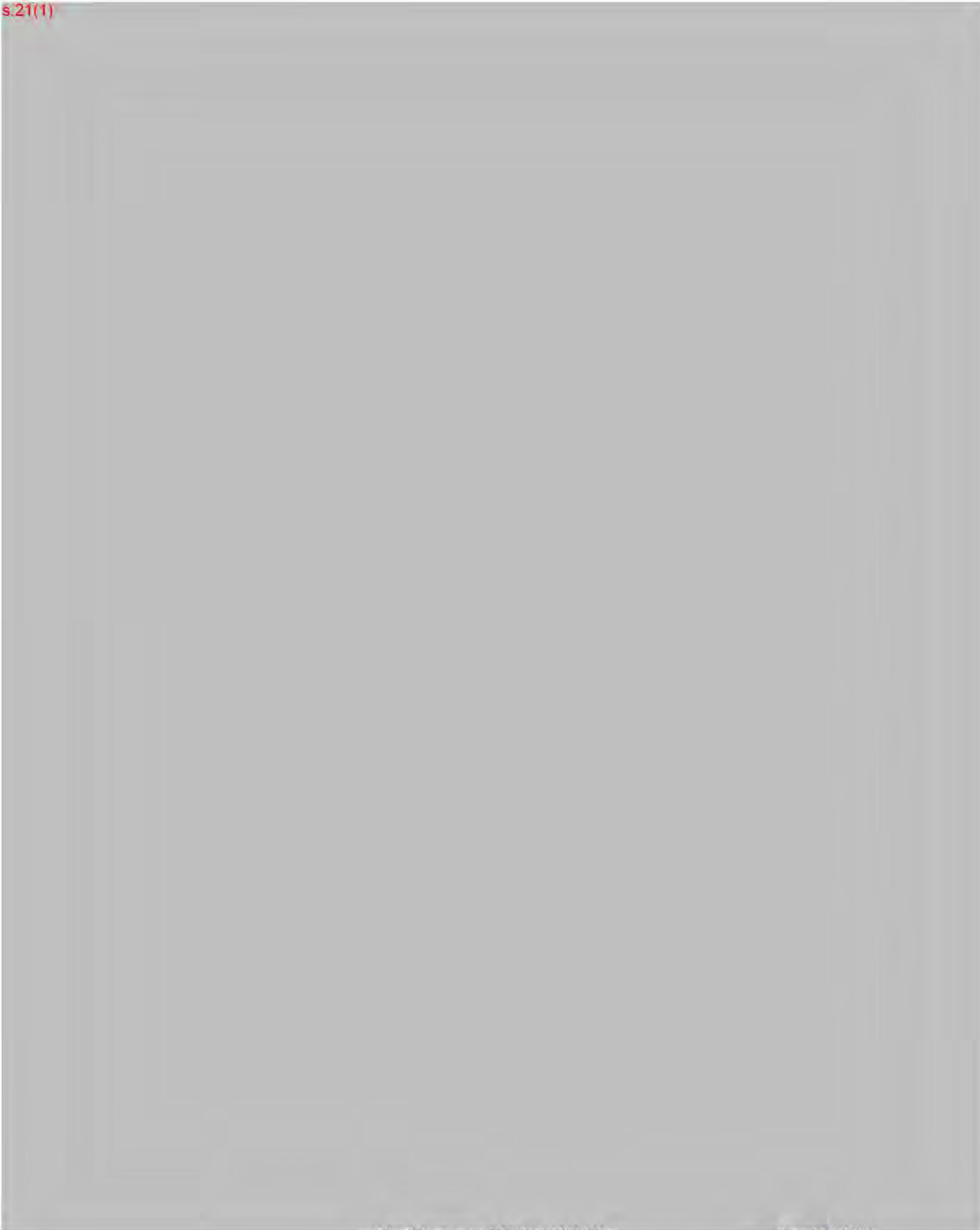


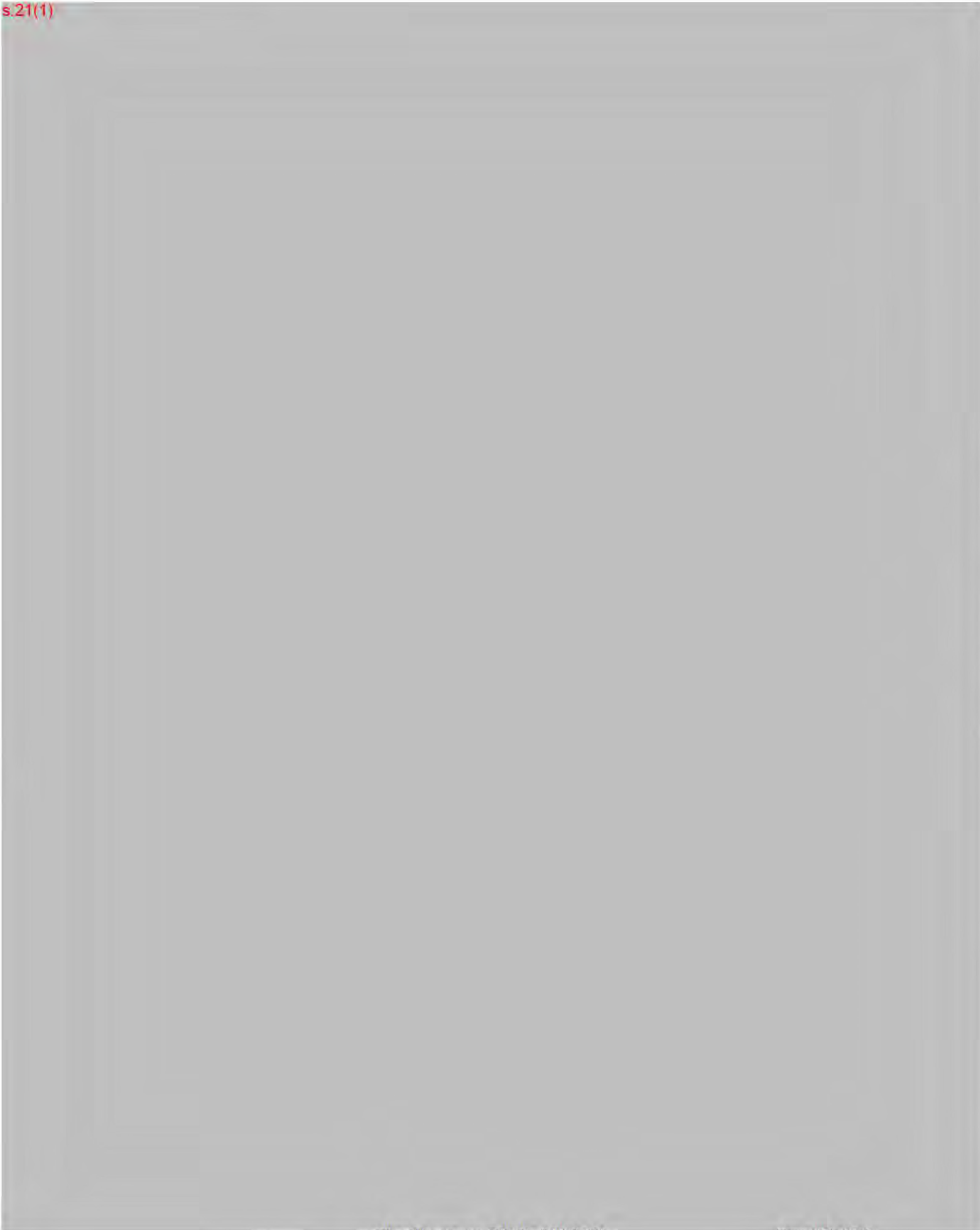


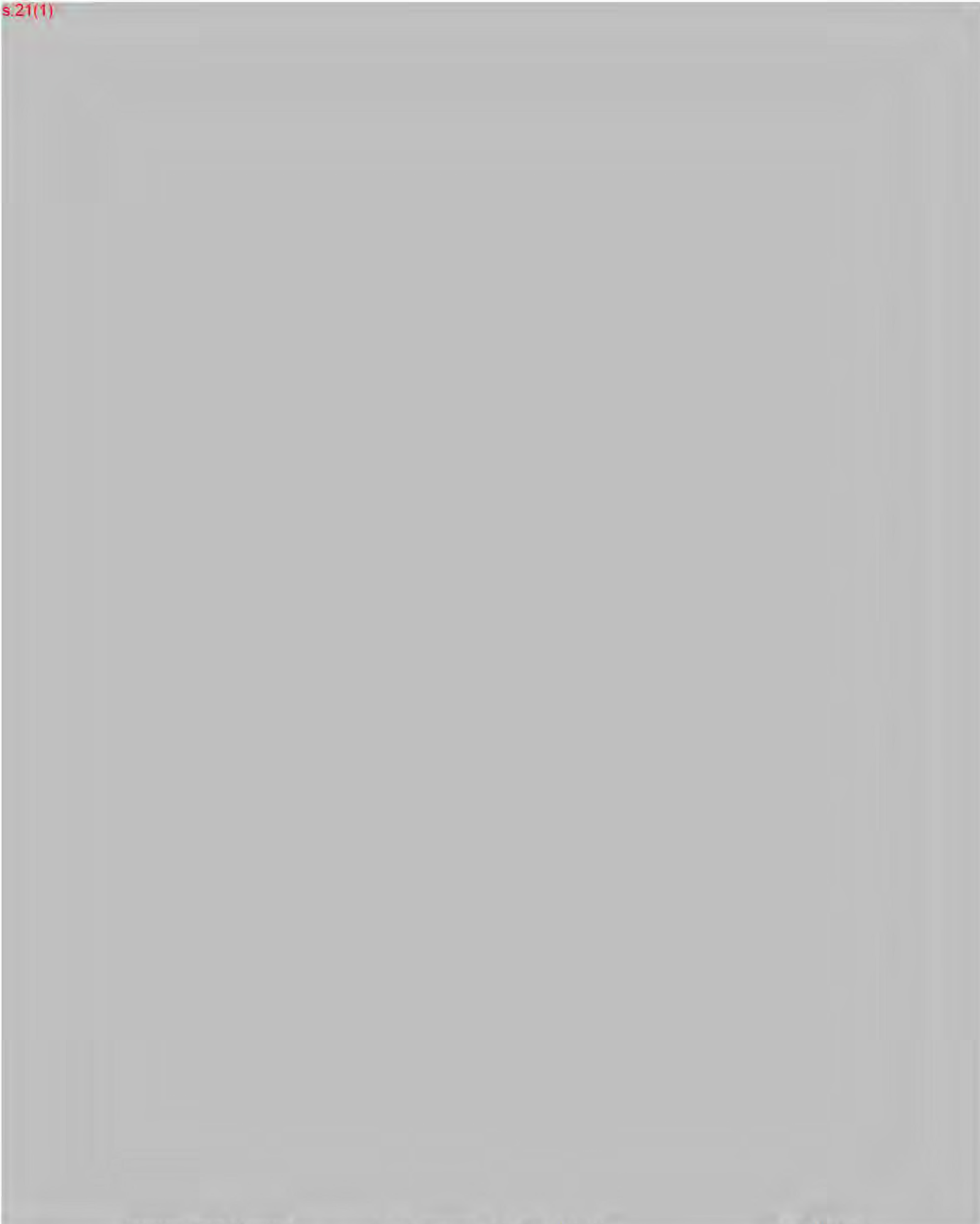


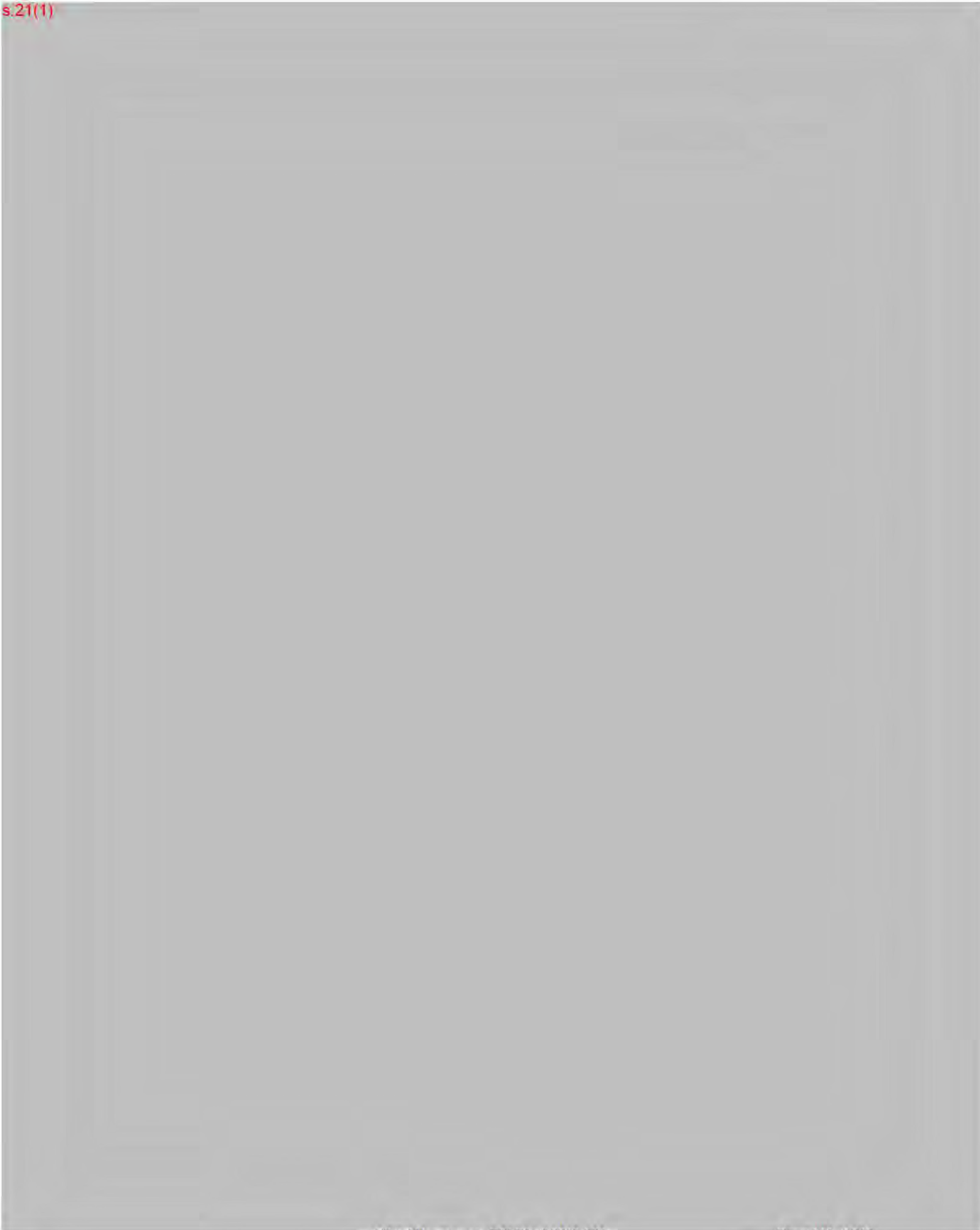


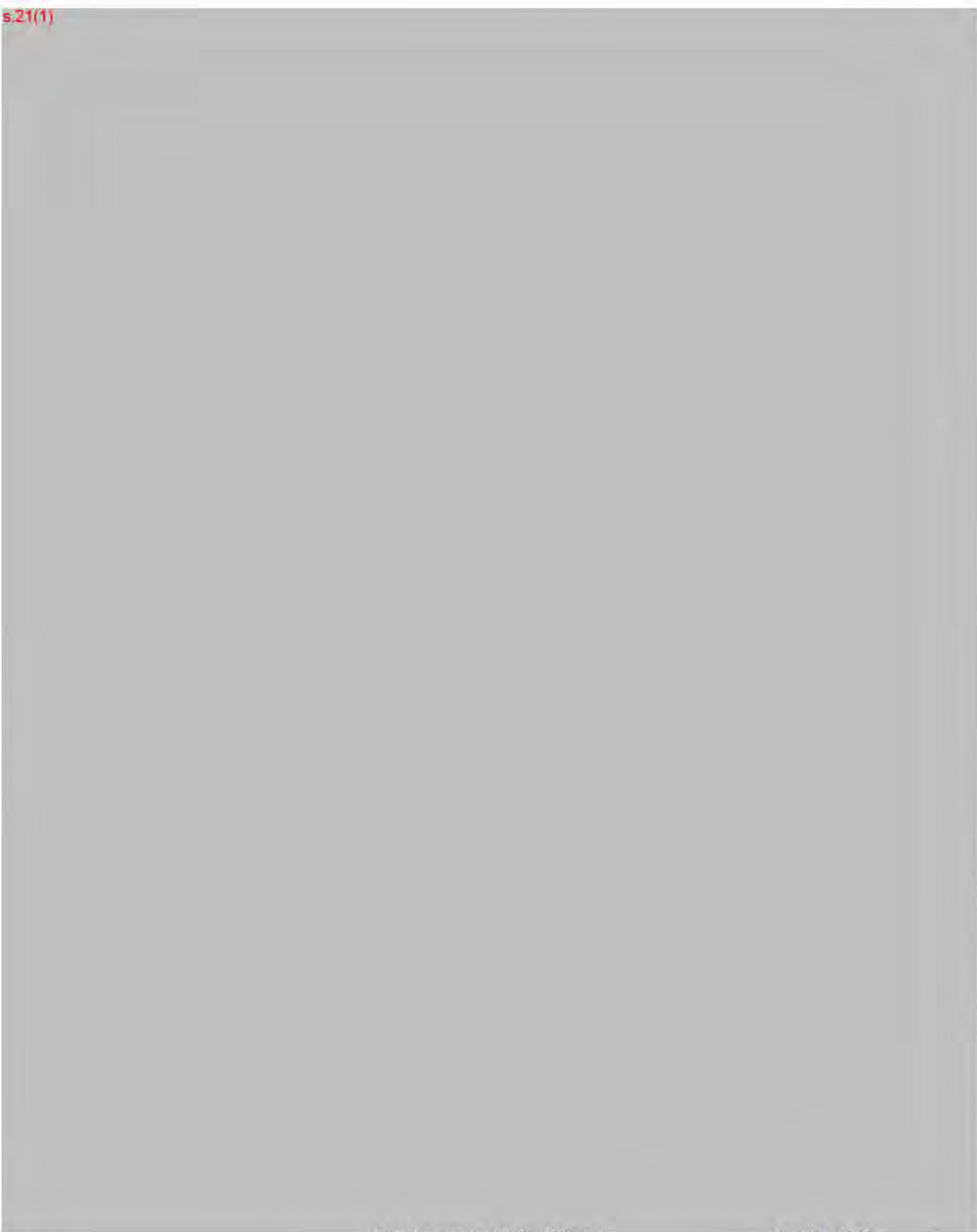


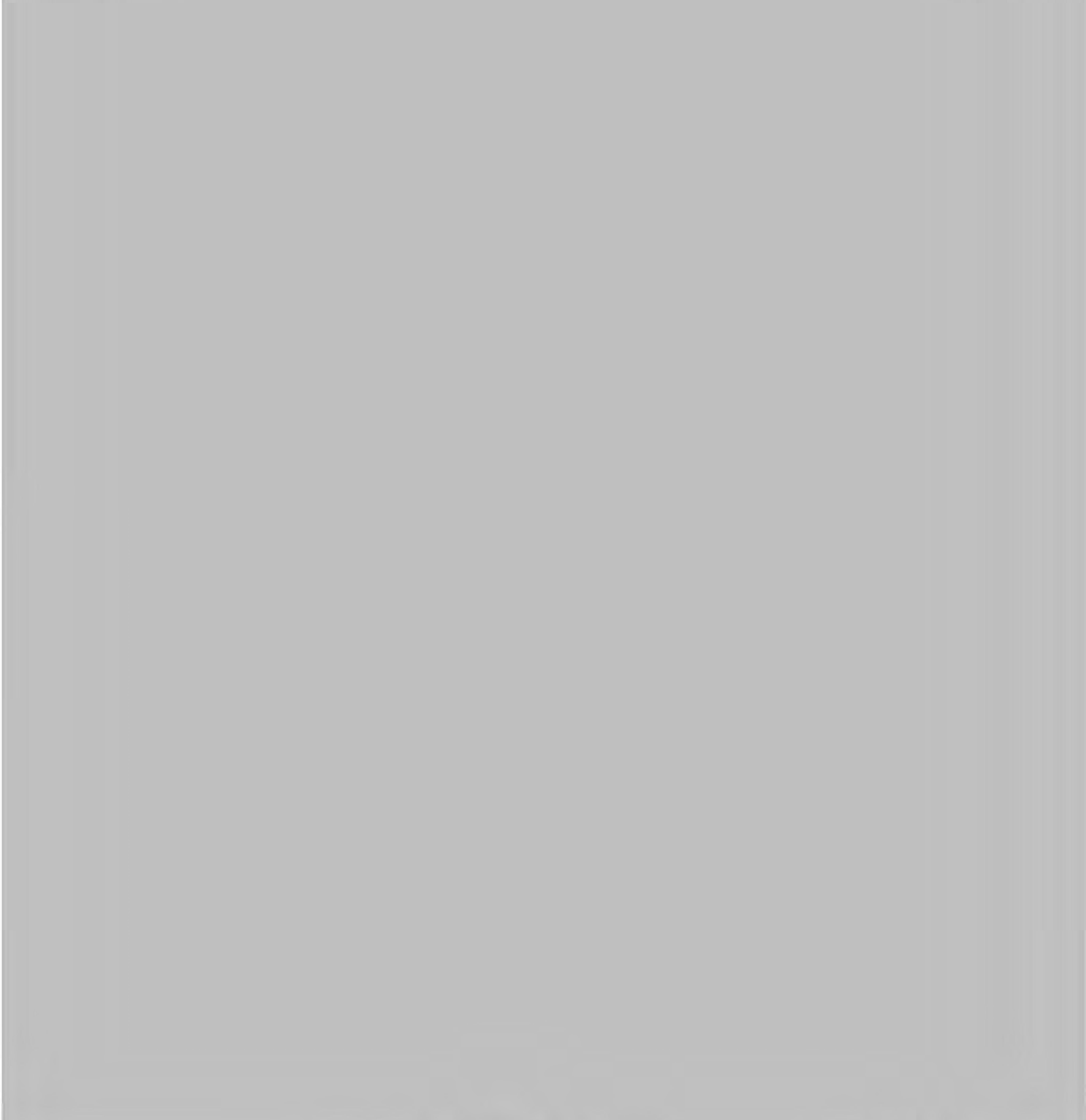


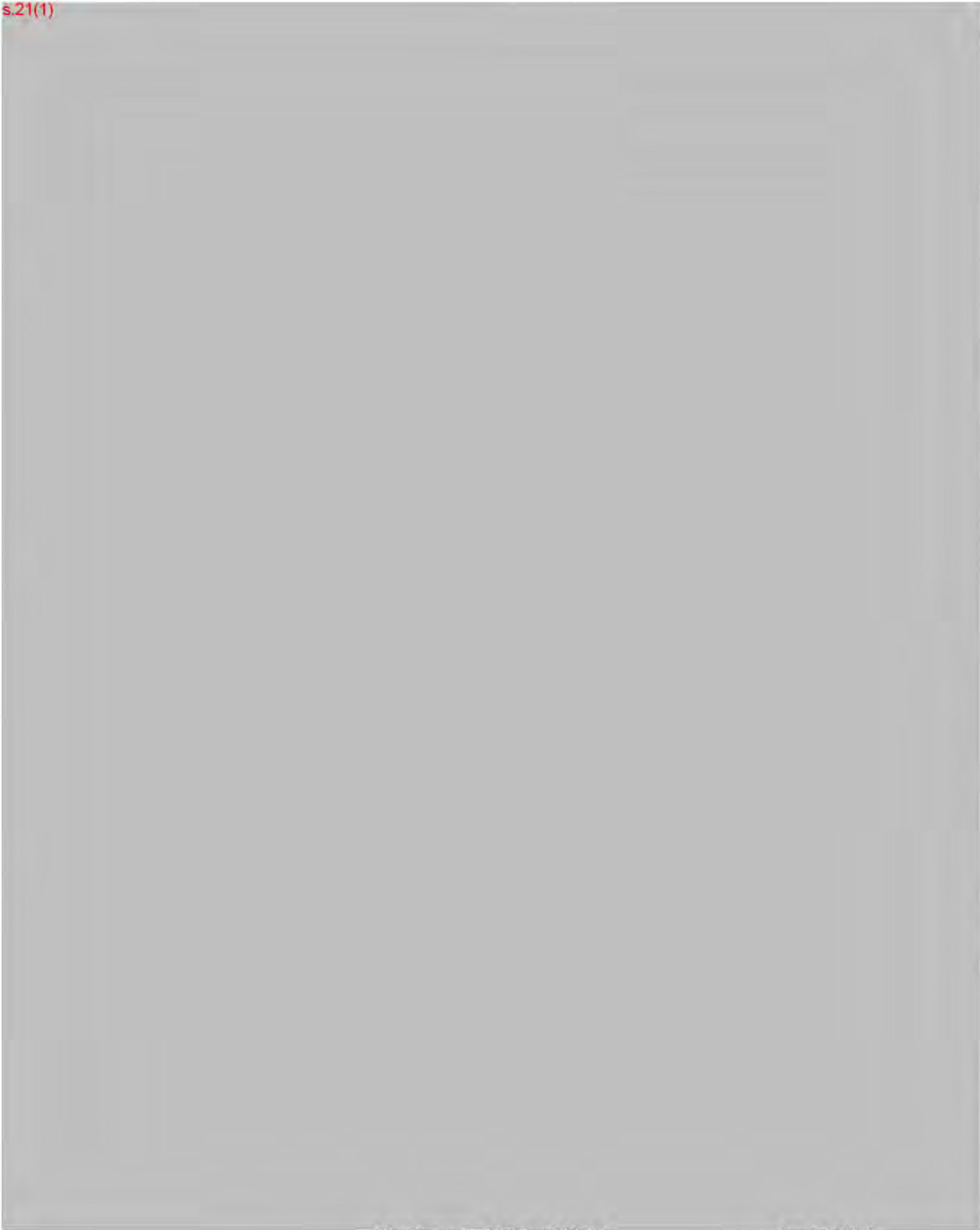


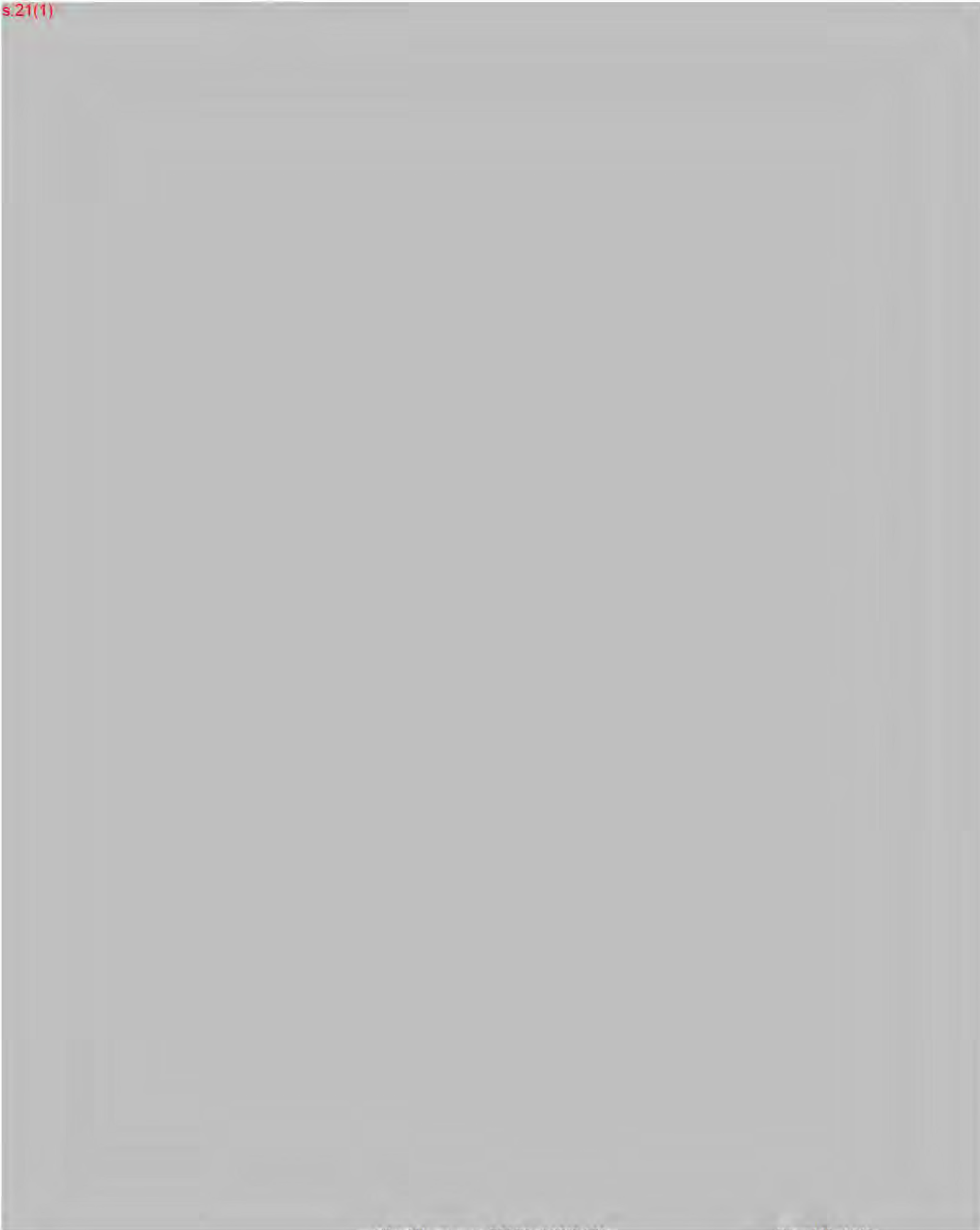


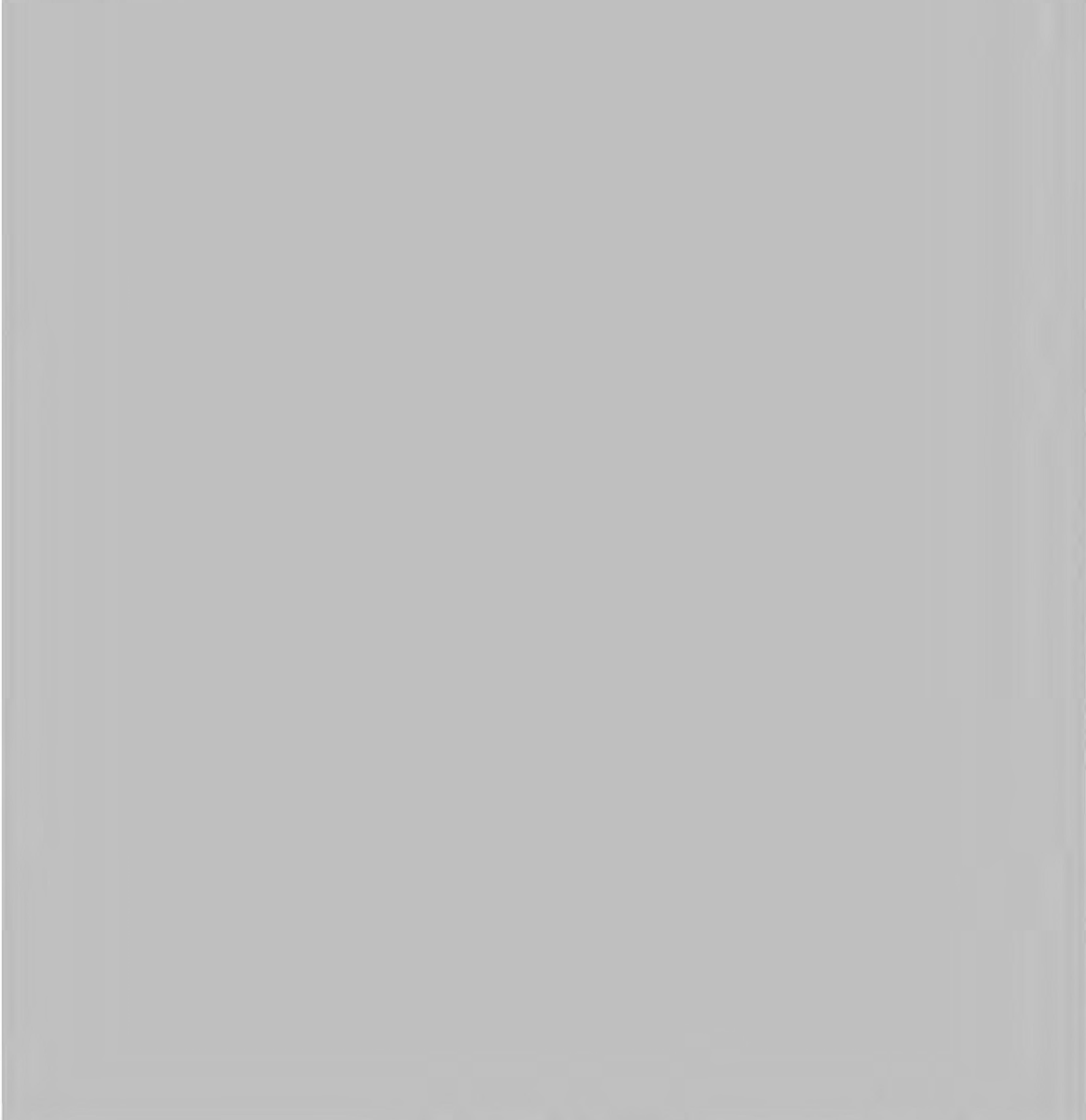


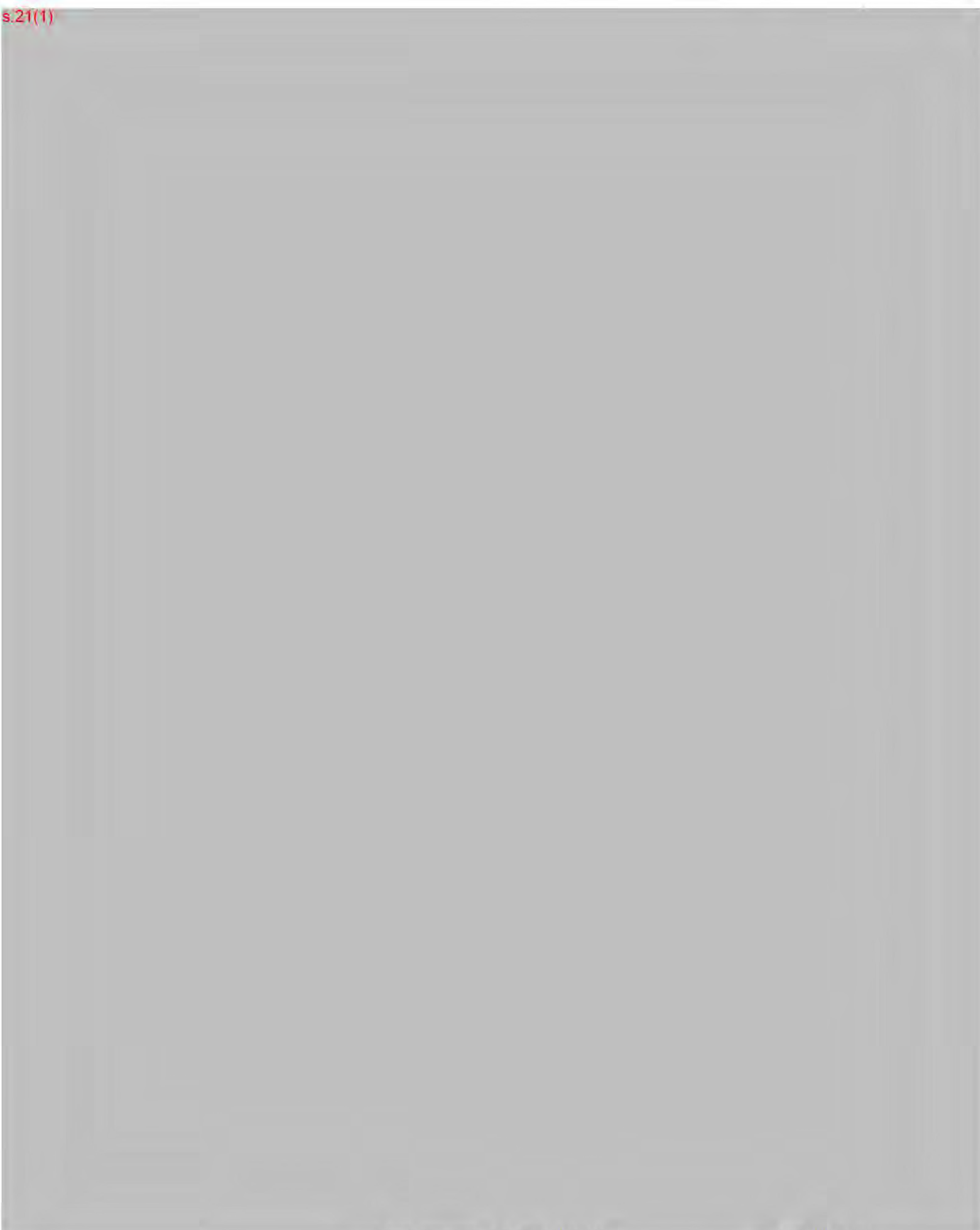


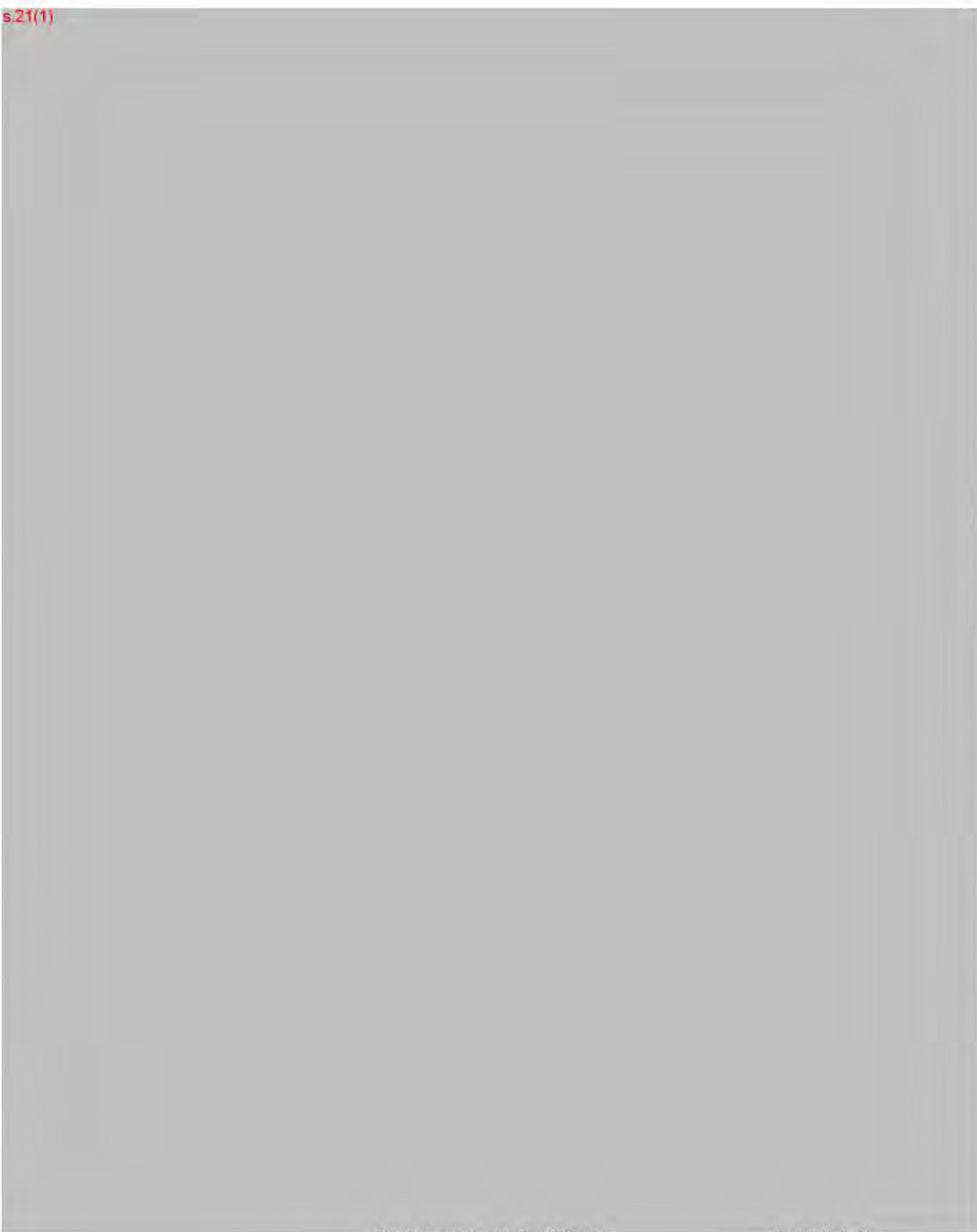


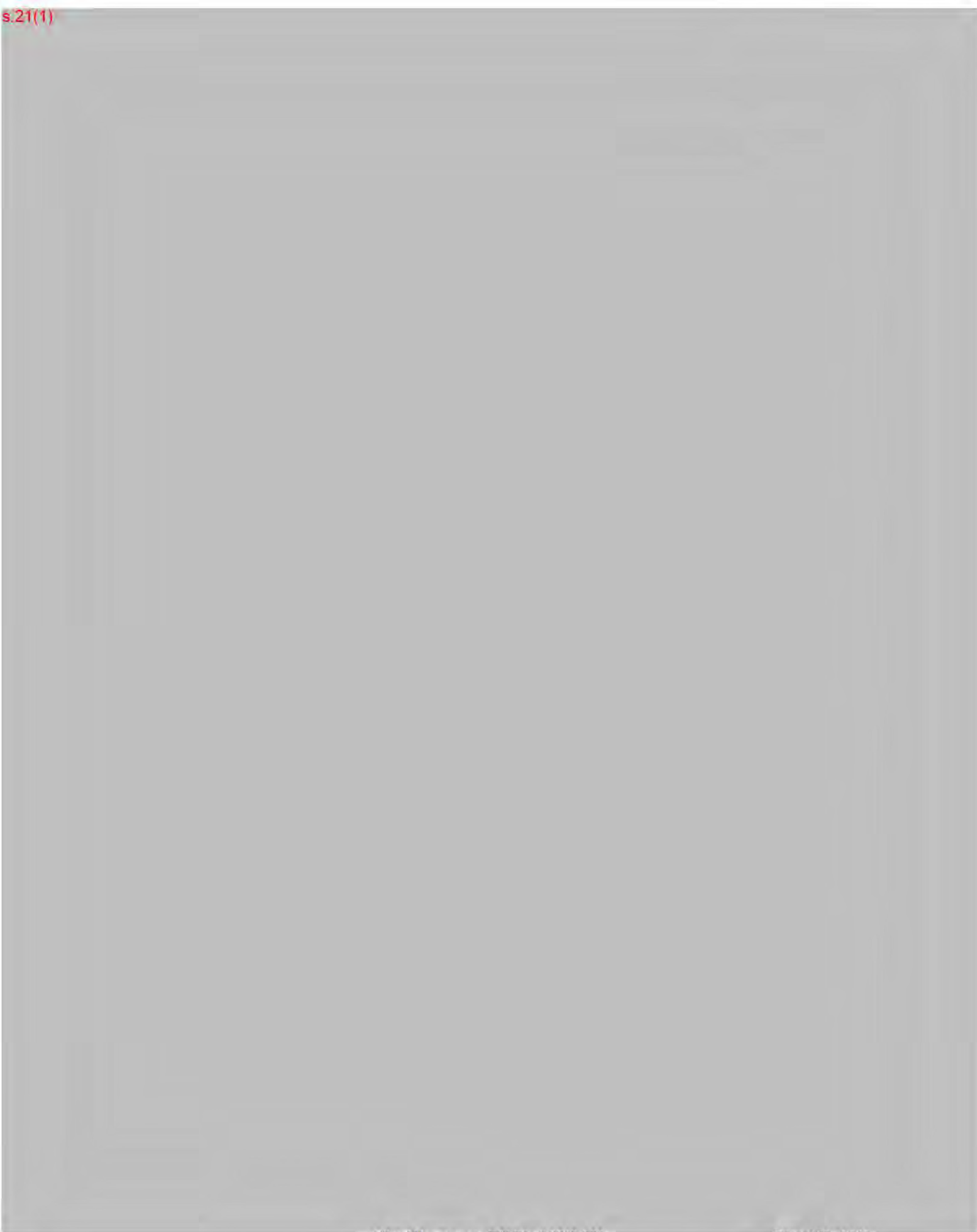


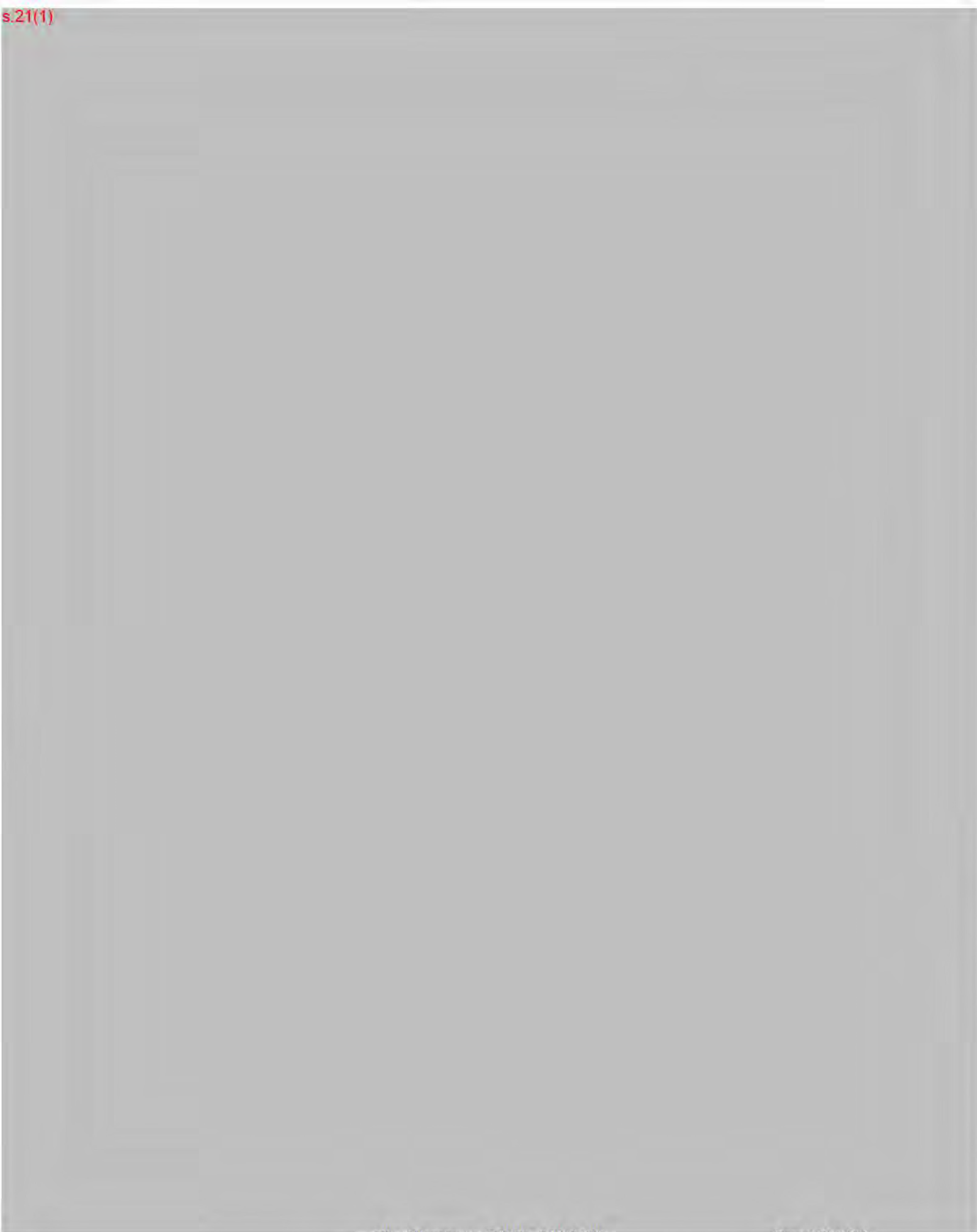


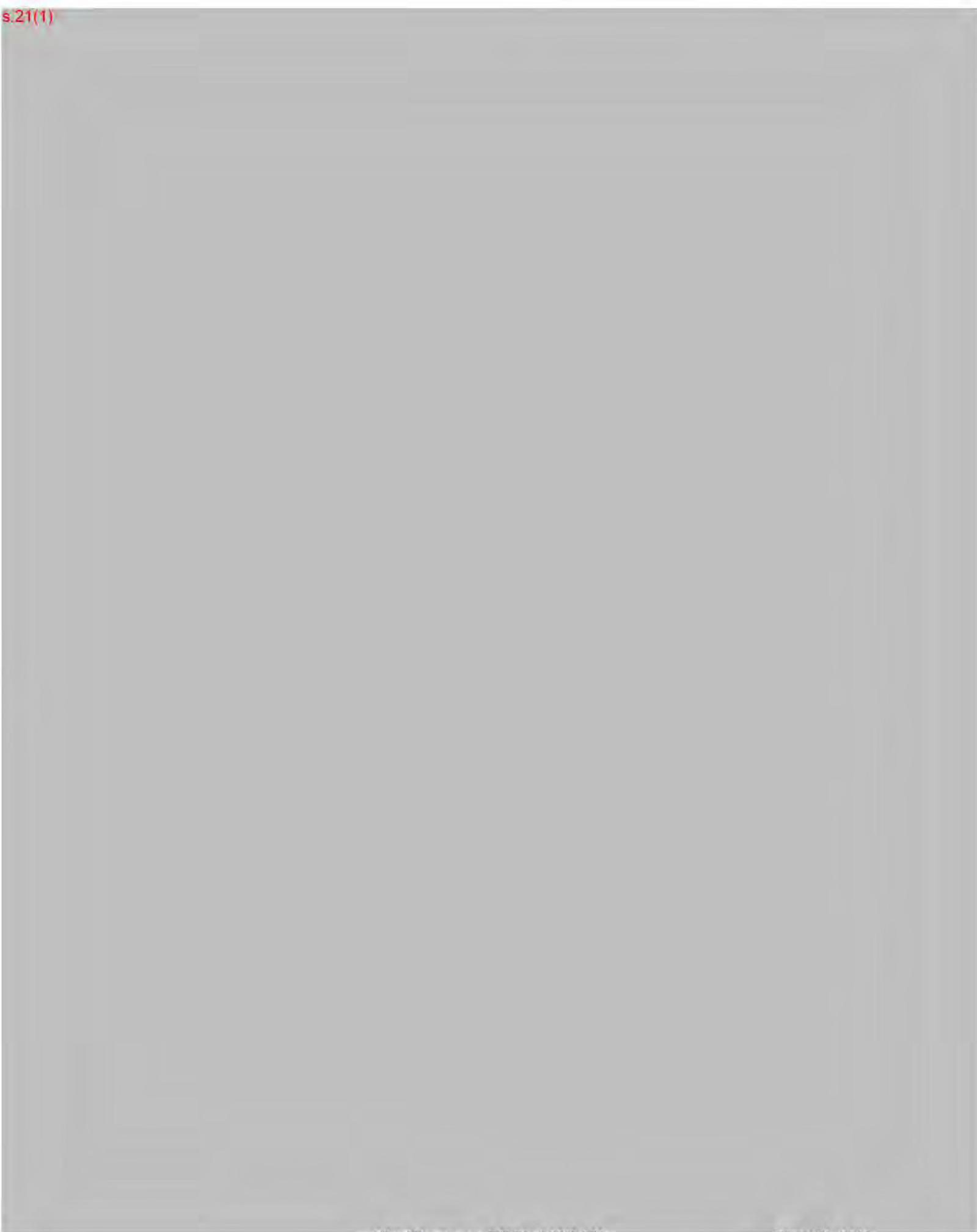


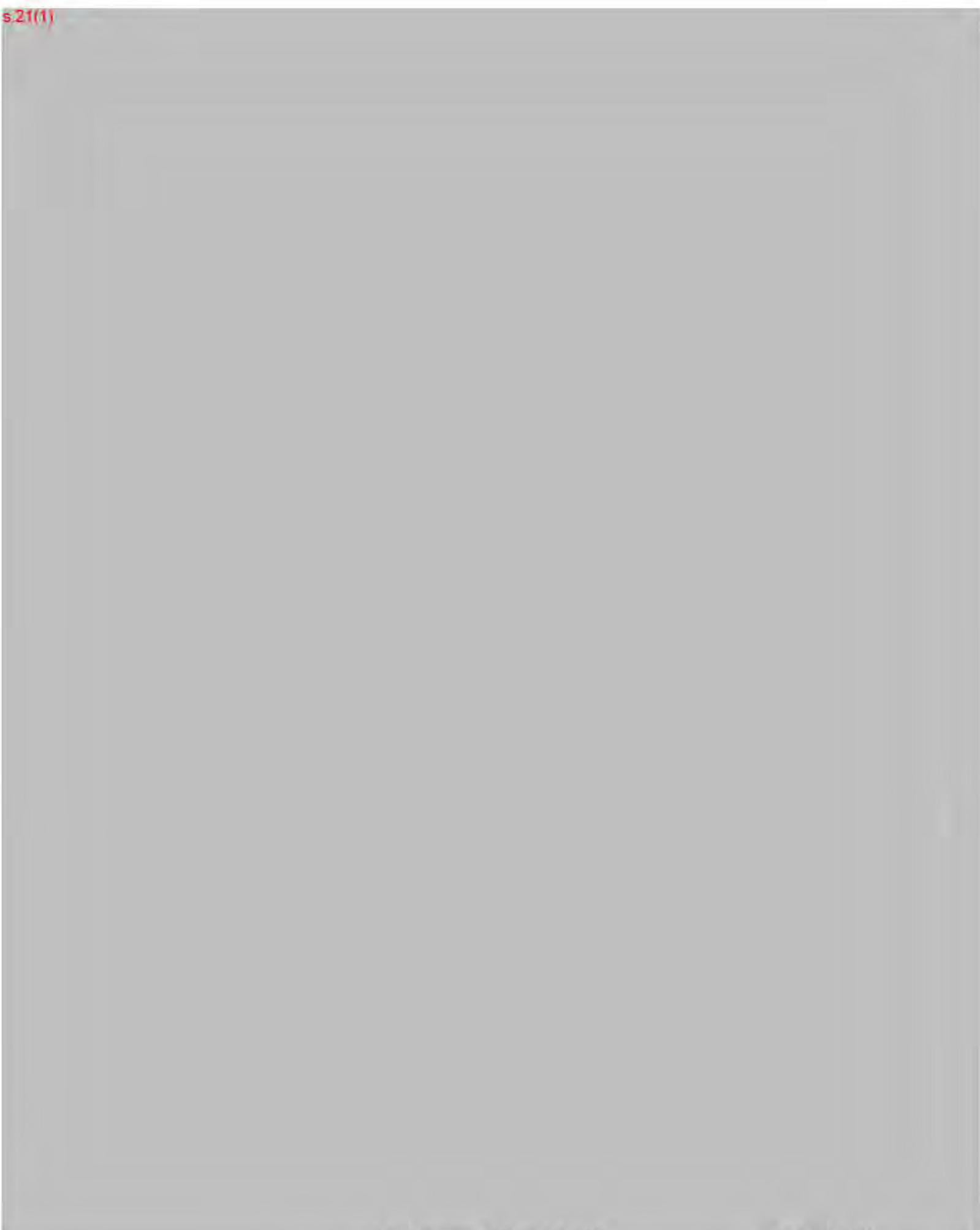




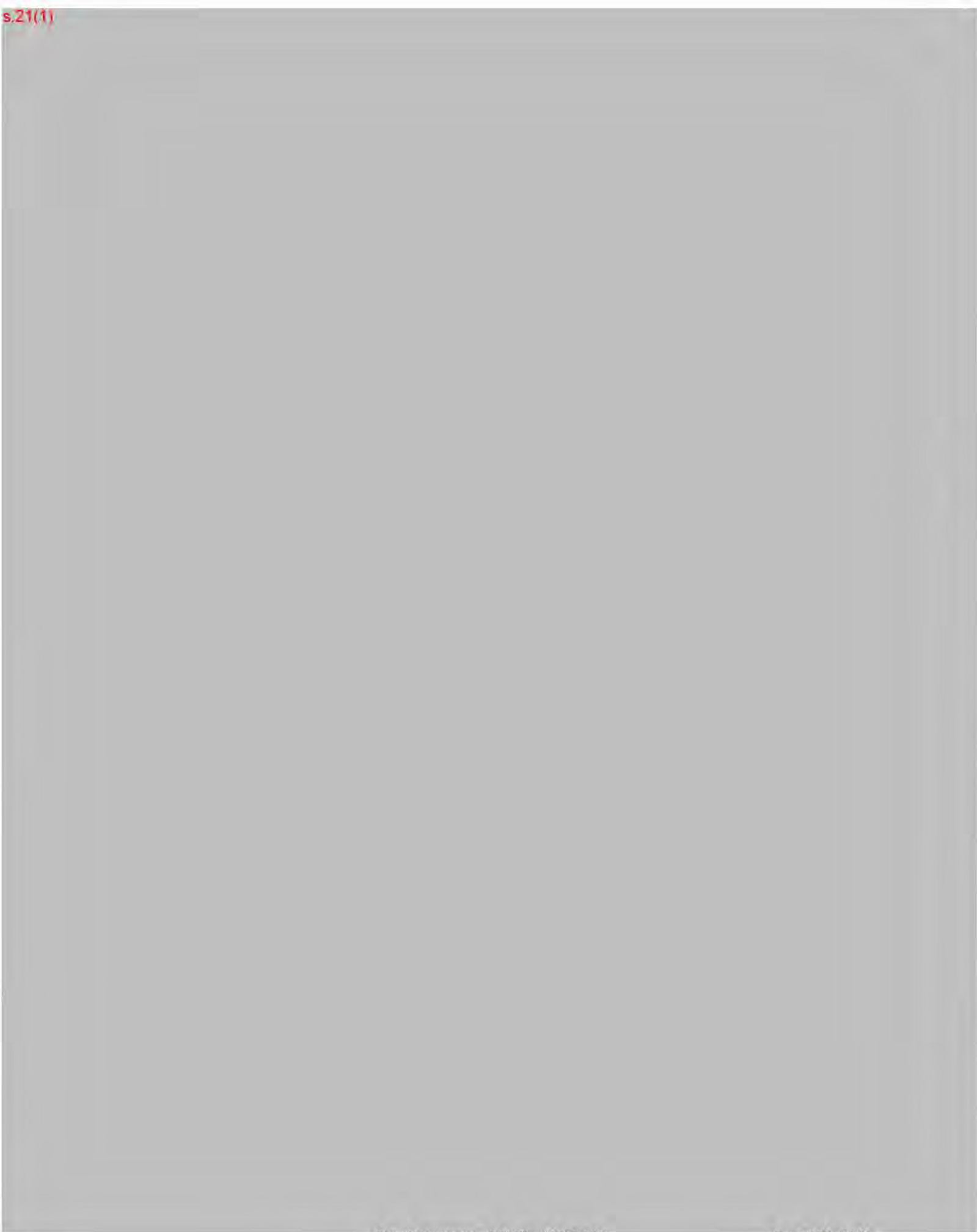


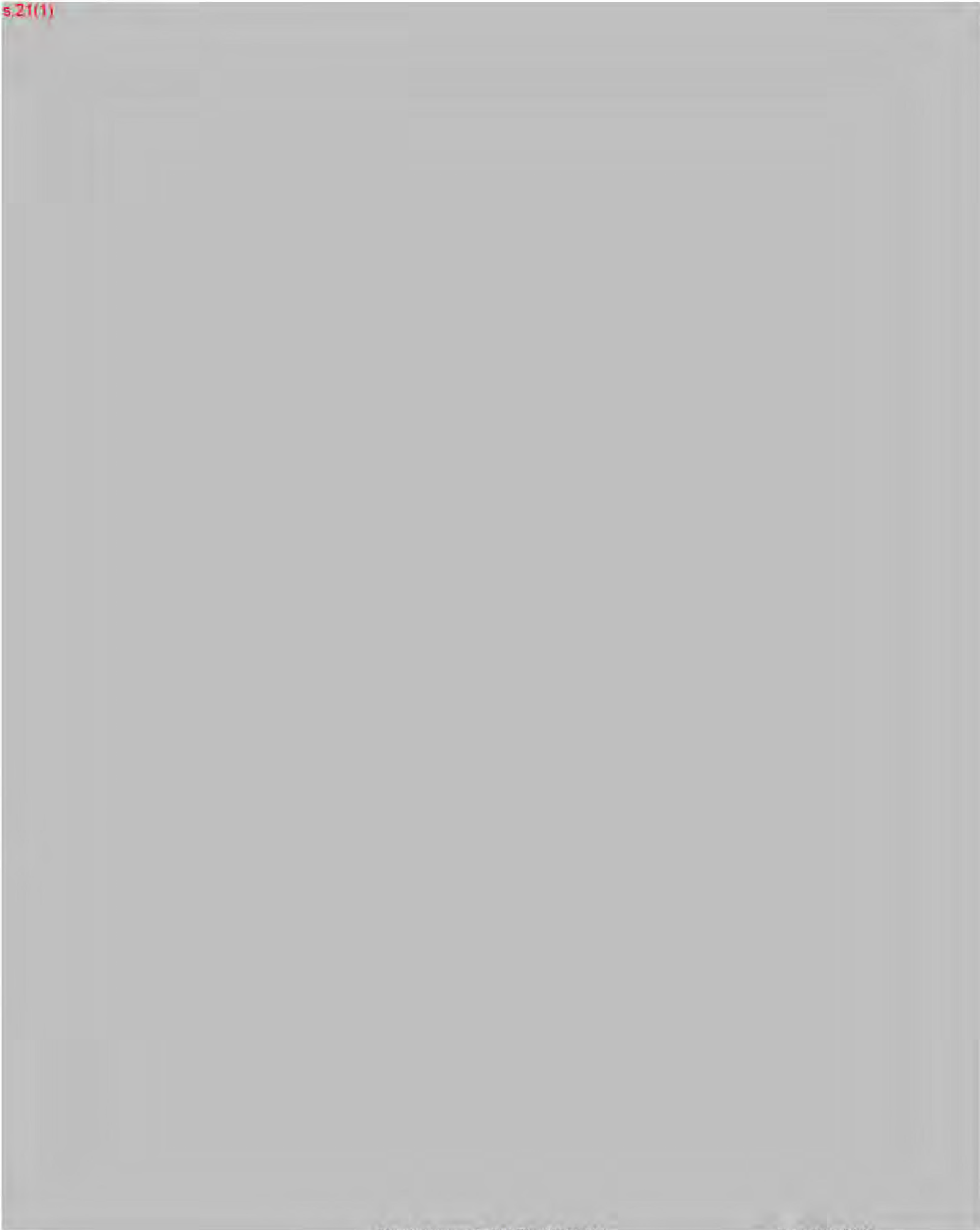


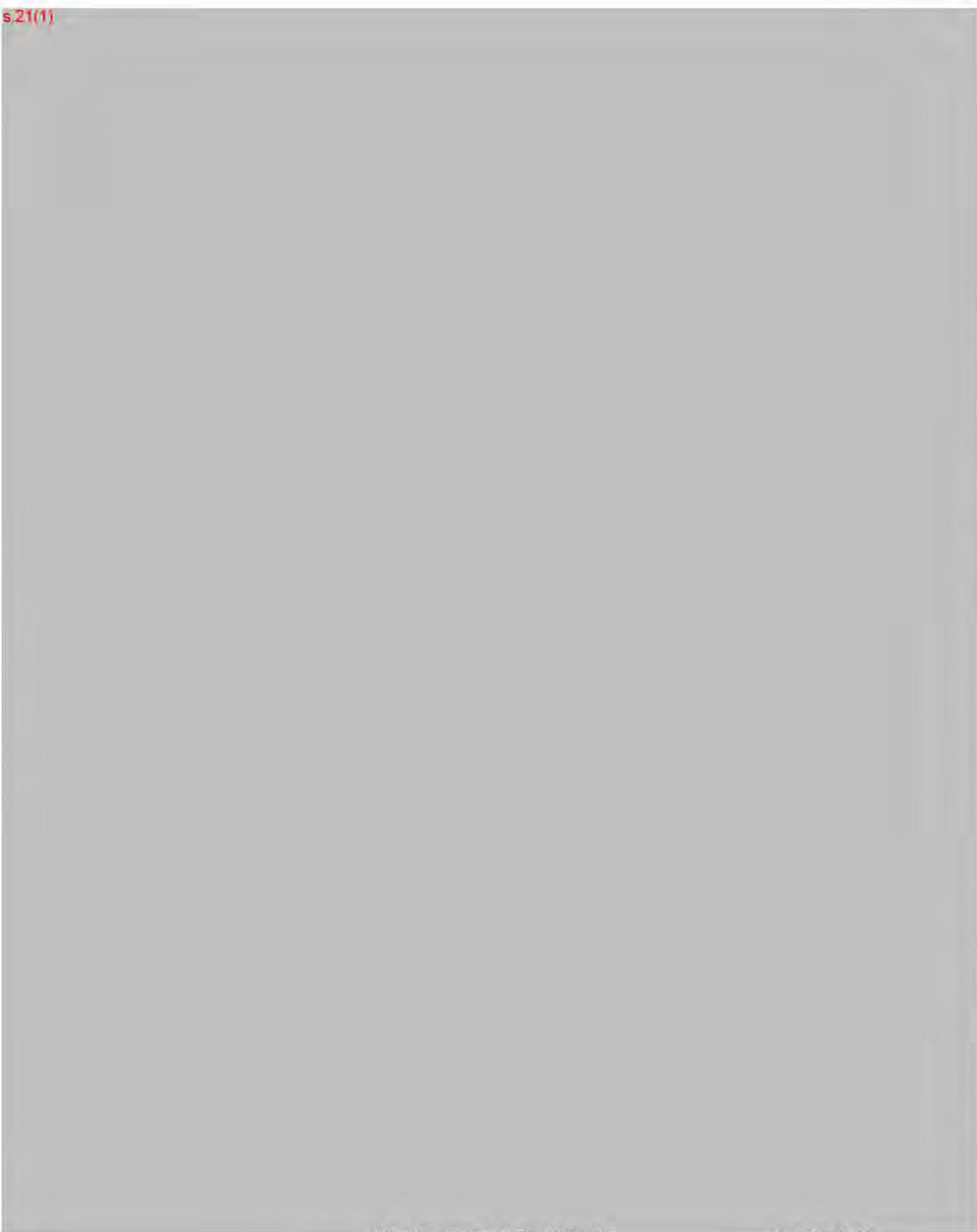


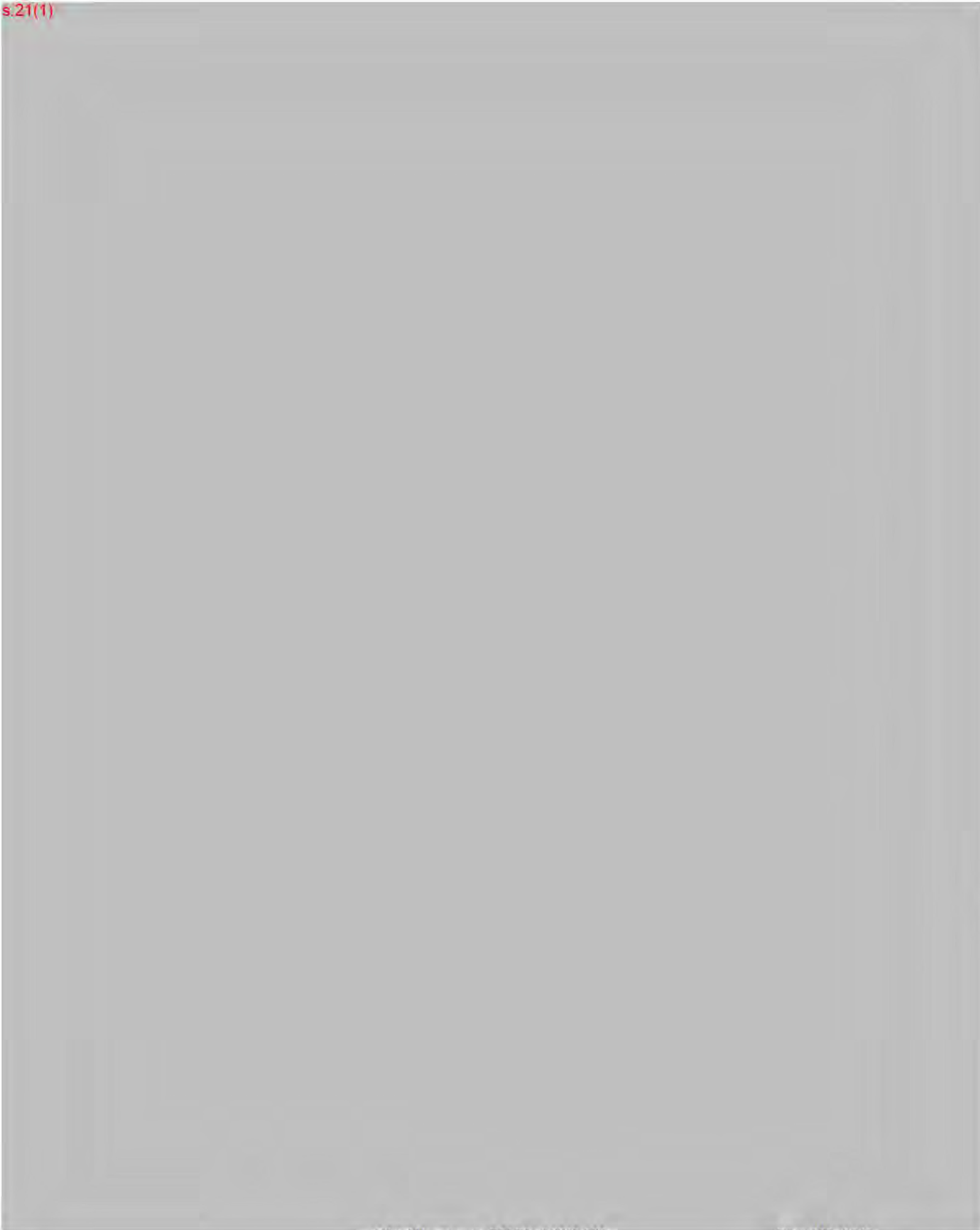


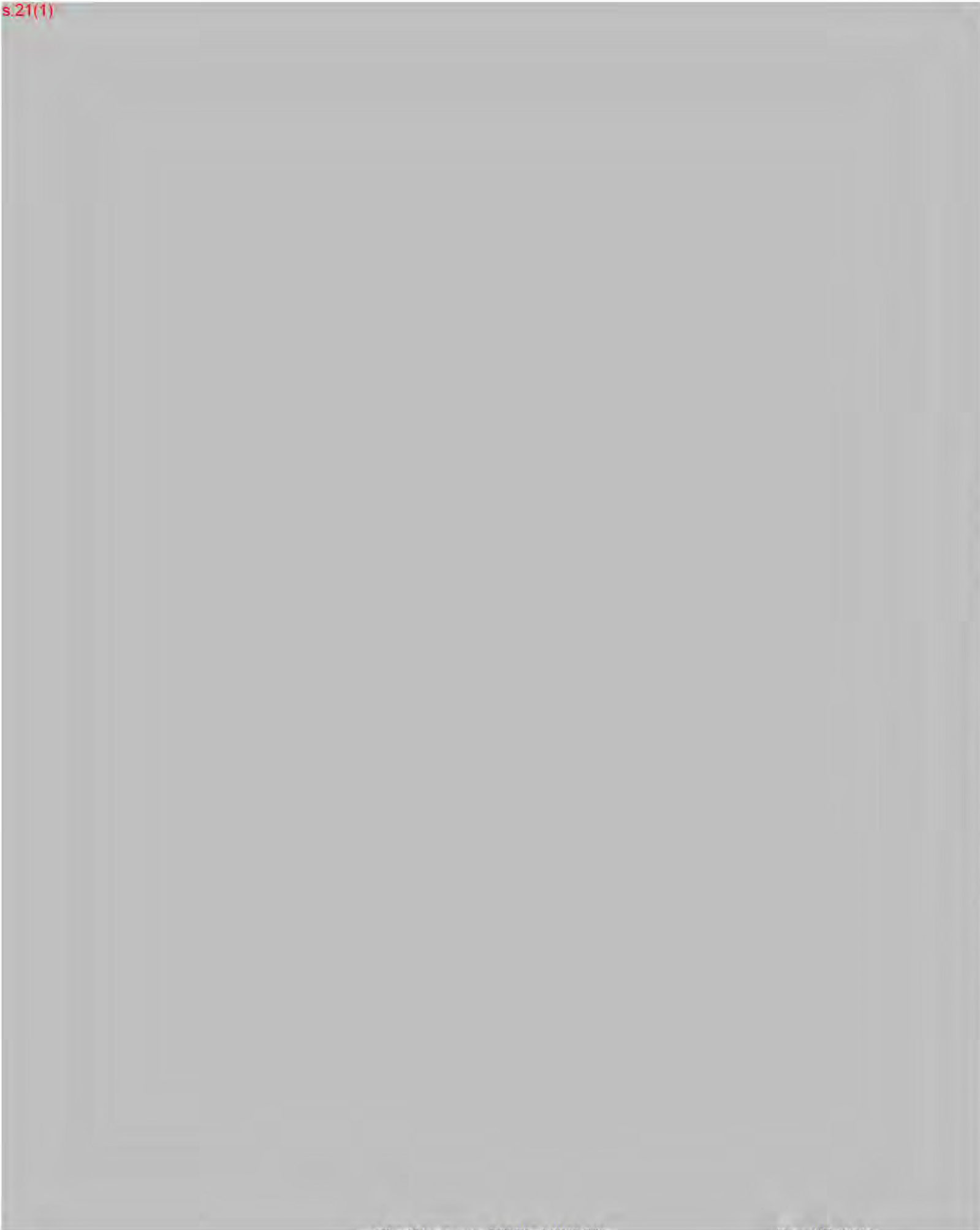


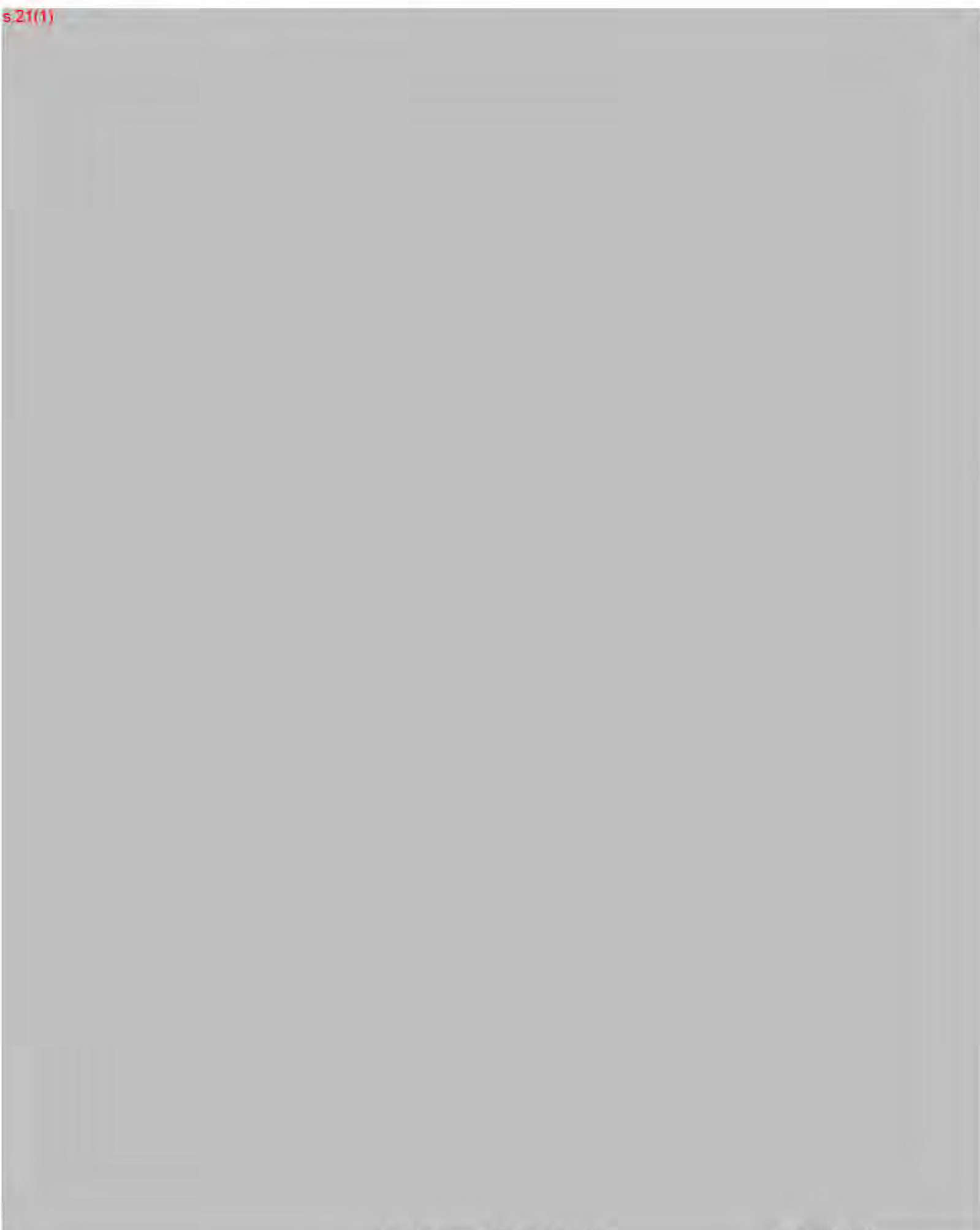


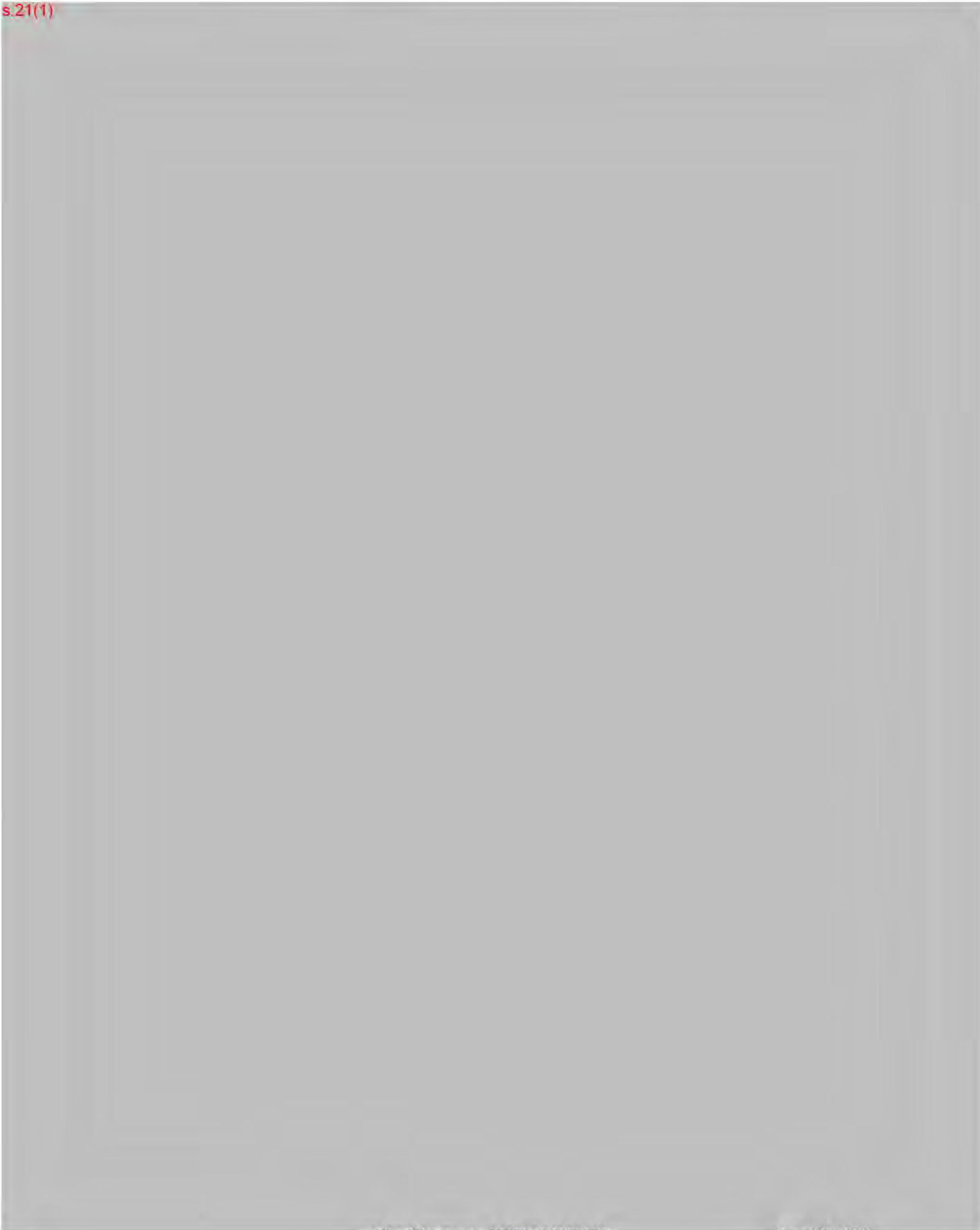


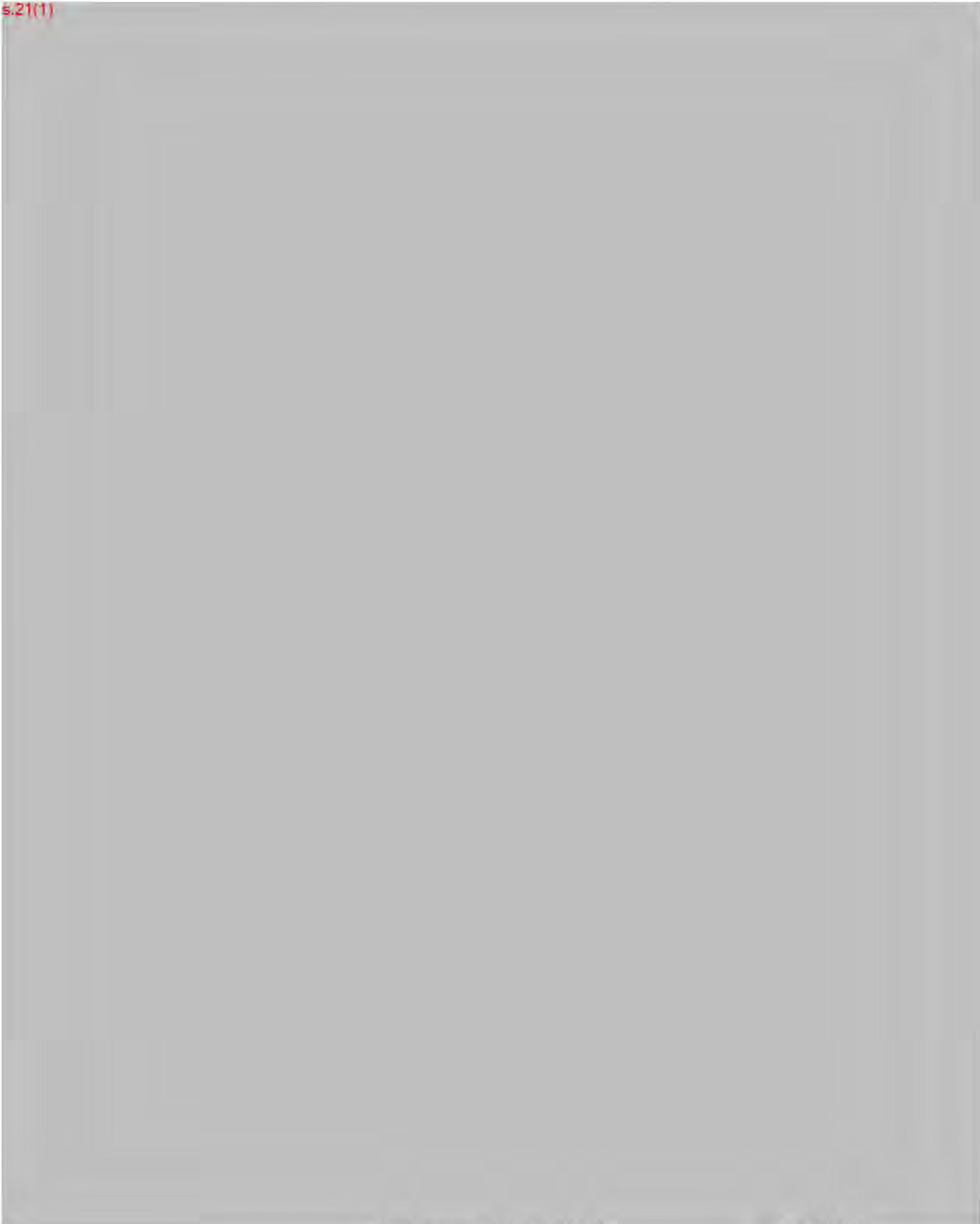


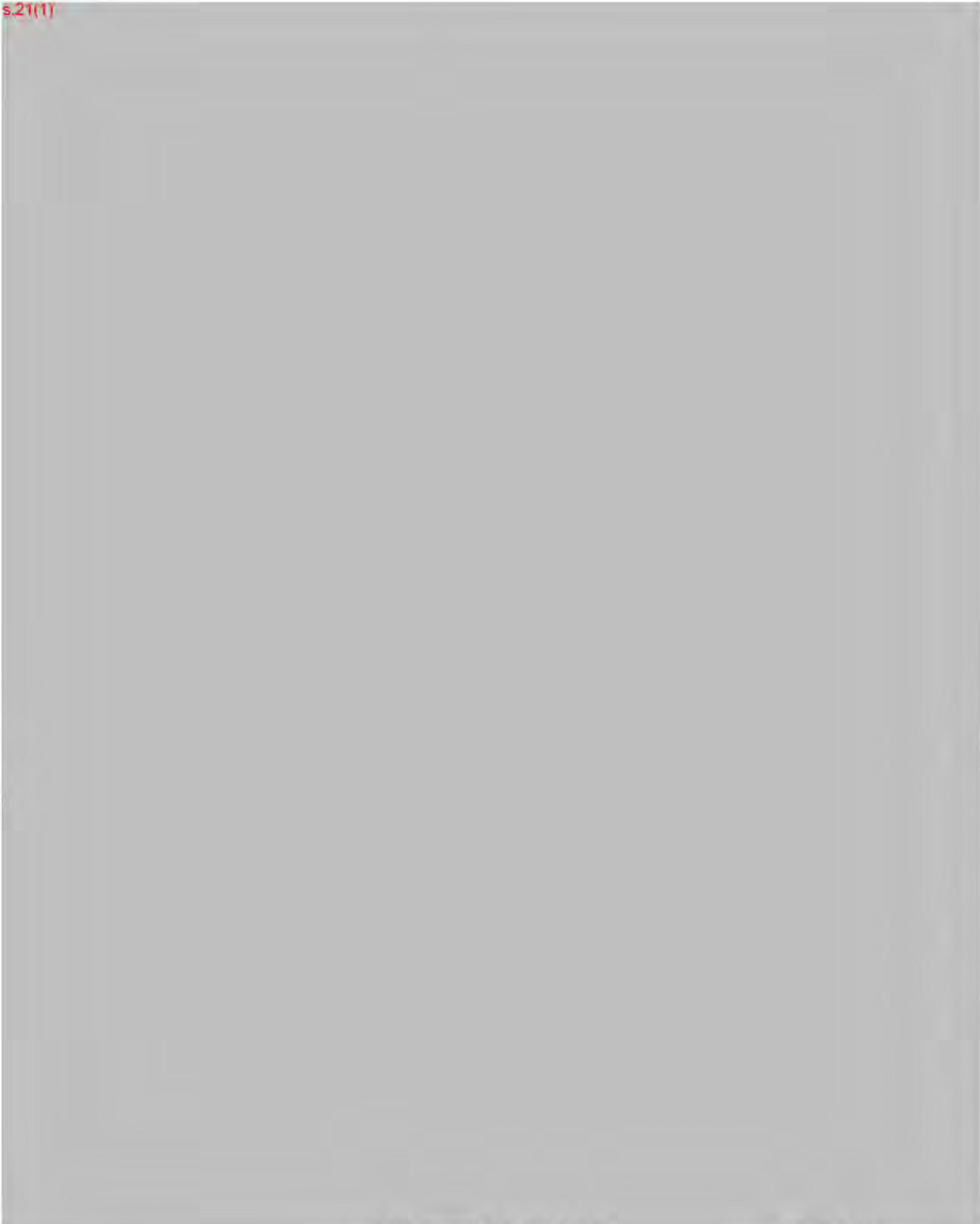


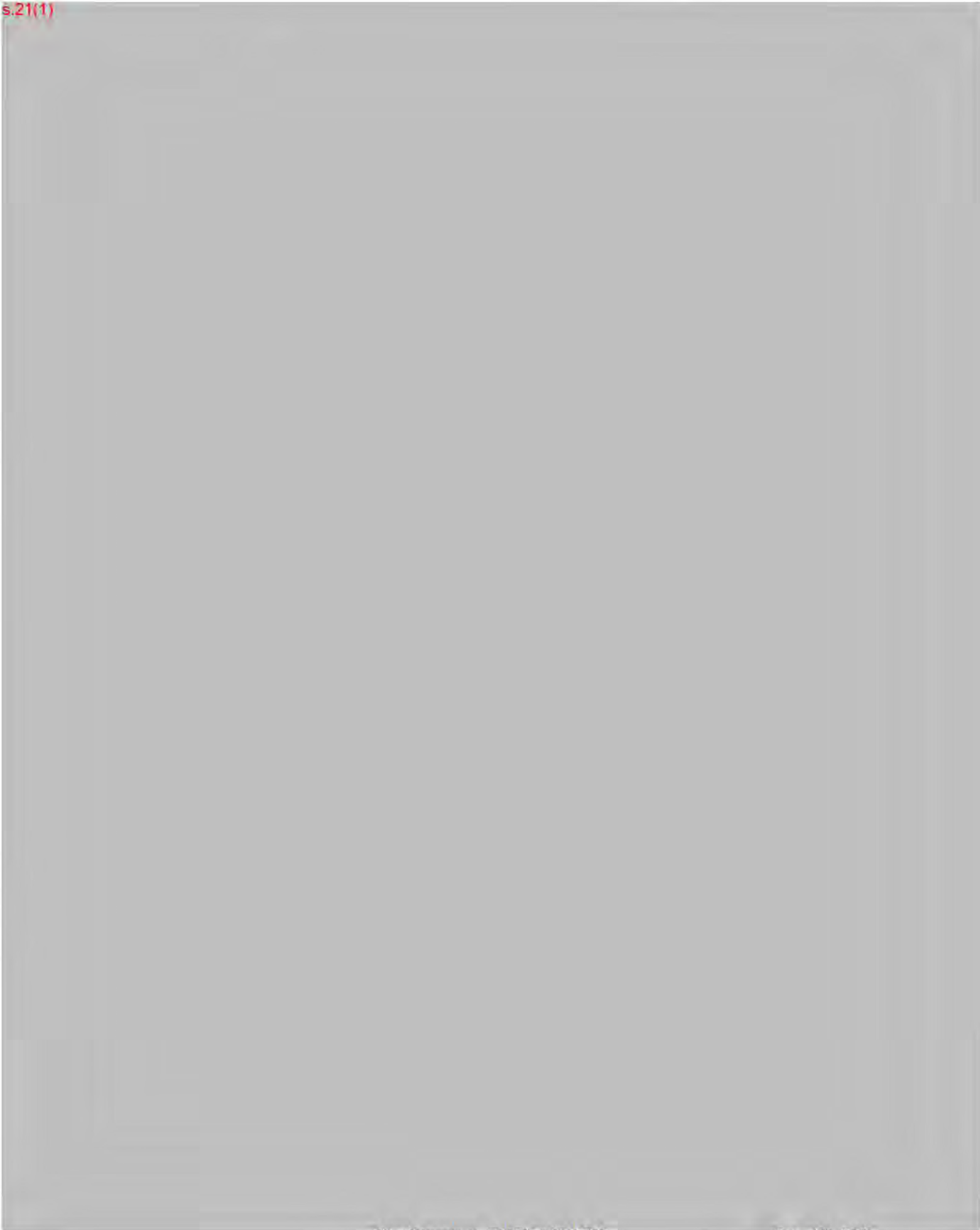


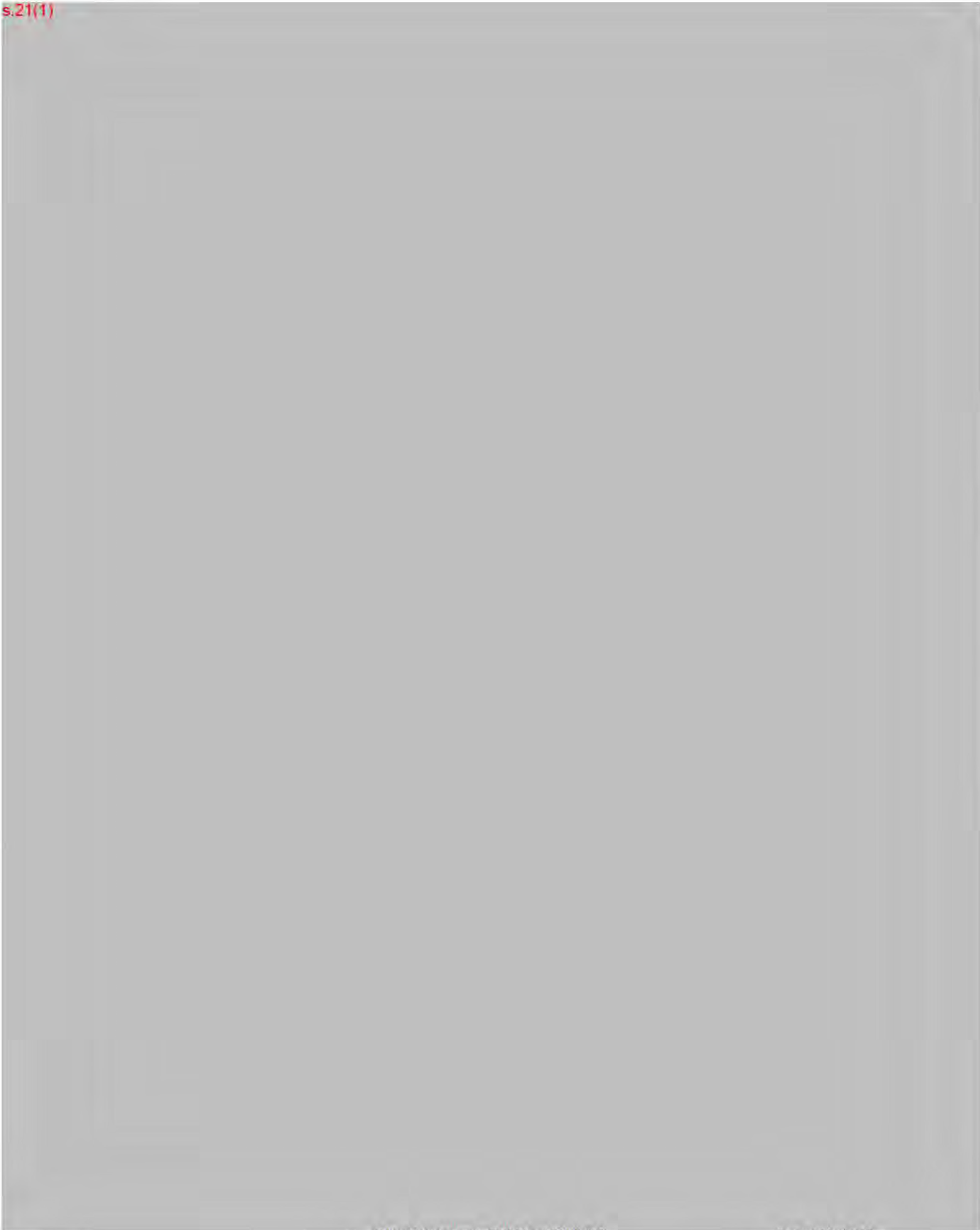




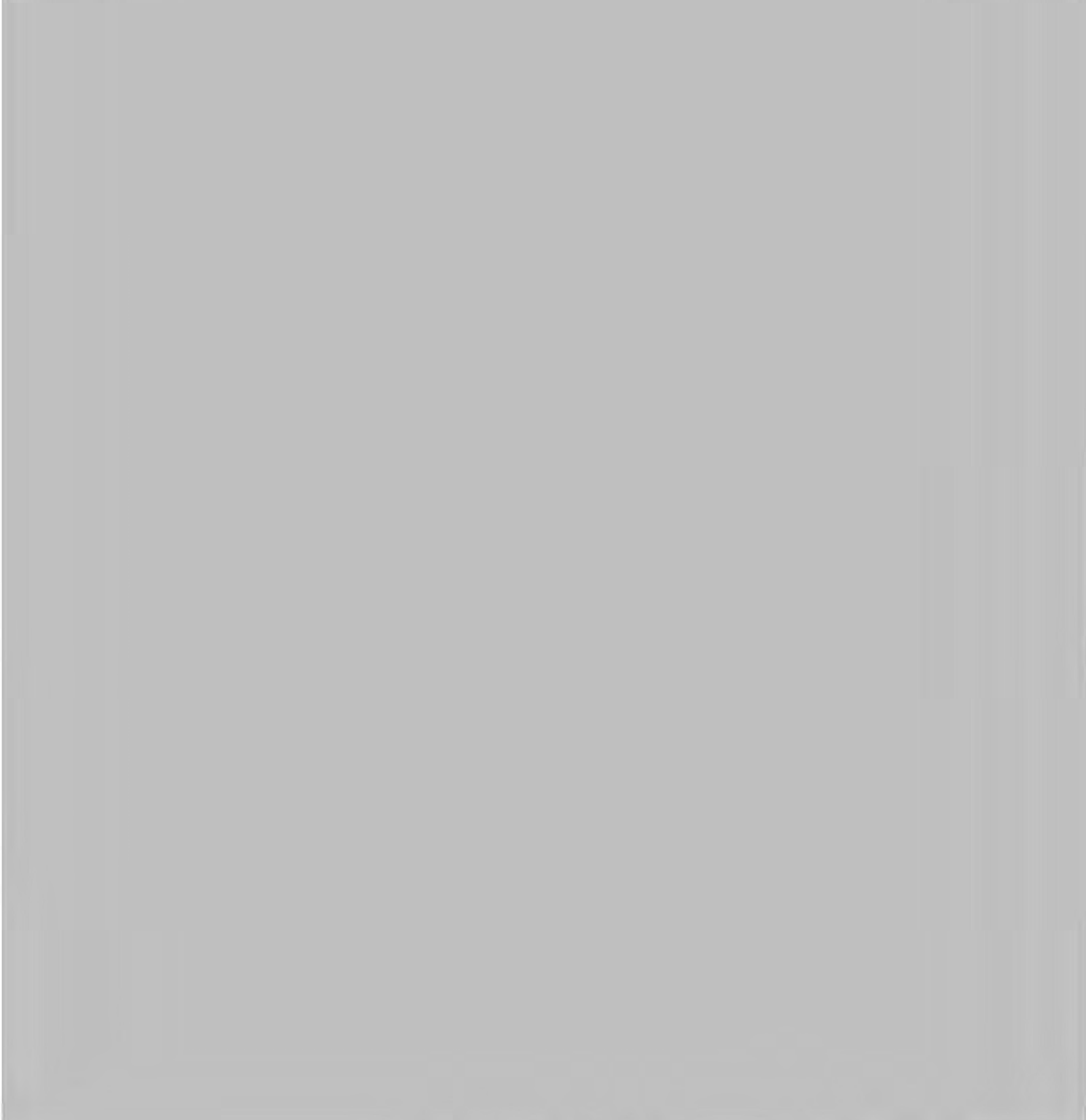


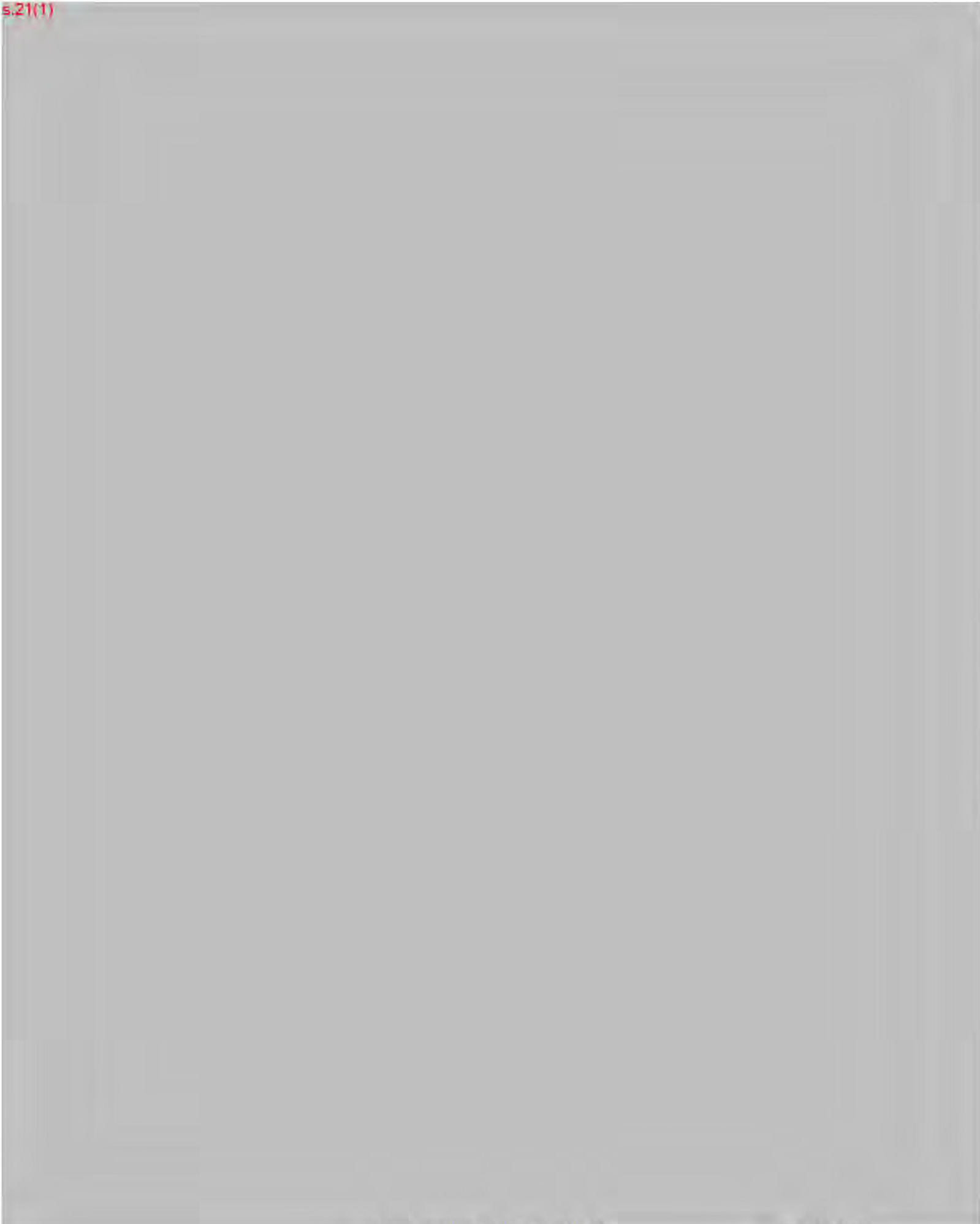


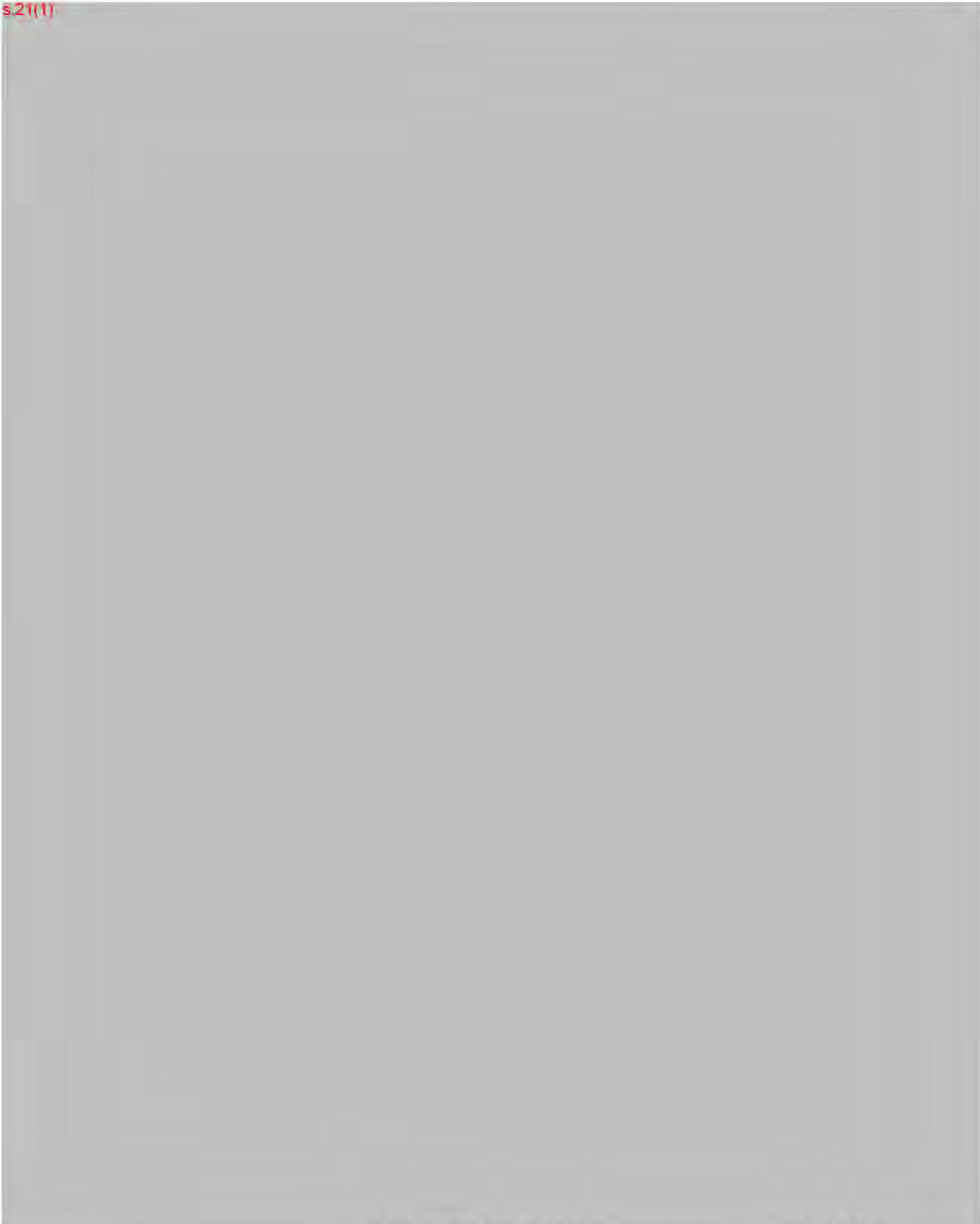


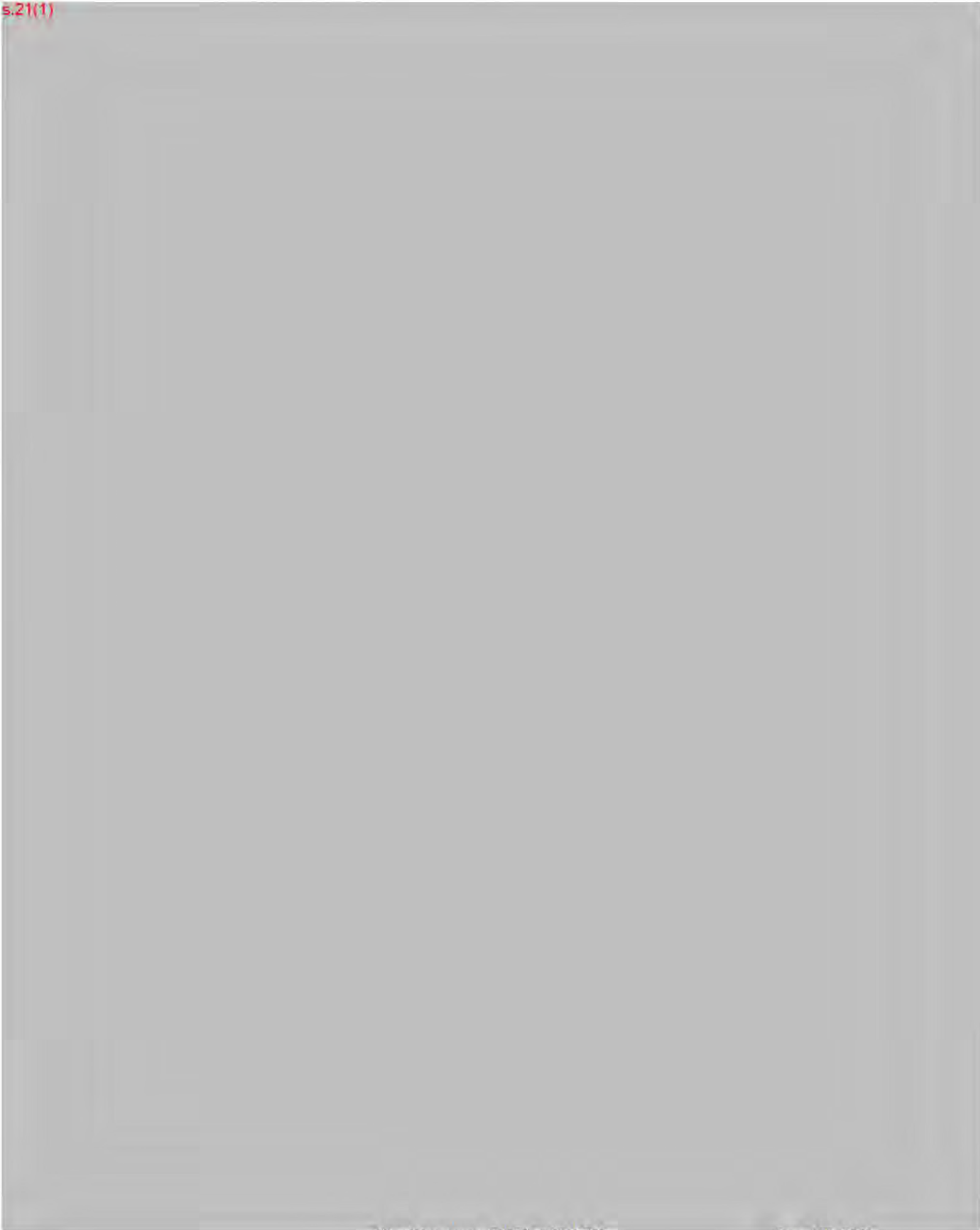


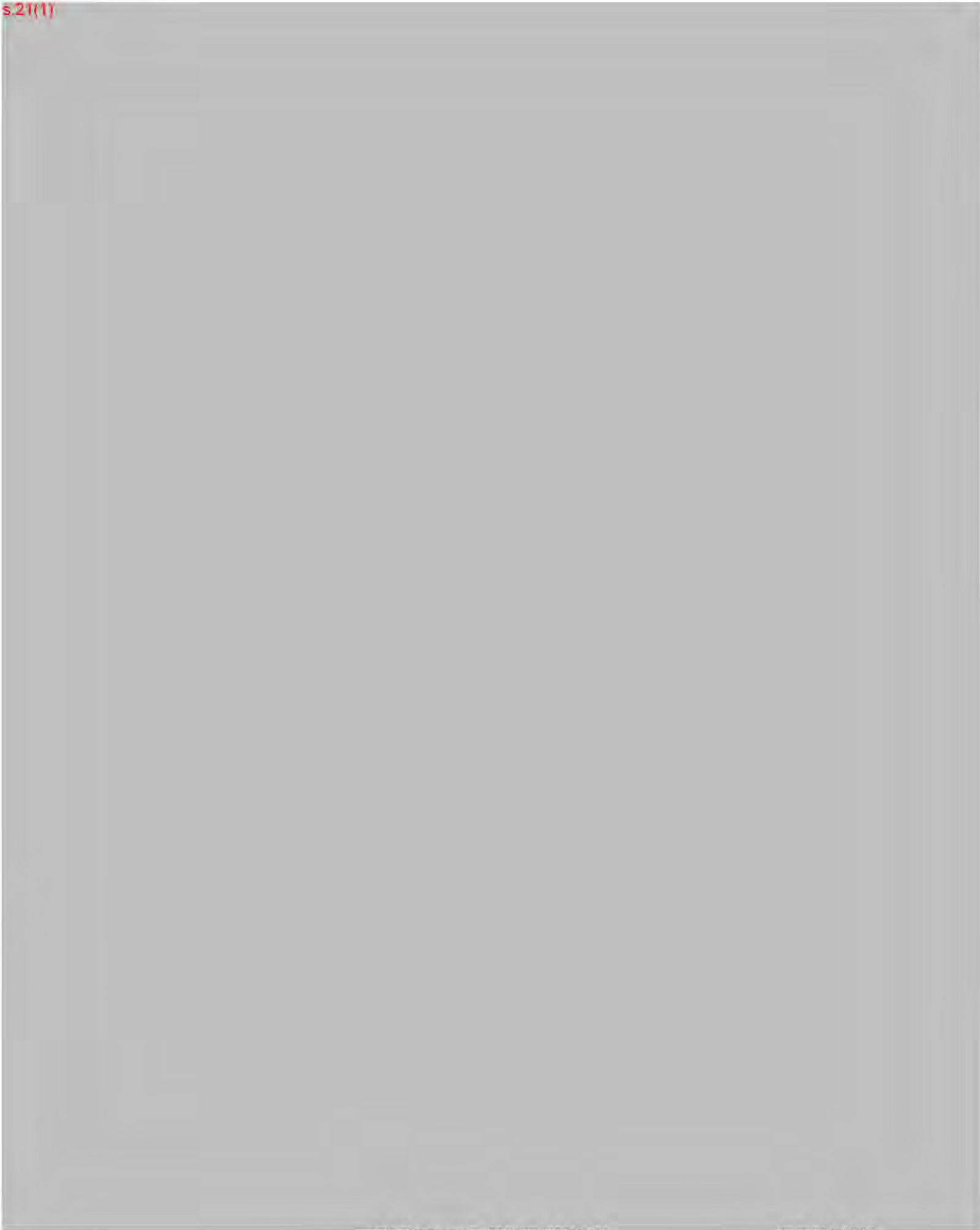


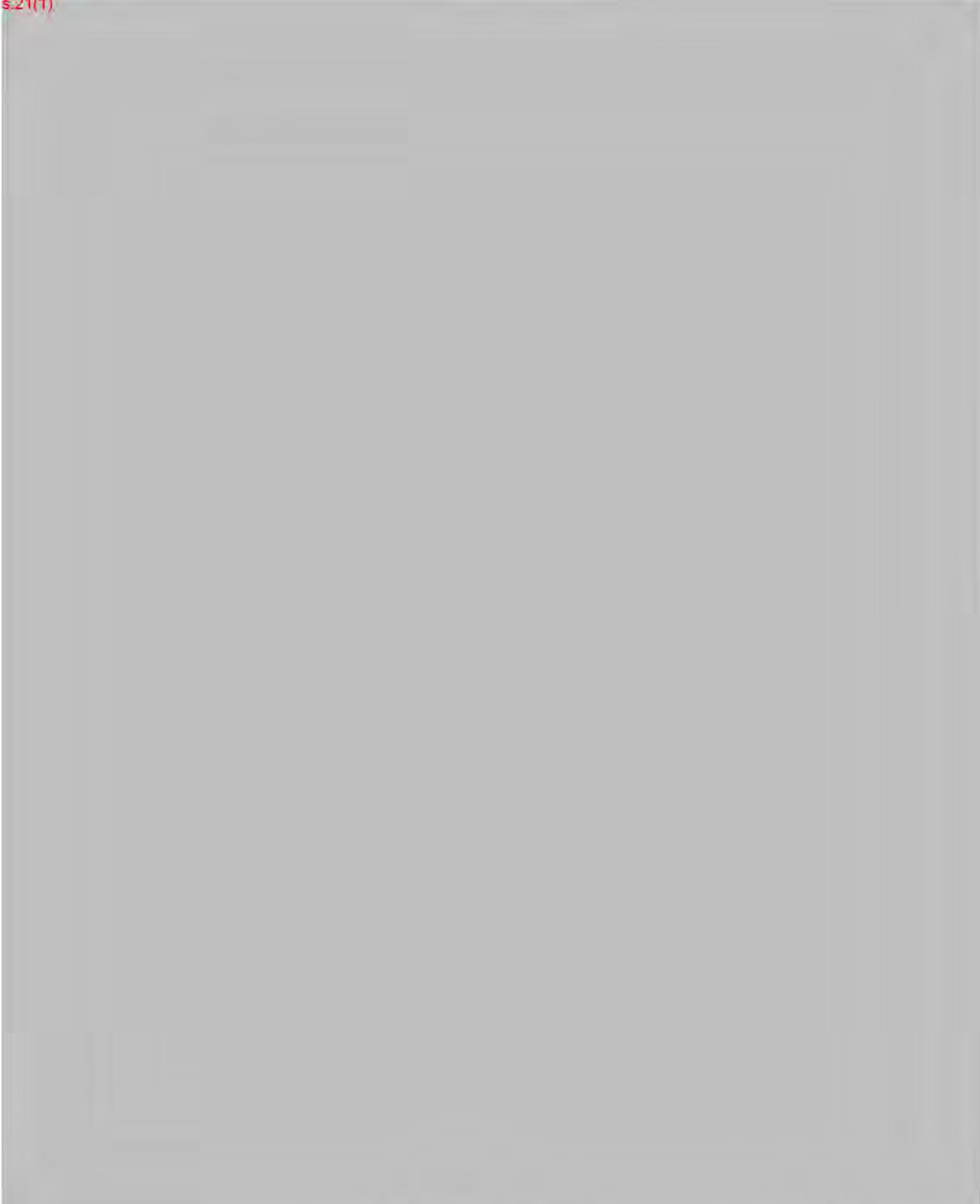


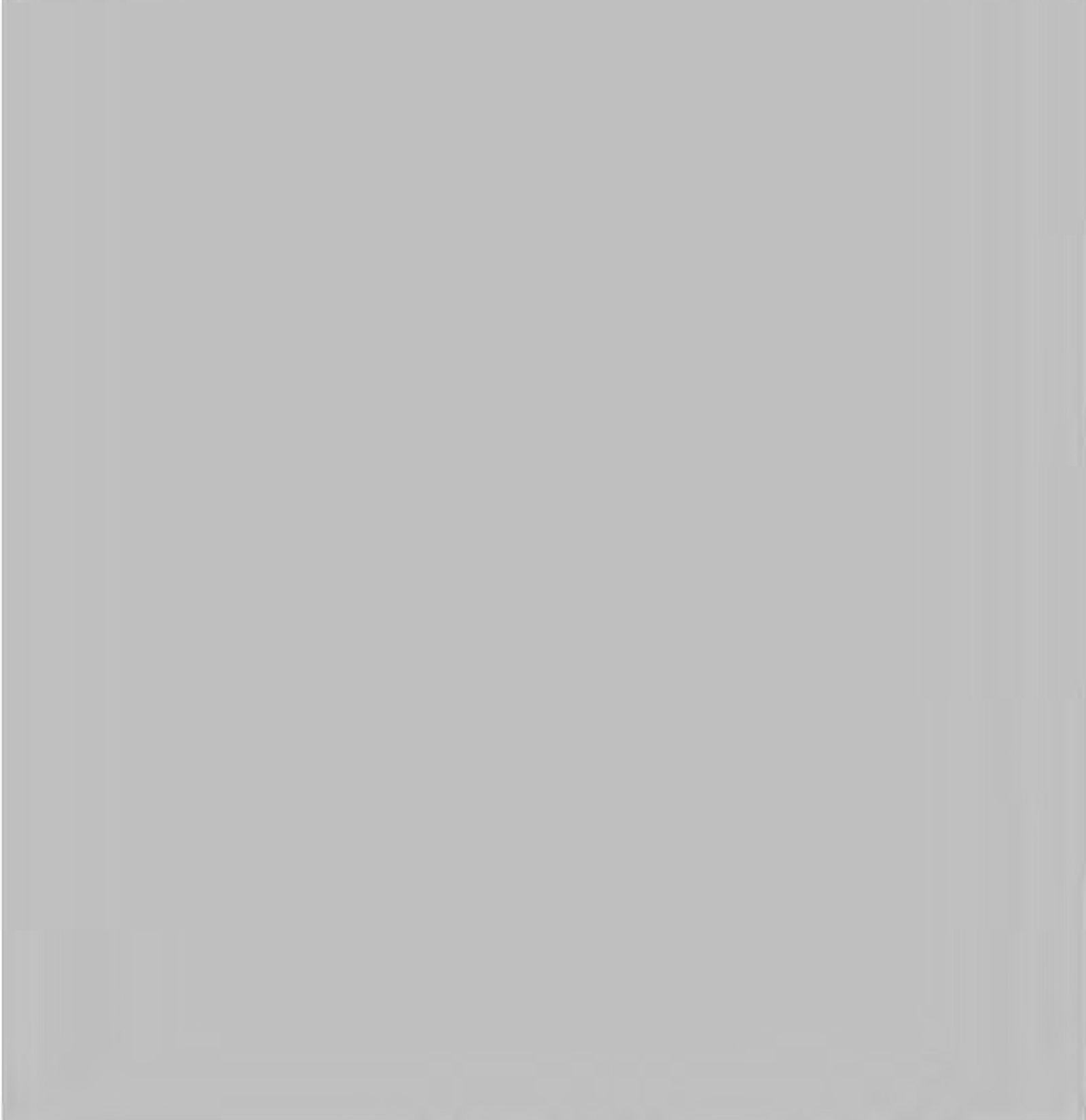




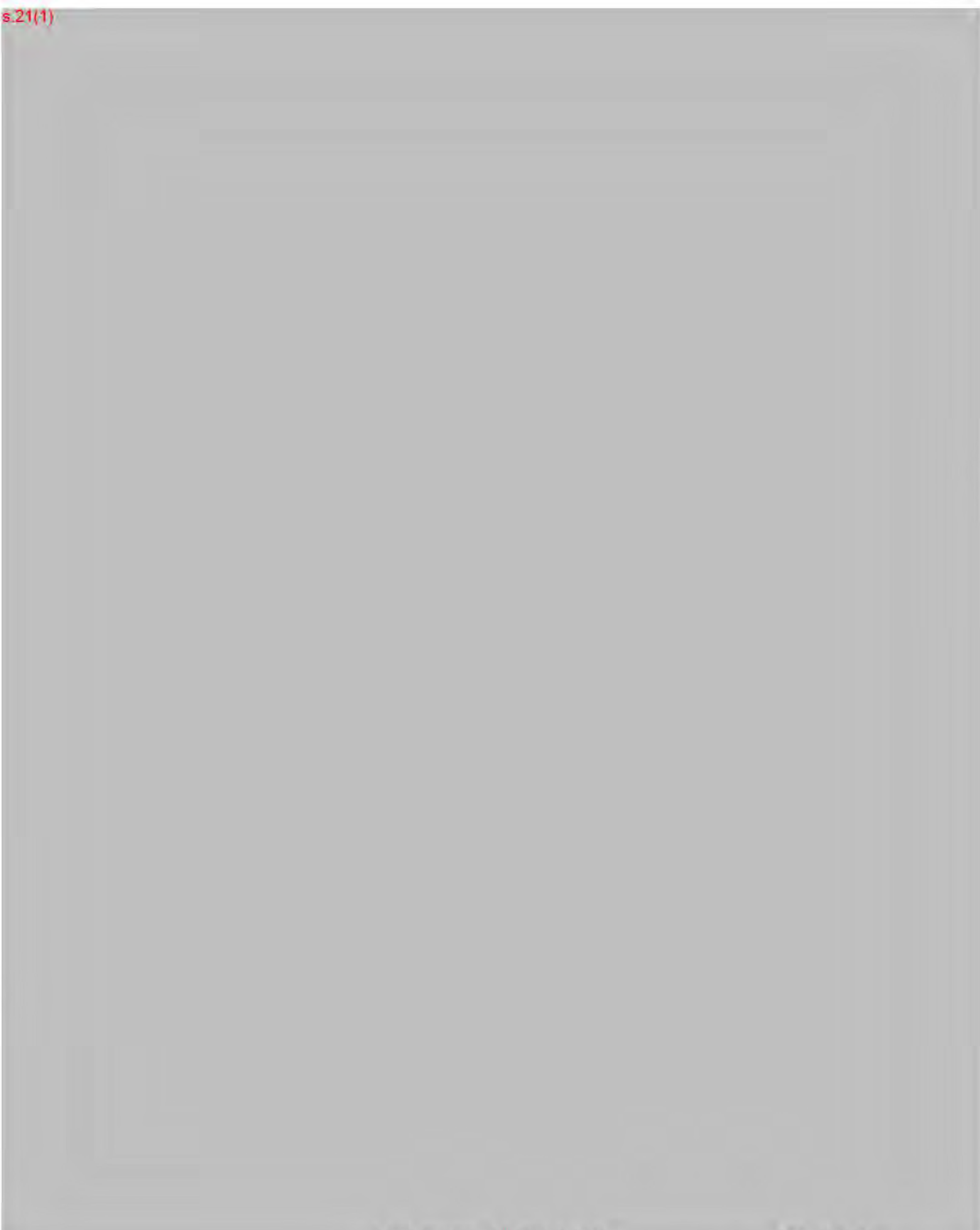


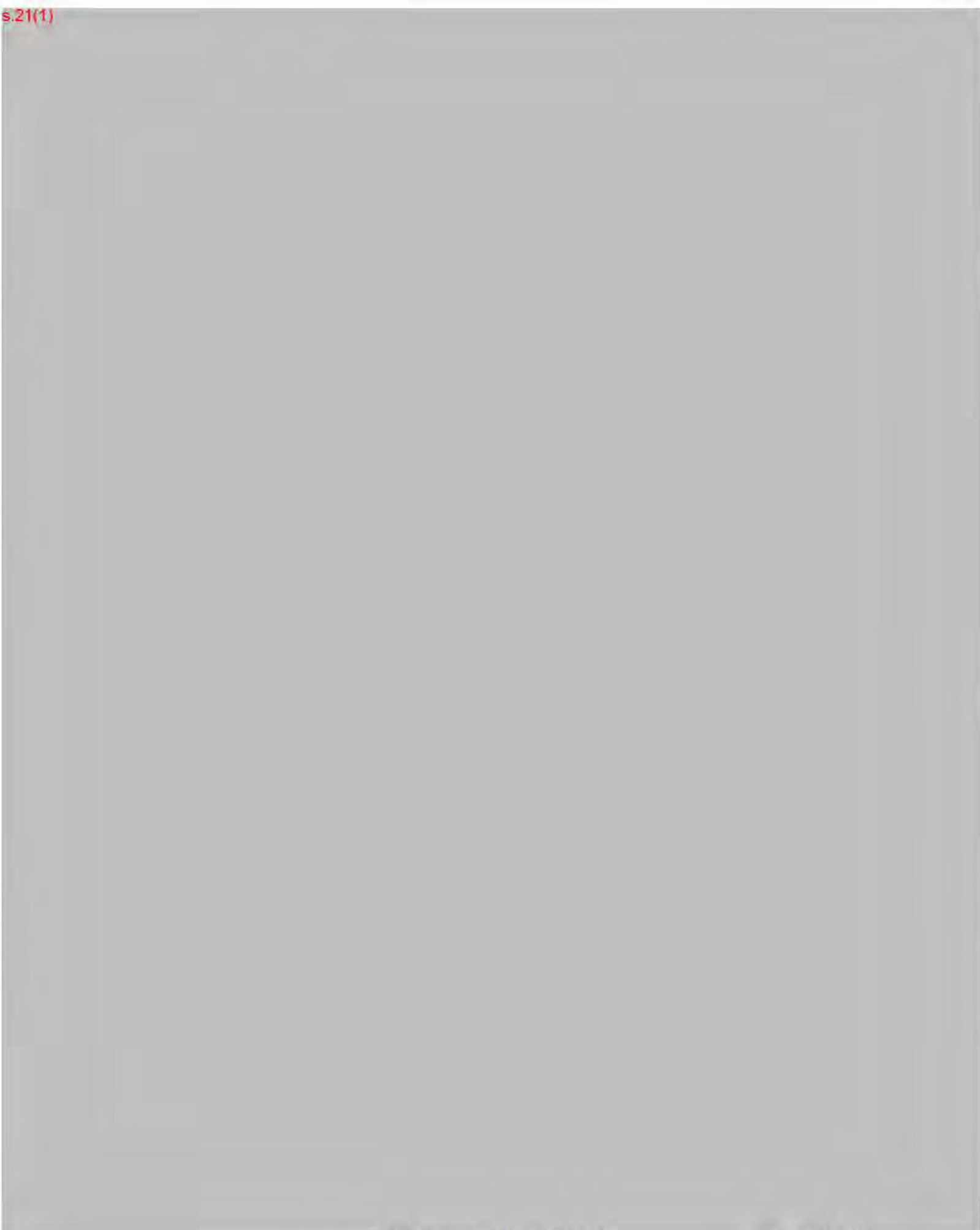


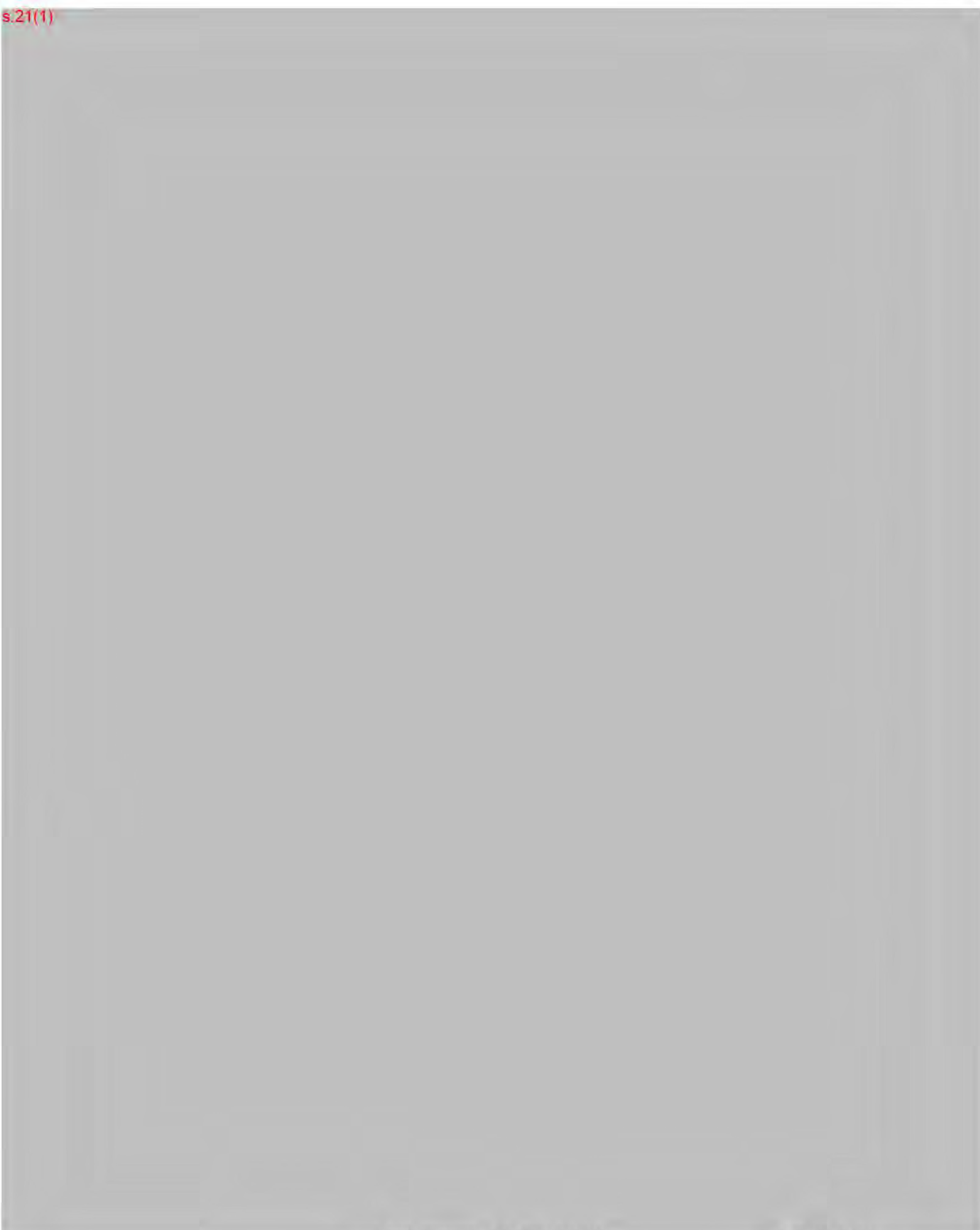


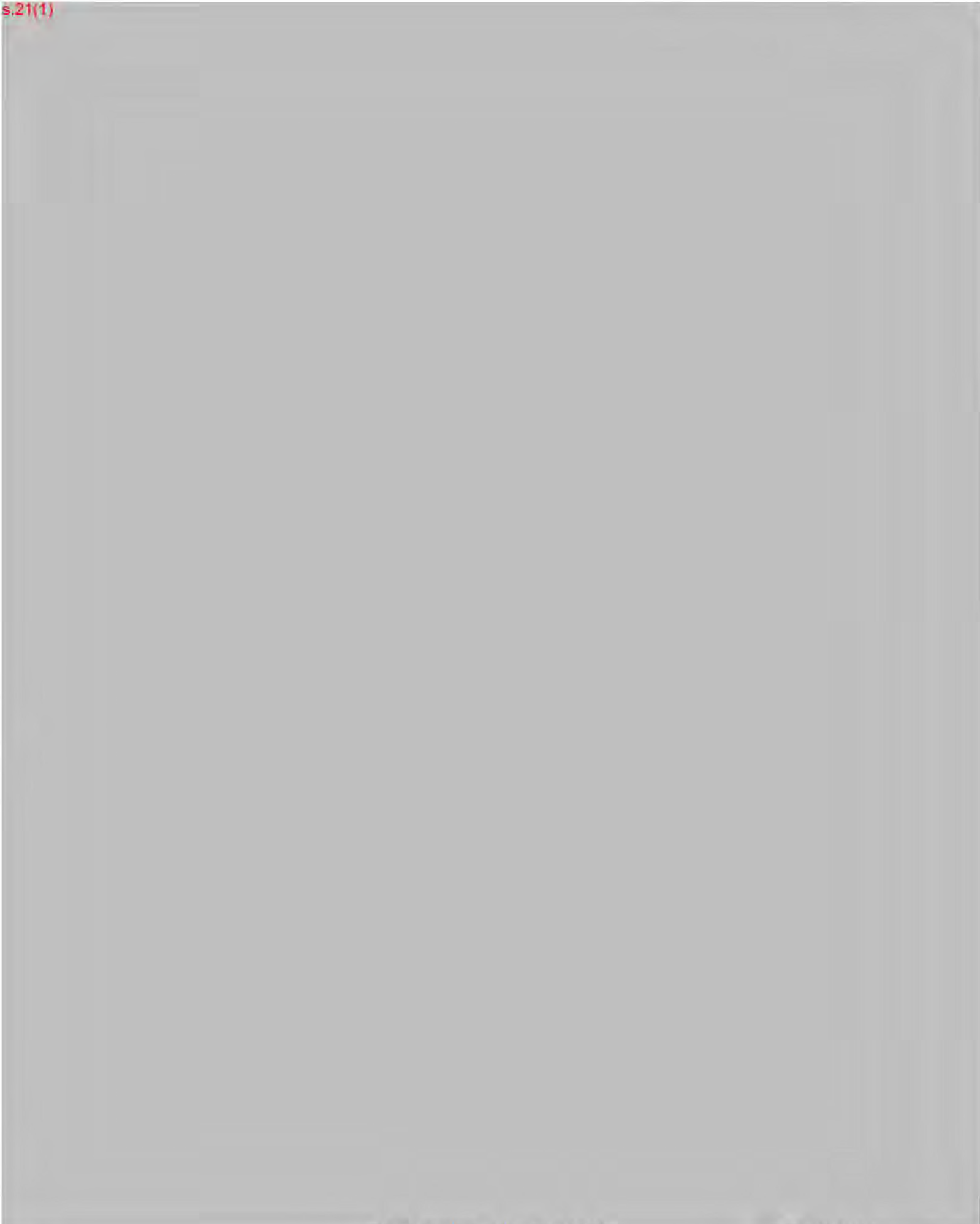


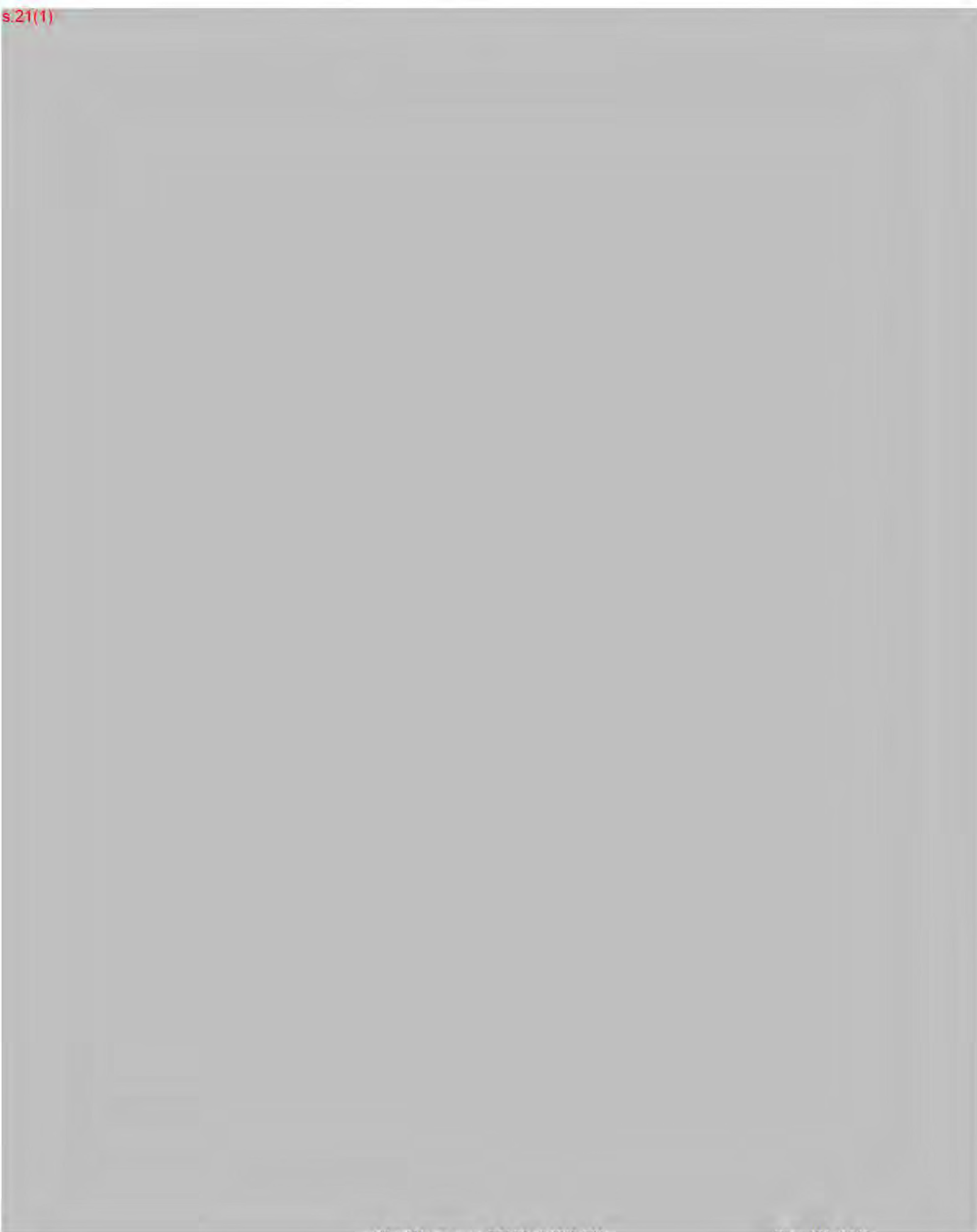


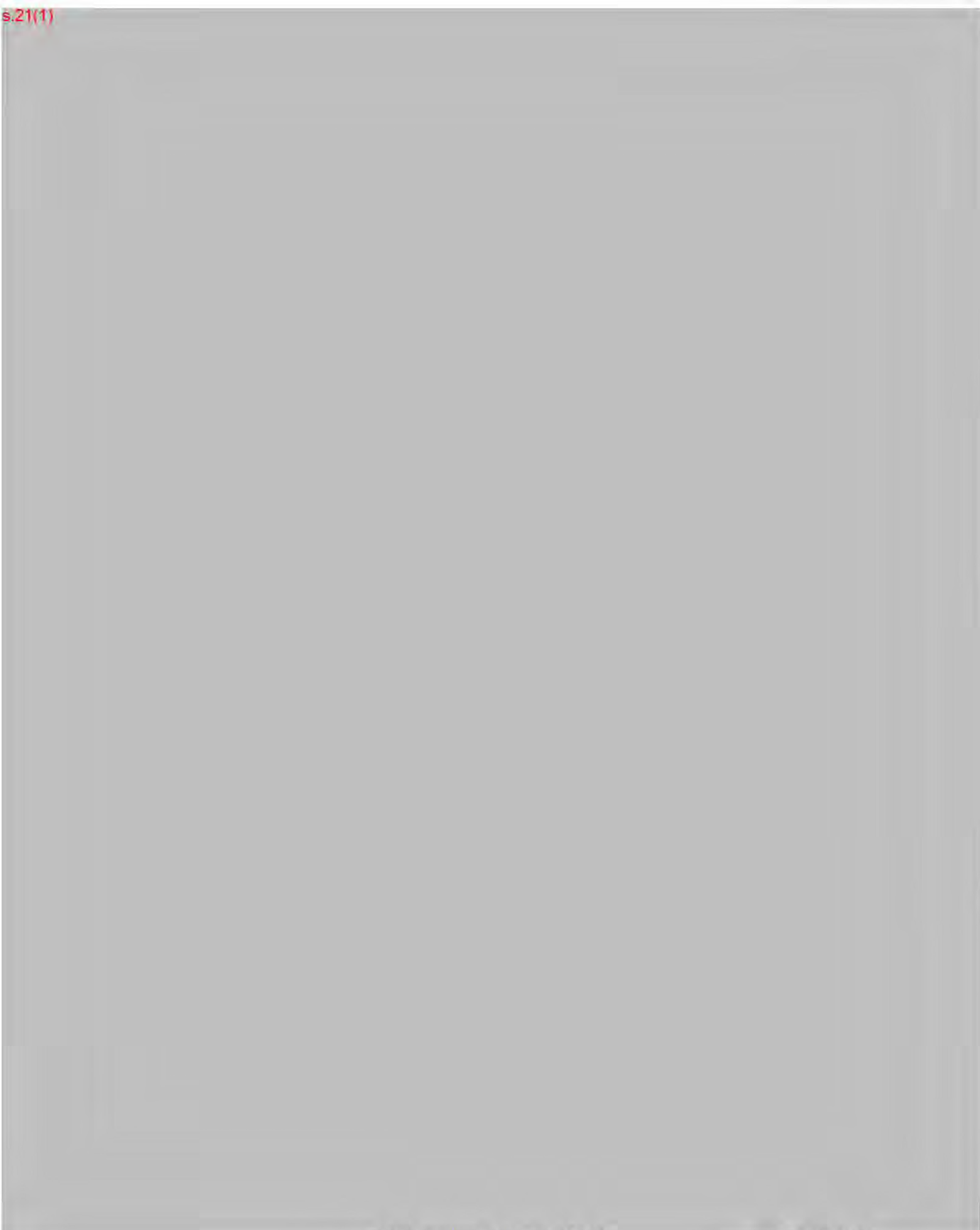


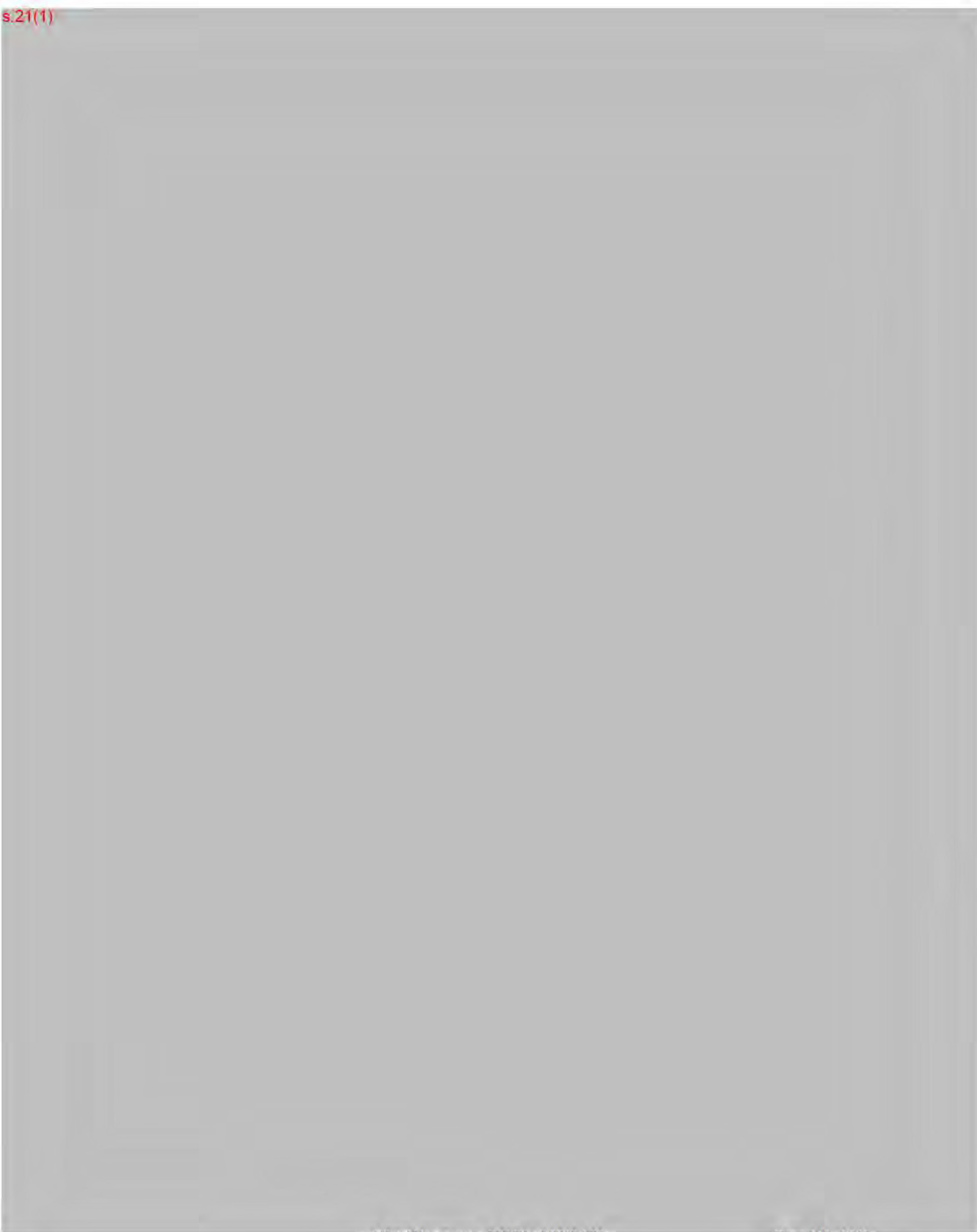


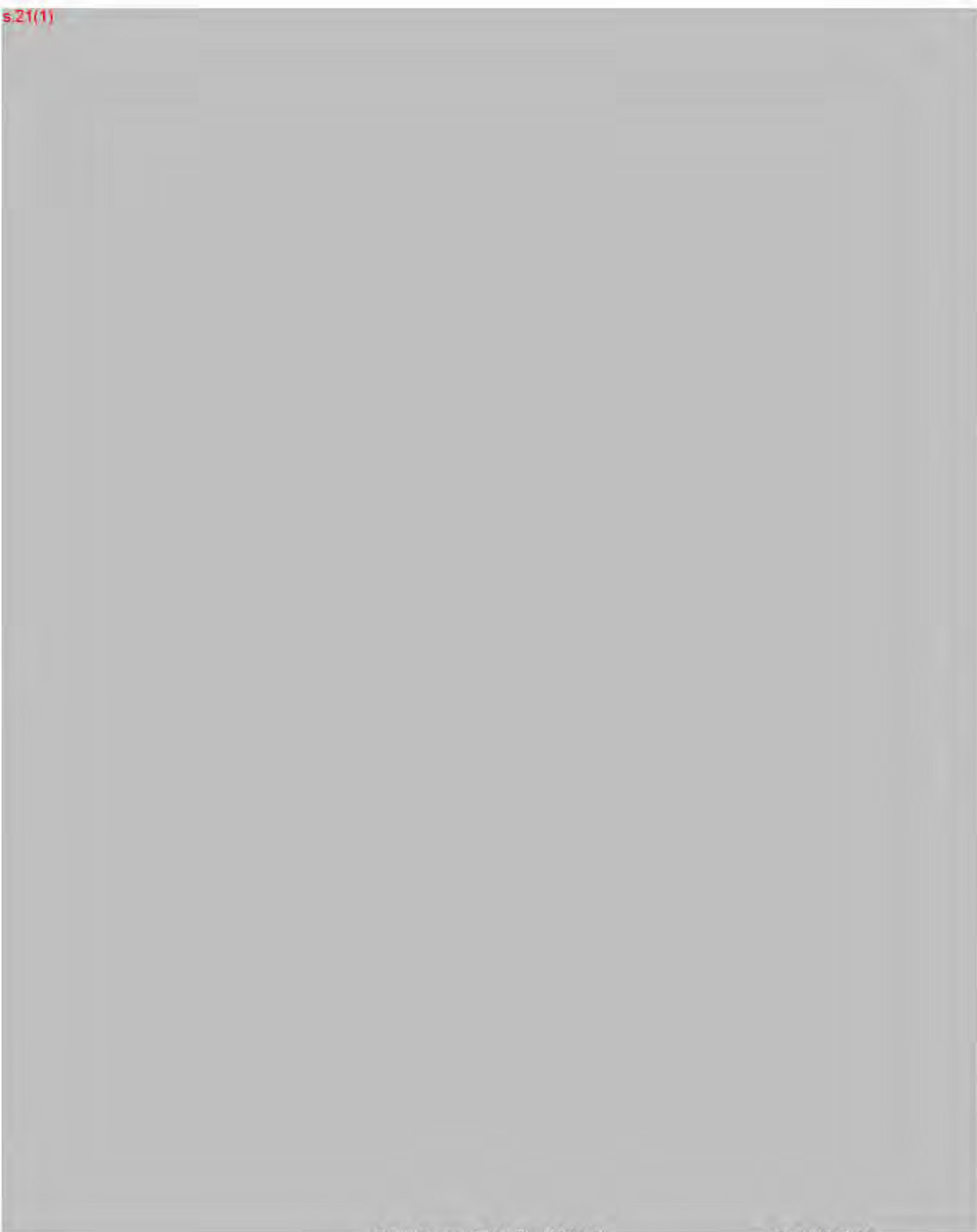


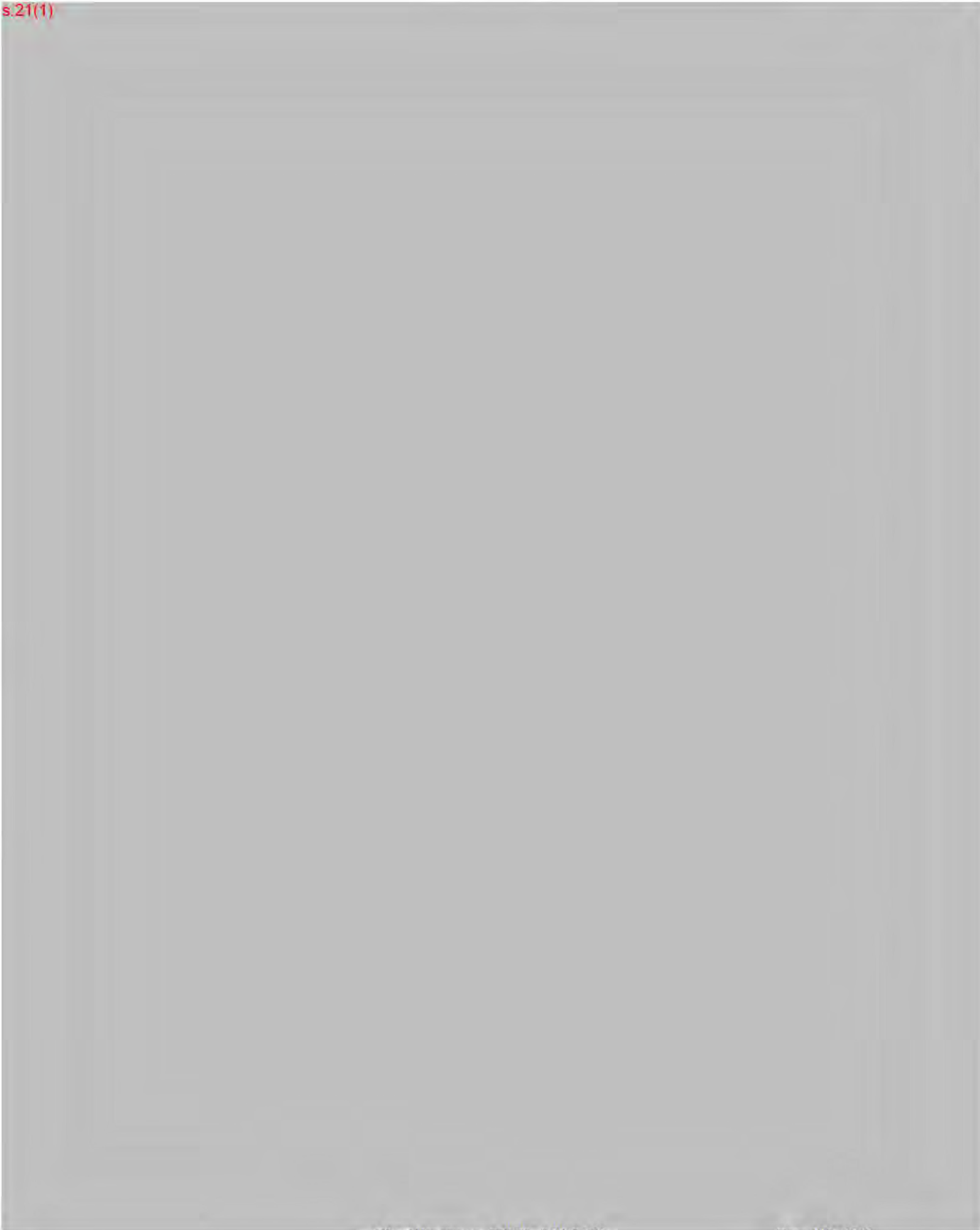


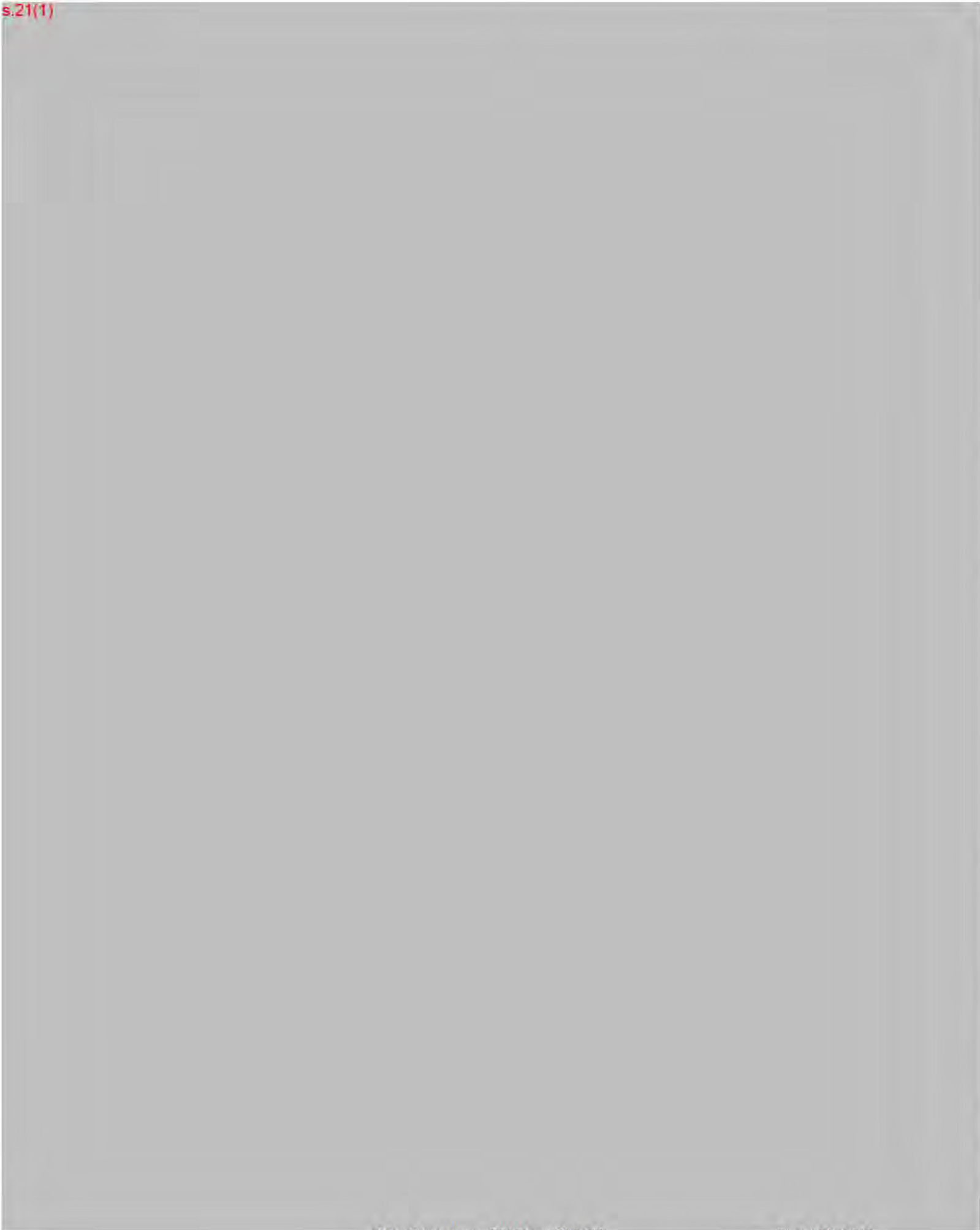


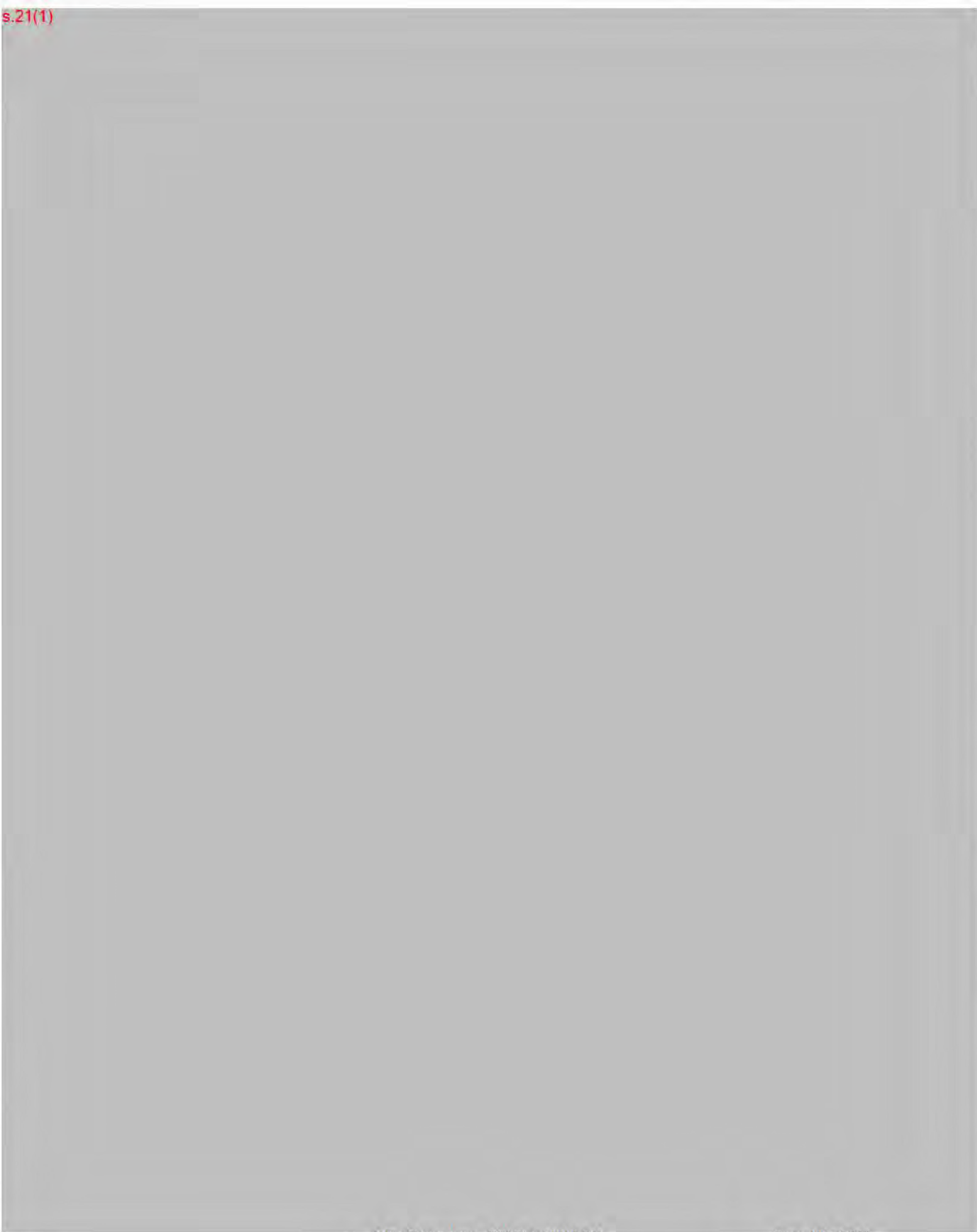


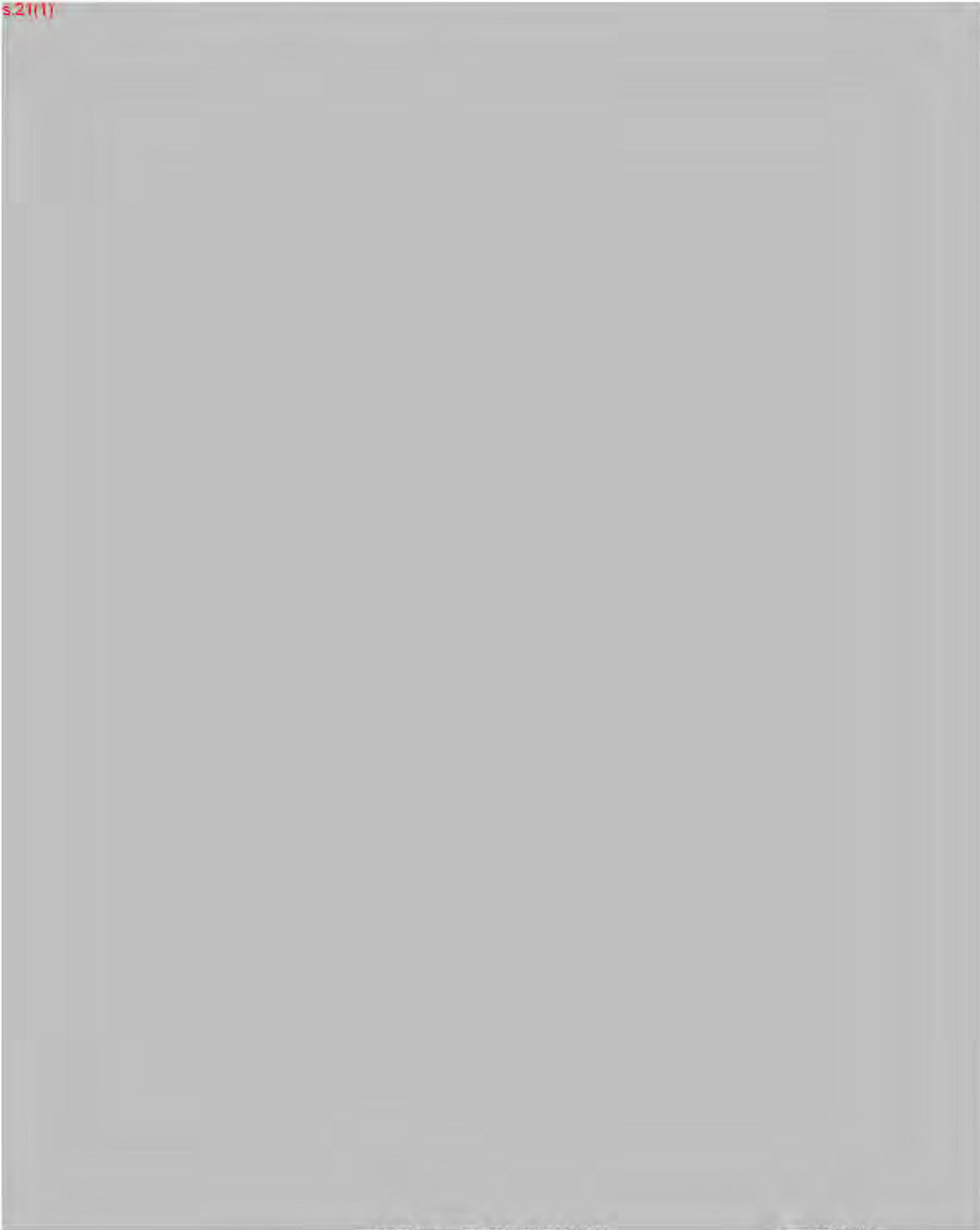


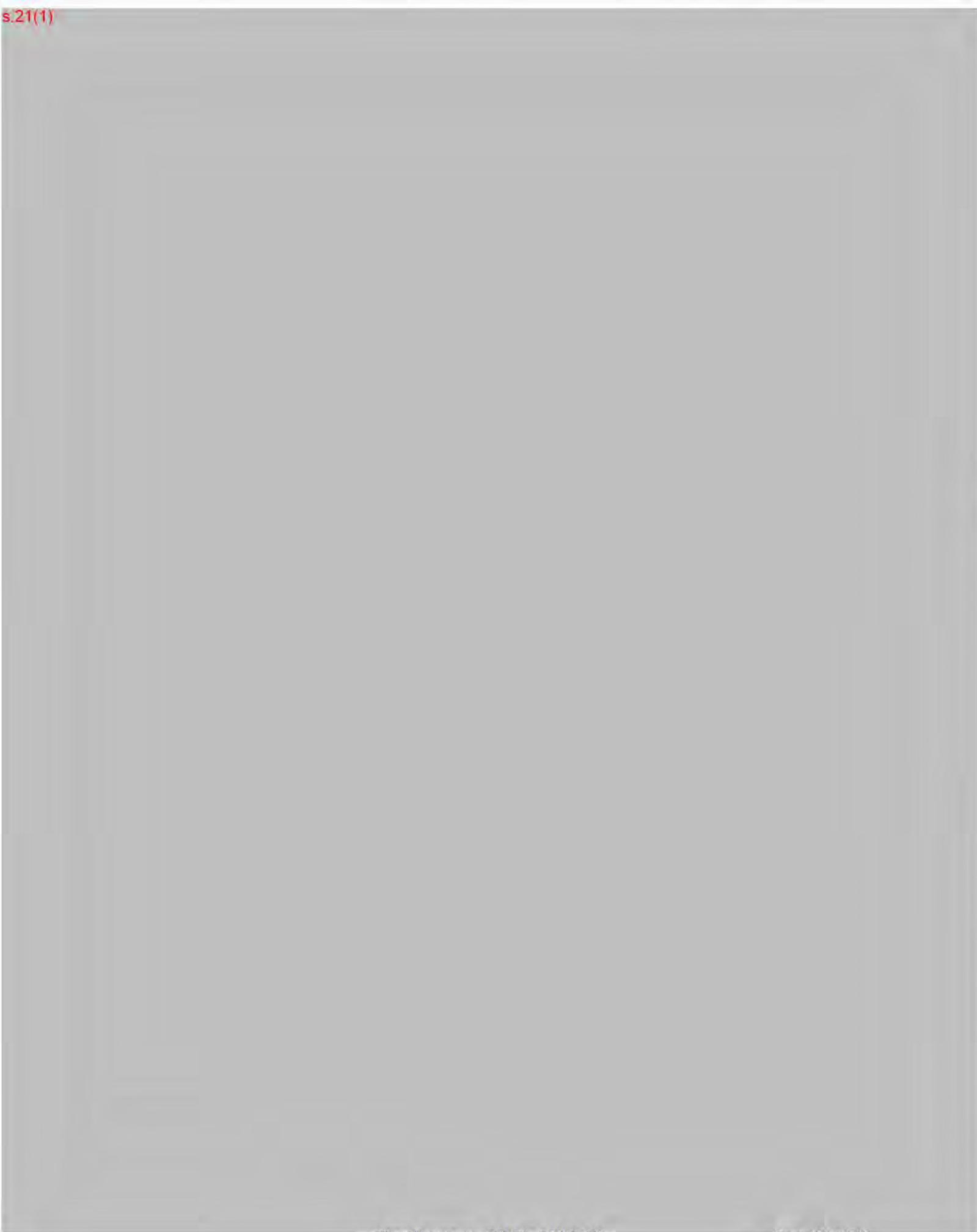


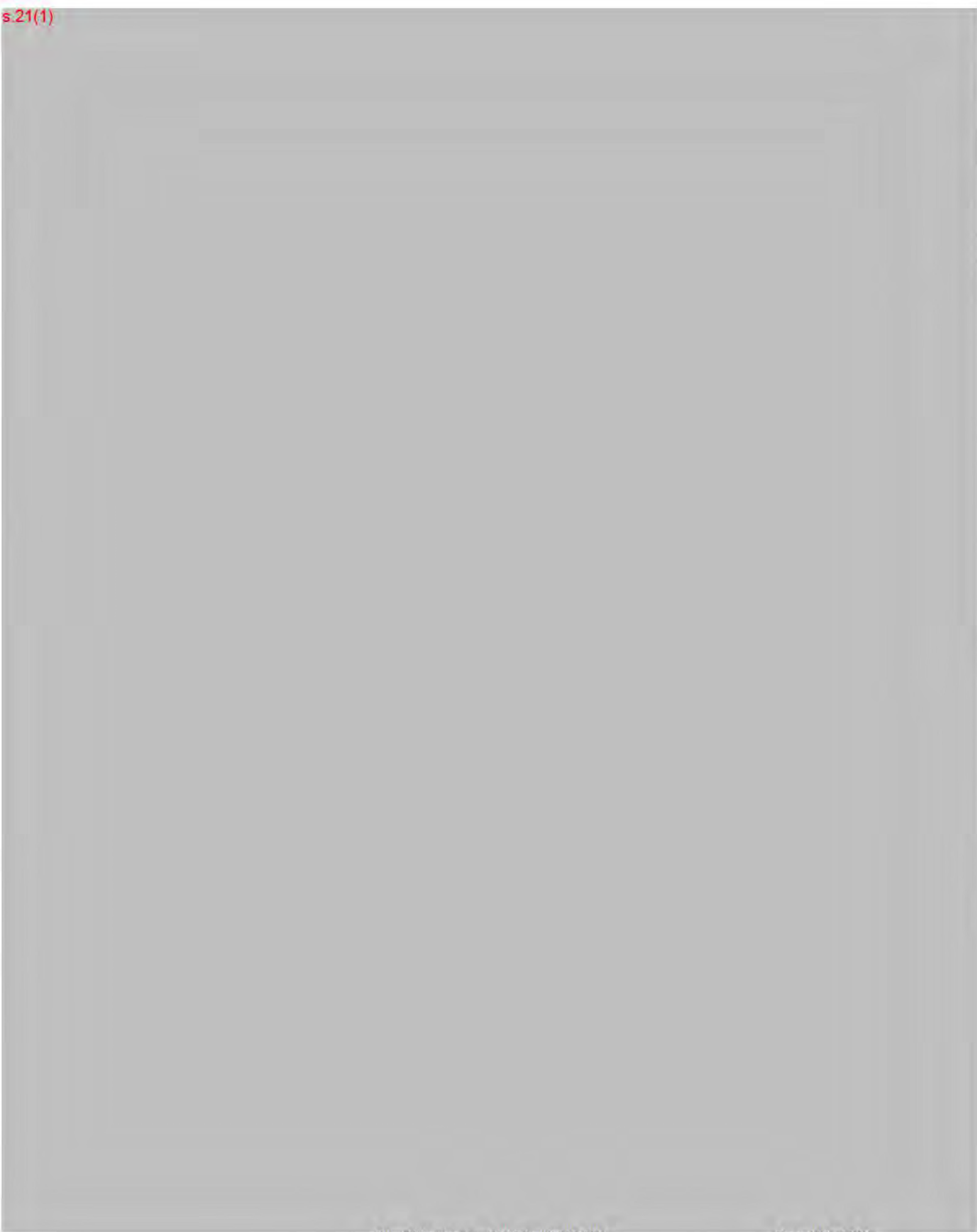


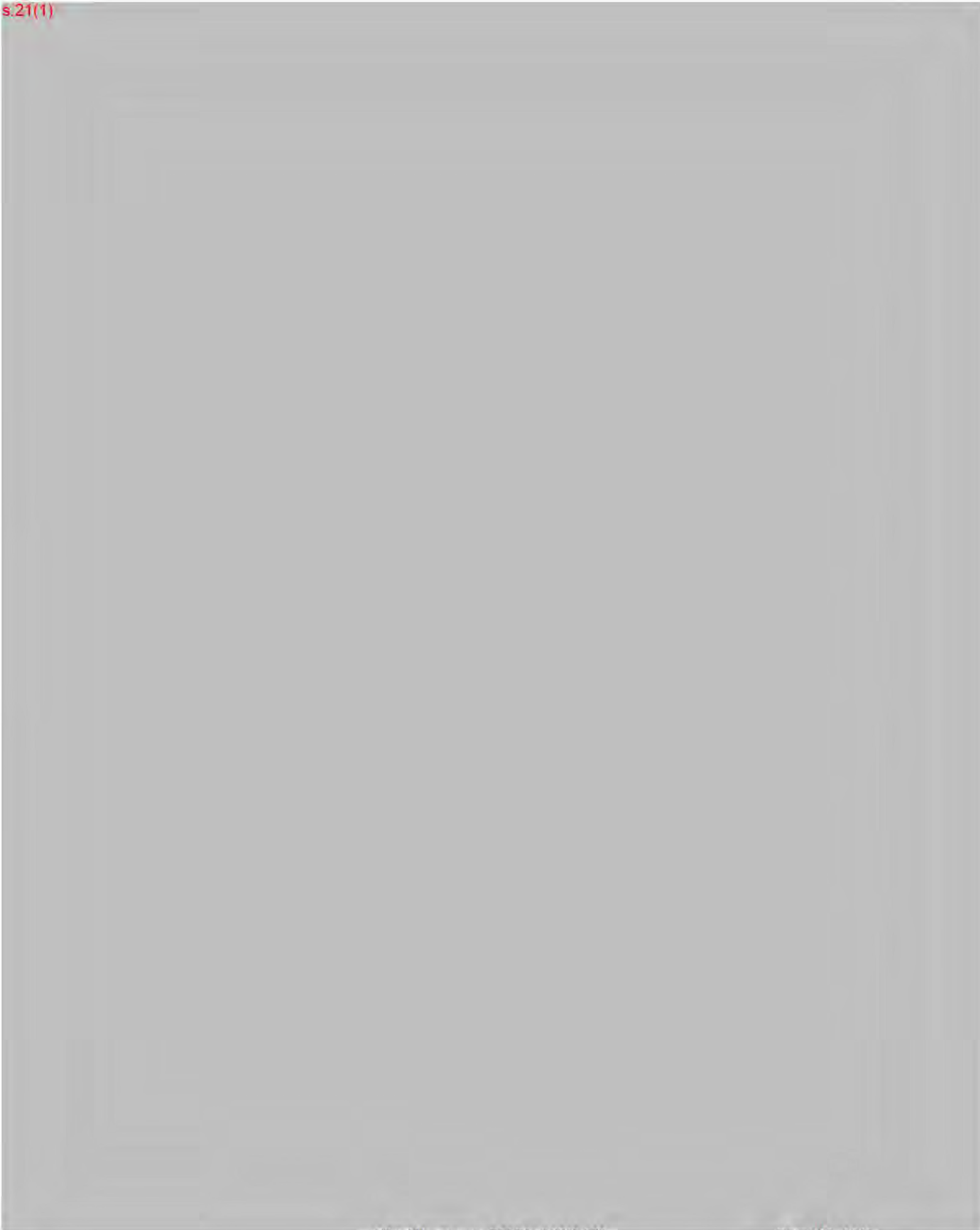


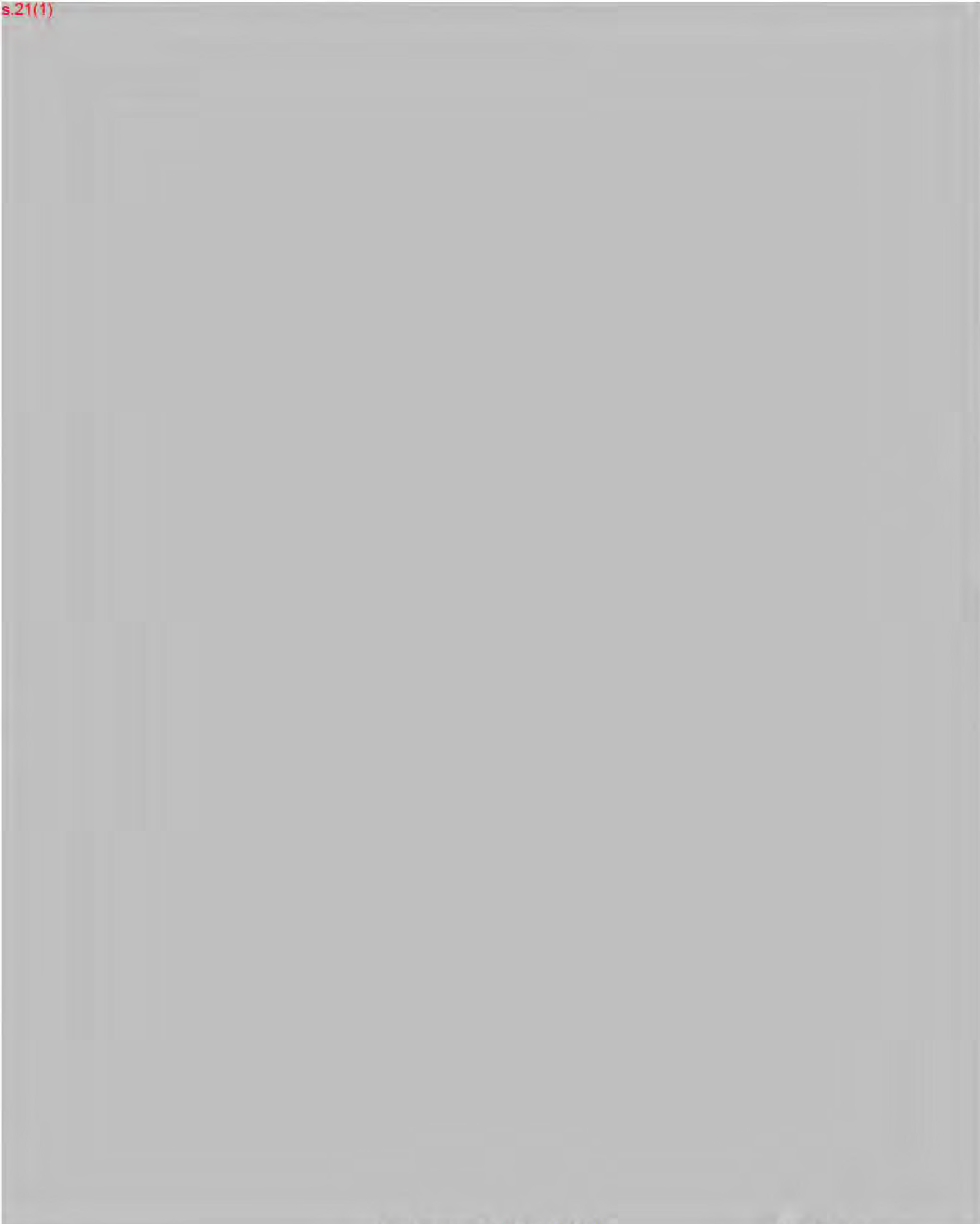


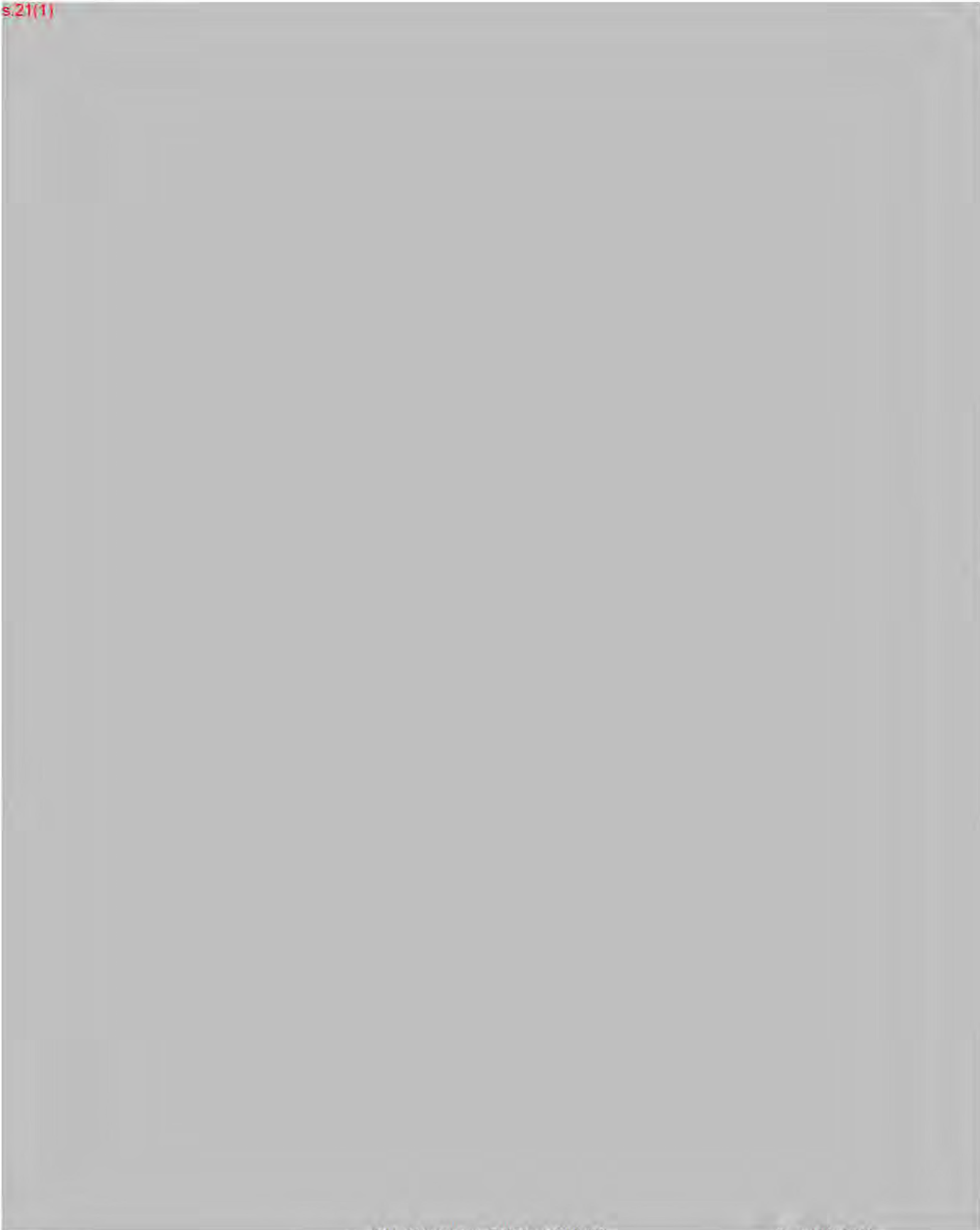


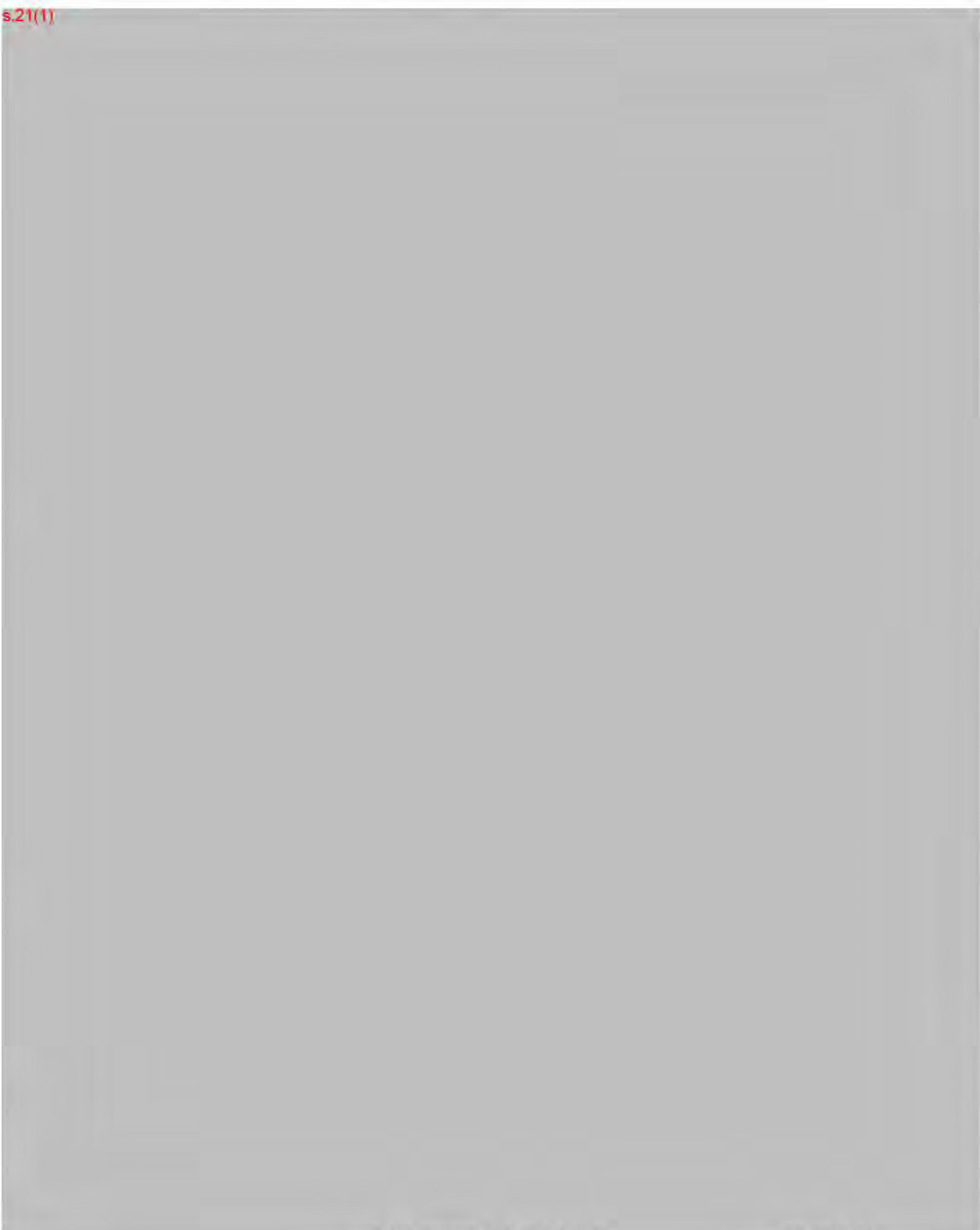


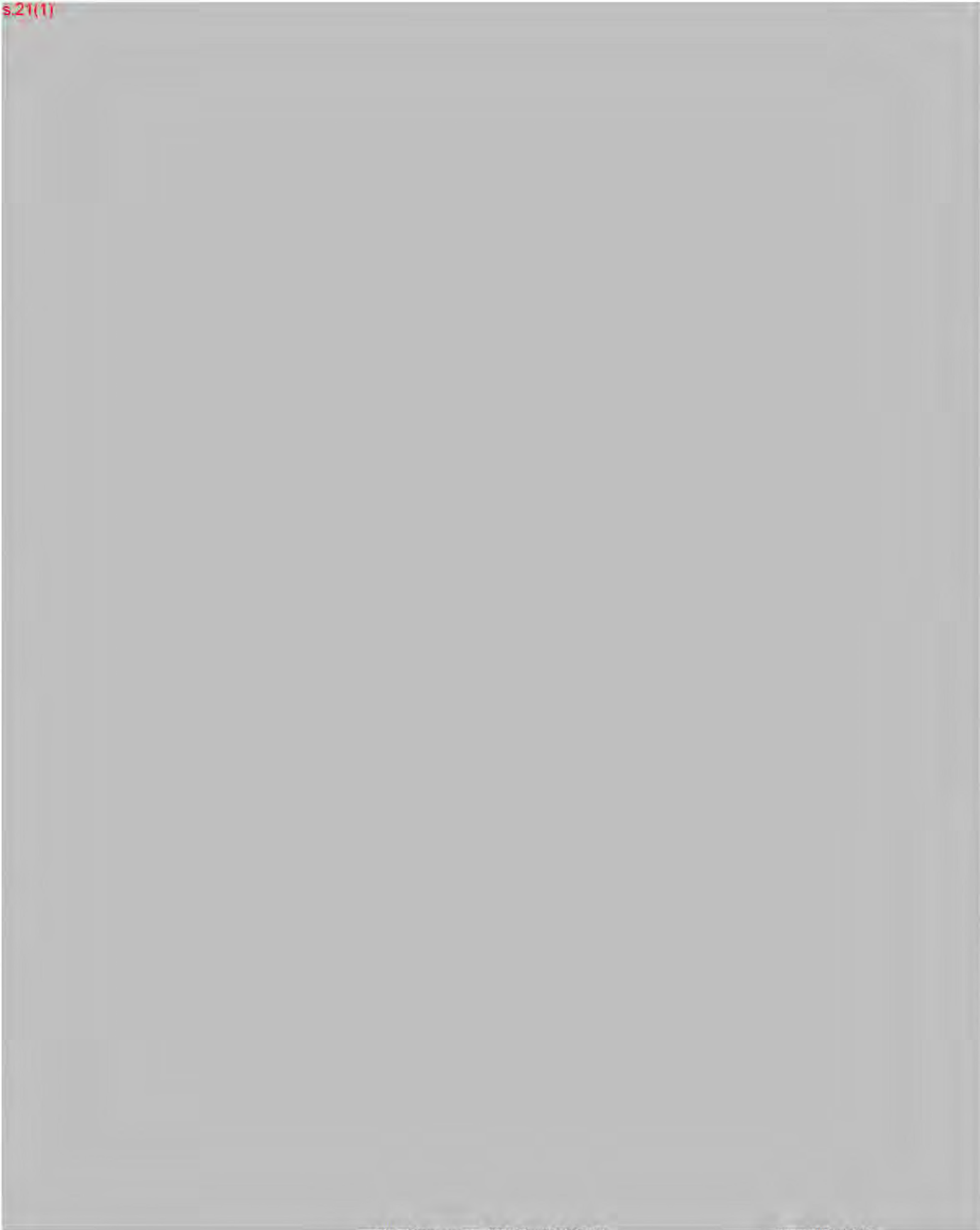


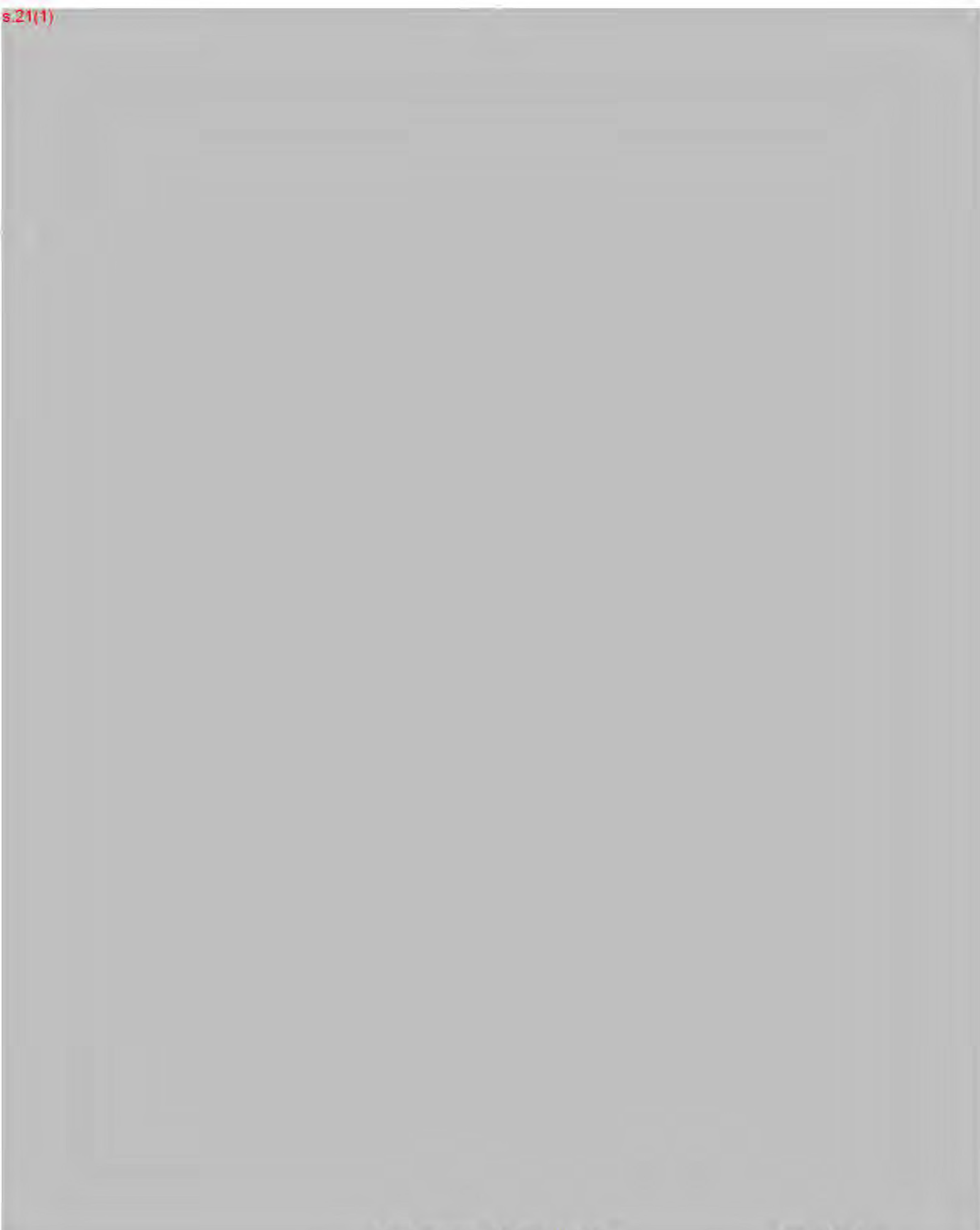


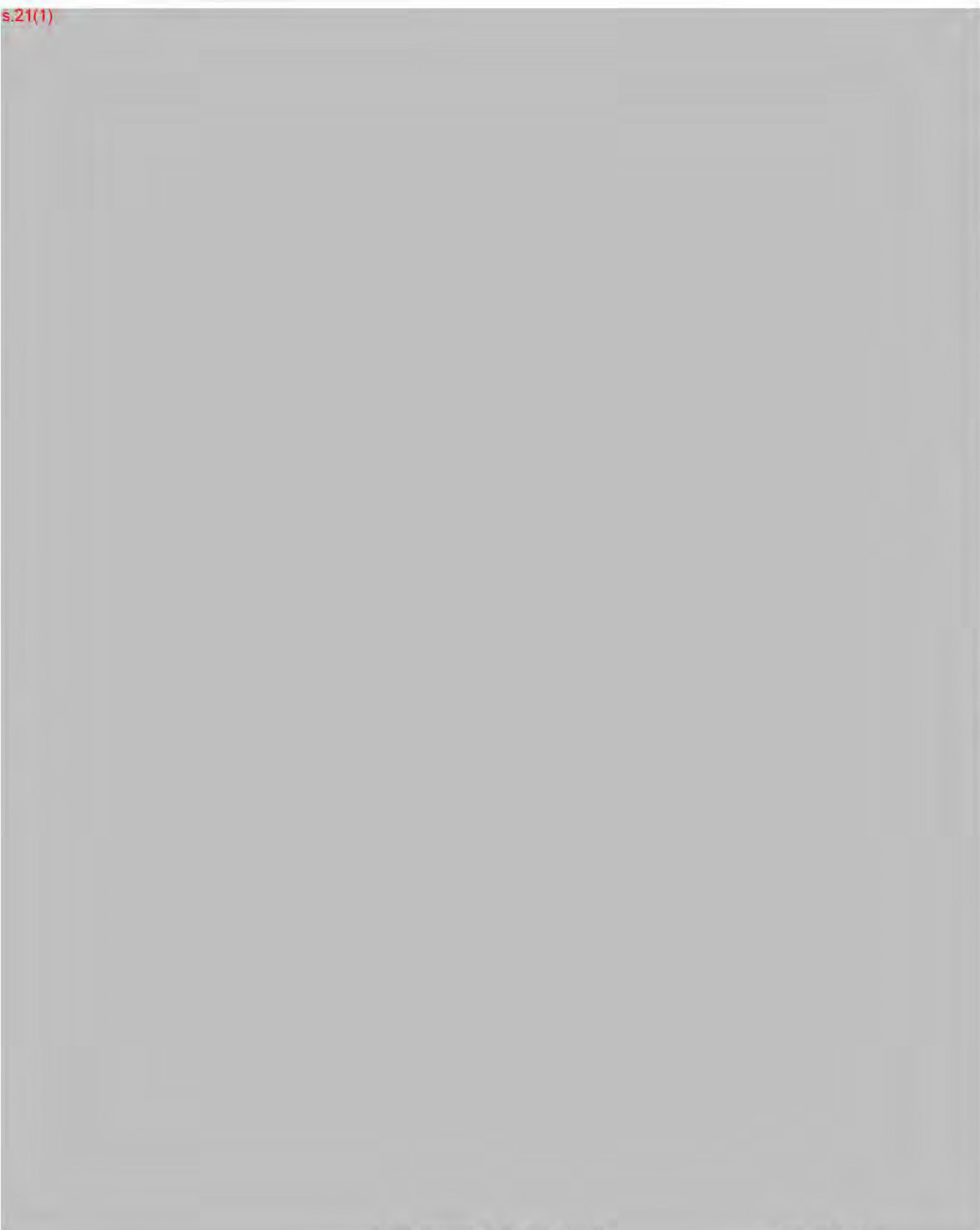


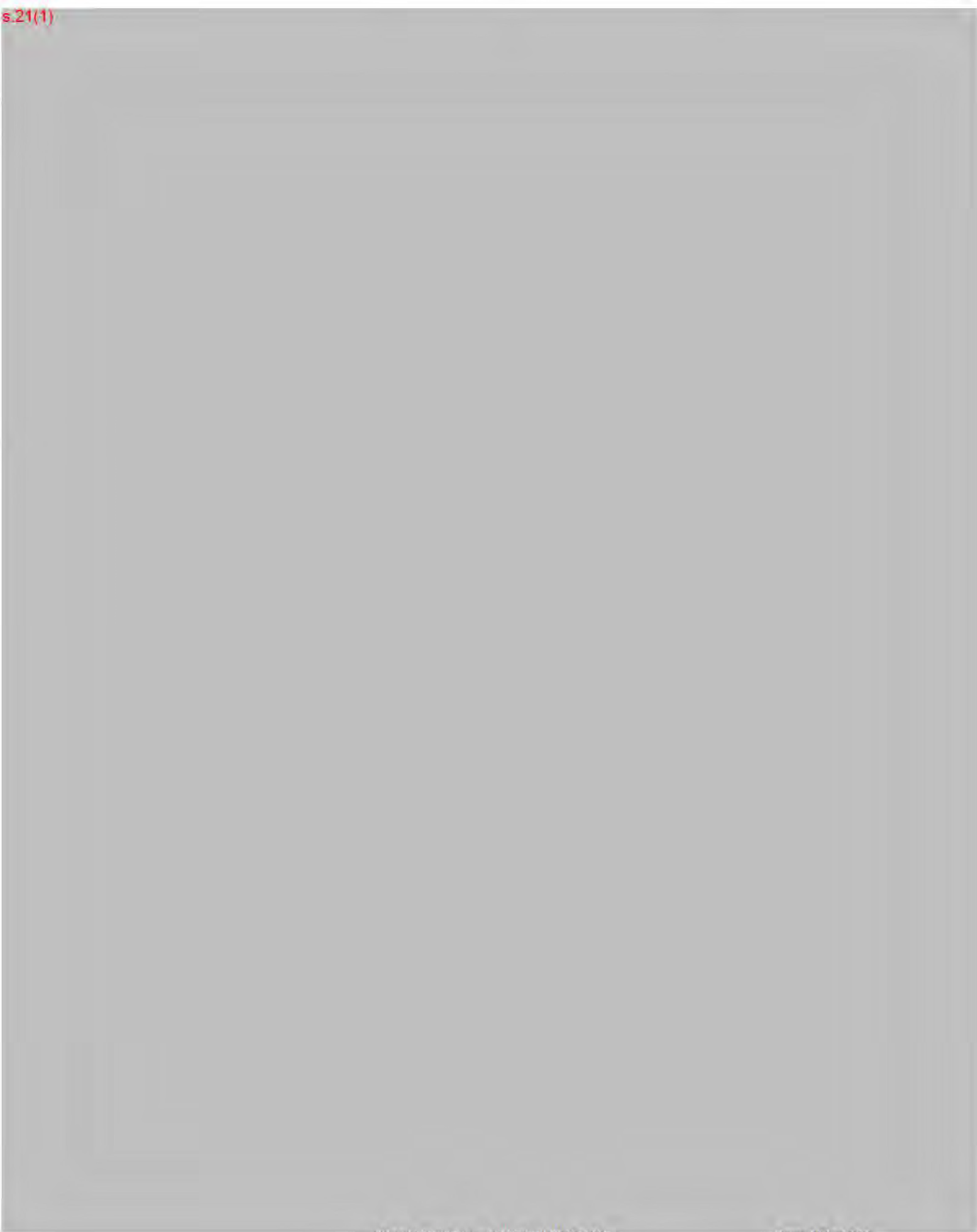


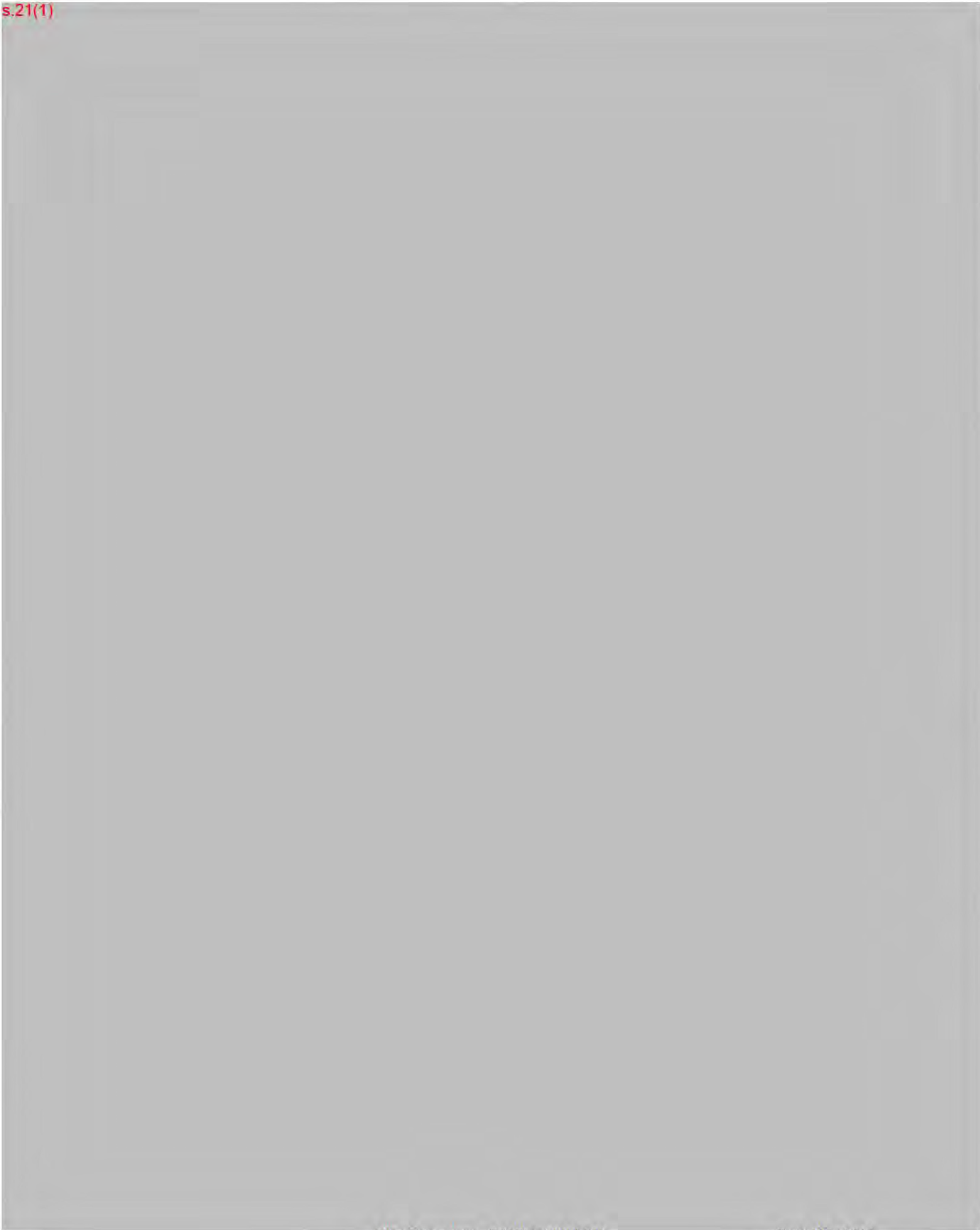


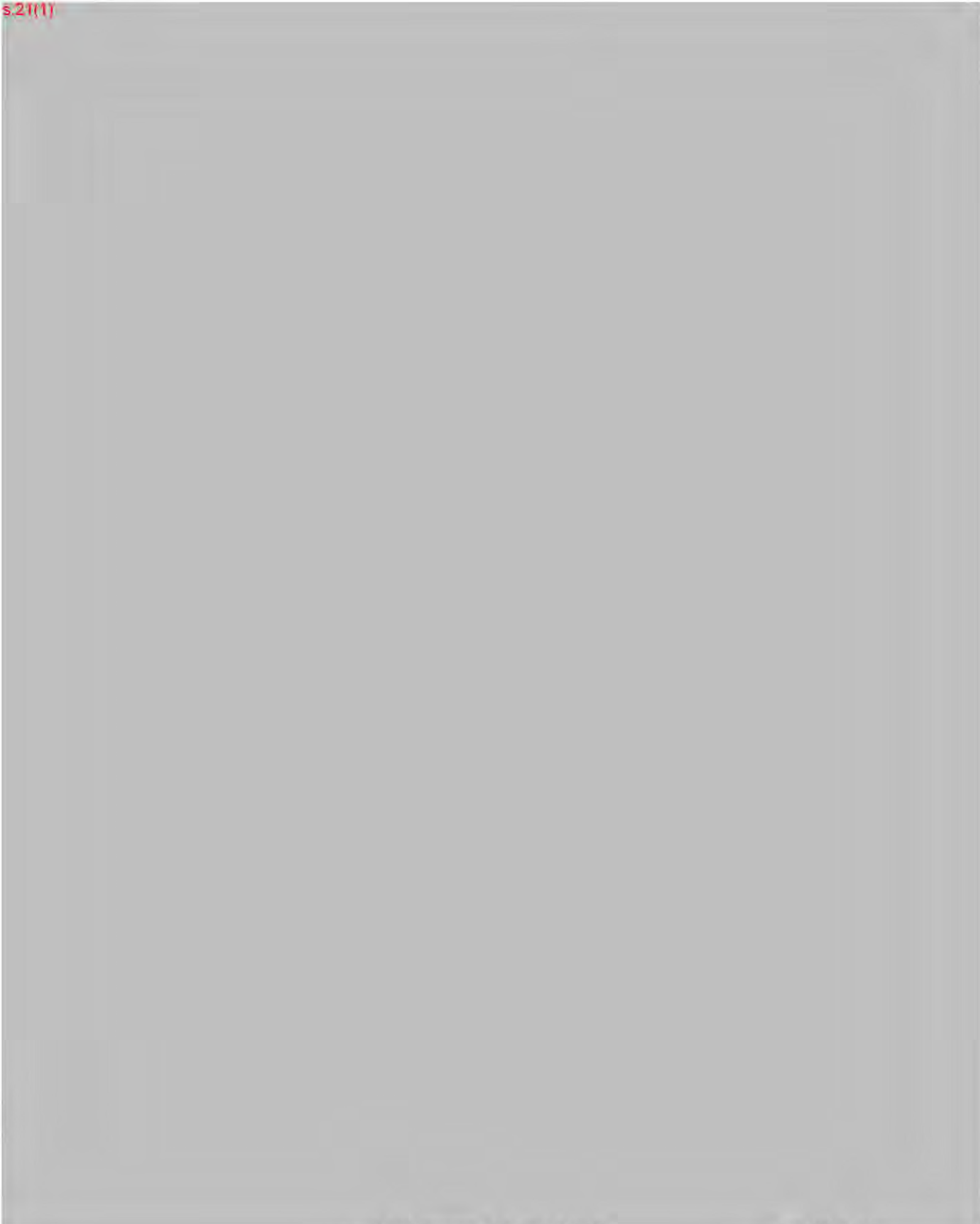


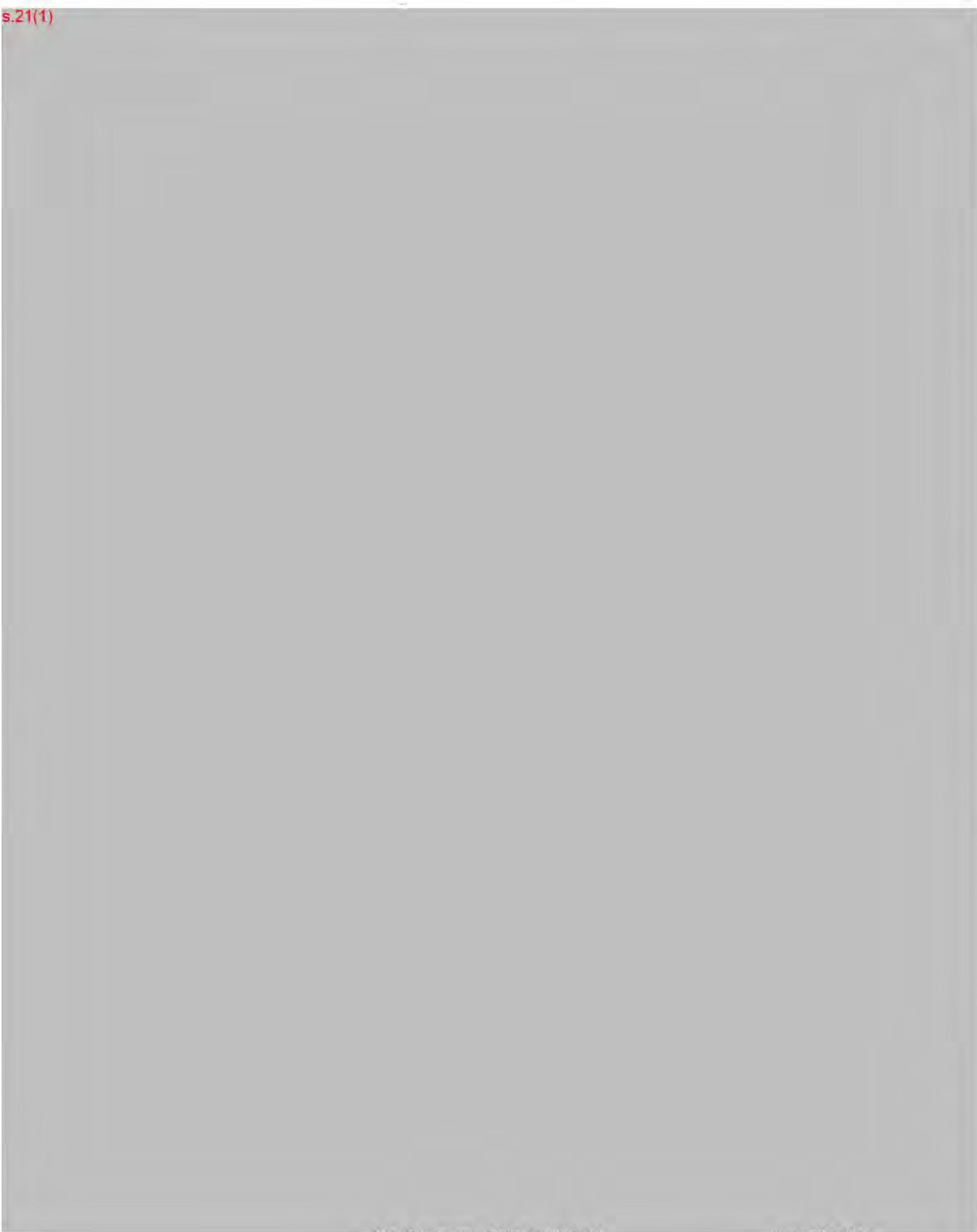


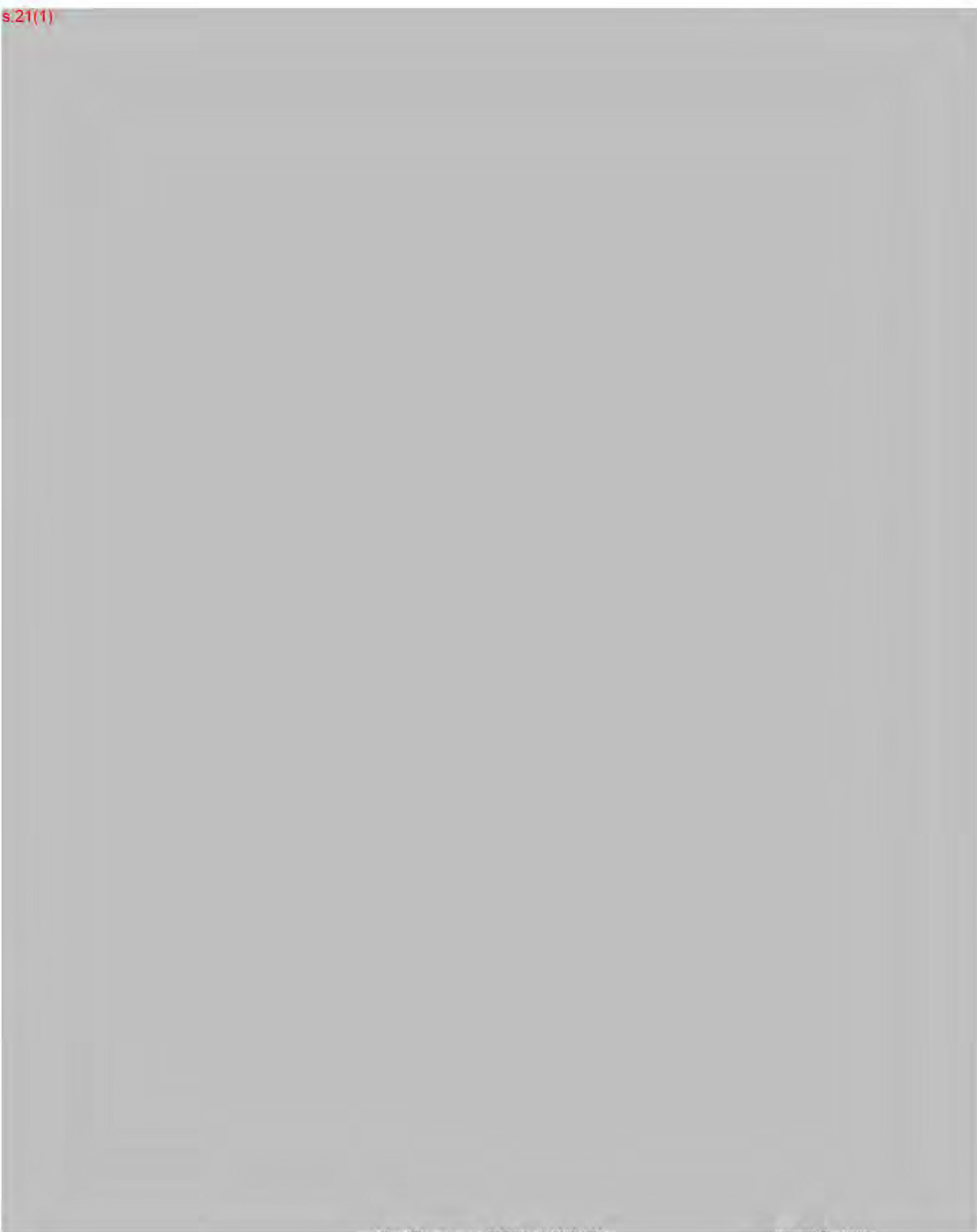


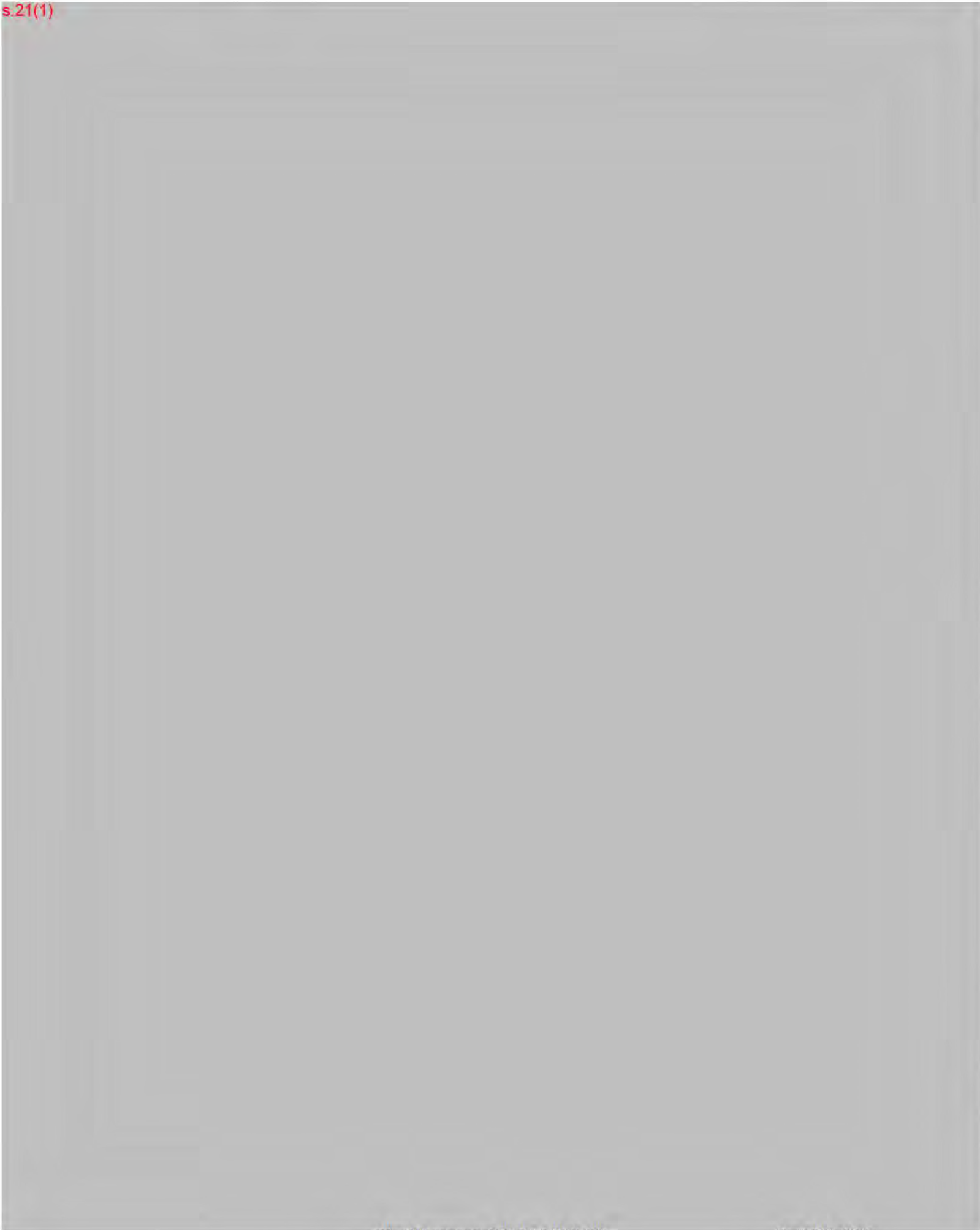


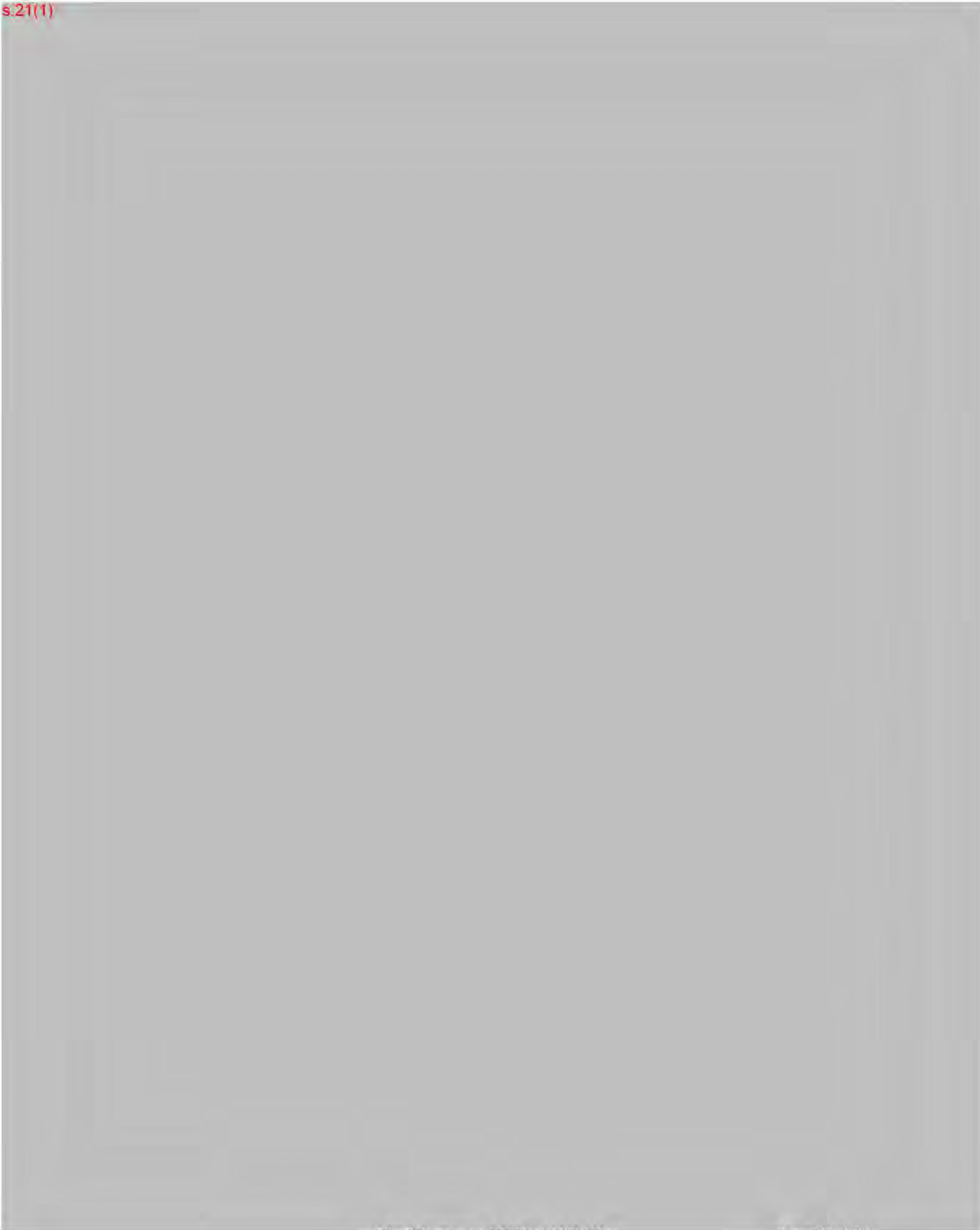


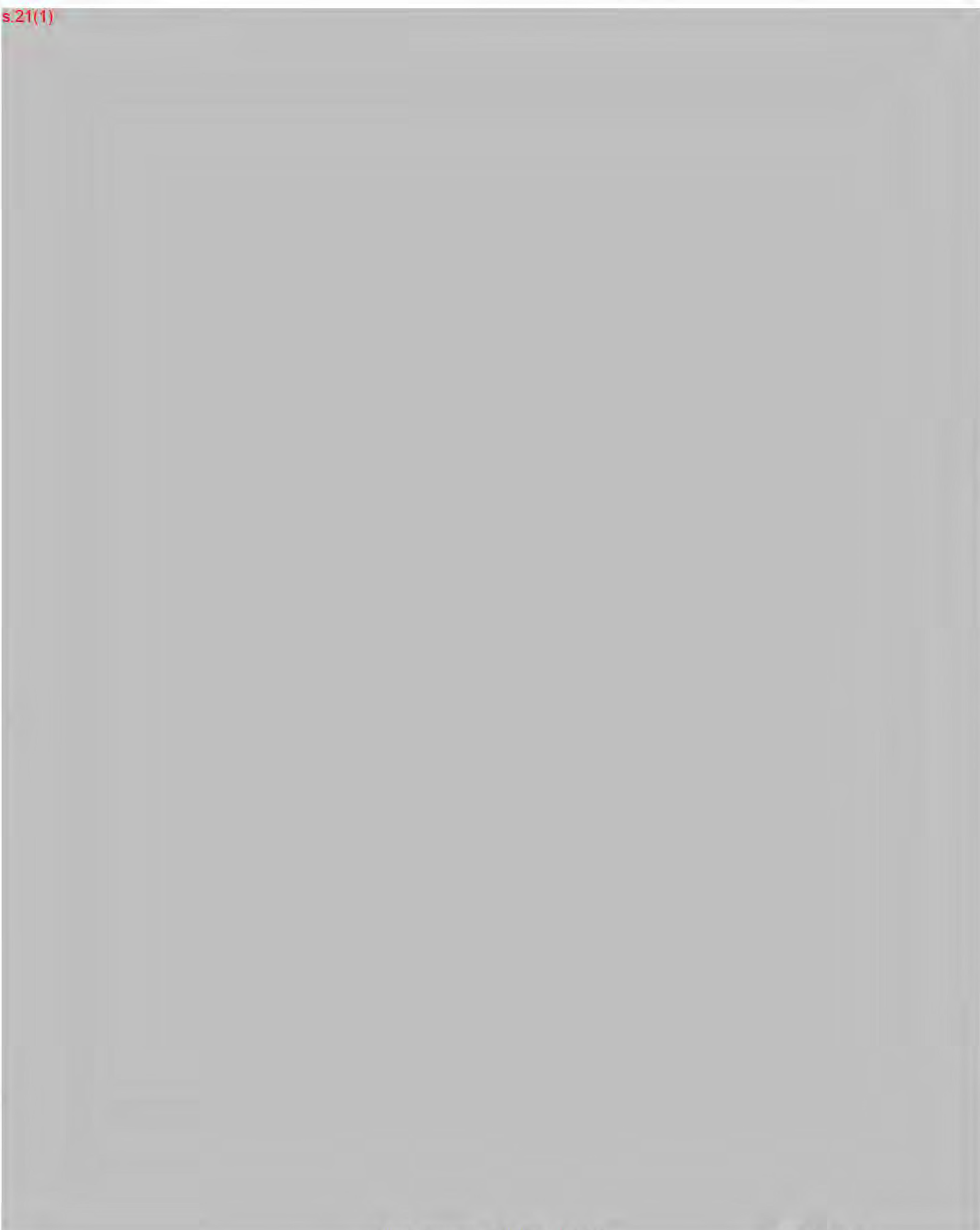


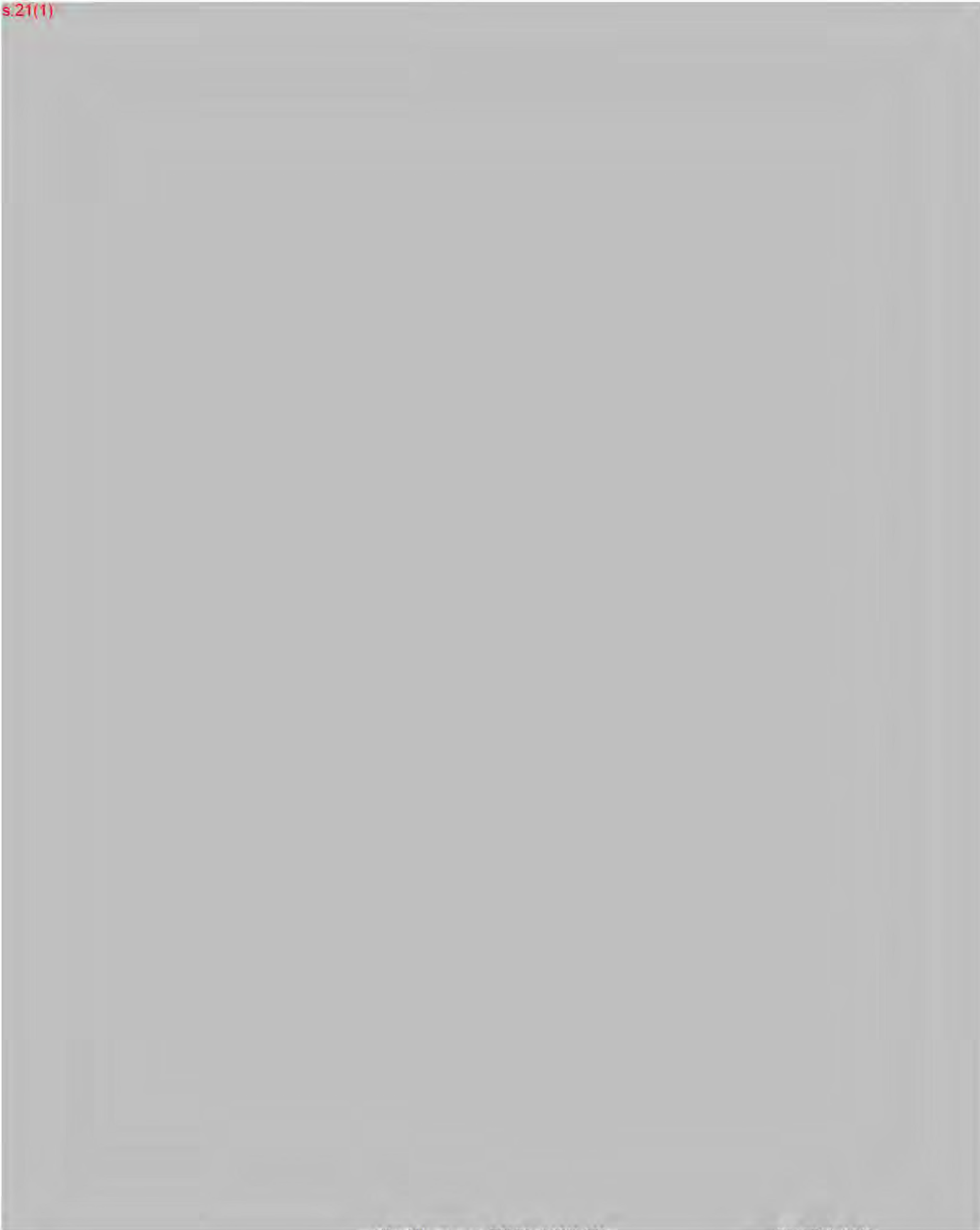


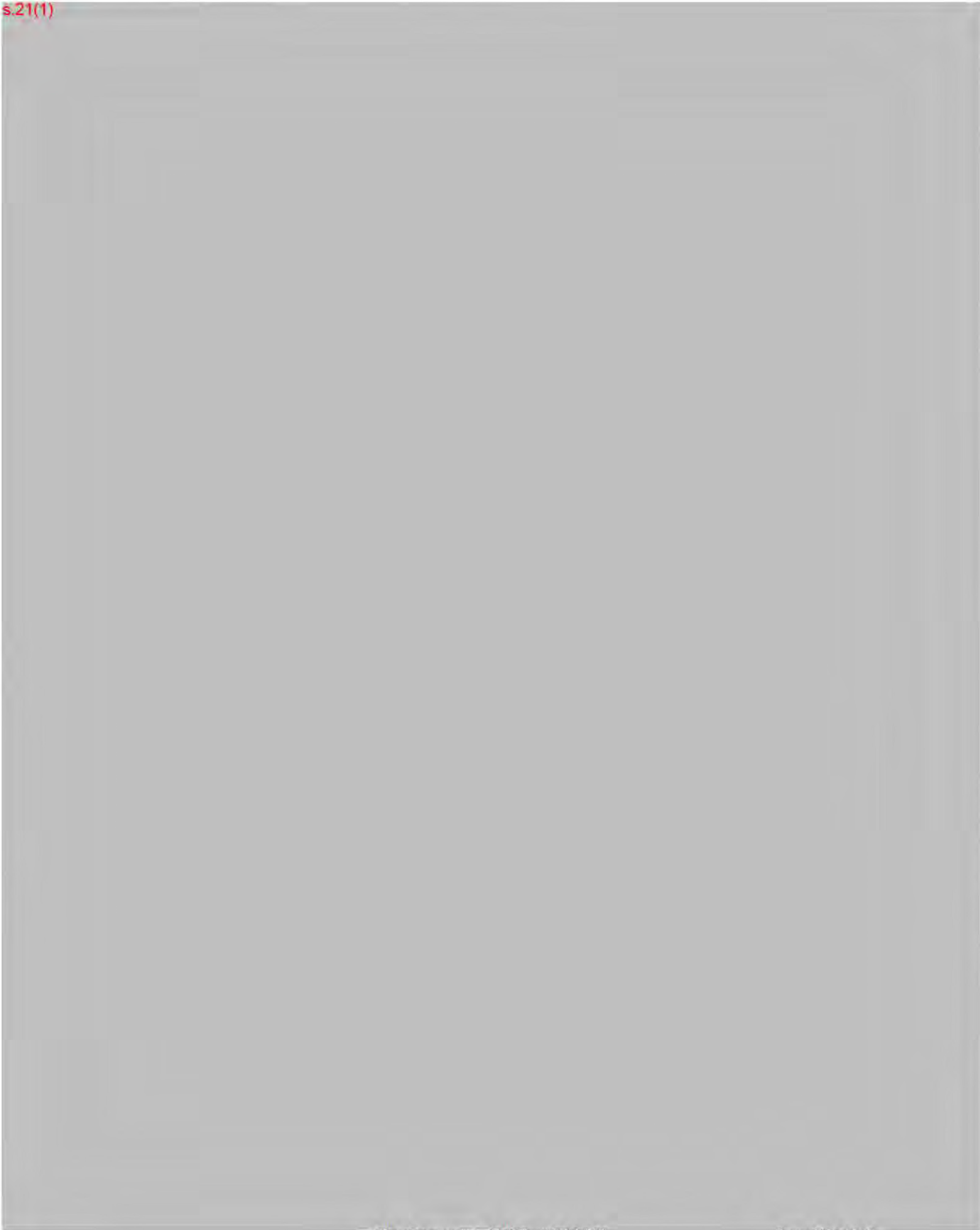


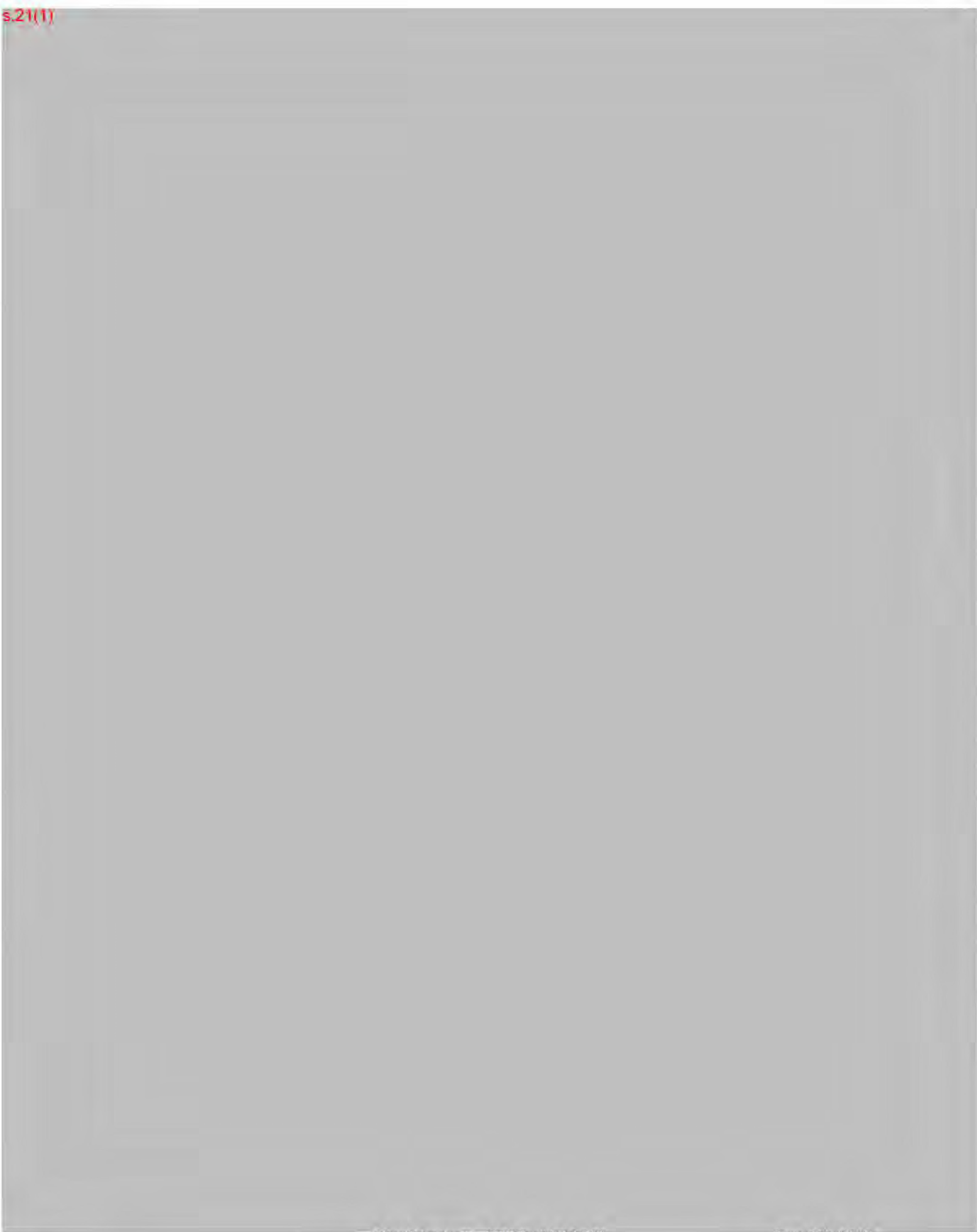


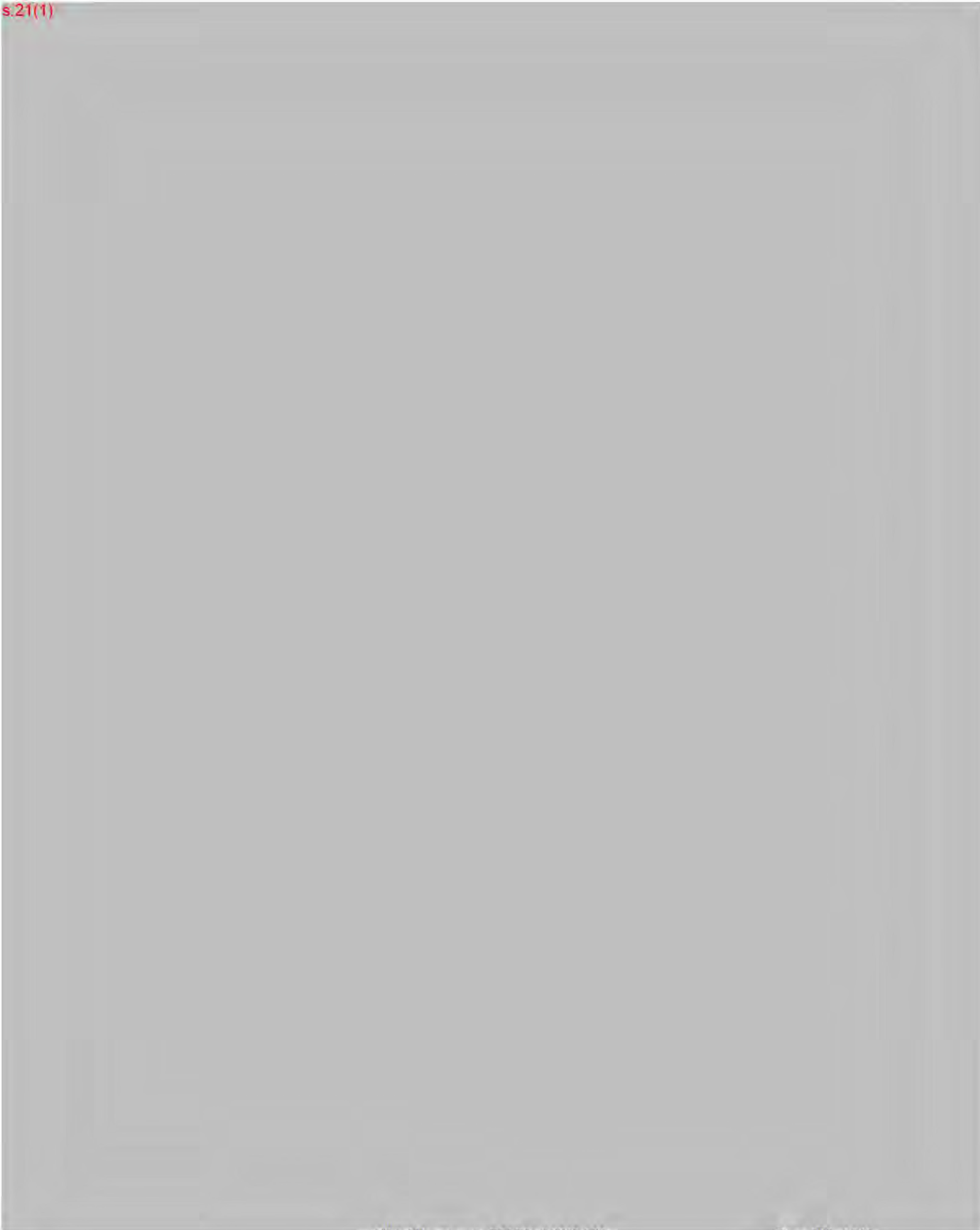


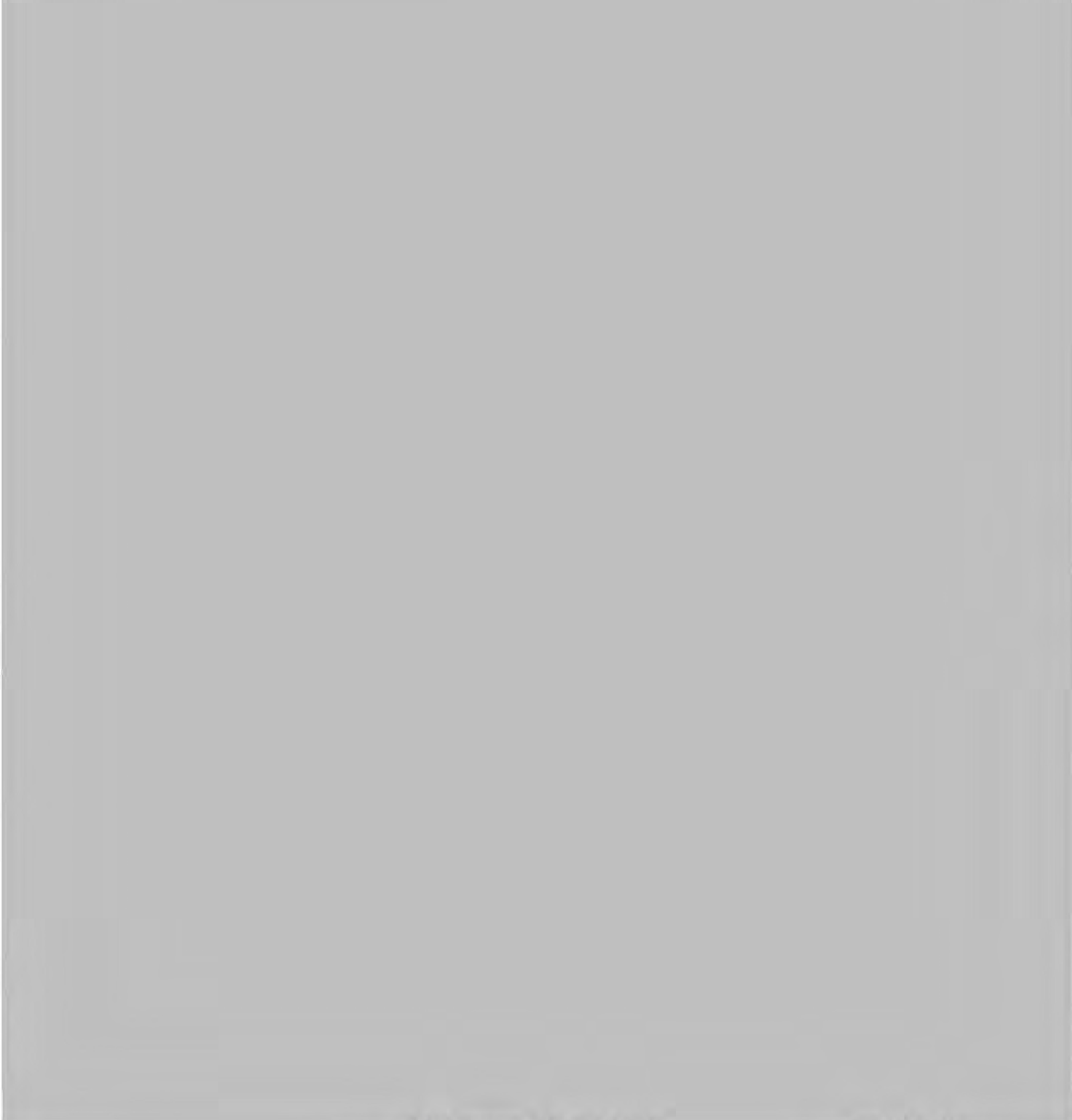


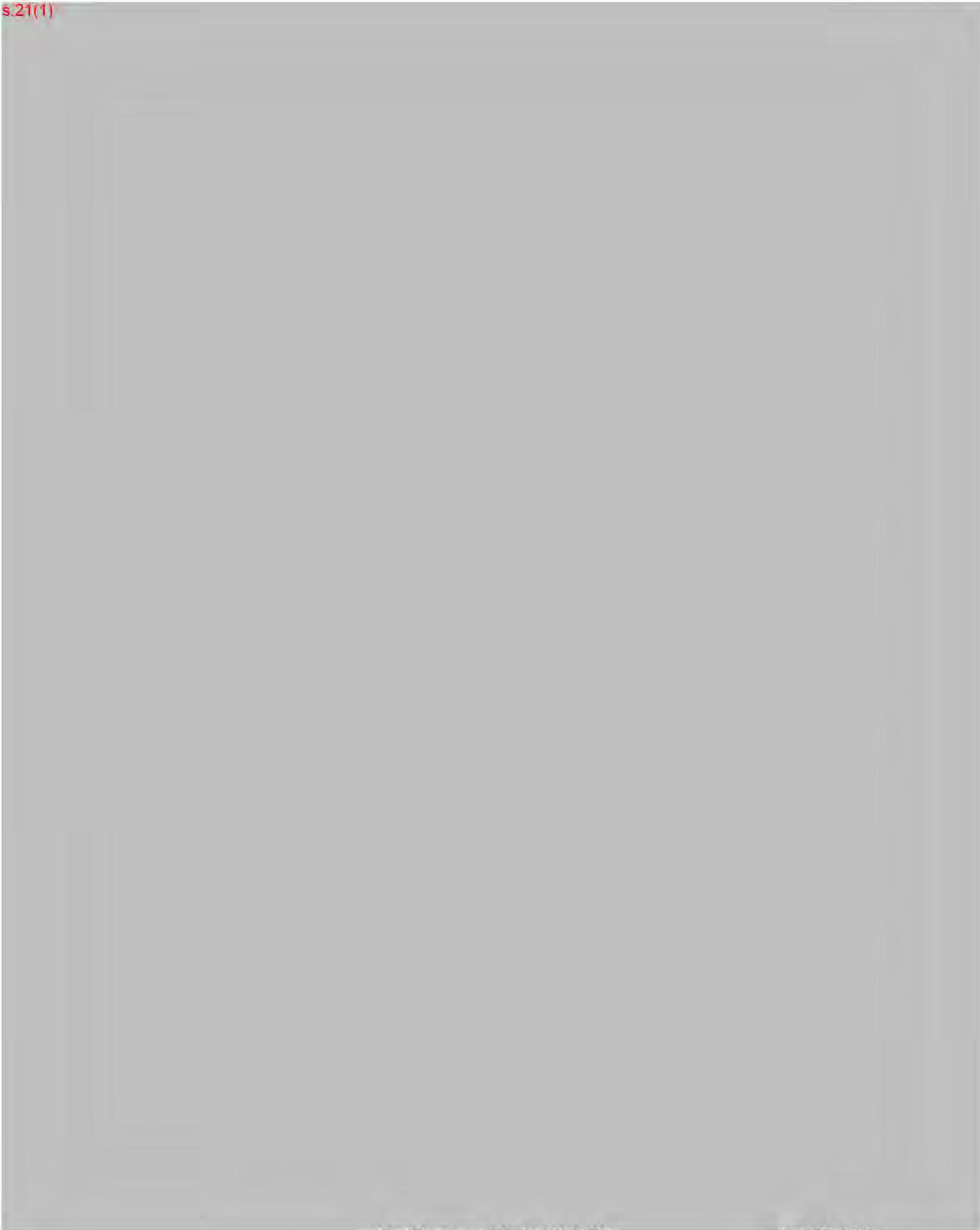


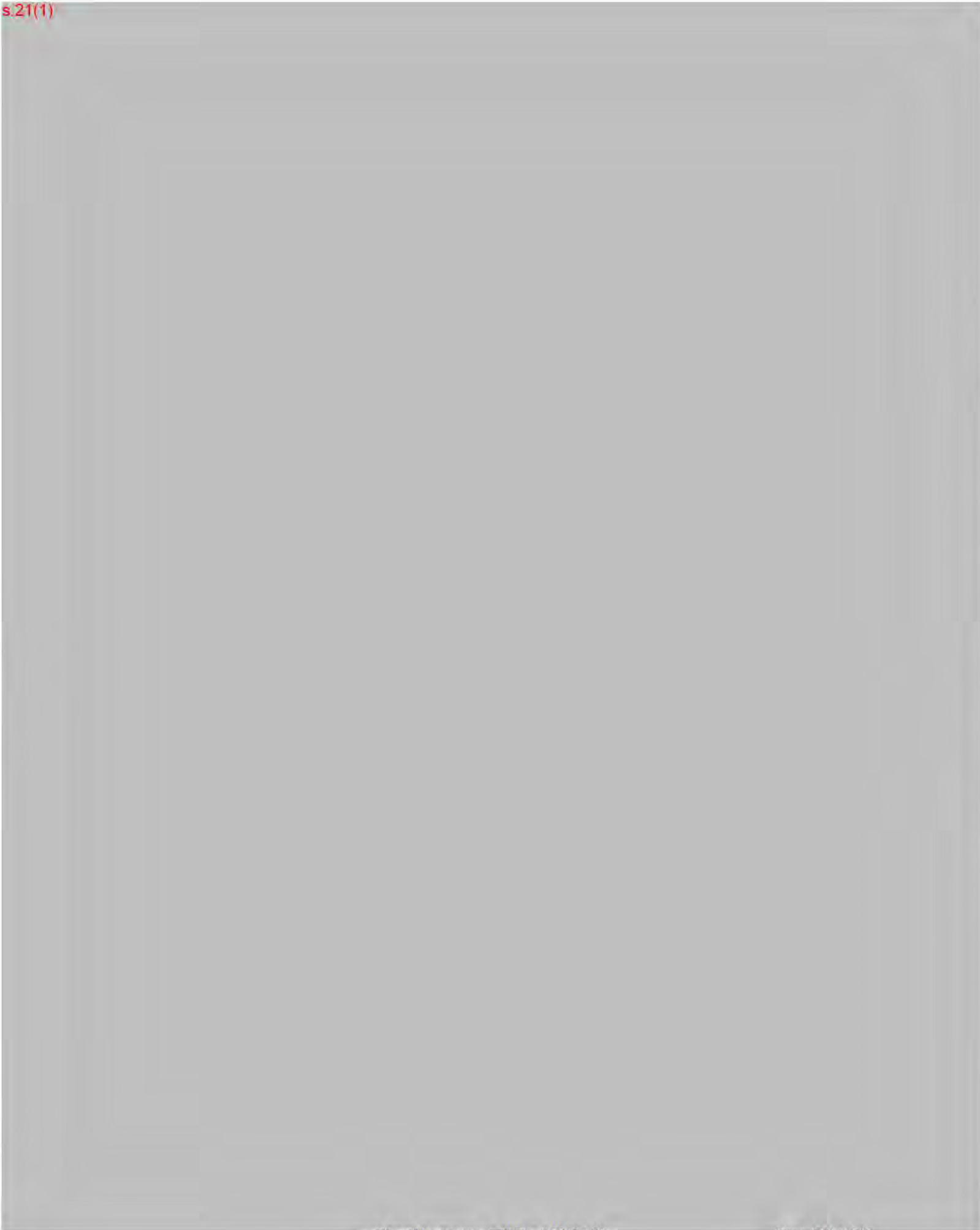


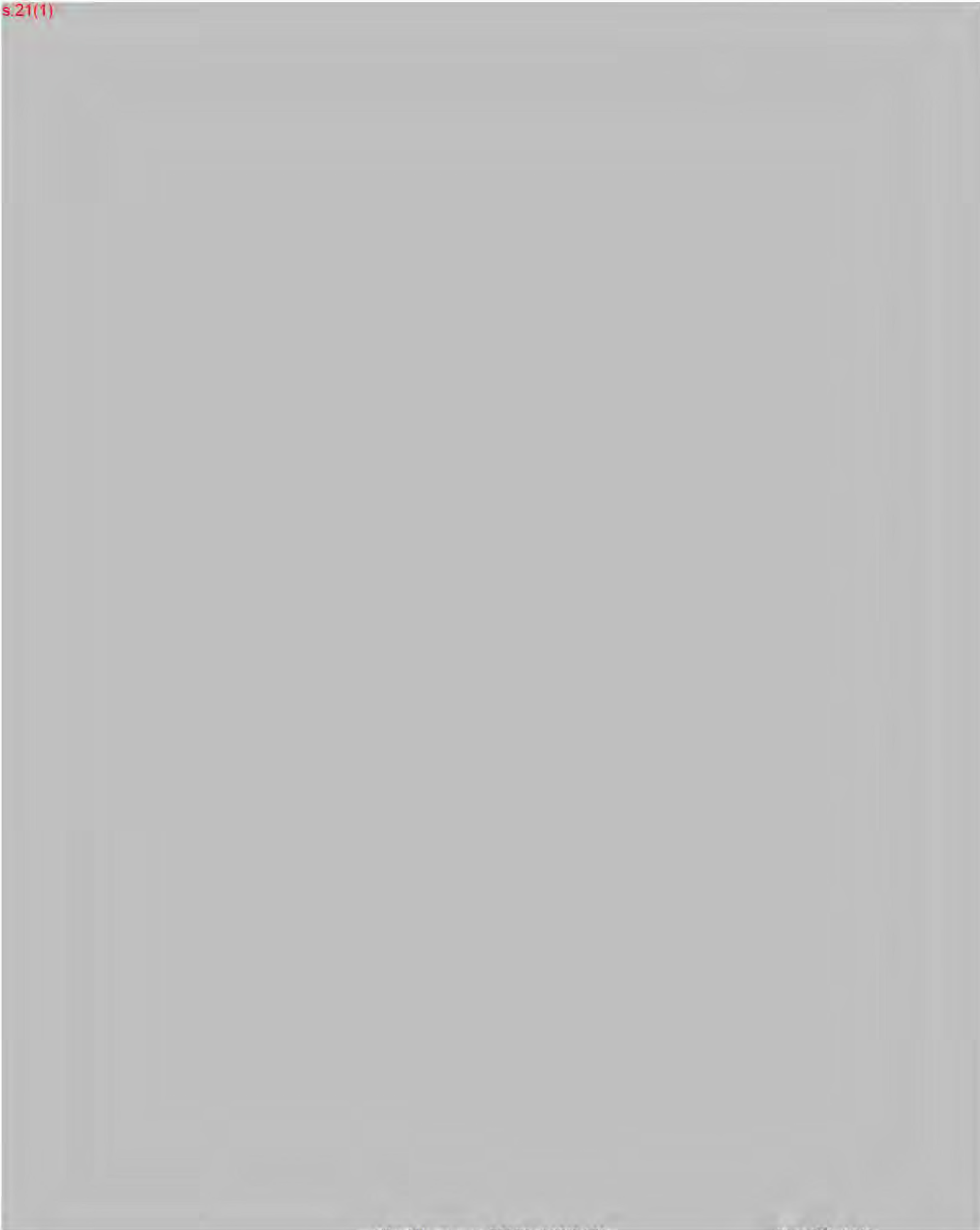


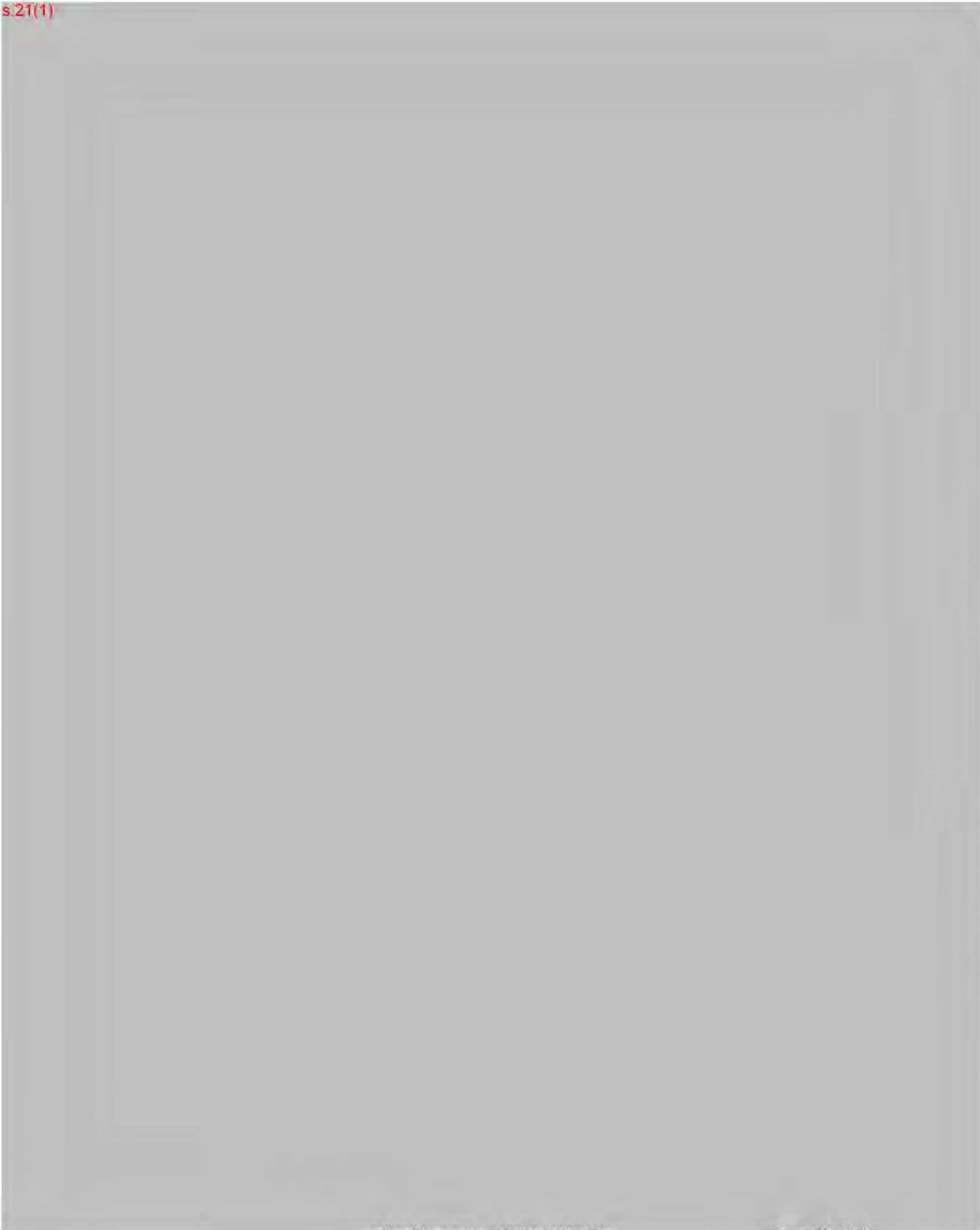












An Appraisal
of the
Proposed Development Site

located at

1400 Howe Street
Vancouver, British Columbia

for

City of Vancouver

as at

April 1, 2012

by

Brent McLaren, B.Comm., AACI, P.App.

Grover, Elliott & Co. Ltd.

Real Estate Appraisers and Counsellors

710 - 1030 West Georgia Street, Vancouver, BC V6E 2Y3
Ph: 604-687-5443 Fx: 604-682-4021

City of Vancouver
453 West 12th Avenue
Vancouver, British Columbia
V5Y 1V4

May 9, 2012
Our File: 2012-0332-V

