

File No.: 04-1000-20-2024-204

July 19, 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 April 2, 2024 under the ***Freedom of Information and Protection of Privacy Act*** for:

The following records for 2605 Kaslo Street, if available:

- 1. Appraisal Reports;**
- 2. Rent Roll with tenant schedule;**
- 3. Lease agreements;**
- 4. Income and expense statements; and**
- 5. Pro Forma Report (Past financial reports that provide future value projections of the property).**

Date Range: January 1, 2021 to December 31, 2023.

All responsive records are attached.* Some information in the records has been severed (blacked out) under s.17(1) and s.21(1) of the Act. You can read or download these sections here: http://www.bclaws.ca/EPLibraries/bclaws_new/document/ID/freeside/96165_00.

*Please note, Real Estate Services staff have confirmed there are no records responsive to points four and five 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 (#04-1000-20-2024-204); 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)

:lg



Formerly BCS Real Estate – Burgess, Cawley, Sullivan



SHORT FORM APPRAISAL REPORT

City of Vancouver Portfolio

**2605-2625 Kaslo Street & 2772-2780
East Broadway, Vancouver, BC**

Valuation Date: January 11, 2022

Publication Date: April 4, 2022

PREPARED FOR

**Mr. Allain Kuys-Clarke
City of Vancouver**

**453 West 12th Avenue
Vancouver, BC
V5Y 1V4**

EXECUTIVE SUMMARY

This summary forms part of a full appraisal report and should be read in conjunction with it.

CIVIC ADDRESS:	2605-2625 Kaslo Street & 2772-2780 East Broadway, Vancouver, BC.
TYPE OF PROPERTY:	The property is improved with a commercial building that is being utilized for industrial, office, and day-care uses.
SITE AREA:	3.42 acres (148,975 sq.ft.).
GLA:	100,312 sq.ft. (according to rent roll).
OCCUPANCY:	Approximately 75%.
VACANT POSSESSION DATE:	April 30, 2041 (earliest termination date).
TENANTS:	Westcoast Child Care Resource Centre, Child, Youth and Family Innovation Centre Co-Operative, Ministry of Children & Family Development, Waterman's Marketing Inc, Satellite Video Exchange Society, Brilliant Cabinets Ltd, City of Vancouver Archives.
ZONING CLASSIFICATION:	I-2.
REGISTERED OWNER:	City of Vancouver.
FINAL VALUE CONCLUSION:	\$89,400,000.
GOING IN YIELD RATE:	1.66%.
EFFECTIVE DATE OF VALUE:	January 10, 2022.
DATE OF REPORT:	April 4, 2022.
DATE OF VIEWING:	January 10, 2022.

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Our Ref: A2111-5853AA

April 4, 2022

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

Attention: Mr. Allain Kuys-Clarke

Re: **CURRENT MARKET VALUE**
2605-2625 KASLO STREET & 2772-2780 EAST BROADWAY, VANCOUVER, BC

Dear Sir:

In accordance with instructions from the City of Vancouver (the commissioner of this report) we have completed our investigations and analyses of the above captioned property (the **Subject**) in order to estimate the current market value of the *property at 2605-2625 Kaslo Street & 2772-2780 East Broadway, Vancouver, BC*, as of January 11, 2022. This appraisal is required for the purpose of internal asset valuation and it may not be used for any other purpose. The property rights appraised are those of the leased fee estate.

DEFINITION OF MARKET VALUE

The term market value is defined as: the most probable price, as of a specified date, in cash, or in terms equivalent to cash, or in other precisely revealed terms, for which the specified property rights should sell after reasonable exposure in a competitive market under all conditions requisite to a fair sale, with the buyer and seller each acting prudently, knowledgeably, and for self-interest, and assuming that neither is under undue duress and the price is not affected by undue stimulus. Implicit in this definition are the consummation of a sale as of the specified date and the passing of title from seller to buyer under conditions whereby:

- (i) buyer and seller are typically motivated;
- (ii) both parties are well informed or well advised, and acting in what they consider their best interests;
- (iii) a reasonable time is allowed for exposure in the open market;
- (iv) payment is made in terms of cash in Canadian dollars or in terms of financial arrangements comparable thereto;
- (v) and the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.¹

¹ Canadian Uniform Standards of Professional Appraisal Practice, p. 55, effective 01/01/2010.

PHOTOS OF SUBJECT PROPERTY



BROADWAY FRONTAGE LOOKING SOUTH



LOOKING WEST FROM KASLO STREET REAR OF SITE



EXAMPLE OF STORAGE SPACE



EXAMPLE OF STORAGE SPACE



EXAMPLE OFFICE FINISH BROADWAY FRONTAGE



EXAMPLE OFFICE FINISH BROADWAY FRONTAGE

SCOPE OF INVESTIGATION

See Addendum A.

ASSUMPTIONS & LIMITING CONDITIONS

See Addendum B.

Extraordinary Limiting Conditions and Assumptions:

- We have relied upon the information provided by the City of Vancouver (owner) which included a copy of the original leases and modification agreements along with a summary rent roll.
- We did not obtain an opinion on the state of title or any of the encumbrances, are not qualified in these legal matters. We have reviewed the title document from LTTO. However, the registered charges were not provided or obtained from the Land Title office and it is a critical assumption of this report that they would not impact future development of the subject property to the highest and best use conclusion within this report.
- This report, and the estimate of value contained herein, are contingent on there being no hazardous materials or waste on or in the site, and on the property's compliance with all requirements of authorities having jurisdiction over environmental matters.
- The report assumes that there is no change in the physical or leasable status of the subject property between the valuation date, viewing date and date of this report.
- The subject photos were taken on the date of viewing, unless otherwise noted, and are assumed to reflect the condition of the subject property as of the effective date of appraisal.
- The author is not a qualified surveyor and no legal survey concerning the subject property has been provided. Site dimensions, areas, diagrams and photographs, etc., are presented in this report for the limited purpose of illustration and are not to be relied upon in themselves.
- No investigation has been undertaken with the local zoning office, the fire department, the building inspector, the health department or any other government regulatory agency unless such investigations are expressly represented to have been made in this report. The subject property must comply with such government regulations and, if it does not comply, its non-compliance may affect market value. To be certain of compliance, further investigation may be necessary.
- The analysis set out in this report relied upon written and verbal information of market transactions, data and statistics obtained from a variety of sources we considered reliable. A concerted effort was made to verify the accuracy of the information herein contained. Since this appraisal is not intended to be used for court purposes or arbitration, some of the information set out in this report may not have been fully documented or confirmed by reference to primary sources.

APPRAISAL ASSIGNMENT

Civic Address:

DESCRIPTION OF SUBJECT PROPERTY	The subject property is comprised of one legal parcel of approximately 3.42 acres or 148,975 sq.ft. with frontage on Kaslo Street and Broadway. The property is improved with a commercial building that is being utilized for industrial, office, and day-care uses. The building is concrete block and was built circa 1958. The indicated gross leasable area with the subject rent roll document is 100,312 sq.ft. The building is current approximately 75% occupied and is leased to Westcoast Child Care Resource Centre, Child, Youth and Family Innovation Centre Co-Operative, Ministry of Children & Family Development, Waterman's Marketing Inc, Satellite Video Exchange Society, Brilliant Cabinets Ltd, and City of Vancouver Archives.
CIVIC ADDRESS	2605-2625 KASLO STREET & 2772-2780 EAST BROADWAY, VANCOUVER, BC.
LEGAL DESCRIPTION	Lot 2, South 1/2 of Section 35, Town of Hastings Suburban Lands Plan 9744. PID #: 009-551-581.

RELEVANT DATES

DATE OF VALUATION: January 11, 2022.

DATE OF REPORT: April 4, 2022.

DATE OF VIEWING: January 10, 2022.

The value estimate within this report assumes an exposure period of three to six months.

Property Rights Appraised

The property rights being appraised in this report are those which accrue to the owner of the property described herein. This encompasses the rights normally attached to the leased fee interest in the property, subject to the lease agreements outlined in this report. The property has been appraised on a debt-free basis.

The report is intended to be used for the purposes of establishing the fair market value of the subject for internal valuation purposes.

NATURE OF INTEREST

CURRENT OWNER OF RECORD	The registered owners of the subject property are: City of Vancouver.
DATE OF REGISTRATION	The current title was registered on October 27, 2004.

Title Information

The current title documents were registered as **BW461246**.

A copy of the title document is included in Addendum C.

Legal Notations

Notice of Interest, Builders Lien Act (S.3(2)), See BW510904.

Filed 2004-11-05.

Charges, Liens and Interests

Nature:	Easement and Indemnity Agreement
Registration Number:	261723M
Registration Date and Time:	1957-12-03 14:02
Registered Owner:	City of Vancouver
Nature:	Right-of-Way
Registration Number:	261724M
Registration Date and Time:	1957-12-03 14:03
Registered Owner:	City of Vancouver
Nature:	Easement and Indemnity Agreement
Registration Number:	265868M
Registration Date and Time:	1958-03-03 12:36
Registered Owner:	City of Vancouver
Nature:	Right-of-Way
Registration Number:	321681M
Registration Date and Time:	1961-01-03 14:25
Registered Owner:	British Columbia Hydro and Power Authority British Columbia Telephone Company
Remarks:	Inter Alia Assignment of Right-of-Way 282966m Received 15/12/1958 14:40 Modified by BJ215628 Modified by BR199875 Modified by BB981018 Modified by BB1708809
Nature:	Claim of Builders Lien
Registration Number:	WX2169365
Registration Date and Time:	2021-09-20 10:52
Registered Owner:	Coast Building Supplies Ltd.
Nature:	Claim of Builders Lien
Registration Number:	WX2169433
Registration Date and Time:	2021-09-21 13:55
Registered Owner:	Ron's Insulation 2002 Ltd

The above noted charges have not been individually provided or reviewed. It is a critical assumption of this report that these charges would not impact the development of the subject property to its highest and best use.

Sales History

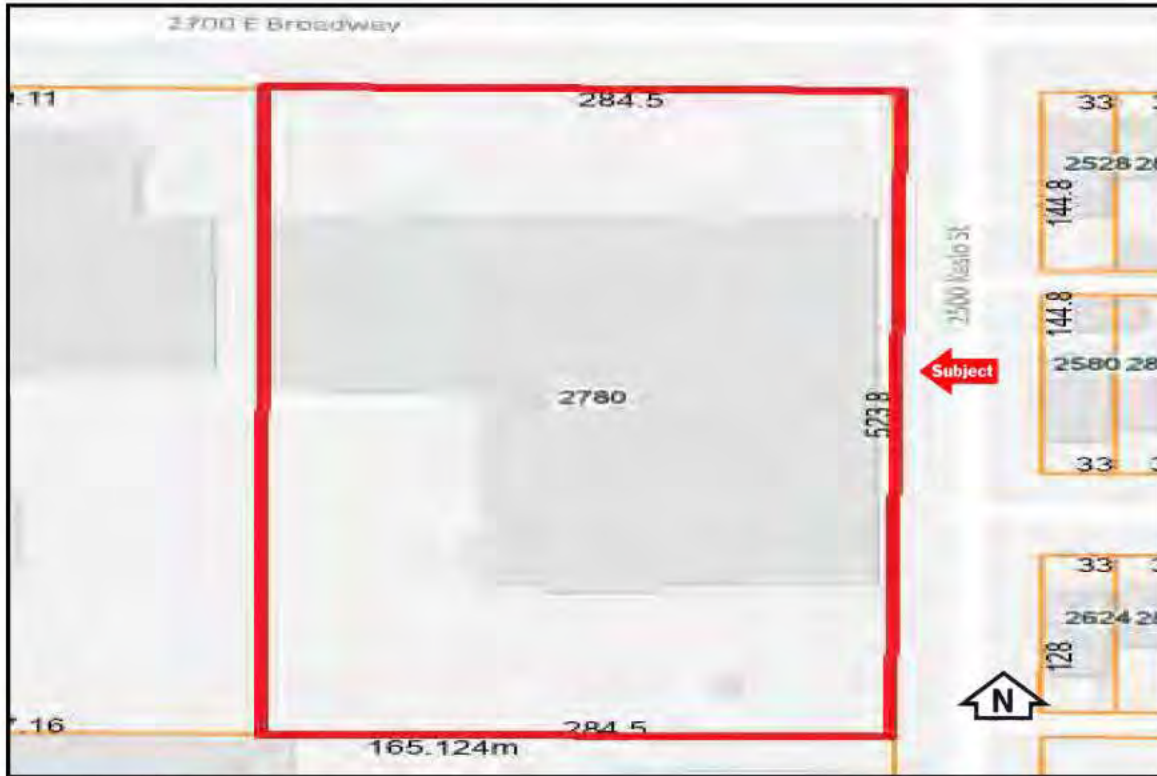
Based upon our review of available sources and our discussions with the property owner's representative, it is our understanding that the subject property has not sold within the last three years.

We are not aware of any other agreements for sale, options, leases or listings of the subject property within the past year.

PROPERTY DATA

SITE AREA	3.42 acres or 148,975 sq.ft.	
SITE DIMENSIONS	North Boundary:	284.5 feet.
	East Boundary:	523.8 feet.
	South Boundary:	284.5 feet.
	West Boundary:	523.8 feet.
CONFIGURATION	Rectangular.	
UTILITIES	All usual municipal services, including potable water, storm and sanitary sewer, hydro, natural gas, telephone, cablevision, and ambulance, police and fire protection are available on the subject site.	
TOPOGRAPHY	The property slopes gently from north to south.	
SOIL CONDITIONS	We are not environmental consultants or geotechnical engineers and have not been provided with any soil surveys or other environmental studies on the subject property. As such, we do not know if the subject property is free of soil contamination and environmental problems. For the purpose of this report, it is assumed that the property does not suffer from any environmental or geotechnical problems. The reader is cautioned that if such a problem were to exist, it could have an impact on value.	
PAVING	Yard area is fully paved to a typical industrial standard.	
SURFACE PARKING	101 parking stalls (according to rent roll).	

