

File No.: 04-1000-20-2023-528

January 23, 2024

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 August 29, 2023 under the ***Freedom of Information and Protection of Privacy Act*** for:

1. **Record of the notice delivered to the City Clerk to exercise the Option to Purchase of 701 W Georgia (Pacific Centre) by Pacific Centre Ltd; and**
2. **Record of City emails relating to the notice and/or to the purchase of the property.**

Date range: January 1, 2014 to February 19, 2015.

All responsive records are attached. Some information in the records has been severed (blacked out) under s.3(5)(a), s.14, s.15(1)(l), s.21(1), and s.22(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 section 14 redactions have been applied in some instances to communications with third parties on the basis of common interest privilege.

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 (#04-1000-20-2023-528); 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,

[Signed by Cobi Falconer]

Cobi Falconer, MAS, MLIS, CIPP/C
Director, Access to Information & Privacy
cobi.falconer@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. Alternatively, you can call the FOI Case Manager at 604-871-6584.

Encl. (Response Package)

:kt

Billing, Jean

From: Aujla, Bill
Sent: Thursday, February 19, 2015 6:18 PM
To: Billing, Jean; Breckner, John
Cc: Liljefors, Yvonne; Soo, Doris
Subject: RE: Pacific Centre - Block 42

Thanks Jean/John for all your work on this matter!

Sincerely,
Bill

From: Billing, Jean
Sent: Thursday, February 19, 2015 3:18 PM
To: Aujla, Bill; Breckner, John
Cc: Liljefors, Yvonne; Soo, Doris
Subject: RE: Pacific Centre - Block 42

Just wanted to confirm that the transaction has closed. Doris is depositing the cheque, regarding the sale proceeds, at the Bank today.

Jean

From: Burrell, Keith [<mailto:KBURRELL@MCCARTHY.CA>]
Sent: Thursday, February 19, 2015 10:42 AM
To: Billing, Jean
Cc: Pow, Rosalind; Liljefors, Yvonne
Subject: RE: Pacific Centre - Block 42

Jean:

We have our post. We have a courier bringing you the trust cheque for the closing proceeds now. We will deliver copies of the closing documents to you separately.

Regards, Keith

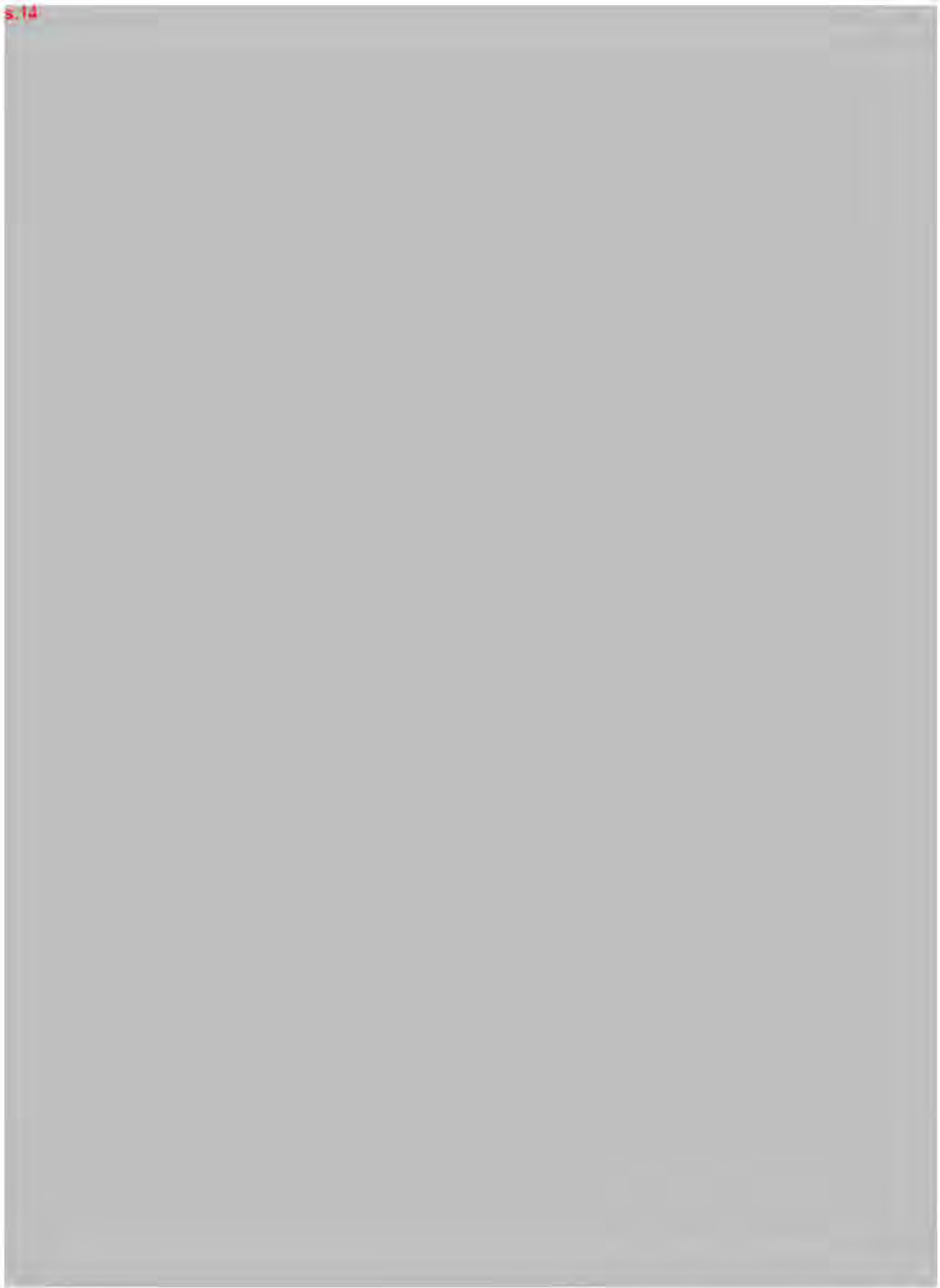
From: Billing, Jean [<mailto:jean.billing@vancouver.ca>]
Sent: Thursday, February 19, 2015 9:01 AM
To: Burrell, Keith
Cc: Pow, Rosalind; Liljefors, Yvonne
Subject: RE: Pacific Centre - Block 42

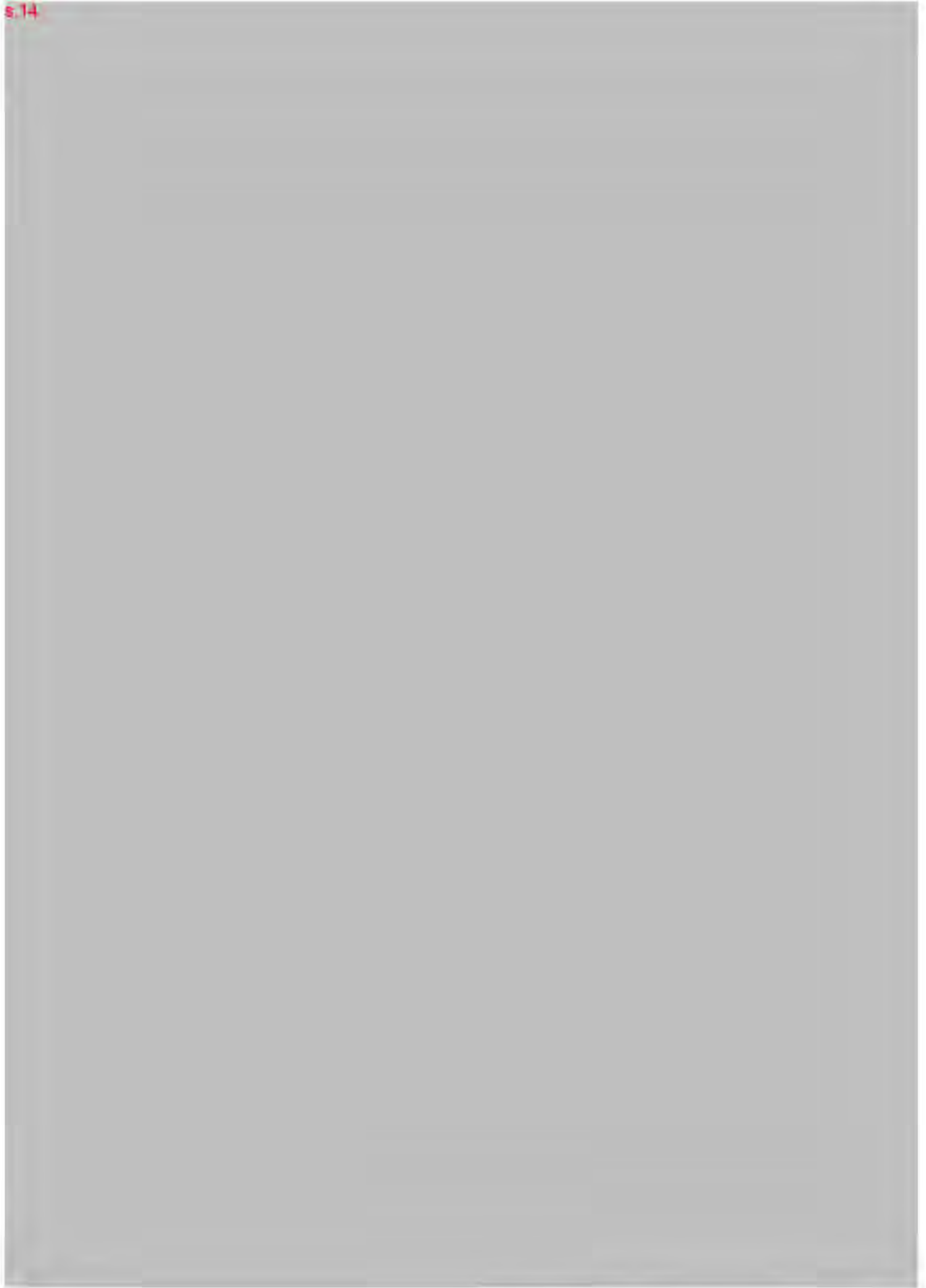
Thanks Keith.

Regards,

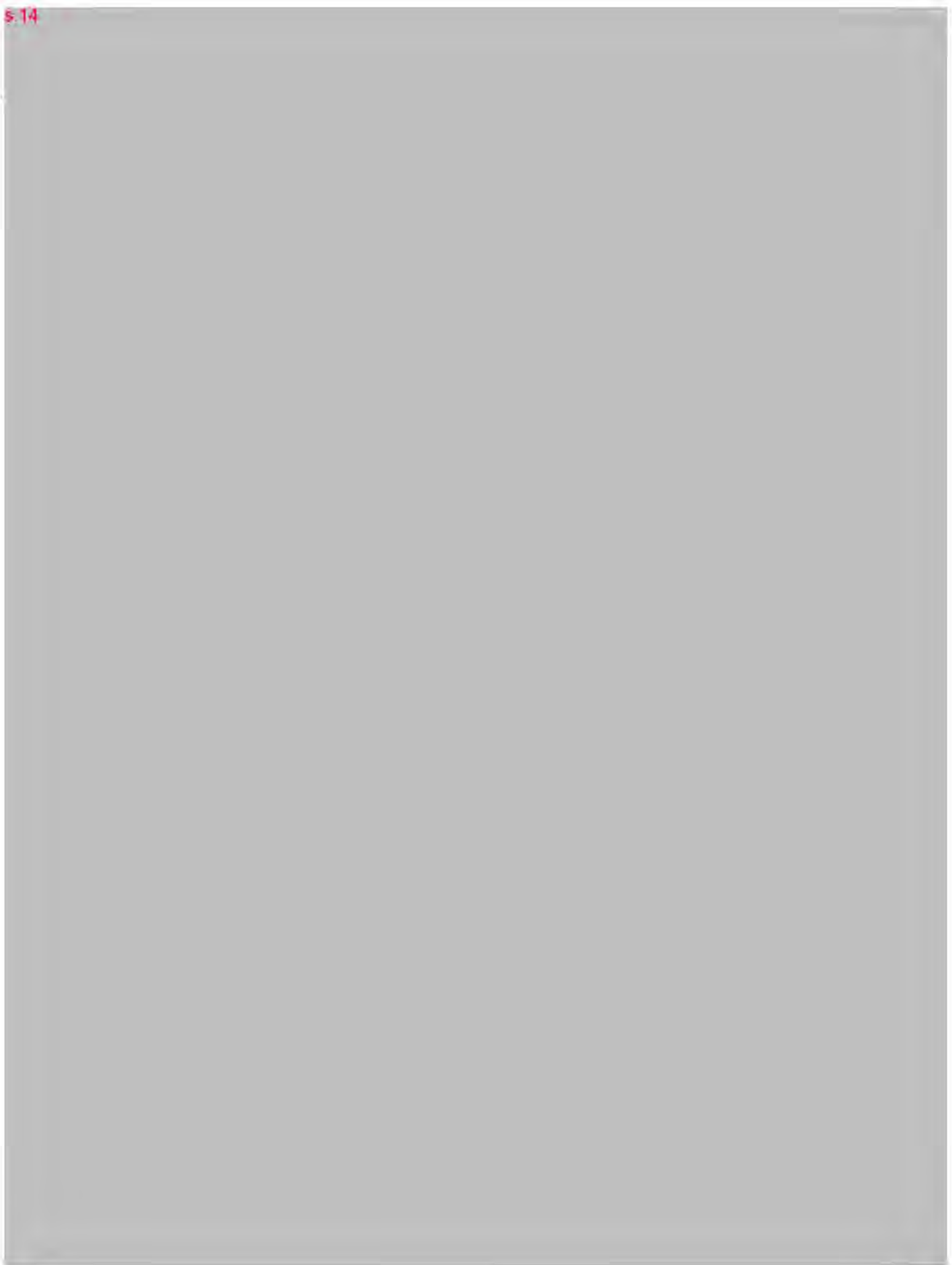
Jean

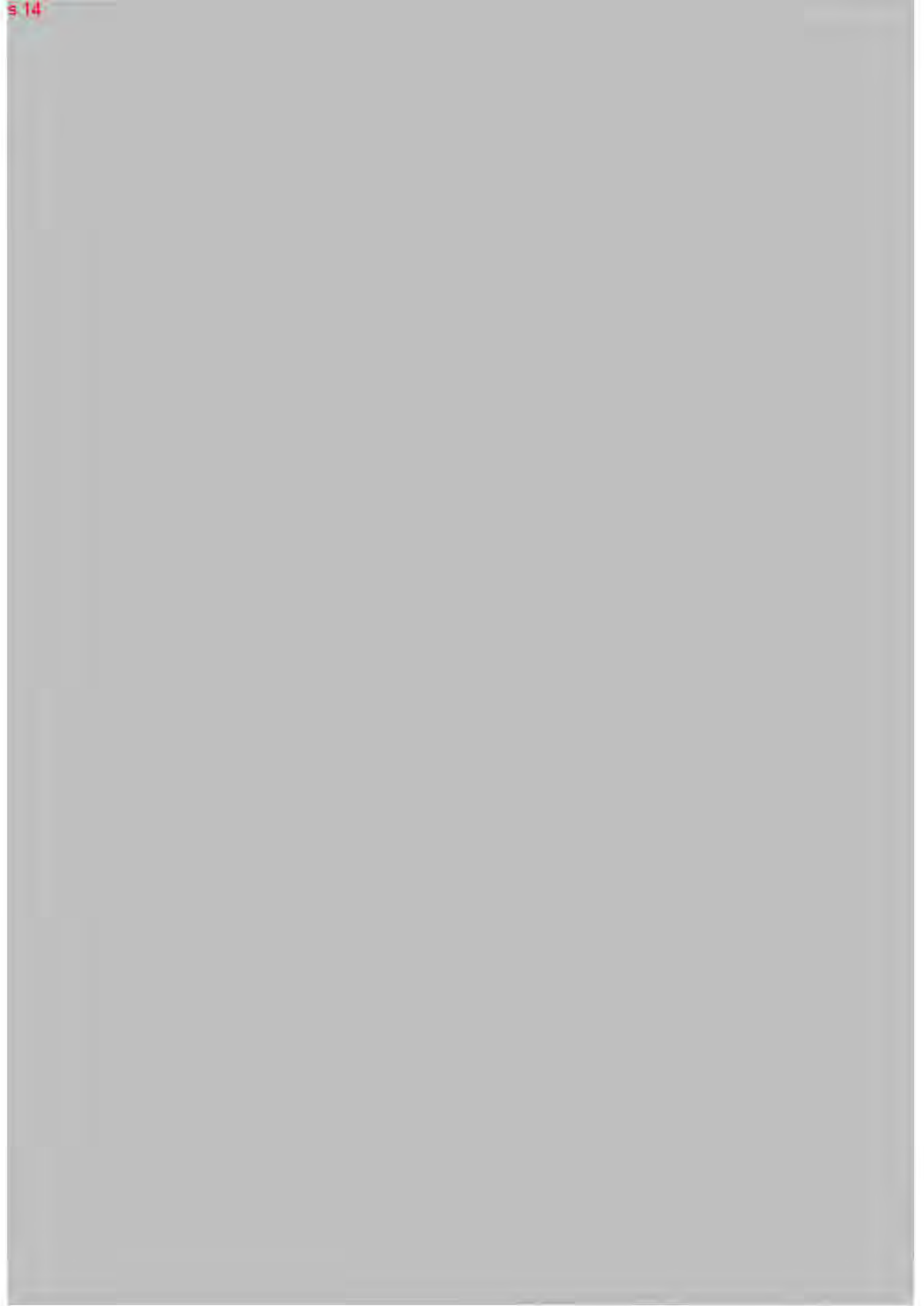
From: Burrell, Keith [<mailto:KBURRELL@MCCARTHY.CA>]
Sent: Wednesday, February 18, 2015 6:08 PM



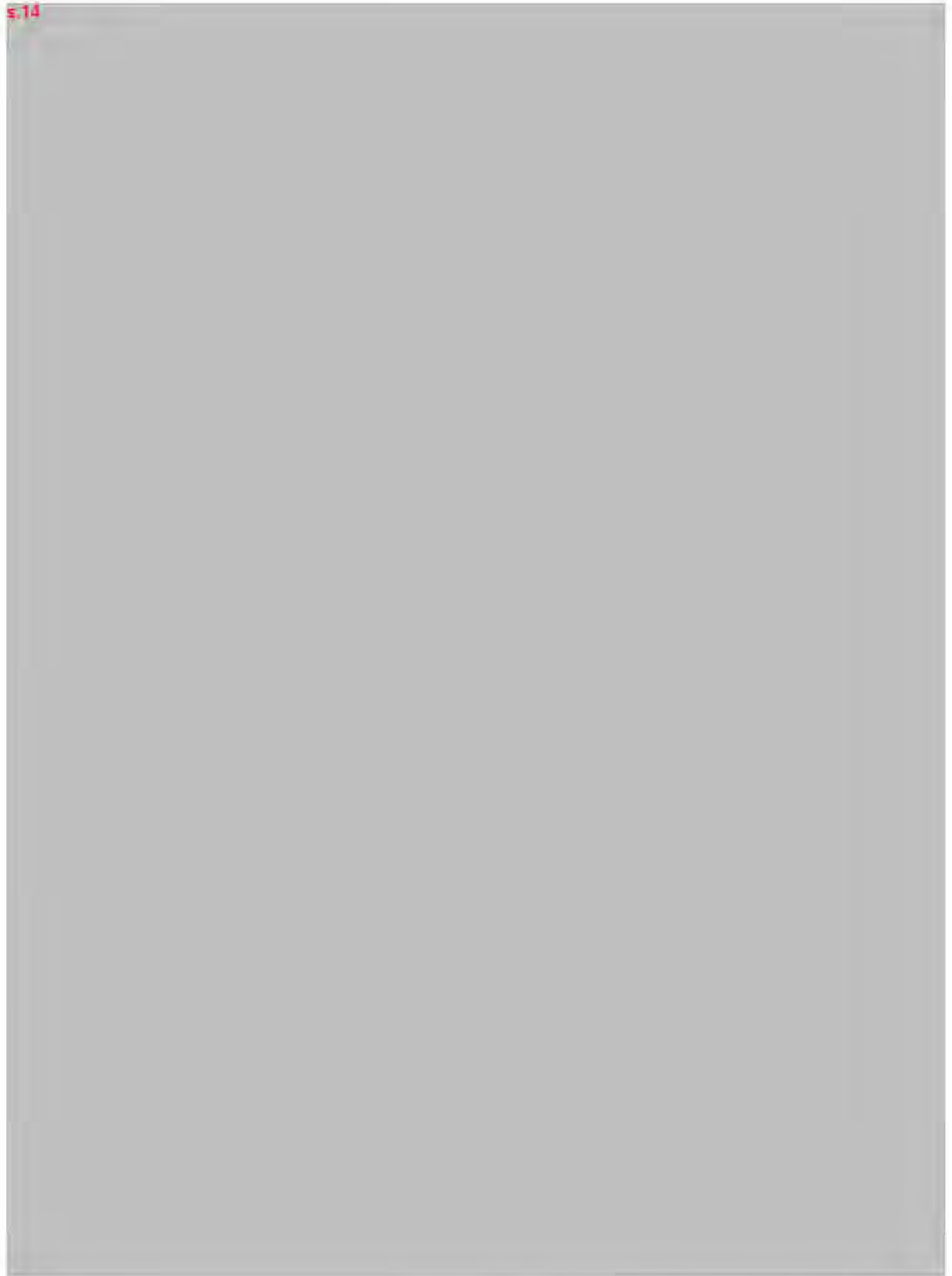






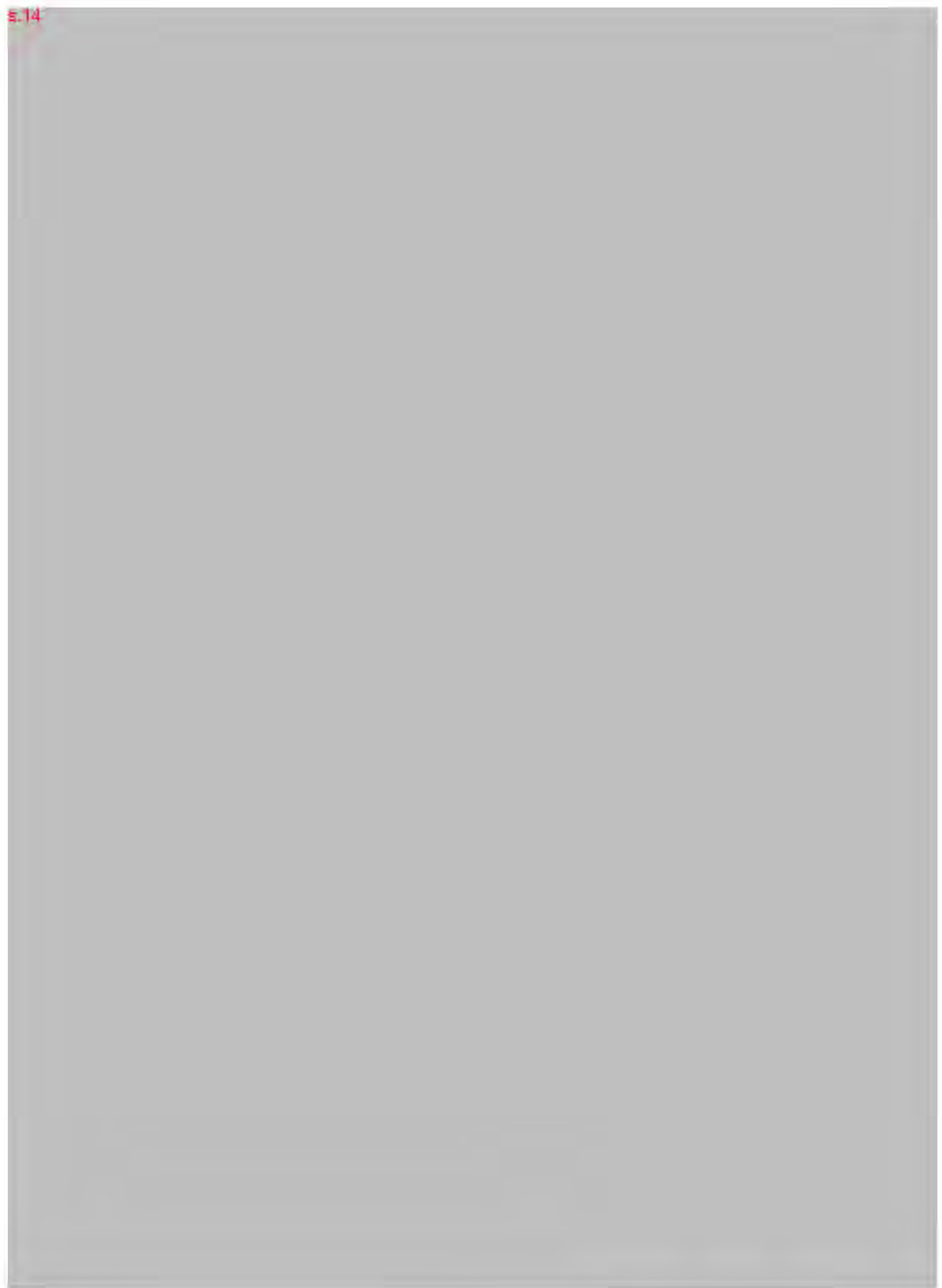


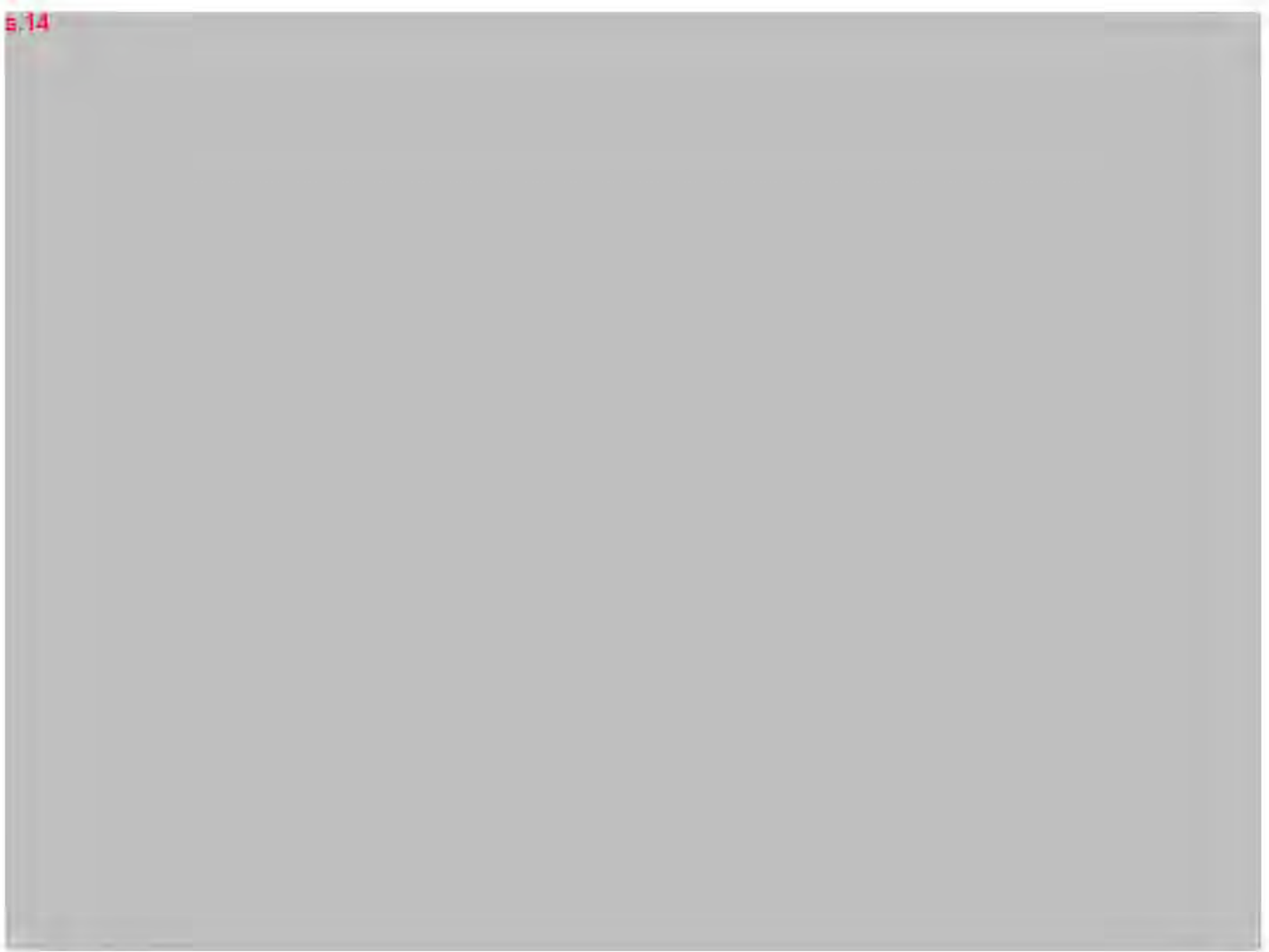


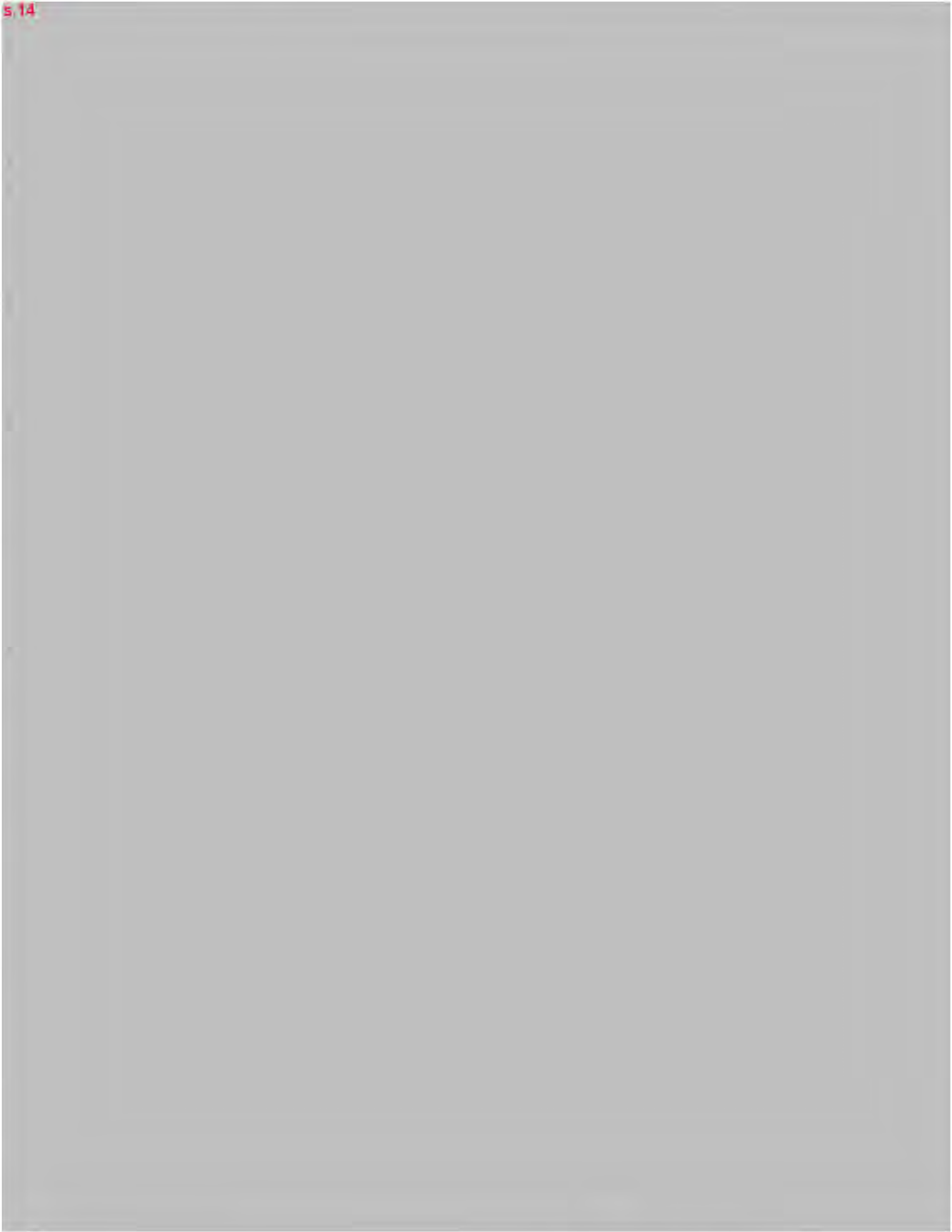




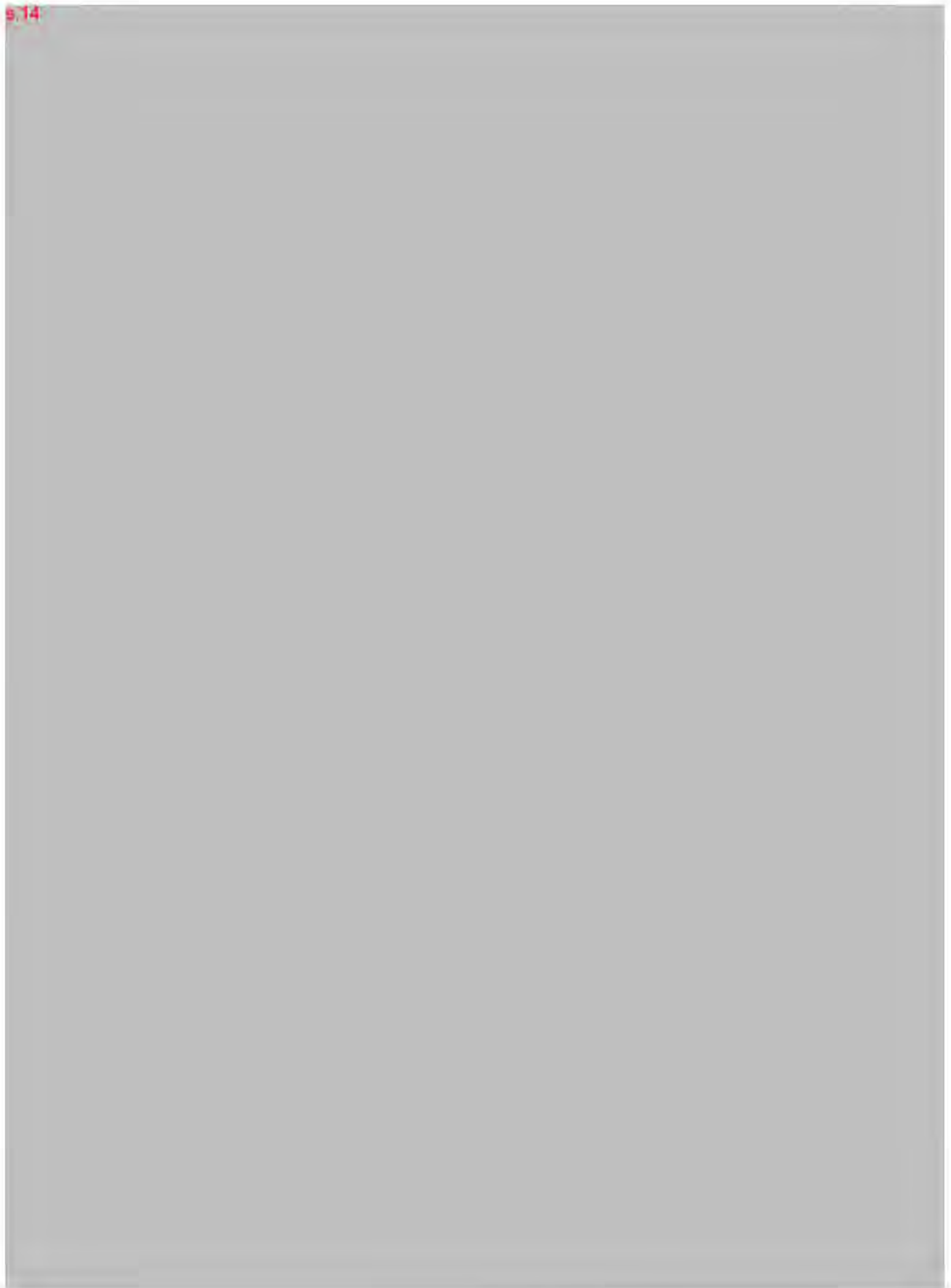




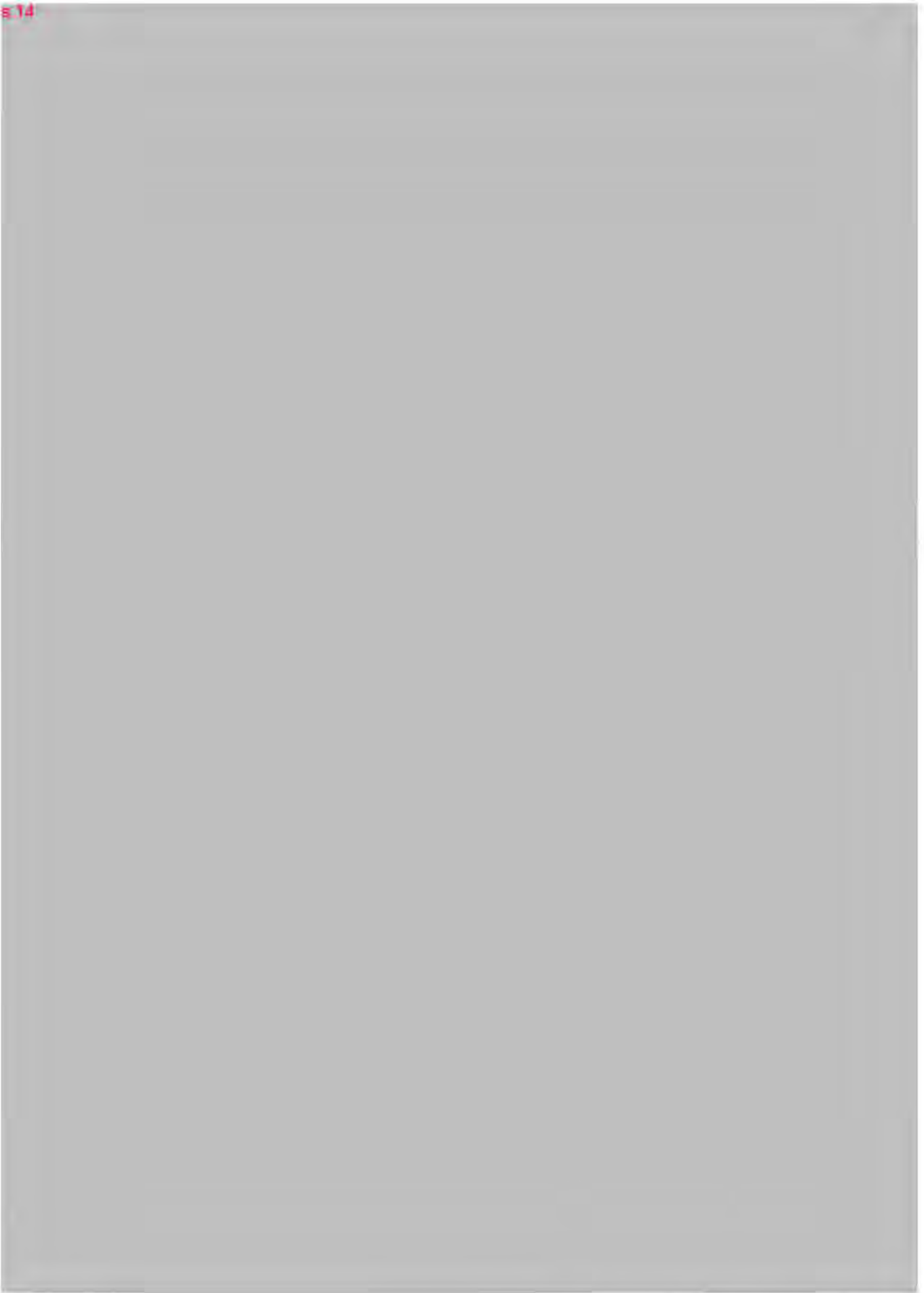














Billing, Jean

From: Burrell, Keith [KBURRELL@MCCARTHY.CA]
Sent: Wednesday, January 28, 2015 3:19 PM
To: Breckner, John
Cc: Billing, Jean; Aujla, Bill
Subject: RE: Extension of Completion Date - Block 42

Thanks John. It will likely be in the morning as our client will sign in Toronto.