Attention: Mr. Michael Chin

Dear Sir:

**Re: 1400 Howe Street
Vancouver, British Columbia**

At your request, we have appraised the fee simple interest in this real property. Our estimate of market value of the property as at April 1, 2012 is:

**TWENTY-NINE MILLION, THREE HUNDRED THOUSAND DOLLARS
\$29,300,000**

The accompanying appraisal report contains research, data and analyses which support our estimate of the market value. Our opinions are subject to the Assumptions and Limiting Conditions contained within this report and in Appendix 1.

We prepared this report exclusively for City of Vancouver for internal purposes and it should not be relied upon by third parties. Grover, Elliott & Co. Ltd. accepts no liability or responsibility for any damages that may be suffered or incurred by any third party as a result of the use of, reliance on, or any decisions made based on this report.

Thank you for allowing us to be of assistance with this matter. If you have any questions or comments, please contact our office.

Respectfully submitted,
GROVER, ELLIOTT & CO. LTD.
per:



Brent McLaren, B.Comm., AACI, P.App.
email: brent.mclaren@groverelliott.ca
direct line: (604) 638-3158

BM/rm
Encl.

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SUMMARY

Location

The subject comprises 11 parcels located on the southeast corner of Howe Street and Pacific Street, on northwest corner of Granville Street and Beach Avenue, and on the southeast corner of Granville Street and Pacific Street, in the Downtown area of Vancouver, British Columbia.

The Site

The overall site is irregular in shape with frontages along Howe Street, Pacific Street, Beach Avenue and Granville Street. According to a survey prepared by Butler Sundvick, dated January 26, 2012, the overall subject property measures 108,964 square feet or 2.501 acres.

The Proposed Development

The subject parcels form a portion of a larger overall site that is proposed for the development of a 49-storey residential high-rise, along with three podiums. The total proposed residential area is 493,029 square feet (including 68,240 square feet dedicated to market rental units), while the total retail and office area will be 131,687 square feet.

Land Use Controls

The subject property is zoned BCPED, BC Place/Expo District and FCCDD, False Creek Comprehensive Development District. Our valuation assumes that the properties fronting on Howe Street have been rezoned to allow for residential use with a maximum FSR of 4.50, and that the properties fronting on Granville Street have been rezoned to allow for commercial use with a maximum FSR of 1.36.

Highest and Best Use

Multiple-family and commercial development at the maximum allowable floor space ratios, as municipal policy and market conditions permit.

Date of Value Estimate

April 1, 2012: the date of property inspection was May 2, 2012.

Valuation

\$29,300,000



Aerial Photograph, Source: VanMap

THE ASSIGNMENT

Intended Use of the Appraisal

The City of Vancouver owns the subject properties and requires an independent valuation by a professional appraiser for internal purposes.

We have prepared this report in accordance with instructions obtained from Mr. Michael Chin, exclusively for the City of Vancouver. We are unaware of any third parties that are likely to see or rely on this report and expressly deny liability for unauthorized reliance.

Purpose of the Appraisal