SITE PLAN



AERIAL PHOTO OF SUBJECT SITE AND IMPROVEMENTS



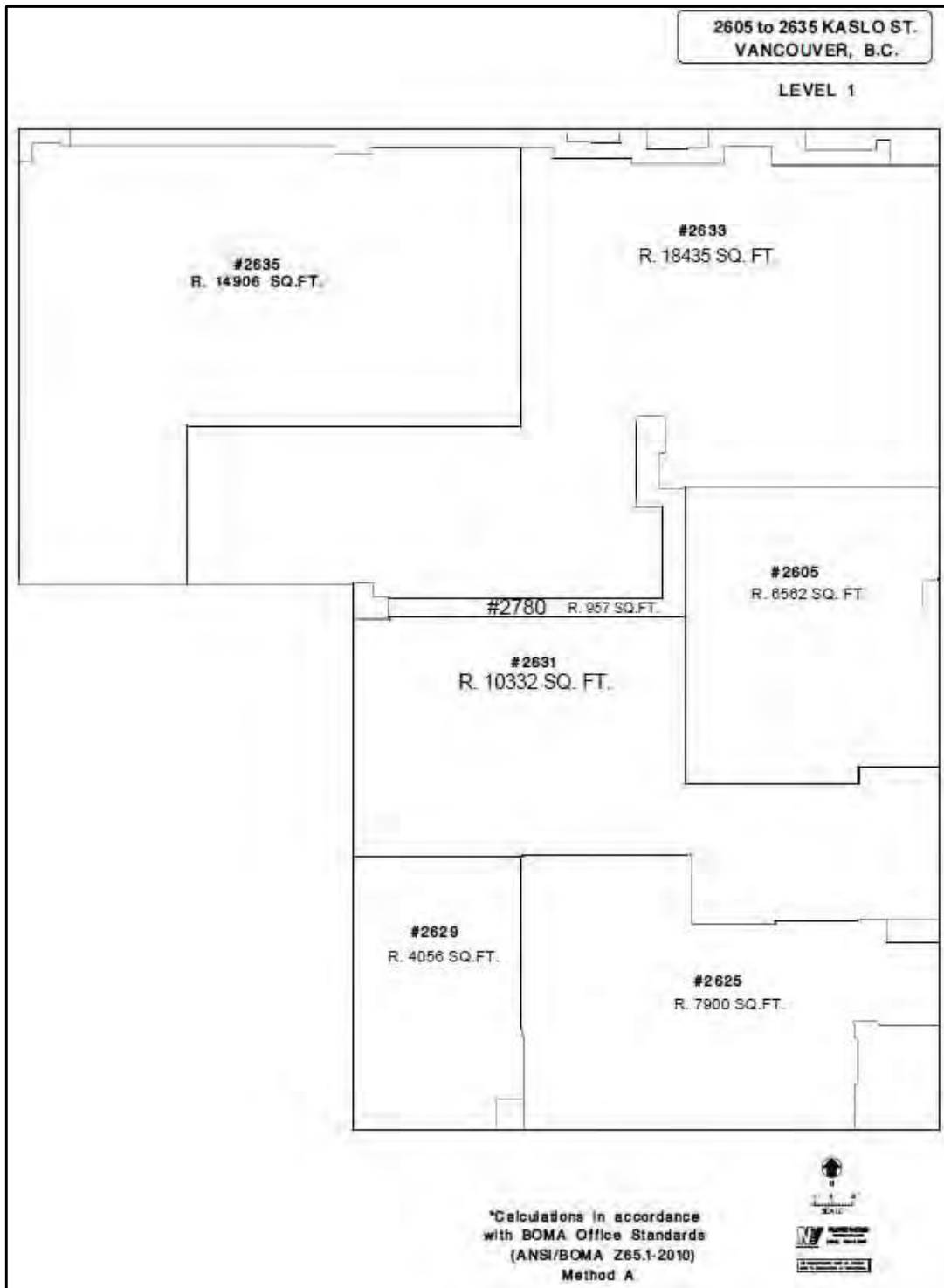
IMPROVEMENTS

Building Composition

The subject property is improved with a multi-tenant commercial oriented building that is being utilized for industrial, office, and daycare uses. The building is two-storeys and was built circa 1958.

The breakdown of the building areas is as shown on the following plans:

Level 1 (62,191 sq.ft.):



Level 2 (38,990 sq.ft.):



Building Type

Concrete Block.

Condition

General condition of the storage component is average for a building of this type and age. The office component on Level 1 has recently been upgraded and would be considered to be of above average condition for a building of similar age.

Parking

101 parking stalls (according to rent roll).

NEIGHBOURHOOD CHARACTERISTICS

The subject property is located in the Renfrew neighbourhood of the City of Vancouver. The subject property is located on the southwest corner of East Broadway and Kaslo Street.

NORTH	Single Family Residential on the north side of East Broadway, Kaslo Park;
SOUTH	Big Box Retail, Single Family Residential south of Grandview Highway;
EAST	Single Family Residential, Office (Broadway Tech Centre);
WEST	Broadway Church, Vancouver Technical Secondary, Single and Multi-Family Residential.

ASSESSMENTS & TAXES

The subject property has a number of assessments. The following chart summarizes the 2022 Assessments for the subject property as of July 1, 2021.

Address	Roll #	Land	Improvement	Total	2021 Taxes
2772 Broadway E	09-200-021-650-275-96-5516	\$938,000	\$198,000	\$1,136,000	\$0.00
2776 Broadway E	09-200-021-650-275-96-5509	\$941,000	\$199,000	\$1,140,000	\$0.00
2780 Broadway E	09-200-021-650-275-96-0000	\$24,277,000	\$1,000	\$24,278,000	\$690.08
101-2780 Broadway E	09-200-021-650-275-96-5511	\$1,135,000	\$235,000	\$1,370,000	\$0.00
102-2780 Broadway E	09-200-021-650-275-96-5507	\$233,000	\$59,200	\$292,200	\$0.00
104-2780 Broadway E	09-200-021-650-275-96-5513	\$864,000	\$184,000	\$1,048,000	\$0.00
104-2780 Broadway E	09-200-021-650-275-96-5514	\$233,000	\$59,200	\$292,200	\$0.00
105-2780 Broadway E	09-200-021-650-275-96-5506	\$404,000	\$94,400	\$498,400	\$0.00
106-2780 Broadway E	09-200-021-650-275-96-5508	\$197,000	\$51,800	\$248,800	\$0.00
107-2780 Broadway E	09-200-021-650-275-96-5515	\$292,000	\$71,600	\$363,600	\$0.00
108-2780 Broadway E	09-200-021-650-275-96-5510	\$291,000	\$71,500	\$362,500	\$0.00
2605 Kaslo Street	09-200-021-650-275-96-5501	\$1,636,000	\$119,000	\$1,755,000	\$0.00
2625 Kaslo Street	09-200-021-650-275-96-5504	\$1,269,000	\$261,000	\$1,530,000	\$0.00
C-2625 Kaslo Street	09-200-021-650-275-96-5502	\$5,011,000	\$411,000	\$5,422,000	\$0.00
2629 Kaslo Street	09-200-021-650-275-96-5505	\$925,000	\$60,000	\$985,000	\$0.00
2635 Kaslo Street	09-200-021-650-275-96-5503	\$2,988,000	\$255,000	\$3,243,000	\$0.00
Total:		\$41,634,000	\$2,330,700	\$43,964,700	\$690

We note that the available records indicate that only \$690.08 in taxes were levied for this property in 2021 likely due to the owner being an exempt party.

We note that the taxes reported above are considerably lower than what would be payable based on the current assessment and the prevailing Class 6 tax rate in the City of Vancouver (\$9.96974 per \$1000 of assessed value), annual taxes of \$438,316.63 equivalent to \$4.37 per sq.ft of GLA would be payable.

ZONING

The subject property is zoned I-2. The primary intent of this zoning is to permit industrial and other uses that are generally incompatible with residential land use but are beneficial in that they provide industrial and service employment opportunities or serve a useful or necessary function in the city. It is not the intent, however, to permit uses that are potentially dangerous or environmentally incompatible when situated near residential districts.

The following uses are permitted:

Cultural and Recreational:	Artist Studio – Class A (provided that the use must not be combined with a Residential Unit.) Artist Studio – Class B (Class B, provided that the building contains no dwelling use other than a caretaker dwelling.) Arts and Culture Indoor Event.
Manufacturing:	Bakery Products Manufacturing, Batteries Manufacturing, Chemicals or Chemical Products Manufacturing - Class B, Clothing Manufacturing, Dairy Products Manufacturing, Electrical Products or Appliances Manufacturing, Food or Beverage Products Manufacturing - Class B, Furniture or Fixtures Manufacturing, Ice Manufacturing, Information Communication Technology Manufacturing., Jewellery Manufacturing, Leather Products Manufacturing, Machinery or Equipment Manufacturing, Metal Products Manufacturing -Class B, Miscellaneous Products Manufacturing - Class B, Motor Vehicle Parts Manufacturing, Non-metallic Mineral Products Manufacturing - Class B, Paper Products Manufacturing, Plastic Products Manufacturing, Printing or Publishing, Rubber Products Manufacturing, Shoes or Boots Manufacturing, Textiles or Knit Goods Manufacturing, Tobacco Products Manufacturing, Transportation Equipment Manufacturing, Wood Products Manufacturing - Class B.
Retail:	Gasoline Station Full Serve.
Service:	Animal Clinic, Catering Establishment, Laboratory, Laundry or Cleaning Plant, Motor Vehicle Repair Shop, Motor Vehicle Wash, Photofinishing or Photography Laboratory, Photofinishing or Photography Studio, but only in sub-area A or B, Production or Rehearsal Studio, Repair Shop -Class A, School -Vocational or Trade, Sign Painting Shop, Work Shop.
Transportation and Storage:	Cold Storage Plant, Packaging Plant, Storage Warehouse.
Utility and Communication:	Public Utility, on a site not less than 61.0 m from any R district, Radiocommunication Station.
Wholesale:	Wholesaling – Class A.
Accessory Buildings:	Accessory Buildings customarily ancillary to any of the uses listed, under certain conditions.

HIGHEST & BEST USE

Real Estate is valued in terms of its optimum or “highest and best use”. Highest and best use is defined as:

“The 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 to the property”.

AS IMPROVED:

Legally Permissible: The subject property comprises an industrial/office building. The current use is a legal conforming use under the zoning.

Physically Possible: The subject property is rectangular in shape and is located on a high exposure corner, with frontage along Broadway one of the major east west corridors in the City of Vancouver. The subject property is located within walking distance of the Millennium Line Renfrew rapid transit station, which is highly desirable for office and industrial development.

While the existing building is in relatively good condition and is capable of providing a positive cashflow to the property it is an under improvement with an as built FSR of 0.67 compared to the allowable 3.00. As a result, most potential purchasers would view this property as a long term holding property with future redevelopment potential.

The subject property has access to all typical municipal services and as such redevelopment of the property would be possible once the existing tenancies expire in 2041.

Financially Feasible: The general industrial market, of which the subject is part, has been a significant area of strength in the economy over the past number of years. Lease rates, land prices and existing facility sale prices continue to reach new levels but are starting to show signs of levelling out. There is a limited supply of industrial product in Vancouver, with limited vacant industrial land available for industrial development. Vancouver also has the highest industrial leasing rates within the Lower Mainland.

Overall, the subject continues to generate a positive cash-flow, however at level below that of current market expectations. Even, if we were to consider a fully leased building at top of the market rental rates the capitalized value would fall close to but below current land values in the local market for similar product.

Colliers Q3 2021 Industrial Market Report indicates current industrial vacancy in the region is sitting at 0.5% with average asking rents of \$15.50 per sq.ft. up 13.2% year over year. There is considerable demand for new industrial/office product with existing projects under construction being largely pre-sold or pre-leased.

Maximum Profitability: The alternate uses are limited since the subject building was designed and constructed as a Storage warehouse, with office and or retail facing Broadway. However, as previously noted the existing building is an under improvement at 0.67 FSR compared to the allowable 3.00 FSR. Given the proximity to rapid transit a development with ground floor industrial and office above in either a strata or multi-tenant format constructed to maximize the allowable density would provide a greater residual land value than the current building.

Conclusion: Having regard to the discussion above, the current use of the subject land as developed with the existing use is a legal and conforming use, according to the applicable zoning guidelines. Given the subject’s location and surrounding developments, we are of the opinion that the current use as an industrial storage warehouse will provide a reliable holding income over the term of the remaining leases, however redevelopment of the property to a modern industrial office project would provide the highest residual land value. Current land values for similar product are higher than the current value of the subject property as an income producing asset.

The economic value of the existing use is not greater than the land value and this would be considered a long term holding site with future development potential.

As will be outlined later in the report the existing holding income compared to the underlying land value determined in this report reflects a yield of 1.66%. This is not inconsistent with holding income yields for long term development sites in the City of Vancouver which have ranged from 1.50% to 2.50% in recent years. We also note that there is opportunity to increase this return when future renewals are negotiated.

AS VACANT:

If the subject property were vacant and unimproved, and was able to be developed in the market as of today, it would generate the greatest value if it could be developed as an industrial and office strata that took advantage of the total allowable FSR of 3.0.

Therefore, under the existing zoning the highest and best use of the subject property as if vacant is determined to be a new industrial and office strata development, allowing it to maximize the available density.

APPROACHES TO VALUE

METHODS OF VALUATION

Generally, appraisers rely upon three basic approaches to estimate value: the Direct Comparison Approach, the Cost Approach, and the Income Approach. The decision to apply any one or all of these approaches is determined by the type of property being appraised.

- a.) Direct Comparison;
- b.) Extraction;
- c.) Allocation;
- d.) Land Residual;
- e.) Ground Rent Capitalization;
- f.) Subdivision Approach.

Direct Comparison Approach:

- Sales of similar, vacant parcels are analysed, compared, and adjusted to provide a value indication for the subject land being appraised. Direct comparison is the most common technique for valuing land, and it is the preferred method when comparable sales are available.

Extraction:

- An estimate of the depreciated cost of the improvements is deducted from the total sale price of the property to arrive at the land value. This technique is applicable when the buildings contributory value is small and relatively easy to identify (the technique is frequently used in rural areas).

Allocation:

- A ratio of land value to property value is extracted from comparable sales and applied to the sale price of the subject property to arrive at the land value. This technique is applicable when the number of vacant land sales is inadequate and is typically used as a check for reasonableness rather than a formal opinion of land value.

Land Residual:

- The gross revenue of hypothetical improvements is determined, and all costs associated with construction are deducted (hard costs, soft costs and developers profit). The remainder in the calculation is attributable to the land. This technique is only applicable in testing the feasibility of alternative uses of a particular site in highest and best use analysis or when land sales are not available.