Keith

From: Breckner, John [mailto:John.Breckner@vancouver.ca]
Sent: Wednesday, January 28, 2015 3:11 PM
To: Burrell, Keith
Cc: Billing, Jean; Aujla, Bill
Subject: Extension of Completion Date - Block 42

Keith,

Please find attached the Vendor executed Extension Agreement for Block 42.
We look forward to receiving a fully executed copy back for our records.

Regards,

John Breckner
Associate Director – Operations
Real Estate Services
320 – 507 W. Broadway
604.873.7420 (direct)

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Click here to [unsubscribe](#) from commercial electronic messages. Please note that you will continue to receive non-commercial electronic messages, such as account statements, invoices, client communications, and other similar factual electronic communications.

Suite 5300, TD Bank Tower, Box 48, 66 Wellington Street West, Toronto, ON M5K 1E6

Billing, Jean

From: Breckner, John
Sent: Wednesday, January 28, 2015 3:11 PM
To: KBURRELL@MCCARTHY.CA
Cc: Billing, Jean; Aujla, Bill
Subject: Extension of Completion Date - Block 42
Attachments: Scanned from a Xerox Multifunction Printer.pdf

Keith,

Please find attached the Vendor executed Extension Agreement for Block 42.
We look forward to receiving a fully executed copy back for our records.

Regards,

John Breckner
Associate Director – Operations
Real Estate Services
320 – 507 W. Broadway
604.873.7420 (direct)

EXTENSION OF COMPLETION DATE

THIS AGREEMENT is dated as of January 28, 2015.

BETWEEN:

CITY OF VANCOUVER

(the "City")

AND:

**PACIFIC CENTRE LIMITED, THE CADILLAC FAIRVIEW
CORPORATION LIMITED and ONTREA INC.**

(together, the "Owners")

WHEREAS:

- A. Pursuant to section 1 of that Third Extension Agreement - Transfer of Block 42 made on January 30, 2007 but with effect as of January 31, 2005 between the City and the Owners (the "Third Extension"), the date for the completion of the purchase and sale of Block 42 pursuant to the Option to Purchase is February 2, 2015; and
- B. The City has requested that such date be extended to February 19, 2015;

THEREFORE in consideration of the amount of \$1.00 now paid by each party to the other and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by each of the parties, the parties agree as follows:


- 1. **Capitalized Terms.** Each capitalized term used in this Agreement will have the meaning given to it in the Third Extension unless otherwise defined herein.
- 2. **Extension.** The parties agree that the date for the completion of the purchase and sale of Block 42 pursuant to the Option to Purchase be extended from February 2, 2015 to February 19, 2015. Time remains of the essence.
- 3. **Interpretation.** This Agreement will, from the date of this Agreement, be read and construed together with the Third Extension and be treated as part thereof, and the Third Extension, as extended by this Agreement, will continue in full force and effect in accordance with the terms thereof and hereof.
- 4. **Further Assurances.** Each party will from time to time execute and deliver all such further documents and instruments and do all acts and things as the other party may reasonably require to carry out or better evidence or perfect the full intent and meaning of this Agreement.
- 5. **Binding Effect.** This Agreement will enure to the benefit of and be binding upon the respective heirs, executors, administrators, other legal representatives, successors and assigns of the parties.

6. **Counterparts.** This Agreement may be executed in any number of counterparts, each of which will be deemed to be an original and all of which, taken together, will be deemed to constitute one and the same instrument.
7. **Delivery by Electronic Transmission.** Delivery of an executed copy of this Agreement by any party by electronic transmission will be as effective as personal delivery of an originally executed copy of this Agreement by such party.

IN WITNESS WHEREOF the parties have executed this Agreement under seal as of the date first above written by their respective officers duly authorized for such purpose.

CITY OF VANCOUVER

By:


Authorized Signatory
JOHN BRECKNER
Real Estate Services

C/S

PACIFIC CENTRE LIMITED

By:

Authorized Signatory

C/S

By:

Authorized Signatory

**THE CADILLAC FAIRVIEW
CORPORATION LIMITED**

By:

Authorized Signatory

C/S

By:

Authorized Signatory

ONTREA INC.

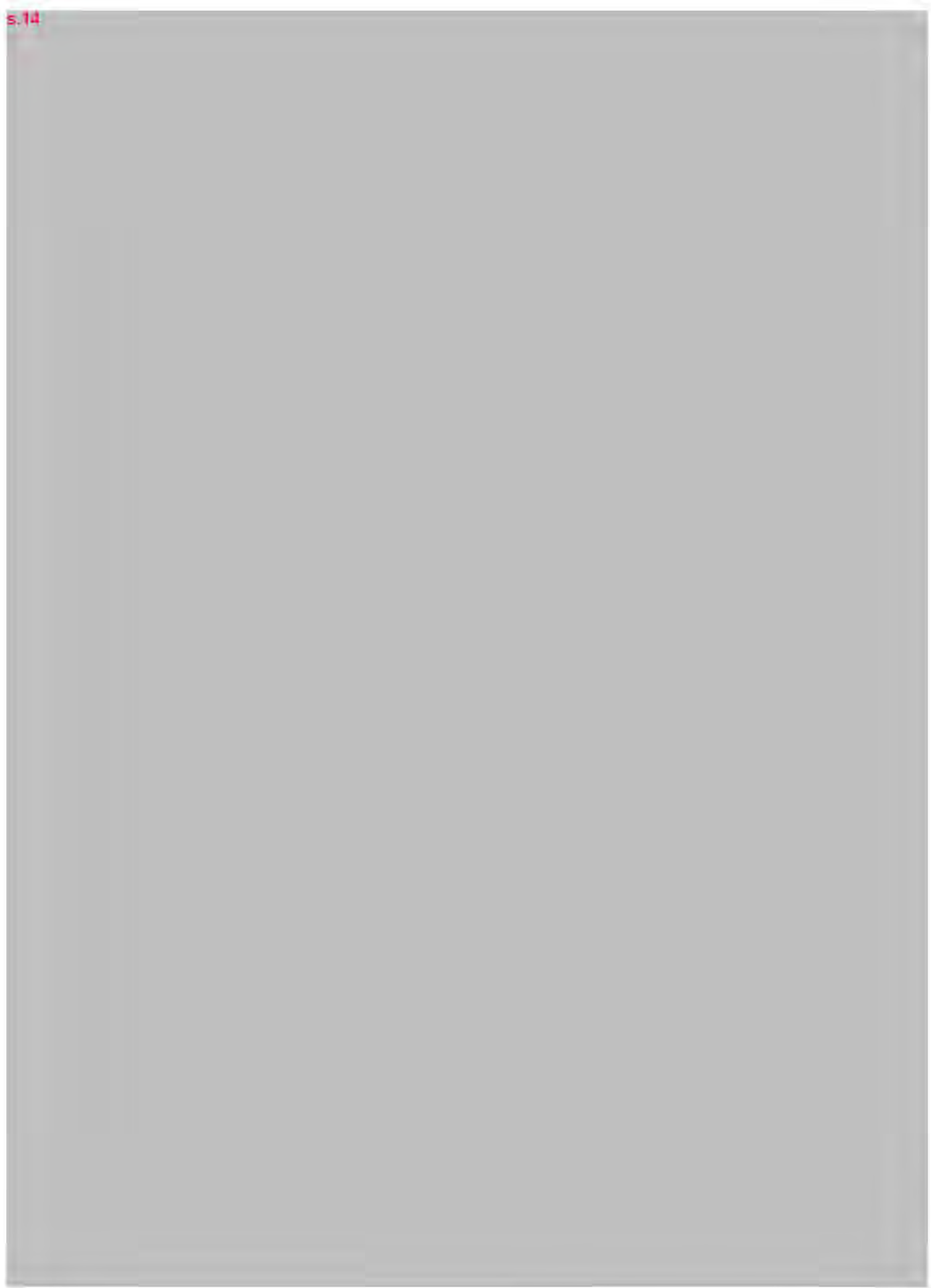
By:

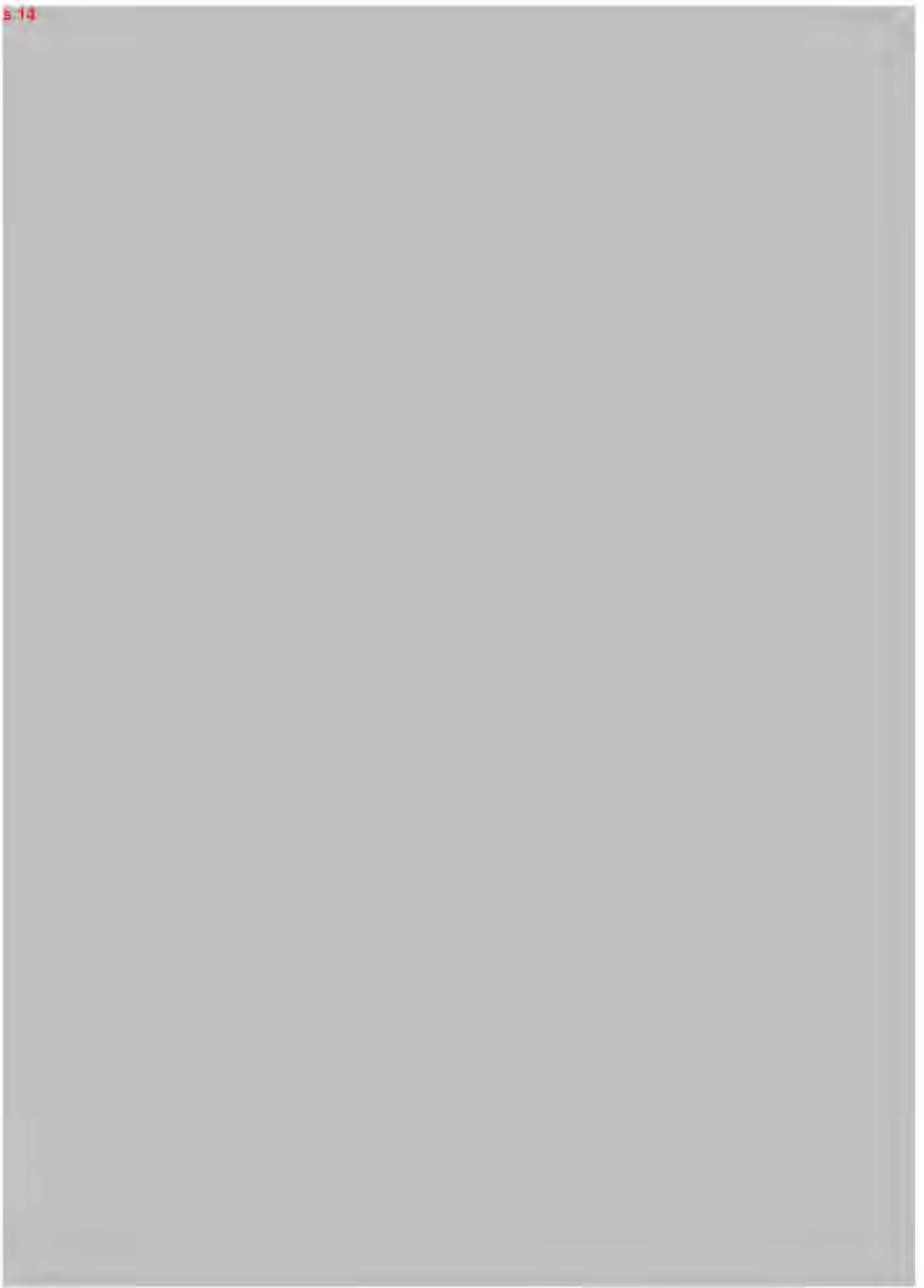
Authorized Signatory

C/S

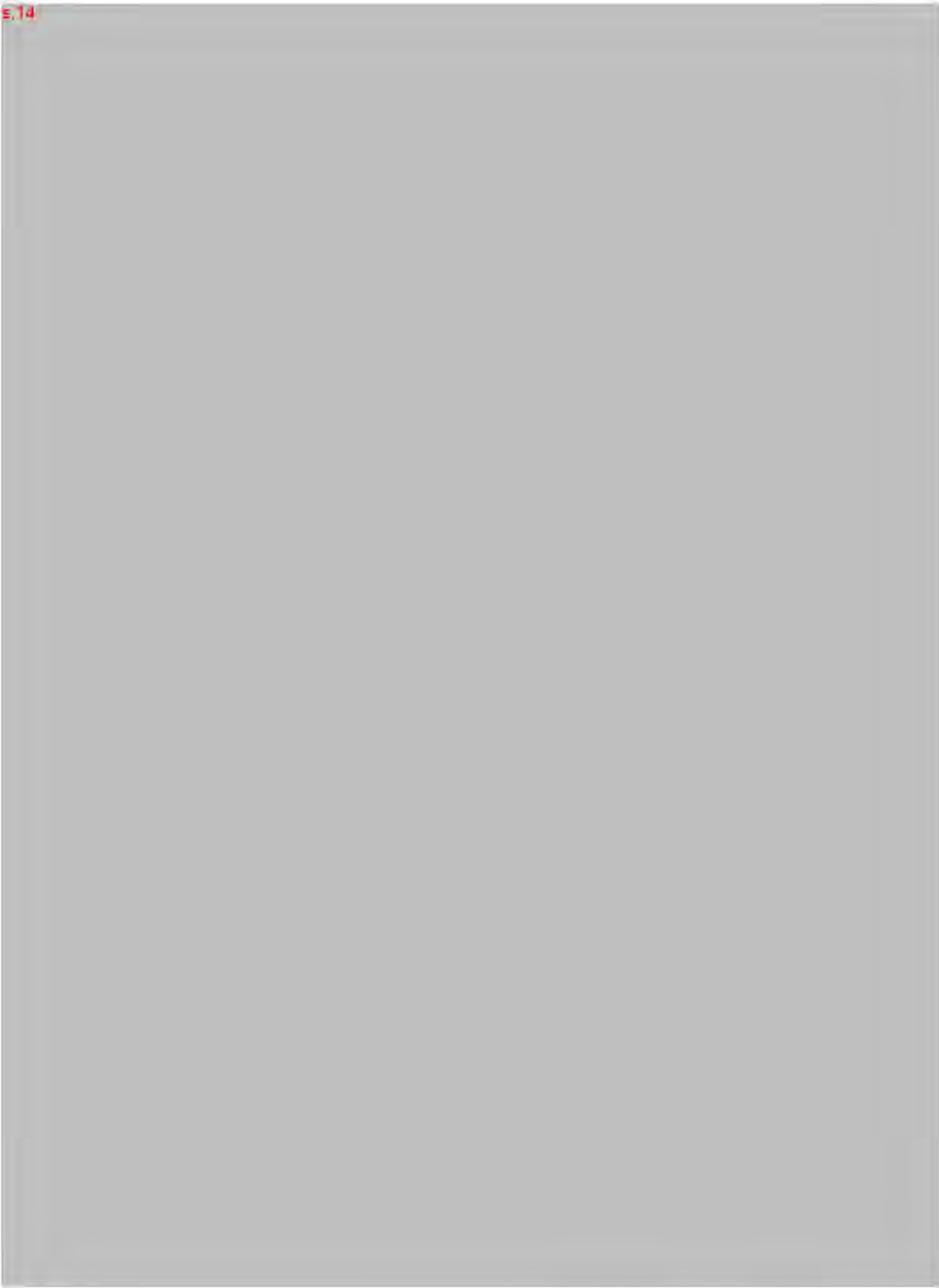
By:

Authorized Signatory

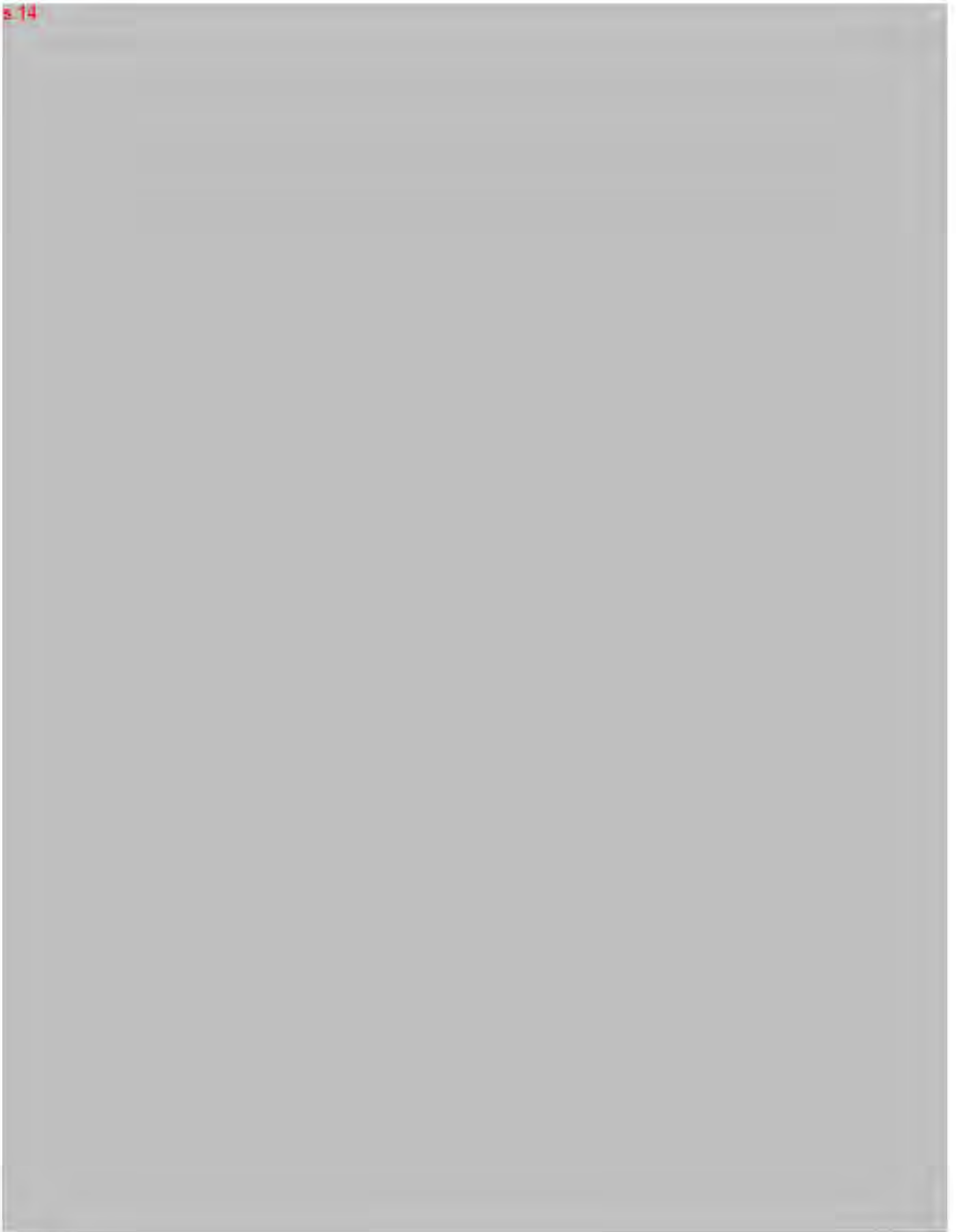




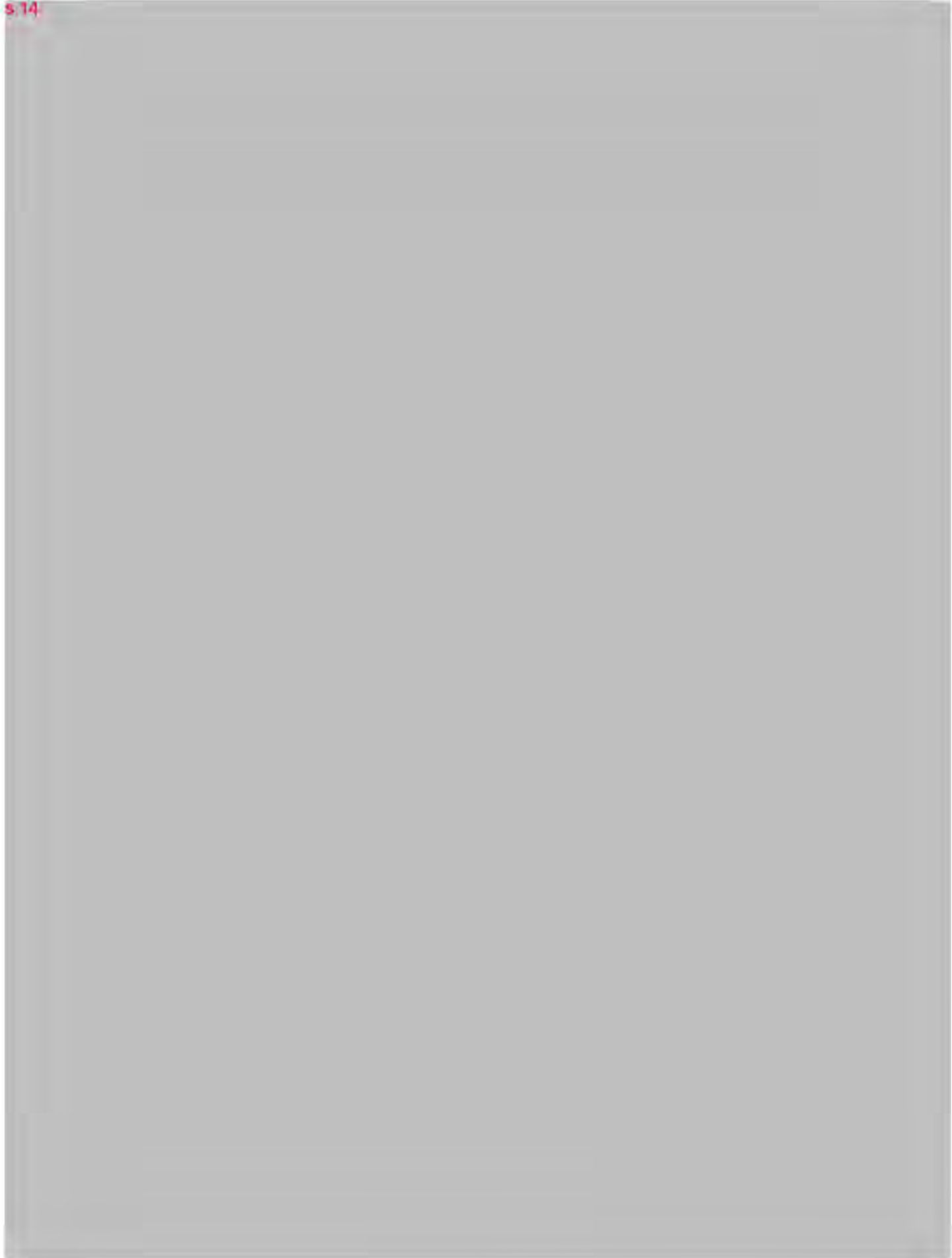


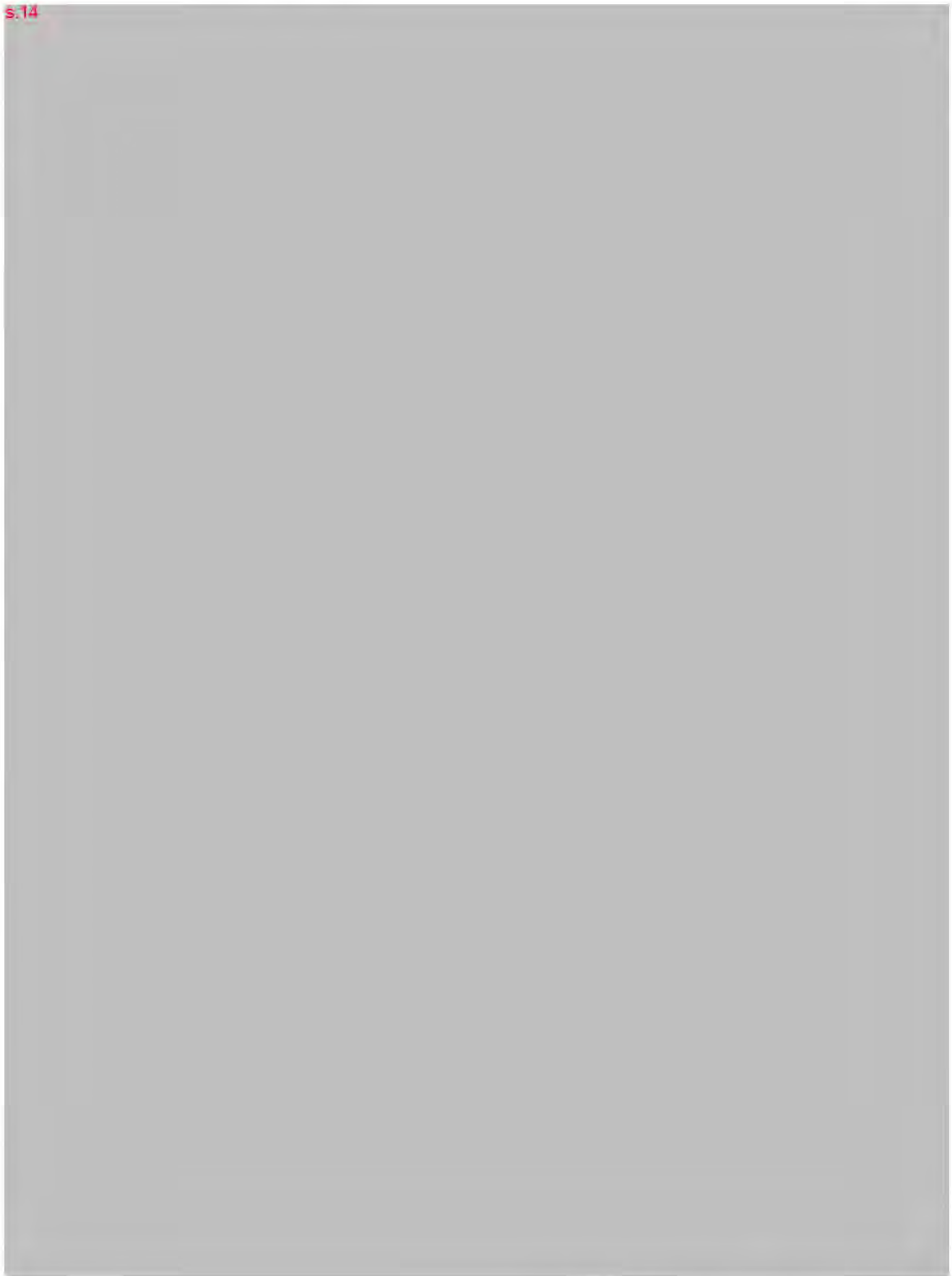




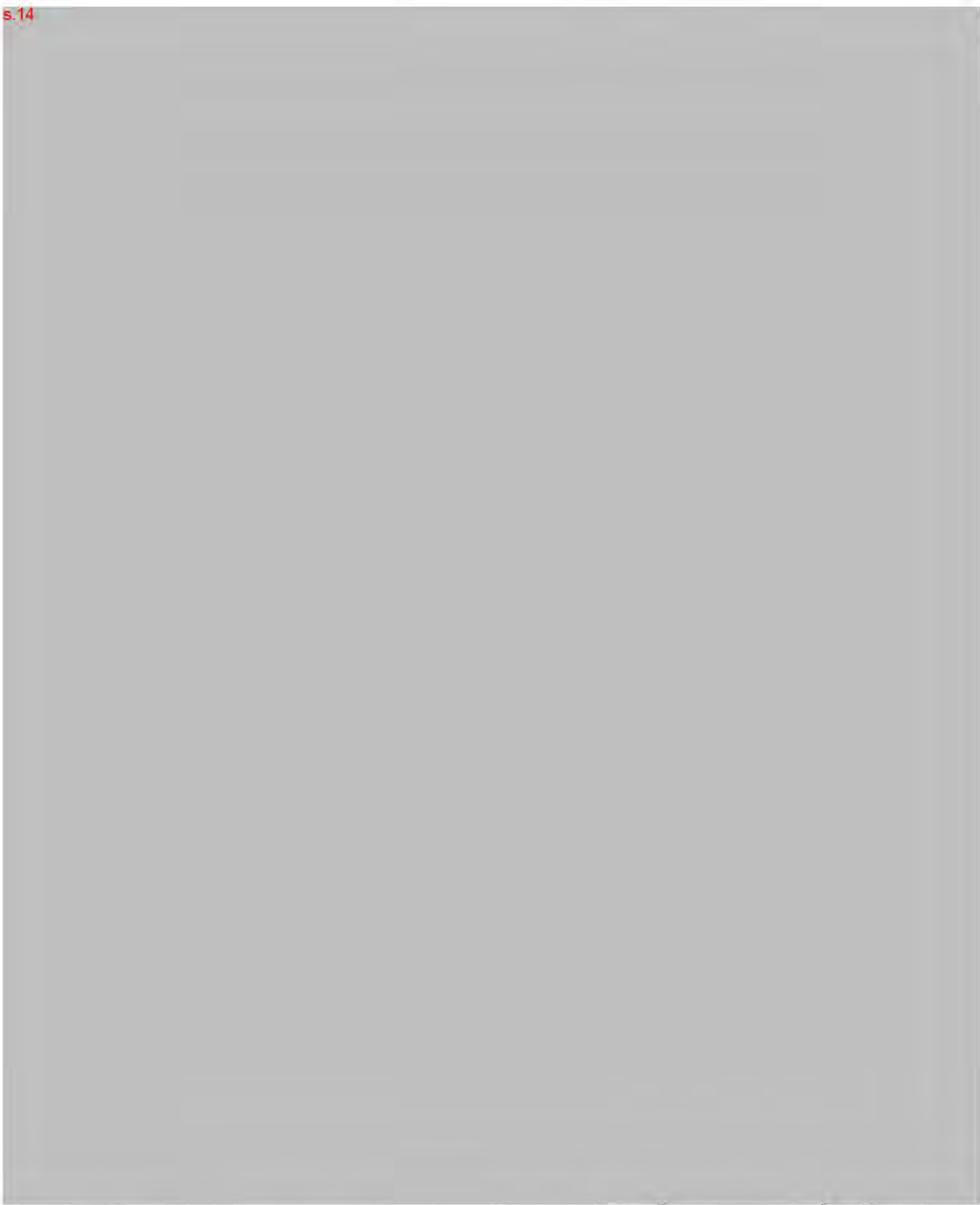










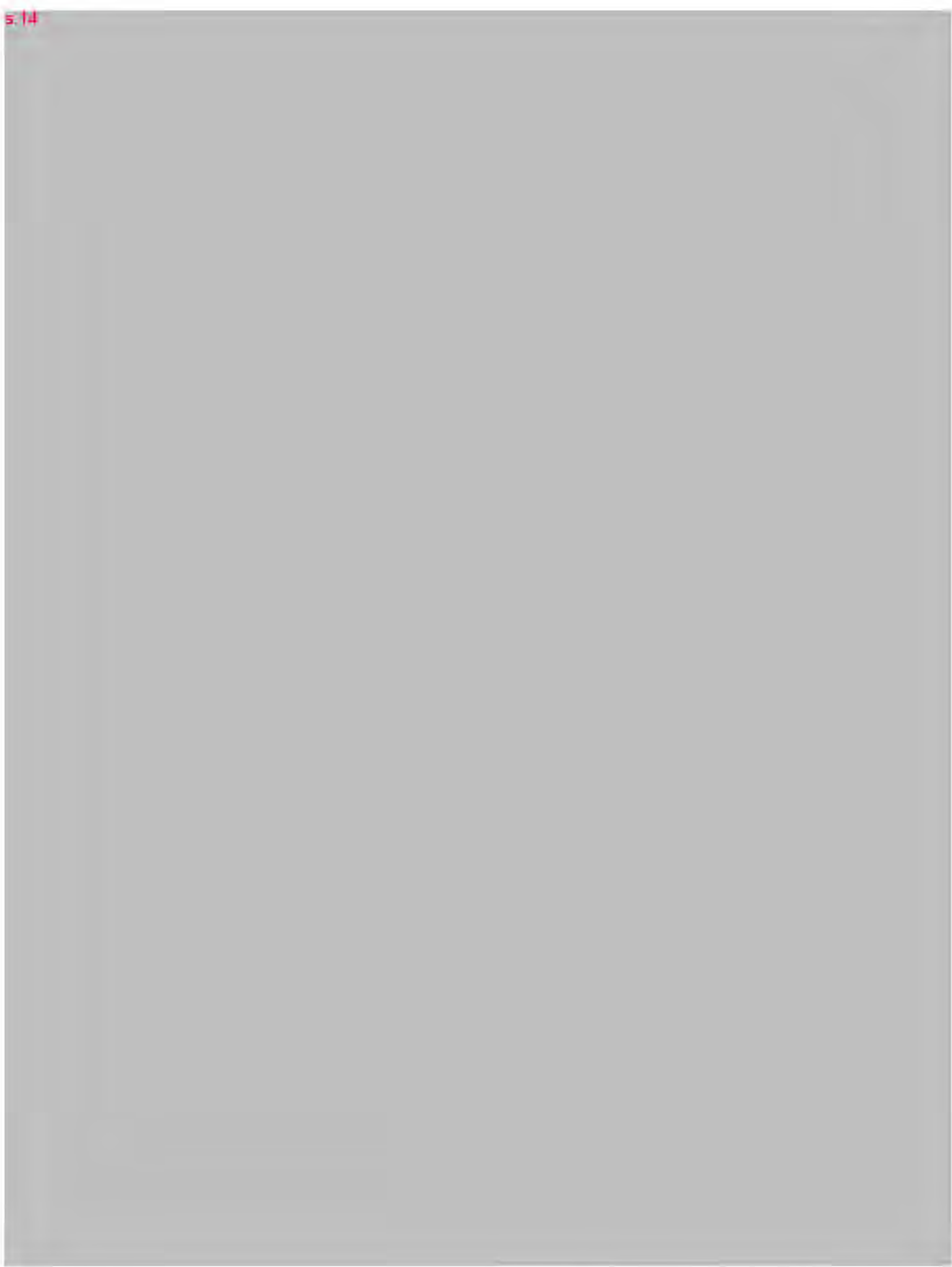


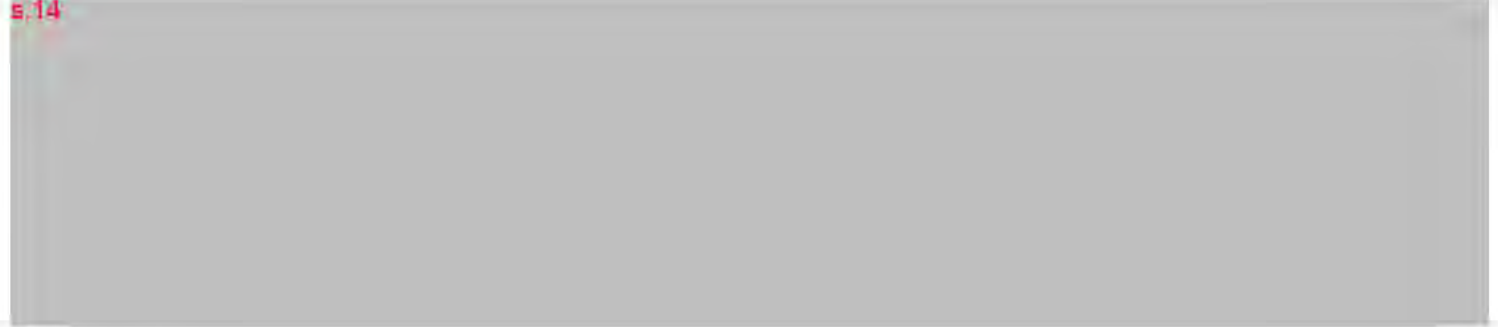


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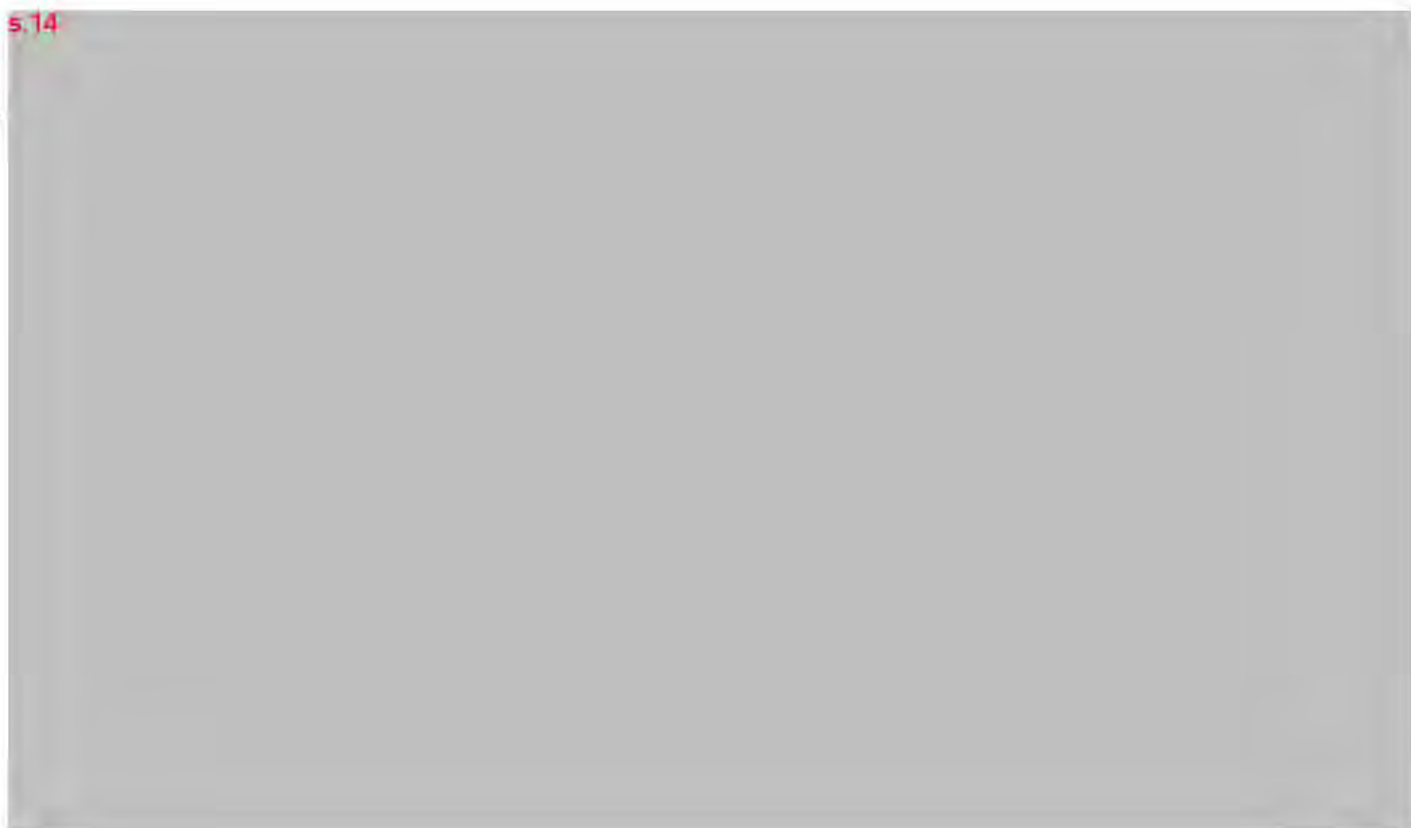
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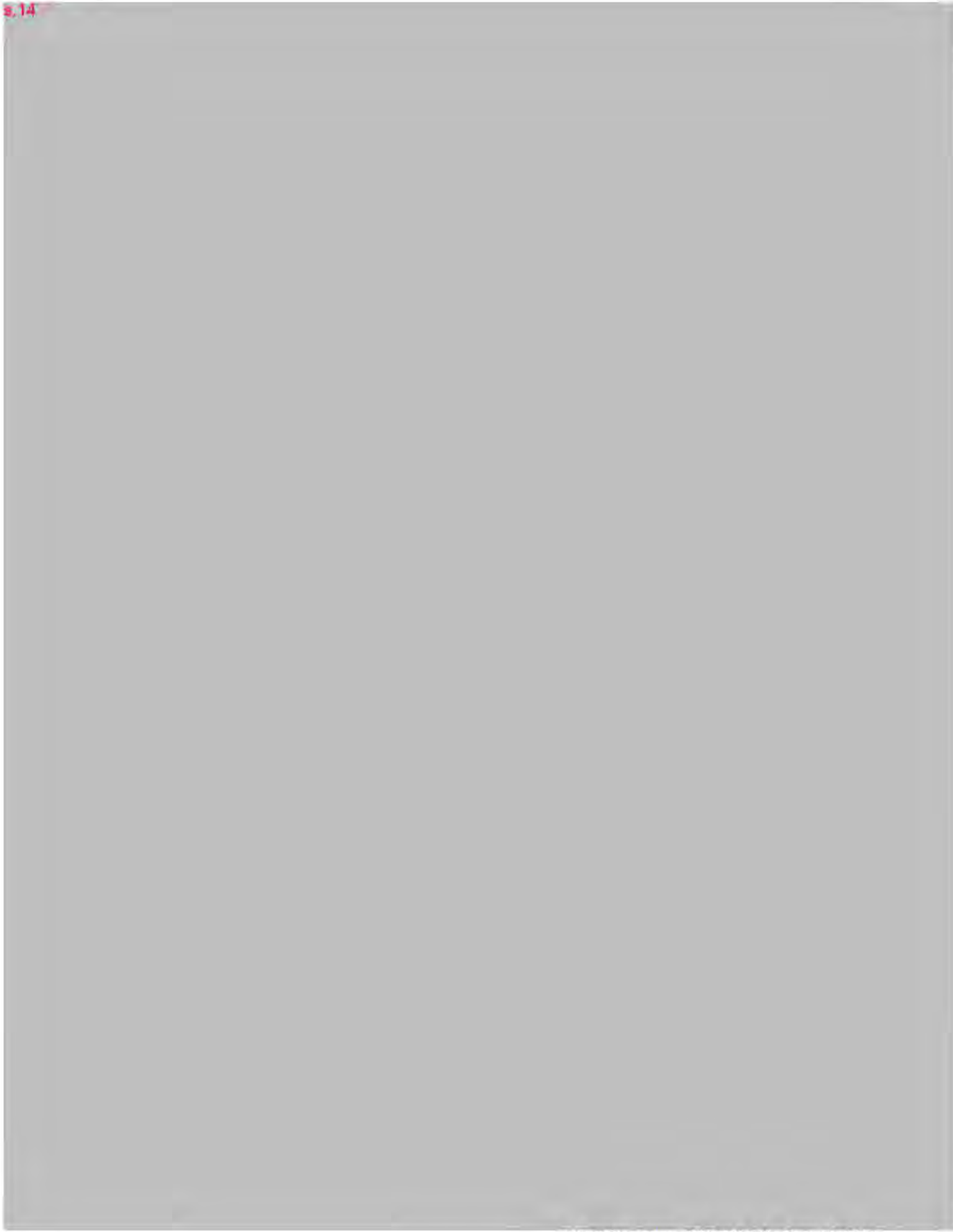
[Redacted text]











Pow, Rosalind

From: Billing, Jean
Sent: Tuesday, February 10, 2015 9:53 AM
To: Pow, Rosalind
Subject: FW: Cadillac Fairview - Pacific Centre Blk 42
Attachments: Block 32 - 2005 PAAB Analysis.pdf; Block 42 - 2005 Roll PAAB Rec.pdf; Block 52 - 2005 Roll PAAB Rec.xls

pls print

From: Aujla, Bill
Sent: Friday, February 06, 2015 9:22 PM
To: Billing, Jean
Cc: Breckner, John
Subject: FW: Cadillac Fairview - Pacific Centre Blk 42

FYI ... John may have already sent to you

From: Chin, Michael
Sent: Friday, February 06, 2015 10:09 AM
To: Aujla, Bill; Breckner, John; Sears, Brian
Subject: FW: Cadillac Fairview - Pacific Centre Blk 42

Hi All,

BC Assessment assesses the parent parcels (32/42/52) net of the volumetric parcels. This is done simply to avoid double counting on the tax roll since each volumetric parcel has its own roll number.