The purpose of this report is to provide our estimate of the current market value of the fee simple interest in the subject property, as at the effective date of this appraisal. An accepted Canadian definition of market value is:

the most probable price which a property should bring in a competitive and open market as of the specified date under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus.¹

The fee simple estate is absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the government powers of taxation, eminent domain (expropriation), police power and escheat (the right of the government that gives the state titular ownership of a property when its owner dies without a will or any determinable heirs).² This is the most comprehensive form of ownership. It gives a "bundle of rights" that allows the owner the right to use the property, to sell it, to lease it, to enter it, or to give it away. It also includes the right to refuse to take any of these actions. A fee simple interest excludes existing financing and leases.

¹ *Canadian Uniform Standards of Professional Appraisal Practice* : Appraisal Institute of Canada, 2010, Ottawa, Ont.), Section 12.16

² Appraisal Institute, *The Dictionary of Real Estate Appraisal*, 4th ed. s.v. "fee simple estate." (Chicago: Appraisal Institute, 2002). CD-ROM.

Scope of Assignment

The scope of this assignment included:

- an inspection of the exterior of the property on May 2, 2012, at which time the photographs herein were taken;
- a review of land use control information obtained from the City of Vancouver;
- a review of the reliance documents described below;
- investigation of relevant market activity, with sources including the local real estate board, Land Titles office, transactions (including those reported by B.C. Assessment), real estate agents, vendors and purchasers active in the market, and our corporate real estate database; and,
- appraisal and market analyses as described later herein.

Reliance Documents

Documents relied on for our analysis include:

- a title search print obtained from B.C. Online dated May 2, 2012 and reproduced herein;
- registered plans VAP210, VAP9597, VAP15118 and VAP20641;
- a survey of the subject properties prepared by Butler Sundvick, dated January 26, 2012; and
- assumed allowable floor space ratios provided by Mr. Michael Chin, City of Vancouver.

Technical Investigations

We did not complete technical investigations such as:

- inspections or an engineering review of the structure, roof or mechanical systems;
- a technical review of the existing or proposed utility servicing;
- a site survey;
- a building survey;
- investigations into the bearing, percolation or other qualities of the soils;
- an environmental review;
- an archaeological survey;
- a hydrological study;
- a tree inventory;
- research into the presence of sensitive species or protected habitat such as raptor nesting sites.

Type of Analysis

This narrative appraisal report complies with the Canadian Uniform Standards of Professional Practice of the Appraisal Institute of Canada. We have competence in this type of appraisal analysis and have valued this class of real property before.

Verification of Third Party Information

The analysis set out in this report relied on written and verbal information obtained from a variety of sources we considered reliable. Unless otherwise stated herein, we did not verify client-supplied information, which we assumed to be correct. Any party wishing to rely on this report should confirm the source of any important information herein as well as the assumptions that underlie any significant conclusion.