Ground Rent Capitalization

- A market-derived capitalization rate is applied to the ground rent of the subject. This method is useful when comparable rents, rates, and factors can be development from an analysis of sales of leased land.

Subdivision Approach

- Direct and indirect costs and entrepreneurial profit are deducted from an estimate of the anticipated gross sales price of the finished lots, and the net sales proceeds are discounted to present value at a market-derived rate over the development and absorption period. This technique is applicable when vacant land that has the potential for development as a subdivision represents the likely highest and best use of the land.

The final step in the appraisal process is to reconcile the one or more value indications. In this reconciliation to provide one final estimate of market value, the purpose of the appraisal, the type of property, and the adequacy and reliability of the data studies, all influence the weight attributed to each of the approaches.

APPROACH TO ESTIMATING VALUE

In valuing development land, the Direct Comparison Approach is the generally preferred method of valuation. The unit of comparison used for smaller urban lots is usually the **price per sq.ft. buildable** which is based on a gross site building basis (FSR). Generally, brokers and developers reference sales based on the value per sq.ft. buildable net of Development Cost Levies (DCLs) and, as such, our analysis are most often concluded on this basis.

Cost associated with the demolition of the subject improvements have not been deducted from our value conclusion, as many of our comparable land sales will also incur demolition costs due to the buildings onsite.

SUMMARY OF EXISTING INCOME

INTRODUCTION EXISTING INCOME

As outlined in our highest and best use analysis the existing improvement on the subject property is old and would be considered an under-improvement near the end of its economic life. The value of the underlying land for future redevelopment purposes would be higher than the value of the property as improved. However, we have completed a high-level analysis of the existing income potential of the subject property to determine the current Year 1 Net Operating Income for determining the potential Holding Yield of the subject property, given that the current leases would prohibit redevelopment for roughly another twenty years.

REVENUE

Subject Leasing

Address	Tenant	Area (sq. ft.)	Units	Floor	Lease Start	Lease End	Annual Rent (\$)	Lease Type	Renewal	Termination	Comments
2772 E Broadway	Westcoast Child Care Resource Centre	5,835	8	20	May 1, 2021 - Apr. 30, 2026 May 1, 2026 - Apr. 30, 2031 May 1, 2031 - Apr. 30, 2036 May 1, 2036 - Apr. 30, 2041	\$17(1)	Gross Gross Gross Gross	No	Yes	Tenant signed an SLA for maintenance.	
2780 E. Broadway	Child, Youth and Family Innovation Centre Co-operative	13,299 10,379	35	20	May 1, 2021 - Apr. 30, 2026 May 1, 2026 - Apr. 30, 2036 May 1, 2036 - Apr. 30, 2041 May 1, 2021 - Apr. 30, 2026 May 1, 2026 - Apr. 30, 2036 May 1, 2036 - Apr. 30, 2041		Gross Gross Gross Gross	No	No		
2780 E Broadway	Ministry of Citizens' Services	9,477	35	20	May 1, 2021 - Apr. 30, 2026 May 1, 2026 - Apr. 30, 2031 May 1, 2031 - Apr. 30, 2036 May 1, 2036 - Apr. 30, 2041		Gross Gross	Two 5 year options	No		
2605 Kaslo Street	Vacant	6,562									Under renovation
2625 Kaslo Street	Satellite Video Exchange Society	7,094	6	5	Oct 1, 2019 - Sept. 30, 2024		Gross	No	No	Parking silent in Lease but Tenant uses 6 slots. Area based on current lease.	
2629 Kaslo Street	Waterman's Marketing Inc.	3,875	4	5	Nov 1, 2020 - Oct. 31, 2022 Nov 1, 2022 - Oct. 31, 2025		Gross Gross	No	Yes	Termination upon twelve months notice for demolition and redevelopment	
2631 Kaslo Street	Brilliant Cabinets Ltd.	10,450	10	10	Oct 1, 2018 - Sept. 30, 2023		Gross	Yes	No	1 Conditional Option to Renew for 5 Years, provided with 3st month rent free.	
2633 Kaslo Street	Vacant	18,435									Under renovation
2635 Kaslo Street	City of Vancouver Archives	14,906	3	3	Dec 1, 2021 - Nov 30, 2022 Dec 1, 2022 - Nov 30, 2023 Dec 1, 2023 - Nov 30, 2024		Gross Gross Gross	Yes	No	Lease rates currently being approved. Internal party.	

The subject is leased to seven tenants, Westcoast Child Care Resource Centre, Child, Youth and Family Innovation Centre Co-Operative, Ministry of Children & Family Development, Waterman's Marketing Inc, Satellite Video Exchange Society, Brilliant Cabinets Ltd, City of Vancouver Archives. Two of the units are vacant.

The subject property is currently under contract until at least 2041. The renewal options and termination agreements are listed on the chart above.

The subject space can be broken into two categories with the renovated space with frontage on Broadway being considered good quality office space with contract rents ranging from \$20.00 to \$25.00 per sq.ft. for spaces between 5,835 and 13,299 sq.ft.. The remaining units in the property are accessed off of Kaslo Street and would be considered average industrial space, with current contract rents ranging from \$13.00 to \$16.00 per sq.ft. for spaces between 3,875 and 18,435 per sq.ft.

Our review of the sample of leases provided suggests that all of the rental rates are gross rents with no property taxes payable by the tenants. This is a significant consideration as while the current owner is tax exempt any potential purchaser would not be and they would be considering the potential tax liability in any purchase decisions. Based on the previously established market tax expense of \$4.37 per sq.ft. the above noted rental rates would be reduced to \$15.63 to \$20.63 per sq.ft. for the office areas and \$8.63 to \$11.63 per sq.ft. for the industrial space.

LEASE COMPARABLES

Office Comparable Leases

No.	Address	Tenant	Start Date	Lease Type	Area (Sq. Ft.)	Term (Yrs.)	Rate	Per Sq. Ft.	Free Rent
1	Broadway Tech Centre 2920 Virtual Way Vancouver	Kinetic Engineering	Jul-20	New	55,000	7	1	s.21(1)	
							1		
							1		
							1		
							1		
							1		
							Avg:		
2	112 East 6th Avenue Vancouver	Shaman Technical Consulting Services	Dec-20	New	5,611	10	4		
							4		
							2		
							Avg:		
3	30 East 6th Avenue Vancouver	BTY Consultancy Group	Feb-21	Unknown	8,865	10	2		
							4		
							4		
							Avg:		
4	139 East 8th Avenue Vancouver	Vivreau Canada Inc.	Jul-20	New	6,635	7	2		
							1		
							2		
							Avg:		
5	3310-3330 Fraser Street Vancouver	Nurture Society	Jun-21	New	4,100	10	5		
							5		
							Avg:		

The comparable office lease deals shown above commenced between July 2020 and June 2021 and reflect average triple net rental rates between \$29.60 and \$45.40 per sq.ft. for east Vancouver space ranging in size from 4,100 sq.ft. to 55,000 sq.ft. We would expect the subject office space to achieve rates near the lower end of this range at \$30.00 per sq.ft triple net.

Industrial Comparable Leases

No.	Address	Tenant	Type	Start	Area (sq. ft.)	Term	Years	Net Rent (\$/sq. ft.)	Yrs. Monthly	Months	T/2	Reduced BATA	REN	
1	2748 Rupert Street Vancouver	The Very Good Food Company		Jun-21	6,318	10	2	s.17(1)						
							2							
							2							
							2							
							2							
							Avg:							
2	2750 Rupert Street Vancouver	Terra Housing Consultants		Jun-21	4,689	5	1							
							2							
							2							
							Avg:							
3	2752 Rupert Street Vancouver	D&D Optical Supply Ltd.		May-21	9,710	10	1							
							1							
							2							
							1							
							2							
							1							
							2							
							Avg:							
4	443 Terminal Avenue Vancouver	HD Supply - Brafasco	New	Oct-21	8,735	5	1							
							3							
							1							
							Avg:							
5	1201 Franklin Street Vancouver	Unknown	New	Mar-21	17,545	4	3							
							1							
							Avg:							
6	1410 East Georgia Street Vancouver	Unknown	New	Feb-21	5,620	5	2							
							2							
							1							
							Avg:							
7	1740 Powell Street Vancouver	Tesla Motors Canada	New	Apr-21	4,850	5	5							
							Avg:							

In terms of the industrial space within the subject property the comparable leases above reflect a range of triple net rental rates for recently negotiated deals between \$18.30 and \$26.00 per sq.ft. for industrial space in east Vancouver ranging in size from 4,850 sq.ft. to 17,545 sq.ft. We would expect the subject property to achieve a value near the lower end of the range due to the shared yard area and limited office build out of the existing units. We have selected a rate of \$18.00 per sq.ft. triple net to be applied to the vacant industrial units. This would be adjusted to \$22.37 per sq.ft. gross (\$18.00 psf + \$4.37 psf (Property Tax)) to be consistent with the other gross tenancies in the building for our analysis.

ADDITIONAL REVENUE

We are not aware of any additional revenue being achieved from the subject property.

EXPENSES

As previously noted, the subject space is leased on a gross basis and as such an adjustment for typical property tax expenses that would be incurred by a normal property owner will need to be deducted as part of our analysis. As per the "Assessment and Taxes" section of this report, based on the current 2022 assessed values and the 2021 tax rate (2022 tax rates will not be available until May) a property tax expense of \$438,316.63 has been estimated

VACANCY AND MISCELLANEOUS ALLOWANCES

Our discussions with institutional investors, potential purchasers and our investor survey suggest long term vacancy projections for industrial space to be between 1% and 3% for good quality buildings similar to the subject. With limited new space to be added to the industrial inventory, these rates are anticipated to remain low. For the subject, we have adopted a 3% vacancy allowance near the upper end of the range to reflect the higher level of office use.

Office vacancy in the region is currently reported to be in the 8.00% range by Cushman and Wakefield in their Q3 2021 Market Beat.

DETERMINATION OF NET OPERATING INCOME

Based upon the income discussion in the previous section, the Year 1 fully-leased net operating income using a market rent for the subject property is shown below:

YEAR 1 ESTIMATED NET OPERATING INCOME				
Income				
Unit	Tenant	Area sq.ft.	Year 1 Gross Rate Per Sq.ft.	Gross Income Per
2772 E Broadway	Wescoast Child Care Resource Centre	5,835	s.17(1)	
2780 E Broadway	Chld Youth and Family Innovation Centre Co-Operative	13,299		
2780 E Broadway	Ministry of Citizen's Services	9,477		
2625 Kaslo Street	Satellite Video Exchange Society	7,094		
2629 Kaslo Street	Waterman's Marketing Inc.	3,875		
2631 Kaslo Street	Brilliant Cabinet Ltd.	10,450		
2635 Kaslo Street	City of Vancouver Archives	14,906		
2605 Kaslo Street	Vacant	6,562		
2633 Kaslo Street	Vacant	18,435		
		100,312		
		Potential Gross Income		s.17(1)
		Less Vacancy @ 3%	s.17(1)	
		Effective Gross Income		s.17(1)
Operating Expenses				
		Property Tax Expense	s.17(1)	
NET OPERATING INCOME				s.17(1)
<i>NOI/Sq.ft.</i>				

COMPARABLE SALES

MARKET OVERVIEW

The Metro Vancouver 2020 Regional Industrial Lands Inventory report was recently released and the following are some of the key findings:

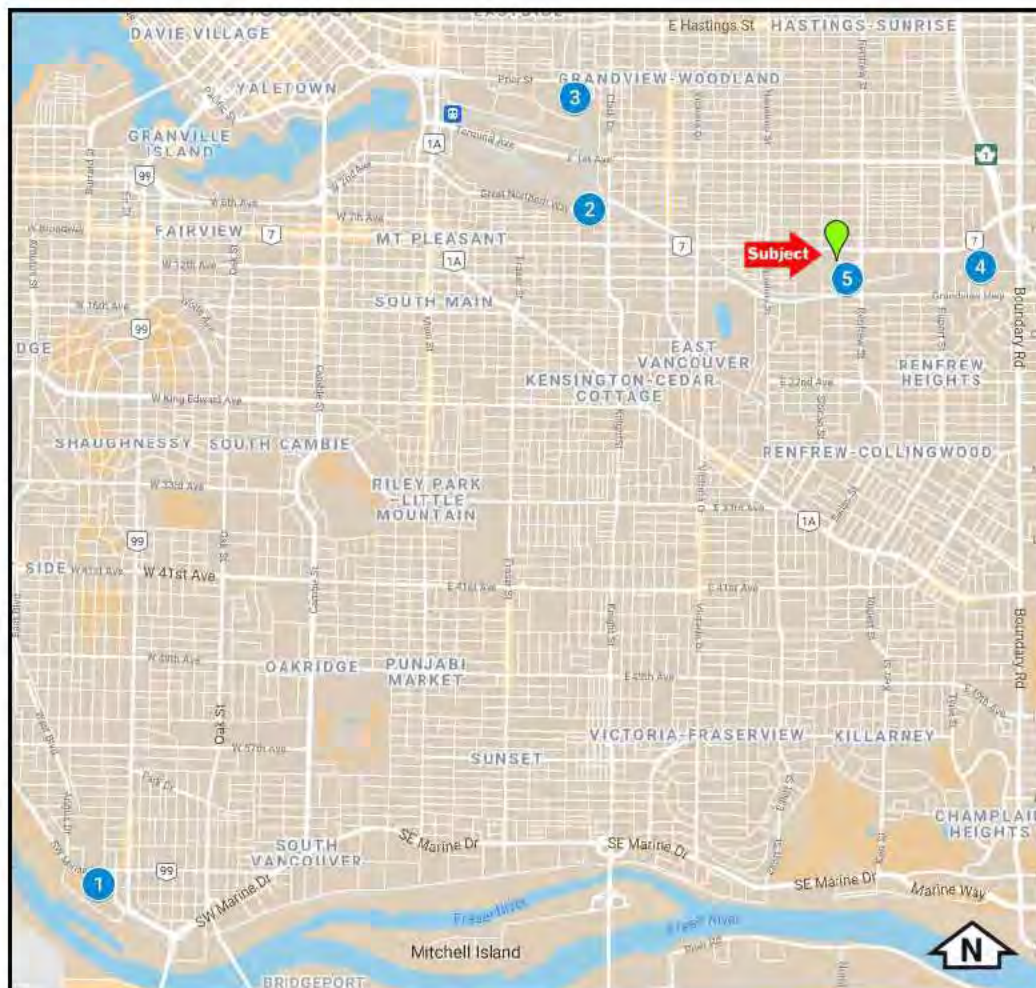
“There continues to be an increasing amount of industrial lands being used for non-industrial purposes, which poses a considerable threat to the industrial land base.”