However the volumetric parcel valuation is not the typical income approach value (i.e. rent and cap value) but rather a sub-surface type formula which produces a very small value in relation to the total value (several million \$).

Not sure if this information will help reduce the value of block 42 further, but it does shed the light on how BCAA valued the parcel in 2005.

Michael Chin, RE, AACI | Acting Senior Development Officer
 City of Vancouver | Real Estate and Facilities Management
 Cross Roads – Broadway and Cambie
 4th Floor – 507 W Broadway, Vancouver, BC
 T: 604 873-7431 E: michael.chin@vancouver.ca

From: s.22(1) BCA:EX [mailto:s.22(1)@bcassessment.ca]
Sent: Thursday, January 29, 2015 1:44 PM
To: Chin, Michael
Cc: s.22(1) BCA:EX
Subject: RE: Cadillac Fairview - Pacific Centre Blk 42

Hi Mike,

As mentioned on the phone, the volumetric parcels are valued on their own folios—as are all volumetrics for Pac Centre and deducted from the “parent” folio. For 2005, the data is a bit sketchy due to all the iterative recommendations that were done through the PAAB.

Attached are the value summaries for blks 32, 42, and 52.

Hope this helps.

s.22(1)

From: Chin, Michael [mailto:Michael.Chin@vancouver.ca]

Sent: January-28-15 1:28 PM

To: s.22(1) BCA:EX

Subject: Cadillac Fairview - Pacific Centre Blk 42

Hi s.22(1)

The City is in the process of transferring title of a ground lease to Cadillac Fairview. The terms of the agreement are quite convoluted stemming back to 2005 which was the original closing date but was extended to now, 2015. The question Real Estate needs to know is for the 2005 assessment, did the BCAA value of Blk. 42 include all of the volumetric parcels (i.e. the retail underground) into that one folio.

Also if it was all included in Blk 42, another question is why was a % not apportioned to Blk 52.

Would it be possible to send over the "2005 PVS". I have a copy of the 2015.

Thanks for your help.

Regards,

Michael Chin, RI, AACI | Acting Senior Development Officer
City of Vancouver | Real Estate and Facilities Management
Cross Roads – Broadway and Cambie
4th Floor – 507 W Broadway, Vancouver, BC
T: 604 873-7431 **E:** michael.chin@vancouver.ca

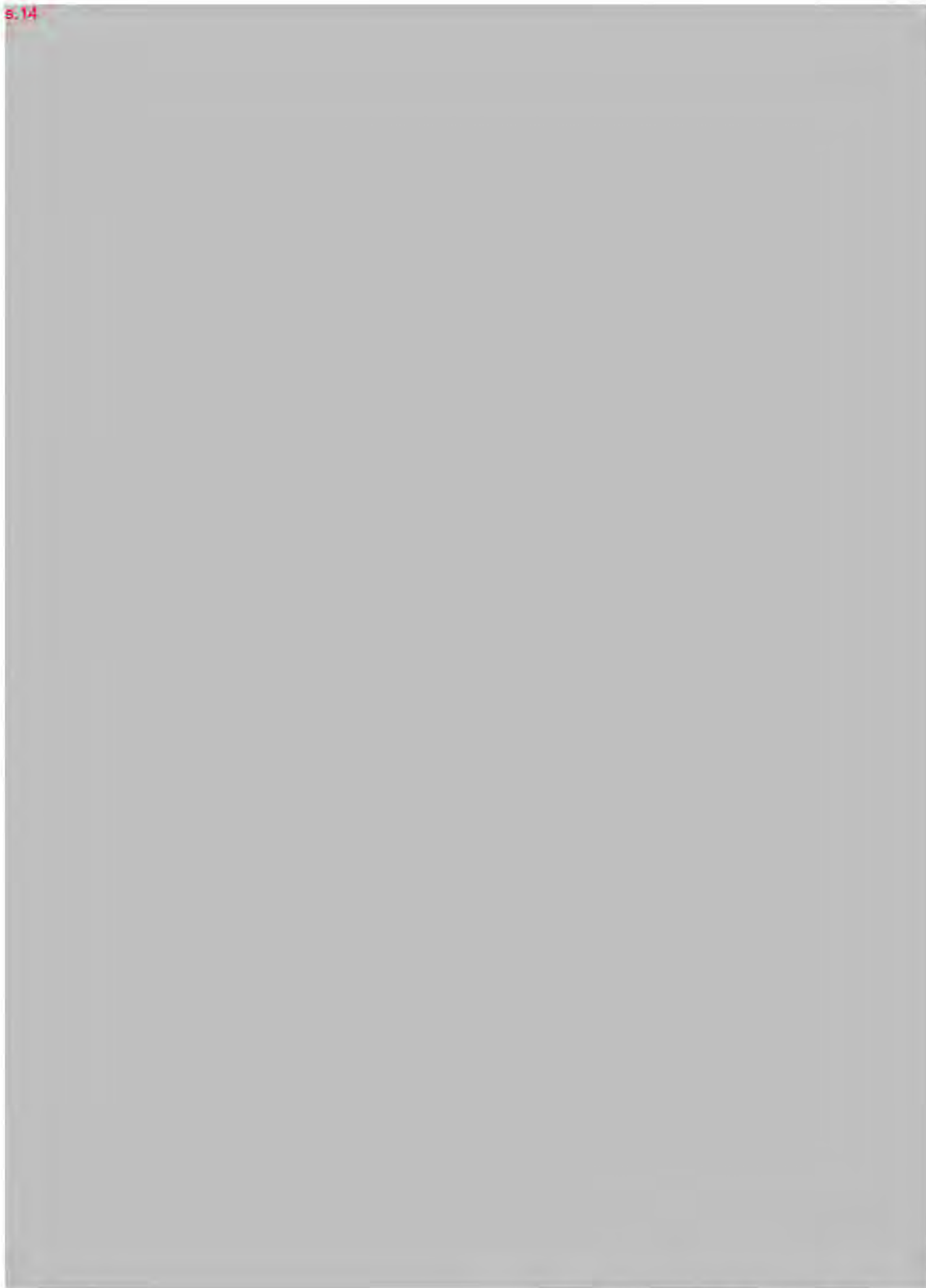
| Pacific Centre Mall, Block 32 2005 PAAB Recommendation | | | | | | | |
|--|---------|--|-----------------------|------------------|------------------|------------------|----------------|
| ROLL #: | | 09-200-026-130-592-93-0000, 026-595-126-52-0000, 026-595-126-56-0000 | | | | | |
| ADDRESS : | | Block 32, Vancouver | | | | | |
| Tenants | | Area (sq.ft.) | Totals | Average Rents | | Economic rent | Annual rent |
| Offices (777 Dunsmuir) | | s.3(5)(a) | | | | s.21(1) | s.21(1) |
| Offices total: | | | s.3(5)(a) | s.21(1) | | | s.21(1) |
| Sport Chek | | s.3(5)(a) | | | | s.21(1) | s.21(1) |
| Old Navy | | s.3(5)(a) | | | | s.21(1) | s.21(1) |
| CRU's | | s.3(5)(a) | | | | s.21(1) | s.21(1) |
| Food Court CRU's | | s.3(5)(a) | | | | s.21(1) | s.21(1) |
| Kiosks | | s.3(5)(a) | | | | s.21(1) | s.21(1) |
| Storage | | s.3(5)(a) | | | | s.21(1) | s.21(1) |
| Total Retail Area | | | s.3(5)(a) | | | | |
| Parking | | s.3(5)(a) | | | | s.21(1) | s.21(1) |
| | | | | | | | |
| | | | | | | | |
| Retail total: | | | s.3(5)(a) | s.21(1) | | | s.21(1) |
| Potential Gr. Income | | | s.21(1) | | | | |
| Vacancy | | | | | | | |
| Offices Gr. Income | | s.21(1) | | | | | |
| vacancy @ | s.21(1) | | s.21(1) | | | | |
| CRU's/Food Crt Gr. Income | | | | | | | |
| vacancy @ | s.21(1) | | s.21(1) | | | | |
| Storage Gr. Income | | | | | | | |
| vacancy @ | s.21(1) | | s.21(1) | | | | |
| Parking Gr. Income | | | | | | | |
| vacancy @ | s.21(1) | | s.21(1) | | | | |
| Effective gross income | | | | s.21(1) | | | |
| Expenses: | | | | | | | |
| Offices @ | s.21(1) | s.21(1) | | | | | |
| CRU's/Food Crt/Stge @ | | | | | | | |
| Parking @ | | | | | | | |
| Total expenses | | | | s.21(1) | | | |
| Net operating income: | | | | | | | |
| Offices | | s.21(1) | | | | | |
| CRU's/Food Crt/Stge | | | | | | | |
| Parking | | | | | | | |
| Total net operating income | | | | s.21(1) | | | |
| Capitalization Rates | | | | | | | |
| Offices | s.21(1) | s.21(1) | | | | | |
| CRU's/Food Crt/Stge | | | | | | | |
| Parking | | | | | | | |
| Actual value | | | s.21(1) | s.21(1) | | | |
| Overall Capitalization Rate | | | | s.21(1) | | | |
| Total Actual Value | | | | s.21(1) | 2005 Assessment: | s.21(1) | |
| Less capital cost for garage automation | | | | | % Change | | |
| Total Actual Value for Block 32 | | | | | | | |
| Total Actual Value for Block 32 (Rounded) | | | | | | | |
| | | | Less Volumetric Pcl L | | | | |
| | | | Less Volumetric Pcl M | | | | |
| Total value for remainder of Block 32 | | | | | | | |

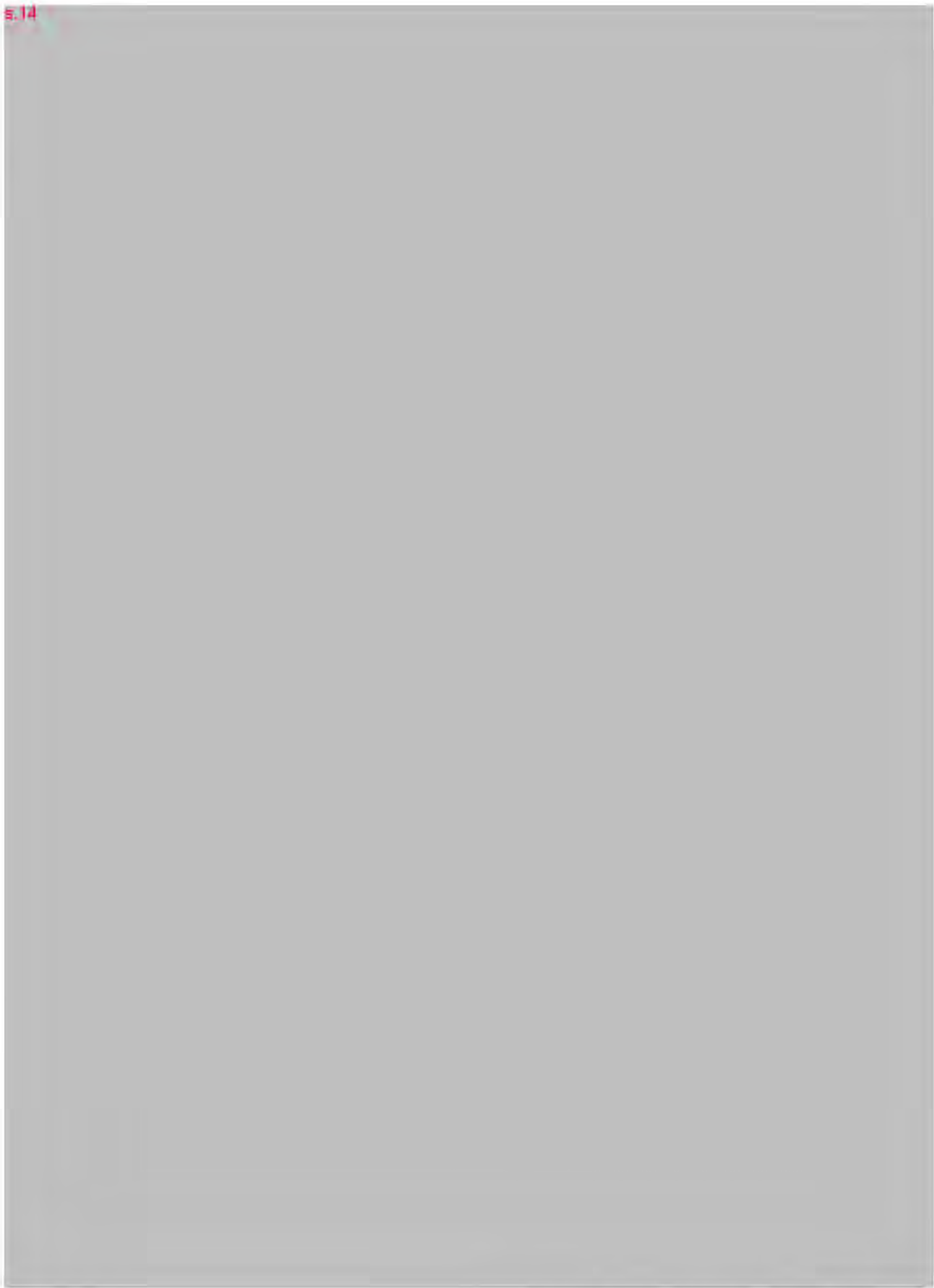
| 2005 PAAB Rec (office component) | | Pacific Centre Mall, Block 42 | | 2005 PAAB Value | |
|---------------------------------------|---------------|--|---------------|-------------------|-------------|
| ROLL #: | | 09-200-026-130-595-97-0000, 026-600-126-55-0000, 026-126-595-56-0000, 026-130-595-75-0000, 026-595-126-54-0000 | | | |
| ADDRESS : | | Block 42, Vancouver | | WITHOUT PREJUDICE | |
| Tenants | Area (sq.ft.) | Totals | Average Rents | Economic rent | Annual rent |
| Offices (IBM) | s.3(5)(a) | | | s.21(1) | s.21(1) |
| Offices (Canaccord) | s.3(5)(a) | | | s.21(1) | s.21(1) |
| Offices total: | | s.3(5)(a) | s.21(1) | | s.21(1) |
| Hotel | | | | | s.21(1) |
| Hotel total: | | | | | s.21(1) |
| Holt Renfrew | s.3(5)(a) | | | s.21(1) | s.21(1) |
| Harry Rosen | s.3(5)(a) | | | s.21(1) | s.21(1) |
| CRU's | s.3(5)(a) | | | s.21(1) | s.21(1) |
| Food Court CRU's | s.3(5)(a) | | | s.21(1) | s.21(1) |
| Kiosks | s.3(5)(a) | | | s.21(1) | s.21(1) |
| Storage | s.3(5)(a) | | | s.21(1) | s.21(1) |
| Total Retail Area | | s.3(5)(a) | | | s.21(1) |
| Parking | s.3(5)(a) | | | s.21(1) | s.21(1) |
| Retail total: | | s.3(5)(a) | s.21(1) | | s.21(1) |
| Potential Gr. Income | | | | | |
| Vacancy | | | | | |
| Offices Gr. Income | | | | | |
| vacancy @ | s.21(1) | s.21(1) | s.21(1) | | |
| CRU's/Food Crt Gr. Income | | | | | |
| vacancy @ | s.21(1) | | s.21(1) | | |
| Storage Gr. Income | | | | | |
| vacancy @ | s.21(1) | | s.21(1) | | |
| Parking Gr. Income | | | | | |
| vacancy @ | s.21(1) | | s.21(1) | | |
| Effective gross income | | | s.21(1) | | |
| Expenses: | | | | | |
| Offices @ | s.21(1) | s.21(1) | | | |
| CRU's/Food Crt/Storage @ | | | | | |
| Parking @ | | | | | |
| Total expenses | | | s.21(1) | | |
| Net operating income: | | | | | |
| Offices | | s.21(1) | | | |
| Hotel | | | | | |
| CRU's/Food Crt/Storage | | | | | |
| Parking | | | | | |
| Total net operating income | | | s.21(1) | | |
| Capitalization Rates | | | | | |
| Offices | s.21(1) | s.21(1) | | | |
| Hotel | | | | | |
| CRU's/Food Crt/Storage | | | | | |
| Parking | | | | | |
| Actual value | | s.21(1) | s.21(1) | | |
| Overall Capitalization Rate | | | s.21(1) | | |
| Actual Value prior to deductions | | | s.21(1) | | |
| Deductions | | | | | |
| FF & E (return of) | | | s.21(1) | | |
| FF & E (return on) | | | | | |
| Outstanding asbestos remediation work | | | | | |
| Total deductions | | | s.21(1) | | |
| Total Actual Value | | | | 04 Assessment: | s.21(1) |
| Total Actual Value (Rounded) | | | s.21(1) | % Change | |
| | | Less Volumetric Pcl D | | | |
| | | Less Volumetric Pcl E | | | |
| | | Less Volumetric Pcl F | | | |
| | | Less Volumetric Pcl G | | | |
| Total value for remainder of Block 32 | | | | | |

| 2005 PAAB Rec (office component) | | Pacific Centre Mall, Block 52 | | 2005 Roll Value | | | |
|---------------------------------------|---------|---|-----------|------------------|----------------|------------------|----------------|
| ROLL #: | | 09-200-026-600-126-06-0000, 026-602-124-46-0000, 026-600-124-74-0000, 026-600-126-66-0000 | | | | | |
| ADDRESS : | | Block 52, Vancouver | | | | | |
| Tenants | | Area (sq.ft.) | Totals | Average Rents | | Economic rent | Annual rent |
| Offices (TD) | | s.3(5)(a) | | | | s.21(1) | s.21(1) |
| Offices total: | | | s.3(5)(a) | s.21(1) | | | s.21(1) |
| Banking Pavillion | | s.3(5)(a) | | | | s.21(1) | s.21(1) |
| Banking Pavillion total: | | | | | | | s.21(1) |
| Sears | | s.3(5)(a) | | | | s.21(1) | s.21(1) |
| Anchor total: | | | | | | | s.21(1) |
| CRU's | | s.3(5)(a) | | | | s.21(1) | s.21(1) |
| Kiosks | | s.3(5)(a) | | | | s.21(1) | s.21(1) |
| Total Retail Area | | | s.3(5)(a) | | | | |
| Parking | | s.3(5)(a) | | | | s.21(1) | s.21(1) |
| | | | | | | | |
| | | | | | | | |
| Cru's total: | | | s.3(5)(a) | s.21(1) | | | s.21(1) |
| Potential Gr. Income | | | | | | | |
| Vacancy | | | | | | | |
| Offices Gr. Income | | s.21(1) | | | | | |
| vacancy @ | s.21(1) | | s.21(1) | | | | |
| Banking Pavillion Gr. Income | | | | | | | |
| vacancy @ | s.21(1) | | s.21(1) | | | | |
| Anchor Gr. Income | | | | | | | |
| vacancy @ | s.21(1) | | s.21(1) | | | | |
| Cru's/Food Crt/Stge Gr. Income | | | | | | | |
| vacancy @ | s.21(1) | | s.21(1) | | | | |
| Parking Gr. Income | | | | | | | |
| vacancy @ | s.21(1) | | s.21(1) | | | | |
| Effective gross income | | | | s.21(1) | | | |
| Expenses: | | | | | | | |
| Offices @ | s.21(1) | s.21(1) | | | | | |
| Banking Pavillion @ | | | | | | | |
| Anchor @ | | | | | | | |
| CRU's/Food Crt/Stge @ | | | | | | | |
| Parking @ | | | | | | | |
| Total expenses | | | | s.21(1) | | | |
| Net operating income: | | | | | | | |
| Offices | | s.21(1) | | | | | |
| Banking Pavillion | | | | | | | |
| Anchor | | | | | | | |
| CRU's/Food Crt/Stge | | | | | | | |
| Parking | | | | | | | |
| Total net operating income | | | | s.21(1) | | | |
| Capitalization Rates | | | | | | | |
| Offices | s.21(1) | s.21(1) | | | | | |
| Banking Pavillion | | | | | | | |
| Anchor | | | | | | | |
| CRU's/Food Crt/Stge | | | | | | | |
| Parking | | | | | | | |
| Actual value | | | s.21(1) | s.21(1) | | | |
| Overall Capitalization Rate | | | | s.21(1) | | | |
| Actual Value prior to deductions | | | | s.21(1) | | | |
| Deductions | | | | | | | |
| Volumetric Parcel A | | | s.21(1) | | | | |
| Volumetric Parcel B | | | | | | | |
| Volumetric Parcel C | | | | | | | |
| Outstanding asbestos remediation work | | | | | | | |
| Total deductions | | | | s.21(1) | | | |
| Total Actual Value | | | | | 04 Assessment: | s.21(1) | |
| Total Actual Value (Rounded) | | | | s.21(1) | % Change | | |

Actual Reported Mall Net Incomes

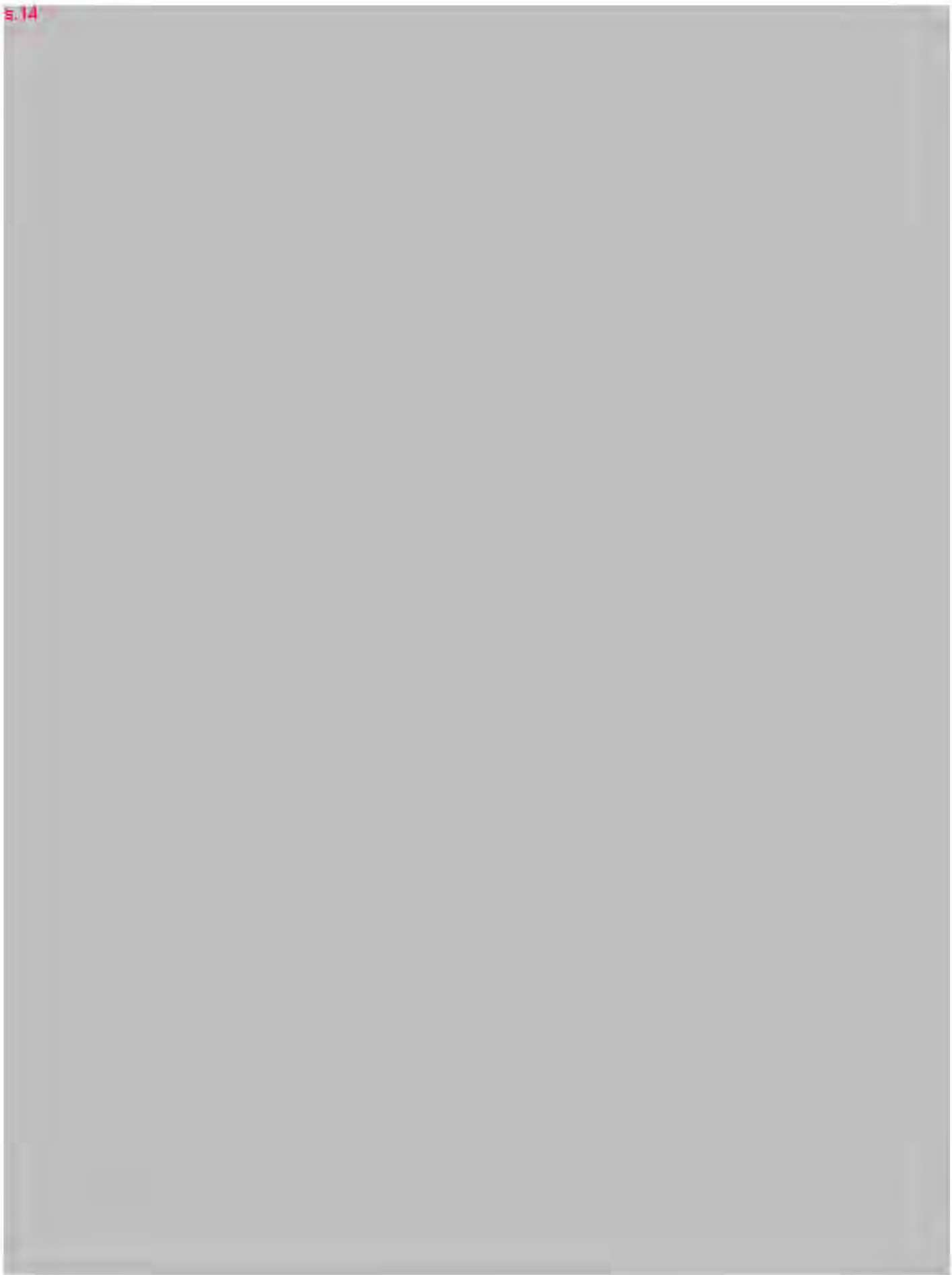
| Year | sales/sf | Net Income |
|------|----------|------------|
| 1996 | | |
| 1997 | | |
| 1998 | | |
| 1999 | | |
| 2000 | | |
| 2001 | | |
| 2002 | | |
| 2003 | s.21(1) | |
| 2004 | | |











Pow, Rosalind

From: Billing, Jean
Sent: Tuesday, February 03, 2015 10:18 AM
To: Pow, Rosalind
Subject: FW: Block 42
Attachments: 2015 Advance Tax Notice (prorated to Feb 18).pdf; 10306 Rent billing for Feb 1- 18 2015 xls.pdf; 10306 10761 2015 Rent in Lieu to Feb 18.pdf

pls print

From: Lee, Esther
Sent: Tuesday, February 03, 2015 9:51 AM
To: Billing, Jean
Cc: Aujla, Bill; Tonkin, Tracy
Subject: FW: Block 42

Cadillac Fairview just dropped cheques off to pay the above invoices.

Esther

From: Lee, Esther
Sent: Thursday, January 29, 2015 12:44 PM
To: 'Chris Walat'; 'Becky Lam'
Subject: RE: Block 42

Here are the revised bills reflecting 49 days for 2015.

The monthly amount for 10306 rent is only for February 1-18 as January has already been paid. *

Please let me know if you have any questions.

Esther

Esther Lee CPA CA
 Director of Financial Services
 Financial Services Group
 City of Vancouver
 453 W.12th Avenue
 Vancouver, B.C. V5Y 1V4
 Telephone: 873-7080 Fax: 871-6513



Property Tax Office
PO Box 7747
Vancouver, BC V6B 8R1

2015 ADVANCE TAX NOTICE

DUE DATE: Tuesday, February 3, 2015

FOLIO: 130-595-97-0000
ACCESS CODE: 945716

STATEMENT DATE: Jan 29, 2015



5% PENALTY IF NOT PAID BY FEBRUARY 3, 2015

CADILLAC FAIRVIEW CORP LTD
ATTN: PROPERTY TAX DEPT
500-20 QUEEN ST W
TORONTO ON M5H 3R4

Property Address:
701 GEORGIA ST W

Legal Description:
BLOCK 42 PLAN VAP210 DISTRICT LOT 541 NEW
WESTMINSTER EXCEPT PLAN 18901, EP13277.

| DESCRIPTION | AMOUNT |
|--------------------------------|---------------------|
| Advance Amount | 4,718,379.81 |
| Payments/Adjustments | (1,266,852.66) |
| TOTAL OUTSTANDING TAXES | 3,451,527.15 |

KEEP THIS PORTION

TEAR OFF AND SEND WITH PAYMENT

2015 CITY OF VANCOUVER ADVANCE NOTICE
PO BOX 7747 VANCOUVER BC V6B 8R1
Due Date February 3, 2015

CADILLAC FAIRVIEW CORP LTD
ATTN: PROPERTY TAX DEPT
500-20 QUEEN ST W
TORONTO ON M5H 3R4

| | |
|-------------------|----------------|
| Total Outstanding | \$3,451,527.15 |
| Amount Paid | |

FOLIO: 130-595-97-0000
PID: 010-240-004
CIVIC: 701 GEORGIA ST W
OWNERS: CADILLAC FAIRVIEW CORP LTD
City of Vancouver
PO Box 7747 Stn Terminal
Vancouver BC V6B 8R1



1305131000

130-595-97-0000 03451527159

96



Date: Jan 29/2015

Contract No: 10306

Customer No: **s.15(1)(l)**

FINANCIAL SERVICES GROUP

Accounting Services - Rental Properties

453 West 12th Avenue, Vancouver BC V5Y 1V4

The Cadillac-Fairview Corporation Limited

20 Queen Street West - 5th Floor

Toronto, ON M5H 3R4

RE: 701 W GEORGIA ST

| Date | Description | Charges | Payment | Balance |
|-------------|-------------------------|-----------|---------|--------------|
| Feb 1/2015 | February 1-18/2015 rent | 19,285.71 | | 19,285.71 |
| Feb 1/2015 | February GST | 964.29 | | 20,250.00 |
| Amount Due: | | | | \$ 20,250.00 |

 PLEASE RETURN THIS PORTION WITH YOUR PAYMENT TO:

CITY OF VANCOUVER

Account Services - Rental Properties

453 West 12th Avenue

Vancouver, BC V5Y 1V4

10306

CONTRACT NUMBER

\$20,250.00

AMOUNT DUE

Contract No: 10306

Customer No: **s.15(1)(l)**

Tracy Tonkin Direct Line: 604-873-7801 e-mail: Tracy.tonkin@vancouver.ca



Financial Services Group
Accounting ~ Rental Properties

Cadillac Fairview Corporation Ltd.

Attn: Property Tax Dept.
5th Floor, 20 Queen Street West
Toronto, ON M5H 3R4

Statement Date: Jan 29/2015
Contract #: 10306/10761
Customer #: ~~S.15(1)(1)~~
Due Date: Feb 3/2015

RE: 701 W. Georgia/609 Granville
Folio #: 130-595-97-0000

2015 Rent in Lieu of Property Tax Jan 1 - Feb 18, 2015

2014 Taxes (for reference): 9,436,759.62

Prorate \$9,436,759.62 X 49/365 Jan 1 - Feb 18, 2015: 1,266,852.66

GST: 63,342.63

Balance Due Feb 3, 2015: \$1,330,195.29

PLEASE RETURN THIS PORTION WITH YOUR PAYMENT TO:

CITY OF VANCOUVER
Financial Services Group
Accounting ~ Rental Properties
453 West 12th Avenue Vancouver, BC V5Y 1V4

Due Date: Feb 3/2015
Contract No: 10306/10761
Name: Cadillac Fairview Corporation Ltd.
Re: 701 W. Georgia/609 Granville
Folio #: 130-595-97-0000

Contract Number

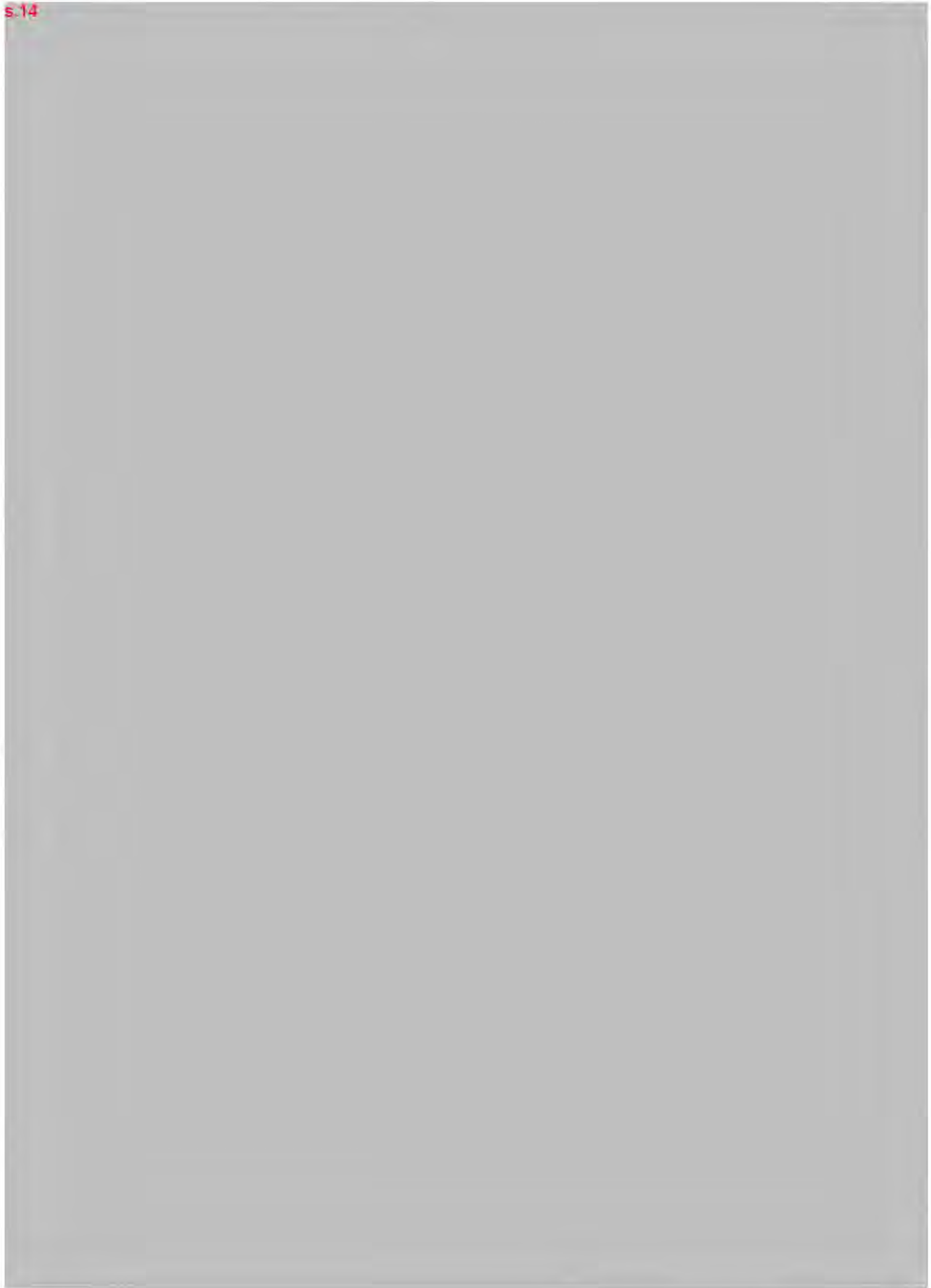
10306/10761

Amount Due

\$1,330,195.29

Ensure Contract # is quoted on all correspondence





Billing, Jean

From: Burrell, Keith [KBURRELL@MCCARTHY.CA]
Sent: Thursday, January 29, 2015 7:40 AM
To: Breckner, John
Cc: Billing, Jean; Aujla, Bill
Subject: RE: Extension of Completion Date - Block 42
Attachments: Jan 28, 2015 - Extension of Completion Date.pdf

John:

The fully executed Extension Agreement is attached.

Regards, Keith

From: Breckner, John [mailto:John.Breckner@vancouver.ca]
Sent: Wednesday, January 28, 2015 3:11 PM
To: Burrell, Keith
Cc: Billing, Jean; Aujla, Bill
Subject: Extension of Completion Date - Block 42

Keith,

Please find attached the Vendor executed Extension Agreement for Block 42.
We look forward to receiving a fully executed copy back for our records.

Regards,

John Breckner
Associate Director – Operations
Real Estate Services
320 – 507 W. Broadway
604.873.7420 (direct)

This e-mail may contain information that is privileged, confidential and/or exempt from disclosure. No waiver whatsoever is intended by sending this e-mail which is intended only for the named recipient(s). Unauthorized use, dissemination or copying is prohibited. If you receive this email in error, please notify the sender and destroy all copies of this e-mail. Our privacy policy is available at www.mccarthy.ca.

Click here to [unsubscribe](#) from commercial electronic messages. Please note that you will continue to receive non-commercial electronic messages, such as account statements, invoices, client communications, and other similar factual electronic communications.

Suite 5300, TD Bank Tower, Box 48, 66 Wellington Street West, Toronto, ON M5K 1E6

EXTENSION OF COMPLETION DATE

THIS AGREEMENT is dated as of January 28, 2015.