Hypothetical Assumptions and Extraordinary Limiting Condition

Our valuation assumes that the subject properties have been assembled and rezoned. It is assumed that Area 1 (1412-1450 Howe Street) has an allowable residential floor space ratio of 4.50, and that Areas 5, 7 and 8 (1410 and 1429 Granville Street) have an allowable commercial floor space ratio of 1.36.

PROPERTY INFORMATION

Civic Address

1412-1450 Howe Street and 1410 & 1429 Granville Street, Vancouver, British Columbia.

Parcel Identifiers and Legal Descriptions

PID	Legal Description	Address
007-687-915	Lot G, Block 122, District Lot 541, Plan 15118	1412 Howe Street
015-505-162	Lot 4, Block 122, District Lot 541, Plan 210	1420 Howe Street
015-505-189	Lot 5, Block 122, District Lot 541, Plan 210	1420 Howe Street
015-505-201	Lot 6, Block 122, District Lot 541, Plan 210	1420 Howe Street
015-505-219	Lot 7, Block 122, District Lot 541, Plan 210	1434 Howe Street
015-505-235	Lot 8, Block 122, District Lot 541, Plan 210	1434 Howe Street
015-505-278	Lot 9, Block 122, District Lot 541, Plan 210	1442 Howe Street
015-505-286	Lot 10, Block 122, District Lot 541, Plan 210	1450 Howe Street
002-647-214	Lot H, Block 122, District Lot 541, Plan 20641	1429 Granville Street
009-625-101	Lot 1, Block 123, District Lot 541, Plan 9597	1410 Granville Street
009-625-119	Lot 2, Block 123, District Lot 541, Plan 9597	1410 Granville Street
009-625-135	Lot 3, Block 123, District Lot 541, Plan 9597	1410 Granville Street

Title Information and Encumbrances

Included in the addenda is a title status print for one of the 12 lots that comprise the subject, dated May 2, 2012. **CITY OF VANCOUVER** is the registered owner. BC Assessment records show the same owner for the remaining lots.

Subject to the limitations of this assignment and based on our interviews, client-supplied information and our review of the title search print, we believe that title encumbrances do not materially affect the value of the property except as discussed specifically herein. However, we did not obtain a legal opinion of the state of title or any of the encumbrances, we lack qualifications in this area and we have not read the documents registered against title. Our appraisal therefore assumes that title is good and marketable and that encumbrances do not affect the value of the appraised interest.

ASSESSMENTS AND TAXES

Actual 2012 value assessments for the subject properties, as provided by BC Assessment, are as follows:

PID	Address	Land	Improvements	Sub Total
007-687-915	1412 Howe Street	2,181,000	1,000	2,182,000
015-505-162/189/201	1420 Howe Street	3,117,000	1,300	3,118,300
015-505-219	1434 Howe Street	1,350,000	300	1,350,300
015-505-235	1434 Howe Street	1,350,000	300	1,350,300
015-505-278	1442 Howe Street	1,350,000	10,900	1,360,900
015-505-286	1450 Howe Street	1,530,000	0	1,530,000
002-647-214	1429 Granville Street	2,316,000	1,000	2,317,000
009-625-101	1410 Granville Street	780,000	0	780,000
009-625-119	1410 Granville Street	2,437,000	1,000	2,438,000
009-625-135	1410 Granville Street	955,000	1,800	956,800
Total		17,366,000	17,600	17,383,600

As the properties are owned by the City of Vancouver, no property taxes are currently payable. Assessed value reflects the opinion of BC Assessment of the market value of the property as at July 1st of the previous year based on the physical condition of the property as of October 31st of the previous year.