“There are few remaining available large sites for “trade-oriented” logistics uses, which has impacts on business locating in the region and being able to stay and grow.”

“In terms of absorption (vacant lands becoming developed, or vice versa), 507 ha (1,253 ac) went from “Other/Vacant” to “Developed” status, while 23 ha (58 ac) of lands went from “Developed” to “Other/Vacant” status. This yielded a net absorption of 484 ha (1,196 ac) of lands over the five-year period, for an annual average of 97 ha (239 ac). (This reflects absorption since the previous inventory in 2015).”

This high absorption rate and critical lack of supply are significant contributors to the rising industrial land values being seen across the region.

MAP OF COMPARABLE SALES



COMPARABLE NO. 1



Jan-11-22

Address	8696-8700 Barnard Street, Vancouver
Zoning	I2
Purchaser	PC Urban
Closing Date	Sep-21
Negotiation Date	Aug-21
Sale Price	\$34,356,500
Site Size	121,589 sq.ft. / 2.791 gross acres
Max FSR	3.00
Max Buildable	364,767 sq.ft.
Price/Buildable	\$94
Price/Acre - Gross	\$12,308,425

- Holding yield of 2.24%
- Improved with 23-unit residential building and self-storage facility.
- Proposed for strata industrial project.

COMPARABLE NO. 2



Jan-11-22

Address	1155 East 6th Avenue, Vancouver
Zoning	I3
Land Use Plan	False Creek Flats Area Plan
Land Use Designation	Creative Campus
Vendor	JRS Ltd.
Purchaser	Low Tide + PCI
Closing Date	Sep-21
Negotiation Date	Jun-21
Sale Price	\$117,500,000
Site Size	91,597 sq.ft. / 2.103 gross acres
Proposed FSR	5.00
Proposed Buildable	457,985 sq.ft.
Price/Prop. Buildable	\$257
Price/Acre - Gross	\$55,878,468

- The comparable falls under the Intensified Employment designation within the False Creek Flats NCP.
- The outright density is 3.0 FSR while conditional density may be increased to 5.0 FSR (maximum FSR of 4.0 for office use). Outright height remains at 60 feet which may be increased to 150 feet conditionally.
- The property is located within the I-3 Sub Area A which specifies a density bonus rate of \$112.29 per sq.m. (or \$10.43 per sq.ft.) for density above 3.0 FSR and up to 5.0 FSR.

COMPARABLE NO. 3



Jan-11-22

Address	1140-1150 Raymur Avenue, Vancouver
Zoning	I2
Land Use Plan	False Creek Flats Plan
Land Use Designation	False Creek - Industrial Back-of-House
Vendor	Boffo Developments
Purchaser	Wesgroup Investments
Closing Date	Sep-20
Negotiation Date	Aug-20
Sale Price	\$30,500,000
Site Size	66,211 sq.ft. / 1.520 gross acres
Max FSR	3.00
Max Buildable	198,634 sq.ft.
Price/Buildable	\$154
Price/Acre - Gross	\$20,065,789

- Comparable property was actively marketed throughout the first half of 2020 (start of COVID-19 pandemic) and there was little interest
- The sale was negotiated in August 2020 and closed quickly in September 2020

COMPARABLE NO. 4



Jan-11-22

Address	2625-2645 Skeena Street and 2772 Natal Street, Vancouver
Zoning	I2
Vendor	Macro Development Corp., Gary Hammonds Ltd.
Purchaser	Edgar Development Corp.
Closing Date	Aug-18 to Jan-19
Negotiation Date	Apr-18 to Oct-18
Sale Price	\$45,140,000
Site Size	114,674 sq.ft. / 2.633 gross acres
Max FSR	3.00
Max Buildable	344,022 sq.ft.
Price/Buildable	\$131
Price/Acre - Gross	\$17,146,855

- Two properites acquired independently but will be assembled for future development
- I2 zoning has allowable 3.00 FSR.

COMPARABLE NO. 5



Mar-08-22

Address	2835 East 12th Avenue, Vancouver
Zoning	I2
Land Use Plan	Grandview-Boundary Mixed Employment Area Plan
Land Use Designation	CD1
Vendor	Uniland Holdings Ltd.
Purchaser	0736500 BC Ltd.
Closing Date	Nov-21
Sale Price	\$42,000,000
Site Size	60,704 sq.ft. / 1.394 gross acres
Max FSR	3.00
Max Buildable	182,112 sq.ft.
Price/Buildable	\$231
Price/Acre - Gross	\$30,138,376

- Located adjacent to the Renfrew skytrain station that is speculated for added density including residential rental atop commercial uses
- Holding income of \$421,620 indicates a holding cap of 1%

SUMMARY OF COMPARABLE SALES ANALYSIS

The following chart outlines the particulars of the selected sales comparables:

COMPARABLE LAND SALES									
No.	Address	Sale Date	Sale Price	Size (sq. ft.) (acres)	Zoning/OCP	Maximum Density:	Max FSI	S/acre	Price Per sq. ft. Buildable
1	8696-8700 Barnard Street Vancouver	Sep-21	\$34,356,500	121,576 (2.791 acres)	I-2 Industrial	Maximum Density:	3.00	\$12,308,425	\$94
2	1155 East 6th Avenue Vancouver	Sep-21	\$117,500,000	91,597 (2.103 acres)	I-3 Creative Campus	Maximum Density:	5.00	\$55,878,468	\$257
3	1140-1150 Raymur Avenue Vancouver	Sep-20	\$30,500,000	66,211 (1.52 acres)	I-2 Industrial	Maximum Density:	3.00	\$20,065,789	\$154
4	2625-2645 Skeena Street Vancouver	Aug-18 to Jan-19	\$45,140,000	114,674 (2.633)	I-2 Industrial	Maximum Density:	3.00	\$17,146,855	\$131
5	2835 E 12th Avenue Vancouver	Nov-21	\$42,000,000	60,704 (1.39 acres)	I-2 Industrial	Maximum Density:	3.00	\$30,215,827	\$231
Subject	2605-2625 Kaslo & 2772-2780 E Broadway Vancouver			148,975 (3.42 acres)	I2 Industrial	Maximum Density: 3.00			

The comparable transactions above reflect a range of value between \$94 and \$257 per sq.ft. buildable for future development sites ranging in size from 1.39 acres to 2.791 acres.

Comparable No. 1. – Is a recent sale of an I-2 zoned property in south Vancouver west of Granville Street. The property was improved with a number of older improvements; however, the purchaser intends to develop a modern industrial strata project. The sale indicates a price per sq.ft. buildable of \$94. A value above that indicated by this transaction would be supported for the subject property due to its higher exposure corner location on a major east west connector. Additionally, the subject property has a superior configuration and is located in closer proximity to rapid transit. Historically land values in south Vancouver have been lower than the subject area.

Comparable No. 2. –Relates to a September 2021 sale of 2.103 acre I-3 zoned property in the False Creek Flats area of Vancouver. This comparable represents the upper end of the range at \$257 per sq.ft. buildable. A value below that indicated by this transaction would be supported for the subject property, due to the comparables superior location adjacent to transit and the superior zoning of the comparable providing a higher density potential and more flexibility in uses. Additionally, we note that a premium was paid for this property by the purchaser who also own the adjacent site.

Comparable No. 3. – Is a September 2020 sale of a 1.152 acre I-2 zoned property just east of the False Creek area of Vancouver. A value above the \$154 per sq.ft. buildable indicated by this transaction would be supported for the subject property due to the subject properties superior exposure and closer proximity to rapid transit and retail services.

Comparable No. 4. – Relates to a 2018 and 2019 assembly with a total area of 2.633 acres. These I-2 zoned properties are located just east of the subject property and indicate a blended sale price of \$131 per sq.ft. buildable. Upward adjustments would be required to reflect market movement since the date of sale and the subjects superior location closer to rapid transit with excellent exposure. Overall, a value above that indicate by this transaction would be supported for the subject property.

Comparable No. 5. – closed as a share sale in November of 2021 for a reported contract price equivalent to \$231 per sq.ft. buildable. This comparable is located just south of the subject property. A value below that indicated by

this comparable would be supported for the subject property, due to its larger size. However, this is considered to be the best comparable as it is the most reflective of current market expectations for properties in the immediate area of the subject property. Similar to the subject this property is improved with an older industrial building and is considered to be a long term holding property with future redevelopment potential like the subject.

The discussion and analysis above indicated a value for the subject property above that indicated by comparable Nos. 1, 3 and 4 at \$94, \$154, and \$131 per sq.ft. buildable respectively. A value below that indicated by comparable Nos. 2 and 5 at \$257 and \$231 per sq.ft. buildable was suggested. Accordingly, we would expect the subject property to achieve a value between \$154 and \$231 per sq.ft. buildable. This is a relatively wide range, however given the close proximity and recent negotiation date for comparable No. 5 we have selected a value near the upper end of the range and have concluded a value of **\$200 per sq.ft. buildable** for the subject property

Estimated Market Value				
Land Size Sq.ft.	Max FSR	Buildable Sq.ft.	\$/Sq.ft. Buildable	Estimated Value
148,975	3	446,925	\$200	\$89,385,000
Rounded To:				\$89,400,000

Year 1 Holding Yield		
Year 1 NOI		
Estimated Market Value (Fully Leased)		Holding Yield
\$89,400,000	\$1,488,490	1.66%

We note the 1.66% holding yield indicated by our estimated market value is near the lower end of the range in the current market and this is due to the below market gross leases in place at this time. There would be upside potential for a potential purchaser to transition the industrial tenancies to full market triple net leases by 2024 and we feel the lower holding yield would be acceptable for the initial two years of the hold given this upside potential.

As discussed in the highest and best use section of the report the existing improvements are not contributing value to the subject property over and above the current underlying land value which indicates that they have reached the end of their economic life although they would be expected to contribute a positive cash flow to the property over the holding period (remaining term of the leases). In today's industrial land market in the City of Vancouver most industrial properties not improved to a 3.00 FSR would be considered redevelopment sites. This is due to the limited supply of industrial land in the City and the broader Metro Vancouver Region. While the subject property would not be immediately developable due to the leases in place in our experience this would not negatively impact the underlying land value. Due to high land values in the City capitalization rates have compressed and many investors are willing to accept long term holding rates between 1.50% and 2.50%. As previously noted the subject's current income would provide a yield near the lower end of this range but there is potential to increase returns in the future upon tenant turnover and renewal. If the overall yield was below what was being seen by the market i.e. less than 1.00% than an adjustment would be considered to account for the period over which a below market return would be achieved, however no such adjustment is warranted in this situation due to the ability to increase future holding yields upon renewal and tenant turnover. Additionally, we note that in the current constrained land market there is no market evidence to suggest a vendor would accept a value below that of the underlying land value as there are so few alternatives for purchasers.

VALUATION

VALUATION BY THE DIRECT COMPARISON APPROACH

Total Buildable Site Area: 446,925 sq.ft. @ \$200 per sq.ft buildable. = \$89,385,000.
Rounded:\$89,400,000.

VALUATION SUMMARY

Therefore, based upon the discussion and analysis set out in this report we conclude that a value of **\$89,400,000** is appropriate for the subject.

FINAL VALUE CONCLUSION

Final Value: \$89,400,000.

Having regard to all information available to us and based on an exposure time of three to six months prior to the date of valuation.

Date of Value: January 11, 2022.

Date of Viewing: January 10, 2022.

Going-In Yield Rate: 1.66%.

CERTIFICATION

I certify that, to the best of my knowledge and belief that:

1. The statements of fact contained in this report are true and correct;
2. The reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions and are my impartial and unbiased professional analyses, opinions and conclusions;
3. I have no past, present or prospective interest in the property that is the subject of this report and no personal and/or professional interest or conflict with respect to the parties involved with this assignment.
4. I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment;
5. My engagement in and compensation is not contingent upon developing or reporting predetermined results, the amount of value estimate, a conclusion favouring the client, or the occurrence of a subsequent event.
6. My analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the CUSPAP.
7. I have the knowledge and experience to complete this assignment competently, and where applicable this report is co-signed in compliance with CUSPAP;
8. Except as herein disclosed, no one has provided significant professional assistance to the person(s) signing this report;
9. As of the date of this report the undersigned has fulfilled the requirements of the AIC's Continuing Professional Development Program;
10. The undersigned is (are all) members in good standing of the Appraisal Institute of Canada.

CO-SIGNING AIC APPRAISER'S CERTIFICATION: If an AIC appraiser has co-signed this appraisal report, he or she certifies and agrees that "I directly supervised the appraiser who prepared this appraisal report and, having reviewed the report, agree with the statements and conclusions of the appraiser, agree to be bound by the appraiser's certification and am taking full responsibility for the appraisal and the appraisal report."

PROPERTY IDENTIFICATION

CIVIC ADDRESS	2605-2625 Kaslo Street & 2772-2780 East Broadway, Vancouver, BC.
LEGAL DESCRIPTION	Lot 2, South 1/2 of Section 35, Town Of Hastings Suburban Lands Plan 9744. PID #: 009-551-581.

Based upon the data, analyses and conclusions contained herein, the market value of the leased fee interest in the property described.

As at January 10, 2022, is estimated at \$89,400,000

As set out elsewhere in this report, this report is subject to certain assumptions and limiting conditions, the verification of which is outside the scope of this report.

APPRAISER:



Nathan Nottingham
B.A., RI, AACI, P.App
Manager, Valuation
AIC Membership # 904534

Viewed Property: Yes
Date of Viewing: January 10, 2022.
Date Signed: April 4, 2022.

NOTE: For this appraisal to be valid, an original or a password protected digital signature is required.



ADDENDUM A

Scope of Investigation

The scope of the appraisal encompasses the necessary research and analysis to prepare an appraisal report in accordance with the intended use, the Ethics and Standard of Professional Practice, and the Canadian Uniform Standards of Professional Appraisal Practice (CUSPAP) of the Appraisal Institute of Canada (AIC). CUSPAP was adopted on January 1, 2001 (Amended effective January 1, 2020) by the AIC, and is required to be followed by all members of the AIC for all appraisals.