BETWEEN:

CITY OF VANCOUVER

(the "City")

AND:

**PACIFIC CENTRE LIMITED, THE CADILLAC FAIRVIEW
CORPORATION LIMITED and ONTREA INC.**

(together, the "Owners")

WHEREAS:

- A. Pursuant to section 1 of that Third Extension Agreement - Transfer of Block 42 made on January 30, 2007 but with effect as of January 31, 2005 between the City and the Owners (the "Third Extension"), the date for the completion of the purchase and sale of Block 42 pursuant to the Option to Purchase is February 2, 2015; and
- B. The City has requested that such date be extended to February 19, 2015;

THEREFORE in consideration of the amount of \$1.00 now paid by each party to the other and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by each of the parties, the parties agree as follows:

- 1. **Capitalized Terms.** Each capitalized term used in this Agreement will have the meaning given to it in the Third Extension unless otherwise defined herein.
- 2. **Extension.** The parties agree that the date for the completion of the purchase and sale of Block 42 pursuant to the Option to Purchase be extended from February 2, 2015 to February 19, 2015. Time remains of the essence.
- 3. **Interpretation.** This Agreement will, from the date of this Agreement, be read and construed together with the Third Extension and be treated as part thereof, and the Third Extension, as extended by this Agreement, will continue in full force and effect in accordance with the terms thereof and hereof.
- 4. **Further Assurances.** Each party will from time to time execute and deliver all such further documents and instruments and do all acts and things as the other party may reasonably require to carry out or better evidence or perfect the full intent and meaning of this Agreement.
- 5. **Binding Effect.** This Agreement will enure to the benefit of and be binding upon the respective heirs, executors, administrators, other legal representatives, successors and assigns of the parties.

6. **Counterparts.** This Agreement may be executed in any number of counterparts, each of which will be deemed to be an original and all of which, taken together, will be deemed to constitute one and the same instrument.
7. **Delivery by Electronic Transmission.** Delivery of an executed copy of this Agreement by any party by electronic transmission will be as effective as personal delivery of an originally executed copy of this Agreement by such party.

IN WITNESS WHEREOF the parties have executed this Agreement under seal as of the date first above written by their respective officers duly authorized for such purpose.



CITY OF VANCOUVER

By:


Authorized Signatory
JOHN BRECKNER
Real Estate Services C/S

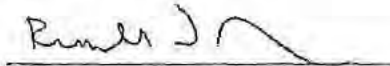
PACIFIC CENTRE LIMITED

By:


Authorized Signatory

Authorized Signatory C/S

**THE CADILLAC FAIRVIEW
CORPORATION LIMITED**

By:

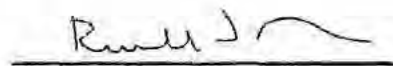

Authorized Signatory

By:


Authorized Signatory C/S

ONTREA INC.

By:

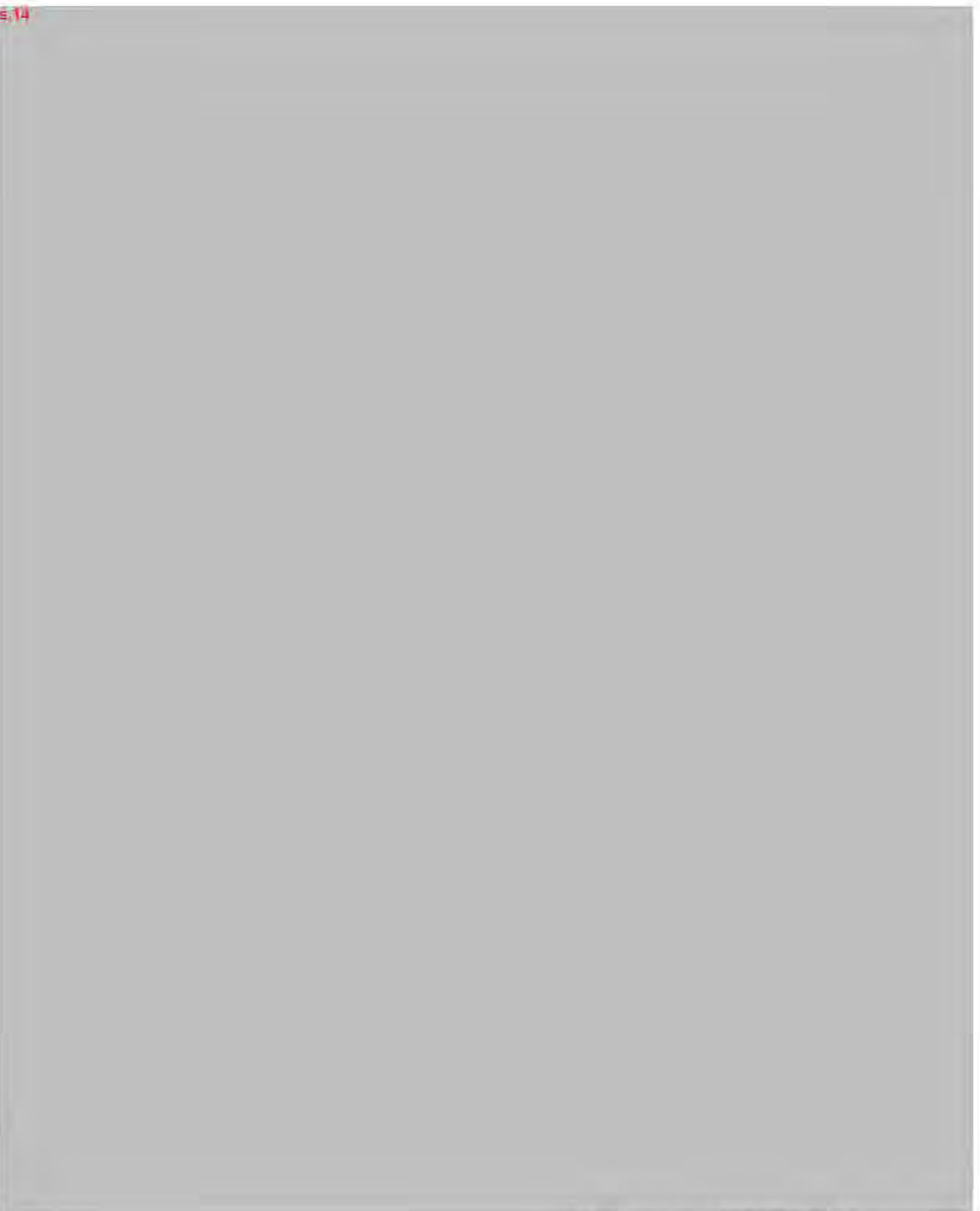

Authorized Signatory

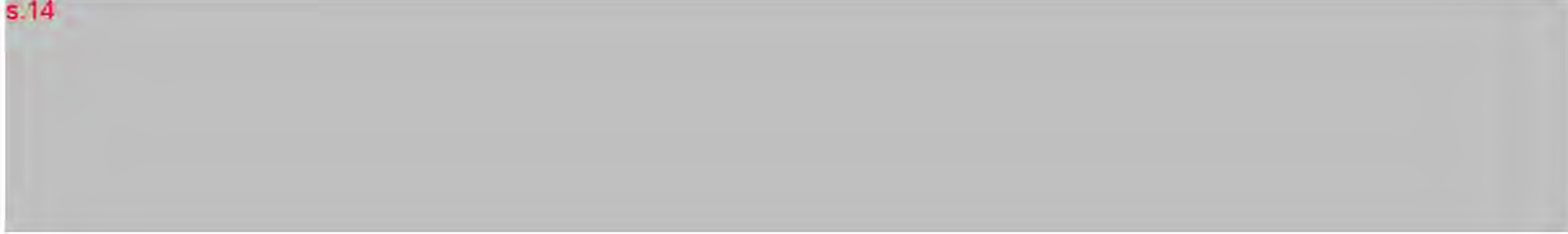
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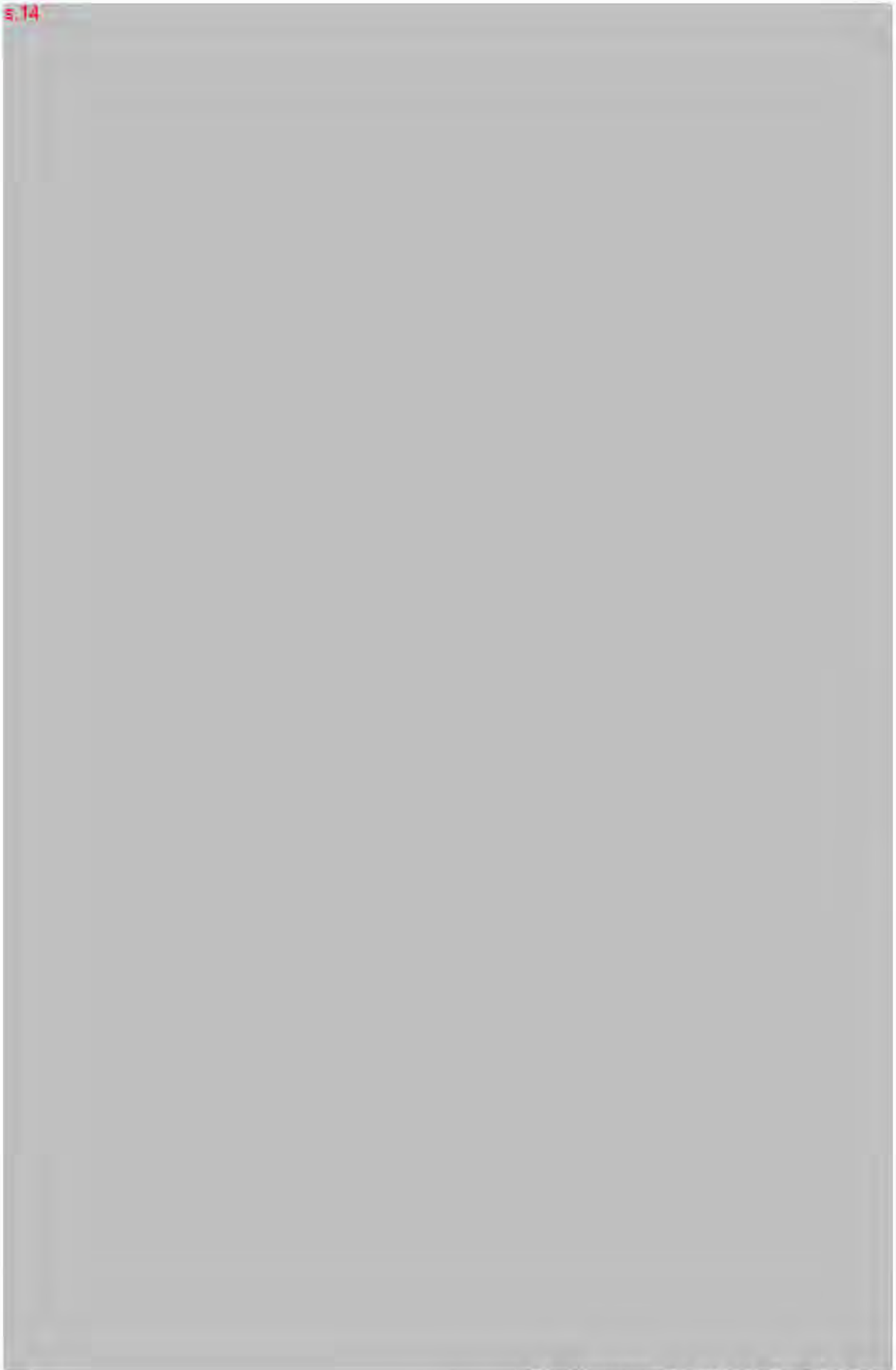