Assessors disregard encumbrances such as leases and financing, and can base their assessments on mass appraisal techniques such as multiple regression analysis and on dated inspection information. Consequently, actual values can be a less precise estimate of market value than provided by a full appraisal.

HISTORY AND USE

Sales History

Canadian Uniform Standards of Professional Appraisal Practice of the Appraisal Institute of Canada require investigation and consideration of transactions of the subject property occurring near the effective date of the appraisal. When a recent arm's length market transaction has occurred compelling evidence of value arises, often requiring only an adjustment for market conditions. BC Assessment records indicate that no transactions have occurred within the past five years.

We are unaware of any other marketing activity or of any offering of or for the property. Land Titles Office records, a primary source of data on real estate sales, do not include transfers of property accomplished by the sale of shares by an owner holding title to the property. Since no public database records transactions of shares for privately held companies, we cannot investigate sales of this nature.

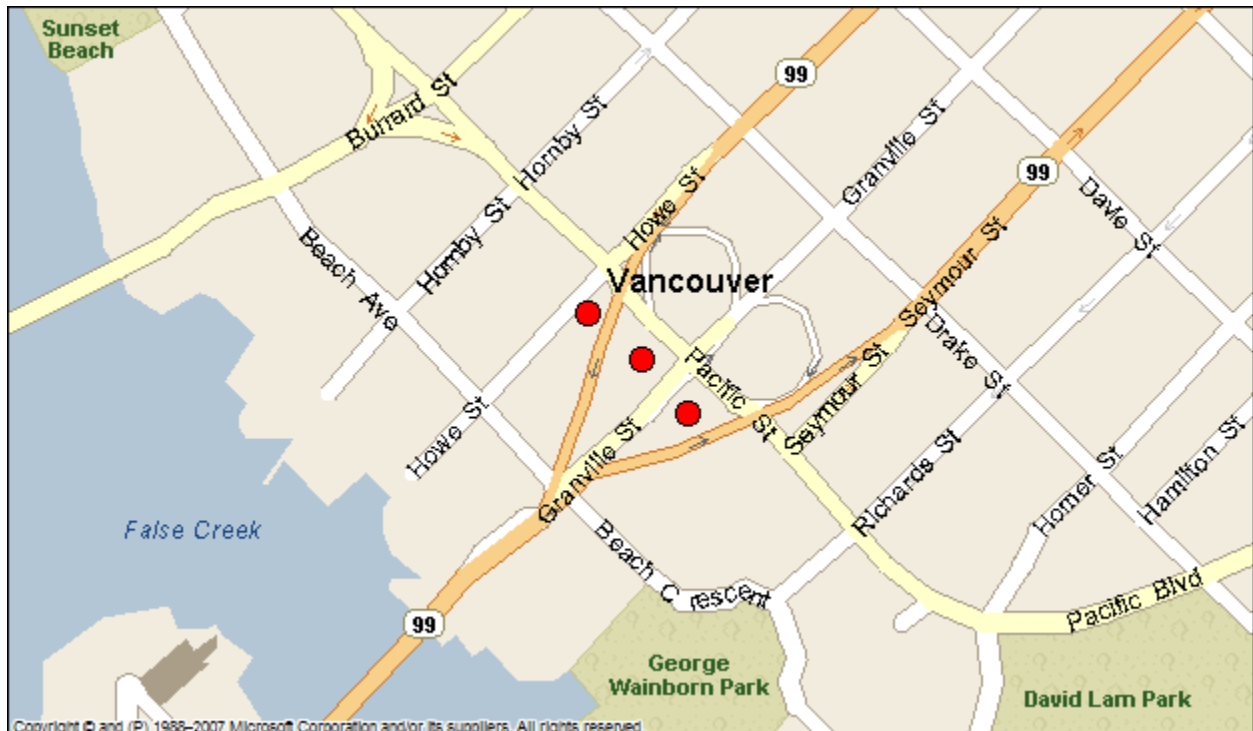
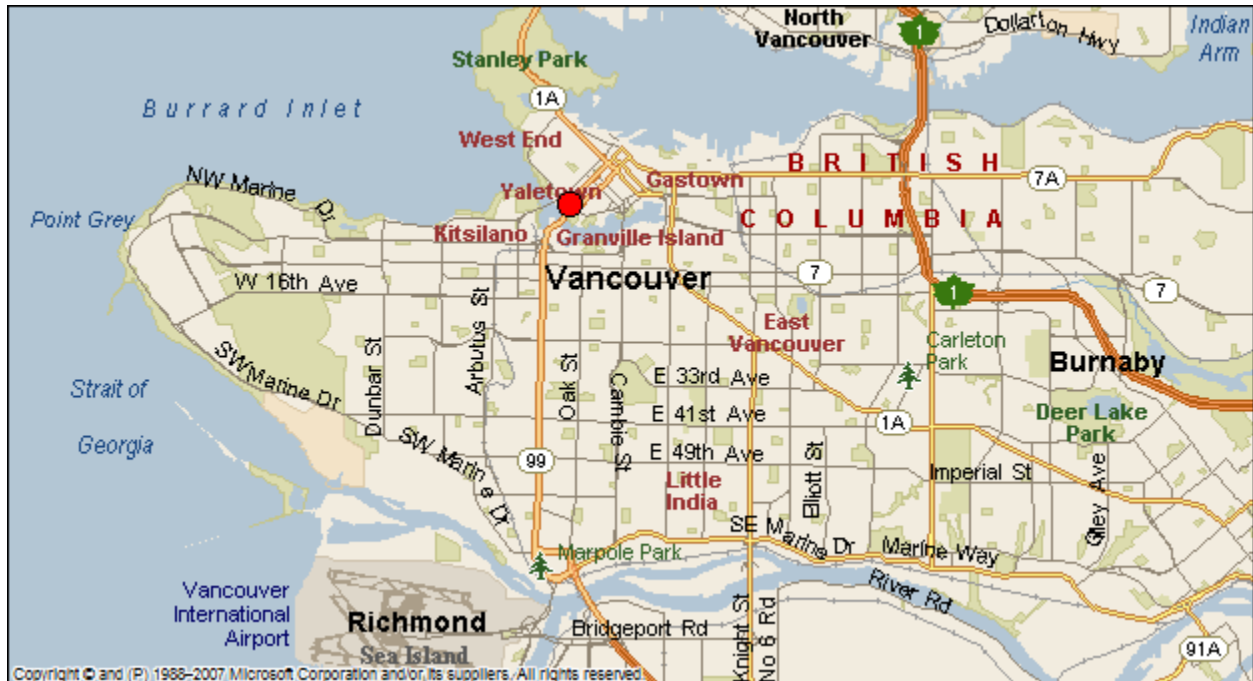
Present and Historic Use

As at the date of inspection, several of the properties were improved with older commercial and light industrial buildings, including several automotive service shops.

THE SITE

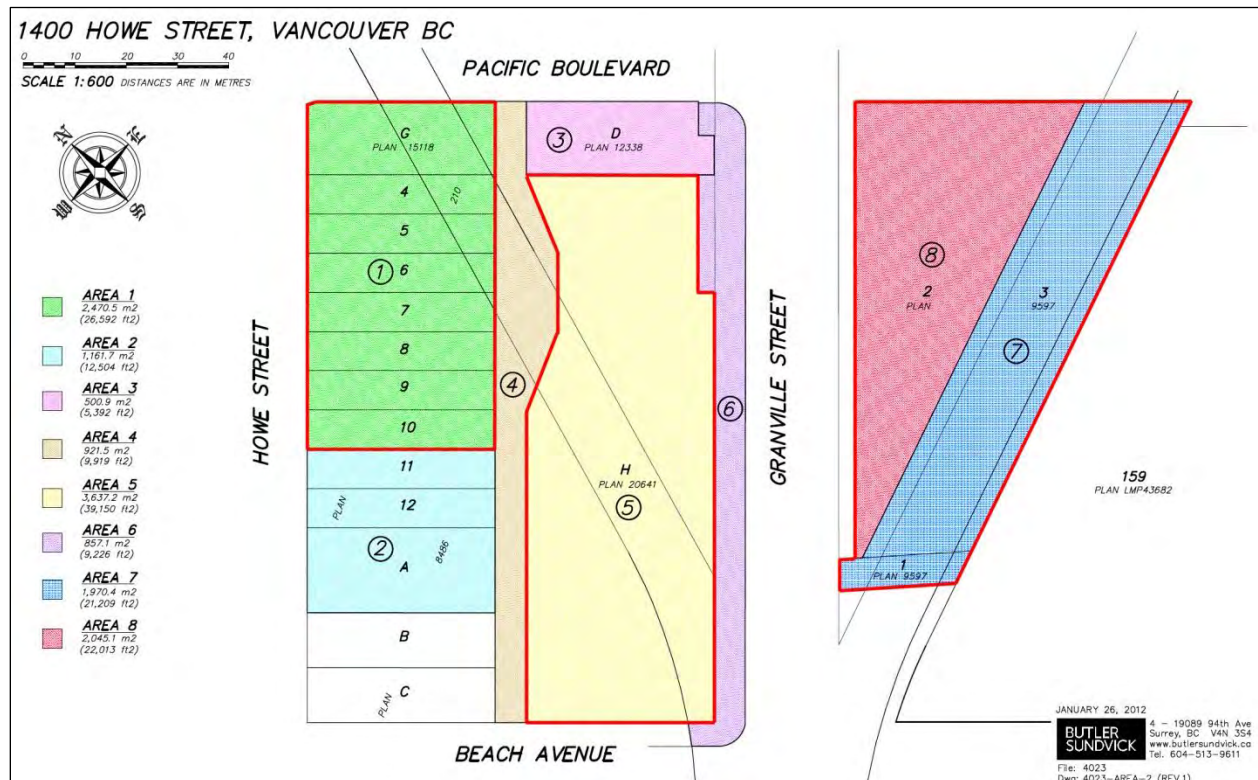
Location

The subject comprises 11 parcels located on the southeast corner of Howe Street and Pacific Street, on northwest corner of Granville Street and Beach Avenue, and on the southeast corner of Granville Street and Pacific Street, in the Downtown area of Vancouver, British Columbia.



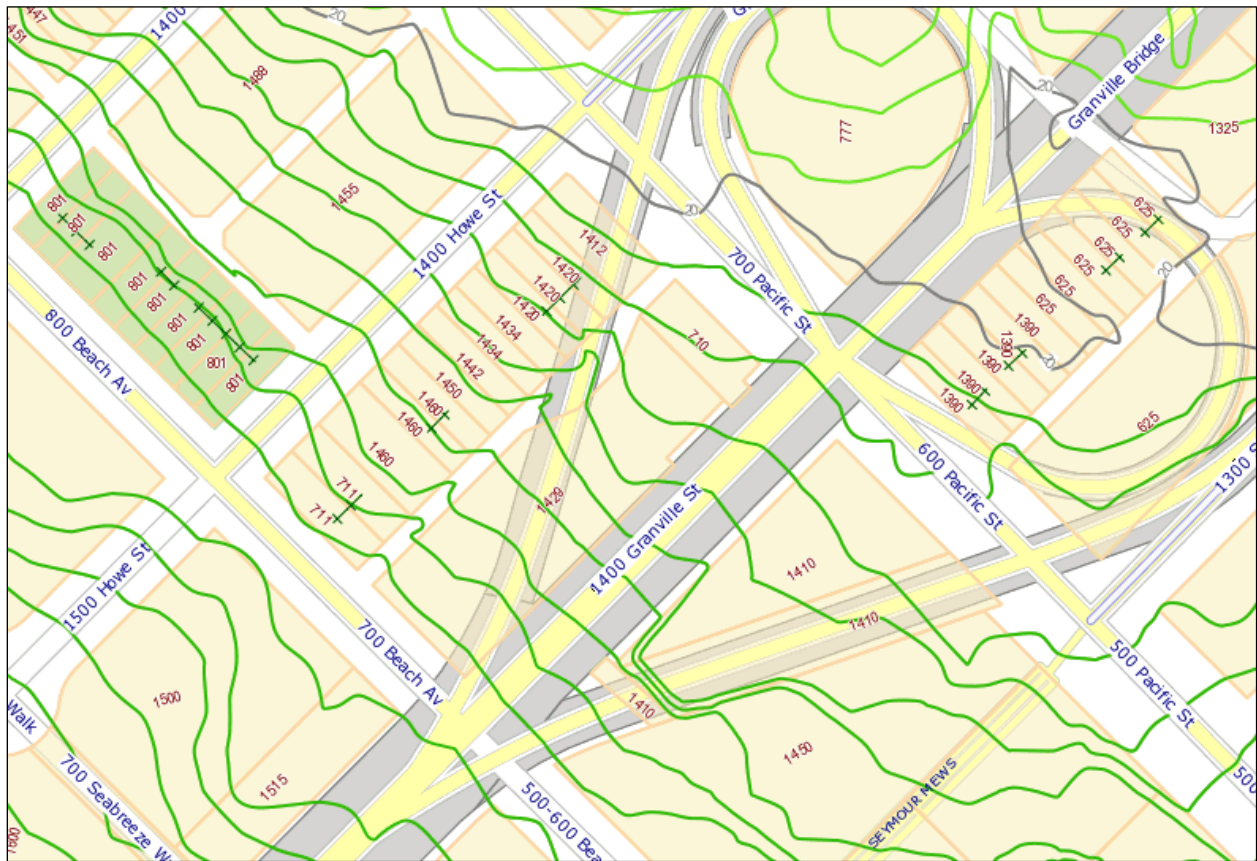
Shape and Size

The overall site comprises 11 parcels within three discontinuous sites. According to the survey prepared by Butler Sundvick, dated January 26, 2012, Area 1 (1412-1450 Howe Street) comprises eight rectangular parcels with a combined site area of 26,592 square feet, Area 5 (1429 Granville Street) comprises a single parcel with an area of 39,150 square feet, and Areas 7 and 8 (1410 Granville Street) comprise three parcels with a combined area of 43,222 square feet. The overall subject property measures 108,964 square feet or 2.501 acres.



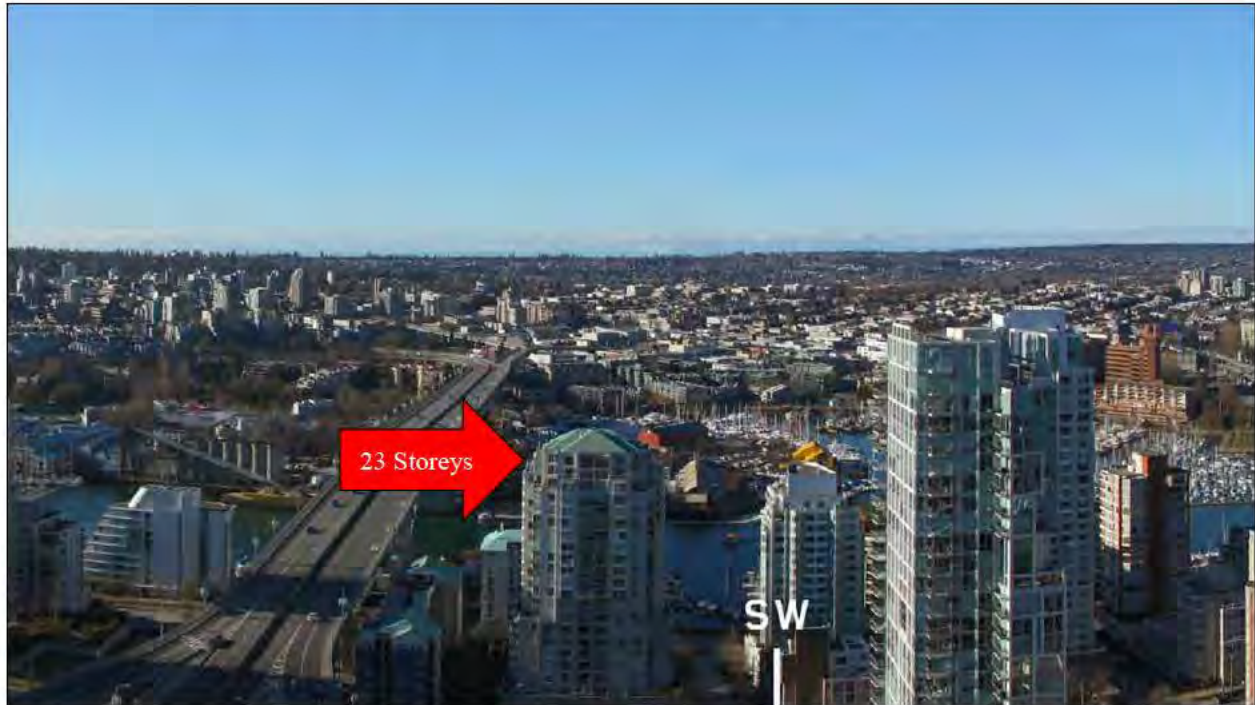
Topography

The overall site slopes down from northeast to southwest, with a total elevation change of approximately 9 metres or 30 feet from Pacific Street to Beach Avenue. Topographical features are conducive to the proposed use.



View Characteristics

The subject will offer very good views to the south and west from upper floor elevations. Northerly and easterly views will also be available. The images below represent the reported views available from the 36th floor of the proposed highrise Maddox, located at the southeast corner of Howe and Drake. The building directly south of the subject is 23 storeys.



We note that the Granville Bridge and its on and off ramps will restrict views from the lower elevations in certain directions. At the north end of the overall site, the bridge decks are approximately four storeys above ground level, while at the south end of the overall site, the bridge deck is approximately 10 storeys above ground level. In our view, the proximity to the bridge is detrimental to value, particularly for the commercial components, which are mostly below the grade of the bridge decks.