In regard to the subject property, this involved the following steps:

1. Viewing of the subject property was undertaken on January 10, 2022. All photographs of the subject property were taken on that date. A sampling of units was viewed on this date.
2. Acquisition of Regional, City, District and Neighbourhood data from the City of Vancouver, Statistics Canada and other market sources.
3. Zoning and site information obtained from the City of Vancouver, the site plan and from a physical viewing of the property.
4. Review of information obtained from the City of Vancouver which includes such details on: taxes, building and development, regional and neighbourhood trends and land use policies.
5. Review of statistical data from the Land Registry, Canada Mortgage and Housing, the Multiple Listing Service (Paragon) and information available from the British Columbia Assessment Authority.
6. Estimation of the highest and best use of the subject property.
7. Estimation of the value of the subject property by **the Direct Comparison Approach. The Cost Approach and Income Approach were not used for reasons discussed in the report.**
8. Obtained rent roll information from the property owner or their representatives. This information is assumed to be accurate. No accounting audit has been done to this information.
9. Final Estimate of Market Value was prepared, subject to the Assumptions and Limiting Conditions of the Appraisal.
10. Completion of any technical surveys or investigations were not undertaken, such as:
 - detailed viewing of the structure, roof or mechanical systems;
 - viewing of fire safety equipment;
 - a survey of the site;
 - investigations into the load bearing qualities of the soils;
 - an environmental review of the property;
 - environmental assessment of the land.
11. Final Value excludes all sub-surface (mineral, oil, etc.) rights, as well as timber rights, if any exist.



ADDENDUM B

**Assumptions, Limiting
Conditions, Disclaimers and
Limitations of Liability**

- This appraisal is not valid unless original signatures are evident.
- The report assumes that there is no change in the physical or leasable status of the subject property between the valuation date, viewing date and date of this report.
- It is assumed that there are no existing leases or financial encumbrances affecting the subject property as of the effective date of appraisal, unless expressly noted within this report.
- The subject photos were taken on the date of viewing , unless otherwise noted.
- Possession of this report, or a copy thereof, does not carry with it the right to reproduction or publication, in whole or in part, nor may it be used for any purpose by any other than the recipient, without the written consent and approval of Ryan ULC.
- Neither all nor any part of the contents of this report shall be disseminated or otherwise conveyed to the public through advertising media, public relations media, news media, sales media or any other media for public communication documentation without the prior written consent and approval of the firm, Ryan ULC.
- The title search is attached as an addendum to this report. The individual documents outlined in the title search have neither been provided nor reviewed and it is assumed that, unless specifically indicated within this report, they would not have an impact upon value. If there are any concerns regarding these documents, we would advise the reader to obtain appropriate legal advice.
- Nothing in this report is intended as a legal opinion as to the state of the title. This report is prepared on the premise that the property is free and clear of all liens or encumbrances, except as shown on the title search and interpreted herein, and on the assumption that the improvements do not encroach onto adjacent lands.
- We are not environmental consultants or geotechnical engineers and have not been provided with any soils surveys or other environmental studies on the subject property. As such, we do not know if the subject site and improvements are free of soil contamination or environmental problems. For the purpose of this report, it is assumed that the subject does not suffer from any environmental or geotechnical problems. The reader is cautioned that if such a problem were to exist, it could have an impact on value.
- The author is not a qualified land surveyor and no legal survey concerning the subject property has been provided. Site dimensions, areas, diagrams and photographs, etc., are presented in this report for the limited purpose of illustration and are not to be relied upon in themselves.
- No investigation has been undertaken with the local zoning office, the fire department, the building inspector, the health department or any other government regulatory agency unless such investigations are expressly represented to have been made in this report. The subject property must comply with such government regulations and, if it does not comply, its non-compliance may affect market value. To be certain of compliance, further investigation may be necessary.
- The analysis set out in this report relied upon written and verbal information of market transactions, data and statistics obtained from a variety of sources we considered reliable. A concerted effort was made to verify the accuracy of the information herein contained. Since this appraisal is not intended to be used for court purposes or arbitration, some of the information set out in this report may not have been fully documented or confirmed by reference to primary sources.

LIMITING CONDITION

- The outbreak of the Novel Coronavirus (COVID-19), declared by the World Health Organization as a “Global Pandemic” on March 11, 2020, has impacted global financial markets. Travel restrictions have been implemented by many countries.
- Market activity is being impacted in many industry sectors. As of the effective date, the undersigned considers that less weight can be attached to previous market evidence for comparison purposes, to inform opinions of value. Indeed, the current response to COVID-19 means that we are faced with an unprecedented set of circumstances on which to base an opinion of value.
- Consequently, less certainty – and a higher degree of caution – should be attached to this point-in-time valuation assignment than would normally be the case. Given the unknown future impact that COVID-19 might have on the real estate market, the undersigned recommends that clients and intended users keep the valuation of this property under frequent review.

The certification that appears in this report is subject to compliance with the Personal Information and Electronics Documents Act (PIPEDA), Canadian Uniform Standards of Professional Appraisal Practice (“CUSPAP”) and the following conditions:

1. This report is prepared only for the client and authorized users specifically identified in this report and only for the specific use identified herein. No other person may rely on this report or any part of this report without first obtaining consent from the client and written authorization from the authors. Liability is expressly denied to any other person and, accordingly, no responsibility is accepted for any damage suffered by any other person as a result of decisions made or actions taken based on this report. Liability is expressly denied for any unauthorized user or for anyone who uses this report for any use not specifically identified in this report. Payment of the appraisal fee has no effect on liability. Reliance on this report without authorization or for an unauthorized use is unreasonable.
2. Because market conditions, including economic, social and political factors, may change rapidly and, on occasion, without warning, this report cannot be relied upon as of any date other than the effective date specified in this report unless specifically authorized by the author(s).
3. The author will not be responsible for matters of a legal nature that affect either the property being appraised or the title to it. The property is appraised on the basis of it being under responsible ownership. No registry office search has been performed and the author assumes that the title is good and marketable and free and clear of all encumbrances. Matters of a legal nature, including confirming who holds legal title to the appraised property or any portion of the appraised property, are outside the scope of work and expertise of the appraiser. Any information regarding the identity of a property’s owner or identifying the property owned by the listed client and/or applicant provided by the appraiser is for informational purposes only and any reliance on such information is unreasonable. Any information provided by the appraiser does not constitute any title confirmation. Any information provided does not negate the need to retain a real estate lawyer, surveyor or other appropriate experts to verify matters of ownership and/or title.
4. Verification of compliance with governmental regulations, bylaws or statutes is outside the scope of work and expertise of the appraiser. Any information provided by the appraiser is for informational purposes only and any reliance is unreasonable. Any information provided by the appraiser does not negate the need to retain an appropriately qualified professional to determine government regulation compliance.
5. No survey of the property has been made. Any sketch in this report shows approximate dimensions and is included only to assist the reader of this report in visualizing the property. It is unreasonable to rely on this report as an alternative to a survey, and an accredited surveyor ought to be retained for such matters.
6. This report is completed on the basis that testimony or appearance in court concerning this report is not required unless specific arrangements to do so have been made beforehand. Such arrangements will include, but not necessarily be limited to: adequate time to review the report and related data, and the provision of appropriate compensation.
7. Unless otherwise stated in this report, the author has no knowledge of any hidden or unapparent conditions (including, but not limited to: its soils, physical structure, mechanical or other operating systems, foundation, etc.) of/on the subject property or of/on a neighbouring property that could affect the value of the subject property. It has been assumed that there are no such conditions. Any such conditions that were visibly apparent at the time of inspection or that became apparent during the normal research involved in completing the report have been noted in the report. This report should not be construed as an environmental audit or detailed property condition report, as such reporting is beyond the scope of this report and/or the qualifications of the author. The author makes no guarantees or warranties, express or implied, regarding the condition of the

property, and will not be responsible for any such conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. The bearing capacity of the soil is assumed to be adequate.

8. The author is not qualified to comment on detrimental environmental, chemical or biological conditions 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 which may include but are not limited to moulds and mildews or the conditions that may give rise to either. Any such conditions that were visibly apparent at the time of inspection or that became apparent during the normal research involved in completing the report have been noted in the report. It is an assumption of this report that the property complies with all regulatory requirements concerning environmental, chemical and biological matters, and it is assumed that the property is free of any detrimental environmental, chemical legal and biological conditions that may affect the market value of the property appraised. If a party relying on this report requires information about or an assessment of detrimental environmental, chemical or biological conditions that may impact the value conclusion herein, that party is advised to retain an expert qualified in such matters. The author expressly denies any legal liability related to the effect of detrimental environmental, chemical or biological matters on the market value of the property.

9. The analyses set out in this report relied on written and verbal information obtained from a variety of sources the author considered reliable. Unless otherwise stated herein, the author did not verify client-supplied information, which the author believed to be correct.

10. The term "inspection" refers to observation only as defined by CUSPAP and reporting of the general material finishing and conditions observed for the purposes of a standard appraisal inspection. The inspection scope of work includes the identification of marketable characteristics/amenities offered for comparison and valuation purposes only.

11. The opinions of value and other conclusions contained herein assume satisfactory completion of any work remaining to be completed in a good and workmanlike manner. Further inspection may be required to confirm completion of such work. The author has not confirmed that all mandatory building inspections have been completed to date, nor has the availability/issuance of an occupancy permit been confirmed. The author has not evaluated the quality of construction, workmanship or materials. It should be clearly understood that this visual inspection does not imply compliance with any building code requirements as this is beyond the professional expertise of the author.

12. The contents of this report are confidential and will not be disclosed by the author to any party except as provided for by the provisions of the CUSPAP and/or when properly entered into evidence of a duly qualified judicial or quasi-judicial body. The author acknowledges that the information collected herein is personal and confidential and shall not use or disclose the contents of this report except as provided for in the provisions of the CUSPAP and in accordance with the author's privacy policy. The client agrees that in accepting this report, it shall maintain the confidentiality and privacy of any personal information contained herein and shall comply in all material respects with the contents of the author's privacy policy and in accordance with the PIPEDA.

13. The author has agreed to enter into the assignment as requested by the client named in this report for the use specified by the client, which is stated in this report. The client has agreed that the performance of this report and the format are appropriate for the intended use.

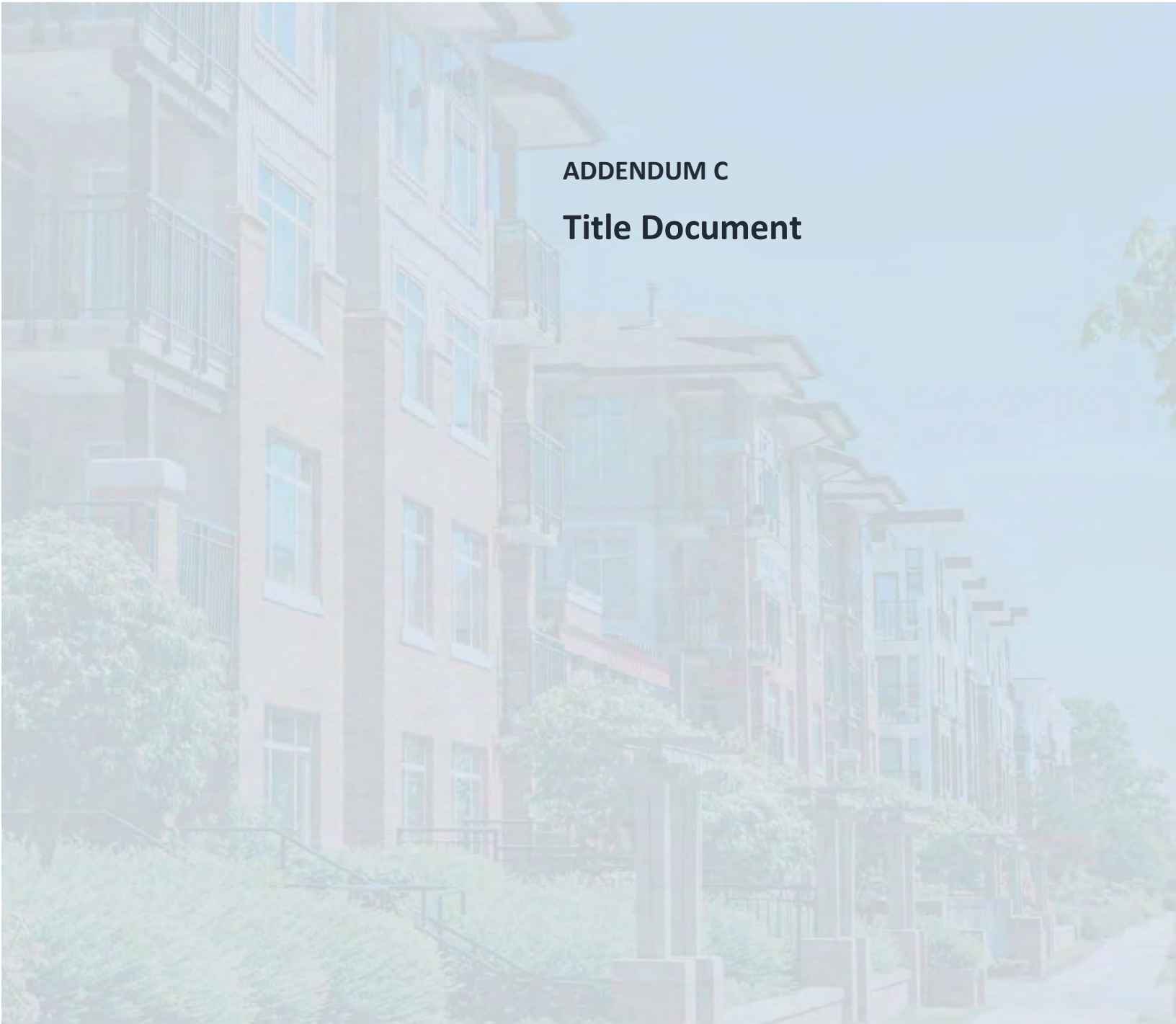
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ADDENDUM C