Authorized Signatory C/S

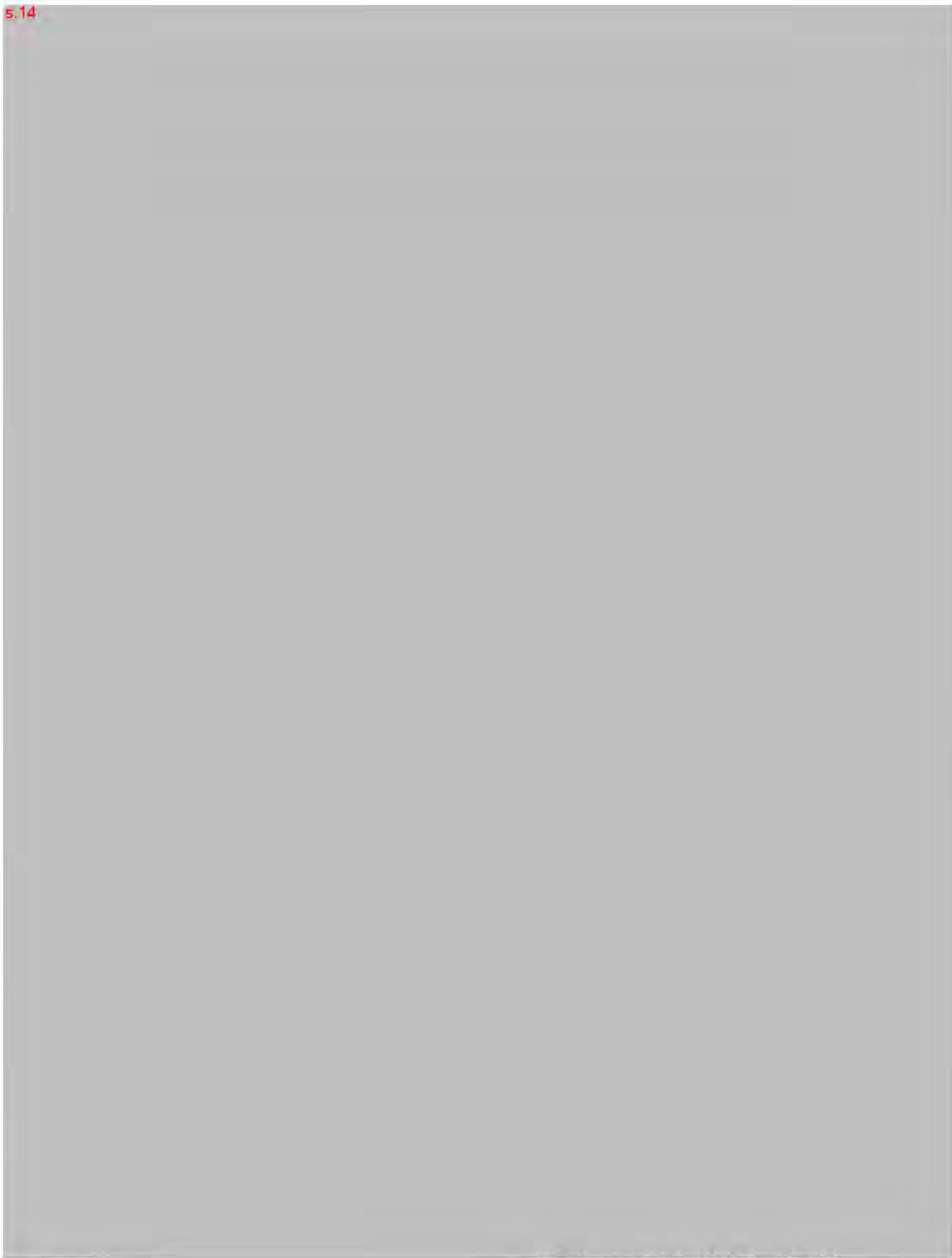


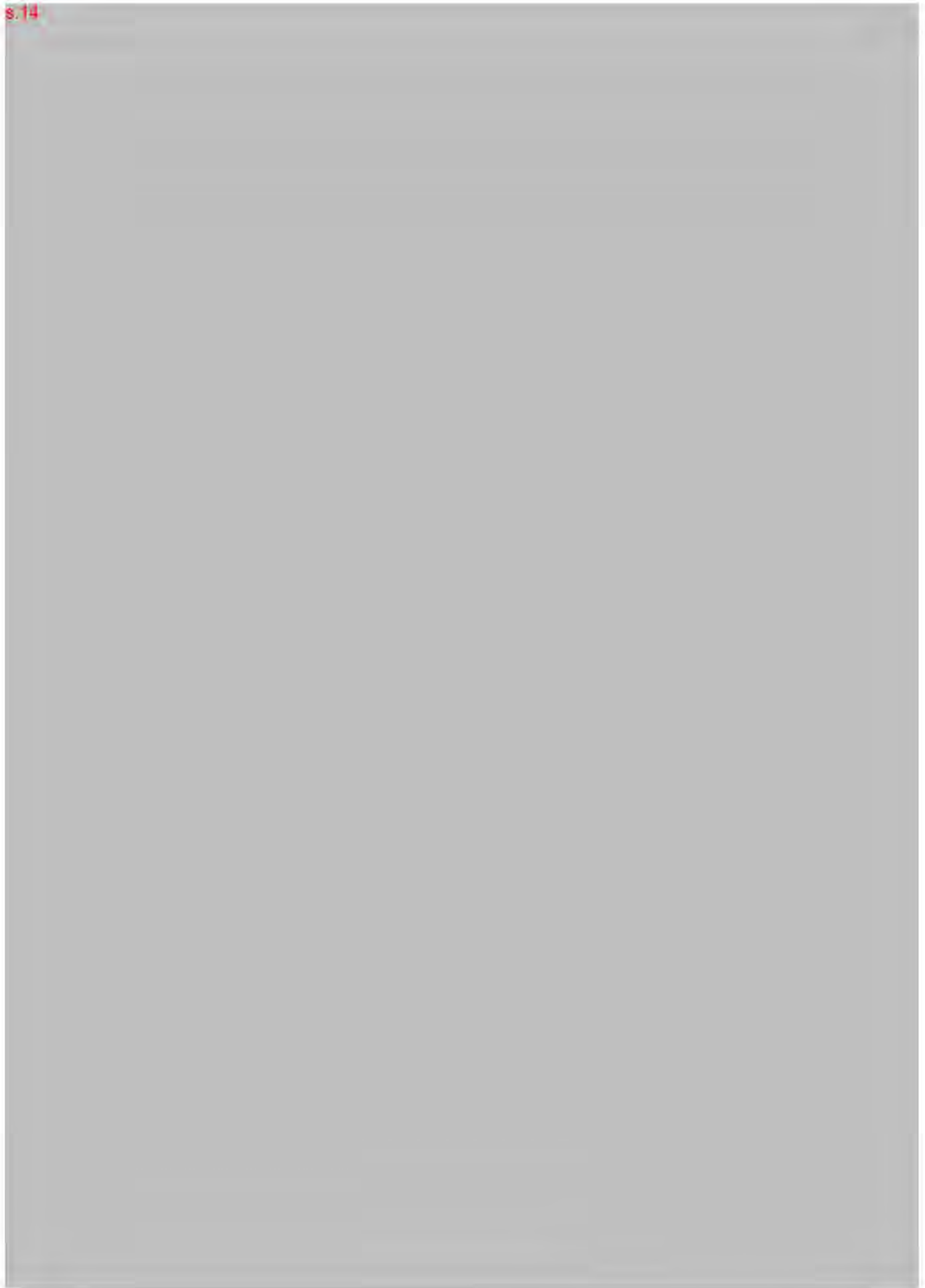




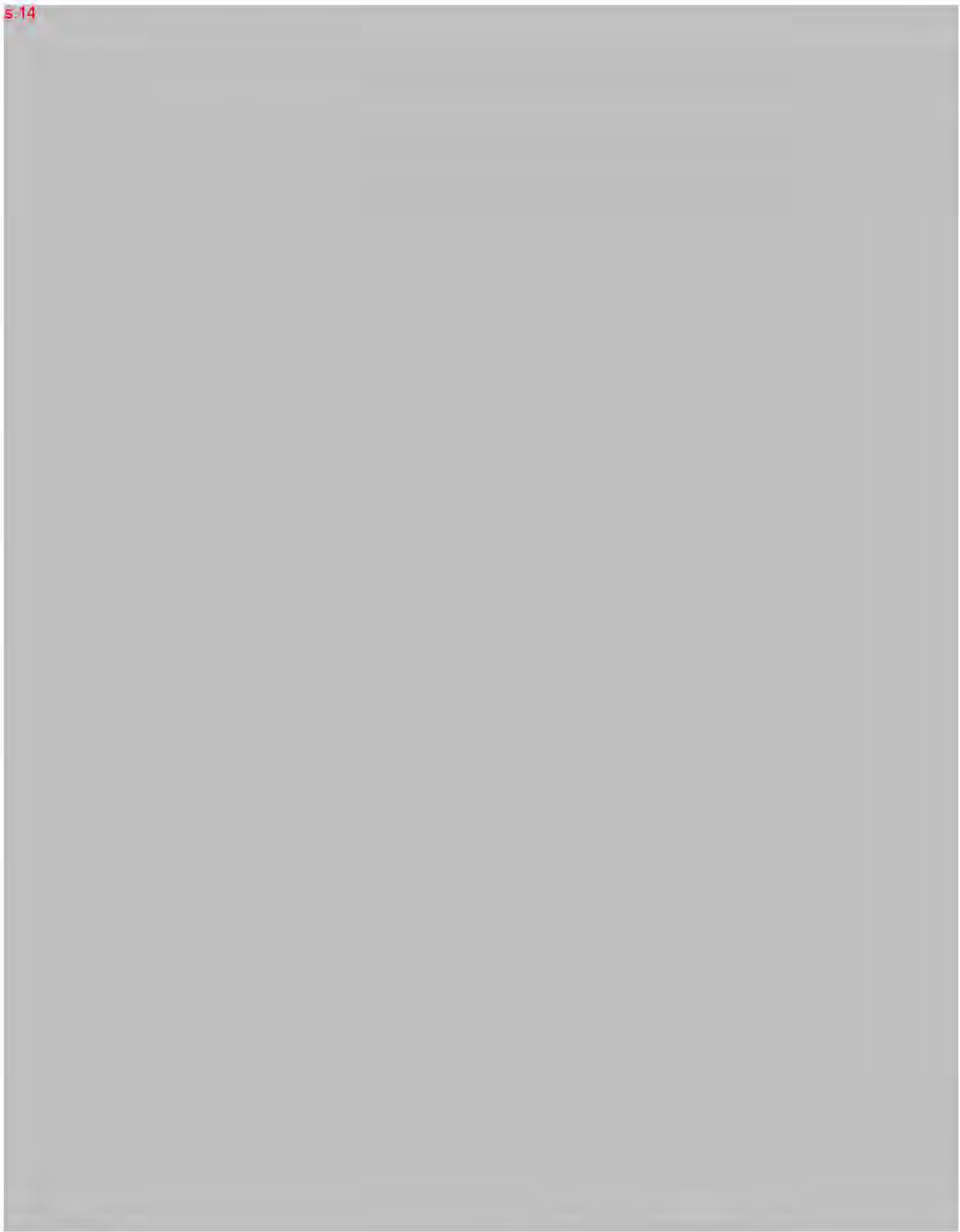






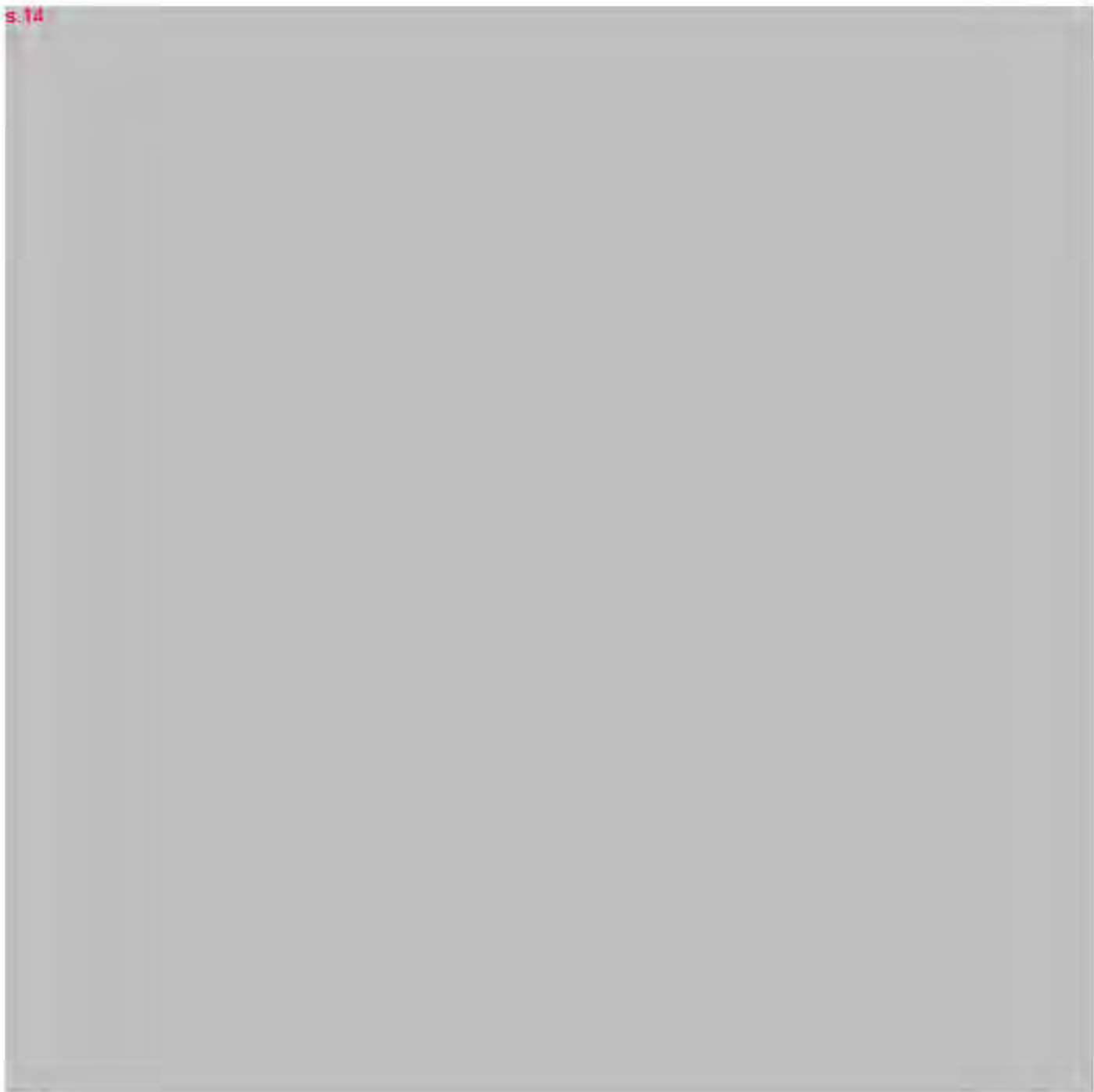




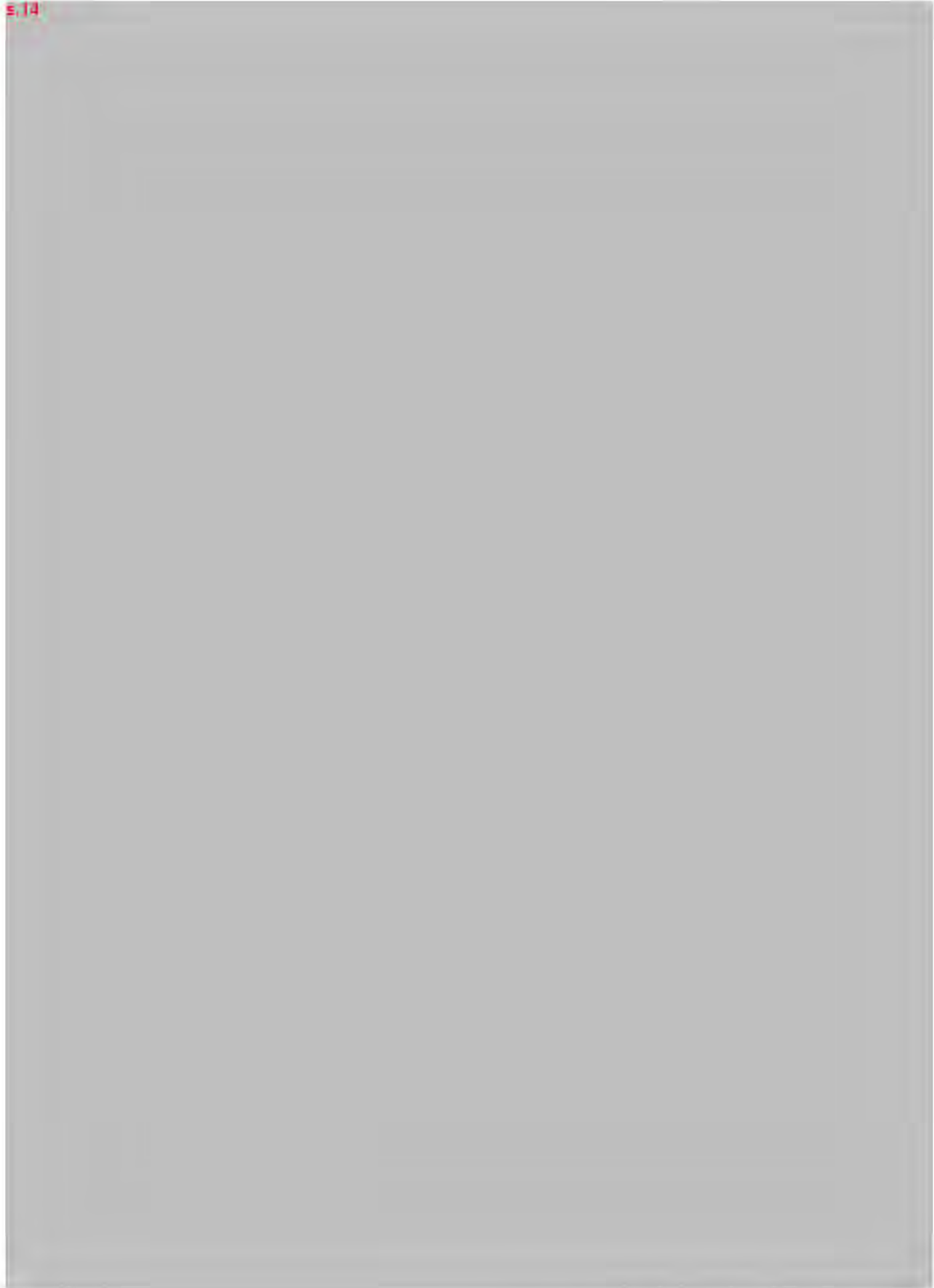


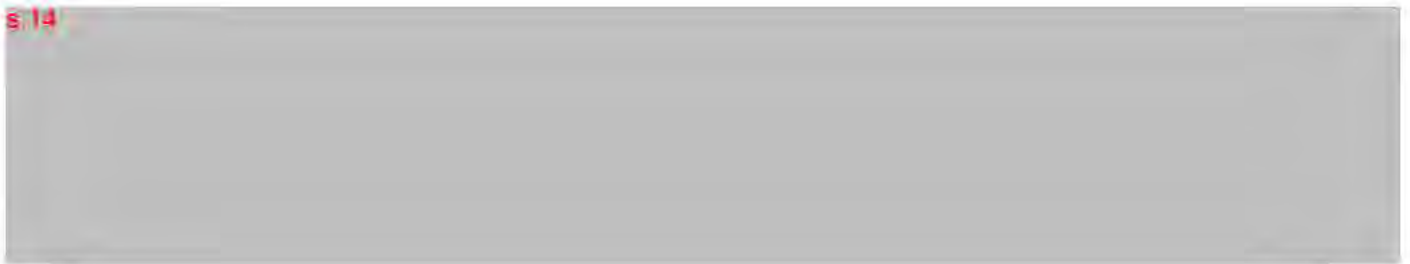


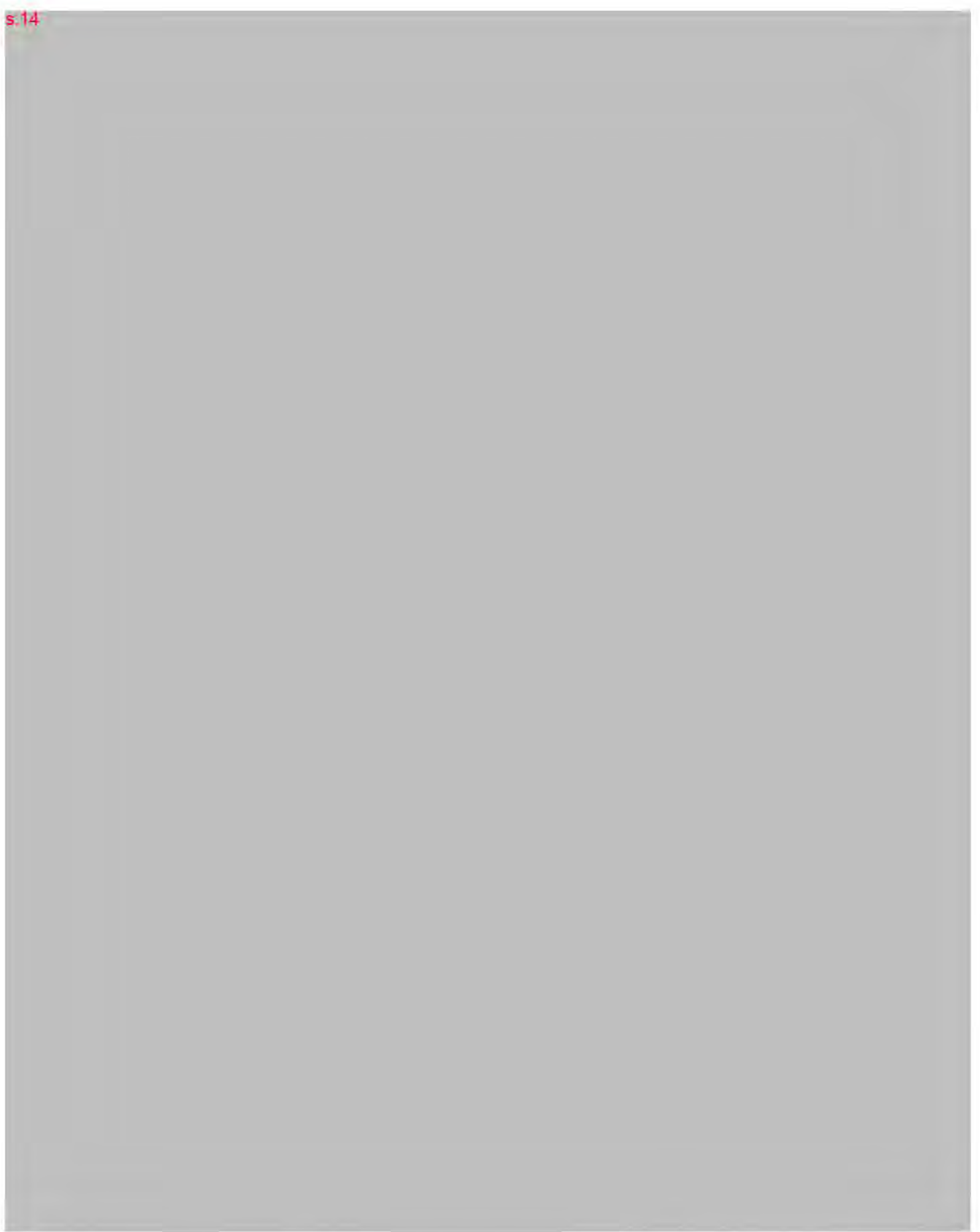


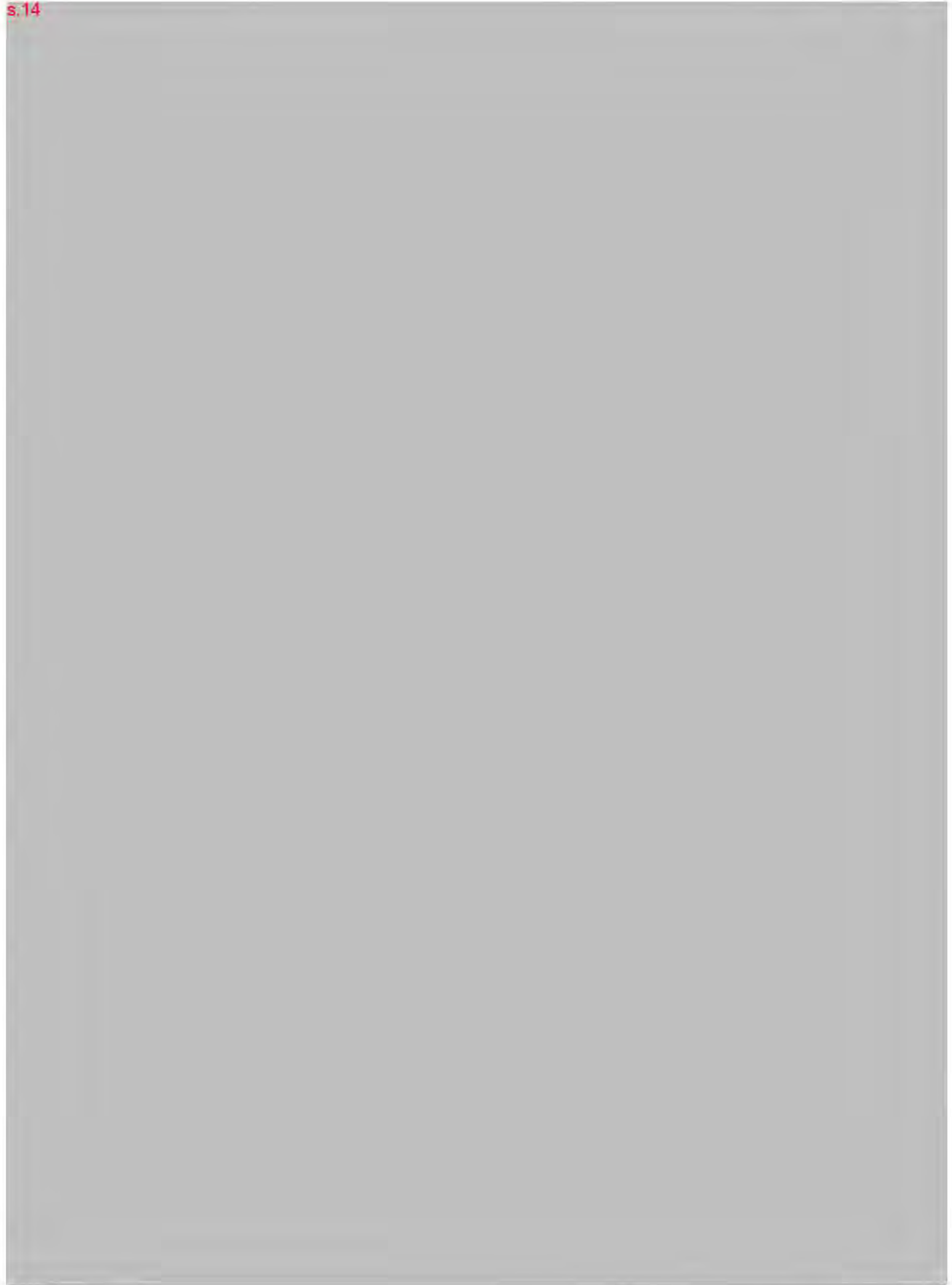


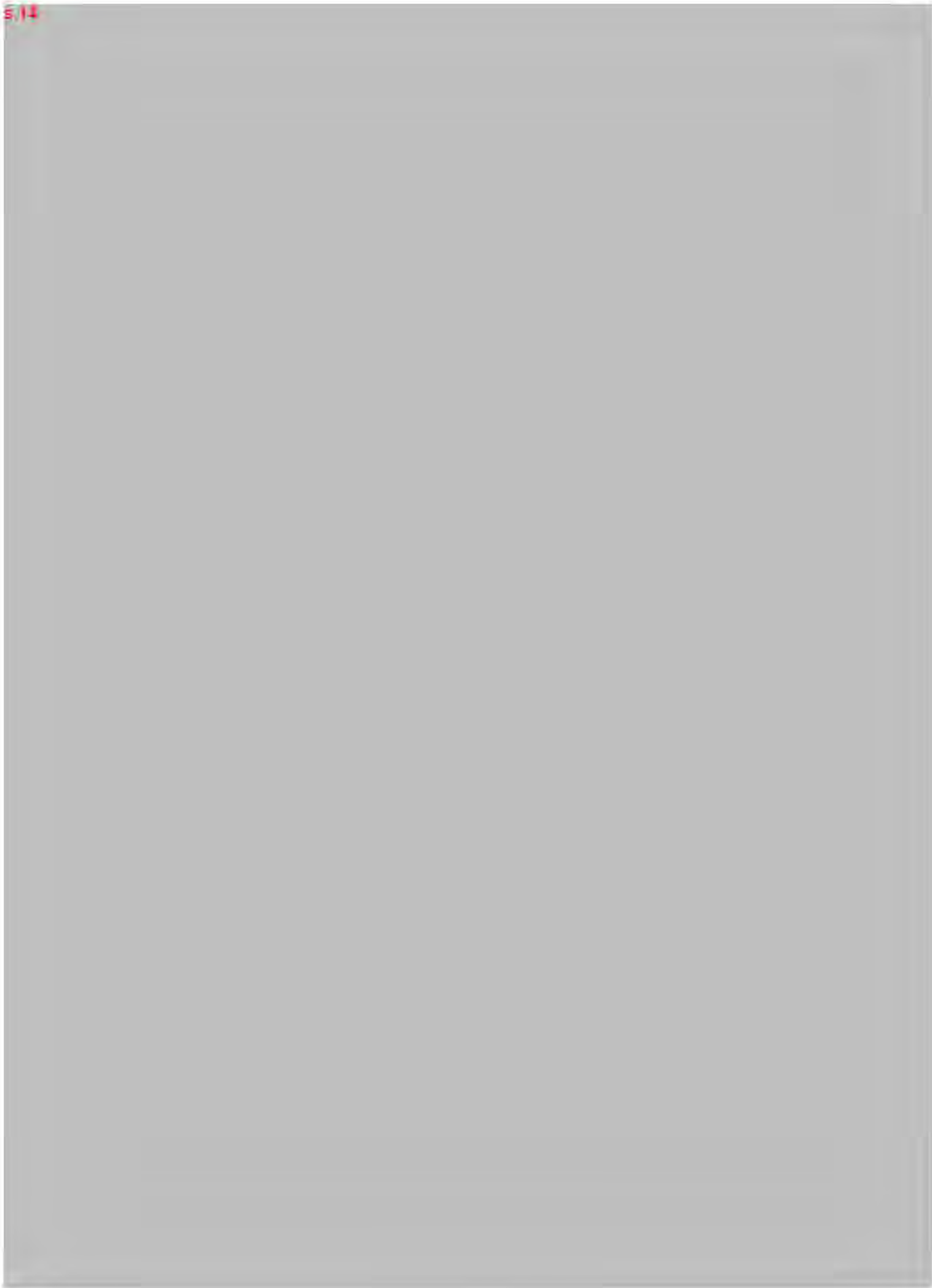


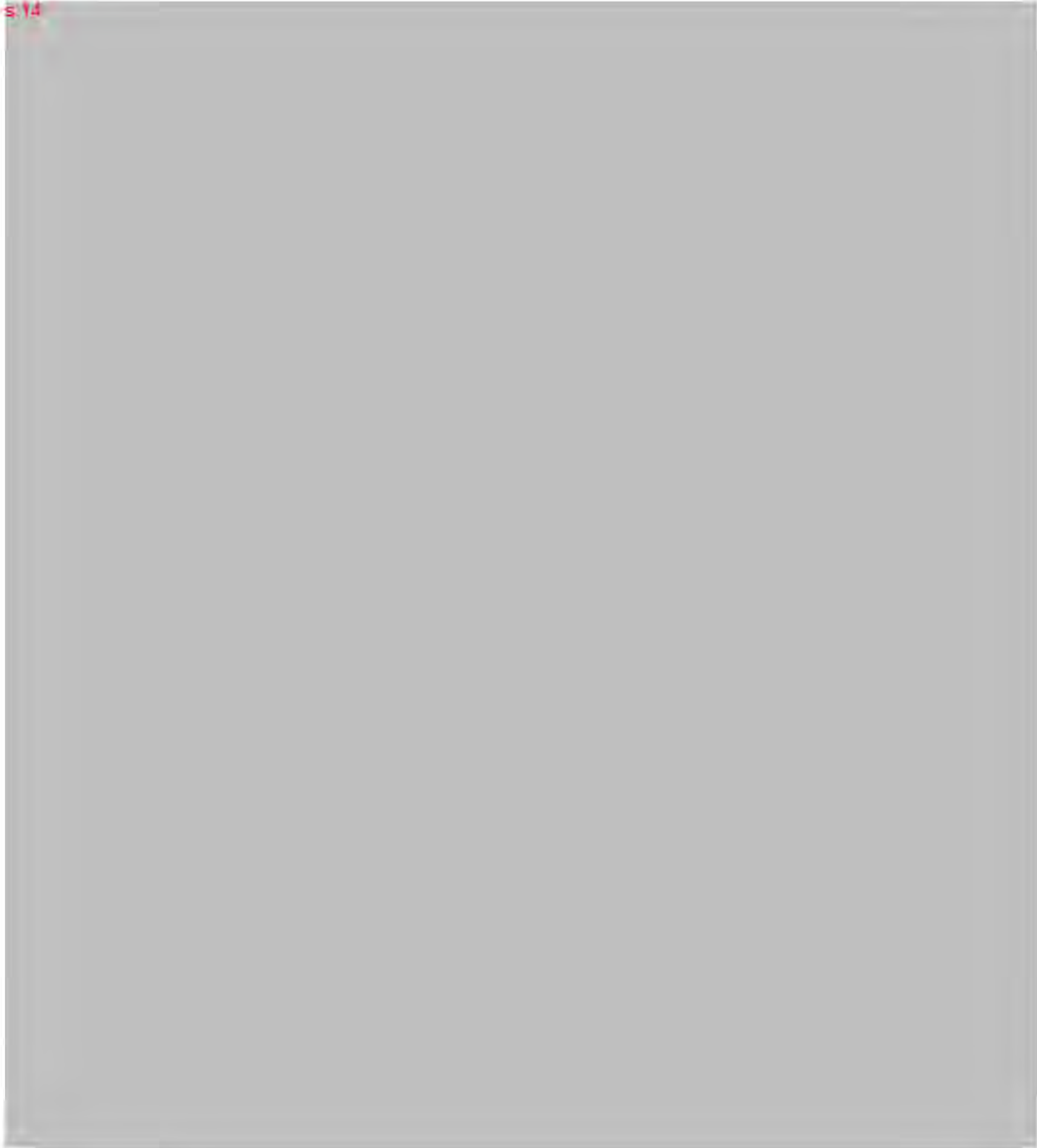


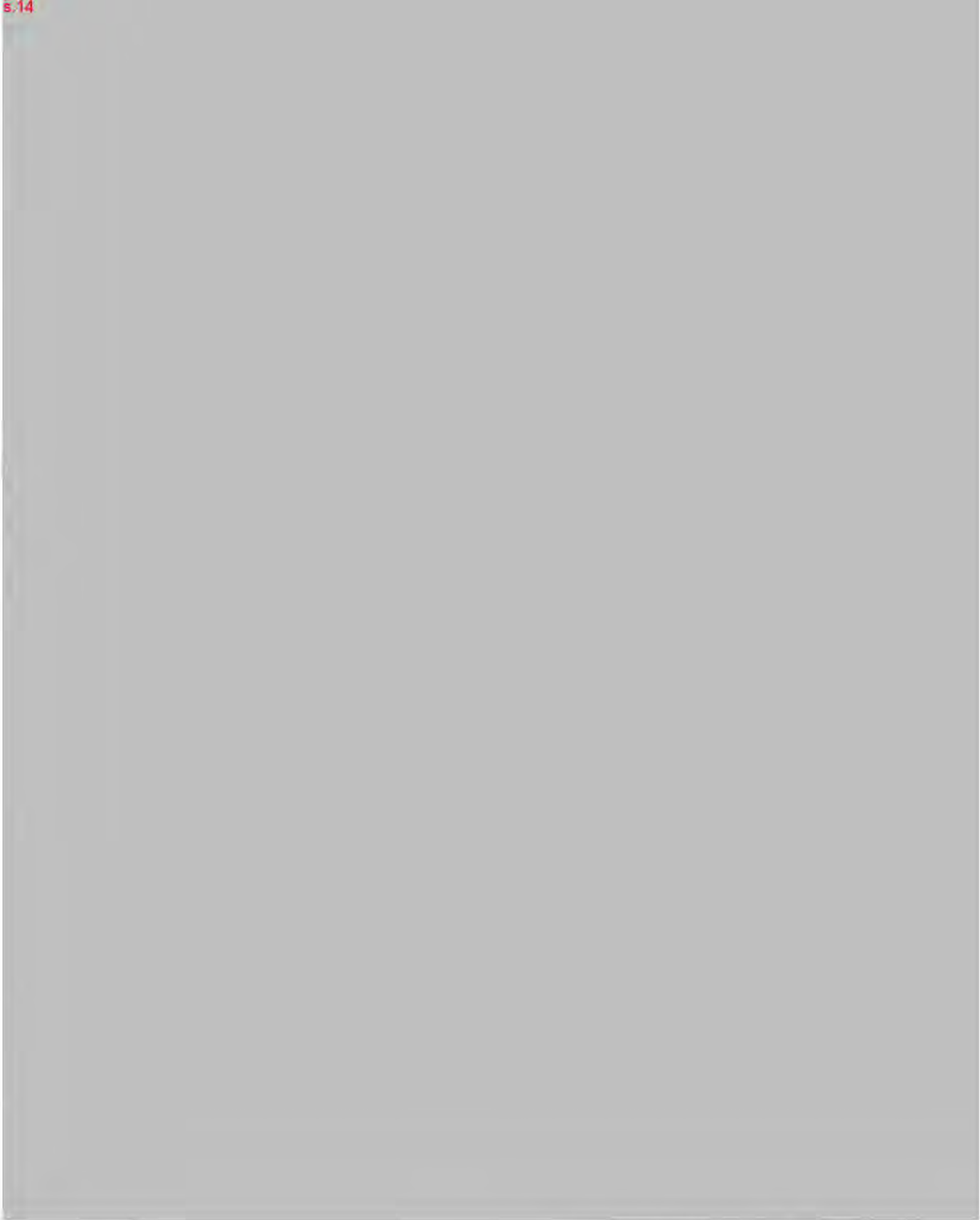


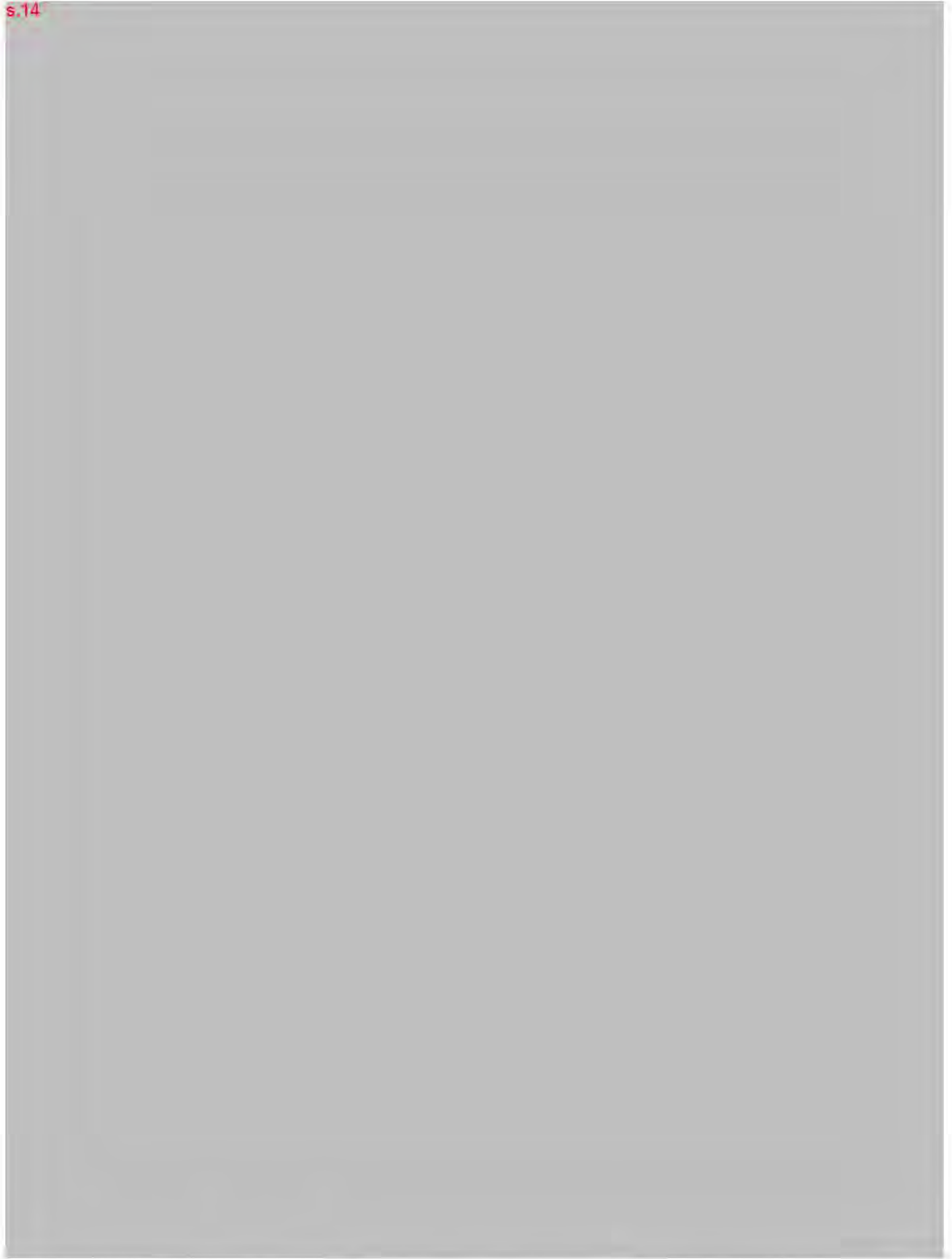








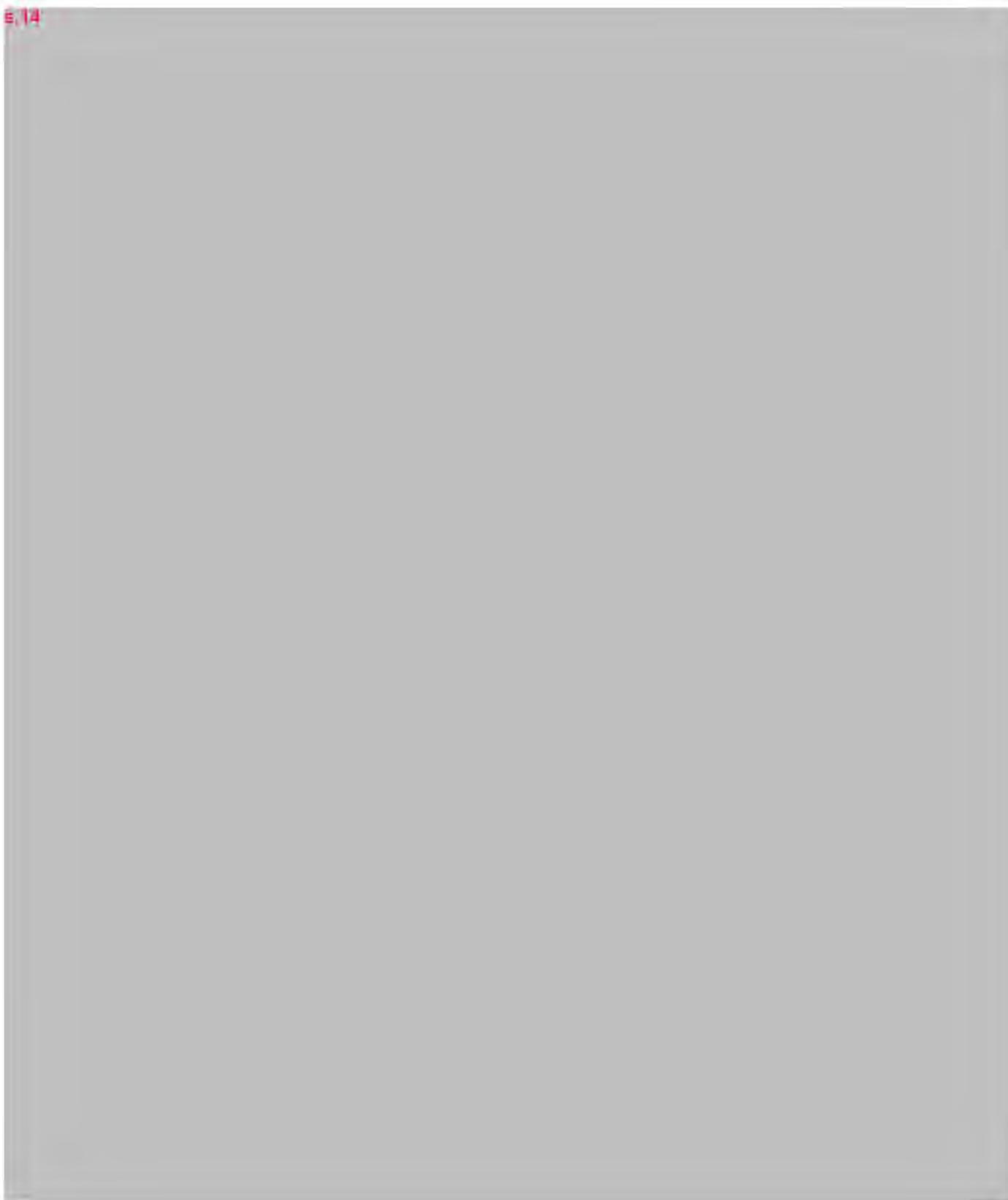




FOIA(b)(7)(C) - Exemption from disclosure







Assessment Roll Report

s.3(5)(a)



s.15(1)(l)

s.3(5)(a)



s.15(1)(i)



INDEMNITY AGREEMENT

THIS AGREEMENT made effective as of January 30, 2007

BETWEEN:

PACIFIC CENTRE LIMITED,
THE CADILLAC FAIRVIEW CORPORATION LIMITED
and
ONTREA INC.

(together, the "Owners")

AND:

CITY OF VANCOUVER

(the "City")

WHEREAS:

- A. The City, the Owners and Pacific Centre Leaseholds Limited have entered into the Fifth Extension Agreement; and
- B. It is a condition of the Fifth Extension Agreement that the City execute and deliver this Agreement to the Owners;

THEREFORE, in consideration of the amount of \$1.00 now paid by the Owners to the City and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by the City, the City and the Owners agree as follows:

- 1. In this Agreement, the following terms will have the meanings set out below:
 - (a) "**Assessed Value**" means the value of Block 42 (land and improvements) as shown on the most recent assessed value for Block 42 issued by British Columbia Assessment Authority prior to January 31, 2005;
 - (b) "**Block 42**" means that property legally described as Parcel Identifier 010-240-004, Block 42 (Reference Plan 10328), District Lot 541, Plan 210;
 - (c) "**Block 42 Ground Lease**" means the "Ground Lease" as defined in recital J of the Fifth Extension Agreement, as such "Ground Lease" may be amended by the Third Transfer Extension Agreement;
 - (d) "**Fifth Extension Agreement**" means that agreement between the City, the Owners and Pacific Centre Leaseholds Limited dated for reference January 30, 2007 and entitled "Fifth Agreement Regarding Proposed Extension of Completion Date";

- (e) "PCL" means Pacific Centre Limited and its successors;
- (f) "PTTA" means the *Property Transfer Tax Act* (British Columbia); and
- (g) "Third Transfer Extension Agreement" means that agreement between the City and the Owners in the form attached as Schedule B to the Fifth Extension Agreement.

2.

s.21(1)



3.

s.21(1)



4.

s.21(1)



5.

If:

- (a) the City has not obtained the approval of the Lieutenant-Governor in Council referred to in section 7 of the Fifth Extension Agreement on or before December 31, 2007; or
- (b) the Owners deliver written notice to the City, pursuant to the Third Transfer Extension Agreement, before January 31, 2009 requiring the City to transfer Block 42 to PCL or any other entity,

then this Agreement will cease to be of any further force and effect and, for greater certainty, the City will not be required to indemnify the Owners as set out in section 2 hereof.

6. No modification of this Agreement will be effective unless it is in writing and signed by both the City and the Owners.
7. This Agreement will enure to the benefit of and be binding upon the successors and assigns of the parties.
8. Each of the parties shall execute and deliver all such further documents and do such further acts and things as may be reasonably required from time to time to give effect to this Agreement.
9. The City represents and warrants to the Owners that all proceedings have been taken by the City which are required to enable the City to execute and deliver this Agreement as an agreement which is legally binding on and is enforceable against the City, and the City acknowledges that the Owners are entering into this Agreement in reliance upon such representation and warranty. Each of the Owners (in this section, each such company is separately referred to as the "**Company**") represents and warrants to the City that all corporate proceedings have been taken which are required to enable the Company to execute and deliver this Agreement as an agreement which is legally binding on and is enforceable against the Company, and the Company acknowledges that the City is entering into this Agreement in reliance upon such representation and warranty.
10. This Agreement may be executed in any number of counterparts, each of which when so executed will be deemed to be an original, and all of such counterparts shall together constitute one agreement.

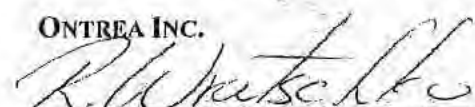
IN WITNESS WHEREOF the City and the Owners have executed this Agreement as of the date first above written.

CITY OF VANCOUVER

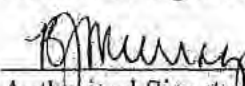


~~Director of Legal Services~~
GRAHAM P. JOHNSEN
Assistant Director of Legal Services

ONTREA INC.



Authorized Signatory



Authorized Signatory

THE CADILLAC FAIRVIEW CORPORATION LIMITED

R. Wetsche
Authorized Signatory

R. Murray
Authorized Signatory

PACIFIC CENTRE LIMITED

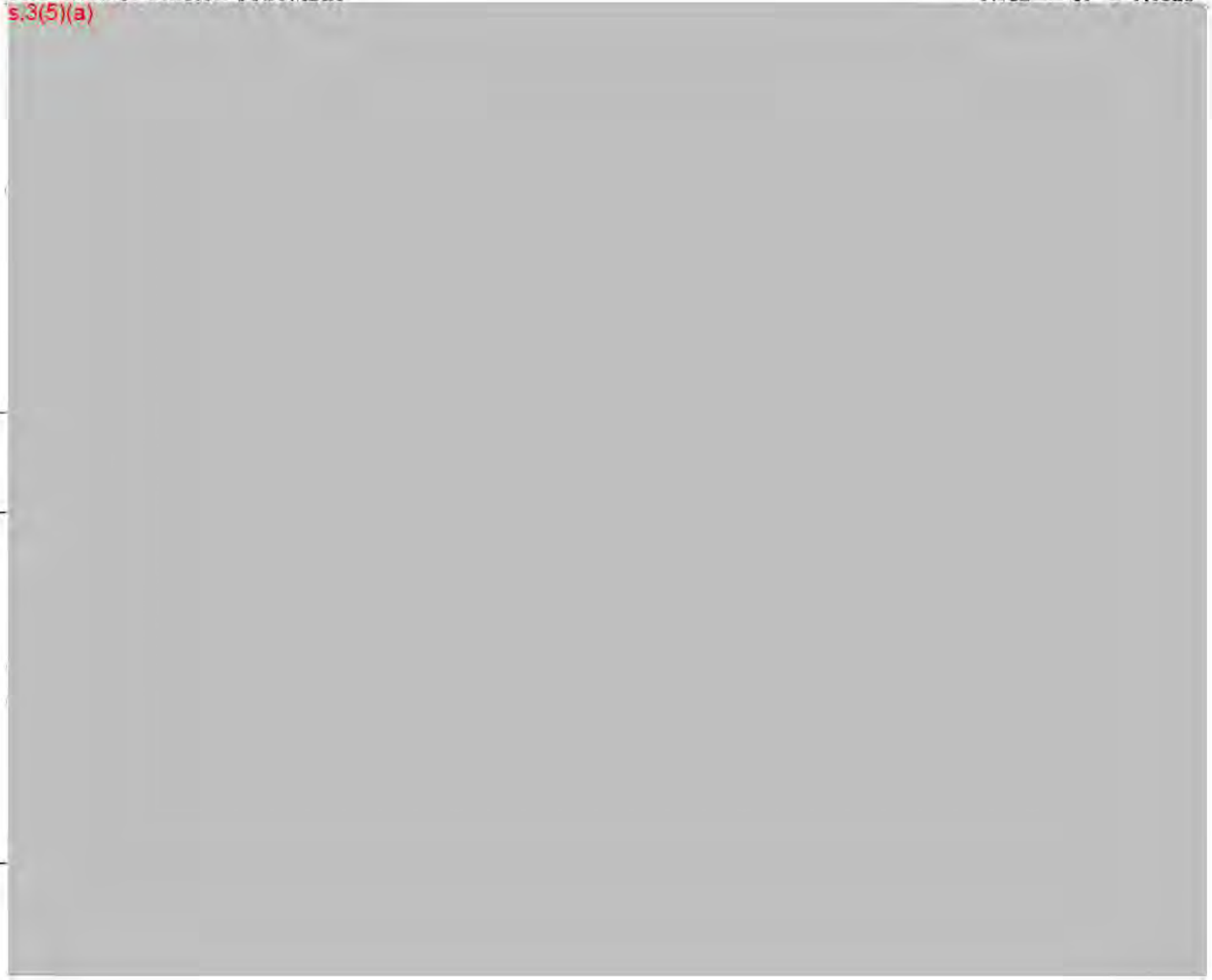
R. Wetsche
Authorized Signatory

R. Murray
Authorized Signatory

S.14

SURVEY PLAN CERTIFICATION
PROVINCE OF BRITISH COLUMBIA
s.3(5)(a)

PAGE 1 OF 2 PAGES




Arterial Highway ☐

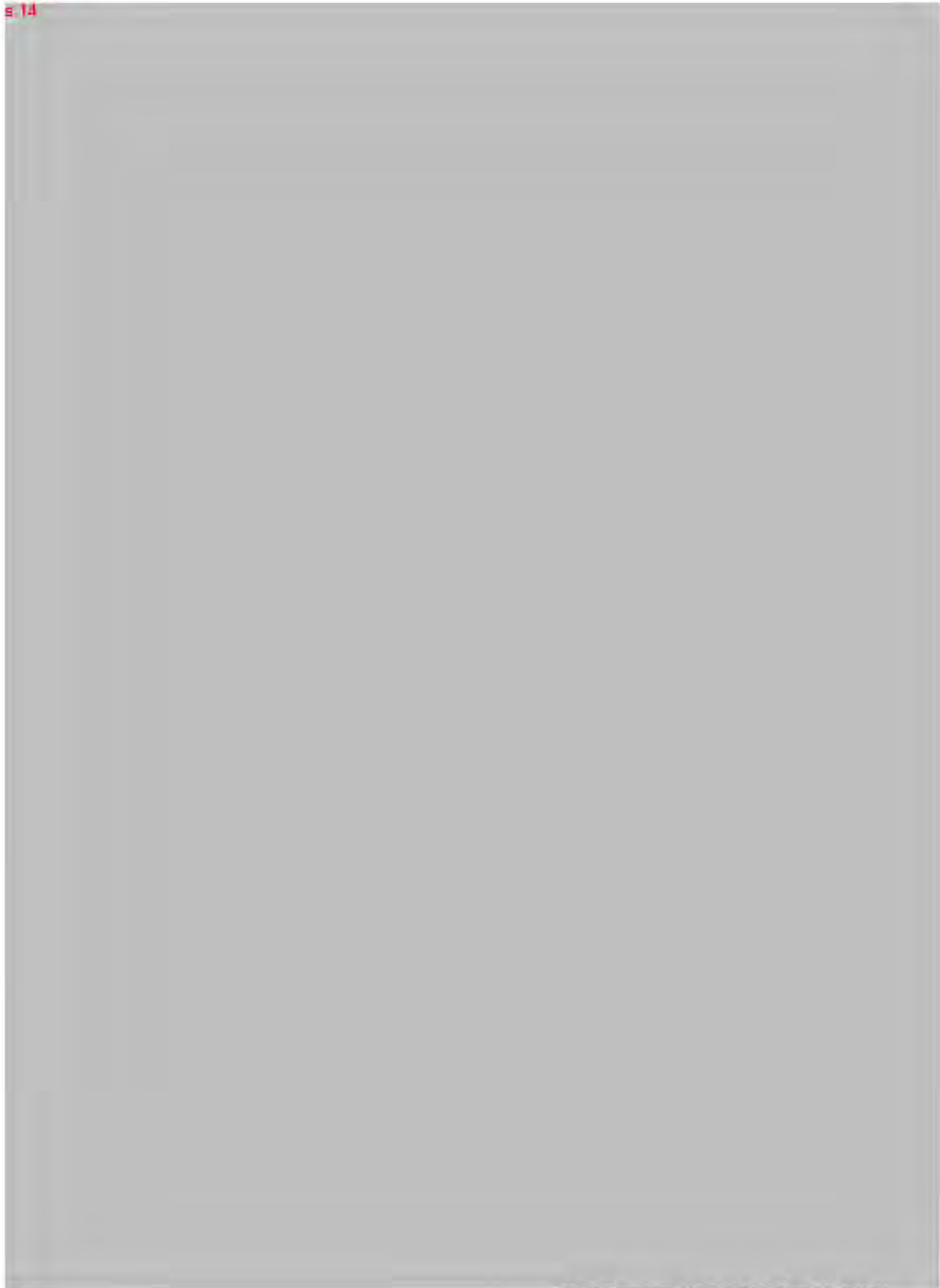
4. ALTERATION: ☐

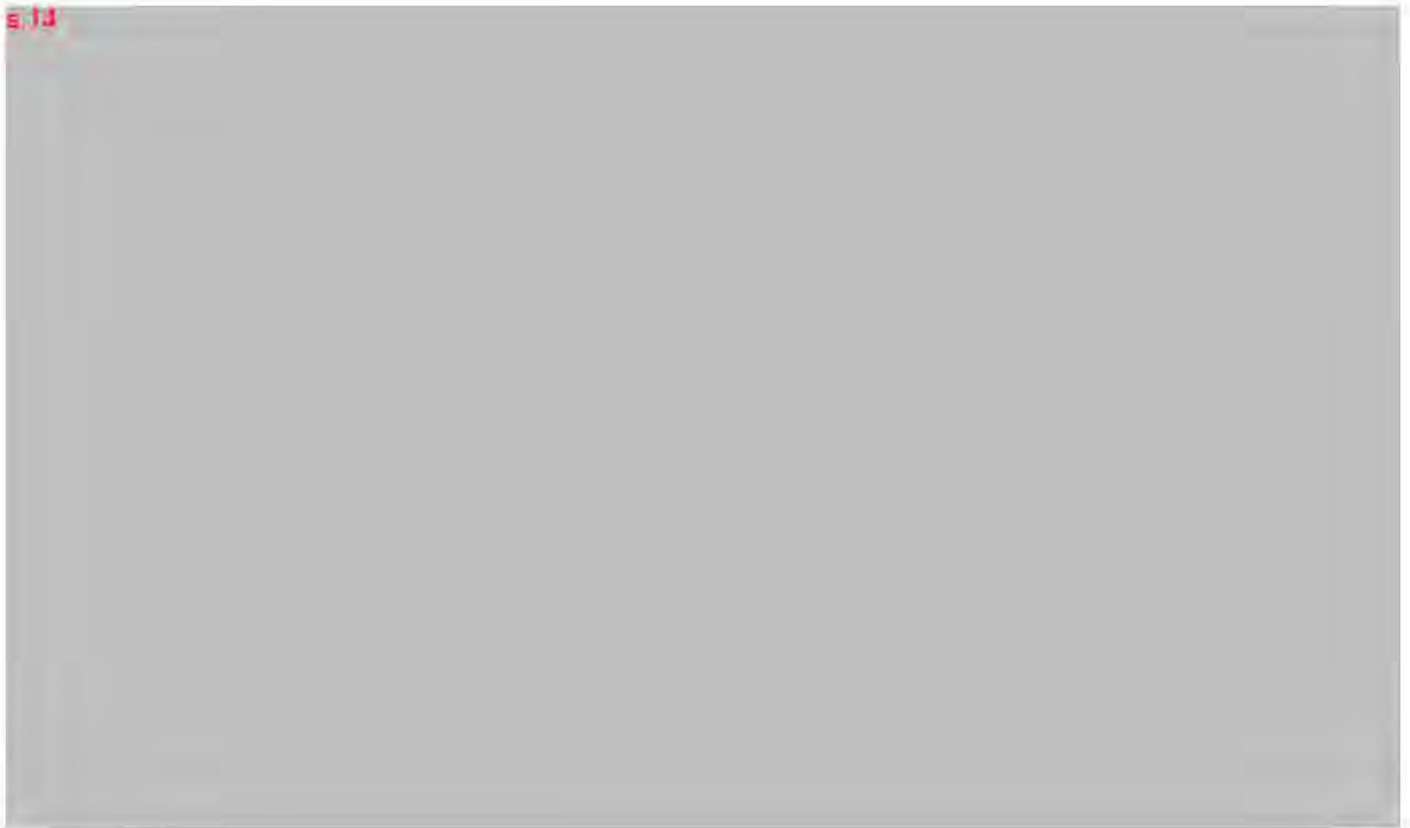
s.3(5)(a)

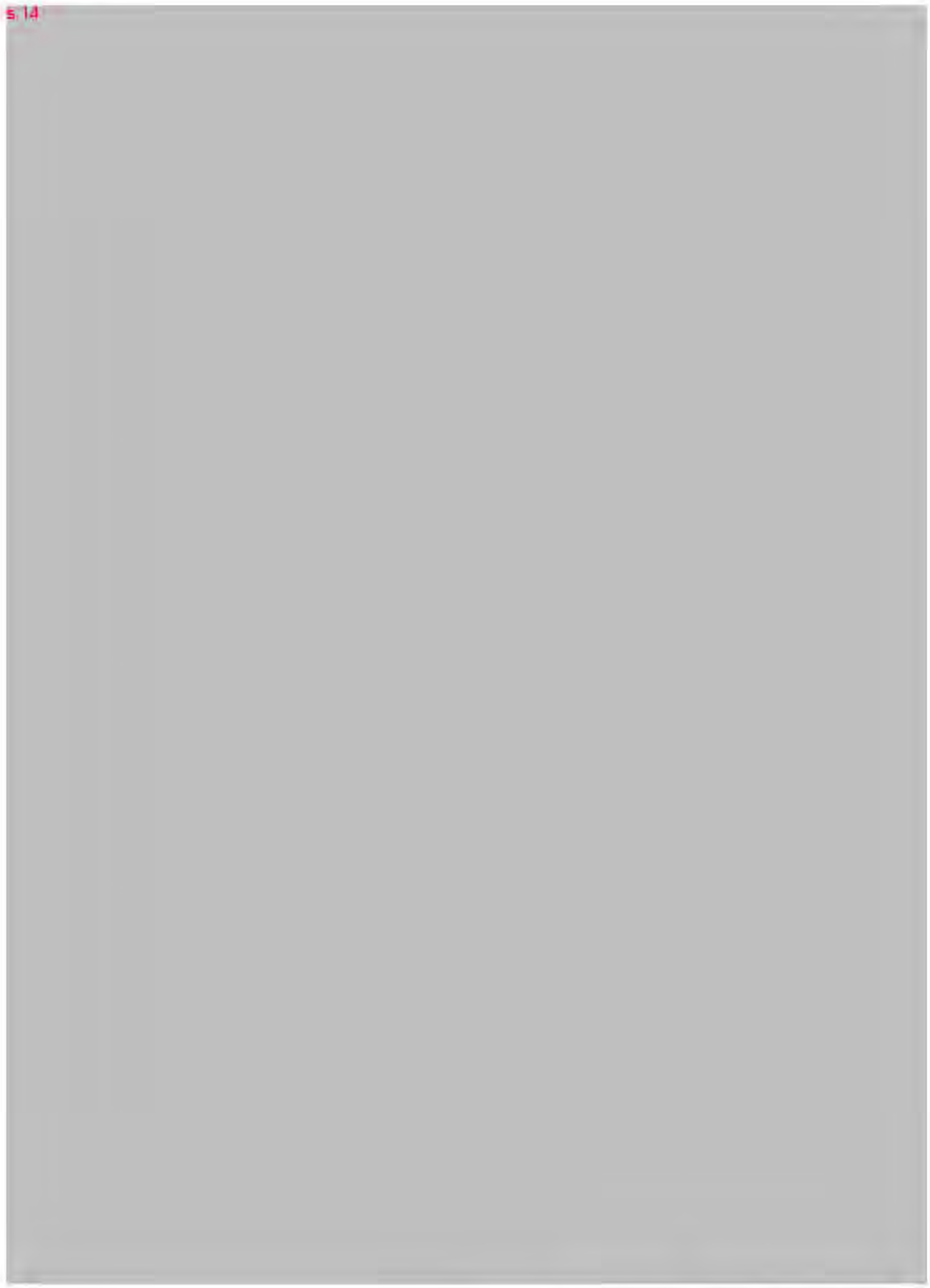


s.3(5)(a)

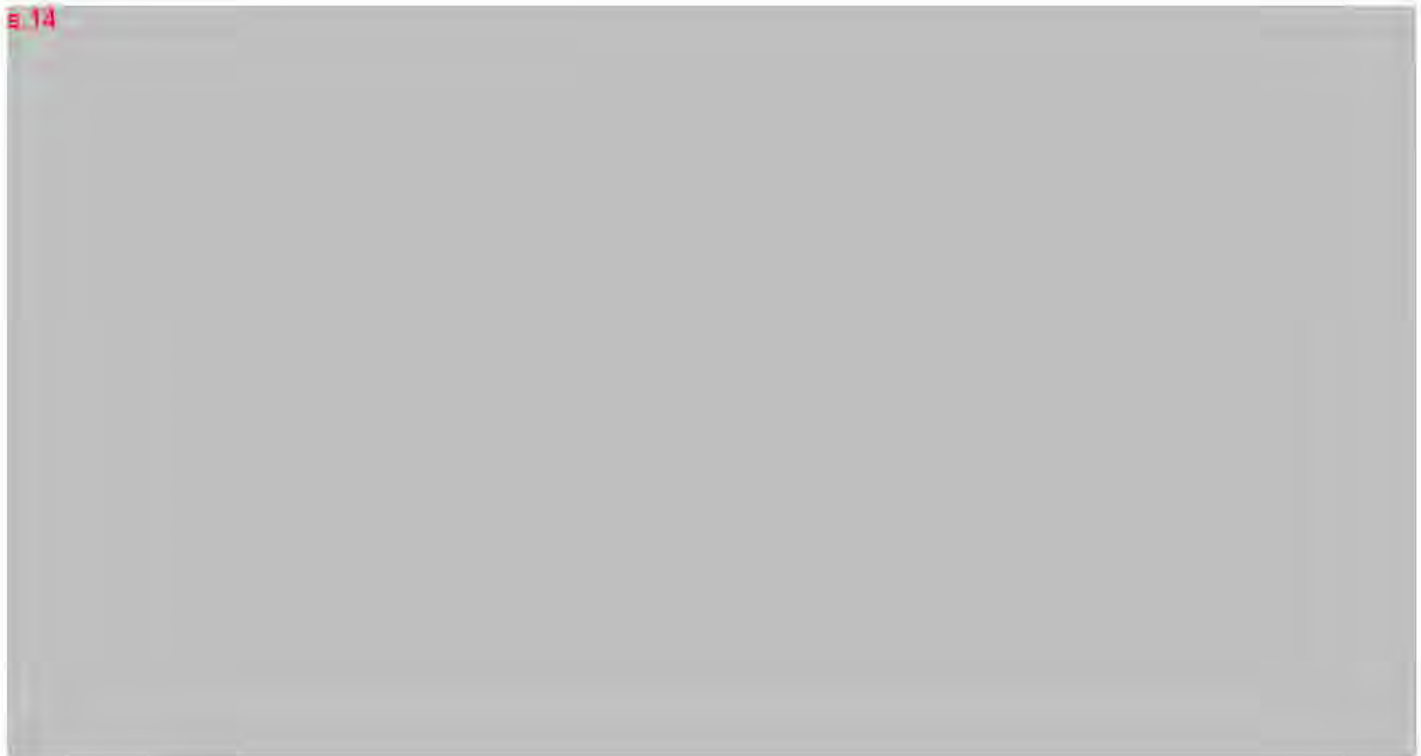















Assessment Roll Report

s.3(5)(a)



s.15(1)(l)

s.3(5)(a)



s.15(1)(f)





BC Assessment

Vancouver Sea to Sky Office
200-2925 Virtual Way
Vancouver BC V5M 4X5

IMPORTANT INFORMATION FOR PROPERTY IDENTIFICATION

Area: Vancouver
Jurisdiction: 200-Vancouver
Roll #: 026130595970000

VANCOUVER (CITY)
C/O: CITY OF VANCOUVER REAL ESTATE SERVICES DIV
453 12TH Ave W
VANCOUVER, British Columbia Canada V5Y 1V4

Toll Free: 1-866-valueBC or (1-866-825-8322)
Fax: 1-855-995-6209
Click "Connect" at www.bcassessment.ca
Ref'd to:.....