Soil Conditions

We have not been provided with a soil survey for the subject site and we have not commissioned one. For the objective of this report, we have assumed that the bearing, percolation and other characteristics of the land are adequate to permit development under the present land use controls, without undue and costly site preparation or engineering.

We did not observe any contaminants or hazardous materials at the property and do not have the knowledge or qualifications to detect the existence of such materials on or in the property. Our value estimate assumes that there are no contaminants or hazardous materials on, in, or near the property that would cause a loss in value. We recommend retaining an expert in these matters if doubt exists regarding the quality of the soils or groundwater.

Access

Access to the properties is currently available from Howe Street, Pacific Street and the portion of Granville Street that runs under the Granville Bridge. Upon redevelopment, surface parking will be provided along Granville Street and below the Granville Bridge on and off ramps. Primary access to the underground parking will be from Beach Avenue.

Commercial Exposure

Pacific Street is an arterial route that carries high volumes of vehicular traffic; however, at the present time it has very low volumes of pedestrian traffic. As the residential density in the area continues to increase and a higher quality of commercial uses are introduced to the area, we expect that pedestrian traffic will increase, providing good overall exposure to the subject properties.

Street Improvements

Pacific Street is asphalt-paved and offers four lanes of vehicle traffic, one lane of on-street parking on the south side of the road, an eastbound bike lane and a lefthand turning lane for westbound traffic turning onto Howe Street. It has concrete curbs and sidewalks on both sides, and a landscaped median



Pacific Street, looking west

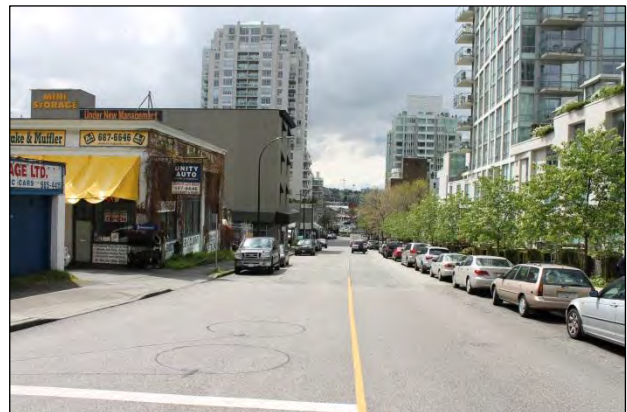


Pacific Street, looking east

Howe Street is asphalt-paved and two lanes in width, with concrete curbs and sidewalks and on-street vehicle parking along both sides of the road. Overhead streetlamps run along the east side of the road.

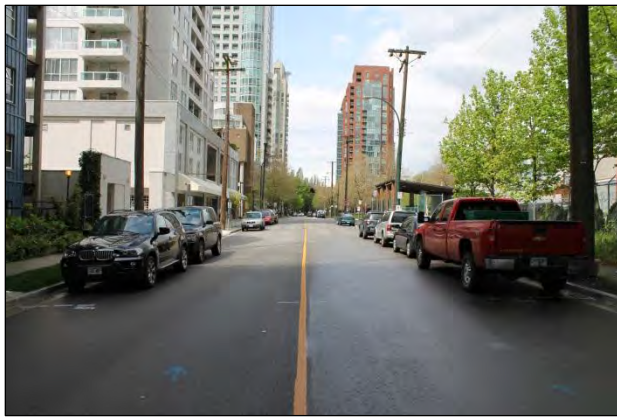


Howe Street, looking north



Howe Street, looking south

Beach Avenue is also asphalt-paved and two lanes in width, with concrete curbs and sidewalks and on-street vehicle parking along both sides of the road. Overhead street lamps run along both sides of the road.



Beach Avenue, looking west



Beach Avenue, looking east

Granville Street, which runs under the Granville Bridge, is also asphalt-paved and two lanes in width, with concrete curbs and sidewalks and on-street vehicle parking along both sides of the road.



Granville Street, looking north



Granville Street, looking south

Utilities

Utility services typical of an urban community are available in the area, including municipal water and domestic sewer, storm water drainage, electricity, natural gas, telephone and television cable.

Surrounding Developments

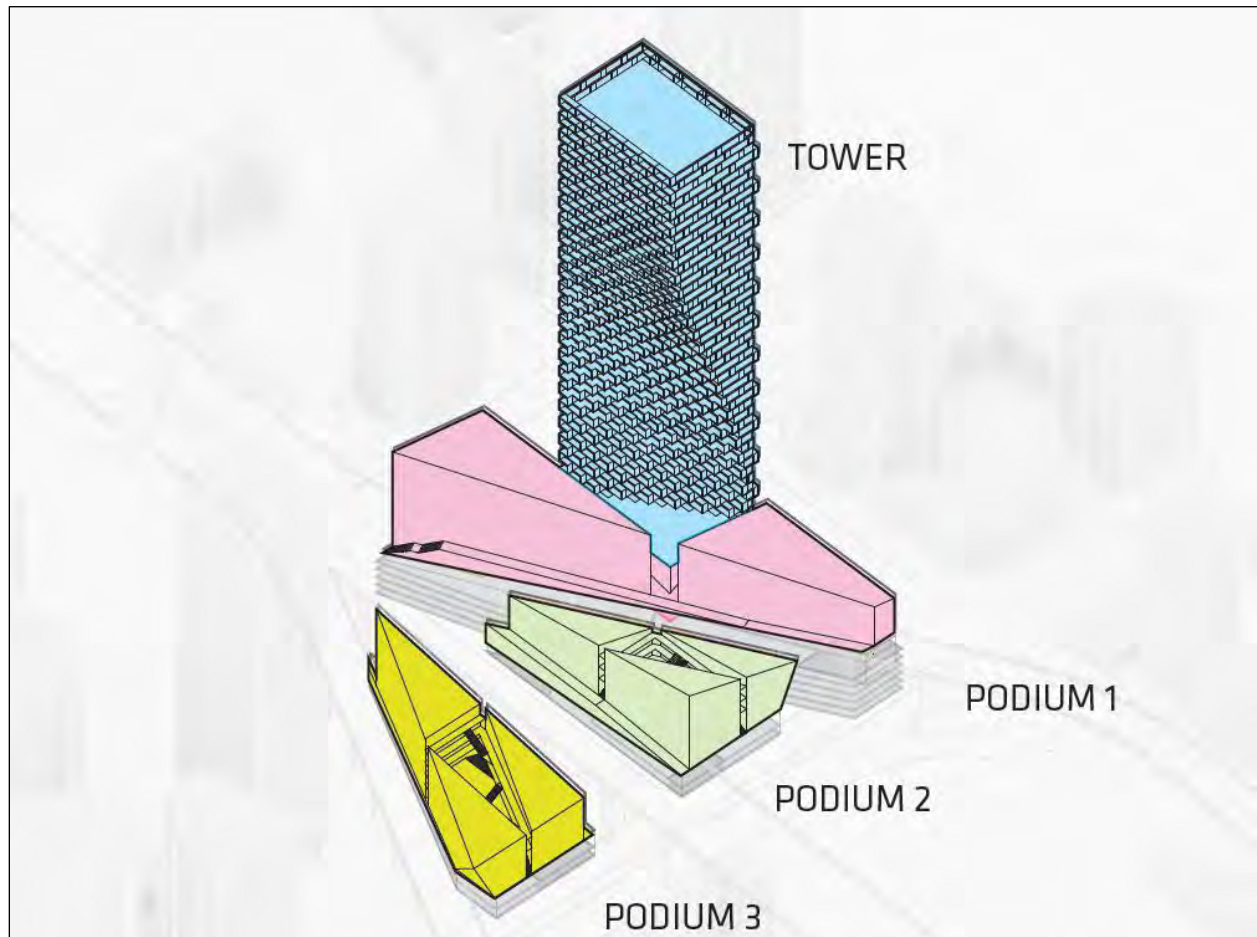


Immediately west of the subject is a modern residential high-rise development with a residential podium. Immediately south is an automotive repair building and a small natural-gas gas station. Residential high-rises are situated on the southeast and southwest corners of Howe Street and Beach Avenue and May & Lorne Brown Park is situated at the northwest corner of the intersection. Immediately north of the subject are two older buildings (one commercial and one residential) with large surface parking lots, each located within a “clover leaf” on and off ramp. Vacant sites situated immediately east and southeast of the subject, on the north and south sides of Beach Crescent, east of Granville Street.

Three residential high-rise developments are proposed or under construction approximately one block north of the subject: Salt is under construction at the southeast corner of Hornby Street and Drake Street; Maddox is under construction at the southeast corner of Howe Street and Drake Street; and a third proposed development is in the rezoning stage at the northwest corner of Howe Street and Drake Street.

The Proposed Development

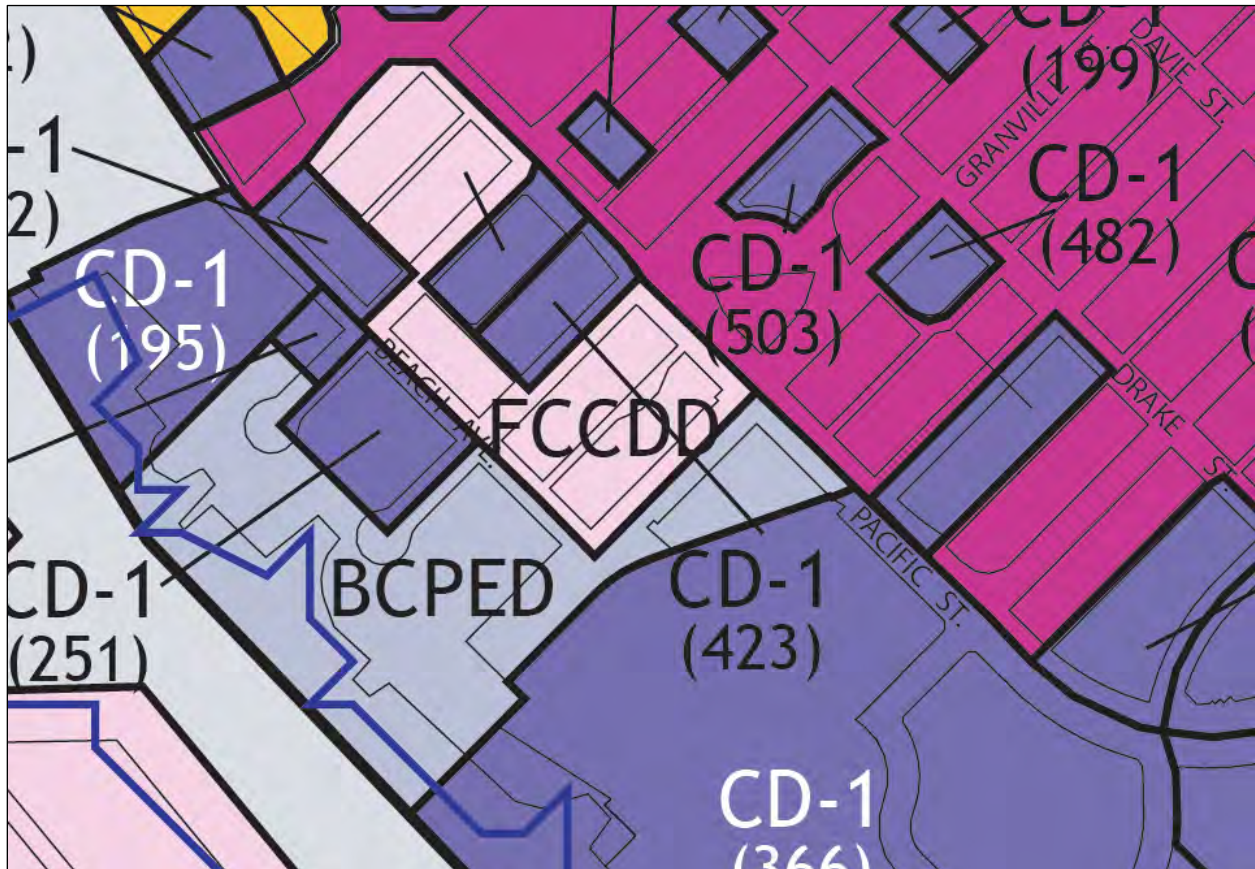
The subject is proposed for the development of a 49-storey residential high-rise with a commercial and rental residential podium, and two additional commercial podiums.



The project will include 420 strata residential units and 180 rental units. The overall FSR equates to 4.77, with the floor areas for the various components summarized as follows:

Component	Gross SF	Exclusions	Sub Total
Residential	441,589	16,800	424,789
Rental	68,240		68,240
Retail	67,797		67,797
Pool	7,140	7,140	0
Bike Storage	6,025		6,025
Mini Storage	12,875		12,875
Gym	9,430		9,430
Daycare	7,000	7,000	0
Office	63,890		63,890
Total	683,986	30,940	653,046

LAND USE CONTROLS



The subject property is zoned BCPED, BC Place/Expo District and FCCDD, False Creek Comprehensive Development District. For valuation purposes, we have been instructed to assume that the property has been rezoned to allow for a residential floor space ratio of 4.5 based on the site area of Area 1 (1412-1450 Howe Street), and a commercial floor space ratio of 1.36 based on the site area of Areas 5, 7 and 8 (1410 & 1429 Granville Street).

We have further assumed that a building height of at least 40 storeys is allowed on Area 1, as per the General Policy for Higher Buildings, amended February 1, 2011.

Municipal councils can change only some aspects of the land use controls that apply to certain properties. Provincial, regional and federal controls that also affect development include:

- environmental regulations,
- heritage policies,
- public health, building and fire codes, and
- highways and transit plans.

The mandate for this appraisal did not require research into all of the land use regulations that possibly apply. Further, existing land use controls do not always bind regulators, who can develop new policy and rescind or modify existing land use policies. Municipal planning officials and independent planning consultants can assist with specific questions on land use matters.

HIGHEST AND BEST USE

An accepted definition of highest and best use is:

[t]hat reasonably probable and legal use of vacant land or an improved property which is physically possible, appropriately supported, financially feasible, and that results in the highest value.³

The highest and best use of a property is an economic concept that measures the interaction of four criteria: legal permissibility, physical possibility, financial feasibility and maximum profitability. Estimating the highest and best use of a property is a critical appraisal component that provides the valuation context within which market participants and appraisers select and analyze comparable market information.

An appraiser considers the highest and best use of the property “as if vacant” separately from the highest and best use of the property “as improved”. This is because the highest and best use of the site, as if vacant and available for development, determines the value of the land, even if the property's existing improvements may not represent the highest and best use of the site.

An accepted definition of the highest and best use of land or site is:

the use among all reasonable alternative uses that yields the highest present land value, after payment for labour, capital and co-ordination. The conclusion assumes that the parcel of land is vacant or can be made vacant by demolishing any improvements.⁴

Again, we have been instructed to assume that the property has been rezoned to allow for a residential floor space ratio of 4.5 based on Area 1 (1412-1450 Howe Street), and a commercial floor space ratio of 1.36 on Areas 5, 7 and 8 (1410 & 1429 Granville Street).

For the purposes of our analysis, we have assumed that the non-financial title limitations do not restrict the use of the site beyond the restraints of the land use controls.

³ Canadian Uniform Standards, 12.34.1.

⁴ Ibid, 12.34.5.

Market values and rents for multiple-family residential and commercial properties in the neighbourhood are sufficient to retire the cost of construction, adequately compensate the developer and to provide a positive return to the underlying land.

The site size, utility servicing, exposure and topography generally suit the requirements of development. Based on the surrounding development pattern we have assumed that soil conditions could support development as contemplated under the land use controls without undue or costly site preparation.

Consequently, we conclude that the highest and best use of the site, as if vacant and available, entails multiple-family and commercial development at the maximum allowable floor space ratios, as municipal policy and market conditions permit.

VALUATION

Introduction

The mandate for this appraisal entails an estimate of market value for internal purposes. We have been instructed to estimate the value of the underlying land assuming that Area 1 (1412-1450 Howe Street) has been rezoned to allow for a residential floor space ratio of 4.5, and that Areas 5, 7 and 8 (1410 & 1429 Granville Street) have been rezoned to allow for a commercial floor space ratio of 1.36. Individual valuations have been requested for the residential and commercial components.

An appraiser may value land that is vacant and available for development in various ways:

- 1) Direct comparison
- 2) Allocation
- 3) Extraction
- 4) Income capitalization, divided into two direct capitalization techniques:
 - a) Land residual technique, and
 - b) Ground rent capitalization
- 5) Two yield capitalization techniques:
 - a) Discounted cash flow analysis (subdivision development analysis), and
 - b) Leased fee/leasehold valuation

Direct comparison is a commonly used method, relating current market activity to the site being valued. Allocation, employed when comparable sales evidence is scarce, relies upon a typical land-value-to-property-value ratio. Extraction, a variety of abstraction, deducts the depreciated value of the buildings from a sale price to show vacant land value. The direct capitalization techniques entail the capitalization of income from a single year of property operation. Land residual allocates net revenue from an improved property into its component parts of first, the building, with the residual to the land. Ground rent capitalization converts net lease payments into capital value. The yield capitalization technique explicitly recognizes time-value-of-money considerations. Subdivision development applies to undeveloped acreage where a potential urban development represents the highest and best use of the land. The analysis considers cash flows over the construction and the marketing stages.

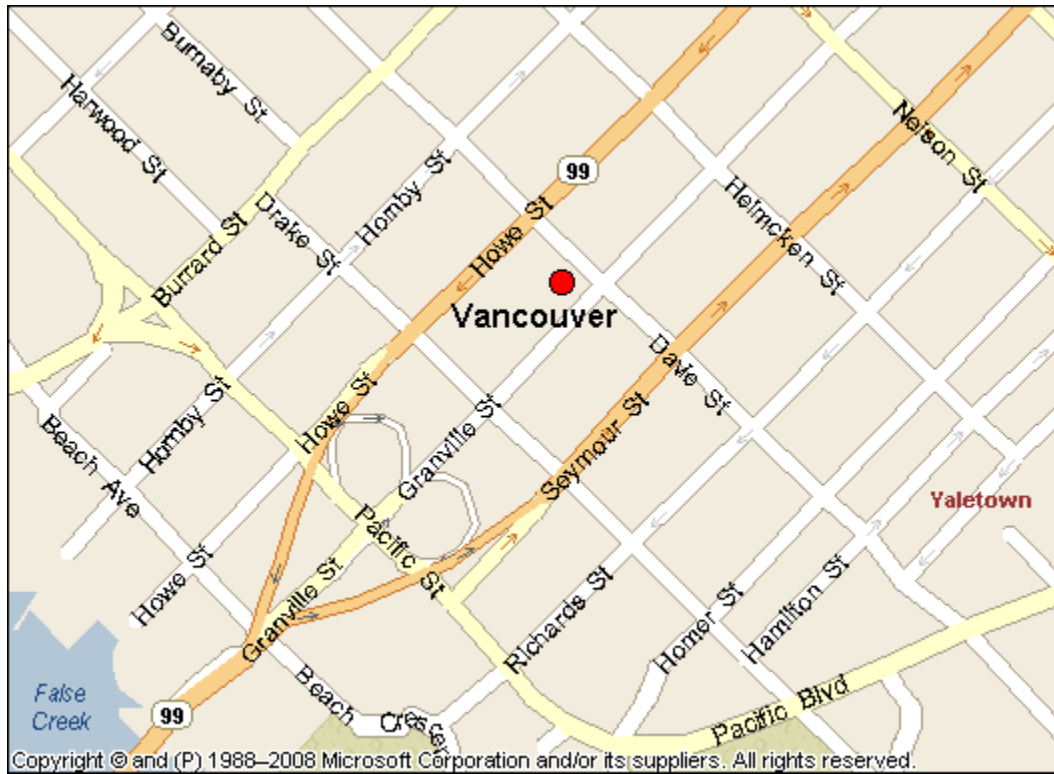
Land Valuation - Residential Component

Where sufficient data are available, direct comparison is a commonly used method to estimate the market value of land as if vacant and available for development. This technique entails a comparative analysis of transactions involving essentially similar properties and market conditions. We surveyed the Downtown area for evidence of sales, listings or offers to purchase on properties that provide useful benchmarks of value for the subject property with an emphasis on:

- recent transactions;
- similar in size and shape;
- similar zoning; and,
- location.

The result of our research is summarized as follows:

Index No. 1 (Residential)



Index No. 1 (Residential)

Property Identification

Address	700-730 Davie Street, Vancouver
Neighbourhood	Downtown
Legal Description	Strata Lots 1-5, District Lot 541, Group 1, Strata Plan LMS3307
PID	024-198-838, 024-198-846, 024-198-854, 024-198-862 and 024-198-871

Land Data

Lot Size	6,000 square feet or 0.138 acres
Zoning	DD, Downtown District (Sub-Area K-3 – Max. FSR of 3.5)

Building Data

Leaseable Area	4,562 square feet
Year Built	1998

Sale Data

Date	Closed July 2010
Price	\$5,190,003
Vendor	Edi & G Investments Inc.
Purchaser	Robson Properties Ltd.

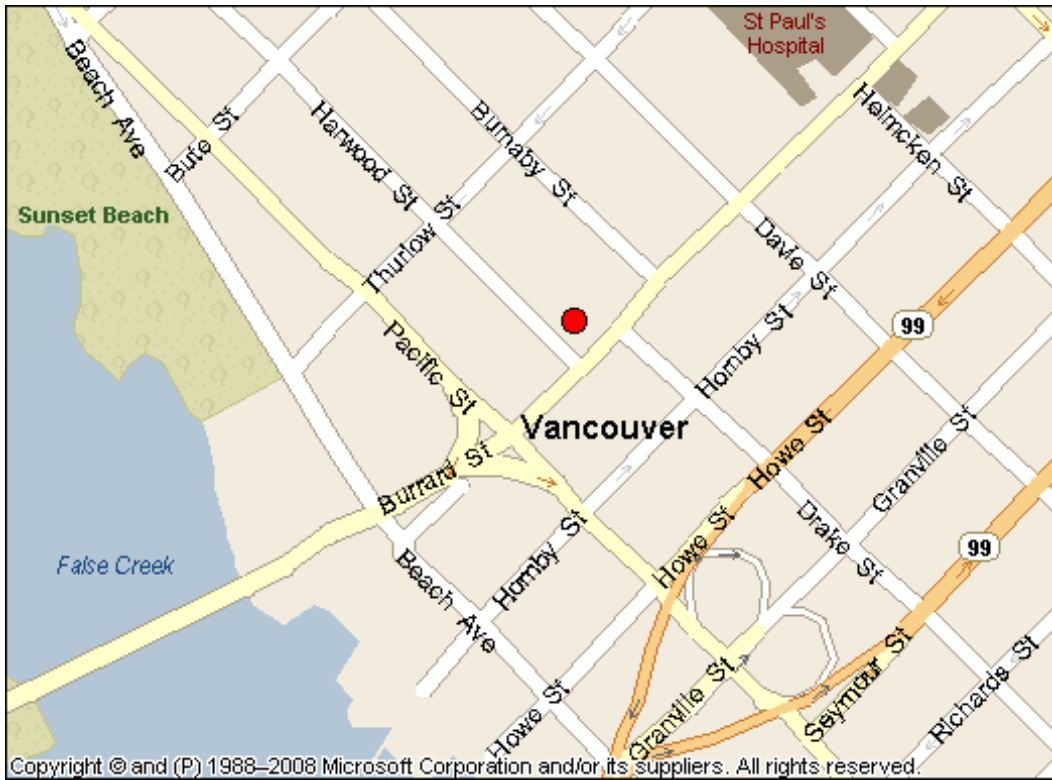
Remarks

A five tenant, strata-titled retail development located at the southwest corner of Davie Street and Granville Street. Rents range from \$45 to \$55 per square foot net while tenancies range from 570 to 1,552 square feet. Holding income of \$213,148.

Indicators

Price/SF of Site	\$865.00
Price/Buildable SF	\$247.14 (based on 3.5 Allowed)

Index No. 2 (Residential)



Index No. 2 (Residential)

Property Identification

Address	1305 & 1355 Burrard Street and 1009 Harwood Street, Vancouver
Neighbourhood	Downtown
Legal Description	Lot C of Lots 17 and 18, Block 12, District Lot 185, Plan 855 Lot E (See 487560L) of Lots 17 and 18, Block 12, District Lot 185, Plan 855 Lots A & B, Except: The West 26 Feet of Lots 17 and 18; Block 12, District Lot 185, Plan 855
PID	015-089-797, 015-089-801, 015-089-762 and 015-089-771

Land Data

Lot Size	99 feet by 131 feet = 12,969 square feet or 0.298 acres
Zoning	DD, Downtown District (Sub-Area N – Max. FSR of 5.0)

Sale Data

Date	Closed September 2010
Price	\$7,500,000
Instrument Number	CA 1729127/28 and CA 1729179/80
Vendor	Omni Q Holdings Inc.
Purchaser	Amacon Development Corp.

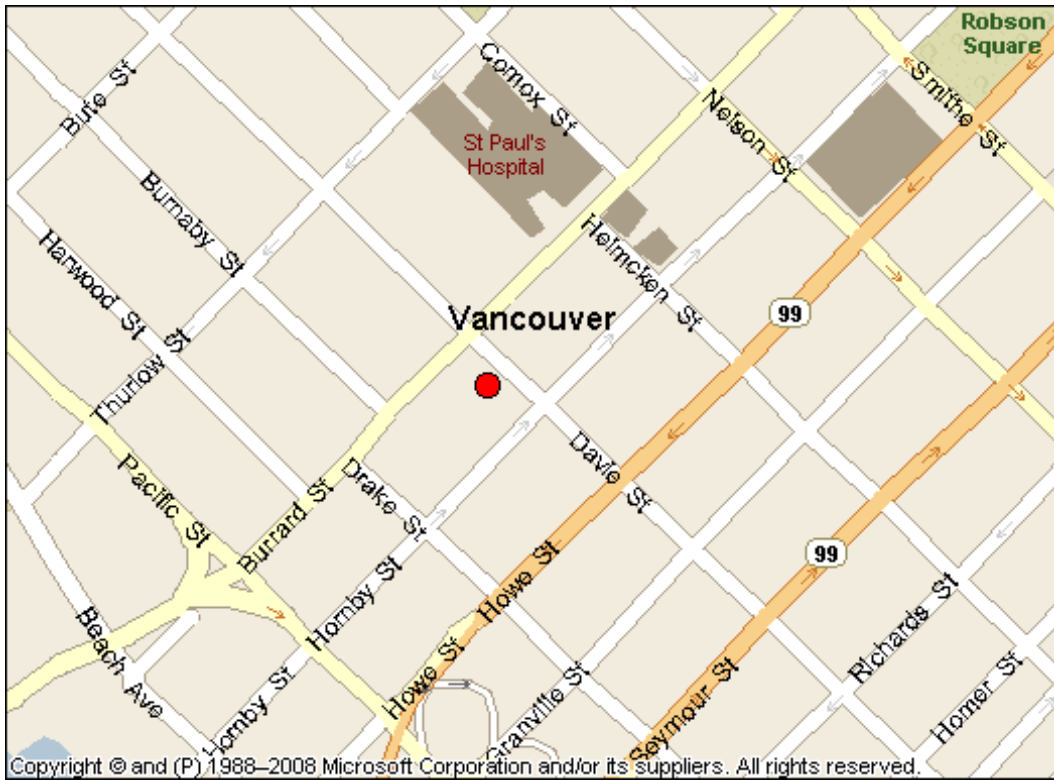
Remarks

A four lot assembly located at the northeast corner of Burrard Street and Harwood Street. The property was improved with a two-storey commercial building occupied by Commercial Electronics Ltd. The purchaser was hoping to rezone the site to allow for a 7.0 floor space ratio. The price displayed does not include the purchase of the business a \$1,970,000 - an adjusted price of \$9,470,000.

Indicators

Price/SF of Site	\$730.20
Price/Buildable SF	\$146.04 (based on 5.0 Allowed)

Index No. 3 (Residential)



Index No. 3 (Residential)

Property Identification

Address	916 Davie Street, Vancouver
Neighbourhood	Downtown
Legal Description	Lot 34, Block 100, District Lot 541, Plan 210 Lot B (Reference Plan 118) of Lots 35 to 38, Block 100, District Lot 541, Plan 210
PID	015-480-496 and 015-480-631

Land Data

Lot Size	7,000 square feet or 0.161 acres
Zoning	DD, Downtown District (Sub-Area N – Max. FSR of 5.0)

Sale Data

Date	Closed December 2010
Price	\$5,500,000
Instrument Number	CA 1843870/71
Vendor	Technicolor Color Creative Services Canada Inc.
Purchaser	Reliance Holdings Ltd. (Rattenbury Enterprises Ltd.)

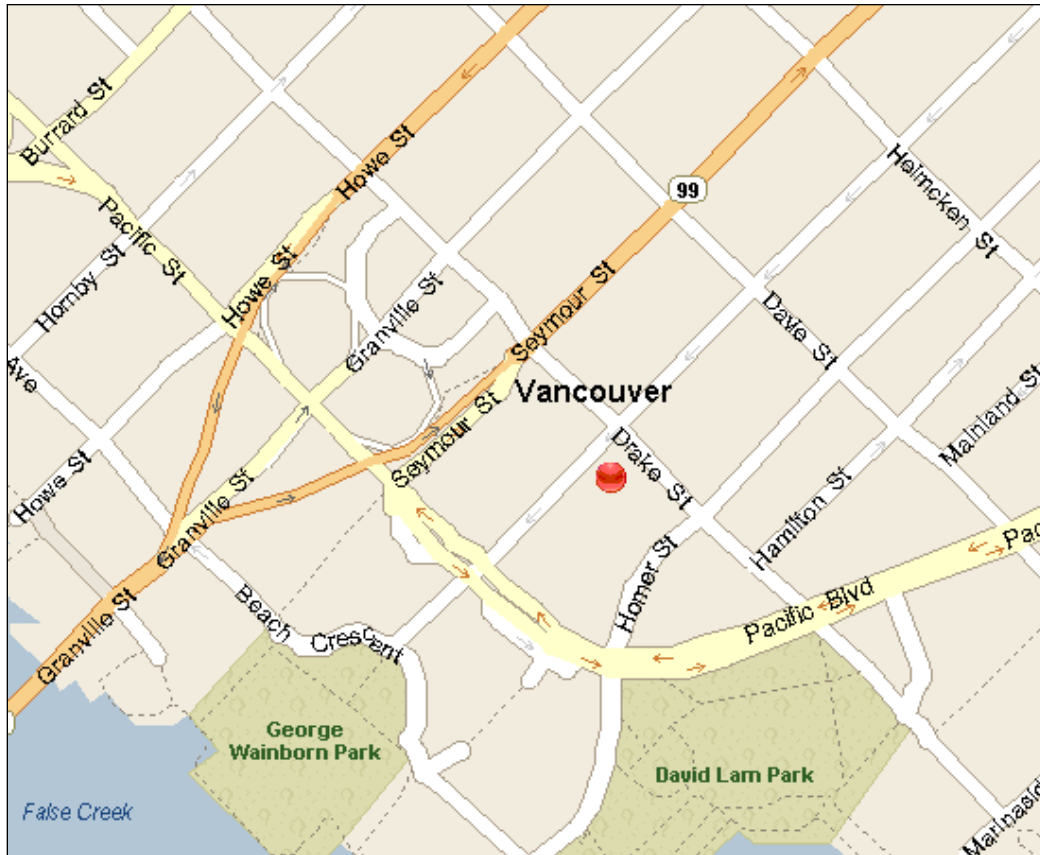
Remarks

A T-shaped, two-lot assembly fronting Davie Street and Hornby Street. The purchaser secured the adjoining 1229, 1233 and 1247/51 Hornby Street between August 2003 and July 2009. 1229 Hornby Street, a 3,000 square foot site that abuts the site to the south, closed in July 2009 for \$2,050,000 or \$683.33 per square foot of site (\$136.67 per buildable square foot).

Indicators

Price/SF of Site	\$785.71
Price/Buildable SF	\$157 (based on 5.0 Allowed)

Index No. 4 (Residential)



Index No. 4 (Residential)

Property Identification

Address	1320 Richards Street, Vancouver
Legal Description	Lot B, Block 115, District Lot 541, Plan 5210
PID	008-236-267

Land Data

Lot Size	100' x 100' = 10,000 square feet
Zoning	DD, Downtown District (area L1 – FSR – 5.00 max)

Sale Data

Date	January 2011 (closed)
Price	\$8,750,000
Property Rights	Fee simple
Vendor	613952 BC Ltd.
Purchaser	Wall Financial Corp. (0888189 B.C. Ltd)

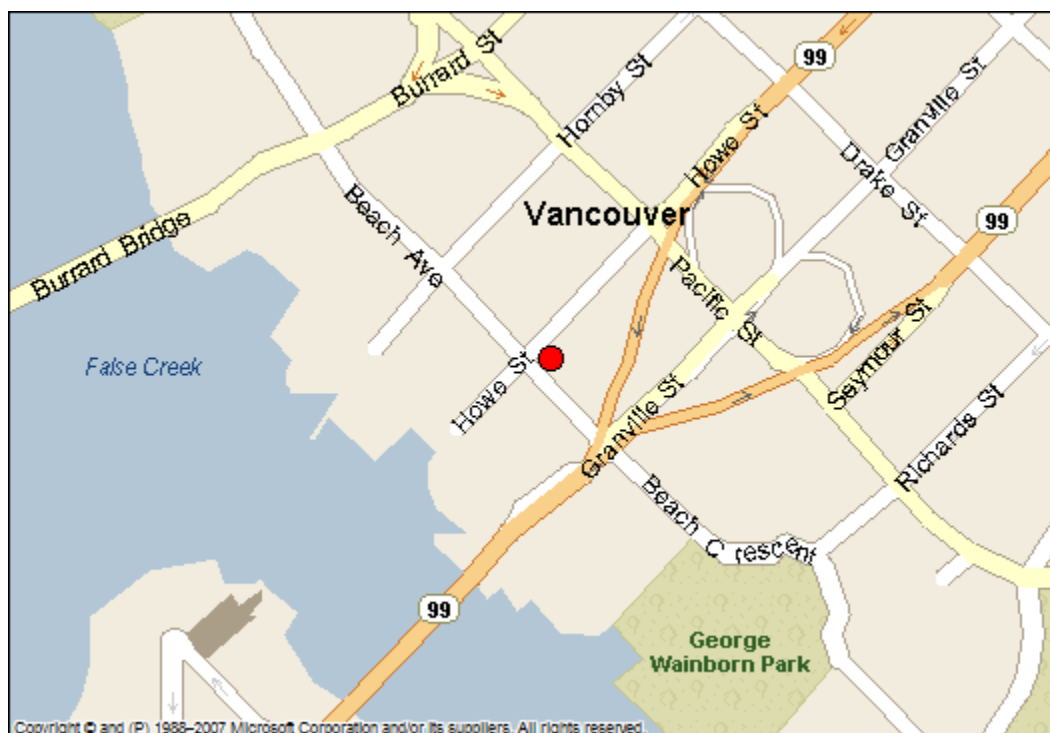
Remarks

Interior site improved with a one-storey plus mezzanine building of 14,500± square feet, used as a nightclub. Assembled with 1300 Richards Street and proposed for rezoning to allow for an 11.9 FSR development with a small retail component.

Indicators

Price/SF Site	\$875
Price/SF Bldg.	\$175 (5.0 FSR assuming assembly)

Index No. 5 (Residential)



Index No. 5 (Residential)

Property Identification

Address	711 Beach Avenue, Vancouver
Legal Description	Lots B & C, Block 122, District Lot 541, Plan 8486
PID	010-068-198, 010-068-201

Land Data

Lot Size	8,400 square feet or 0.193 acres
Zoning	FCCDD, Comprehensive Development District for the False Creek Area
Frontage	120 ft along Beach Avenue, 70 ft along Howe Street:

Sale Data

Date	Closed June 2011
Price	\$6,500,000
Instrument Number	BB 1760516 & BB 1760515
Vendor	Beach Place Ventures Ltd.
Purchaser	0904595 B.C. Ltd.

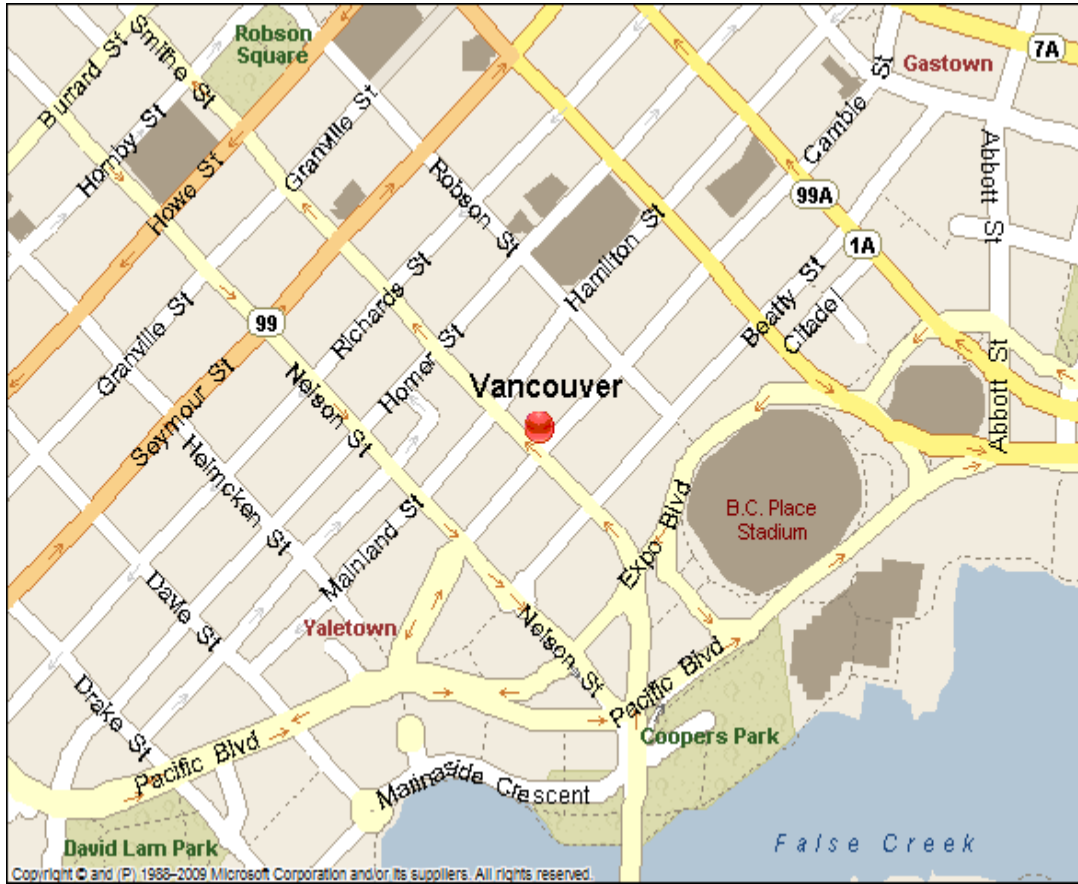
Remarks

At the time of sale the properties were improved with one single-storey, single tenant commercial building, and a service station. The property was formerly utilized to operate an auto repair business and a service station (Beach City Auto Center). The site is located immediately south of the proposed high-rise project known as "Beach and Howe" on the west side of Granville Bridge. This project has a proposed FSR 4.80. The property transfer was the result of a direct deal between the Vendor and the Purchaser, no agents or brokers were used.

Indicators

Price/SF (Land)	\$773.81
Price/SF (Buildable)	\$161.21
Max FSR	4.80 (based on adjacent Beach and Howe development)

Index No. 6 (Residential)



Index No. 6 (Residential)

Property Identification

Address	891 Cambie Street & 225 Smithe Street, Vancouver
Legal Description	Lots 20 to 24 Inclusive, Block 67, District Lot 541, Plan 210
PID	015-457-770, 015-457-788, 015-457-826, 015-457-851, 015-457-877

Land Data

Lot Size	12,500 square feet or 0.287 acres
Zoning	DD, Downtown District (area C3 – FSR – 5.00 max)
Frontage	125 ft. along Cambie Street 100 ft. along Smithe Street

Sale Data

Date	Closed August 2011
Price	\$11,600,000
Instrument Number	CA 2172275
Vendor	Smithe Residences Ltd. - James Schouw, ASO
Purchaser	Boffo Developments Ltd. (Boffo Developments (Smithe) Ltd.)
Sales History	Closed June 2008 (closed) for \$12,000,000

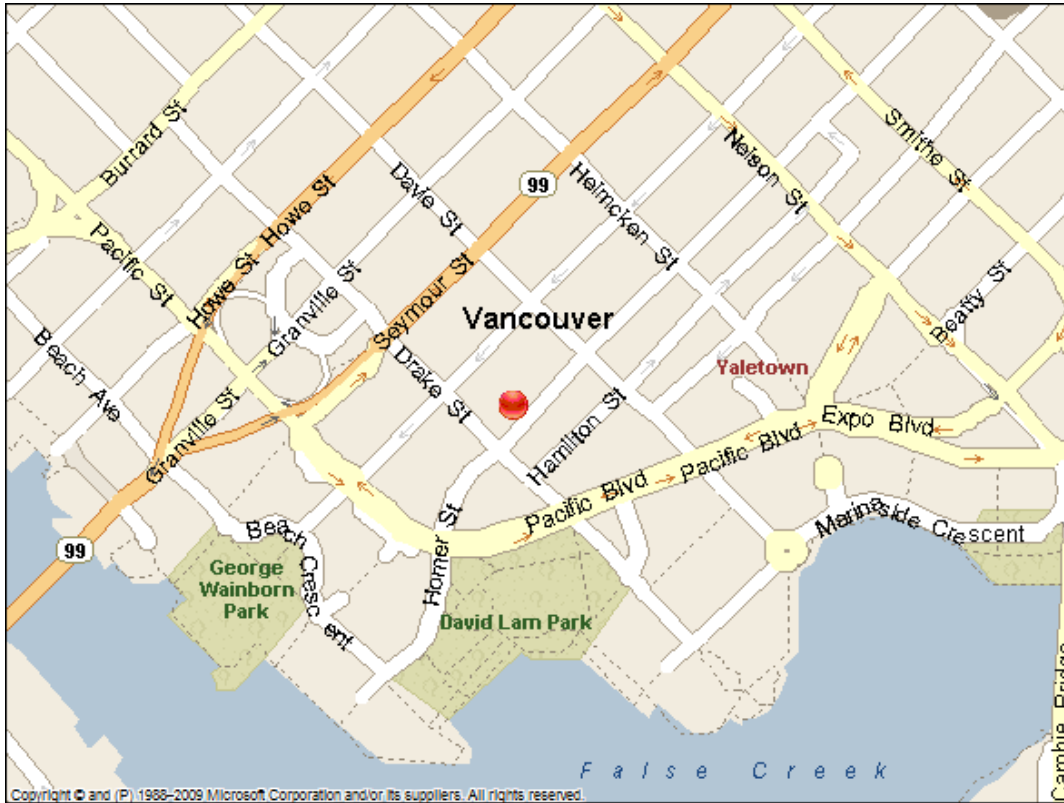
Remarks

Northwest corner at Cambie and Smithe Streets, improvements of no value.

Indicators

Price/SF (Land)	\$928.00
Price/SF Bldg	\$185.60
Max FSR (Zoning)	5.000

Index No. 7 (Residential)



Index No. 7 (Residential)

Property Identification

Address	1251-1271 Homer Street, Vancouver
Legal Description	Parcel A (Being A Consolidation of Lots 26 & 27, see BB998742), Block 105, District Lot 541, Group 1, NWD Plan 210 Lot 25, Block 105, District Lot 541, Plan 210
PID	011-353-023, 027-619-613

Land Data

Lot Size	9,000 square feet or 0.207 acres
Zoning	DD, Downtown District (area L1 – FSR – 5.00 max)
Frontage	75 ft along Homer Street

Sale Data

Date	Closed August 2011
Price	\$6,600,000
Instrument Number	CA 2160406 & CA 2160407
Vendor	Homer Street Residences Ltd. - James Schouq, ASO
Purchaser	Boffo Developments Ltd. (Boffo Developments (Homer) Ltd.)

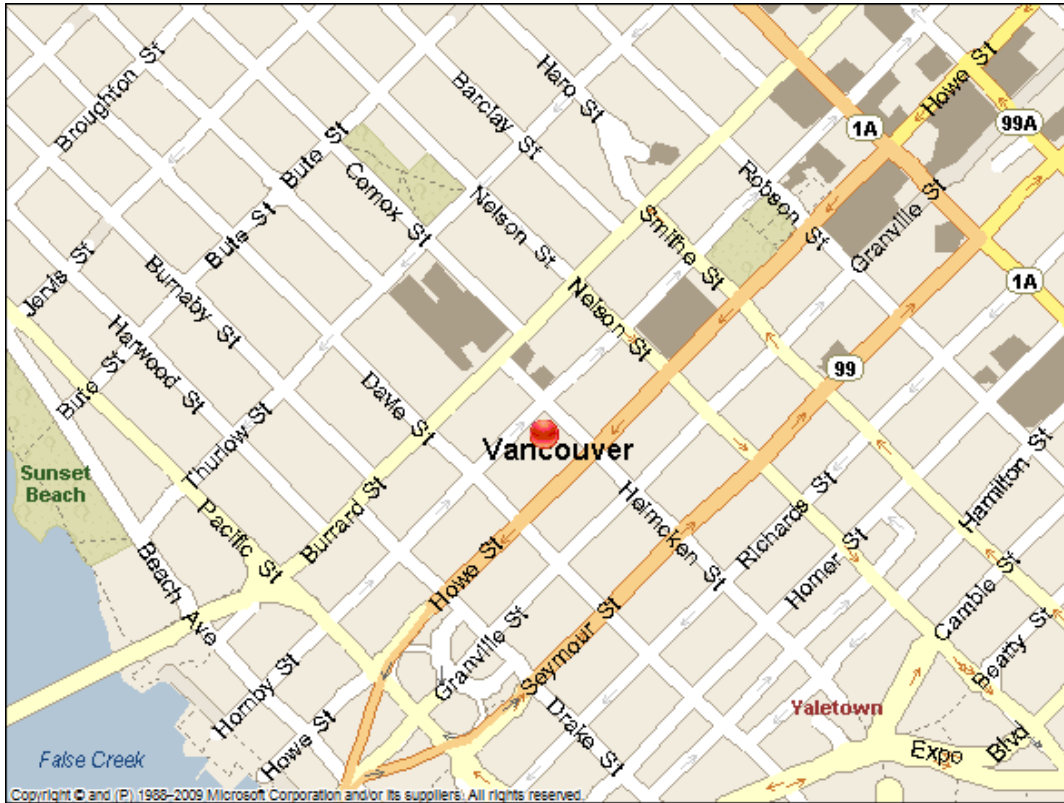
Remarks

One level building. Land value only.

Indicators

Price/SF (Land)	\$733.33
Price/SF Bldg	\$146.67 (5.0 FSR assuming assembly)

Index No. 8 (Residential)



Index No. 8 (Residential)

Property Identification

Address	1102-1116 Hornby Street, Vancouver
Legal Description	Lot 4, Block 91, District Lot 541, Plan 210 Lot 39, Block 91, District Lot 541, Plan 11801
PID	009-005-471, 007-176-791

Land Data

Lot Size	12,000 square feet or 0.275 acres
Zoning	DD, Downtown District (area M – FSR – 3.00 max)
Frontage	120 ft along Helmcken Street 100 ft along Hornby Street

Sale Data

Date	Closed August 2011
Price	\$7,750,000
Instrument Number	CA 2172271 & CA 2172272
Vendor	Hornby Residences Ltd. - James Schouw, ASO
Purchaser	Boffo Developments Ltd. (Boffo Developments (Hornby) Ltd.) - Harry Tomyn, Lawyer

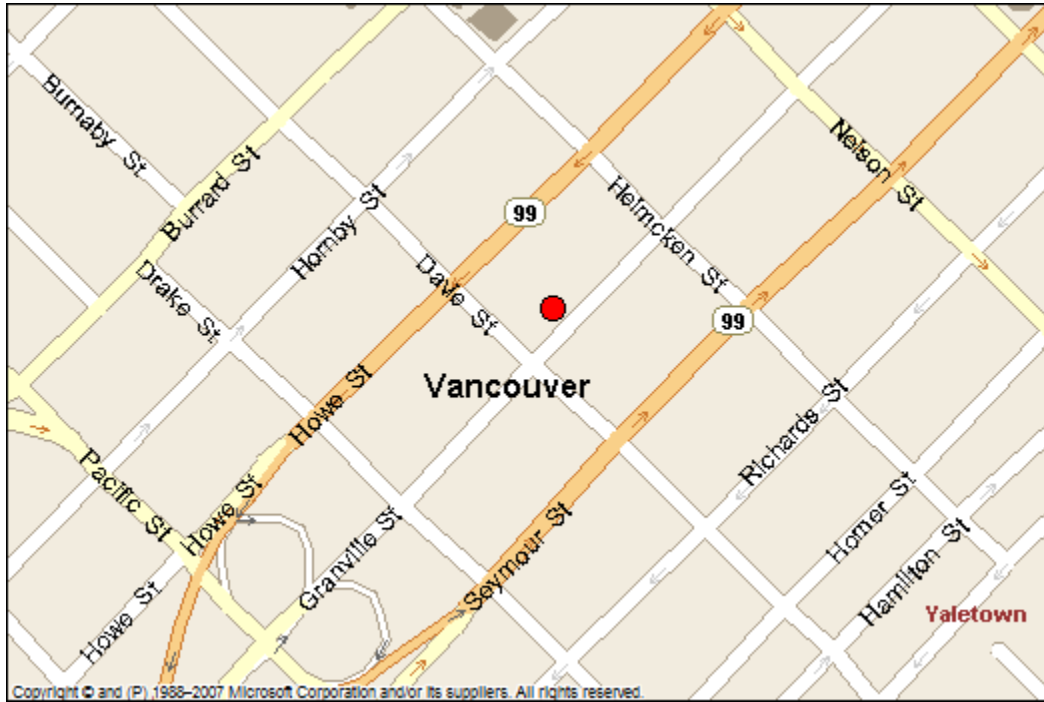
Remarks

Land only, vacant site, south east corner at Helmcken Street. In 2008, the site was proposed for the development of a six storey, 21-unit residential development with a maximum FSR of 3.0 (not including a heritage density bonus).

Indicators

Price/SF (Land)	\$645.83
Price/SqFt Bldg	\$215.28
Max FSR (Zoning)	3.000

Index No. 9 (Residential)



Index No. 9 (Residential)

Property Identification

Address	1175 Granville Street, Vancouver
Legal Description	Lots 22 & 23, Block 92, District Lot 541, Plan 210
PID	015-483-371, 015-483-410

Land Data

Lot Size	6,000 square feet or 0.138 acres
Zoning	DD, Downtown District (area K3 - 3.5FSR)
Frontage	50 ft along Granville Street

Sale Data

Date	Closed October 2011
Price	\$3,800,000
Instrument Number	CA 2245595 & CA2245596
Vendor	Peter Chu & Associates Inc. - Norman Chu, ASO
Purchaser	Staburn Property Group (Staburn Granville Investments Ltd.)

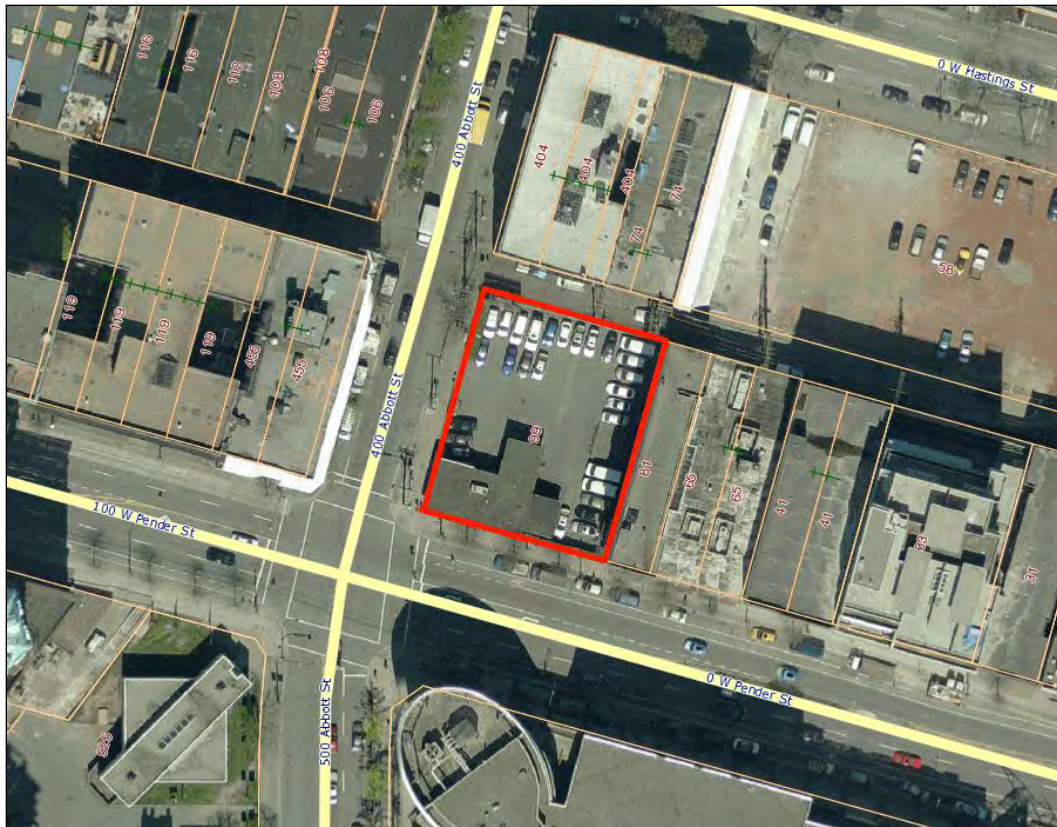
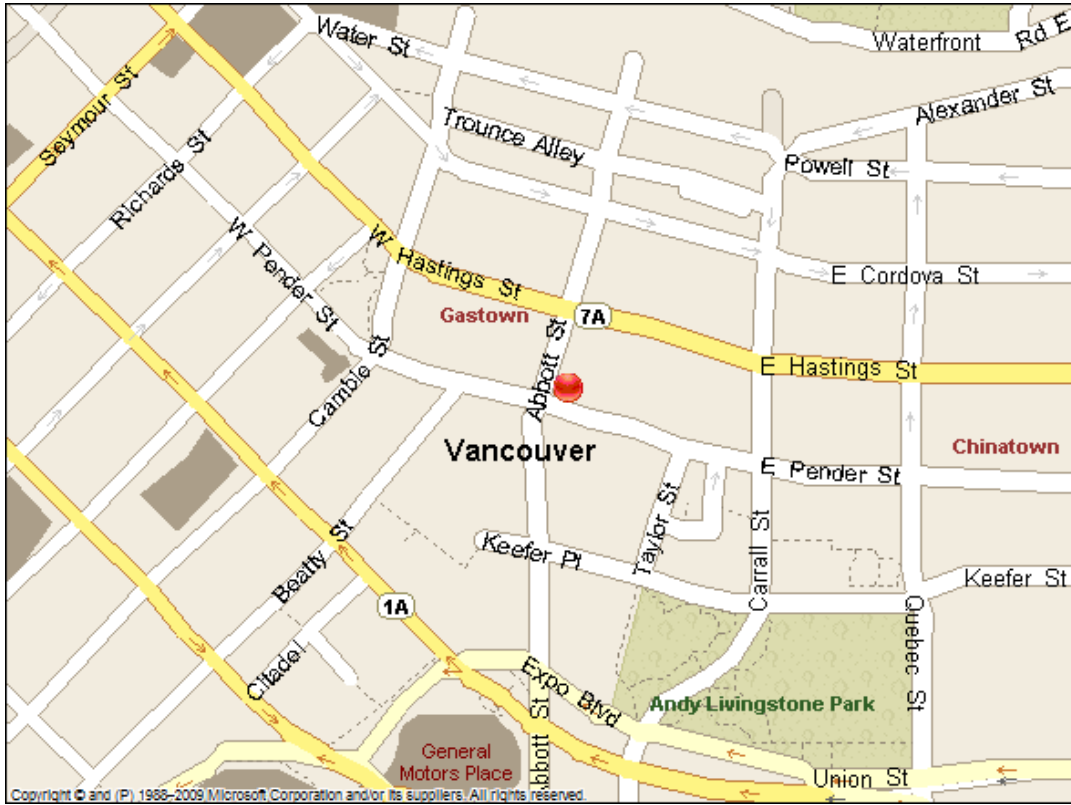
Remarks

Located on the west side of Granville Street, north of Davie Street. The properties are improved with two, two-storey, multi-tenant retail buildings of limited contributory value. The buildings contain a total gross leasable area of approximately 5,500 square feet, including two ground floor retail units of approximately 1,400 square feet each, and 2,700 square feet of second floor residential space contained in two, one-bedroom units and one two-bedroom unit.

Indicators

Price/SF (Land)	\$633.33
Price/SF Bldg	\$180.95
Max FSR (Zoning)	3.500

Index No. 10 (Residential)



Index No. 10 (Residential)

Property Identification

Address	99 West Pender Street, Vancouver
Legal Description	Lot D (Explanatory Plan 9364), Block 29, District Lot 541, Plan 210
PID	015-500-357

Land Data

Lot Size	12,002 square feet or 0.276 acres
Zoning	DD, Downtown District (area C-2 - FSR 5.0)
Frontage	100 ft along West Pender Street 120 ft along Abbott Street

Sale Data

Date	Closed November 2011
Price	\$8,300,000
Instrument Number	CA 2293195
Vendor	Salient Group (Salient Holdings (99 Pender) Ltd.) - Robert Fung, ASO
Purchaser	Kenstone Properties (Kenstone (W. Pender) Properties Ltd.) - Ken Liang, ASO
Sales History	Sold June 2006 (closed) for \$3,400,000

Remarks

Northeast corner at Abbott Street, essentially vacant site.