Title Document

TITLE SEARCH PRINT

File Reference: A2111-5853
Declared Value \$ 4240000

2022-01-04, 17:46:23
Requestor: Cameron Kotula

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

Land Title District	VANCOUVER
Land Title Office	VANCOUVER
Title Number	BW461246
From Title Number	BN213863
Application Received	2004-10-06
Application Entered	2004-10-27
Registered Owner in Fee Simple	
Registered Owner/Mailing Address:	CITY OF VANCOUVER 453 WEST 12TH AVENUE VANCOUVER, BC V5Y 1V4
Taxation Authority	Vancouver, City of
Description of Land	
Parcel Identifier:	009-551-581
Legal Description:	LOT 2 SOUTH 1/2 OF SECTION 35 TOWN OF HASTINGS SUBURBAN LANDS PLAN 9744
Legal Notations	
	NOTICE OF INTEREST, BUILDERS LIEN ACT (S.3(2)), SEE BW510904 FILED 2004-11-05
Charges, Liens and Interests	
Nature:	EASEMENT AND INDEMNITY AGREEMENT
Registration Number:	261723M
Registration Date and Time:	1957-12-03 14:02
Registered Owner:	CITY OF VANCOUVER
Nature:	RIGHT OF WAY
Registration Number:	261724M
Registration Date and Time:	1957-12-03 14:03
Registered Owner:	CITY OF VANCOUVER

TITLE SEARCH PRINT

File Reference: A2111-5853
Declared Value \$ 4240000

2022-01-04, 17:46:23
Requestor: Cameron Kotula

Nature: EASEMENT AND INDEMNITY AGREEMENT
Registration Number: 265868M
Registration Date and Time: 1958-03-03 12:36
Registered Owner: CITY OF VANCOUVER

Nature: RIGHT OF WAY
Registration Number: 321681M
Registration Date and Time: 1961-01-03 14:25
Registered Owner: BRITISH COLUMBIA HYDRO AND POWER AUTHORITY
BRITISH COLUMBIA TELEPHONE COMPANY
INTER ALIA
Remarks: ASSIGNMENT OF RIGHT OF WAY 282966M
RECEIVED 15/12/1958 14:40
MODIFIED BY BJ215628
MODIFIED BY BR199875
MODIFIED BY BB981018
MODIFIED BY BB1708809

Nature: CLAIM OF BUILDERS LIEN
Registration Number: WX2169365
Registration Date and Time: 2021-09-20 10:52
Registered Owner: COAST BUILDING SUPPLIES LTD.

Nature: CLAIM OF BUILDERS LIEN
Registration Number: WX2169433
Registration Date and Time: 2021-09-21 13:55
Registered Owner: RON'S INSULATION 2002 LTD

Duplicate Infeasible Title NONE OUTSTANDING

Transfers NONE

Pending Applications NONE



ADDENDUM D

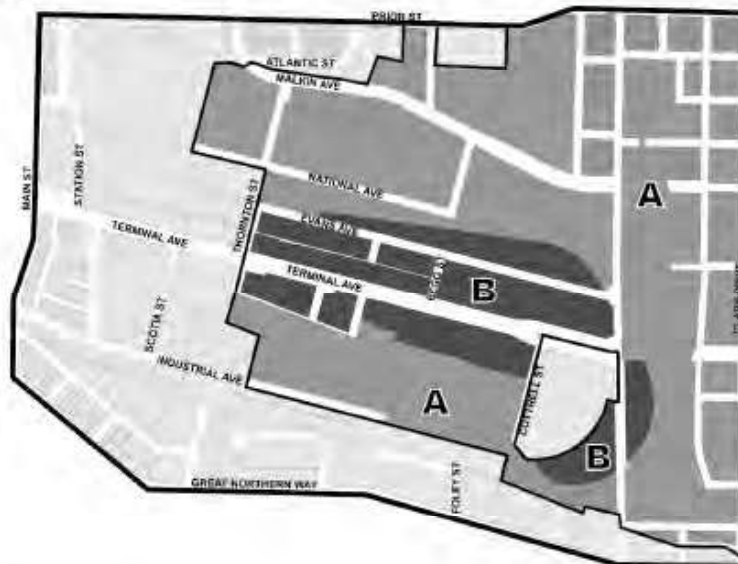
Zoning Bylaw

I-2 District Schedule

1 Intent

- 1.1 The intent of this Schedule is to permit industrial and other uses that are generally incompatible with residential land use but are beneficial in that they provide industrial and service employment opportunities or serve a useful or necessary function in the city. It is not the intent, however, to permit uses that are potentially dangerous or environmentally incompatible when situated near residential districts.
- 1.2 Within the False Creek Flats, bounded by Prior Street, Clark Drive, Great Northern Way and Main Street, I-2 is to include two sub-areas as illustrated in Figure 1, solely for the purpose of establishing permitted uses, setbacks, height, floor area and building width and depth. Sites with a frontage on Prior Street west of Malkin are not included as part of sub-area A or B.

Figure 1



2 Outright Approval Uses

- 2.1 Subject to all other provisions of this By-law, including the additional regulations in section 10.20 of this By-law, and to compliance with section 2.3 and the regulations of this Schedule, the uses noted in section 2.2 shall be permitted in this District and shall be issued a permit.
- 2.2 Uses
- 2.2.A
 - Accessory Buildings customarily ancillary to any of the uses listed in this Schedule, except that:

- (a) an accessory building must not exceed 4.6 m in height, and must not exceed 3.7 m in height measured to the highest point of the roof if a flat roof, to the deck line of a mansard roof, or to the mean height level between the eaves and ridge of a gable, hip, or gambrel roof;
 - (b) not applicable [Location]
 - (c) an accessory building's total floor area, measured to the extreme outer limits of the building, must not exceed 10% of the total area of the site.
- Accessory Uses customarily ancillary to any of the uses listed in this section, but not including accessory retail use in conjunction with wholesale uses listed in Section 2.2.W, provided that, unless permitted as an outright approval use pursuant to Section 2.2 of this schedule, the total floor area of all accessory uses is not greater than 33 1/3 percent of the gross floor area of the principal and accessory uses combined, and provided that the floor area in accessory retail use, except for accessory retail use associated with an Artist Studio, is separated by a wall from the floor area in other uses which shall be inaccessible to the general public.

2.2.C [Cultural and Recreational]

- Artist Studio – Class A, provided that the use must not be combined with a Residential Unit.
- Artist Studio – Class B, provided that the building contains no dwelling use other than a caretaker dwelling.
- Artist Studio – Class A, but only in sub-area A or B as shown in Figure 1.
- Artist Studio – Class B, but only in sub-area A or B as shown in Figure 1.
- Arts and Culture Indoor Event.

2.2.M [Manufacturing]

- Bakery Products Manufacturing.
- Batteries Manufacturing.
- Chemicals or Chemical Products Manufacturing - Class B.
- Clothing Manufacturing.
- Dairy Products Manufacturing.
- Electrical Products or Appliances Manufacturing.
- Food or Beverage Products Manufacturing - Class B.
- Furniture or Fixtures Manufacturing.
- Ice Manufacturing.
- Information Communication Technology Manufacturing.
- Jewellery Manufacturing.
- Leather Products Manufacturing.
- Machinery or Equipment Manufacturing.
- Metal Products Manufacturing - Class B.
- Miscellaneous Products Manufacturing - Class B.
- Motor Vehicle Parts Manufacturing.
- Non-metallic Mineral Products Manufacturing - Class B.
- Paper Products Manufacturing.
- Plastic Products Manufacturing.
- Printing or Publishing.
- Rubber Products Manufacturing.
- Shoes or Boots Manufacturing.
- Textiles or Knit Goods Manufacturing.
- Tobacco Products Manufacturing.
- Transportation Equipment Manufacturing.
- Wood Products Manufacturing - Class B.

- 2.2.R [Retail]
- Gasoline Station - Full Serve, but not in sub-area A or B as shown in Figure 1.
- 2.2.S [Service]
- Animal Clinic.
 - Catering Establishment.
 - Laboratory.
 - Laundry or Cleaning Plant.
 - Motor Vehicle Repair Shop.
 - Motor Vehicle Wash.
 - Photofinishing or Photography Laboratory.
 - Photofinishing or Photography Studio, but only in sub-area A or B as shown in Figure 1.
 - Production or Rehearsal Studio.
 - Repair Shop - Class A.
 - School - Vocational or Trade.
 - Sign Painting Shop.
 - Work Shop.
- 2.2.T [Transportation and Storage]
- Cold Storage Plant.
 - Packaging Plant.
 - Storage Warehouse.
- 2.2.U [Utility and Communication]
- Public Utility, on a site not less than 61.0 m from any R district.
 - Radiocommunication Station.
- 2.2.W [Wholesale]
- Wholesaling - Class A.
- 2.3 Conditions of Use
- 2.3.1 No use listed in section 2.2 of this Schedule shall involve the bulk storage, pending ultimate distribution off site of explosives, fireworks, ammunition, matches, or flares; radioactive material; coal tar products or derivatives; or, except for a full serve gasoline station, compressed gas or petroleum.
- 2.3.2 No use listed in section 2.2 of this Schedule shall involve the bulk storage, other than wholly within a completely enclosed building, of lime; fertilizer, toxic or corrosive chemicals or acids; flammable liquids or solids; scrap or junk; rags or cotton waste; fungicides, herbicides or pesticides; paint, varnish, oil shellac or turpentine; grain, hops, or sugar; fish, fish oil or meal, animal oil or fat, or vegetable oil.
- 2.3.3 No use listed in section 2.2 of this Schedule, except for an animal clinic or laboratory, shall involve the keeping of live animals, live poultry or other fowl.
- 2.3.4 No use listed in section 2.2 of this Schedule, except for a full serve gasoline station, shall involve the storage of goods or materials other than wholly within a completely enclosed building.

3 Conditional Approval Uses

- 3.1 Subject to all other provisions of this By-law, including the additional regulations in section 10.20 of this By-law, and compliance with section 3.3 and the provisions and regulations of this Schedule, the Director of Planning or the Development Permit Board may approve any of the uses listed in section 3.2 of this Schedule, with or without conditions, provided that the Director of Planning or the Development Permit Board first considers:
- (a) the intent of this Schedule and all applicable policies and guidelines adopted by Council; and
 - (b) the submission of any advisory group, property owner or tenant.
- 3.2 Uses
- 3.2.A
- Accessory Buildings to any of the uses listed in this Schedule, except as provided for in section 2.2.A of this Schedule.
 - Accessory Uses to any of the uses listed in this Schedule, other than as provided for in section 2.2.A of this Schedule.
- 3.2.AG [Agricultural]
- Urban Farm - Class B.
- 3.2.C [Cultural and Recreational]
- Artist Studio - Class B.
 - Community Centre or Neighbourhood House.
 - Marina.
 - Park or Playground.
- 3.2.D
- Deposition or extraction of material so as to alter the configuration of the land.
- 3.2.DW [Dwelling]
- Dwelling Unit for a caretaker or watchman or other person similarly employed, if such dwelling unit is considered to be essential to the operation of the business or establishment, but not in sub-area A or B as shown in Figure 1.
 - Residential Unit associated with and forming an integral part of an Artist Studio - Class B, provided that the change of use applies to floor area existing as of February 26, 2013 and additions are limited to a maximum of 10 percent of the existing floor area, but not in sub-area A or B as shown in Figure 1.
- 3.2.I [Institutional]
- Ambulance Station.
 - Child Day Care Facility.
 - Public Authority Use.
 - Social Service Centre.
- 3.2.M [Manufacturing]
- Brewing or Distilling.
 - Chemicals or Chemical Products Manufacturing - Class A.
 - Creative Products Manufacturing, but only in sub-area B as shown in Figure 1.
 - Food or Beverage Products Manufacturing - Class A.
 - Linoleum or Coated Fabrics Manufacturing.

- Miscellaneous Products Manufacturing - Class A.
 - Non-metallic Mineral Products Manufacturing - Class A.
 - Paper Manufacturing.
 - Rubber Manufacturing.
 - Vegetable Oil Manufacturing.
- 3.2.O [Office]
- General Office, including Digital Entertainment and Information Communication Technology, but not including the offices of accountants, lawyers and notary publics, nor the offices of real estate, advertising, insurance, travel and ticket agencies.
- 3.2.P [Parking]
- Parking Uses.
- 3.2.R [Retail]
- Farmers' Market. Compatibility with nearby sites, parking, traffic, noise, hours of operation, size of facility, pedestrian amenity.
 - Furniture or Appliance Store.
 - Gasoline Station - Split Island.
 - Public Bike Share.
 - Retail Store, but limited to:
 - Retail Store for the renting of merchandise in which the exclusive use of at least 50% of the floor area is for the storage of inventory.
 - Limited Service Food Establishment, which means the use of premises for the primary purpose of selling, or selling and serving, prepared food to the public during all hours of operation, where the premises include not more than 16 indoor or outdoor seats for customers consuming food purchased on the premises, but where customers may also purchase food for take-out, and where live entertainment is not available.
 - convenience store, in conjunction with a Gasoline Station – Full Serve or Gasoline Station – Split Island.
 - Accessory Retail Use.
 - Vehicle Dealer, but not in sub-area A as shown in Figure 1.
- 3.2.S [Service]
- Auction Hall.
 - Funeral Home.
 - Laundromat or Dry Cleaning Establishment.
 - Photofinishing or Photography Studio.
 - Print Shop.
 - Repair Shop - Class B.
 - Restaurant - Class 1.
- 3.2.T [Transportation and Storage]
- Aircraft Landing Place.
 - Bulk Data Storage.
 - Booming Ground.
 - Marine Terminal or Berth.
 - Mini-storage Warehouse, but not in sub-area A or B as shown in Figure 1.
 - Railway Station or Rail Yard.
 - Storage Yard.
 - Taxicab or Limousine Station.

- Truck Terminal or Courier Depot.
- Weighing or Inspection Station.
- Works Yard.

3.2.U [Utility and Communication]

- Public Utility, other than as provided for in section 2.2.U of this Schedule.
- Recycling Depot.
- Waste Disposal Facility, but limited to the transfer, sorting or recycling of refuse or garbage.

3.2.W [Wholesale]

- Cardlock Fuel Station.
- Junk Yard or Shop existing as of November 26, 1996.
- Lumber and Building Materials Establishment.
- Wholesaling - Class B.

3.2.Z

- Any other use which is not specifically listed and defined as a use in section 2 of this By law but which the Director of Planning considers comparable in nature to the uses listed in this Schedule, having regard to the intent of this District Schedule.