January 9, 2014

JAN 14 2015

File No. File 1056
Parish Centre

Re: Assessment Roll Number: Vancouver-200-Vancouver-026130595970000
Appeal Number: 2014-09-00162

Our records indicate that the above noted property is currently under appeal to the Property Assessment Appeal Board (PAAB). The appeal relates **only** to the 2014 assessment roll.

If you disagree with the new **2015** assessment of your property, you may want to request a review by the Property Assessment Review Panel. Each year's assessment must be appealed **separately**. Instructions regarding this procedure are included on your 2015 Assessment Notice that you should have received by now.

This reminder has been sent to you in case there was any confusion regarding the effect of an ongoing appeal on your new property assessment

If you have any questions please do not hesitate to contact me at this office.

Sincerely,

E22(1)



E22(1)

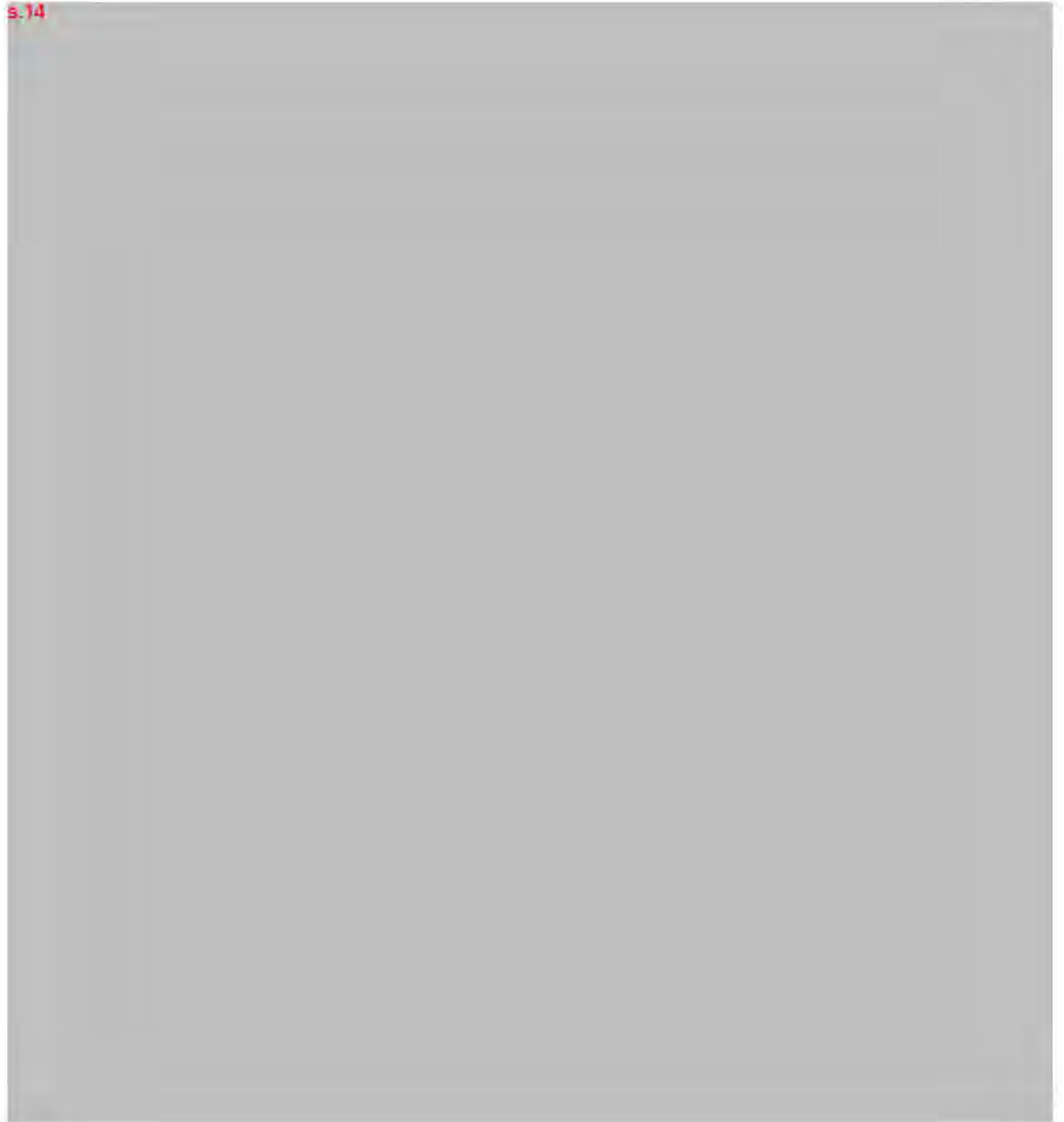
Deputy Assessor

Contract 10/15/14

s.14

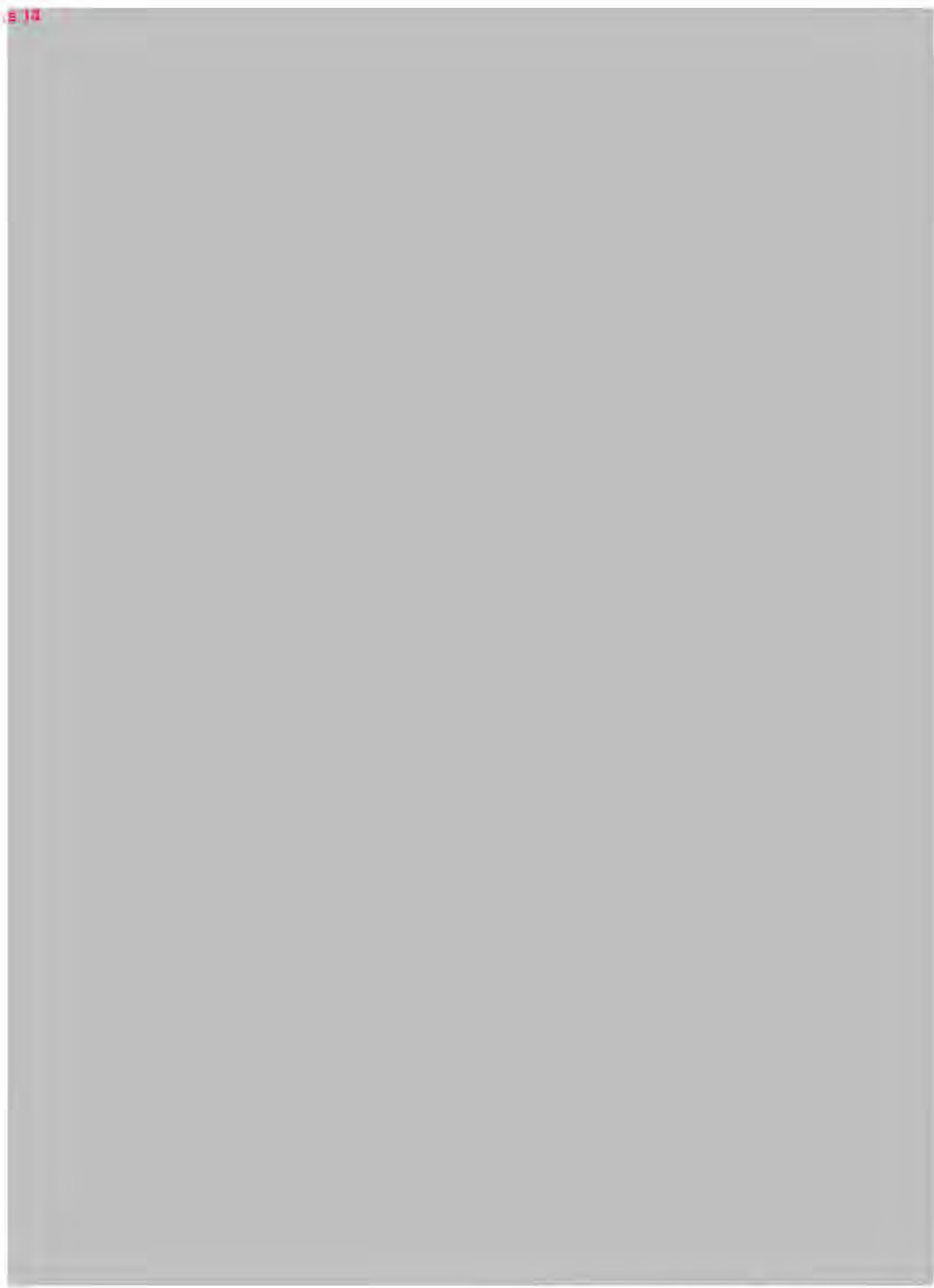






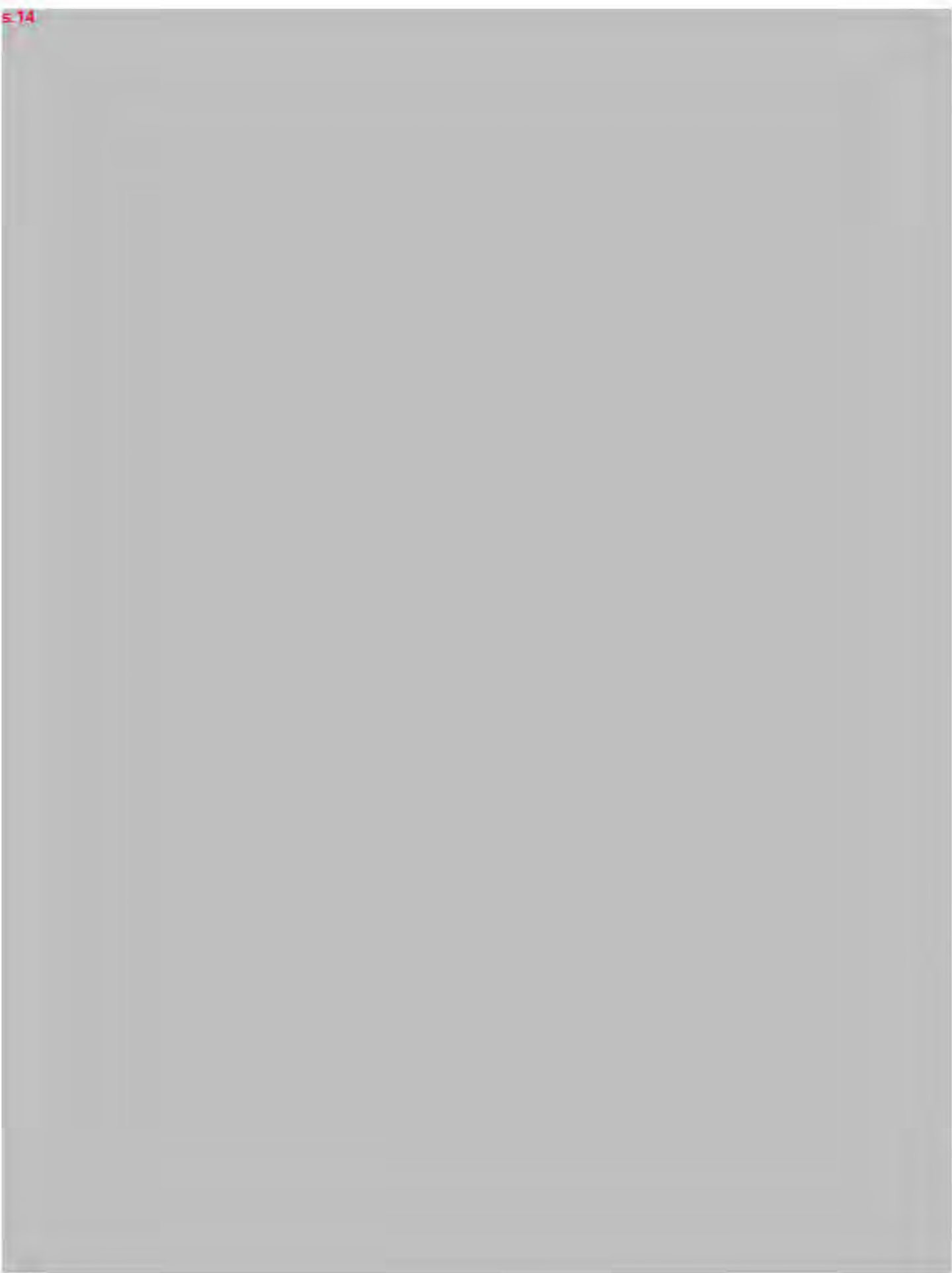




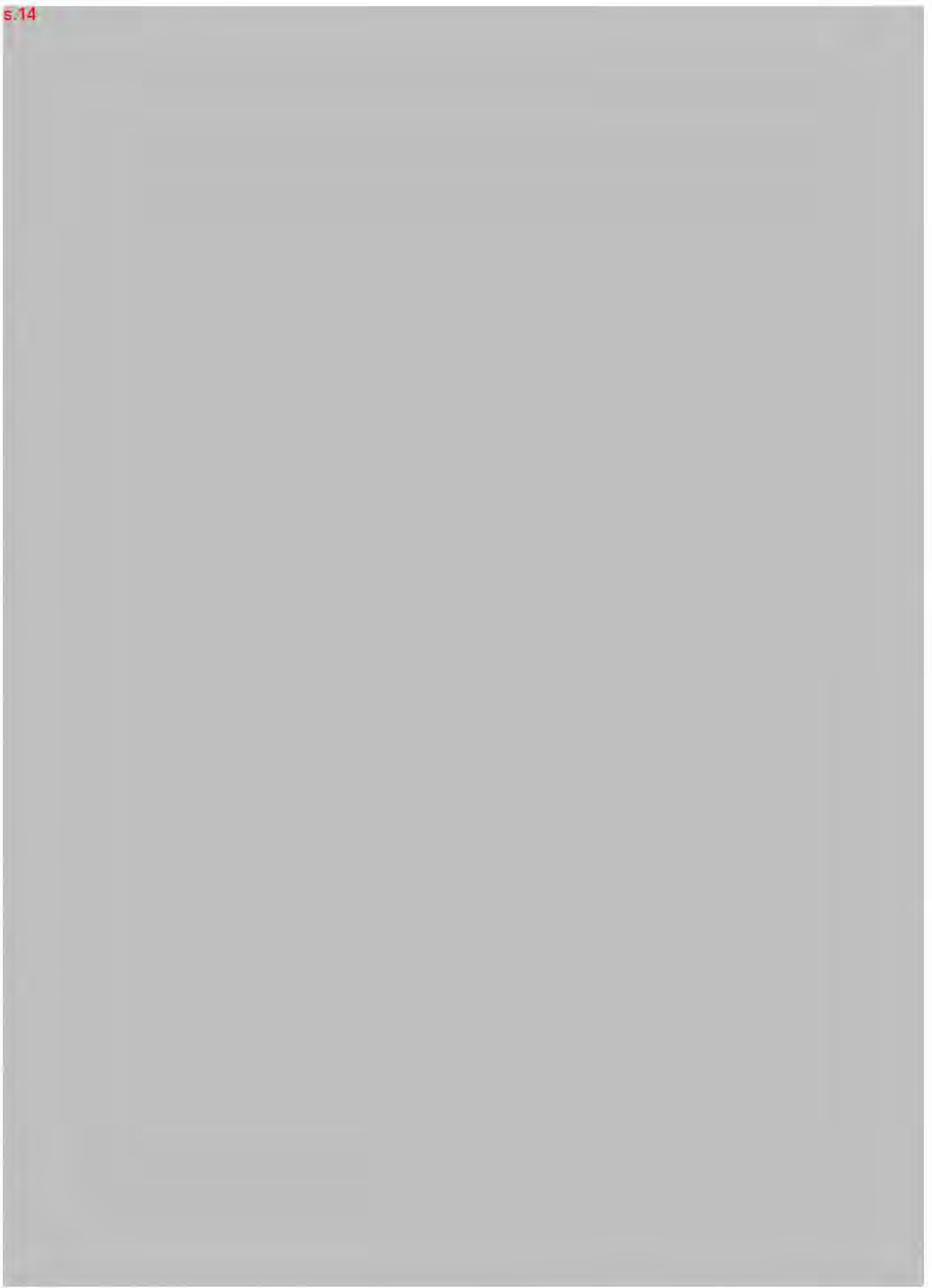


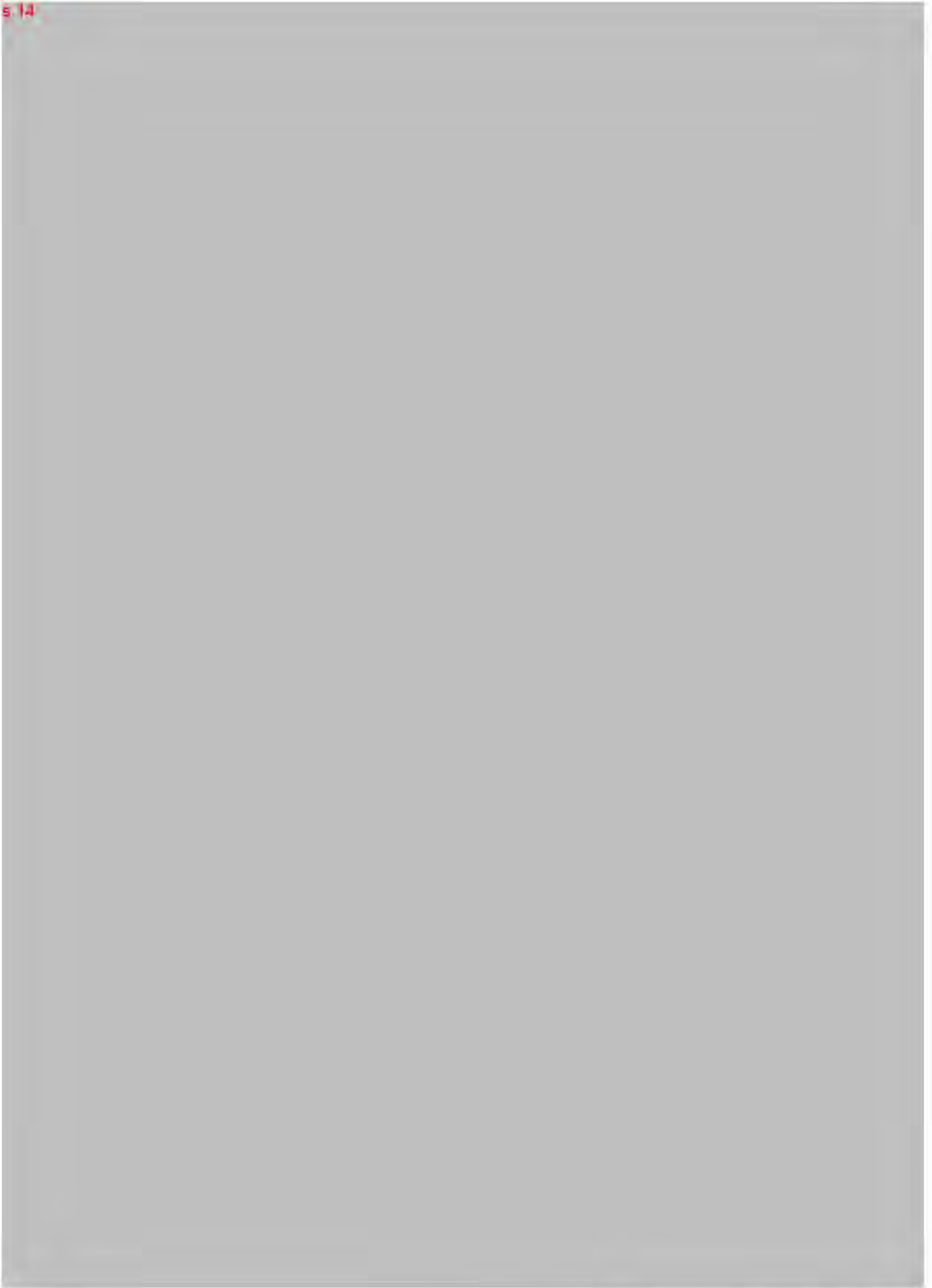




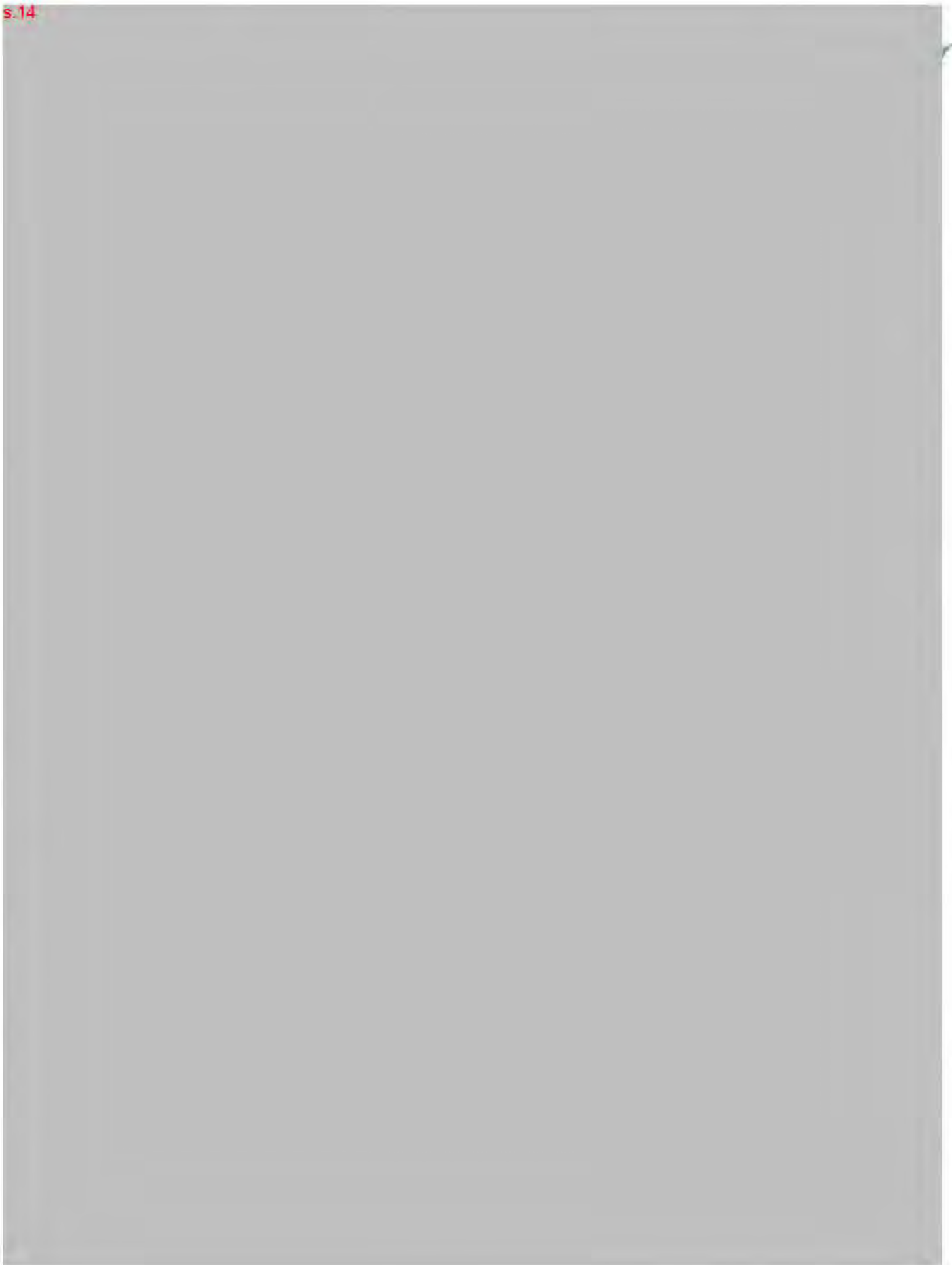


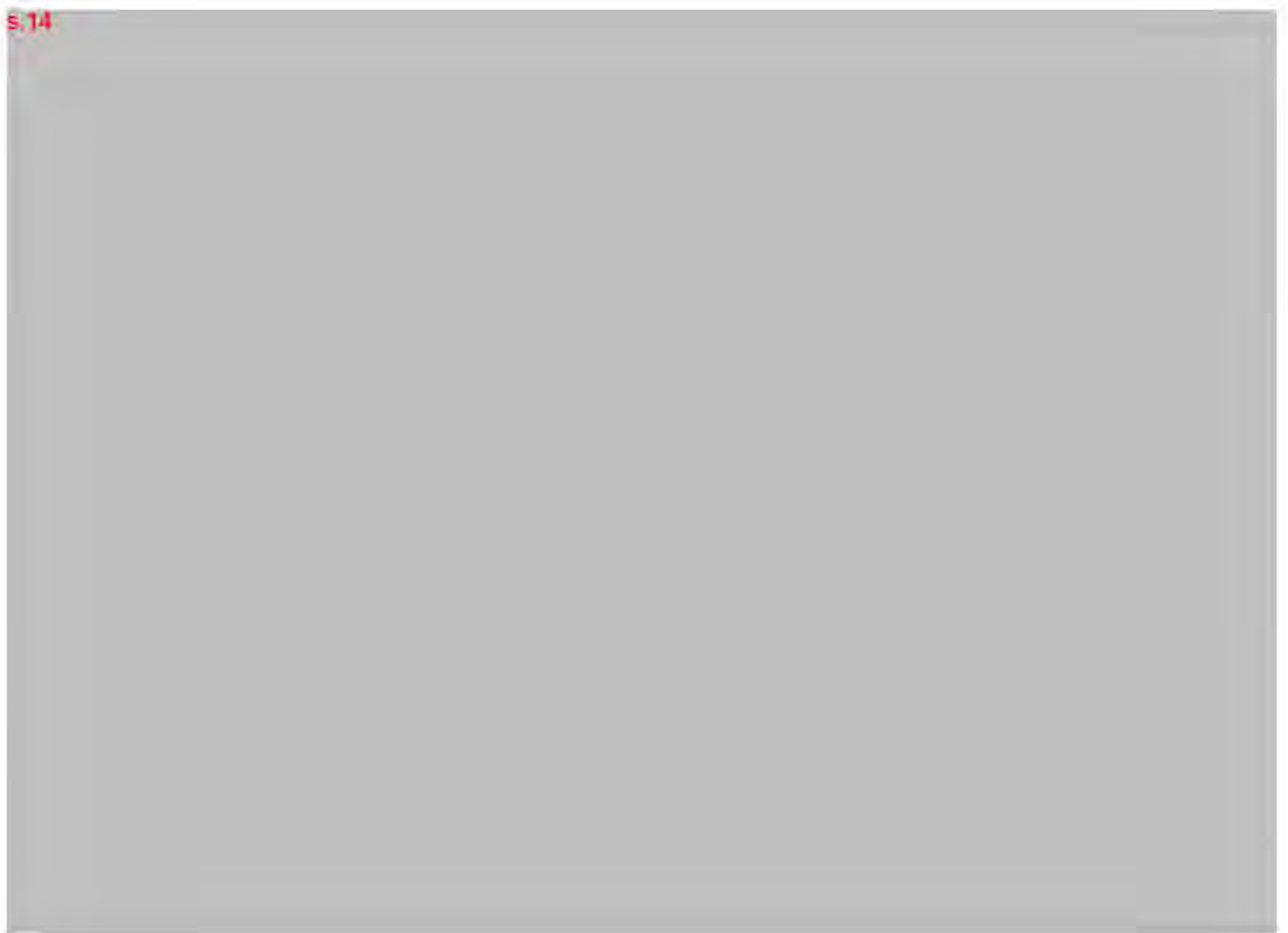


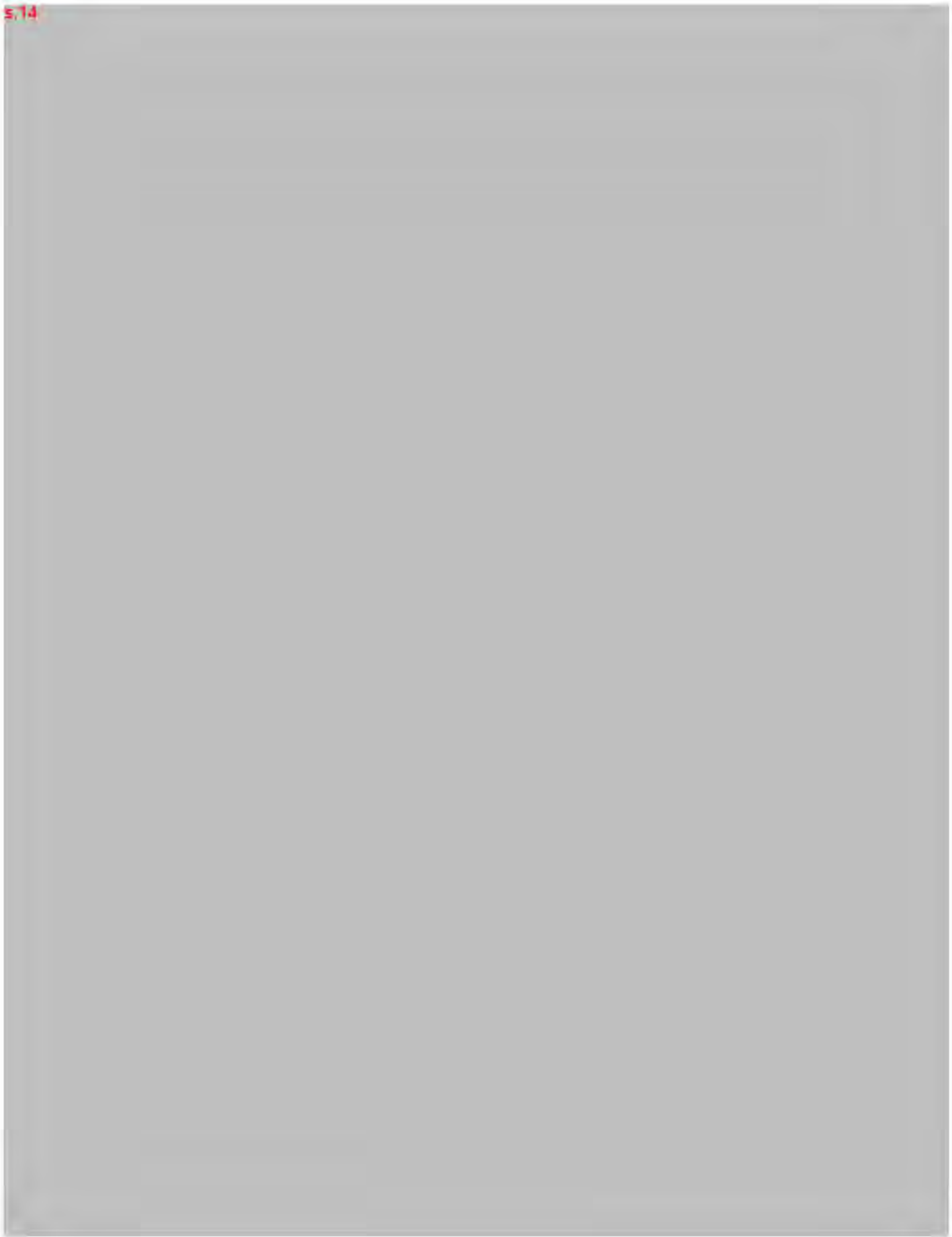


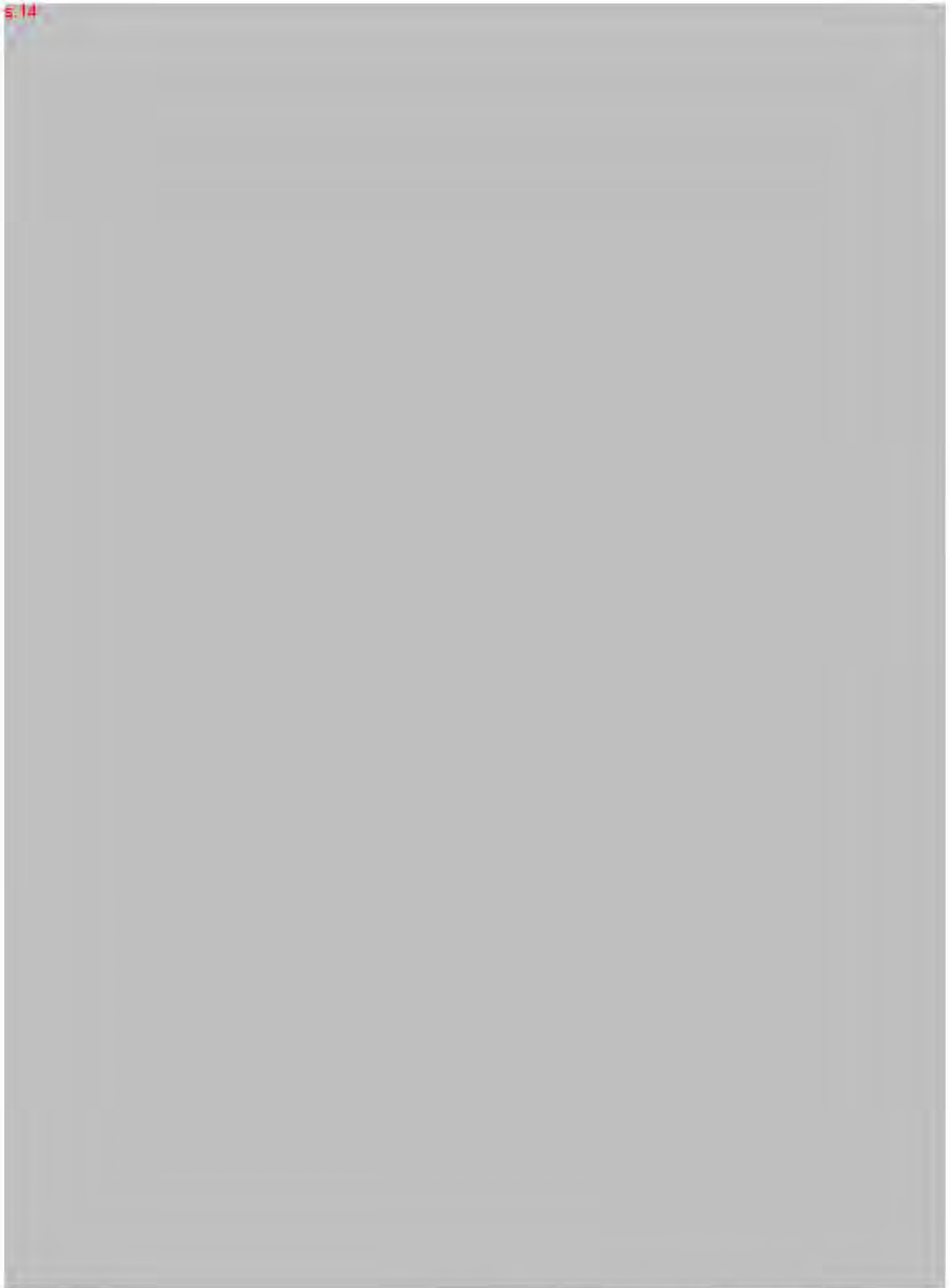




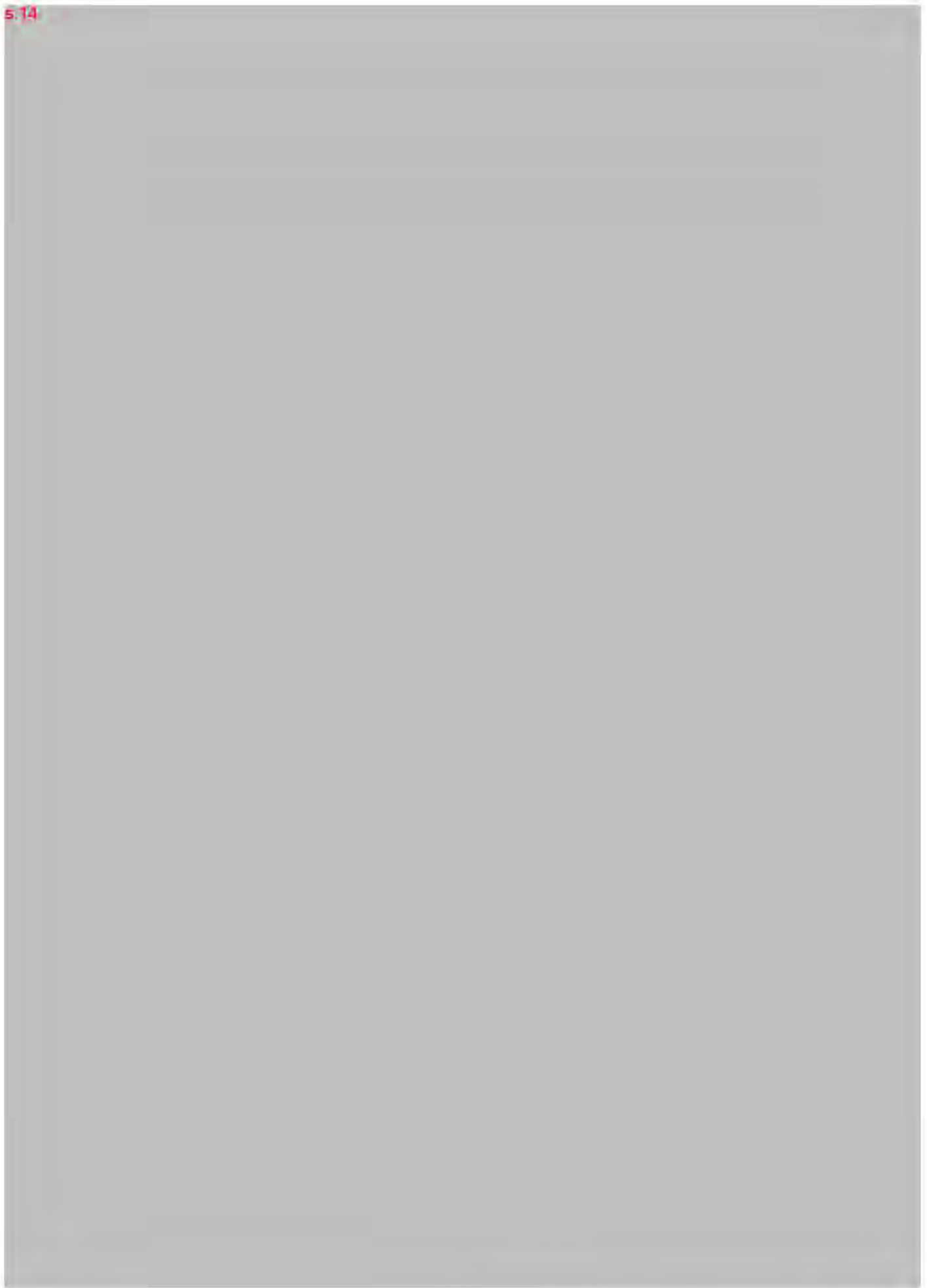












my 14

**THIRD EXTENSION AGREEMENT
TRANSFER OF BLOCK 42**

THIS AGREEMENT made on January 30, 2007 but with effect as of January 31, 2005

BETWEEN:

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

(the "**City**")

AND:

PACIFIC CENTRE LIMITED,
5th Floor, 20 Queen Street West, Toronto, Ontario, M5H 3R4

("**PCL**")

AND:

THE CADILLAC FAIRVIEW CORPORATION LIMITED,
5th Floor, 20 Queen Street West, Toronto, Ontario, M5H 3R4

("**CFCL**")

AND:

ONTREA INC.,
5th Floor, 20 Queen Street West, Toronto, Ontario, M5H 3R4

("**Ontrea**")

WHEREAS:

- A. The City, as "**LESSOR**", The Fairview Corporation (British Columbia) Limited, as "**LESSEE**", Cemp Holdings Ltd. and Pacific Centre Limited (Incorporation Number 71690) (the "**Original PCL**") entered into an agreement made January 28, 1970 in respect of the lease by the City to The Fairview Corporation (British Columbia) Limited of those lands and premises legally described as Block 42 (Reference Plan 10328), District Lot 541, Plan 210 ("**Block 42**"), which agreement was registered in the Vancouver Land Title Office under instrument number 503338M and was subsequently amended by an agreement made as of August 29, 1975 and registered in the Vancouver Land Title Office under instrument number C78331 (together, the "**Original Block 42 Ground Lease**");
- B. Pursuant to Article XX of the Original Block 42 Ground Lease, the City granted the Original PCL an option to purchase Block 42 (the "**Option to Purchase**") for the price and upon the terms and subject to the conditions in Article XX of the Original Block 42

Ground Lease, which Option to Purchase was registered in the Vancouver Land Title Office under instrument number 503340M;

- C. Pursuant to its rights under Article XX of the Original Block 42 Ground Lease, Pacific Centre Limited (Incorporation Number 114580) (the “**Second PCL**”), as successor to the Original PCL, exercised the Option to Purchase for the price and upon the terms and subject to the conditions in Article XX of the Original Block 42 Ground Lease by delivering to the City on September 25, 1997 written notice of the exercise by the Second PCL of such Option to Purchase;
- D. Pursuant to an agreement made as of May 29, 1998 between the City, PCL (as successor to the Second PCL) and CFCL in the form approved by the Lieutenant-Governor in Council by Order-in-Council No. 831/98 (the “**First Extension**”), the parties agreed to extend the date for the completion of the purchase and sale of Block 42 pursuant to the Option to Purchase to the earlier of (a) that day which is 30 days after PCL has delivered written notice to the City of PCL’s intention to complete its purchase of Block 42 pursuant to the Option to Purchase or (b) January 31, 2003;
- E. Effective as of September 1, 1998, PCL assigned an undivided 50% beneficial interest in the Block 42 Ground Lease (including the Option to Purchase), as amended by the First Extension, to each of CFCL and Toronto Dominion Realty Limited (“**TD Realty**”);
- F. Effective as of February 28, 2001, TD Realty assigned its undivided beneficial interest in the Block 42 Ground Lease (including the Option to Purchase), as amended by the First Extension, to Ontrea (PCL, CFCL and Ontrea are hereafter collectively referred to as the “**Owners**”);
- G. Pursuant to an agreement made effective as of January 31, 2003 between the City and the Owners in the form approved by the Lieutenant-Governor in Council by Order-in-Council No. 0976/03 (the “**Second Extension**”), the parties agreed to extend the date for the completion of the purchase and sale of Block 42 pursuant to the Option to Purchase to the earlier of (a) that day which is 30 days after the Owners have delivered written notice to the City of the Owners’ intention to complete their purchase of Block 42 pursuant to the Option to Purchase or (b) January 31, 2005;
- H. Pursuant to a renewal lease made effective as of January 31, 2003 between the City and the Owners in the form approved by the Lieutenant-Governor in Council by Order-in-Council No. 0976/03 (the “**Renewal Lease**”), the term of the Block 42 Ground Lease was renewed for a further thirty (30) years (pursuant to section 19.01 of the Original Block 42 Ground Lease) (the Original Block 42 Ground Lease as amended by the First Extension and the Second Extension and as renewed by the Renewal Lease is hereafter called the “**Block 42 Ground Lease**”);
- I. Although the Owners were ready, willing and able to complete the purchase of Block 42 pursuant to the Option to Purchase on January 31, 2005, the City requested that the Owners forbear from exercising their legal and equitable rights against the City as a result of the City not being ready, willing and able to complete the sale of Block 42 on January 31, 2005;

- J. The City has requested that the Owners agree to a further extension of the date for the completion of the purchase and sale of the Block 42 pursuant to the Option to Purchase and, accordingly, the Owners and the City have agreed to amend the Block 42 Ground Lease to further extend the completion date of the purchase and sale of Block 42 pursuant to the Option to Purchase;
- K. The entering into this Agreement by the City and the execution of this Agreement by the City's Director of Legal Services on behalf of the City was duly approved by City Council on January 16, 2007; and
- L. This Agreement is in the form approved by the Lieutenant-Governor in Council by Order-in-Council No. 777/07 pursuant to the *Vancouver Enabling Act*, 1968 (Statutes of British Columbia 1968, Chapter 72) as amended.