Indicators

Price/SF (Land)	\$691.55
Price/Acre (Land)	\$30,123,979
Max FSR (Zoning)	5.000

Summary Table

Index	Address	Date	Price	Size (SF)	DD Area	FSR	\$/BSF
1	700-730 Davie Street	Jul-10	5,190,003	6,000	K-3	3.5	247
2	1305 & 1355 Burrard Street	Sep-10	9,470,000	12,969	N	5.0	146
3	916 Davie Street	Dec-10	5,500,000	7,000	N	5.0	157
4	1320 Richards Street	Jan-11	8,750,000	10,000	L-1	5.0	175
5	711 Beach Avenue	Jun-11	6,500,000	8,400	-	4.8	161
6	891 Cambie Street	Aug-11	11,600,000	12,500	C-3	5.0	186
7	1251-1271 Homer Street	Aug-11	6,600,000	9,000	L-1	5.0	147
8	1102-1116 Hornby Street	Aug-11	7,750,000	12,000	M	3.0	215
9	1175-1183 Granville Street	Oct-11	3,800,000	6,000	K-3	3.5	181
10	99 West Pender Street	Nov-11	8,300,000	12,000	C-2	5.0	138
	Minimum		3,800,000	6,000			138
	Median		7,175,000	9,500			168
	Mean		7,346,000	9,587			175
	Maximum		11,600,000	12,969			247

The ten comparables sold between July 2010 and November 2011 at prices ranging from \$3,800,000 to \$11,600,000. Sizes range from 6,000 to 12,969 square feet, as compared to the subjects residential component of 26,592 square feet. Maximum floor space ratios range from 3.0 to 5.0 and rates per buildable square foot range from \$138 to \$247, with a central tendency in the order of \$170.

Index No. 1, which sold in July 2010 for \$247 per buildable square foot, is a clear upper limit for the subject due to the location at a busy intersection and the substantial income that was generated by the improvements in place.

Index No. 2, which sold in September 2010 for \$146 per buildable square foot, is a lower limit due to improvements in market conditions since the date of sale.

Index No. 3, which sold in December 2010 for \$157 per buildable square foot, is another lower limit for the subject due to the need for assembly.

Index No. 4 has a superior location in close proximity to Yaletown, however, this factor is offset by the need for assembly in order to achieve a 5.0 FSR. The rate per buildable square foot,

assuming assembly can be achieved, is \$175 per square foot. The rate per buildable square foot in its current configuration equates to \$291 per buildable square foot at a 3.0 FSR, a clear upper limit for the subject.

Index No. 5 is a useful indicator as it is located immediately adjacent to the proposed subject development, at the northeast corner of Beach Avenue and Howe Street. It sold in June 2011 for \$6,500,000. Based on the proposed FSR on the subject site of 4.8, this rate equates to \$161 per buildable square foot. A higher rate is appropriate for the subject, as it represents an assembled site with assumed rezoning in place.

Index No. 6, which sold in August 2011 for \$185 per buildable square foot, is another useful indicator for the subject. While the subject is situated in closer proximity to the waterfront and will offer superior views, these factors are roughly offset by its close proximity the Granville Bridge.

Index No. 7 has a superior location in close proximity to Yaletown; however, the indicated rate of \$147 per buildable square foot is a lower limit due to the need for assembly in order to achieve a 5.0 FSR. If assembly is not achieved, the buildable rate based on a 3.0 FSR equates to \$244, a clear upper limit for the subject.

Index No. 8 represents a potential development site that was previously proposed for a 3.0 FSR development without assembly. Assuming that this is the highest and best use, the applicable rate equates to \$215 per buildable square foot. This is a clear upper limit due to the lower floor space ratio and the subject's close proximity to the Granville Bridge.

Index No. 9 refers to a development site located on the west side of Granville Street that sold in October 2011 for \$181 per buildable square foot. While the site is not highly comparable to the subject the rate is a useful indicator for the subject; the subject's superior view potential is offset by its close proximity to the Granville Bridge, and the higher floor space ratio is offset by the larger size.

Index No. 10, which sold in November 2011 for \$138 per buildable square foot, is a clear lower limit due to the inferior location and view potential.

In addition to the nine comparables presented above, we note that we are aware of a reported offer in April 2011 on a development site located in the downtown area, the details of which we are unable to disclose. The rate per buildable square foot equates to \$194 based on a high floor space ratio. Community amenity charges (CACs) were also payable. The purchaser did not remove subjects and the deal fell through. A lower rate is appropriate for the subject due to its close proximity to the Granville Bridge, though this factor is partially offset by the subject's lower floor space ratio.

Based on the above, given the subject's size, location, close proximity to the Granville Bridge, assumed allowable floor space ratio, and strong current market conditions, market value for the residential component of the subject property will lie in the order of \$175 to \$185 per buildable square foot, as indicated by Indices Nos. 4, 5, 6 and 9. At the midpoint of \$180 per buildable square foot, value is calculated as follows:

26,592 square feet x 4.5 FSR x \$180 per buildable sq.ft. =	\$21,539,520
Rounded to	\$21,500,000

Land Valuation - Commercial Component

In order to estimate the market value of the commercial component, we have again relied on the direct comparison approach. We surveyed the Downtown area and other Vancouver locations for evidence of sales, listings or offers to purchase on properties that provide useful benchmarks of value for the subject property with an emphasis on:

- recent transactions;
- similar in size and shape;
- similar zoning; and,
- location.

The result of our research is summarized as follows:

Index No. 1 (Commercial)



Index No. 1 (Commercial)

Property Identification

Address	428 Terminal Avenue, Vancouver
Neighbourhood	East False Creek Flats
Legal Description	Lot 2, District Lot 2037, Group 1, Plan LMP50601
PID	025-097-008

Land Data

Lot Size	72,874 square feet or 1.673 acres
Zoning	I-3, High Technology Industrial District
Frontage	450 ft along Terminal Avenue 141 ft along Thornton Street

Sale Data

Date	Under contract September 2007 (closed February 2008)
Price	\$9,108,000
Instrument Number	BB638330
Vendor	Allcity Holding Inc. - Sylvia Yin Tze Chai, ASO
Purchaser	Rize Alliance Capital Inc. - William Wei Jong Lin, ASO
Sales History	Sold - July 2002 for \$1,628,050

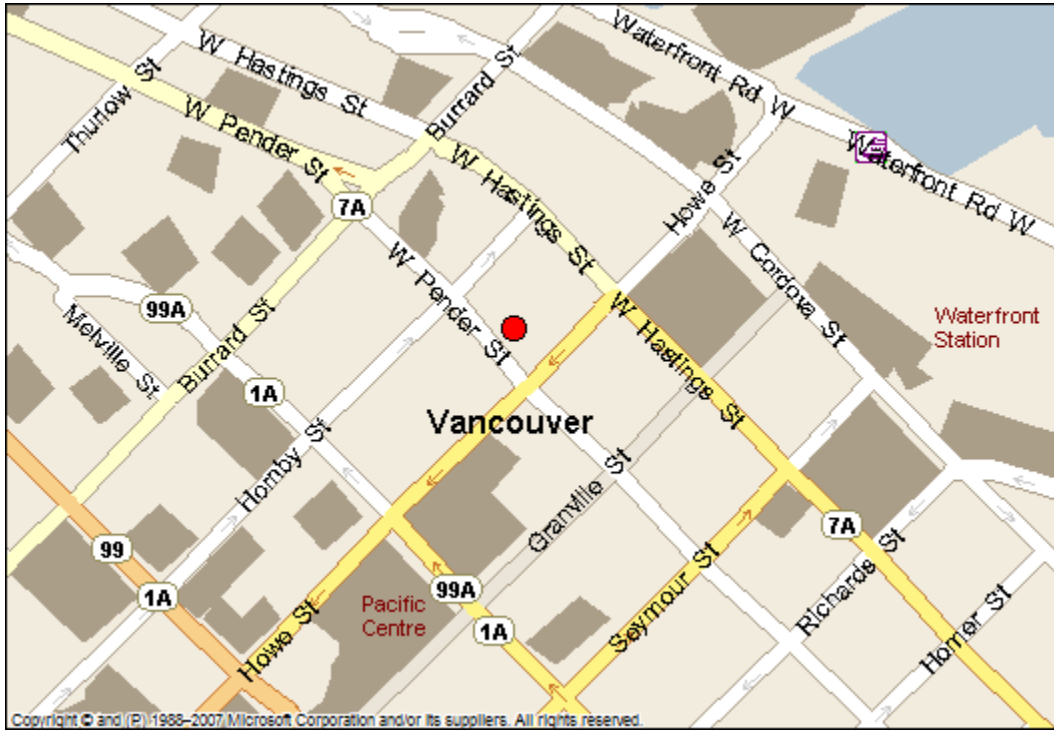
Remarks

An industrial site located on the south side of Terminal Avenue, west of Thornton Street. The purchaser plans to develop a mixed commercial building on the site, branded as Containers. The project will have a floor area of 220,000 square feet, including 36,667 square feet of retail space and 183,333 square feet of office space.

Indicators

Price/SF	\$124.98
Price/SF Buildable	\$41.40

Index No. 2 (Commercial)



Index No. 2 (Commercial)

Property Identification

Address	819 – 829 West Pender Street, Vancouver, BC
Legal Description	Lot A, Block 21, District Lot 541, Plan 20419
PID	006-624-731

Land Data

Lot Size	9,353 square feet or 0.215 acres
Zoning	DD, Downtown District (Sub-area B, Max FSR 9.0)
Frontage	78 ft. along West Pender Street

Sale Data

Date	Closed December 2009
Price	\$8,500,000
Instrument Number	CA1379932
Vendor	Kenridge Holding Ltd. – Ken Ter-Huang Liang, ASO
Purchaser	Swissreal Investments Ltd. (819 West Pender Street Ltd.) – Franz Gehriger, ASO
Sales History	Sold – October 2006 (Closed) for \$6,300,000

Remarks

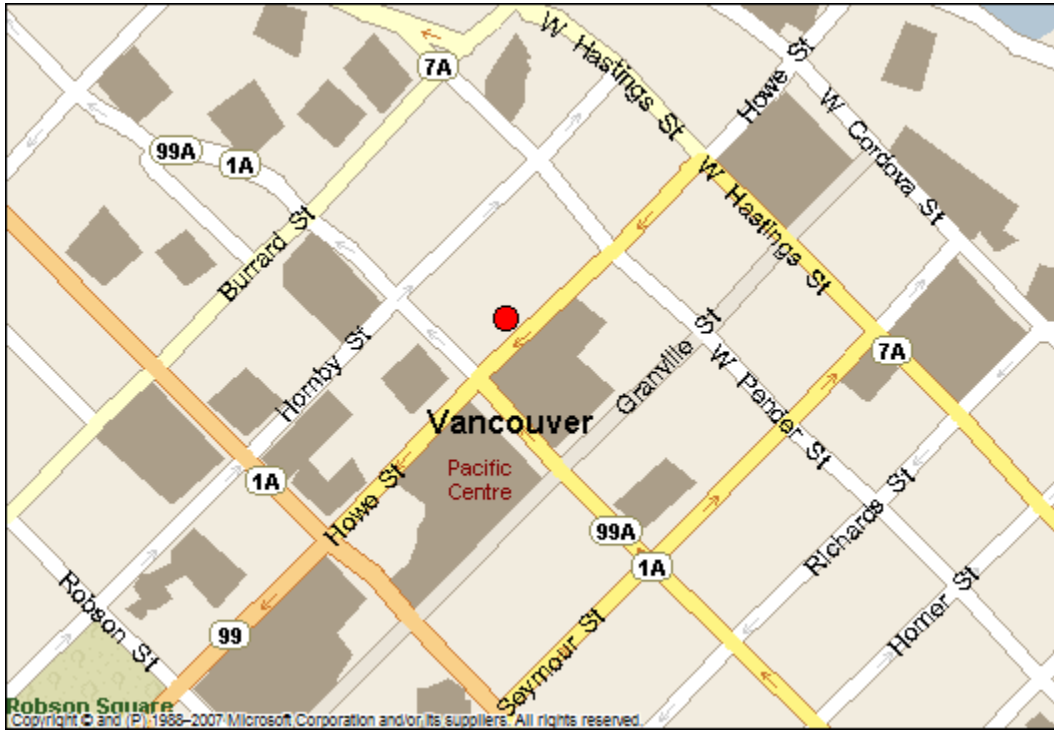
Located on the north side of West Pender Street, east of Hornby Street. The property is improved with one two storey multi-tenant retail/office building containing a total gross leasable area of approximately 18,200 square feet, including approximately 9,300 square feet of second floor space. Rental rates at the time of sale ranged from \$19.00 to \$25.00 per square foot net for the ground floor retail portion, and approximately \$14.50 per square foot net for the second floor office portion.

The contractual net income in place for the year following the date of sale was not disclosed. It is reported that the purchaser's investment rationale was based on the long term redevelopment potential of the property.

Indicators

Price/SF (Land)	\$908.80
Price/SF Buildable	\$100.98

Index No. 3 (Commercial)



Index No. 3 (Commercial)

Property Identification

Address	565 – 571 Howe Street, Vancouver, BC
Legal Description	Lots 18 & 19, Block 31, District Lot 541, Plan 210
PID	015-498-263, 015-498-271

Land Data

Lot Size	6,000 square feet or 0.138 acres
Zoning	DD, Downtown District (Sub-area B, Max FSR 9.0)
Frontage	50 ft. along Howe Street

Sale Data

Date	Closed February 2010
Price	\$5,200,000
Instrument Number	CA1445154 & CA1445155
Vendor	Comox Development Ltd. & N.N. Thompson Investments Ltd. – Jack Rosenblatt, John Gillingham & Norman Thompson, ASOs
Purchaser	0855090 B.C. Ltd. – Auguste Decastelbajac & Bryan Haynes, ASOs

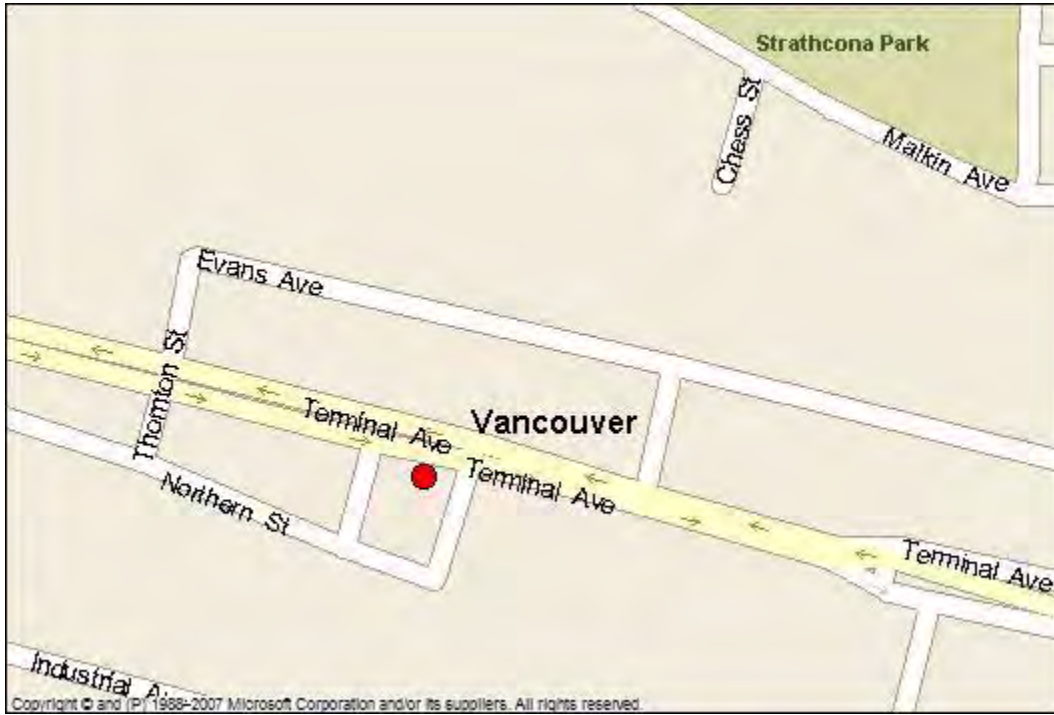
Remarks

Located on the west side of Howe Street, north of Dunsmuir Street. The properties are improved with one single storey single tenant retail building and one two-storey multi-tenant retail building containing a total gross floor area of 8,800 square feet plus an additional 1,700 square feet of basement space.

Indicators

Price/SF (Land)	\$866.67
Price/SF Buildable	96.30

Index No. 4 (Commercial)



Index No. 4 (Commercial)

Property Identification

Address	680 & 688 Terminal Avenue, Vancouver
Legal Description	Lot B, District Lot 2037, Group 1, NWD Plan BCP2475
PID	025-537-598

Land Data

Lot Size	73,680 square feet or 1.691 acres
Zoning	I-2, Industrial
Frontage	300 ft along Terminal Avenue

Sale Data

Date	Closed June 2010
Price	\$9,400,000
Instrument Number	CA 1635558
Vendor	Damb Good Investments Ltd. – Mark James, ASO
Purchaser	Dilawri Auto Group (0865390 B.C. Ltd.) - Ajay Dilawri, ASO
Sales History	Sold – December 2006 (Closed) for \$5,523,915

Remarks

Located on the southwest corner of Terminal Avenue and Carolina Street. The total consideration of \$9,400,000 represents a price per square foot of site area of \$128. The vendor had acquired the property in December of 2006 for a total consideration of \$5,523,915, representing a price per acre of \$3,268,589, and a price per square foot of site area of \$75, based on the information provided at the time of sale.

Indicators

Price/SF	\$127.58
Price/SF Buildable	\$42.53

Index No. 5 (Commercial)



Index No. 5 (Commercial)

Property Identification

Address	541-555 Howe Street, Vancouver , BC
Legal Description	Lots 3 & 4 of Lots 11 to 13, Block 31, District Lot 541, Plan 235 Lot 17, Block 31, District Lot 541, Plan 210
PID	011-794-593, 011-794-615, 015-498-247

Land Data

Lot Size	7,500 square feet or 0.170 acres
Zoning	DD, Downtown District (Sub-area B, Max FSR 9.0)
Frontage	63 ft. along Howe Street

Sale Data

Date	Closed July 2010
Price	\$8,425,000
Instrument Number	BB 1684241, BB 1684242 & BB 1684243
Vendor	Santara Enterprises Inc.- Mei Mei Wong, Director
Purchaser	198198 Enterprises Ltd. –Tony Yat-Wai Ma, ASO

Remarks

Two non-contiguous properties located on the west side of Howe Street, south of West Pender, a three-storey multi-tenant office building containing a total gross leasable area of 21,075 square feet, as follows: 541-555 Howe Street: 12,066 square feet including 1,484 square feet of ground floor retail space; 555 Howe Street 9,000 square feet. Each building is serviced by one elevator and there is one surface parking space available at the back of the building with access from the lane along the rear. Subsequent to the date of sale the buildings were fully leased by predominantly local businesses: 541-555 Howe Street – Townline Tailors, Digitech Printing, Canadian Development Consultant Int. Inc. and IFP Canada Corporation; 555 Howe Street – Soul of Africa, Howe St. Gallery of Fine Art, Visa Connection, Janus Holdings Ltd., Santara Enterprises Inc. and Janwest Equities Ltd.

Indicators

Price/SF (Land)	\$1,123.33
Price/SF Buildable	\$124.81

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Index No. 6 (Commercial)

Property Identification

Address	620-622 Seymour Street, Vancouver , BC
Legal Description	Lots 4 & 5, Block 44, District Lot 541, Plan 210
PID	013-736-914, 013-736-931

Land Data

Lot Size	6,000 square feet or 0.138 acres
Zoning	DD, Downtown District (Sub-area C1, Max FSR 7.0)
Frontage	50 ft. along Seymour Street:

Sale Data

Date	Closed April 2011
Price	\$5,500,000
Instrument Number	CA 1993939 & CA 1993940
Vendor	I'Ena Enterprises Ltd. – Chien Hsiung Tsai, ASO
Purchaser	Holborn Group of Companies (620 Seymour Properties Ltd.) - Allison MacInnis, ASO

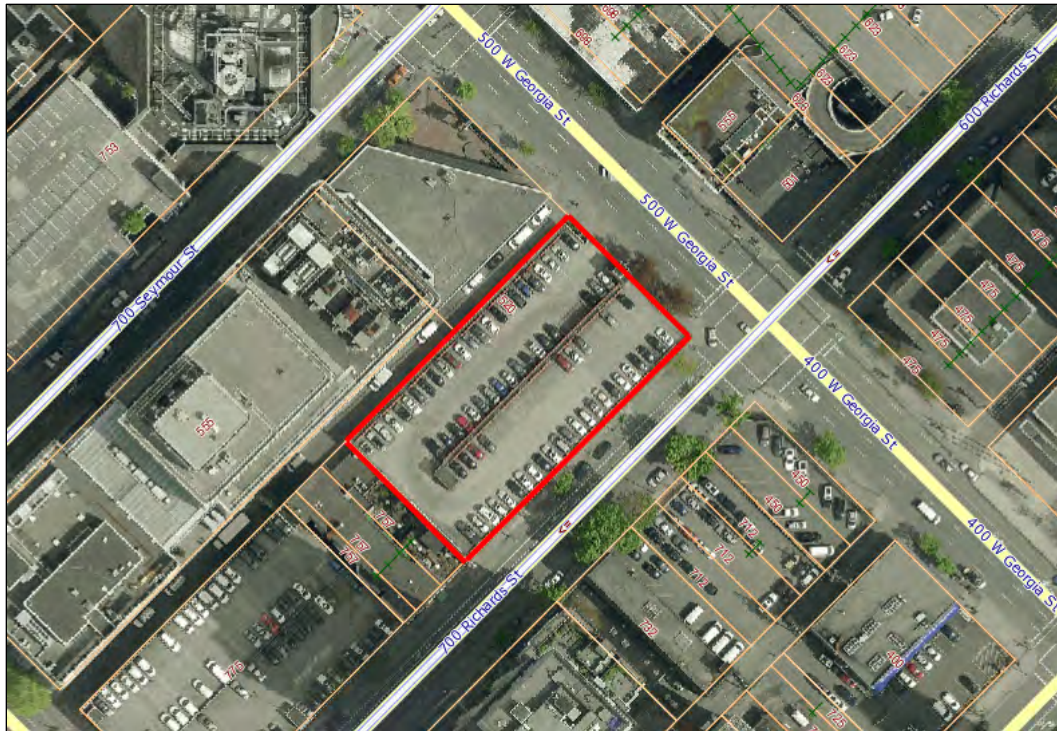
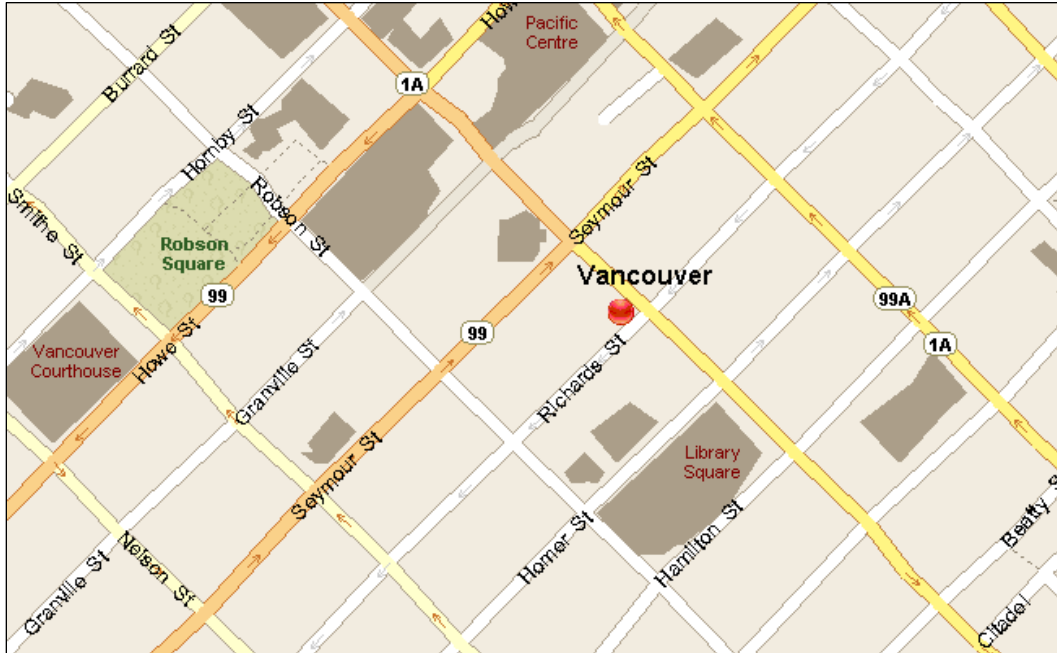
Remarks

Located on the east side of Seymour Street, south of Dunsmuir Street. The property is improved with one two-storey, multi-tenant, mixed-use retail/office building constructed circa 1924. The building contains a total gross leasable area of 11,500 square feet, including approximately 5,500 square feet of second floor office space. It is our understanding that the Purchaser was going to market the building for lease, with terms of five years, but likely not to exceed five years. The Purchaser owns the adjacent parking garage servicing the Hudson Bay building, and will likely develop a long term redevelopment plan of the east side of Seymour in the 600 block.

Indicators

Price/SF (Land)	\$916.67
Price/SF Buildable	\$130.95

Index No. 7 (Commercial)



Index No. 7 (Commercial)

Property Identification

Property Name	Telus Garden
Address	520 West Georgia Street, Vancouver
Legal Description	Lots 32 & 33, Block 54, District Lot 541, Plan 210 Lots 34 & 35, Block 54, District Lot 541, Plan 8259
PID	015-467-767, 015-467-791, 010-205-471, 010-205-543

Land Data

Lot Size	27,000 square feet or 0.620 acres
Zoning	DD, Downtown District (Area C-3)
OCP Designation	Area C-3
Frontage	225 ft along Richards Street 120 ft along West Georgia Street

Sale Data

Date	Closed February 2012
Price	\$18,684,750
Instrument Number	BB 2014421
Vendor	City of Vancouver - Jerry Evans, ASO
Purchaser	Telus Communications Company (0922459 B.C. Ltd.) – Elaine Lau, Lawyer

Remarks

Located on the southwest corner of West Georgia Street and Richards Street. At the time of sale the properties were improved with one, three-storey, public-parking, parkade, formerly operated by Easy Park of nominal value. Prior to the date of sale, a Rezoning and Development Permit had been approved by the City of Vancouver on October 18, 2011 in order to rezone 555 Robson Street, 775 Richards Street, and 520 West Georgia Street from DD (Downtown) District to a CD-1 (Comprehensive Development) District. The proposal consists of 928,000 square feet of mixed-use office and residential projects. The new development would replace the two parkades along Richards Street with a 21-storey office tower on West Georgia Street and a 45-storey residential tower and retail podium on Robson Street. According to the new zoning bylaw, this sale relates to Area C, which has a maximum FSR of 11.6 and is restricted to commercial use.

Indicators

Price/SF (Land)	\$692.03
Price/SF Bldg.	\$59.64
Max FSR (Zoning)	11.6

Summary Table

Index	Address	Date	Price	Size (SF)	FSR	\$/BSF
1	428 Terminal Avenue	Sep-07	9,108,000	72,874	3.0	41
2	819 West Pender Street	Dec-09	8,500,000	9,353	9.0	101
3	565-571 Howe Street	Feb-10	5,200,000	6,000	9.0	96
4	680 & 688 Terminal Avenue	Jun-10	9,400,000	73,680	3.0	43
5	541 & 555 Howe Street	Jul-10	8,425,000	7,500	9.0	125
6	620 Seymour Street	Apr-11	5,500,000	6,000	7.0	131
7	520 West Georgia Street	Feb-12	18,684,750	27,007	11.6	60
	Minimum		5,200,000	6,000		41
	Median		8,500,000	9,353		96
	Mean		9,259,679	28,916		85
	Maximum		18,684,750	73,680		131

The seven comparable sales occurred between September 2007 and February 2012. Prices range from \$5,200,000 to \$18,684,750, while site areas range from 6,000 to 73,680 square feet. At 82,372 square feet, the subject property is larger than all of the comparables. We note that a substantial portion of the subject property lies below the Granville Bridge on and off-ramps, reducing the useable site area.

The rates per buildable square foot for the comparables range from \$41 to \$131, with a central tendency in the order of \$90. Generally, rates per buildable square foot tend to decrease as the allowable floor space ratio increases.

Indices Nos. 1 and 4 represent commercial development sites located along Terminal Avenue, outside of the Downtown area. The indicated rates of \$41 and \$43 per buildable square foot are considered clear lower limits due to their inferior locations and higher floor space ratios; however, these factors are partially offset by the subject's irregular site configuration and close proximity to the Granville Bridge.

Index No. 7 refers to a site that the City of Vancouver sold to Telus as part of the proposed Telus Gardens Office development at the southwest corner of Georgia Street and Richards Street. The date of price negotiations is unknown, but it likely occurred well before the closing date. Based on the total allowable floor space ratio for the office component of 11.6, the price per buildable

square foot equates to \$60. This rate is a useful indicator for the subject, as the high floor space ratio and substantially larger buildable area are largely offset by the subject's inferior location and irregular site configuration. Overall, a slightly higher rate is appropriate for the subject.

Indices Nos. 2, 3 and 5 represent potential redevelopment sites located near the Central Business District. Under their current zonings, these properties do not have any residential development potential; however, we suspect that purchasers are speculating that some residential uses may be supported in conjunction with commercial uses. For this reason, along with the small sizes, the indicated rates of \$96 to \$125 per buildable square foot are considered clear upper limits for the subject.

Index No. 6 also has a zoning that prohibits residential use; however, it was acquired as part of a much larger assembly that will likely involve some residential use. The indicated rate of \$131 per buildable square foot, is another clear upper limit.

Based on the above value for the subject will lie slightly above \$60 per buildable square foot, as indicated by Indices 1, 4 and 7, and well below \$95 per buildable square foot, as indicated by Indices Nos. 2, 3 and 5. In our view, given the subject's size, location, allowable FSR, irregular configuration and proximity to the Granville Bridge, we estimate market value of the commercial component at \$70 per buildable square foot. At this rate, market value is calculated as follows:

82,372 square feet x 1.36 FSR x \$70 per buildable sq.ft. =	\$7,841,814
Rounded to	\$7,800,000

We note that the subject's commercial component has several unique characteristics including a large site area, a low floor space ratio, a location with limited commercial use in the immediate area, and three adjacent bridge decks that will restrict views, natural light, commercial exposure and site configuration. For these reasons, the margin of uncertainty associated with our value estimate is greater than usual.

Summary and Conclusion

Our analysis of the property relied solely on the direct comparison approach, which considers market evidence to establish value and presumes that the property sells on the date of valuation, and ignores marketing and holding costs. The results are summarized below:

Residential Component	\$21,500,000
Commercial Component	<u>\$7,800,000</u>
Total Market Value	\$29,300,000

Based on our analysis of the subject we conclude that the overall market value of the subject properties, as at April 1, 2012, is:

TWENTY-NINE MILLION, THREE HUNDRED THOUSAND DOLLARS
\$29,300,000

Exposure Time

Exposure time is the time a property remains on the market. In an appraisal, the term means the estimated length of time an owner would likely need to market the appraised property interest before the hypothetical consummation of a sale at market value on the effective date of the appraisal.⁵ An opinion of exposure time is a retrospective estimate that has its basis in an analysis of past events assuming a competitive and open market.

The exposure period occurs immediately before the effective date of the appraisal. The concept of reasonable exposure time encompasses not only adequate, sufficient and reasonable time, but also adequate, sufficient and reasonable marketing effort. Exposure time is different for various types of real estate and value ranges and under various market conditions.

In our view, the subject property ought to trade within a time typical for its market. This exposure time was typically up to six months for properties such as the subject. This time estimate assumes no known or suspected defects, reasonable pricing and professional marketing. It does not include the time for normal due diligence, nor the closing time after an agreement in principle.

⁵ *Canadian Uniform Standards of Professional Appraisal Practice*: Appraisal Institute of Canada, 2010, Ottawa, Ont.), 7.7.1

CERTIFICATION

Re: 1400 Howe Street, Vancouver, British Columbia

We hereby certify that, except as otherwise noted in the preceding analysis, to the best of our knowledge and belief:

- the statements of fact contained in this report are true and correct;
- the reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions, and are our personal impartial, and unbiased professional analyses, opinions and conclusions;
- we have no present or prospective interest or bias in the subject property, and no personal interest or bias with respect to the parties involved;
- our engagement in and compensation for this assignment were not contingent upon developing or reporting predetermined results, the amount of the value estimate, or a conclusion favouring the client;
- our analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the Canadian Uniform Standards;
- we have the knowledge and experience to complete this assignment competently;
- as of the date of this report, the undersigned is a member in good standing of The Appraisal Institute of Canada, and has fulfilled the requirements of the Continuing Professional Development Program for designated members;
- no one provided significant professional assistance to the person signing this report;
- Brent McLaren personally inspected the subject property on May 2, 2012;
- based upon the data, analyses and conclusions contained herein, the market value of the interest in the property described, as at April 1, 2012, is estimated at:

TWENTY-NINE MILLION, THREE HUNDRED THOUSAND DOLLARS
\$29,300,000



Brent McLaren, B.Comm., AACI, P.App.
Grover, Elliott & Co Ltd.
May 9, 2012

ASSUMPTIONS AND LIMITING CONDITIONS
Re: 1400 Howe Street, Vancouver, British Columbia

Appendix 1

The only party who may rely on the opinions expressed in this report is the client, even where the report is for financing purposes. Where the client is a lender, its borrower and the loan insurer may also rely on this report. This report assumes that only the addressee will rely upon it, and only for the intended use stated herein. No one else may rely on this report without the written consent of the appraiser, which we may not provide retroactively. We expressly deny any legal liability for unauthorized reliance and for any other use.

When preparing an appraisal for lending purposes, appraisers do not investigate if the prospective loan and applicant satisfy prudent loan underwriting criteria. Correspondingly, we assume no responsibility for loans made where the borrower lacks the ability or motivation to repay the loan, or where the lender has not followed prudent lending practices. When we authorize a lender to rely on this report, we grant such authorization subject to the lender completing a thorough due diligence investigation, which reasonably concludes that the borrower has the intention and capacity to repay the loan.

The basis of the opinions and estimates herein is information gathered from various sources considered reliable and believed to be correct.

We assume no responsibility for factors relating to the legal description, state of title or for unapparent conditions of the property not brought to our attention that might affect value.

We have included plans and sketches for visual reference only. We cannot assume responsibility for the accuracy of such illustrations where the basis was third party sources.

The client or identified third parties provided figures in this report relating to land and floor areas unless stated otherwise. Incorrect land and floor areas could render our analysis and conclusions invalid.

The economic conditions and outlook current at the date of valuation form the basis of our opinions and conclusion of value. Because market conditions, including economic, social and political factors change rapidly, and, on occasion, without warning, it could be misleading to rely on the market value estimate expressed herein as of any other date except with further advice from the appraiser, for which advice we will accept no responsibility unless made formally and confirmed in writing.

We undertook no investigation with the local zoning office, the fire department, the building inspector, the health department or any other government regulatory agency except as expressly described in this report. The subject property must comply with such government regulations. Any noncompliance may affect market value. Confirming compliance could require further investigations.

We were not provided with studies of hazardous materials or contaminated land, and we were not authorized to commission such studies. We therefore offer no opinion with respect to the status of the lands or soils. We assume no responsibility for any such conditions or for any specialized expertise or engineering knowledge required to discover, remove or eliminate them. We recommend retaining an expert in this field if doubt exists about the quality of the soils or groundwater.

The appraiser is not qualified to comment on environmental issues that may affect the market value of the property appraised, including but not limited to pollution or contamination of land, buildings, water, groundwater or air. Unless expressly stated, the property is assumed to be free and clear of pollutants and contaminants, including but not limited to moulds or mildews or the conditions that might give rise to either, and in compliance with all regulatory environmental requirements, government or otherwise, and free of any environmental condition, past, present or future, that might affect the market value of the property appraised. If the party relying on this report requires information about environmental issues then that party is cautioned to retain an expert qualified in such issues. We expressly deny any legal liability relating to the effect of environmental issues on the market value of the property appraised.

Except as this report specifically notes otherwise, our conclusions presume that the appraised property is free and clear of all liens or encumbrances and is capable of attracting normal mortgage financing. Our valuation excludes the cost to retire the mortgage obligation.

Our report presumes that adequate fire, peril and liability insurance are available to cover any reasonable use of the property, at costs and terms that have been typical over the years.

The liability of Grover, Elliott & Co. Ltd. for a claim related to professional service provided pursuant to this service in either contract negligent misrepresentation or tort, including the owner's, officers, employees or subcontractors of the firm is limited to the extent that such liability is covered by the Appraisal Institute of Canada's errors and omissions insurance in effect from time to time, which is available to indemnify the company and its appraisers at the time the claim is made and not more than two years after the services are rendered.

No one should rely on this report in any context other than that in which we present it. Use in excerpted or partial form could mislead.

Possession of this report, or a copy of it, does not carry the right to reproduction or publication, in full or in part. No one other than the identified intended user can use this report for its stated purpose. No one can use this report for any other purpose without our written consent. Exceptions exist for due process of law and for confidential review by the Appraisal Institutes of Canada and the United States.

Attendance at any legal proceedings with respect to this report, and any fees and expenses for preparation and attendance requires our prior agreement. However, neither this nor any other limiting condition is an attempt to limit the use that a judicial body might make of this report should it properly become evidence in duly constituted proceedings. In such a case, the judicial body will decide the use of the report that best serves the administration of justice.

This report is valid only if it bears the original signature of the author.

We cannot monitor changes to our reports once they leave our office, nor can we prevent changes, additions or deletions in copies of our reports. We recommend that people intending to rely on our report do so only after reading an original copy in its entirety. With the prior consent of our client, we will provide an original of this report.

TITLE SEARCH

Appendix 2

Date: 03-May-2012
Requestor: (PA42625)
Folio: 2012-0332

TITLE SEARCH PRINT
GROVER, ELLIOTT & CO. LTD.
TITLE - A72451

Time: 10:16:34
Page 001 of 001

VANCOUVER LAND TITLE OFFICE TITLE NO: A72451
FROM TITLE NO: 287241
297959

APPLICATION FOR REGISTRATION RECEIVED ON: 23 OCTOBER, 1973
ENTERED: 24 OCTOBER, 1973

REGISTERED OWNER IN FEE SIMPLE:
CITY OF VANCOUVER

TAXATION AUTHORITY:
CITY OF VANCOUVER

DESCRIPTION OF LAND:
PARCEL IDENTIFIER: 007-687-915
LOT G BLOCK 122 DISTRICT LOT 541 PLAN 15118

LEGAL NOTATIONS:

NOTICE OF INTEREST, BUILDERS LIEN ACT (S.3(2)), SEE BN113301
FILED 1999-05-05

CHARGES, LIENS AND INTERESTS: NONE

DUPLICATE INDEFEASIBLE TITLE: NONE OUTSTANDING

TRANSFERS: NONE

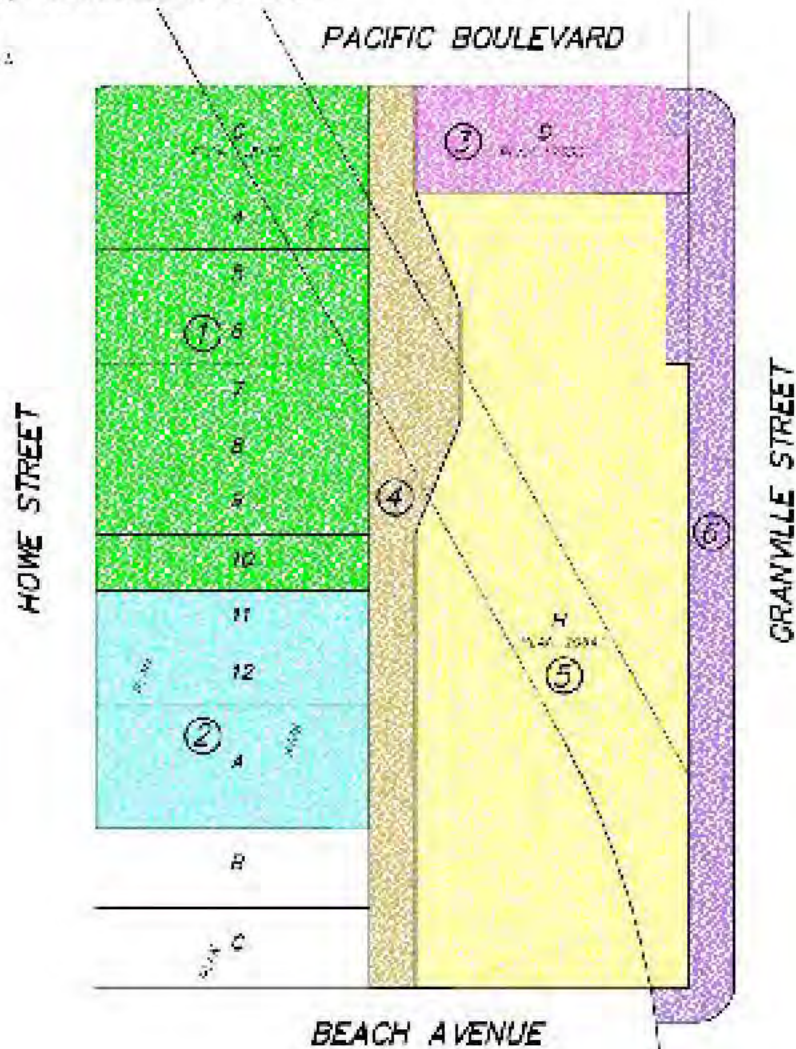
PENDING APPLICATIONS: NONE

*** CURRENT INFORMATION ONLY - NO CANCELLED INFORMATION SHOWN ***

SCALE 1:600 DISTANCE 1 CM = 60 M



-  **AREA 1**
2.4.1.1 (1.1.1.1)
 -  **AREA 2**
2.4.1.2 (1.1.1.2)
 -  **AREA 3**
2.4.1.3 (1.1.1.3)
 -  **AREA 4**
2.4.1.4 (1.1.1.4)
 -  **AREA 5**
2.4.1.5 (1.1.1.5)
 -  **AREA 6**
2.4.1.6 (1.1.1.6)
 -  **AREA 7**
2.4.1.7 (1.1.1.7)
 -  **AREA 8**
2.4.1.8 (1.1.1.8)



SURVEY

Appendix 3



View north from Pacific Street, under Granville Bridge off ramp (Area 7)



View north from Pacific Street, under west side of Granville Bridge (Area 8)



View west from Granville Street, existing improvements (Area 5)



View northwest from Granville Street (Area 5)



View north along lane between Area 2 and Area 5



View to northeast from Howe Street (Area 1)



View to southwest from Howe Street & Pacific Street (Area 1)



View south from Pacific Street (Area 3)



View south from Pacific Street (Area 8)



View north from Granville Bridge on ramp (Area 1)

SALE CONTRACT

Effective Date: This Sale Contract is effective on the 25th day of September, 2012.

Parties: City of Vancouver and Howe Street Ventures Ltd.

Consideration: In return for the Deposit and the Buyer's agreements, the receipt and sufficiency of which the Seller acknowledges, and in return for the Seller's agreements, the receipt and sufficiency of which the Buyer acknowledges, the Seller and Buyer agree to be bound by the terms and conditions of this Contract.

Contract terms and conditions: The Seller and Buyer represent and agree that:

1. Interpretation

1.1 Definitions. In this Contract:

- 1.1.1 "Approving Officer" means the person appointed to approve subdivisions within the City of Vancouver;
- 1.1.2 "Business Day" means any day other than Saturday, Sunday or a statutory holiday in the Province of British Columbia;
- 1.1.3 "Buyer" means Howe Street Ventures Ltd. (incorporation number BC0683469);
- 1.1.4 "Buyer's Mortgage" means a mortgage or mortgages to be granted by the Buyer and registered against title to the City Property, to secure the advance of monies to the Buyer to assist in the acquisition of the City Property;
- 1.1.5 "Buyer's Representatives" means Kornfeld LLP or such other firm of lawyers the Buyer appoints to represent it in the purchase of the City Property;
- 1.1.6 "City" means the City of Vancouver in its capacity as regulatory authority in respect of the Project pursuant to the provisions, *inter alia*, of the Vancouver Charter;
- 1.1.7 "City's Director of Real Estate Services" means the Director of Real Estate Services for the City of Vancouver;
- 1.1.8 "City Lane" means those portions of the dedicated lane consisting of approximately 921.50 square metres (9,919 square feet), shown hatched on the plan attached hereto as Schedule "B";
- 1.1.9 "City Lots" means certain land in Vancouver, British Columbia and legally described as set out in Schedule "A";
- 1.1.10 "City Property" means collectively, the City Lots, the City Lane and the Improvements;
- 1.1.11 "City Property Purchase Price" means \$32,444,621, exclusive of HST or GST, provincial sales tax, property transfer tax, or other like charges, as such price may be adjusted pursuant to section 5.11;

- 1.1.12 "City SRW Agreements" means those easements, covenants and statutory rights of way in favour of the City necessary or desirable for the provision of utilities or public access;
- 1.1.13 "City's Legal Director" means the Director of Legal Services for the City of Vancouver;
- 1.1.14 "Contaminants" mean any deleterious, dangerous, hazardous, corrosive, or toxic substances, pollutants, goods, waste or contaminated material, including underground storage tanks, urea formaldehyde insulation, asbestos and PCB transformers, the manufacture, storage, handling, treatment, generation, use, or transport, or release, disposal or discharge into the Environment of which is controlled, regulated, licensed, or prohibited by any Environmental Laws, or which are or may be deleterious, dangerous, or hazardous to human, animal or plant health or life or the Environment;
- 1.1.15 "Contract" means this document and attached schedules;
- 1.1.16 "Deposit" means the sum of \$300,000 paid as a deposit on the mutual execution of this Contract, plus any additional amount paid as a further deposit under Section 2.3;
- 1.1.17 "Effective Date" means the date set out at the start of this Contract;
- 1.1.18 "Environment" means land, including soil, sediment deposited on land; fill and land submerged under water, air, including all layers of the atmosphere, and water, including oceans, lakes, rivers, streams, ground water, and surface water;
- 1.1.19 "Environmental Laws" mean all laws, statutes, regulations, rules, bylaws, orders, directives, standards, guidelines, and other lawful requirements of any government body including the *Environmental Management Act* of British Columbia and its regulations, and all principles of common law and equity concerning the quality of the Environment, that apply to the City Property and its surrounding Environment;
- 1.1.20 "Estimated Gross Buildable Square Footage" means the estimated Gross Buildable Square Footage for the Project on the Project Lands, which is 653,000 Gross Buildable Square Footage;
- 1.1.21 "General Manager of Engineering Services" means the chief administrator from time to time of the City's Engineering Services Department and his successors in function and their respective nominees;
- 1.1.22 "Gross Buildable Square Footage" means the gross buildable square footage of a development which is determined by measuring from the outside finished surfaces of permanent outer building walls, without any deductions, and including all enclosed floors in the development, including retail areas, mechanical equipment floors, penthouses, lobbies, elevators and elevator shafts, service rooms and corridors, exit corridors, storage areas, security rooms; and common areas, but excluding subsurface areas dedicated to parking, basements, and garage areas;
- 1.1.23 "GST" means the goods and services tax under the *Excise Tax Act* (Canada);
- 1.1.24 "HST" means the harmonized sales tax under the *Excise Tax Act* (Canada);

- 1.1.25 "Improvements" mean all buildings, improvements, structures, fixtures, plant, fixed machinery, and fixed equipment situate upon, within or forming part of the City Property;
- 1.1.26 "including" means "including, without limitation";
- 1.1.27 "LTO" means the land title office for the jurisdiction in which the City Property is situate;
- 1.1.28 "Option Back" is defined in section 2.6;
- 1.1.29 "Option Back Trigger Date" means the fifth (5th) anniversary of the Effective Date of this Contract, subject to the Buyer's right to advance such date in accordance with section 2.7;
- 1.1.30 "Permitted Charges" mean reservations, exceptions, conditions, reservations, and provisos contained in any Crown grant or Crown disposition of the City Property, and any rights of way, easements, or restrictive covenants in favour of government bodies, including the City, or public utilities registered against title to the City Property as at the Effective Date, Easement 241649M, the City SRW Agreements and any unregistered rights of way or easements contemplated by section 5.14;
- 1.1.31 "Person" means any legal entity including any individual, firm, corporation, or government body;
- 1.1.32 "Plan" means the plan and development statistics for the Project as set out on page 10 of 103 of the amended rezoning application submission for the Project Lands submitted to the City and dated April 11, 2012;
- 1.1.33 "Private Property" means certain land in Vancouver, British Columbia consisting of approximately 1,662.60 square metres (17,896 square feet), identified on the Plan and legally described as:
- | Parcel Identifier: | Legal Description: |
|--------------------|---|
| 009-422-111 | Lot 11 Block 122 District Lot 541 Plan 210 |
| 009-422-129 | Lot 12 Block 122 District Lot 541 Plan 210 |
| 010-068-091 | Lot A Block 122 District Lot 541 Plan 8486 |
| 008-907-251 | Lot D Block 122 District Lot 541 Plan 12338 |
- 1.1.34 "Project" means the construction of a mixed-use development on the Project Lands;
- 1.1.35 "Project Lands" means collectively, the City Property and the Private Property, to allow for the development of the Project
- 1.1.36 "Sale Closing Date" means that date that is 30 days after the satisfaction or waiver of the Subject Conditions or, if the LTO is not open for the conduct of normal business on that day, the first following day that the LTO is open for normal business but in no

event will the Sale Closing Date occur after December 1, 2014 unless otherwise agreed to in writing by the parties;

1.1.37 "Seller" means the City of Vancouver;

1.1.38 "Subdivision Plan" means a subdivision plan prepared by a B.C.L.S. that provides for the consolidation of the City Property and the Private Property, substantially in the accordance with the Plan, and is in a form acceptable for deposit in the LTO upon approval by the Approving Officer;

1.1.39 "Subject Conditions" mean the conditions precedent to this Contract set out in Section 4 of this Contract; and

1.1.40 "Transfers" means the Form A transfers of estate in fee simple conveying the City Property from the Seller to the Buyer.

1.2 Interpretation. The following provisions will apply to this Contract:

1.2.1 sections and headings are for convenient reference, and are not to affect the meanings of provisions, and use of the singular or masculine includes the plural, feminine, or body corporate, and vice versa;

1.2.2 if a court finds any provision invalid, illegal, or unenforceable, and severs it from this Contract, the remaining provisions are to remain in force and effect;

1.2.3 the Seller and Buyer will interpret the language of this Contract simply, fairly, and not strictly for or against either of them;

1.2.4 time will be of the essence, and if the Buyer or Seller expressly or impliedly waives that requirement, the Buyer or Seller may re-instate it by delivering notice to the other;

1.2.5 this Contract represents the entire agreement between the Buyer and Seller regarding the matters set out in this Contract, and this Contract supersedes all prior agreements, understandings, letters of intent, negotiations, or discussion about matters referred to in this Contract, and no amendment is to have any force or effect unless the Buyer and Seller have signed it;

1.2.6 references to statutes and bylaws are to them as they exist on the Effective Date, and to later amendments or replacements of them;

1.2.7 no consent or waiver, expressed or implied, by a party of any default by the other party in observing or performing its obligations under this Contract will be effective unless given in writing, or be deemed or construed to be a consent or waiver of any other default. Failure on the part of either party to complain of any act or failure to act by the other party or to declare the other party in default, irrespective of how long such failure continues, will not constitute a waiver by such party of its rights under this Contract or at law or at equity; and

1.2.8 if there is more than one Buyer, the Buyer's representations and agreements will be joint and several.

2. **Sale and Purchase**
- 2.1 **Sale and Purchase.** The Seller will sell the City Property to the Buyer free from all liens, charges, or encumbrances except for Permitted Charges, and the Buyer will purchase the City Property from the Seller, for the City Property Purchase Price, subject to the terms and conditions of this Contract.
- 2.2 **City Property Purchase Price.** The Buyer will pay the City Property Purchase Price to the Seller as follows:
 - 2.2.1 as to \$300,000 by payment of the initial Deposit to the Buyer's Representatives as provided in section 2.3;
 - 2.2.2 as to \$2,900,000 by payment of an increase to the Deposit to the Buyer's Representatives as provided in section 2.3; and
 - 2.2.3 as to the balance of the City Property Purchase Price, as adjusted pursuant to section 5.11, by payment of such amount to the Seller on the Sale Closing Date.
- 2.3 **Deposit.** The Buyer will pay to the Seller the sum of \$300,000 as an initial deposit on account of the City Property Purchase Price within two (2) Business Days of the mutual execution of this Contract. If the Buyer gives the Seller the notice that the condition in subsection 4.2.1 has been fulfilled or waived, then within three (3) Business Days of the date of such notice, the Buyer will pay to the Seller the amount of \$2,900,000 as a further deposit on account of the City Property Purchase Price.
- 2.4 **Application of Deposit.** If the transaction completes, the Deposit will be a credit against the City Property Purchase Price. If the transaction does not complete because the Seller defaults in complying with the Seller's obligations under this Contract or the Seller does not waive any unfulfilled condition under section 4.1, or the Buyer does not waive any unfulfilled condition under section 4.2, or if the Sale Closing Date has not occurred by December 1, 2014 or such later date as the Seller and Buyer may agree in writing, then, provided the Buyer is not in default in complying with the Buyer's obligations under this Contract, the Seller will return to the Buyer on demand all the Deposit except for TEN DOLLARS (\$10.00), which will be retained by the Seller as part of the consideration for this Contract. If the transaction does not complete because the Buyer defaults in complying with the Buyer's obligations under this Contract, the Seller may retain the Deposit on account of damages and not as a penalty and without prejudice to the Seller's other rights or remedies under this Contract or at law or equity. Any interest earned on the Deposit will accrue to the Buyer until the date on which each of the conditions precedent set out in subsection 4.1.3(a) and subsection 4.2.4 (a) are satisfied, and thereafter will accrue to the Seller until the Seller is required by this section 2.4 to return the Deposit to the Buyer and thereafter will accrue to the Buyer. For the purposes of this Contract, the Buyer and the Seller have agreed to calculate interest at a deemed rate equal to one percent (1%) per annum.
- 2.5 **Closing.** The completion of the sale and purchase of the City Property will occur on the Sale Closing Date.
- 2.6 **Option Back.** The Buyer will grant to the Seller, as optionee, an option to purchase (the "Option Back") the City Property, which option to purchase may be exercised by the Seller if a building permit which permits construction of the Project is not issued and the construction

of the Project has not commenced by the Option Back Trigger Date. The Seller may exercise the Option Back by providing written notice of such exercise to the Buyer no later than 180 days following the Option Back Trigger Date, provided that if by the date which is 120 days following the Option Back Trigger Date the Seller has not exercised the Option Back, the Buyer will give written notice to the Seller which notice will remind the Seller that if the Seller wishes to exercise the Option Back it must do so no later than the date which is 180 days following the Option Back Trigger Date. The purchase price for the City Property will be the City Property Purchase Price paid by the Buyer for the City Property. The Buyer will use reasonable commercial efforts to obtain the right to provide to the Seller any architectural plans prepared for the Project and if successful in obtaining such rights will provide such plans to the Seller, provided however that the Buyer will not be required to provide any portion of a plan which contains information which is proprietary or confidential to the Buyer and provided further that if the Buyer incurs any costs in obtaining the right to provide such plans to the Seller, the Buyer will have no obligation to provide them to the Seller unless the Seller reimburses the Buyer for its reasonable costs. The Option Back will be in the form of the document attached as Schedule "C".

- 2.7 Option Back Trigger Date. If after the Sale Closing Date but prior to the Option Back Trigger Date, the Buyer elects not to proceed, or is not able to proceed, with the construction of the Project, then the Buyer will have the right to give written notice to the Seller to amend the Option Back Trigger Date, to the date which is the 60th day following the date upon which such notice is received by the Seller.

3. Representations

- 3.1 Seller's Representations. Regardless of any independent investigations the Buyer may make, the Seller represents to the Buyer, as representations that are true and correct on the Effective Date and will be true and correct on the Sale Closing Date, that:

- 3.1.1 in response to the Buyer's inquiry under section 116 of the *Income Tax Act* (Canada) and under Part IX of the *Excise Tax Act* (Canada), the Seller is a resident of Canada within the meaning of those Acts, and, in the case of the *Excise Tax Act*, the Seller is resident in Canada by reason other than subsection 32(2) which deems a non-resident to be resident in Canada if that non-resident has a permanent establishment in Canada;
- 3.1.2 the Seller is the registered and beneficial owner of the City Property, has good, safeholding, and marketable title to the City Property, free from all liens, charges, or encumbrances except for Permitted Charges and has sufficient, power, authority, and capacity to execute and deliver this Contract to the Buyer;
- 3.1.3 by completing the sale of the City Property to the Buyer, the Seller will not be in breach of any statute or bylaw or of any agreement by which the Seller is bound;
- 3.1.4 the Seller does not owe money to any Person which will constitute a lien, charge, encumbrance, or claim against the City Property;
- 3.1.5 the Seller has no knowledge that any government body intends to expropriate all or part of the City Property, or that any government body has issued or intends to issue any order or notice regarding the City Property;

- 3.1.6 except for Permitted Charges, there are and will be on the Sale Closing Date no existing leases or licenses of any part or all of the City Property;
 - 3.1.7 there are and will be at the Sale Closing Date no service or other contracts relating to the City Property to be assumed by the Buyer;
 - 3.1.8 with respect to any work done on the City Property by or on behalf of the Seller, no lien will exist as at the Sale Closing Date; and
 - 3.1.9 there is no action, suit, claim or litigation commenced against the Seller or, to the knowledge of the Seller, pending or threatened, with respect to the City Property.
- 3.2 No Other Representations. Except as expressly provided in section 3.1 of this Contract, the Seller is not giving to the Buyer, and the Buyer is not requiring from the Seller, any express or implied representations regarding the City Property including that, before or after the Effective Date or Sale Closing Date:
- 3.2.1 the City Property and its surrounding Environment complies or does not comply with Environmental Laws;
 - 3.2.2 the City Property and its surrounding Environment is or is not free from Contaminants;
 - 3.2.3 any Contaminants have or have not been released, spilled, leaked, pumped, poured, emitted, emptied, discharged, dumped or disposed of, or have or have not escaped, leached, or migrated, from the City Property and its surrounding Environment to, on, or under adjacent lands or their surrounding Environment;
 - 3.2.4 the City Property will or will not be environmentally or otherwise suitable for any purpose including occupancy, development, or derivation of revenue; or
 - 3.2.5 the improvements comprising the City Property are or are not in good repair or condition.
- 3.3 Buyer's Representations. Regardless of any independent investigations the Seller may make, the Buyer represents to the Seller, as representations that are true and correct on the Effective Date and will be true and correct on the Sale Closing Date, that:
- 3.3.1 in response to the City inquiry under section 116 of the *Income Tax Act* (Canada) and under Part IX of the *Excise Tax Act* (Canada), the Buyer is a resident of Canada within the meaning of those Acts and, in the case of the *Excise Tax Act*, the Buyer is resident in Canada by reason other than subsection 32(2) which deems a non-resident to be resident in Canada if that non-resident has a permanent establishment in Canada;
 - 3.3.2 if the Buyer is a corporation, it is in good standing under the laws of Canada and it has sufficient power, authority, and capacity to deliver this Contract to the Seller and to buy the City Property from the Seller;
 - 3.3.3 the Buyer has no knowledge that any person employed by the Seller has any direct or indirect interest in this sale and purchase; and

- 3.3.4 the Buyer has had or will have prior to the date referred to in subsection 4.2.1, full opportunity to make all appropriate inquiries into the previous ownership and uses of the Property, and to undertake all other investigations consistent with good commercial or customary practice, in order to determine the condition, state of compliance with Environmental Laws, and fitness for purpose of the City Property.