- A use which is listed in section 2 of this Schedule but does not comply with the conditions of use in section 2.3.

3.3 Conditions of Use

3.3.1

Uses listed in section 3.2 of this Schedule, except for approved Transportation and Storage Uses, must not involve the bulk storage, pending ultimate distribution off site, of explosives, fireworks, ammunition, matches, or flares, radioactive material; coal tar products or derivatives; or, except for a split island gasoline station, compressed gas or petroleum.

3.3.2

No use listed in section 3.2 of this Schedule shall involve the bulk storage, other than wholly within a completely enclosed building or suitably contained for distribution off-site, of lime; fertilizer; toxic or corrosive chemicals or acids; flammable liquids or solids; rags or cotton waste; fungicides, herbicides or pesticides; paint, varnish, oil shellac or turpentine; grain, hops, or sugar; fish, fish oil or meal, animal oil or fat, or vegetable oil.

3.3.3

No use listed in section 3.2 of this Schedule, except for a retail store, shall involve the keeping of live animals.

3.3.4

No use listed in section 3.2 of this Schedule shall involve the storage of goods or materials other than wholly within a completely enclosed building unless the yard or portion of the yard containing the goods or materials is enclosed by a suitable fence or wall restricting public access.

3.3.5

Except for entrances, Bulk Data Storage use shall not be permitted at the ground floor.

4 Regulations

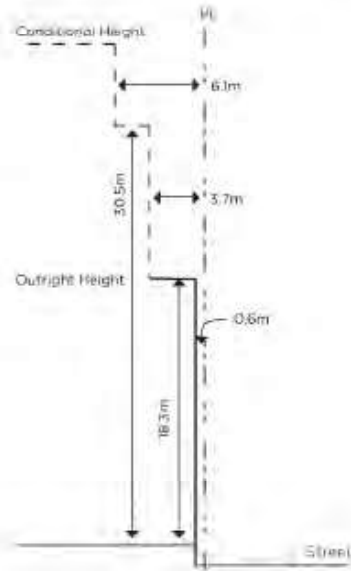
All uses approved under sections 2 and 3 of this District Schedule shall be subject to the following regulations.

- 4.1 Site Area – Not Applicable.
- 4.2 Frontage -- Not Applicable.

- 4.3 Height
- 4.3.1 The maximum height of a building shall be 18.3 m, and in sub-areas A and B, except for buildings existing as of October 31, 2017:
- (a) the floor to floor height of the first floor of a building must measure a minimum of 6.0 m; and
 - (b) the floor to floor height of any floor above the first floor of a building must measure a minimum of 4.0 m.
- 4.3.2 In all areas of the I-2 District except sub-area B, the Director of Planning or the Development Permit Board, as the case may be, may permit an increase in the maximum height of a building to a height not exceeding 30.5 m with respect to any development provided that consideration is given to:
- (a) the intent of this Schedule, all applicable policies and guidelines adopted by Council and the relationship of the development with nearby residential districts;
 - (b) the submission of any advisory group, property owner or tenant; and
 - (c) the effect of building height, bulk and siting on daylight access and visual privacy of developments in nearby residential districts. Daylight access can be adequately maintained if there is no shadow impact at 10 a.m., noon and 2 p.m. on September 21 and March 21. Visual privacy can be achieved by separating building facades by 24.4 m.
- 4.3.3 In sub-area B, the Director of Planning or the Development Permit Board, as the case may be, may with respect to any development permit an additional increase in the maximum height of a building to a height not exceeding 36.5 m provided that consideration is given to the intent of this Schedule, all applicable policies and guidelines adopted by Council, and:
- (a) the provision of a minimum floor space ratio of 1.0 combined for any uses listed in subsection 4.7.1 (e) (i), (ii), (iii) and (iv);
 - (b) the height, bulk, massing, location and overall design of the building and its effect on the site, surrounding buildings and streets;
 - (c) the provision of public open space, landscape, and the effects of overall design on the general amenity of the area;
 - (d) the effect of the development on traffic in the area; and
 - (e) the provision for pedestrian needs.
- 4.3.4 Despite sections 4.3.1 and 4.3.2, for sloping sites in sub-area A with a property line adjacent to Clark Drive, the Director of Planning may permit an increase in height of up to 4.0 m for portions of the building, provided the Director of Planning first considers the intent of this Schedule and all applicable policies and guidelines adopted by Council.
- 4.4 Front Yard and Setback
- 4.4.1 No front yard shall be required.
- 4.4.2 Despite section 4.4.1, in sub-area B the front yard and front setback shall be as follows and as illustrated in Figure 2:
- (a) For portions of buildings within 2.0 m above the officially established building grades at the front property line:
 - i. subject to clause (ii) and (iii), the depth of the yard shall be 0.6 m, and
 - ii. above a height of 18.3 m measured from a plane formed by the lines extending horizontally back from the property line at grade, the minimum depth of the front

- setback shall be a minimum of 3.7 m except that open roof decks may intrude into the setback; and
- iii. above a height of 30.5 m measured from a plane formed by the lines extending horizontally back from the property line at grade, the minimum depth of the front setback shall be a minimum of 6.1 m except that open roof decks may intrude into the setback; and
- (b) despite subsection (a), the minimum front setback, measured from the front property line, of any parking area shall be 1.2 m.

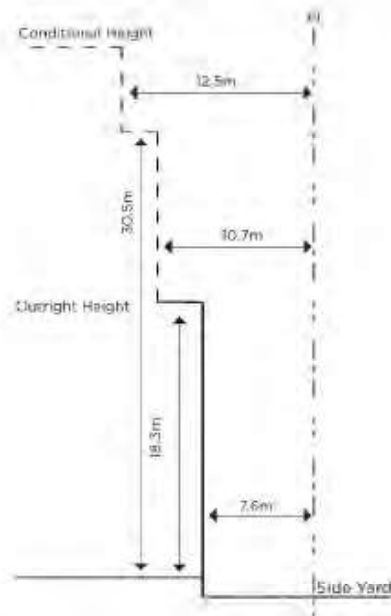
Figure 2



- 4.4.3 Despite section 4.4.2, the Director of Planning may permit a reduced front yard or front setback for portions of the building, provided the Director of Planning first considers the intent of this Schedule and all applicable policies and guidelines adopted by Council.
- 4.5 Side Yards and Setback
- 4.5.1 No side yard shall be required, except that where the site adjoins, without the intervention of a lane, a site located in an R district, in which case the following side yard requirements apply:
- (a) where the adjoining site is in an RM district, a side yard with a minimum width of 1.5 m shall be provided adjoining the RM district;
 - (b) in all other cases, a side yard with a minimum width of 0.9 m shall be provided, except in the case of a corner site in which case an exterior side yard need not be provided.

- 4.5.2 Where a side yard is provided, although not required, the minimum provisions of section 4.5.1 shall apply.
- 4.5.3 Despite sections 4.5.1 and 4.5.2, in sub-area B the side yards and side setback shall be as follows and as illustrated in Figure 3:
- a side yard with a minimum depth of 7.6 metres shall be provided;
 - where any portion of a building is greater than 18.3 m in height, a side setback with a minimum depth of 10.7 m shall be provided;
 - where any portion of a building is greater than 30.5 m in height, a side setback with a minimum depth of 12.5 m shall be provided; and
 - on a corner site, the exterior side yard and side setback requirements shall be the same as the front yard and front setback requirements in section 4.4.2 and 4.4.3.

Figure 3



- 4.5.5 Despite section 4.5.3, in sub-area B, the Director of Planning may permit a reduced side yard or side setback, provided that the Director of Planning first considers the existing street network, loading and vehicular access, and the provision of open space.
- 4.6 Rear Yard and Setback
- 4.6.1 A rear yard with a minimum depth of 3.1 m shall be provided, except that where the rear of the site abuts a lane, this required minimum depth shall be decreased by the lane width between the rear property line and the ultimate centre line of the lane.
- 4.6.2 The Director of Planning may waive the requirement to provide a rear yard where the Director of Planning is satisfied that the site is located within an area where rear access to the site and adjacent sites is not likely to be required and that site is sufficiently large to provide adequate open space.

4.7 Floor Area and Density

4.7.1 The floor space ratio shall not exceed 3.0, subject to the following:

- (a) the maximum floor space ratio shall be 3.0 for Manufacturing Uses, Transportation and Storage Uses, Utility and Communication Uses, Wholesale Uses, and the following Service Uses: Laboratory, Laundry or Cleaning Plant, Production or Rehearsal Studio; Repair Shop - Class A; Work Shop; and, in sub-area A and B, Artist Studio - Class B;
- (b) the maximum floor space ratio shall be 1.0 for each of the following Service Uses: Catering Establishment; Motor Vehicle Repair Shop; Photofinishing or Photography Laboratory, and Sign Painting Shop; and, in sub-area B, for Creative Products Manufacturing;
- (c) the maximum floor space ratio shall be 1.0 for all other uses combined;
- (d) the floor area in Retail Uses, including accessory retail but not including Vehicle Dealer, shall not exceed 1 000 m², except that in sub-areas A and B, the floor area for accessory retail shall not exceed 500 m²;
- (e) for Vehicle Dealer in sub-area B, the maximum floor space ratio shall be 1.0, subject to the provision of a minimum floor space ratio of 2.0 of uses listed in sub-section 4.7.1(a) which must include a minimum floor space ratio of 1.0 for any of the following uses combined:
 - (i) Cultural and Recreational, limited to Artist Studio - Class B;
 - (ii) Manufacturing, limited to Bakery Products Manufacturing, Brewing or Distilling, Chemicals or Chemical Products Manufacturing - Class B, Clothing Manufacturing, Dairy Products Manufacturing, Food or Beverage Products Manufacturing - Class B, Furniture or Fixtures Manufacturing, Jewellery Manufacturing, Leather Products Manufacturing, Metal Products Manufacturing - Class A or B, Miscellaneous Products Manufacturing - Class A, Miscellaneous Products Manufacturing - Class B, Non-metallic Mineral Products Manufacturing - Class B, Paper Products Manufacturing, Printing or Publishing, Plastic Products Manufacturing, Rubber Products Manufacturing, Shoes or Boots Manufacturing, Textiles or Knit Goods Manufacturing, and Wood Products Manufacturing - Class B;
 - (iii) Service, limited to Catering Establishment, Motor Vehicle Repair Shop, Print Shop, Repair Shop - Class A, Repair Shop - Class B, and Sign Painting Shop; or
 - (iv) Accessory Uses customarily ancillary to any use permitted in this section.
- (f) the floor area in General Office use shall not exceed the greater of 235 m² or 33 ½ percent of the total gross floor area of all principal and accessory uses combined;
- (g) the floor area in convenience store in conjunction with a Gasoline Station - Full Serve or Gasoline Station - Split Island use must not exceed 200 m² per site;
- (h) the floor area in Restaurant - Class 1 use must not exceed 300 m²; and
- (i) the floor area for a lounge use accessory to a Brewing or Distilling use shall not exceed:
 - (i) 80 m² for any portion of the lounge use located within the principal building, and
 - (ii) 80 m² for any portion of the lounge use located outside the principal building.

4.7.2 In sub-area B, the Director of Planning or the Development Permit Board, as the case may be, may permit an increase in the maximum floor space ratio to 4.0 with respect to any development, which may include up to 3.0 of Creative Products Manufacturing use, provided that consideration is given to the intent of this Schedule, all applicable policies and guidelines adopted by Council, and:

- (a) the provision of a minimum floor space ratio of 1.0 combined for any uses listed in sub-section 4.7.1 (e) (i), (ii), (iii) and (iv);
- (b) the height, bulk, massing, location and overall design of the building and its effect on the site, surrounding buildings and streets;

- (c) the provision of public open space, landscape, and the effects of overall design on the general amenity of the area;
 - (d) the effect of the development on traffic in the area; and
 - (e) the provision for pedestrian needs.
- 4.7.3 The following shall be included in the computation of floor space ratio:
- (a) all floors of all buildings including accessory buildings, both above and below ground level, to be measured to the extreme outer limits of the building.
- 4.7.4 The following shall be excluded in the computation of floor space ratio:
- (a) balconies and decks and any other appurtenances which, in the opinion of the Director of Planning, are similar to the foregoing, provided that the total area of these exclusions does not exceed 12% of the floor area being provided;
 - (b) patios and roof decks, provided that the Director of Planning first considers the effect on privacy and overlook;
 - (c) where floors are used for off-street parking and loading, the taking on or discharging of passengers, bicycle storage, heating and mechanical equipment, or uses which in the opinion of the Director of Planning are similar to the foregoing, those floors or portions thereof so used, which:
 - (i) are at or below the base surface, provided that the maximum exclusion for a parking space shall not exceed 7.3 m in length; or
 - (ii) are above the base surface and where developed as off-street parking are located in an accessory building situated in the rear yard, provided that the maximum exclusion for a parking space shall not exceed 7.3 m in length;
 - (d) storage space associated with an Artist Studio - Class B where the space is provided below the base surface and subject to a maximum exclusion of 20 m² for each Artist Studio - Class B; and
 - (e) amenity areas for the social and recreational enjoyment of residents and employees, or providing a service to the public, including facilities for general fitness, general recreation and child day care provided that:
 - (i) the total area being excluded shall not exceed the lesser of 20 percent of the permitted floor space or 100 m²; and
 - (ii) in the case of a child day care centre, the Director of Planning, on the advice of the Director of Social Planning, is satisfied that there is a need for a day care facility in the building or in the immediate neighbourhood.
- 4.7.5 The Director of Planning may vary the provisions of section 4.7.1(f) for General Office uses limited to manufacturer's agent or import broker or similar uses, subject to the maximum floor space provisions of section 4.7.1(c) and provided that the Director of Planning first considers:
- (a) the intent of this Schedule and all applicable policies and guidelines adopted by Council; and
 - (b) the extent to which building design conforms to industrial standards for wholesale uses, including but not limited to consideration for loading bays, large truck access, freight elevators, ceiling heights, corridor and door widths, and load bearing surfaces.
- 4.8 Site Coverage -- Not Applicable.
- 4.9 [Deleted -- see Parking By-law.]
- 4.10 Horizontal Angle of Daylight -- Not Applicable.
- 4.11 Vertical Angle of Daylight -- Not Applicable.