NOW THEREFORE in consideration of the sum of \$1.00 now paid by each party to each of the others and of other good and valuable consideration (the sufficiency and receipt of which is hereby acknowledged by each of the parties), the parties agree as follows:

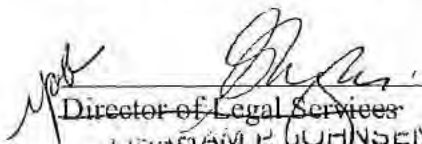
1. The date for the completion of the purchase and sale of Block 42 pursuant to the Option to Purchase is extended from January 31, 2005 to the earlier of (a) that day which is 365 days after the Owners have delivered written notice to the City of the Owners' intention to complete their purchase of Block 42 pursuant to the Option to Purchase or (b) that day which is 365 days after the City has delivered written notice to the Owners requiring the Owners to complete their purchase of Block 42 pursuant to the Option to Purchase or (c) January 31, 2015. If the completion date as determined above is a day on which the Lower Mainland Land Title Office is not open for business with the public, the Owners and the City agree that the completion date shall be the next day following on which the Lower Mainland Land Title Office is open for business with the public. The Owners and the City agree that this section 1 constitutes an amendment to the Block 42 Ground Lease (including, without limitation, an amendment to section 20.04 of the Block 42 Ground Lease).
2. Each of the parties hereby confirms and ratifies the terms and conditions contained in the Block 42 Ground Lease, as amended by this Agreement.
3. This Agreement will, from the date hereof, be read and construed together with the Block 42 Ground Lease, and the Block 42 Ground Lease, as amended hereby, shall continue in full force and effect for the remainder of the term of such Lease in accordance with the terms of such Lease and the terms of this Agreement.
4. This Agreement will enure to the benefit of and be binding upon the successors and assigns of the parties.
5. Each of the parties shall execute and deliver all such further documents and do such further acts and things as may be reasonably required from time to time to give effect to this Agreement.
6. The City represents and warrants to the Owners that all proceedings have been taken by the City which are required to enable the City to execute and deliver this Agreement as an

agreement which is legally binding on and is enforceable against the City, and the City acknowledges that the Owners are entering into this Agreement in reliance upon such representation and warranty. Each of the Owners (in this section, each such company is separately referred to as the "**Company**") represents and warrants to the City that all corporate proceedings have been taken which are required to enable the Company to execute and deliver this Agreement as an agreement which is legally binding on and is enforceable against the Company, and the Company acknowledges that the City is entering into this Agreement in reliance upon such representation and warranty.

7. As required by section 24.05 of the Block 42 Ground Lease, this Agreement has been executed under seal by each of the parties hereto.
8. This Agreement may be executed in any number of counterparts, each of which when so executed will be deemed to be an original, and all of such counterparts shall together constitute one agreement.
9. The parties confirm that this Agreement will not be registered in the Land Title Office and, accordingly, each of PCL, CFCL and Ontrea agrees with the City that it will provide notice of this Agreement to any assignee of its interest and cause any such assignee to enter into a written agreement in a form reasonably satisfactory to the City whereby the assignee assumes the obligations of PCL, CFCL and Ontrea hereunder and the City agrees with PCL, CFCL and Ontrea that the City will provide notice of this Agreement to any assignee of the City's interest and cause any such assignee to enter into a written agreement in a form reasonably satisfactory to PCL, CFCL and Ontrea whereby the assignee assumes the obligations of the City hereunder.

IN WITNESS WHEREOF the parties have executed this Agreement by their respective officers duly authorized for such purpose and have caused to be affixed hereto their respective seals as of the day and year first above written but with effect on January 31, 2005.

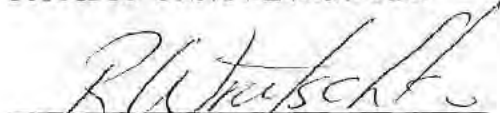
CITY OF VANCOUVER



Director of Legal Services
URSULA P. JENSEN
Assistant Director of Legal Services

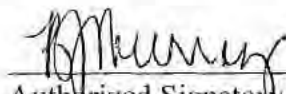
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PACIFIC CENTRE LIMITED



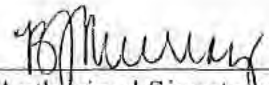
Authorized Signatory

C/S



Authorized Signatory

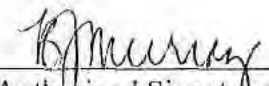
THE CADILLAC FAIRVIEW CORPORATION LIMITED


Authorized Signatory

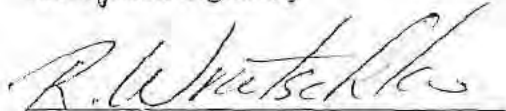
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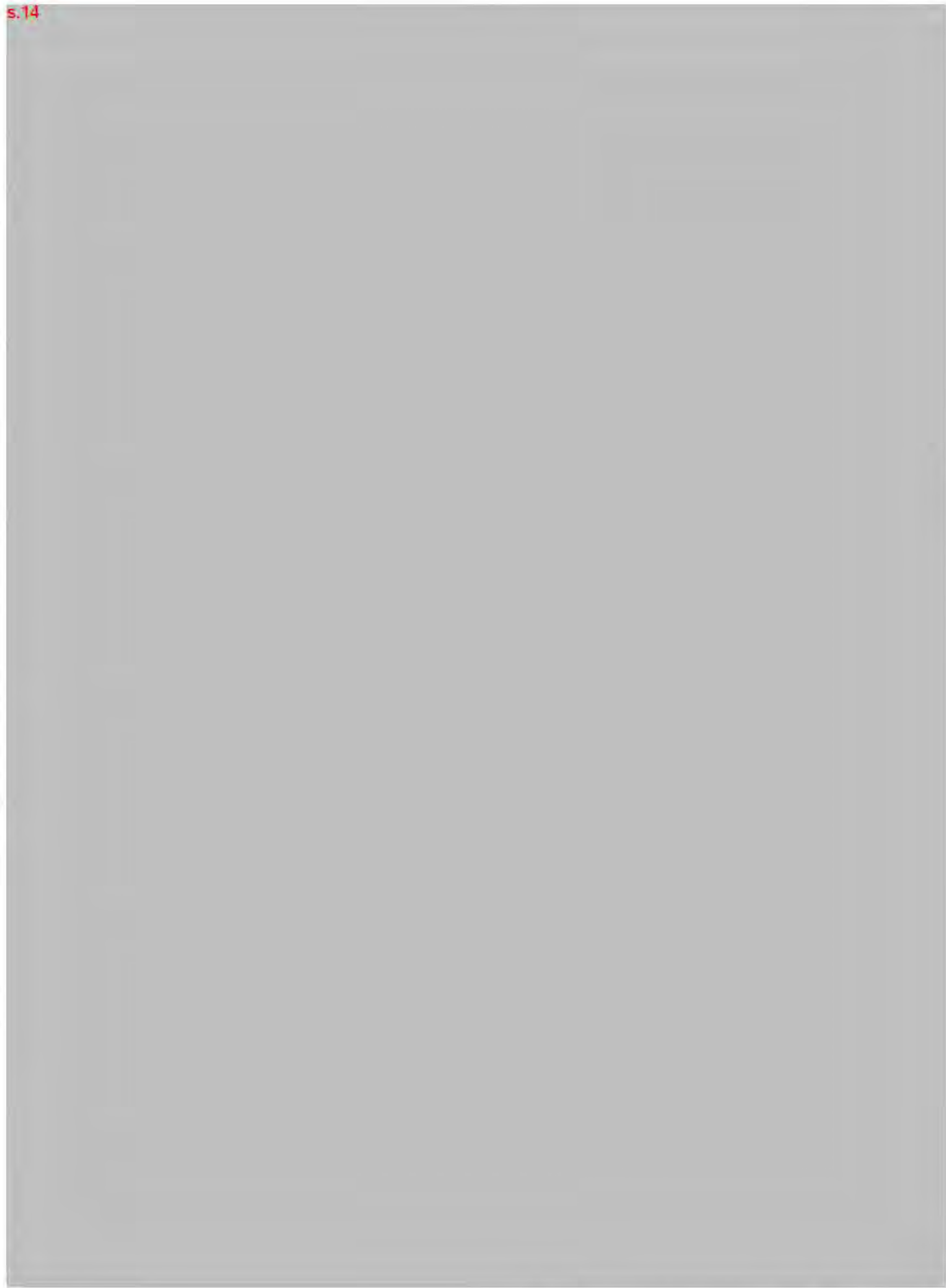

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ONTREA INC.

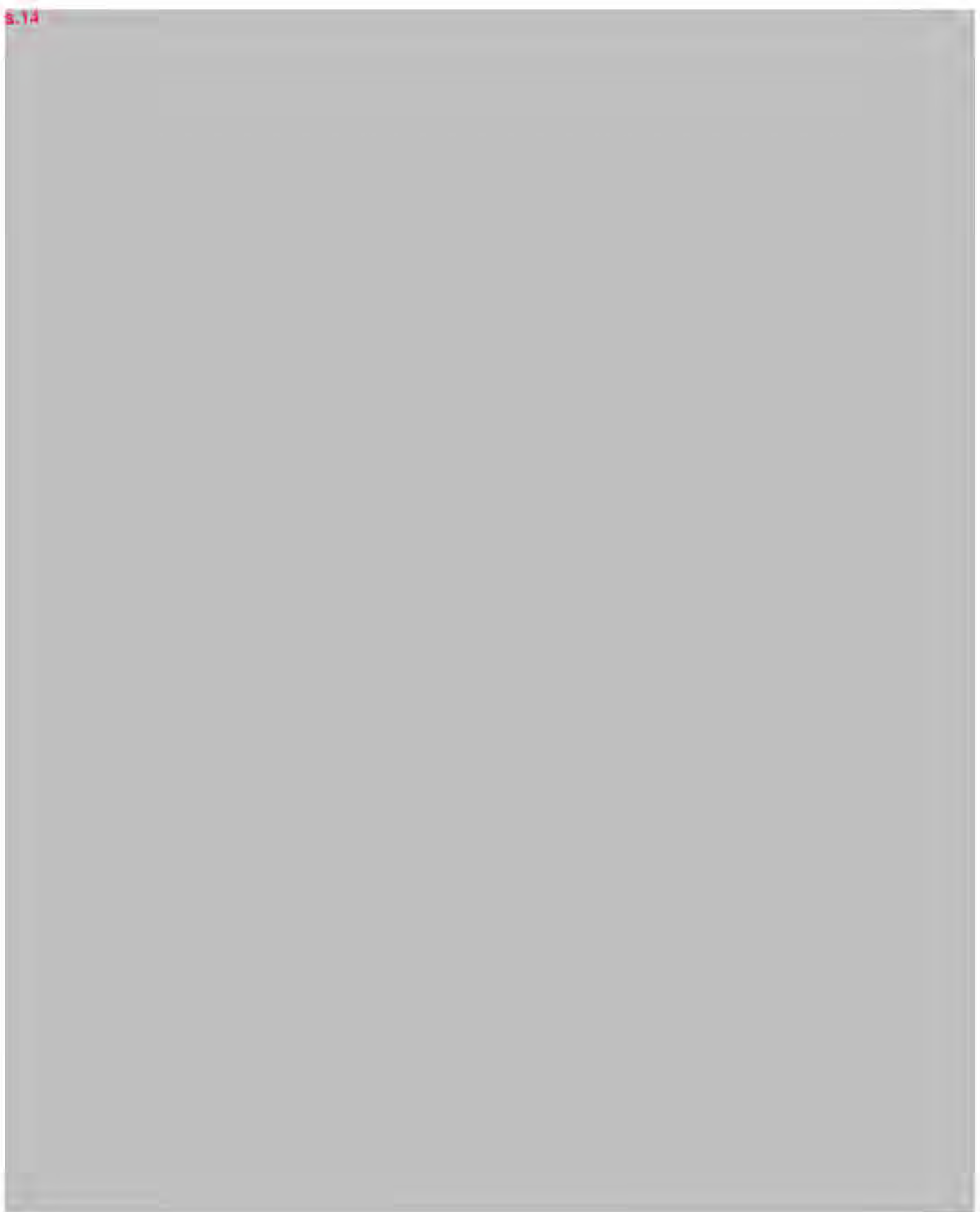

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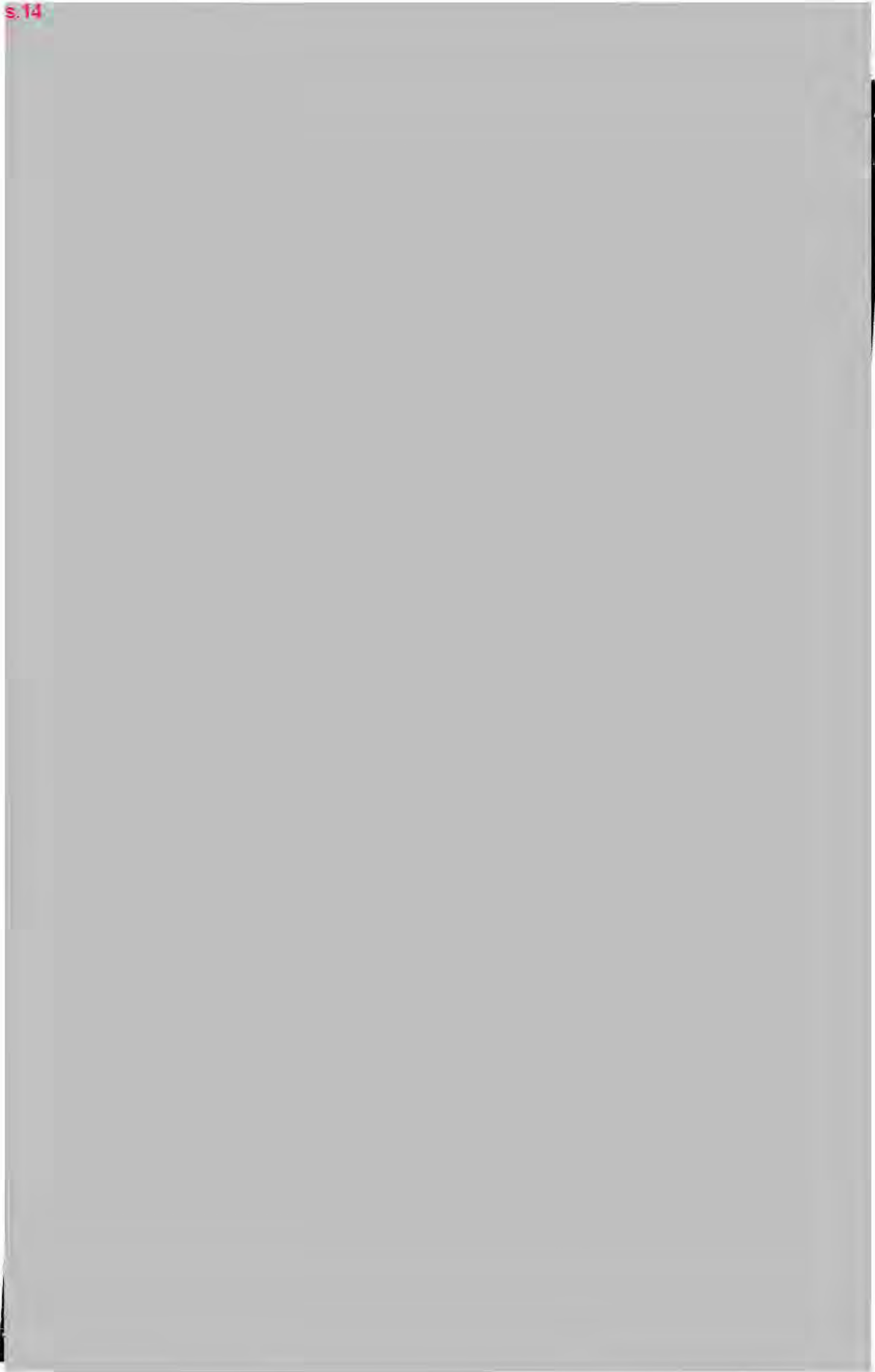

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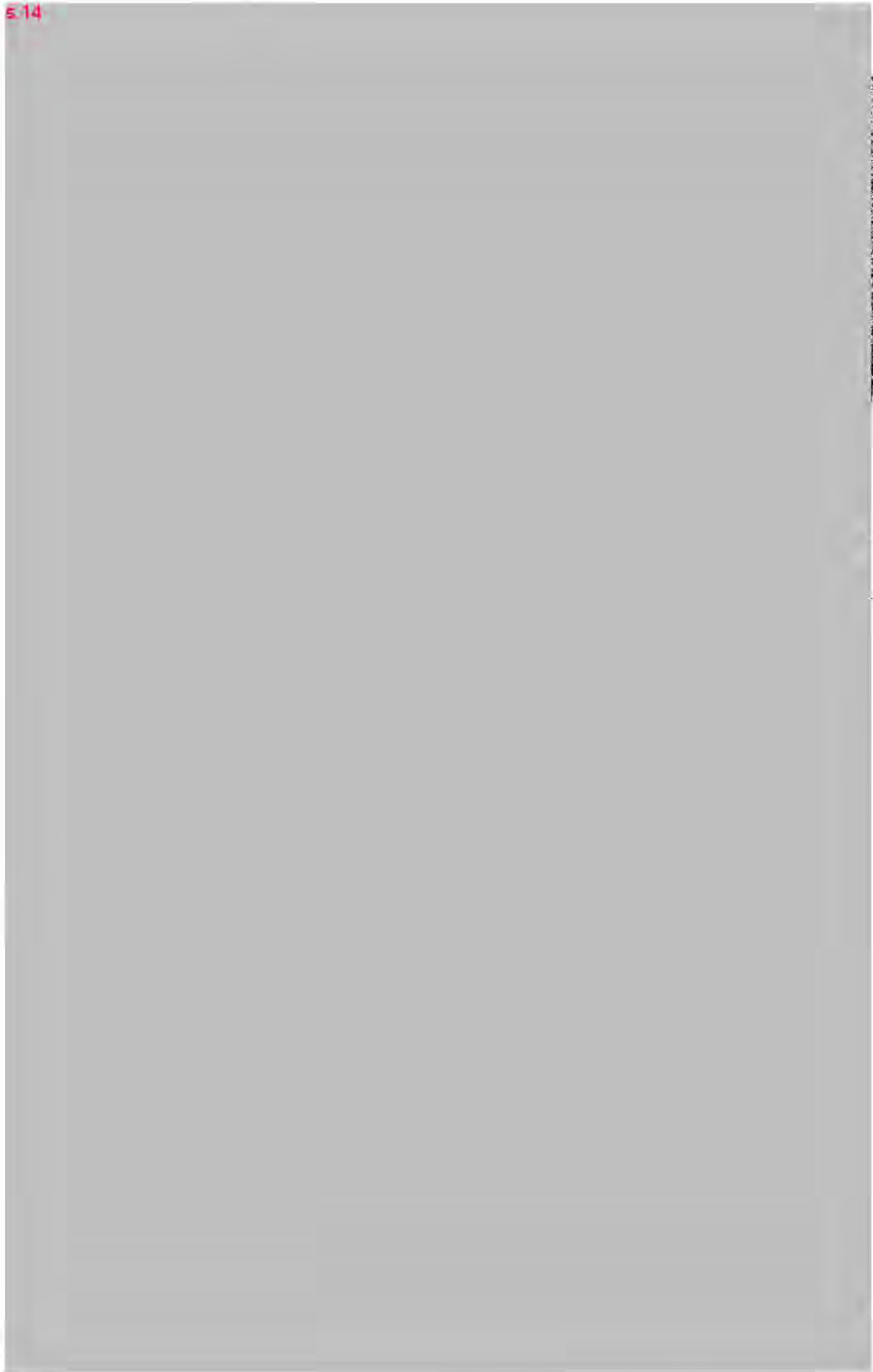


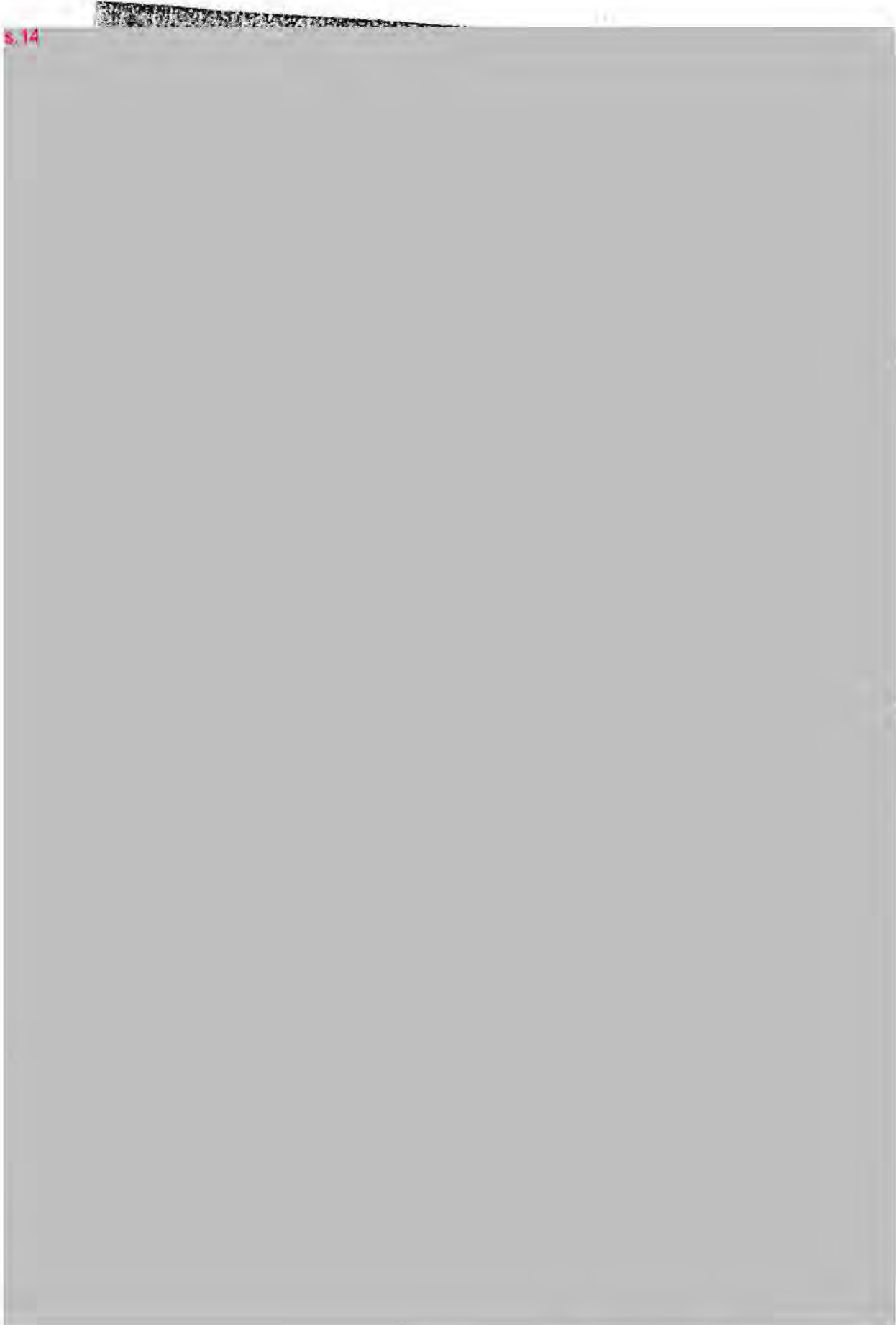




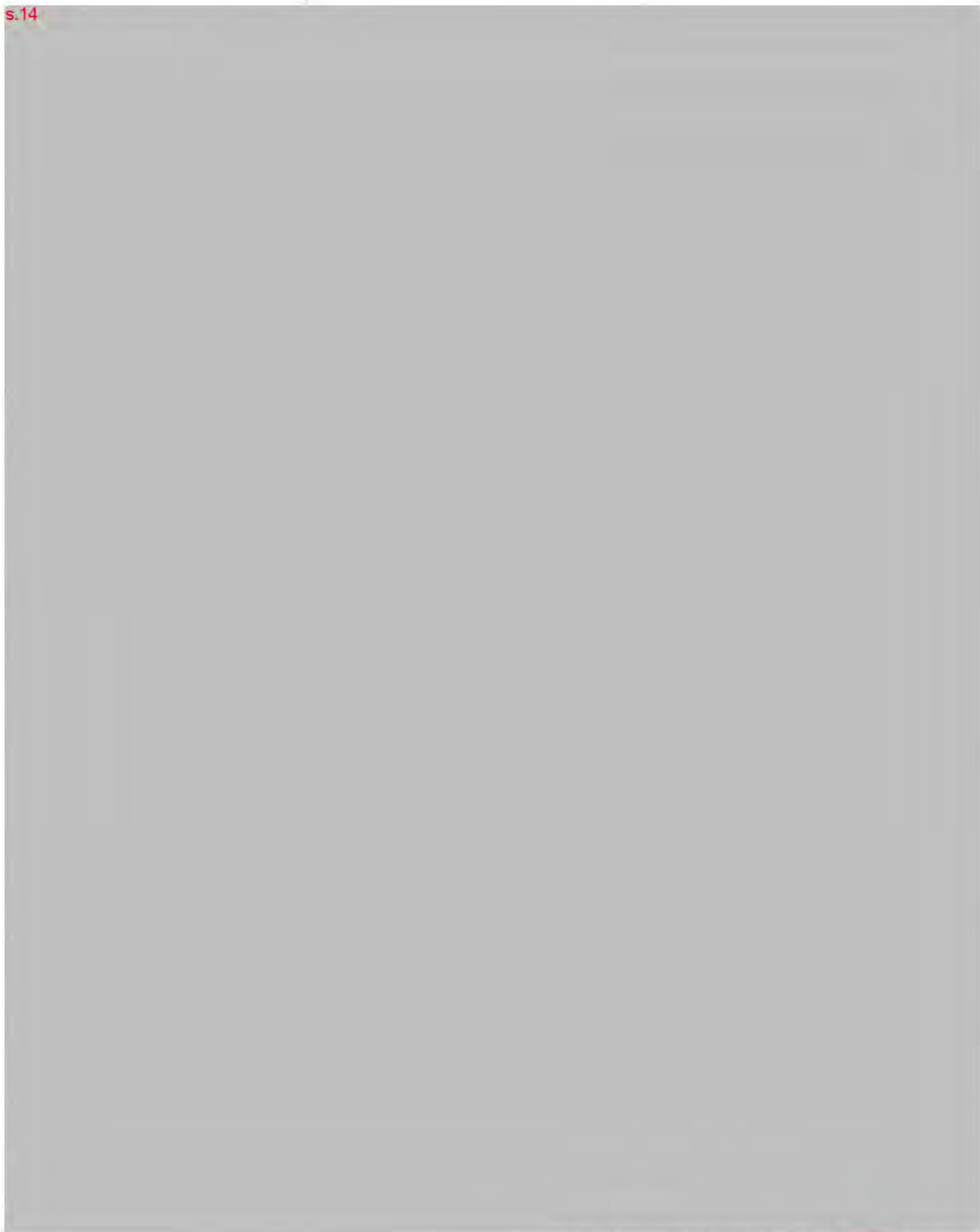




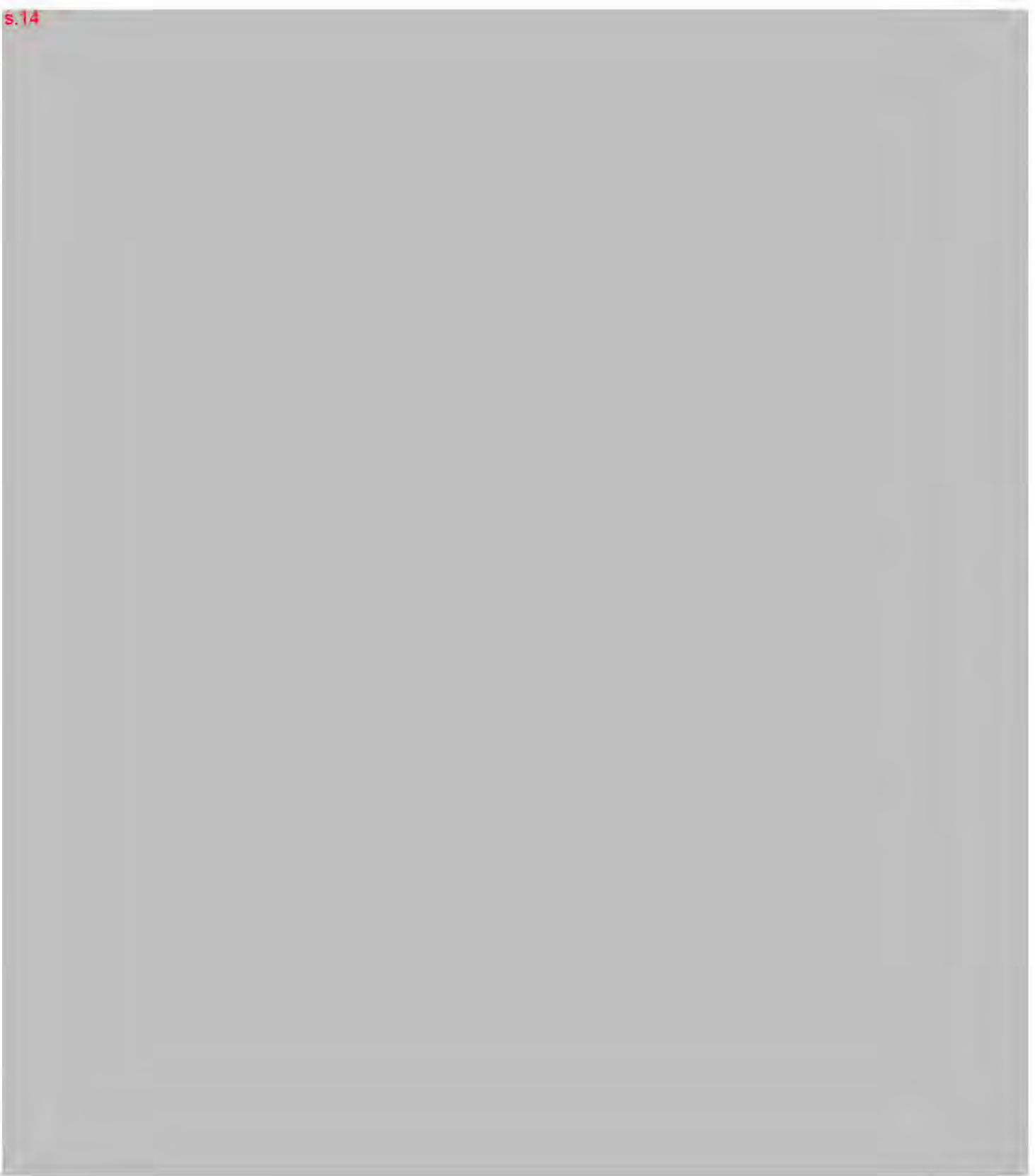


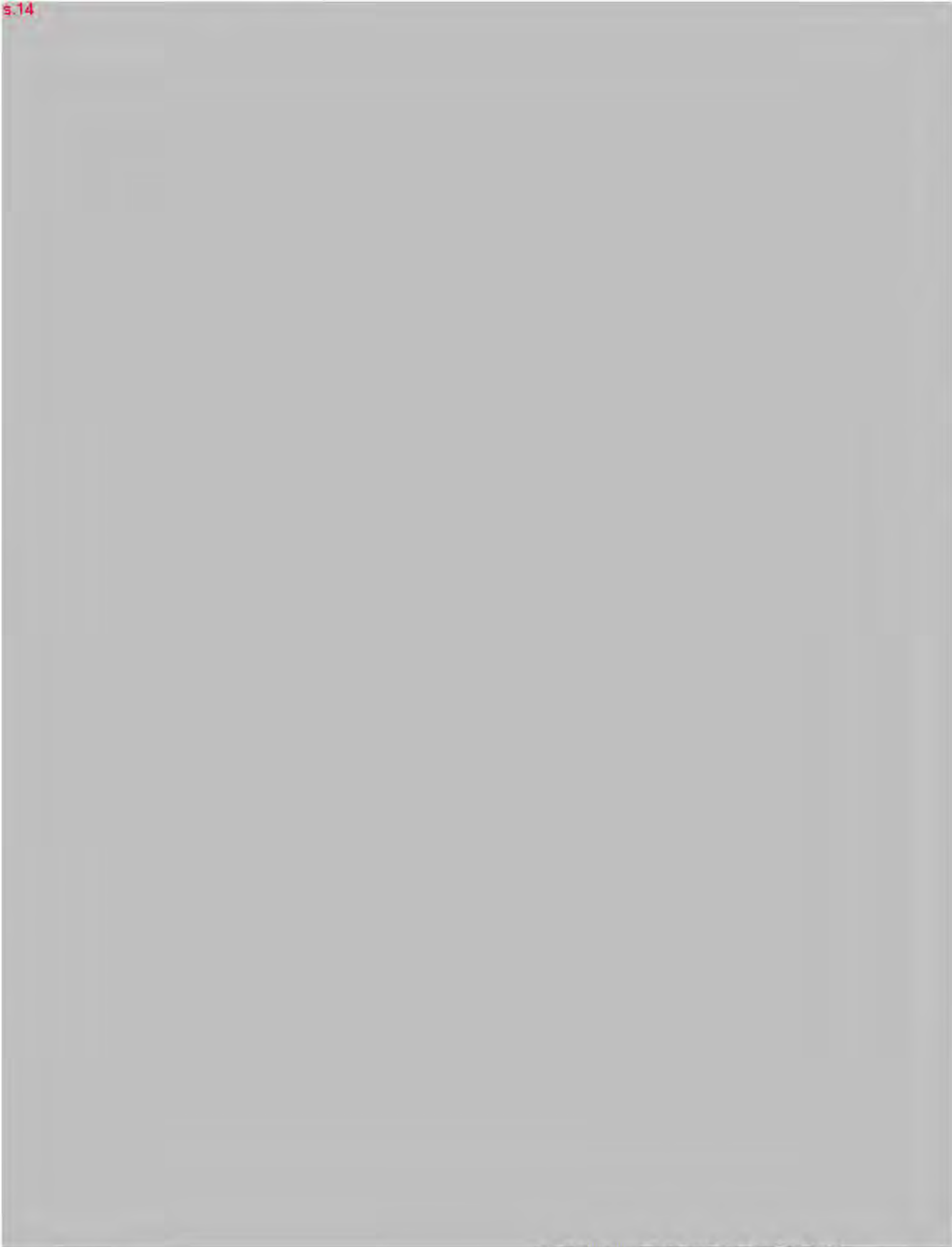


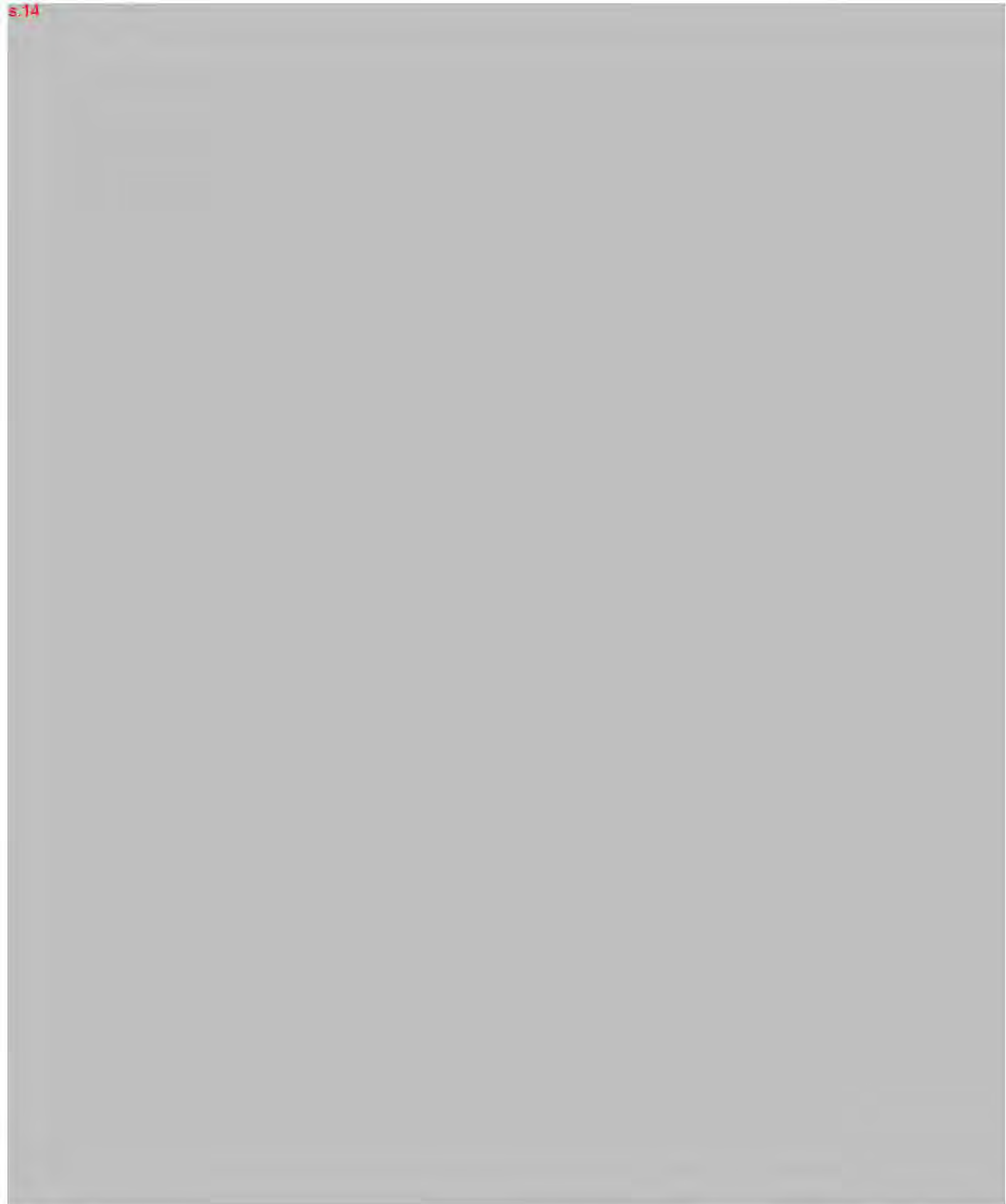
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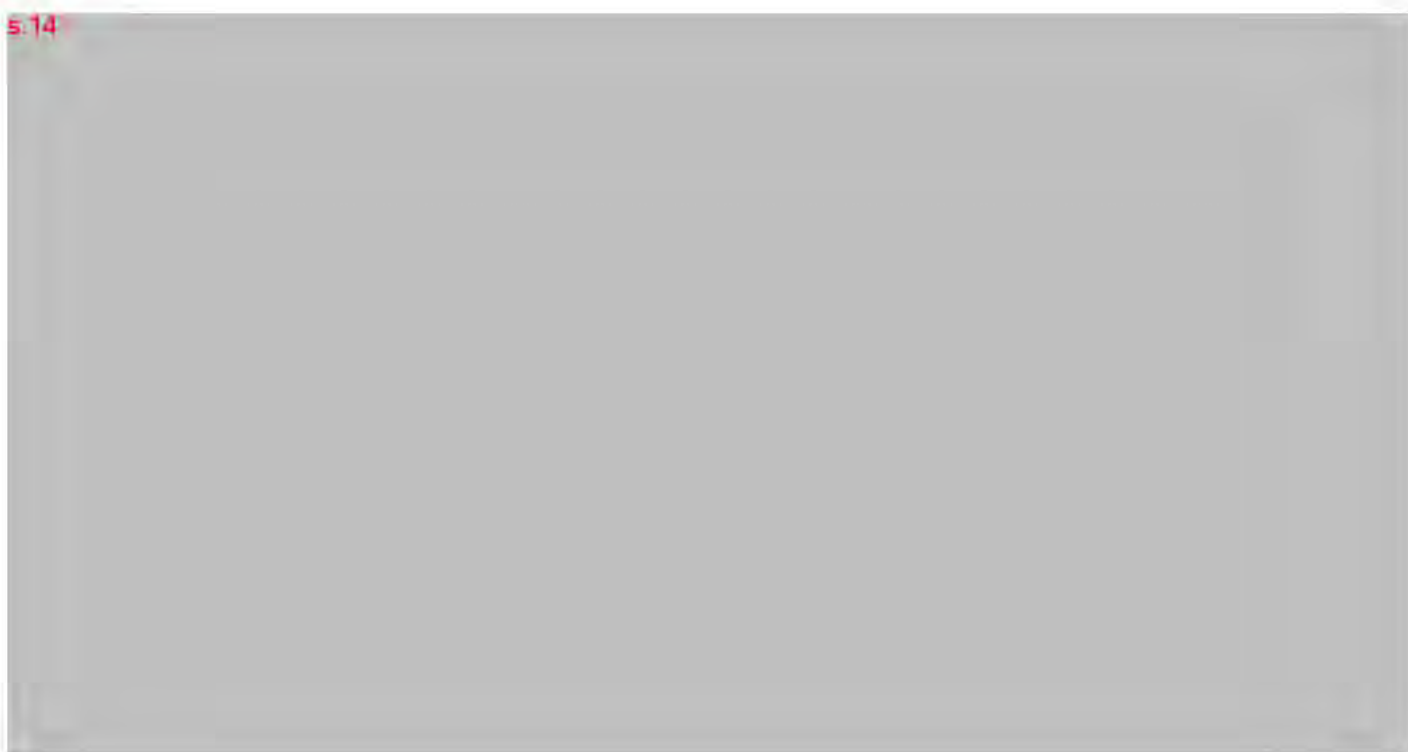