4. Conditions

- 4.1 Seller's Conditions. Despite anything to the contrary in this Contract, the Seller's obligation to complete the sale of the City Property to the Buyer will be subject to the conditions that:

- 4.1.1 on or before the Sale Closing Date, the Buyer will have obtained approval of the Subdivision Plan from the Approving Officer and from the City's Legal Director and will have had the Subdivision Plan executed by all persons, including any lender, required to execute such a subdivision plan;
- 4.1.2 on or before the Sale Closing Date, the Seller's City Council will have passed a resolution, or such other authorization as is required, for the stopping up of, and raising title to the City Lane and for the authorization of the transfer of the City Property to the Buyer, and the Buyer will have complied with all conditions imposed by the Seller's City Council for the transfer of the City Lane to the Buyer, including:
- (a) execution of the City SRW Agreements, and
 - (b) execution of the Option Back;
- 4.1.3 on or before the Sale Closing Date, all of the following have occurred:
- (a) the Seller's City Council will have granted approval in principle of the rezoning by-law to rezone the Project Lands to allow for the Project; and
 - (b) prior to the enactment of such rezoning by-law, the Buyer will have satisfied or complied with all conditions precedent or "prior to's" required to be satisfied or complied with, other than (i) the posting of any bonds or letters of credit or other forms of security or any Community Amenity Contributions as may be required by the City pursuant to any resolutions of the City's council or agreements or covenants to be granted by the Buyer as a condition of rezoning, and (ii) full registration of the required documents;
- 4.1.4 the representations and warranties of the Buyer contained in section 3.3 will be true on and as of the Sale Closing Date with the same effect as if those representations and warranties had been made on and as of the Sale Closing Date, and all of the covenants and agreements of the Buyer to be performed on or before the Sale Closing Date pursuant to this Contract will have been duly performed; and
- 4.1.5 on the Sale Closing Date, concurrently with the deposit of the Transfer, the Buyer will deposit the Subdivision Plan in order that the City Property be consolidated, according to the requirements of this Contract.

4.2 Buyer's Conditions. Despite anything to the contrary in this Contract, the Buyer's obligation to complete the purchase of the City Property from the Seller will be subject to the condition that:

- 4.2.1 on or before October 15, 2012, the Buyer will have obtained, at the Buyer's cost, such reports, studies, inspections, investigations, tests and surveys regarding the City Property and its surrounding Environment as it considers necessary, including but not limited to, environmental, topographical and geotechnical reports, studies, inspections, investigations, tests and surveys as the Buyer and its consultants shall have completed such evaluations, studies, inspections, investigations, tests and surveys as the Buyer may consider necessary or desirable in conducting its due diligence with respect to the City Property and the Buyer's proposed development of the City Property and the balance of the Project Lands with the results and content of all such evaluations, studies, inspections, investigations, tests and surveys being satisfactory to the Buyer in its sole discretion;
- 4.2.2 on or before the Sale Closing Date, the Buyer will have obtained approval of the Subdivision Plan from the Approving Officer and from the City's Legal Director and will have had the Subdivision Plan executed by all persons, including any lender, required to execute such a subdivision plan;
- 4.2.3 on or before the Sale Closing Date, the Seller's City Council will have passed such resolution, or such other authorization as is required, for the stopping up of, and raising title to the City Lane and for the authorization of the transfer of the City Property to the Buyer;
- 4.2.4 on or before the Sale Closing Date, all of the following have occurred:
 - (a) the Seller's City Council will have granted approval in principle of:
 - (i) the rezoning by-law to rezone the Project Lands to allow for the Project; and
 - (ii) the form of development for the Project,

provided that the proposed rezoning by-law and form of development permits not less than the Estimated Gross Buildable Square Footage for the Project on the Project Lands; and
 - (b) prior to the enactment of such rezoning by-law, the Buyer will have satisfied or complied with all conditions precedent or "prior to's" required to be satisfied or complied with, other than (i) the posting of any bonds or letters of credit or other forms of security or any Community Amenity Contributions as may be required by the City pursuant to any resolutions of the City's council or agreements or covenants to be granted by the Buyer as a condition of rezoning, and (ii) full registration of the required legal documents;
- 4.2.5 the representations and warranties of the Seller contained in section 3.1 will be true on and as of the Sale Closing Date with the same effect as if those representations and warranties had been made on and as of the Sale Closing Date and, subject to section

7.6, all of the covenants and agreements of the Seller to be performed on or before the Sale Closing Date pursuant to this Contract will have been duly performed.

4.3 Effect of Seller's and Buyer's Conditions. Except for the Seller's condition set out in section 4.1.3, which the Seller may waive, and except for the Buyer's conditions set out in subsections 4.2.1, 4.2.4 and 4.2.5, which the Buyer may waive, if a Seller's or Buyer's condition is not fulfilled, then the Buyer and the Seller will be deemed to have terminated this Contract, and it will have no further force or effect except that the Seller will return the Deposit to the Buyer on demand.

4.4 Effect of Contract. The conditions set out in sections 4.1 and 4.2 are not to be or be deemed to be conditions precedent to the formation of this Contract or its execution and delivery by each party to the other, and this Contract will be and be deemed to be enforceable from the time of such execution and delivery.

5. Further Agreements

5.1 Transfer of Title. Subject to the terms and conditions of this Contract, the Seller will take all necessary steps to transfer good, safeholding, and marketable title to the City Property to the Buyer on the Sale Closing Date.

5.2 Consolidation. The Buyer, at the Buyer's cost, will arrange for preparation of the Subdivision Plan, and will use commercially reasonable efforts to cause the Approving Officer to approve the Subdivision Plan. The Subdivision Plan will also be subject to approval by the City's Legal Director as to compliance with the requirements of this Contract. The Buyer will have the Subdivision Plan executed by all persons, including any lender, required to execute such a subdivision plan.

5.3 Property Condition Disclosure Statement. The Seller has no obligation to deliver to the Buyer a Property Condition Disclosure Statement.

5.4 Investigation. In accordance with such licence agreements as may be required by the Seller from time to time, the Buyer, and its employees, agents, and contractors, may enter the City Property at any time before the Sale Closing Date to carry out, at its cost, such inspections, investigations, tests, and surveys as it considers necessary or desirable. The Buyer will restore the surface of the City Property and repair any damage it causes in doing so and will leave the City Property in a good and tidy condition. The Buyer will not cause or permit any damage to the Improvements including, without limiting the generality of the foregoing, any tenant fixtures and fittings.

5.5 Condition of City Property and Environmental Responsibility. The Buyer will:

5.5.1 subject to the Seller's representations and warranties in section 3.1, and subject to the satisfaction or waiver of the conditions set out in Section 4.2, buy the City Property from the Seller "as is, where is" and will satisfy itself with respect to all matters related to the City Property, including:

- (a) the suitability or fitness of the City Property for the Buyer's purposes;
- (b) the condition of the City Property;

- (c) the area or dimensions of the City Property;
- (d) the rights to develop, build on, subdivide or otherwise extract value from the City Property which might be acquired from the City;
- (e) the existing or potential costs or obligations which might be imposed on the Buyer by any governmental authority (including the Seller) including and by way of example only, resulting from a determination that the City Property:
 - (i) does not provide adequate support for adjacent land, does not receive adequate support from adjacent land, or is unstable,
 - (ii) suffers from or causes drainage, erosion or flooding problems, or
 - (iii) lacks or has insufficient road access, sewer, water, electrical, telephone, cable, radio or other utility, amenity or service,
- (f) the legal terms and conditions of, and the existing and potential rights and obligations which arise from the zoning for the City Property as of the Sale Closing Date; and
- (g) any and all information whether written or verbal which may be provided by the Seller to the Buyer in the course of the Buyer conducting its due diligence inquiries prior to or following the execution of this Contract by the Buyer and the Seller;

5.5.2 not rely on environmental reports or investigations, if any, from or supplied by the Seller and will conduct its own investigations and satisfy itself, at its cost, regarding the matters set out in subsections 5.6.1 to 5.6.4;

5.5.3 waive any requirement for the Seller to provide to the Buyer a site profile for the City Property under the *Environmental Management Act* of British Columbia or any regulation pursuant to that Act; and

5.5.4 assume full responsibility for the matters set out in subsections 5.6.1 to 5.6.4 and for any remediation of the Project Lands required under any Environmental Laws.

5.6 Release. The Buyer, from and after the Sale Closing Date, will release the Seller from all liabilities, suits, actions, obligations, statutory or other proceedings, judgements, investigations, demands, claims, losses, damages, consequential damages, remediation cost recovery claims, remediation costs, fines, penalties, expenses, and legal costs on a solicitor-client basis, which the Buyer may suffer or incur, arising out of or in connection with anything concerning Contaminants or Environmental Laws related to the City Property, including:

5.6.1 the non-compliance of the City Property or its surrounding Environment with any Environmental Laws;

5.6.2 any investigation or claim of such non-compliance by any Person;

5.6.3 the presence within the City Property or its surrounding Environment of Contaminants; or

5.6.4 the leaching, escaping, or migrating of Contaminants from the City Property or its surrounding Environment to other properties or their surrounding Environment;

whether or not any such event, happening, or condition (for the purpose of this section 5.6, each such event, happening or condition is referred to as a "Release Event") arose or arises before or after the Effective Date or Sale Closing Date, and whether or not caused in whole or in part or directly or indirectly by the Seller or its officers, employees, agents, or contractors.

Without otherwise limiting the application of this Section 5.6, if the Seller exercises the Option Back then the release in this Section 5.6 will only apply to those Release Events which arise between the Sale Closing date and the date that fee simple title to the City Property is registered in favour of the Seller pursuant to the Option Back.

5.7 Indemnity. The Buyer, from and after the Sale Closing Date will indemnify the Seller and save it harmless from all liabilities, suits, actions, obligations, statutory or other proceedings, judgements, investigations, demands, claims, losses, damages, consequential damages, remediation cost recovery claims, remediation costs, fines, penalties, expenses, and legal costs on a solicitor-client basis, which the Seller may suffer or incur, arising out of or in connection with anything concerning Contaminants or Environmental Laws related to the City Property, including:

5.7.1 the non-compliance of the City Property or its surrounding Environment with any Environmental Laws;

5.7.2 any investigation or claim of such non-compliance by any Person;

5.7.3 the presence within the City Property or its surrounding Environment of Contaminants; or

5.7.4 the leaching, escaping, or migrating of Contaminants from the City Property or its surrounding Environment to other properties or their surrounding Environment;

where any such event, happening, or condition (for the purposes of this Section 5.7 each such event, happening or condition is referred to as an "Indemnity Event") arises after the Sale Closing Date, except if caused by the negligence of the Seller or its officers, employees, agents, or contractors.

Without otherwise limiting the application of this Section 5.7, if the Seller exercises the Option Back then the indemnity in this Section 5.7 will only apply to those Indemnity Events which arise between the Sale Closing Date and the date that fee simple title to the City Property is registered in favour of the Seller pursuant to the Option Back.

5.8 Risk. The City Property will be at the risk of the Seller until the date and time of submission of the Transfer for registration in the LTO, and, after that, will be at the risk of the Buyer.

5.9 Possession. The Buyer will have the right to vacant possession of the City Property, subject to Permitted Charges, on the Sale Closing Date after payment of the City Property Purchase Price due and payable on or before the Sale Closing Date.

5.10 Status of City Property and Permitted Charges. The Seller will not:

5.10.1 between the Effective Date and Sale Closing Date, amend any Permitted Charges; or

5.10.2 enter into any contracts with respect to the title, use or occupancy of the City Property which will be binding on the Buyer from and after the Sale Closing Date and, without limiting the foregoing, which leases or grants to any person any right of occupation or use of the City Property extending beyond the Sale Closing Date;

unless the Seller obtains the Buyer's prior written consent.

- 5.11 Adjustments. The Seller and Buyer will adjust all items customarily the subject of adjustment in the sale and purchase of property similar to the City Property at the Sale Closing Date. The Buyer will benefit from any income and be responsible for any expenses from and including the Sale Closing Date. If the adjustments are inaccurate or incomplete, the Seller and Buyer will make further adjustments after the Sale Closing Date. If the Seller and Buyer dispute any adjustments, either of them may refer the dispute to a single arbitrator under the *Commercial Arbitration Act* (British Columbia). The arbitrator may decide that the Seller or Buyer must deposit money in trust pending the arbitrator's decision on the dispute. The arbitrator's decision will be conclusive and binding on the Seller and Buyer, and they will bear equally the arbitrator's fees and expenses.
- 5.12 Costs, Fees and Taxes. The Seller will pay the costs of clearing title, except for Permitted Charges. The Buyer will pay any land title transfer fees and LTO application and registration fees. If the Buyer is a GST/HST registrant and delivers to the Seller, prior to the Sale Closing Date, its GST/HST registration number and such certificate as the Seller may require, the Buyer will remit directly to the Receiver General of Canada any GST/HST payable by the Buyer on the purchase of the City Property, promptly after the Sale Closing Date, and will confirm to the Seller that it has done so. If the Buyer is not a GST/HST registrant, the Buyer will pay to the Seller, on the Sale Closing Date, along with the adjusted City Property Purchase Price, any GST/HST payable by the Buyer on the purchase of the City Property. The Buyer and Seller will each pay their own legal costs. The Buyer and Seller will pay such costs, fees, and taxes when due.
- 5.13 Commissions. The Seller will not be required to pay any fees and commissions of real estate brokers, real estate agents, and other like Persons in connection with the sale of the City Property.
- 5.14 Utilities and Services. If, before or after the Sale Closing Date, the Seller learns of the existence of any pipes, wires, or other utilities or services below, on, or above the surface of the City Property that are then in use or that the Seller or any other public authority or utility wishes to use, the Buyer, promptly on request by the Seller, will execute and deliver to the Seller, in form acceptable for registration in the LTO, a statutory right of way satisfactory to the Seller and such instruments of priority for that statutory right of way over other registered charges as the Seller may require, provided that the Buyer, at its cost, will have the right to move any such pipes, wires, or other utilities or services to another location as long as such location is satisfactory to the General Manager of Engineering Services.
- 5.15 City SRW Agreements. The Buyer will at the request of the City grant such City SRW Agreements as may be reasonably required over the City Property for registration concurrently with the transfer of the City Property to the Buyer on closing of the transaction herein contemplated in such form and content as may be acceptable to the Buyer acting reasonably.

6. Closing

6.1 Documents. Before the Sale Closing Date:

- 6.1.1 the Buyer will cause the Buyer's Representatives to prepare the Transfers, the Option Back, the statements of adjustments, and other conveyance documents required pursuant to this Contract, in form and substance satisfactory to the Buyer, and to deliver them to the City's Legal Director along with any other documents or evidence the Seller requires from the Buyer under this Contract;
- 6.1.2 the Seller will cause the City's Legal Director to prepare the City SRW Agreements and deliver them to the Buyer's Representatives for execution by the Buyer; and
- 6.1.3 the Seller will sign the documents, and cause the City's Legal Director to return them to the Buyer's Representatives.

6.2 Closing. The Buyer will:

- 6.2.1 on the Sale Closing Date, provide the Buyer's Representatives with the adjusted Property Purchase Price and any other money necessary to complete the transaction, less the amount of such proceeds to be obtained from the advance under the Buyer's Mortgage;
- 6.2.2 on the Sale Closing Date, cause the Buyer's Representatives to conduct a pre-registration index search of the City Property in the LTO, and, if the search indicates that the Seller owns the City Property free from all registered or pending liens, charges, and encumbrances, except for Permitted Charges, to submit the Transfers, the Subdivision Plan, and the Option Back for registration;
- 6.2.3 cause the Buyer's Representatives, promptly after the LTO accepts the Transfers, the Subdivision Plan and the Option Back for registration and notes up the registration particulars for the Transfers, Subdivision Plan and the Option Back, to conduct a post-application index search of the City Property, and, if the search indicates that good, safeholding, and marketable title to the City Property, except for Permitted Charges and the Option Back, will vest in the Buyer in the normal course of the LTO's routine registration process, and subject to section 6.3 below, to pay any balance of the adjusted City Property Purchase Price promptly to the City by notifying the City's Legal Director that same is available for pick up; and
- 6.2.4 if it is unable to comply, or to cause the Buyer's Representatives to comply, with such registration and payment requirements, other than by reason of default by the Seller, to cause the Buyer's Representatives to return the Transfers and the Option Back to the City's Legal Director or, if the Buyer's Representatives have then submitted the Transfers and the Option Back for registration, to apply immediately to withdraw the Transfers and the Option Back from the LTO and, upon receipt, to return them to the City's Legal Director.

The Seller and Buyer instruct the City's Legal Director and Buyer's Representatives respectively to otherwise conduct the closing according to the customary practices of reputable lawyers having experience in such matters, except that the Buyer's Representatives will not require the City's Legal Director to provide any undertakings.

6.3 Buyer's Mortgage. Notwithstanding the provisions of section 6.2 above, while still required to pay the City Property Purchase Price on the Sale Closing Date, the Buyer may wait to pay the City Property Purchase Price to the Seller until after the Transfer and Buyer's Mortgage documents have been submitted for registration in the LTO, but only if, before such submission, the Buyer has:

6.3.1 made available for tender to the Seller that portion of the City Property Purchase Price not secured by the Buyer's Mortgage;

6.3.2 fulfilled all the conditions under the Buyer's Mortgage required for funding except submitting the Buyer's Mortgage for registration; and

6.3.3 made available to the Seller an undertaking from the Buyer's Representatives to pay the City Property Purchase Price upon the submission for registration of the Transfers and Buyer's Mortgage documents and the advance of the mortgage proceeds.

6.4 Tender. The Buyer may tender documents or money upon the Seller or the City's Legal Director, and the Seller may tender documents on the Buyer or the Buyer's Representatives.

6.5 Payments. The Buyer will, or will cause the Buyer's Representatives to, pay all money owing to the Seller under this Contract including the Deposit by cash or by bank draft drawn on a Canadian chartered bank or on a trust company or credit union acceptable to the Seller.

7. General Provisions

7.1 Survival. All representations, agreements, and indemnities in this Contract will survive closing, registration of the Transfer, and payment of the adjusted City Property Purchase Price.

7.2 Assignment. The Buyer will not assign all or any of its rights or obligations under this Contract unless the Seller gives its prior written consent, which consent may be arbitrarily withheld.

7.3 Notice. Any notice, approval, consent, request, confirmation, or demand required or permitted under this Contract must be in writing, and the sender must deliver it by prepaid registered mail from any post office in British Columbia, by fax or by personal service addressed to the Seller as follows:

City of Vancouver
453 West 12th Avenue
Vancouver, British Columbia
V5Y 1V4
Fax: 604.871.6119

Attention: Director of Real Estate Services

with a concurrent copy to:

City of Vancouver
 453 West 12th Avenue
 Vancouver, British Columbia
 V5Y 1V4
 Fax: 604.873.7445

Attention: Director of Legal Services

or to the Buyer as follows:

Howe Street Ventures Ltd.
 501 - 1067 West Cordova Street
 Vancouver, British Columbia V6C 1C7
 Fax: (604) 893-1708

Attention: Damon Chan

Email: damon@westbankcorp.com

with a concurrent copy to:

Kornfeld LLP
 Barristers & Solicitors
 1100 One Bentall Centre, 505 Burrard Street
 Vancouver, British Columbia V7X 1M5
 Fax: 604.331.8301

Attention: E. Neil Kornfeld, Q.C.

Email: nkornfeld@kornfeldllp.com

or to such other address or fax number in the Province of British Columbia of which either party may notify the other according to the requirements of this section 7.3. Service will be deemed complete, if made by registered mail 72 hours after the date and hour of mailing; if made by faxed transmission on the first Business Day after the date of transmission; and if made by personal service upon the effecting of such service.

- 7.4 Effect of Contract. This Contract will enure to the benefit of and bind the Seller and Buyer and their respective heirs, executors, administrators, successors, and permitted assigns.
- 7.5 City's Other Rights Unaffected. Nothing contained or implied in this Contract will derogate from the obligations of the Buyer under any other agreement with the Seller, or prejudice or affect the Seller's rights, powers, duties or obligations in the exercise of its functions pursuant to the *Vancouver Charter* as amended from time to time and the rights, powers, duties and obligations of the Seller under all public and private statutes, by-laws, orders and regulations, which may be as fully and effectively exercised in relation to the Project Lands as if this Contract had not been executed and delivered by the Buyer and the Seller.
- 7.6 Council Discretion. This Contract is not intended to, will not and will not be construed to fetter the public process, or the open-mindedness of the Seller's City Council, with respect to:

- 7.6.1 any proposed stopping up and closing of the City Lane and transfer of the City Lane to the Buyer pursuant to the *Vancouver Charter*;
- 7.6.2 any proposed rezoning of all or any portion of the City Property, the Project Lands, or the Private Property; or
- 7.6.3 the exercise of the Seller's City Council's discretion with respect to any matter whatsoever, including the matters referred to in Article 4;

and whether before, on or after the Sale Closing Date. For greater certainty, the provisions of this section 7.6 are intended to be paramount to any and all of the other provisions of this Contract and, in the event of any alleged conflict or inconsistency with any of such other provisions, the provisions of this section 7.6 will prevail.

- 7.7 Further Assurances. Each of the parties hereby covenants and agrees to execute any further and other documents and instruments and to do any further things that may be necessary to fulfill the intention of this Contract.

TO EVIDENCE THIS CONTRACT the Seller and Buyer have signed it as of the Effective Date.

CITY OF VANCOUVER by its authorized signatory:

Per: 
 Authorized Signatory
MICHAEL G. FLANIGAN
 Real Estate Services

HOWE STREET VENTURES LTD. by its authorized signatory:

Per: 
IAN GILLESPIE

Schedule "A"

City Lots

Parcel Identifier: 009-625-101
 Lot 1 Block 123 District Lot 541 Plan 9597

Parcel Identifier: 009-625-119
 Lot 2 Block 123 District Lot 541 Plan 9597

Parcel Identifier: 009-625-135
 Lot 3 Block 123 District Lot 541 Plan 9597

Parcel Identifier: 015-505-162
 Lot 4 Block 122 District Lot 541 Plan 210

Parcel Identifier: 015-505-189
 Lot 5 Block 122 District Lot 541 Plan 210

Parcel Identifier: 015-505-201
 Lot 6 Block 122 District Lot 541 Plan 210

Parcel Identifier: 015-505-219
 Lot 7 Block 122 District Lot 541 Plan 210

Parcel Identifier: 015-505-235
 Lot 8 Block 122 District Lot 541 Plan 210

Parcel Identifier: 015-505-278
 Lot 9 Block 122 District Lot 541 Plan 210

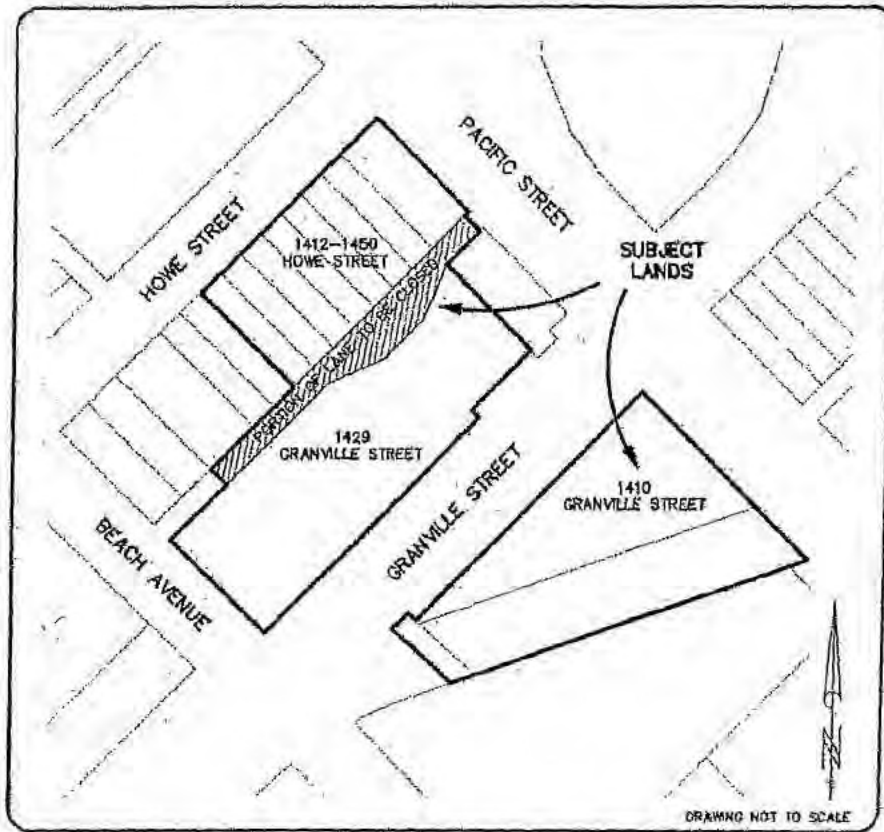
Parcel Identifier: 015-505-286
 Lot 10 Block 122 District Lot 541 Plan 210

Parcel Identifier: 007-687-915
 Lot G Block 122 District Lot 541 Plan 15118

Parcel Identifier: 002-647-214
 Lot H Block 122 District Lot 541 Plan 20641

AND all that portion of lane west of Granville Street and south of Pacific Street as generally shown hatched on Schedule "B"

Schedule "B"

City Lane

[Handwritten signature]

SCHEDULE "C"

Option BackLAND TITLE ACT
FORM C

(Section 233)

Province of British Columbia

GENERAL INSTRUMENT - PART 1

(This area for Land Title Office Use)

Page 1 of ____ pages

1. APPLICATION: (Name, address, phone number and signature of applicant, applicant's solicitor or agent)

Signature of Agent

2. PARCEL IDENTIFIER(S) AND LEGAL DESCRIPTION(S) OF LAND:*

(PID)

(LEGAL DESCRIPTION)

NPA

[NTD: Need legal description]

3. NATURE OF INTEREST:*

DESCRIPTION

DOCUMENT REFERENCE
(page and paragraph)PERSON ENTITLED TO
INTEREST

Option to Purchase

Entire Instrument

Transferee

4. TERMS: Part 2 of this instrument consists of (select one only)

(a) Filed Standard Charge Terms

[] D.F. No.

(b) Express Charge Terms

[xx] Annexed as Part 2

(c) Release

[] There is no Part 2 of this instrument

A selection of (a) includes any additional or modified terms referred to in Item 7 or in a schedule annexed to this instrument. If (c) is selected, the charge described in Item 3 is released or discharge as a charge on the land described in Item 2.

5. TRANSFEROR(S)/CHARGEHOLDER(S):*

HOWE STREET VENTURES LTD. (Incorporation number BC0683469), 1100 One Bentall Centre,
505 Burrard Street, Vancouver, British Columbia, V7X 1M5.

6. TRANSFEREE(S):* (including postal address(es) and postal code(s))*

CITY OF VANCOUVER, 453 West 12th Avenue, Vancouver, British Columbia, V5Y 1V4.

7. ADDITIONAL OR MODIFIED TERMS:*

N/A

8. EXECUTION(S):** This instrument creates, assigns, modifies, enlarges, discharges or governs the priority of the interest(s) described in Item 3 and the Transferor(s) and every other signatory agree to be bound by this instrument, and acknowledge(s) receipt of a true copy of the filed standard charge terms, if any.

Officer Signature(s)	Execution Date			Party(ies) Signature(s)
	Y	M	D	
	12			HOWE STREET VENTURES LTD. by its authorized signatories:
	12			CITY OF VANCOUVER by its authorized signatory:

OFFICER CERTIFICATION: Your signature constitutes a representation that you are a solicitor, notary public or other person authorized by the Evidence Act, R.S.B.C. 1996, c.124, to take affidavits for use in British Columbia and certifies the matters set out in Part 5 of the Land Title Act as they pertain to the execution of this instrument.

* If space insufficient, enter "SEE SCHEDULE" and attach schedule in Form E.

** If space insufficient, continue executions on additional page(s) in Form D.

TERMS OF INSTRUMENT - PART 2

OPTION TO PURCHASE

Introduction:

- A. It is understood and agreed that this instrument will be read as follows:
 - (a) HOWE STREET VENTURES LTD., is called the "Owner"; and
 - (b) the Transferee, CITY OF VANCOUVER, is called the "City" when referring to the corporate entity and "City of Vancouver" when referring to geographical location;
- B. The Owner is the owner of the Lands;
- C. The Owner purchased the City Property from the City on the condition that the Owner grant to the City an option to purchase the City Property if a building permit which permits construction of the Project is not issued and the construction of the Project has not commenced by the Option Back Trigger Date; and
- D. To satisfy the foregoing condition the Owner has agreed to grant an option to purchase to the City in respect of the City Property on the terms and conditions of this Agreement;

Consideration

In consideration of the payment of One Dollar (\$1.00) and other good and valuable consideration (the receipt and sufficiency of which is hereby acknowledged by the parties) the Owner and the City covenant and agree as follows:

ARTICLE 1

DEFINITIONS AND INTERPRETATION

- 1.1. **Definitions.** The terms defined in this Section 1.1 for all purposes of this Agreement, unless otherwise specifically provided, have the following meaning:
 - 1.1.1. "Approving Officer" means the person appointed to approve subdivisions within the City of Vancouver;
 - 1.1.2. "City Engineer" means the chief administrator from time to time of the Engineering Services Department of the City of Vancouver and his successors in function and respective nominees;
 - 1.1.3. "City Lane" means those portions of the dedicated land consisting of approximately 921.50 square metres (9,919 square feet) shown hatched on the plan attached hereto as Schedule "B";

- 1.1.4. "City Lots" means certain land in Vancouver, British Columbia and legally described as set out in Schedule "A";
- 1.1.5. "City Property" means the City Lots and the City Lane;
- 1.1.6. "Completion Date" means the 60th day after the Notice Date or the first day thereafter that the LTO is open for business to the public;
- 1.1.7. "Contaminants" mean any deleterious, dangerous, hazardous, corrosive, or toxic substances, pollutants, goods, waste or contaminated material, including underground storage tanks, urea formaldehyde insulation, asbestos and PCB transformers, the manufacture, storage, handling, treatment, generation, use, or transport, or release, disposal or discharge into the Environment of which is controlled, regulated, licensed, or prohibited by any Environmental Laws, or which are or may be deleterious, dangerous, or hazardous to human, animal or plant health or life or the Environment;
- 1.1.8. "day" means a calendar day;
- 1.1.9. "Director of Legal Services" means the chief administrator from time to time of the Legal Services Department of the City of Vancouver and her successors in function and respective nominees;
- 1.1.10. "Environment" means land, including soil, sediment deposited on land, fill and land submerged under water, air, including all layers of the atmosphere, and water, including oceans, lakes, rivers, streams, ground water, and surface water;
- 1.1.11. "Environmental Laws" mean all laws, statutes, regulations, rules, bylaws, orders, directives, standards, guidelines, and other lawful requirements of any government body including the Environmental Management Act of British Columbia and its regulations, and all principles of common law and equity concerning the quality of the Environment, that apply to the Option Back Lands and its surrounding Environment;
- 1.1.12. "GST" means the Goods and Services Tax under the Excise Tax Act (Canada);
- 1.1.13. "HST" means the harmonized sales tax under the Excise Tax Act (Canada);
- 1.1.14. "Land Title Act" means the Land Title Act, R.S.B.C. 1996, c.250 and all amendments thereto and re-enactments thereof;
- 1.1.15. "Lands" means that parcel of land situate in the City of Vancouver, Province of British Columbia, legally described in Item 2 of the Form C General Instrument Part 1;
- 1.1.16. "LTO" means the Land Title Office for the jurisdiction in which the Lands are situate;
- 1.1.17. "Notice" means the written notice which the City delivers to the Owner pursuant to Section 2.3 exercising the Option;

- 1.1.18. **"Notice Date"** means that day upon which the Owner is deemed, pursuant to Section 4.1, to have received the Notice;
- 1.1.19. **"Option"** means the option to purchase the Option Back Lands granted to the City pursuant to Section 2.1;
- 1.1.20. **"Option Back Lands"** means that area of the Lands comprising the City Property;
- 1.1.21. **"Option Back Trigger Date"** means [NTD: Insert date of fifth anniversary of effective date of Sale Contract];
- 1.1.22. **"Owner Notice to Elect Date"** means the date that is 120 days following the Option Back Trigger Date;
- 1.1.23. **"Permitted Encumbrances"** mean exceptions, conditions, reservations, and provisos contained in any Crown grant or Crown disposition of the City Property, and any rights of way, easements, or restrictive covenants in favour of government bodies, including the City of Vancouver, or public utilities registered against title to the City Property;
- 1.1.24. **"Person"** means any legal entity including any individual, firm, corporation, or government body;
- 1.1.25. **"Plan"** means the plan and development statistics for the Project as set out on page 10 of 103 of the amended rezoning application submission for the Project Lands submitted to the City and dated April 11, 2012
- 1.1.26. **"Private Property"** means certain land in Vancouver, British Columbia consisting of approximately 1,662.60 square metres (17,896 square feet), identified on the Plan, and legally described as:

Parcel Identifier:	Legal Description:
009-422-111	Lot 11 Block 122 District Lot 541 Plan 210
009-422-129	Lot 12 Block 122 District Lot 541 Plan 210
010-068-091	Lot A Block 122 District Lot 541 Plan 8486
008-907-251	Lot D Block 122 District Lot 541 Plan 12338

- 1.1.27. **"Project"** means the construction of a mixed-use development on the Project lands, substantially as described in the Plans;
- 1.1.28. **"Project Lands"** means collectively the City Property and the Private Property, to allow for the development of the Project;

- 1.1.29. "Purchase Price" means \$32,444,621, exclusive of HST or GST, provincial sales tax, property transfer tax, or other like charges, as such price may be adjusted pursuant to section 3.8;
- 1.1.30. "Subdivision Plan" means a subdivision plan delivered by the Owner pursuant to Section 3.6.6 which has been approved by the City and the Approving Officer;
- 1.1.31. "Term" means the period of time during which the Option may be exercised by the City, commencing on the Option Back Trigger Date and ending on the day that is 180 days following the Option Back Trigger Date;
- 1.1.32. "Transaction" means the transfer of the fee simple interest in the Option Back Lands from the Owner to the City, pursuant to the Option and as contemplated by Article 3; and
- 1.1.33. "Transfer" means a freehold transfer in statutorily prescribed form and otherwise in form and substance satisfactory to the City by which the Owner transfers the Option Back Lands to the City.
- 1.2. **Time**. Time will be of the essence of this Agreement. If either party expressly or impliedly waives this requirement, that party may reinstate it by delivering notice to the other party. If a time is specified in this Agreement for observing or performing any obligation, such time will be the local Vancouver, British Columbia time.
- 1.3. **Governing Law**. This Agreement will be governed by and construed and enforced in accordance with the laws of British Columbia.
- 1.4. **Validity of Provisions**. If a court of competent jurisdiction finds that any provision contained in this agreement is invalid, illegal, or unenforceable, such invalidity, illegality, or unenforceability will not affect any other provisions of this Agreement which will be construed as if such invalid, illegal, or unenforceable provision had never been contained therein and such other provisions will be enforceable to the fullest extent permitted at law or at equity.
- 1.5. **Construction**. The division of this Agreement into sections and the use of headings are for convenience of reference only and are not intended to govern, limit, or aid in the construction of any provision. In all cases, the language in this Agreement will be construed simply, according to its fair meaning, and not strictly for or against either party.
- 1.6. **No Limitation**. The word "including" when following any general statement, term, or matter is not to be construed to limit such general statement, term, or matter to the specific items set forth immediately following such word or to similar items whether or not non-limiting language such as "without limitation" or "but not limited to" or words of similar import are used with reference thereto, but rather such general statement, term, or matter is to be construed to refer to all other items that could reasonably fall within the broadest possible scope of such general statement, term, or matter.
- 1.7. **Waiver**. No consent or waiver, expressed or implied, by a party of any default by the other party in observing or performing its obligations under this Agreement will be effective unless

given in writing, or be deemed or construed to be a consent or waiver of any other default. Failure on the part of either party to complain of any act or failure to act by the other party or to declare the other party in default, irrespective of how long such failure continues, will not constitute a waiver by such party of its rights under this Agreement or at law or at equity.

- 1.8. **Remedies.** Each party to this Agreement, in addition to its rights under this Agreement or at law, will be entitled to all equitable remedies including specific performance, injunction and/or declaratory relief, to enforce its rights under this Agreement. No reference to nor exercise of any specific right or remedy under this Agreement or at law or at equity by either party will prejudice, limit or preclude that party from exercising any other such right or remedy. No such right or remedy will be exclusive or dependent upon any other such right or remedy, but either party, from time to time, may exercise any one or more of such rights or remedies independently, successively, or in combination. The Owner acknowledges that specific performance, injunctive relief (mandatory or otherwise), or other equitable relief may be the only adequate remedy for a default by the Owner under this Agreement.
- 1.9. **Statutes.** Any reference in this Agreement to a federal or provincial statute will include the statute as it exists on the date the General Instrument Part 1 is executed and any subsequent amendments or replacements.
- 1.10. **Further Assurances.** The Owner will execute and deliver to the City, on request by the City from time to time, such further assurances and instruments as the City may require to give full force and effect to the Owner's grants and agreements under this Agreement.
- 1.11. **Joint and Several Liability.** If the Owner consists of more than one person, firm or corporation, the Owner's obligation under this Agreement will be joint and several.
- 1.12. **References.** Whenever the singular or masculine is used in this Agreement, the same will be construed as meaning the plural, feminine or body corporate or politic and vice versa where the context or the parties require.

ARTICLE 2

OPTION

- 2.1. **Option.** In consideration of the sum of One Dollar (\$1.00) and other good and valuable consideration (the receipt and sufficiency of which is hereby acknowledged and agreed to by the parties), the Owner hereby grants to the City the exclusive and irrevocable option to purchase the Lands, free and clear of all liens, charges and encumbrances except the Permitted Encumbrances, according to the terms and subject to the conditions set out in this Agreement.
- 2.2. **Limitation.** The City hereby waives its right to exercise the Option except if a building permit which permits construction of the Project is not issued and the construction of the Project has not commenced by the Option Back Trigger Date.
- 2.3. **Exercise of Option.** Subject to Section 2.2, the City may exercise the Option at any time during the Term by delivering written notice of such exercise to the Owner.

- 2.4. **Effect of Option Exercise.** From and after the Notice Date, this Agreement and the Notice will together constitute a binding and enforceable contract between the Owner and the City for the sale and purchase of the Option Back Lands according to the terms and conditions of Article 3, and the terms and conditions of Article 3 will take effect at that time.
- 2.5. **Owner to Require Election of Whether to Exercise.** If the City has not exercised the Option by the Owner Notice to Elect Date then the Owner will deliver written notice to the City which notice will remind the City that if the City wishes to exercise the Option it must do so during the Term.
- 2.6. **Partial Discharge of Option.** Notwithstanding the fact that the parties have agreed that the Option has been granted in respect of and registered against the Lands, if the Subdivision Plan creating the Option Back Lands has been approved by the City and the Approving Officer and has been fully registered in the LTO and title to the Option Back Lands has been issued, the City agrees to release the Option from title to the remainder of the Lands, such that the Option will be an option to purchase the Option Back Lands only, provided however that:
- 2.6.1 the City will have no obligation to execute such discharge until a written request therefor from the Owner has been received by the City, which request will include the form of discharge in registrable form;
 - 2.6.2 the cost of preparation of such discharge and the cost of registration of same in the LTO will be paid by the Owner; and
 - 2.6.3 the City will have reasonable time within which to execute such discharge and return same to the Owner for registration.

ARTICLE 3 SALE AND PURCHASE

- 3.1. **Purchase and Sale.** Subject to the terms and conditions of this Article 3 and based on the warranties and representations set out in this Agreement, the Owner agrees to sell and the City agrees to purchase the Option Back Lands on the Completion Date for the Purchase Price.
- 3.2. **Purchase Price.** Subject to the terms and conditions of this Article 3, the City will pay the Purchase Price to the Owner on the Completion Date.
- 3.3. **Owner's Representations.** Regardless of any independent investigations the City may make, the Owner represents to the City, as representations that are true and correct on the date the Owner executes this Agreement and will be true and correct on the Completion Date, that:
- 3.3.1 in response to the City's inquiry under section 116 of the *Income Tax Act* (Canada) and under Part IX of the *Excise Tax Act* (Canada), the Owner is a resident of Canada within the meaning of those Acts, and, in the case of the *Excise Tax Act*, the Owner is resident in Canada by reason other than subsection 32(2) which deems a non-resident to be resident in Canada if that non-resident has a permanent establishment in Canada;

- 3.3.2 the Owner is the registered owner of the Option Back Lands, has good, safeholding, and marketable title to the Option Back Lands, free from all liens, charges, or encumbrances except for Permitted Encumbrances and has sufficient, power, authority, and capacity to execute and deliver this Agreement to the City and convey to the City good, safeholding, and marketable registered and beneficial title to the Option Back Lands
 - 3.3.3 by completing the sale of the Option Back Lands to the City, the Owner will not be in breach of any statute or bylaw or of any agreement by which the Owner is bound;
 - 3.3.4 the Owner does not owe money to any Person which will constitute a lien, charge, encumbrance, or claim against the Option Back Lands;
 - 3.3.5 the Owner has no knowledge that any government body intends to expropriate all or part of the Option Back Lands, or that any government body has issued or intends to issue any order or notice regarding the Option Back Lands;
 - 3.3.6 except for Permitted Encumbrances, there are and will be on the Completion Date no existing leases or licenses of any part or all of the Option Back Lands;
 - 3.3.7 there are and will be at the Completion Date no service or other contracts relating to the Option Back Lands to be assumed by the City;
 - 3.3.8 with respect to any work done on the Option Back Lands by or on behalf of the Owner, no lien will exist as at the Completion Date;
 - 3.3.9 there is no action, suit, claim or litigation commenced against the Owner or, to the knowledge of the Owner, pending or threatened, with respect to the Option Back Lands; and
 - 3.3.10 the Owner has no knowledge that, during the period in which the Owner owned the Option Back Lands, any Contaminants have been released, spilled, leaked, pumped, poured, emitted, emptied, discharged, dumped or disposed of on the Option Back Lands, or that any Contaminants have escaped, leached, or migrated, from the Option Back Lands and their surrounding Environment to, on, or under adjacent lands or their surrounding Environment.
- 3.4. **Insurance.** From and after the Notice Date to the Completion Date, the Owner will maintain in force policies of insurance previously maintained.
- 3.5. **Risk.** The Option Back Lands will be the sole responsibility of the Owner and at the risk of the Owner up to the time the Transfer is submitted for registration on the Completion Date and will be at the sole responsibility of the City and at the risk of the City from and after the time of such submission.
- 3.6. **Owner's Covenants.** The Owner will:
- 3.6.1 from and after the Notice Date to the Completion Date, take all proper actions and proceedings on its part to enable it to vest good and marketable title to the Option

Back Lands in the City, free and clear of all liens, encumbrances, charges, encroachments, defects in title, equities or claims, except the Permitted Encumbrances;

- 3.6.2 deliver vacant possession of the Option Back Lands to the City on the Completion Date;
 - 3.6.3 from and after the Notice Date and both before and after the Completion Date, do all such further things as the City may reasonably require for transferring to and vesting in the City title to the Option Back Lands as contemplated by this Article 3;
 - 3.6.4 from and after the Notice Date, not bury, spill or release, nor permit to be buried, spilled or released, any Contaminants on the Option Back Lands;
 - 3.6.5 in the event the City delivers the Notice, use reasonable commercial efforts to obtain the right to deliver to the City any architectural plans prepared for the Project and, if successful in obtaining such right, deliver such plans to the City, provided however that the Buyer will not be required to provide any portion of a plan which contains information proprietary or confidential to the Owner;
 - 3.6.6 in the event that the City delivers the Notice, deliver to the City, on or before the Completion Date, copies of all reports, studies, investigations and other information commissioned or prepared by or on behalf of the Owner, or otherwise provided to the Owner, regarding the condition of the Option Back Lands, including, if applicable, any reports, studies, investigations or other information regarding Contaminants on or adjacent to the Option Back Lands; and
 - 3.6.7 at least 30 days prior to the Completion Date deliver to the Director of Real Estate Services, the City Engineer and the Approving Officer, copies of a subdivision plan creating a separate legal parcel for the Option Back Lands or, if the City elects pursuant to Section 3.10, a subdivision plan which dedicates the City Lane and creates a separate legal parcel for the balance of the Option Back Lands other than the City Lane. The Owner will deliver the approved Subdivision Plan to the Approving Officer for execution at least 10 days prior to the Completion Date.
- 3.7. **Documents.** The Owner, at its sole cost and expense, will prepare the documents and any plans required to close the Transaction, which will be in form and substance reasonably satisfactory to the Director of Legal Services.
- 3.8. **Adjustments and Credits.** The Owner and the City will adjust, as at the Completion Date, all usual adjustments for land of this nature, including real property taxes.
- 3.9. **Owner's Closing Documents.** At the closing of the Transaction, the Owner will deliver to the City, at the Owner's sole cost and expense, the following documents executed in registrable form:
- 3.9.1 the Transfer;

- 3.9.2 if the Owner is a company, an officer's certificate from a senior officer of the Owner, for and on behalf of the Owner and without incurring personal liability, certifying that the Owner's representations and warranties set out in Section 3.3 are true and correct as at the Completion Date in all material respects;
 - 3.9.3 all plans required to close the Transaction including the Subdivision Plan;
 - 3.9.4 the Owner's statement of adjustments;
 - 3.9.5 a cheque payable to the Land Title Survey Authority for all LTO applications and applicable registration fees except Property Transfer Tax; and
 - 3.9.6 any other documents reasonably required by the Director of Legal Services in order to complete the Transaction.
- 3.10. **Dedication in Lieu of Transfer.** The City may elect to require the Owner to dedicate the City Lane as lane or road by way of the Subdivision Plan, instead of transferring the City Lane to the City by way of the Transfer, provided that:
- 3.10.1 all of the provisions of Article 3 will apply except that the Subdivision Plan will dedicate the City Lane and the Transfer will convey to the City that portion of the Option Back Lands other than the City Lane;
 - 3.10.2 the City will give to the Owner written notice that the City elects to require the Owner to dedicate the City Lane as road concurrently with or as part of the Notice; and
 - 3.10.3 the Owner, at its cost, will cause the Subdivision Plan submitted pursuant to Section 3.6.6. to dedicate the City Lane as road or lane.
- 3.11. **City's Closing Documents.** At the closing, the City will deliver to the Owner a duly executed purchaser's statement of adjustments and a cheque for the Purchase Price.
- 3.12. **Closing.** On the Completion Date, all documents, plans and cheques delivered by the Owner and the City, except the Subdivision Plan and Transfer, will be held by the Director of Legal Services, who will cause the Subdivision Plan and the Transfer to be tendered for registration in the LTO and after conducting a post registration search in the LTO, the results of which are satisfactory to the Director of Legal Services, the Director of Legal Services will release all documents and cheques, including a cheque drawn in favour of the Owner in the amount equal to the net adjusted portion of the Purchase Price which is due to the Owner on the Completion Date. The Owner and the City agree to instruct their respective legal representatives to conduct the transfer of the Option Back Lands in accordance with the customary practices of reputable lawyers having experience in such matters except that the Owner's legal representatives will not require the Director of Legal Services to provide any undertaking.
- 3.13. **Investigation.** The City, and its officials, employees, agents and contractors may, upon delivery of reasonable notice, enter the Option Back Lands at any time after the City has

delivered the Notice and before the Completion Date to carry out, at the City's cost, such inspections, investigations, tests and surveys as the City considers necessary or desirable.

- 3.14. **Survival.** All the representations, warranties, covenants, agreements and indemnities of the Owner and the City contained in this Article 3 will survive the Completion Date, registration of documents, and payment of the Purchase Price.
- 3.15. **Costs, Fees and Taxes.** The Owner will pay the cost of any LTO applications and registration fees and the cost of clearing title except for the Permitted Encumbrances. The Owner will not be responsible for payment of Property Transfer Tax. As the City is a GST/HST registrant under GST/HST Registration Number R121361042, the City will remit directly to the Receiver General of Canada any GST/HST payable by the City on the purchase of the Option Back Lands. The Owner and the City will each pay their own legal costs. The Owner and the City will pay such costs, fees and taxes when due.
- 3.16. **Closing Condition.** Despite anything to the contrary in this Agreement, the Owner's obligation to complete the sale of the Option Back Lands, and the City's obligation to complete the purchase of the Option Back Lands, are subject to the condition that the Subdivision Plan creating the Option Back Lands has been approved by the City and the Approving Officer and has been fully registered in the LTO in the manner contemplated by, and within the time contemplated by, Sections 3.6.6, 3.10 and 3.12 of this Agreement. The condition set out in this Section 3.16 is a true condition precedent and, if not satisfied, may not be waived by the Owner or the City.

ARTICLE 4 GENERAL PROVISIONS

- 4.1. **Notice.** Any notice, approval or request required or permitted to be given under this Agreement will be in writing and may be given by delivering such notice, approval or request to a representative of the party for whom it is intended or by mailing such notice, approval or request by prepaid registered mail from any post office in British Columbia and in the case of the Owner addressed to it at the Owner address set out in the Certificate of Title for the Lands or such other address of which the Owner may notify the City according to the requirement of this Section 4.1;

and in the case of the City addressed to it at:

City of Vancouver
453 West 12th Avenue
Vancouver, British Columbia V5Y 1V4

Attention: City Clerk, with a copy to the Director of Legal Services and the Director of Real Estate Services,

or at such address as the parties may from time to time advise by notice in writing. Any such notice, approval or request will be deemed to have been received on the date of delivery of such notice, approval or request or, on the fifth business day next following the date of mailing of such notice, approval or request is mailed, provided that if mailed should there be, between mailing and the actual receipt of such notice, approval or request, a mail strike,

slowdown or other labour dispute which might affect the delivery of such notice, approval or request, such notice, approval or request will only be effective if actually delivered.

- 4.2. **City Status.** Nothing expressed or implied in this Agreement will or will be deemed to derogate from or prejudice or affect the City's rights, powers, duties and obligations in the exercise of its functions pursuant to the *Vancouver Charter*, S.B.C. 1953, c.55 and the rights, powers, duties and obligations of the City under all public and private statutes, by-laws and regulations, all of which may be as fully and effectively exercised as if this Agreement had not been executed and delivered by the Owner and the City.
- 4.3. **Registration.** The City may register the Option against the Owner's title to the Lands in priority to all other charges excepting only Permitted Encumbrances. The Owner will execute and deliver this Agreement to the City in a form acceptable for registration, and will cause the holders of all liens, charges, and encumbrances in respect of which the City requires priority to execute and deliver to the City instruments of priority acceptable for registration and in form and substance acceptable to the City.
- 4.4. **Effect of Grants and Agreements.** The grants and agreements made in this Agreement by the Owner are made by the Owner for itself and its successors and assigns and the Option will run with and bind the Lands.
- 4.5. **Indemnity.** The Owner hereby agrees to indemnify and hold the City harmless from and against any and all liabilities, losses, claims, damages (including consequential damages, interest, penalties, fines and monetary and other sanctions) incurred or suffered by the City by reason of, or in any way related to, the breach of any of the representations, warranties or covenants of the Owner set forth in this Agreement.
- 4.6. **Entire Agreement.** This Agreement represents the entire agreement between the City and the Owner regarding the matters set out in this Agreement, and supersedes all prior agreements, letters of intent or understandings about these matters.
- 4.7. **Continuing Effect.** This Agreement will enure to the benefit of and be binding upon the respective successors and assigns of the City and the Owner's heirs, executors, administrators, successors and assigns.
- 4.8. **Release and Discharge.** The City hereby covenants and agrees to and with the Owner to execute and deliver to the Owner a registrable discharge of the Option from the Owner's title to the Lands upon the earlier of:
 - 4.8.1 the issuance of a building permit permitting construction of the Project and the commencement of the construction of the Project by the Owner; and
 - 4.8.2 the expiry of the Term, in the event the City has not delivered the Notice prior to the expiry of the Term,

provided however that:

- 4.8.3 the City will have no obligation to execute such discharge until a written request therefor from the Owner has been received by the City, which request will include the form of discharge in registrable form;
- 4.8.4 the cost of preparation of such discharge and the cost of registration of same in the LTO will be paid by the Owner; and
- 4.8.5 The City will have reasonable time within which to execute such discharge and return same to the Owner for registration.

IN WITNESS WHEREOF the parties have executed this Agreement on the General Instrument - Part 1 which is a part hereof.

The Approving Officer of the **CITY OF VANCOUVER**
hereby approves the foregoing this ____ day of
_____, 201__.

Approving Officer for City of Vancouver

Schedule "A"

City Lots

Parcel Identifier: 009-625-101
Lot 1 Block 123 District Lot 541 Plan 9597

Parcel Identifier: 009-625-119
Lot 2 Block 123 District Lot 541 Plan 9597

Parcel Identifier: 009-625-135
Lot 3 Block 123 District Lot 541 Plan 9597

Parcel Identifier: 015-505-162
Lot 4 Block 122 District Lot 541 Plan 210

Parcel Identifier: 015-505-189
Lot 5 Block 122 District Lot 541 Plan 210

Parcel Identifier: 015-505-201
Lot 6 Block 122 District Lot 541 Plan 210

Parcel Identifier: 015-505-219
Lot 7 Block 122 District Lot 541 Plan 210

Parcel Identifier: 015-505-235
Lot 8 Block 122 District Lot 541 Plan 210

Parcel Identifier: 015-505-278
Lot 9 Block 122 District Lot 541 Plan 210

Parcel Identifier: 015-505-286
Lot 10 Block 122 District Lot 541 Plan 210

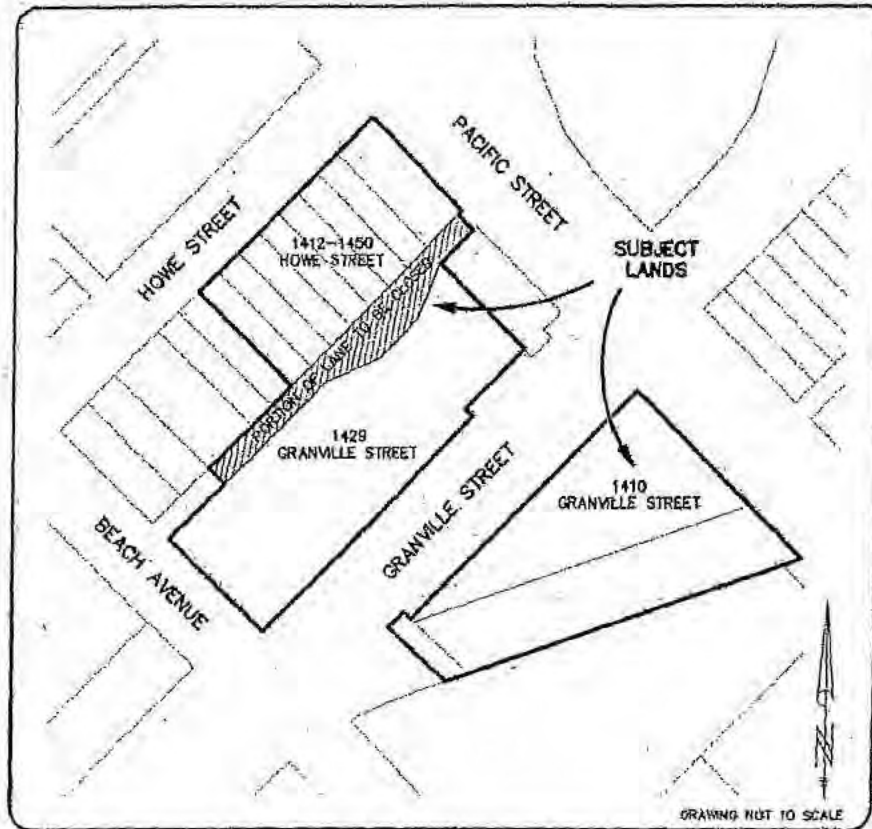
Parcel Identifier: 007-687-915
Lot G Block 122 District Lot 541 Plan 15118

Parcel Identifier: 002-647-214
Lot H Block 122 District Lot 541 Plan 20641

AND all that portion of lane west of Granville Street and south of Pacific Street as generally shown hatched on Schedule "B"

Schedule "B"

Plan



M

END OF DOCUMENT

Evans, Jerry

From: Damon [Damon@westbankcorp.com]
Sent: Monday, January 30, 2012 11:39 AM
To: Evans, Jerry
Cc: Flanigan, Michael; Ian
Subject: 1400 Howe Land Price
Attachments: 1400 Howe Land Price - Jan 30.pdf; 4023-Area-2 Rev1.pdf

Jerry,

s.21(1)



Thanks!
Damon

Damon Chan

w e s t b a n k

501, 1067 West Cordova Street, Vancouver BC, Canada V6C 1C7
direct 604 893 1738 / main 604 685 8986 / fax 604 893 1708

visit our new website, www.westbankcorp.com

s.21(1)



s.21(1)