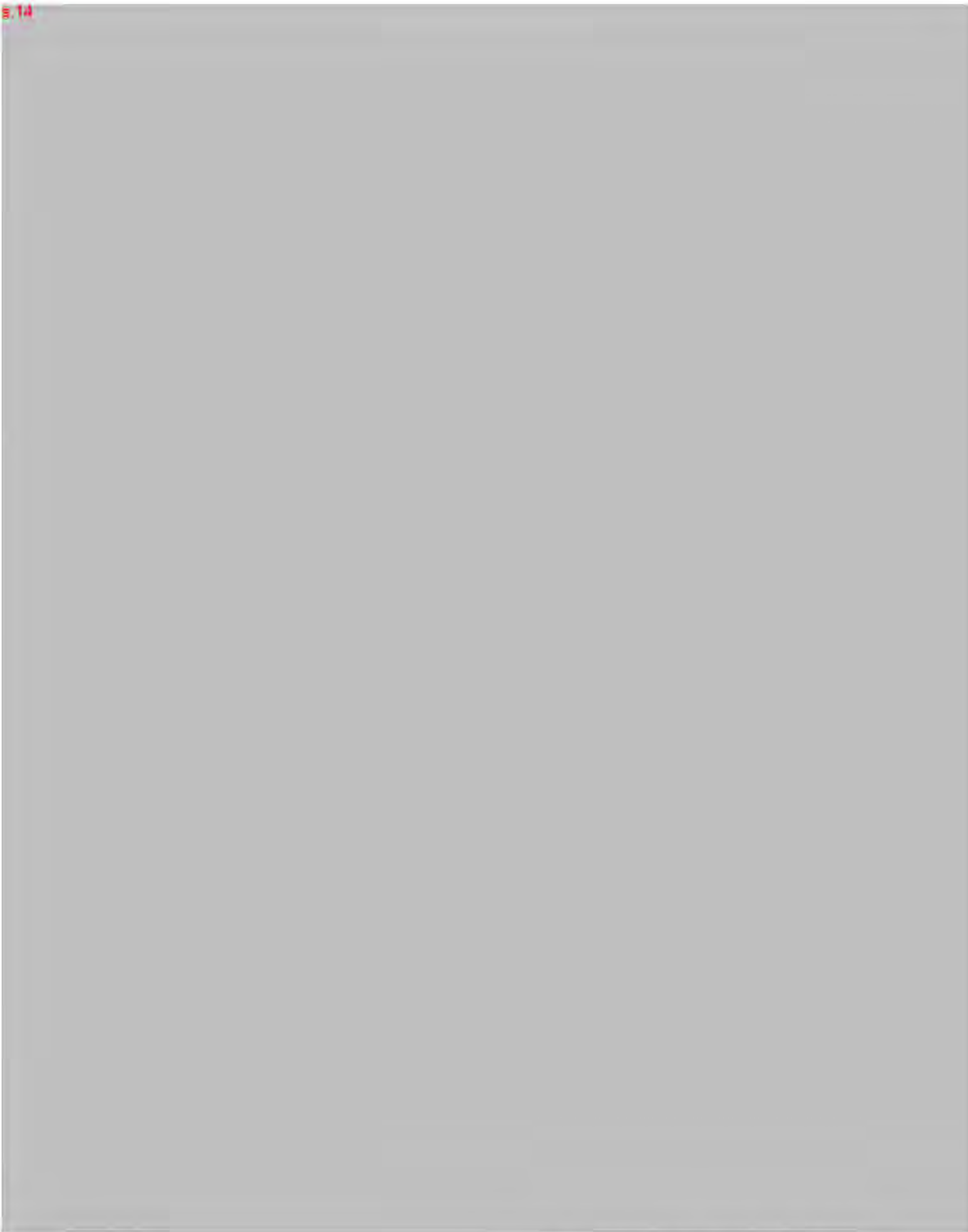


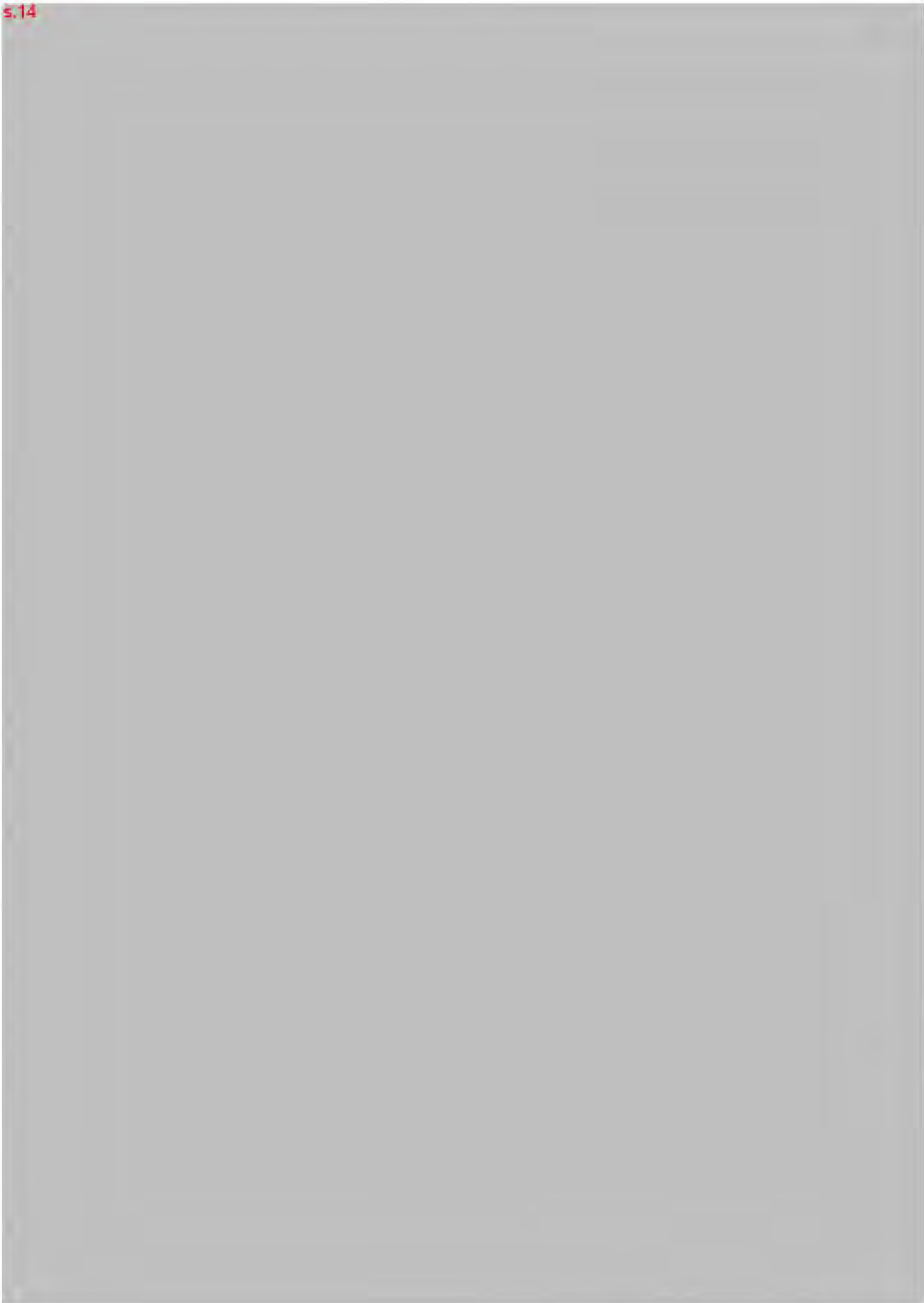




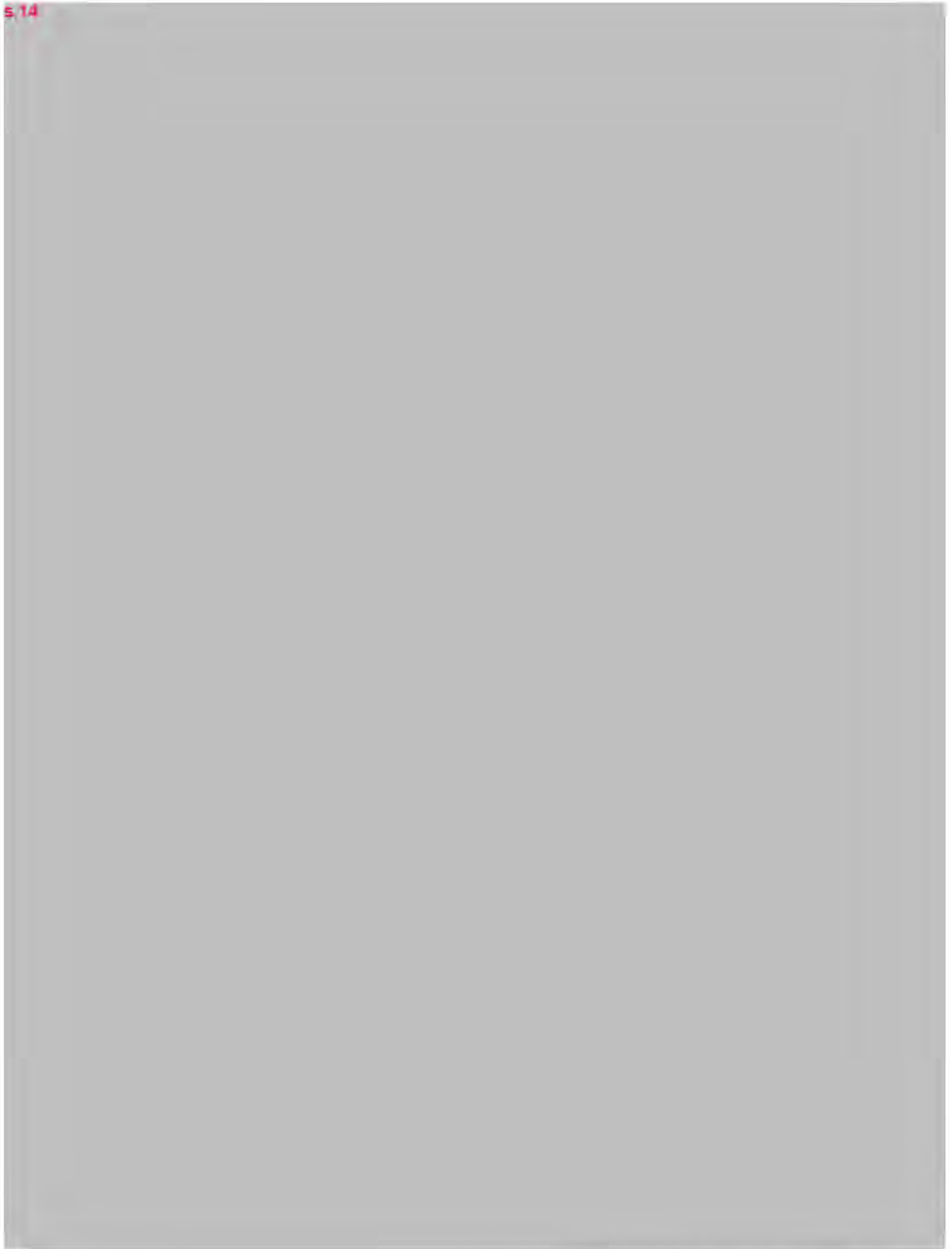


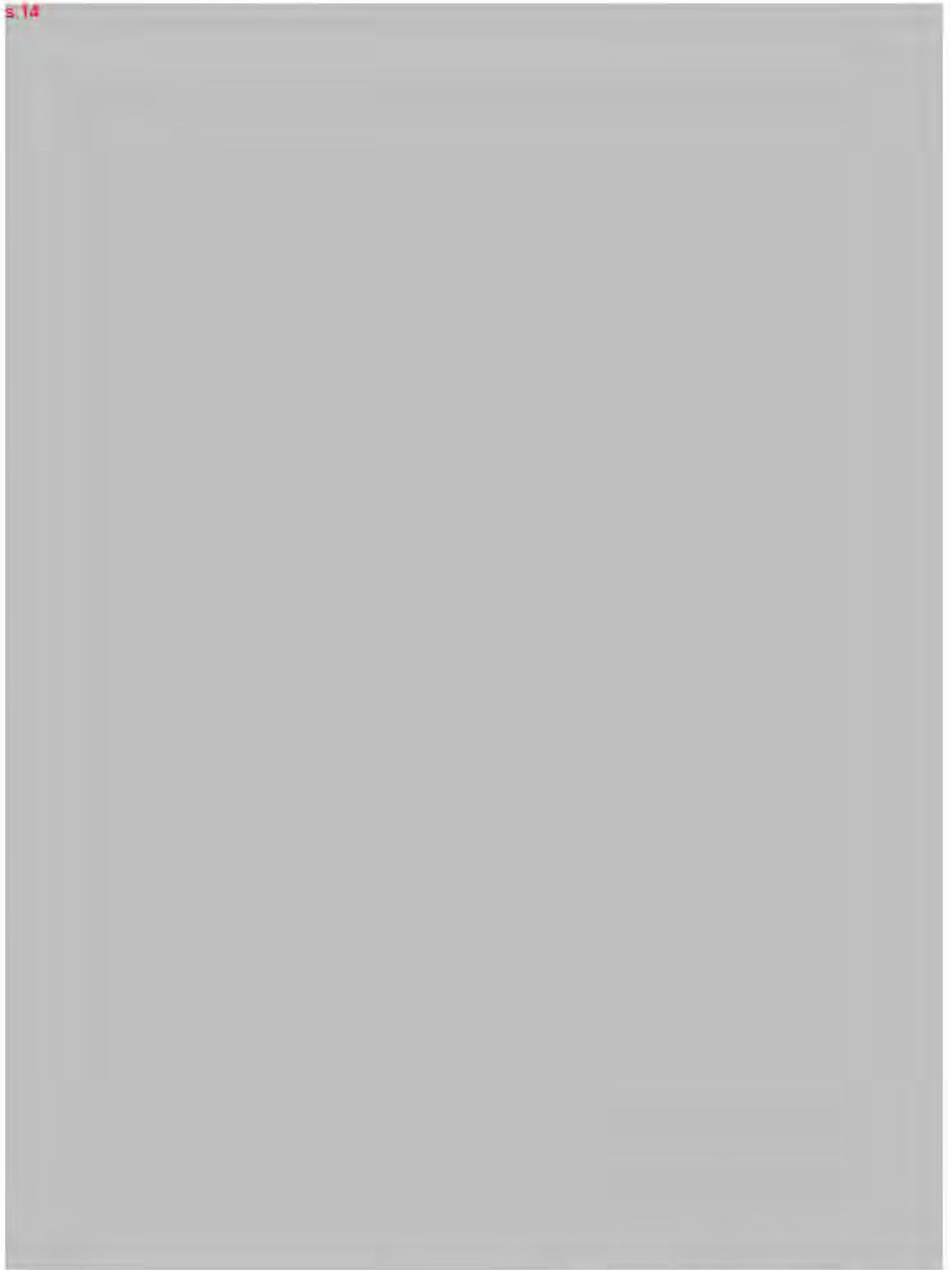








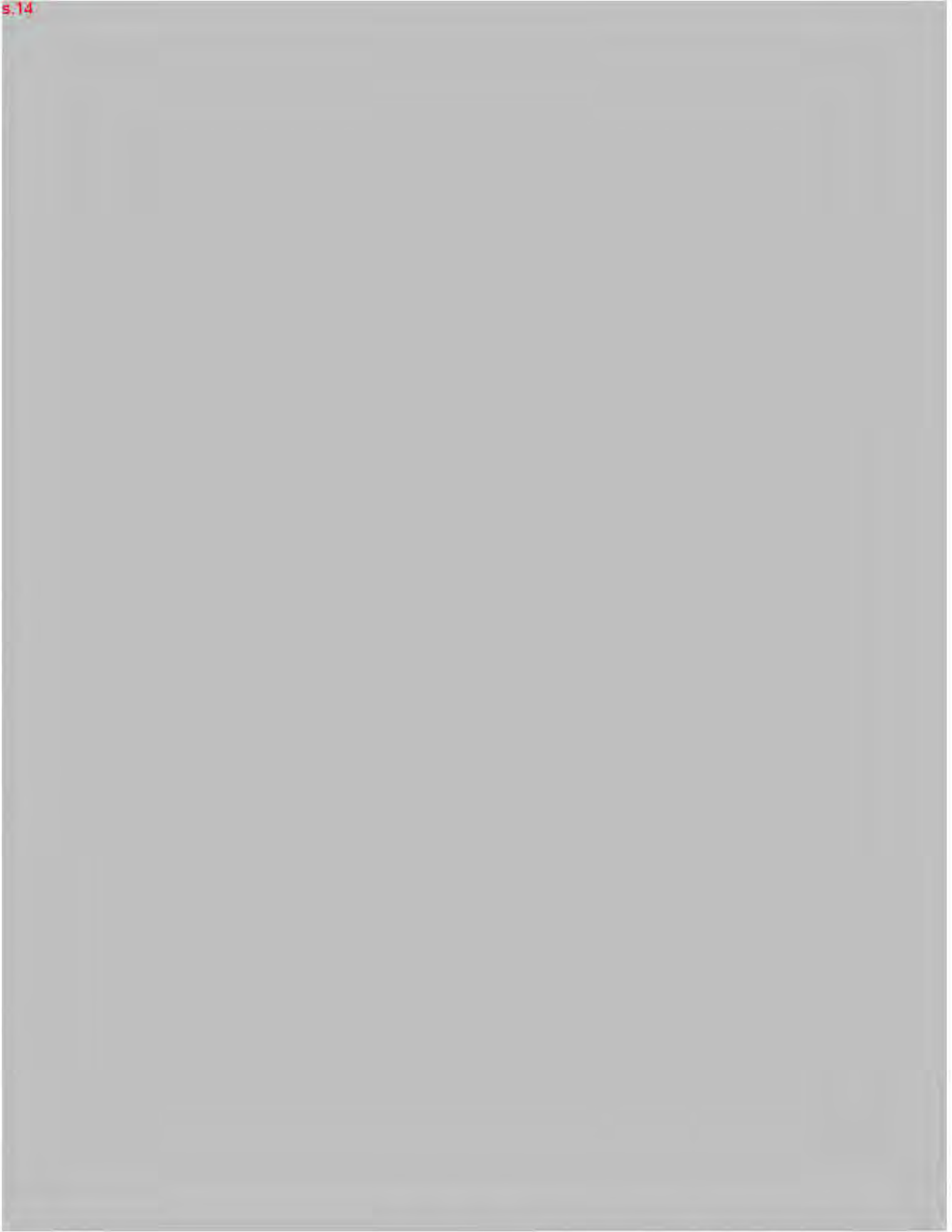




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CITY OF VANCOUVER



MEMORANDUM

FROM: City Clerk's Office

DATE: December 12, 1997

FILE: In Camera

TO: Hugh Creighton, Director of Finance
Bruce Maitland, Manager of Real Estate Services
Francie Connell, Director of Legal Services
Ken Stoke, General Manager of Corporate Services
Dave Rudberg, General Manager of Engineering Services
Roberta Hui, Manager of Accounting Services
Ken Bayne, Comptroller of Budgets and Research

SUBJECT: Extension of the Parking Lease and Option to Purchase Agreement -
Pacific Centre Limited

The following is an extract from the Minutes of the December 9, 1997 Vancouver City Council meeting (In Camera), regarding the attached December 5, 1997 Administrative Report:

"MOVED by Cllr. Kennedy,

- A. THAT the City Manager be directed to conclude an agreement with Pacific Centre Limited, in accordance with the letter dated December 3, 1997, from the Deputy City Engineer (Appendix A of the Administrative Report dated December 5, 1997). This agreement will provide for an extension of the option period to purchase Block 42, and the amendment to the Block 42/52 Parking Sub-lease (it being noted that no legal obligations arise hereunder until execution of the necessary documentation).
- B. THAT the Director of Legal Services be authorized to execute all necessary documentation on behalf of the City.

- CARRIED UNANIMOUSLY"

Jay M. [Signature]
SENIOR COMMITTEE CLERK

LATE DISTRIBUTION FOR COUNCIL (IN CAMERA) DECEMBER 9, 1997

IN CAMERA

ADMINISTRATIVE REPORT

Date: December 5, 1997
Author/Local: Hugh Creighton
Brent MacGregor 2156/7304
CC File No.

TO: Vancouver City Council

FROM: Director of Finance and Manager of Real Estate Services,
in consultation with the Director of Legal Services and the General
Manager of Engineering Services

SUBJECT: Extension of the Parking Lease and Option to Purchase Amendment -
Pacific Centre Limited

RECOMMENDATION

- A. *THAT the City Manager be directed to conclude an agreement with Pacific Centre Limited, in accordance with the letter dated December 3, 1997, from the Deputy City Engineer (attached). This agreement will provide for an extension of the option period to purchase Block 42, and the amendment to the Block 42/52 Parking Sub-lease (it being noted that no legal obligations arise hereunder until execution of the necessary documentation).*
- B. *THAT the Director of Legal Services be authorized to execute all necessary documentation on behalf of the City.*

CITY MANAGER'S COMMENTS

The City Manager RECOMMENDS approval of A and B.

COUNCIL POLICY

There is no applicable Council policy other than the general City policy of maximizing revenues to the City wherever reasonably possible.

BACKGROUND

In the 1960's, as a part of the development of the Pacific Centre complex, the City acquired all the land comprising Block 42 (between Georgia and Dunsmuir Streets) ("Block 42") and leased Block 42 to Pacific Centre Limited for the purposes of its development. The business arrangement which was negotiated at the time provided for an annual rent by Pacific Centre Limited, plus an option for Pacific Centre Limited to acquire Block 42 from the City for a pre-established price. The pre-established price for the option was set for a period of thirty years, with an annual escalator. At the end of the thirty years, February 1, 2000, the option price reverts to market value of the land.

The business arrangement also provided for Pacific Centre Limited to build, for the City's account, a parking garage in the sub-surface of Blocks 42 and 52. The City's lease for the parking garage (which was developed in two phases) was for 25 years, with an option to renew for a second 25 years. The lease for the two phases has been modified to achieve a common expiry date, which is 2025, and there is no provision for renewal beyond that date. The annual rent paid to Pacific Centre Limited in 1997 is approximately \$600,000, and that rent drops down to approximately \$300,000 at the Option Date in September 2000.

It has always been anticipated by City staff that Pacific Centre Limited would exercise its option to purchase prior to February, 2000, to avoid the large increase to market value which will happen on that date. The cost of the option, at the present time, is \$8,260,000, and increases by \$105,000 each year, on the anniversary date of February 1. In addition, Pacific Centre Limited is currently obligated to pay ground rent of \$360,000 per annum.

Pacific Centre Limited through its solicitors, in a letter to the City dated September 25, 1997, notified the City that Pacific Centre Limited was exercising its option to purchase Block 42. (The closing of the transaction is set for 90 days after the exercise of the option.) When City staff enquired as to the reason for exercising the option at this point in time, Pacific Centre Limited identified its annual costs of the current arrangement of \$465,000 (ie. \$360,000 rent plus \$105,000 option price escalator), the opportunity to finance the purchase of the option at current low interest costs, and some of the difficulties which they might face if they were to attempt to re-finance or sell their investment without having fee simple title to the property.

From the City's perspective of this action, the City would receive the benefit of the \$8.26 million option payment, (which might be invested to earn an annual return of roughly \$450,000), and lose the annual rental earnings and option escalator totalling \$465,000. So, the City (PEF) would lose a small amount from this action.

Staff have had discussions with Pacific Centre Limited to determine under which terms they might agreed to delay acquiring ownership of Block 42 to a later date. The attached letter, dated December 3, 1997 from the Deputy City Engineer, and agreed to by Pacific Centre Limited, outlines the terms.

ANALYSIS

The proposal provides for an extension of the period to exercise the option for up to five years, with five year renewals, upon mutual consent, which City staff agree is an appropriate period of time. After the expiry of one year, the City can cancel upon one year's prior notice.

The proposal also provides for an elimination of the escalator on the option price, and a payment to Pacific Centre Limited related to the Block 42/52 parking garage lease extension, which the City subleases from Pacific Centre Limited. The total additional cost to the City, over the current situation, amounts to \$720,000/year plus future loss of the land escalation provision of \$105,000 in 1997. However, this cost is recovered through the extension of the Parking lease extension.

The remaining term on the Block 42/52 parking lease is 27 years, 9 months, and this will remain after the interruption agreement ends. In today's dollars, the net parking revenue will be reduced from approximately \$2.0 million to \$1.3 million during the lease interruption period only.

CONCLUSION

The proposal in real terms extends the block 42/52 parking lease for the period of time the Block 42 option to purchase is extended. The City benefits by extending control of the parking operating lease agreement for this profitable parking facility, albeit at reduced net profit during the option extension period, but greater profit during the total lease period.

There is a reduction in the escalation of the land price and lost opportunity cost from investing the sale proceeds of approximately \$450,000 per year. This is offset by the ground rent and parking garage operating profit.

* * * *

SENT BY:

DEC-05-1997 13:13

12-5-97 : 10:01 : CADILLAC F/
CITY OF VAN ENGINEERING DEPT

APPENDIX A

Engineering Services: City Hall, 453 West 12th Avenue, Vancouver, British Columbia, Canada V6



City of Vancouver

General Manager
D.H. Rudberg, P.Eng.Transportation
I. Adam, P.Eng.Water, Sewers & Storm
T.R. Timm, P.Eng.Electrical & Equipment Services
P.E. Judd, P.Eng.Deputy City Engineer
B.D. MacGregor, P.Eng.Solid Waste & Information Services
B.J. Davies, P.Eng.

December 3, 1997

FOR INFORMATION ONLY

(DO NOT RETURN TO CENTRAL REGISTRY)

Mr. Peter J. Barbetta
Senior Vice-President and
General Counsel
Cadillac Fairview
20 Queen Street West
5th floor
Toronto, Ontario
M5H 3R4

Dear Mr. Barbetta:

SUBJECT: Ground Lease ("Ground Lease") between the City of Vancouver and Pacific Centre Limited in respect of land located in the City of Vancouver described as Parcel Identifier: 010-240-004, Block 42 (Reference Plan 10328), District Lot 541, Plan 210 (the "Block 42 Lands")

Thank you for your letter of November 27, 1997.

I believe we are close to a business arrangement to benefit both parties and, as indicated in our telephone conversation, I wanted to try and simplify the business arrangement. The proposal is subject to the approval of City Council. I would like to suggest the following in lieu of Pacific Centre completing the purchase of Block 42 lands in December 1997:

- (1) Amend the ground lease to provide for a fixed exercise price of \$3.365 million for a period of five years, such option to be exercised at any time during that period on 30 days prior written notice (per your letter of November 27, 1997).
- (2) During the period that the ground lease is outstanding, Pacific Centre would continue to pay the current rent of \$30,000 per month - an amended agreement would be done to accommodate this extension of the ground lease (per your letter of November 27, 1997).

2

- (3) An amendment of the Block 42/52 parking lease would be entered into to provide for an interruption of the current lease provisions, with respect to term and lease payment, effective January 1, 1998 on the following terms:

- (a) The City would pay lease payments which would have been in effect January 1, 1998, plus \$60,000 per month (\$720,000/year) to Pacific Centre Limited until such time as Pacific Centre Limited exercised its option to purchase Block 42 lands, pursuant to an amendment to the terms of Article xx of the ground lease. This arrangement would continue for five years, with five year renewal periods, upon consent of both parties. *At any time after the first year (ie after Jan. 1/1999), the City may terminate this arrangement on one year's prior written notice.*
- (b) Upon Pacific Centre Limited exercising its option, and the expiry of the 30 days notice, ie completion of the Block 42 sale, the Block 42/52 parking lease will revert to where it was on January 1, 1998 in terms of lease payments, and term of lease. For clarity, this means that where there is now two years, nine months remaining on the first term of the lease, with a 25-year renewal, the clock for that will simply start again after you complete the purchase of Block 42. Therefore, your lease payments would revert to what they are today and continue for the balance of the years in the agreement, (ie. 27 years, 9 months), had the interruption of the lease not occurred.

- (4) We are very happy that your Pacific Centre General Manager wishes to be more involved in making suggestions for improvements to the parking operation. I would commit to meet with him personally, four times per year or as needed, in order to try and fast track improvements which are mutually agreed upon. It is my strong belief that supporting each other in the operation of the facility is a benefit to both parties, and we should do all that we can to ensure that there is a first-class parking operation to support your first-class office/retail development.

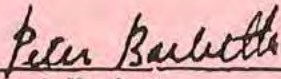
I would like you to provide confirmation of your acceptance of this proposal, or suggest changes as soon as possible, as we must report to City Council on December 9, which is their last meeting before the new year. I believe that legal documentation of this proposal would be very straight forward and could be completed within a couple of weeks of Council approval.

3

Please acknowledge your acceptance by signing this letter.

Yours truly,

Acknowledge Acceptance:


Peter J. Barbetta
Senior Vice-President &
General Counsel


B.D. MacGregor, P.Eng.
Deputy City Engineer

cc: S. Swain
H. Creighton
Bruce Maitland
Barb Sage

McCarthy Tétrault

BARRISTERS & SOLICITORS • PATENT & TRADE MARK AGENTS

P.O. BOX 10424, PACIFIC CENTRE
SUITE 1300, 777 DUNSMUIR STREET
VANCOUVER, B.C., CANADA V7Y 1K2

FACSIMILE (604) 643-7900
TELEPHONE (604) 643-7100

REFERRED TO THE MANAGER OF
REAL ESTATE SERVICES FOR
APPROPRIATE ACTION AND COPIED TO
THE DIRECTOR OF LEGAL SERVICES
FOR INFORMATION BY THE OFFICE OF
THE CITY CLERK. WRITER
ACKNOWLEDGED. SEPTEMBER 26, 1997
GMERVYN:emf 1203

KEITH E. BURRELL
(604) 643-7939
E-Mail: keb@mccarthy.ca

September 25, 1997

DELIVERED

City of Vancouver
City Hall
453 West 12th Avenue
Vancouver, B.C.
V5Y 1V4

Attention: The City Clerk

Dear Sir:

Re: Ground Lease between the City of Vancouver and Pacific Centre Limited in respect of lands located in the City of Vancouver and legally described as Parcel Identifier: 010-240-004, Block 42 (Reference Plan 10328), District Lot 541, Plan 210 (the "Demised Lands")



We are the solicitors for Pacific Centre Limited.

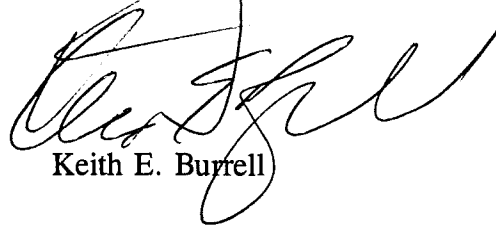
The City of Vancouver, as "Lessor", and The Fairview Corporation (British Columbia) Limited, as "Lessee", together with Cemp Holdings Ltd. and Pacific Centre Limited, entered into a Ground Lease made the 28th day of January, 1970 in respect of the Demised Lands (the "Ground Lease"), which Ground Lease was registered against the title to the Demised Lands in the New Westminster/Vancouver Land Title Office under instrument no. 503338M and has been amended by certain documents registered in such Land Title Office under instrument nos. C78331, BK325104 and BK325114. Pursuant to Article XX of the Ground Lease, the City of Vancouver, as "Lessor", granted the "Lessee" under the Ground Lease and its successors and permitted assigns an option to purchase the Demised Lands (the "Option to Purchase") for the price and upon the terms and subject to the conditions in Article XX of the Ground Lease, which Option to Purchase was registered in the New Westminster/Vancouver Land Title Office under instrument no. 503340M. The Fairview Corporation (British Columbia) Limited amalgamated with Pacific Centre Limited on January 2, 1973 and continued under the name "Pacific Centre Limited" under Incorporation No. 114580 and, accordingly, Pacific Centre Limited is entitled to the benefits and subject to the obligations of the "Lessee" under the Ground Lease and the Option to Purchase.

McCarthyTétrault

Accordingly, on behalf of Pacific Centre Limited, and in accordance with the terms of the Article XX of the Ground Lease, we hereby deliver to you the enclosed written notice from Pacific Centre Limited of the exercise by it of its Option to Purchase the Demised Lands for the price and upon the terms and subject to the conditions in Article XX of the Ground Lease.

Yours truly,

McCARTHY TÉTRAULT



Keith E. Burrell

KEB:bjm

cc: Pacific Centre Limited
Attention: Mr. Stu Swain

cc: City of Vancouver, Legal Department
Attention: Ms. Barb Sage

NOTICE OF EXERCISE OF OPTION TO PURCHASE

TO: City of Vancouver

FROM: Pacific Centre Limited

RE: Option to Purchase certain lands located in the City of Vancouver and legally described as Block 42 (Reference Plan 10328), District Lot 541, Plan 210 (the "**Demised Lands**")

WHEREAS:

The City of Vancouver, as "Lessor", and The Fairview Corporation (British Columbia) Limited, as "Lessee", together with Cemp Holdings Ltd. and Pacific Centre Limited, entered into a Ground Lease made the 28th day of January, 1970 in respect of the Demised Lands (the "**Ground Lease**"), which Ground Lease was registered against the title to the Demised Lands in the New Westminster/Vancouver Land Title Office under instrument number 503338M and has been amended by certain documents registered in such Land Title Office under instrument numbers C78331, BK325104 and BK325114;

Pursuant to Article XX of the Ground Lease, the City of Vancouver, as "Lessor", granted the "Lessee" under the Ground Lease and its successors and permitted assigns an option to purchase the Demised Lands (the "**Option to Purchase**") for the price and upon the terms and subject to the conditions in Article XX of the Ground Lease, which Option to Purchase was registered in the New Westminster/Vancouver Land Title Office under instrument number 503340M;

The Fairview Corporation (British Columbia) Limited amalgamated with Pacific Centre Limited on January 2, 1973 and continued under the name "Pacific Centre Limited" and under Incorporation No. 114580 and, accordingly, Pacific Centre Limited is entitled to the benefits and subject to the obligations of the "Lessee" under the Ground Lease and the Option to Purchase;

Pacific Centre Limited has decided to exercise its Option to Purchase the Demised Lands;

THEREFORE Pacific Centre Limited, as "Lessee" under the Ground Lease, hereby gives written notice to the City of Vancouver, as "Lessor" under the Ground Lease, of the exercise by Pacific Centre Limited of its Option to Purchase the Demised Lands for the price and upon the terms and subject to the conditions in Article XX of the Ground Lease.

DATED: September 24, 1997

PACIFIC CENTRE LIMITED

By: 

Authorized Signatory

By: 

Authorized Signatory