4.12 to 4.15 Reserved

4.16 Building Depth and Building Width

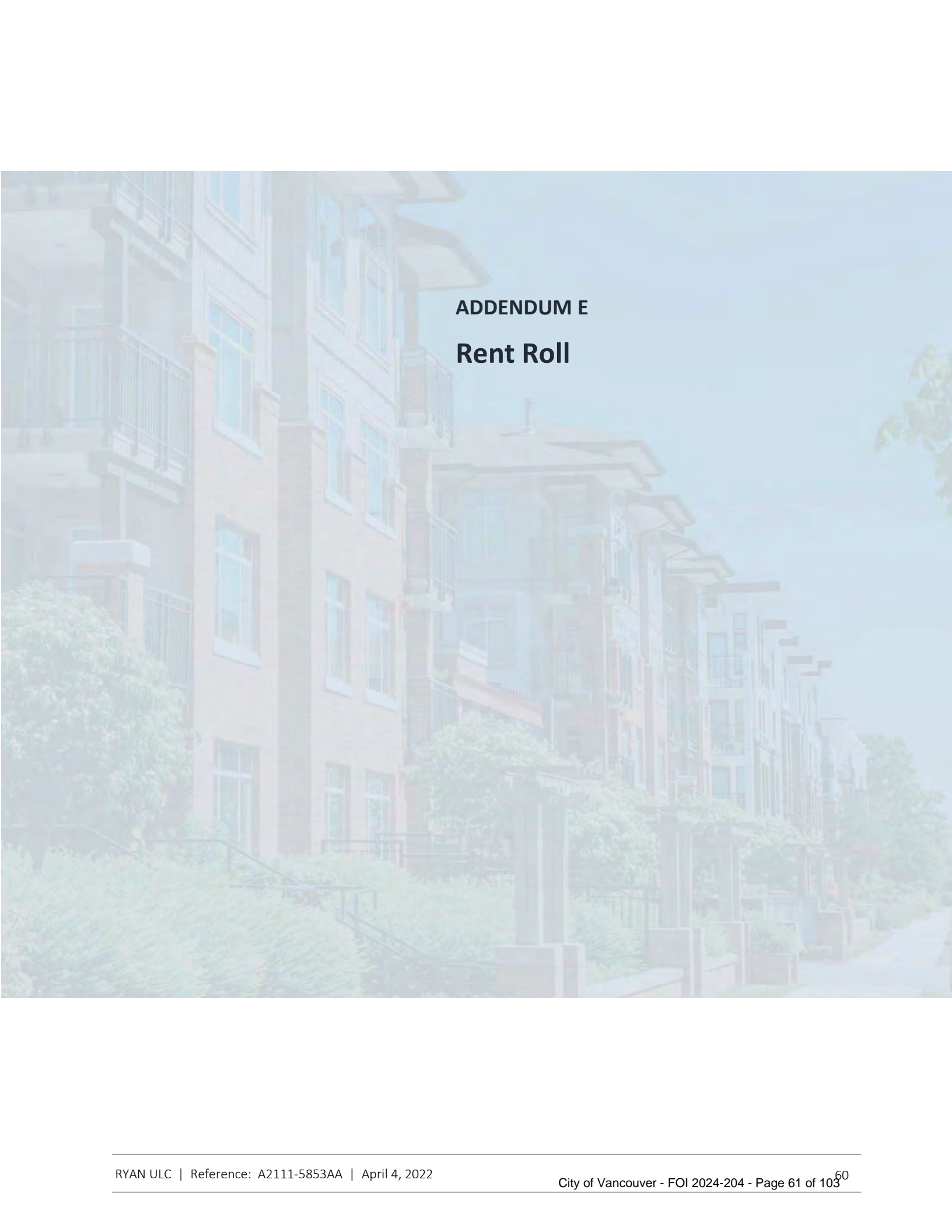
4.16.1 In sub-area B, the building depth must not exceed 61 m, measured in a straight line parallel to the side property line, from the front exterior wall to rear exterior wall at street grade.

4.16.2 In sub-area B, the building width must not exceed 61 m, measured in a straight line parallel to the front property line, from the two side exterior walls at grade.

4.16.3 Notwithstanding sections 4.16.1 and 4.16.2, eaves and gutters or other projections, which in the opinion of the Director of Planning are similar, may project into the minimum side yard to a maximum of 1.0 m measured horizontally

4.16.4 Despite sections 4.16.1 and 4.16.2, where a functional or hardship need is demonstrated, the Director of Planning may permit an increased building depth or width if consideration is given to:

- (a) the existing street network, loading and vehicular access;
- (b) the provision of a visually interesting building massing; and
- (c) the intent of this district schedule and all applicable policies and guidelines.



ADDENDUM E

Rent Roll

Address	Tenant	Area (SF)	Parking	Lease Term	Lease Start	Rental Rate (Per Annum) + GST	Rate Per Sq.ft.	Lease Type	Option to Renew	Early Termination	Comments
2772 E Broadway	Westcoast Child Care Resource Centre	5,835	8	20	May 1, 2021 - Apr. 30, 2026 May 1, 2026 - Apr. 30, 2031 May 1, 2031 - Apr. 30, 2036 May 1, 2036 - Apr. 30, 2041	s.17(1)		Gross Gross	No	Yes	Tenant signed an SLA for maintenance.
2780 E. Broadway	Child, Youth and Family Innovation Centre Co-operative	13,299 10,379	35	20	May 1, 2021 - Apr. 30, 2026 May 1, 2026 - Apr. 30, 2036 May 1, 2036 - Apr. 30, 2041 May 1, 2021 - Apr. 30, 2026 May 1, 2026 - Apr. 30, 2036 May 1, 2036 - Apr. 30, 2041			Gross Gross Gross Gross	No	No	
2780 E. Broadway	Ministry of Citizens' Services	9,477	35	20	May 1, 2021 - Apr. 30, 2026 May 1, 2026 - Apr. 30, 2031 May 1, 2031 - Apr. 30, 2036 May 1, 2036 - Apr. 30, 2041			Gross Gross	Two 5 year options	No	
2605 Kaslo Street	Vacant	6,562									Under renovation
2625 Kaslo Street	Satellite Video Exchange Society	7,094	6	5	Oct 1, 2019 - Sept. 30, 2024			Gross	No	No	Parking silent in Lease but Tenant uses 6 slots. Area based on current lease.
2629 Kaslo Street	Waterman's Marketing Inc.	3,875	4	5	Nov 1, 2020 - Oct. 31, 2022 Nov 1, 2022 - Oct. 31, 2025			Gross Gross	No	Yes	Termination upon twelve months notice for demolition and redevelopment
2631 Kaslo Street	Brilliant Cabinets Ltd.	10,450	10	10	Oct 1, 2018 - Sept. 30, 2023			Gross	Yes	No	1 Conditional Option to Renew for 5 Years, provided with 1st month rent free.
2633 Kaslo Street	Vacant	18,435									Under renovation
2635 Kaslo Street	City of Vancouver Archives	14,906	3	3	Dec 1, 2021 - Nov 30, 2022 Dec 1, 2022 - Nov 30, 2023 Dec 1, 2023 - Nov 30, 2024			Gross Gross Gross	Yes	No	Lease rates currently being approved. Internal party.

THIS AGREEMENT is made as of the 3rd day of July, 2019

BETWEEN:

CITY OF VANCOUVER, a municipal corporation with offices
at 453 West 12th Avenue, in the City of Vancouver, in the
Province of British Columbia V5Y 1V4

(the "Landlord")

AND:

SOUTH VAN BOTTLE DEPOT (ZIM'S) LTD.
2605 Kaslo Street, in the City of Vancouver, in the
Province of British Columbia V5M 3G9

(the "Tenant")

Premises:

2605 Kaslo St, Vancouver, BC

Term:

One (1) year

Rent:

s.17(1)

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A. The Landlord is the owner of all and singular those lands and premises situate in the City of Vancouver, in the Province of British Columbia, having a civic address as 2605 Kaslo Street, Vancouver, and legally described as:

Parcel Identifier Number 009-551-581
Lot 2, South ½ of Section 35, THSL Plan 9744

which lands and premises are hereinafter called the "Building";

B. The Tenant has requested that the Landlord lease the portion of the Building as set out on Schedule "A" attached hereto (the "Premises") to the Tenant as hereinafter provided; and

C. The Landlord's General Manager, Real Estate and Facilities Management, on the 24th day of JULY, 2019, authorized the lease of the Premises to the Tenant upon the terms and conditions hereinafter set out.

NOW THEREFORE in consideration of the rents, covenants and agreements hereinafter reserved and contained on the part of the Tenant to be paid, observed and performed, the Landlord by these presents does demise and lease the Premises unto the Tenant and the Tenant does hereby take and rent the Premises upon and subject to the conditions set out hereunder.

ARTICLE 1

Section 1.1 Term

In consideration of the rents, covenants and conditions herein on the part of the Tenant to be performed and observed, the Landlord hereby leases the Premises to the Tenant to have and to hold the same for and during the term of one (1) year commencing on the 1st day of September, 2019 and expiring at 11:59 p.m. on the 31st day of August, 2020 (the "Term").

Section 1.2 Early Termination - INTENTIONALLY DELETED

Section 1.3 Rent

Yielding and paying therefor in advance during the Term, monthly rent (the "Rent") in the sum of ~~\$17(1)~~ commencing on the 1st day of September, 2019 and payable on the first day of each and every next succeeding 11 months to and including the 1st day of August, 2020. The Rent together with any additional rent payable by the Tenant is referred to as "rent" in this lease.

Section 1.4 Payments Generally

All payments by the Tenant to the Landlord of whatsoever nature required or contemplated by this lease shall be:

- (a) paid to the Landlord by the Tenant in lawful currency of Canada;

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- (b) made when due hereunder, without prior demand therefor and without any setoff, compensation or deduction whatsoever at the office of the Landlord's Director of Real Estate Services specified in Section 15.1 or such other place as the Landlord may designate from time to time in writing to the Tenant;
- (c) applied towards amounts then outstanding hereunder, in such manner as the Landlord may see fit; and
- (d) deemed to be rent, in partial consideration for which this lease has been entered into, and shall be payable and recoverable as rent, such that the Landlord shall have all rights and remedies against the Tenant for default in making any such payment which may not be expressly designated as rent as the Landlord has for default in payment of rent.

Section 1.5 Utilities

The Tenant shall pay all charges, rates and levies on account of all separately metered utilities serving the Premises in accordance with Schedule "C" attached hereto (the "Service Level Agreement") and all other expenses and outgoings relating to the Premises immediately when due and, upon request, provide the Landlord with receipts evidencing such payment.

Section 1.6 Use of Premises

The Tenant will not use or occupy, nor suffer or permit the use of the Premises or any part thereof for any purpose other than Recycling and Bottle Depot (the "Permitted Use"). Without limiting the generality of the foregoing, the Tenant shall not at anytime suffer, permit or allow any person to occupy the Premises for residential purposes.

The Tenant will not use, or suffer or permit the use of, any part of the Premises in such a manner as to cause, suffer or permit any annoying noises or offensive odours to emanate from any part of the Premises.

By agreeing to the Tenant using the Premises for the Permitted Use, the Landlord is agreeing as the owner of the Premises only and is not in any way (either in its capacity as landlord or as a regulatory public body) stating, warranting or representing that the Permitted Use is a permitted use under the City of Vancouver Zoning and Development By-law No. 3575 and amendments thereto and other relevant by-laws. Nothing in this Section 1.6 affects the Tenant's obligations to comply at its sole expense with all such by-laws pursuant to Section 9.1 of this lease.

Section 1.7 Interest on Arrears

Whenever and so long as the Rent or any other amounts payable hereunder by the Tenant to the Landlord shall be in arrears, such amounts shall bear interest at the rate of three percent (3%) per annum above the "prime rate" (hereinafter defined), per annum calculated monthly not in advance, from the date due until paid irrespective of whether or not the Landlord has demanded payment. In this lease, "prime rate" means the floating annual percentage rate of interest established from time to time by the Bank of Montreal, 595 Burrard Street, Vancouver, British Columbia as the base rate that will be used to

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determine rates of interest charged by it for Canadian dollar loans to customers in Canada and designated by the Bank of Montreal as its prime rate; provided that if a court declares or holds the prime rate to be void or unenforceable for any reason including uncertainty, then the rate of interest payable on amounts in arrears hereunder shall be fourteen percent (14%) per annum calculated monthly not in advance from the date due until paid. The Landlord shall have all the remedies for the collection of such interest as in the case of rent in arrears, but this provision for interest shall not prejudice or affect any other remedy of the Landlord under this lease. The Tenant shall also pay the Landlord's standard charge levied on N.S.F. cheques.

Section 1.8 Security Deposit

The Tenant shall lodge with the Landlord a security deposit of \$6,280.00. At all times the deposit shall stand charged with a lien in favour of the Landlord which shall be in priority to any claims of the Tenant's trustee in bankruptcy or the Tenant's creditors, whether by execution, attachment, garnishing order or otherwise. The Landlord may satisfy any claims it may have against the Tenant arising hereunder, whether liquidated or otherwise, by forthwith applying the deposit or any portion thereof to payment of such claims. In the event that the Landlord appropriates all or any portion of the deposit in payment of such claims, the Tenant shall forthwith replenish the deposit upon notice from the Landlord and failing such replenishment the Landlord may terminate this lease. Subject to any claims by the Landlord, upon termination of this lease the balance of the deposit shall be remitted to the Tenant PROVIDED HOWEVER no interest shall be payable on the deposit. The Landlord shall not be obliged to apply any or all of the deposit to any claims it may have against the Tenant before terminating this lease or having recourse to any other remedy. The deposit shall not be refundable upon assignment. The assignor and assignee between themselves shall make whatever adjustment they deem appropriate.

Section 1.9 Property Taxes

Property taxes, as if levied, are included in Rent.

Section 1.10 Goods and Services Tax

The Tenant shall pay when due all goods and services tax ("GST"), harmonized sales taxes, value-added taxes, sales taxes and consumption based taxes, rates, levies and assessments which are from time to time payable by the Tenant or the Landlord as a result of or that would not be payable but for the rights and obligations contained in this lease, including but without derogating from the generality of the foregoing, such taxes, rates, levies and assessments payable as a result of any payment obligations herein of the Tenant to the Landlord. Any loss, costs, charges and expenses which relate to such taxes, rates, levies and assessments suffered by the Landlord may be collected by the Landlord as additional rent with all rights of distress and otherwise as reserved to the Landlord in respect of rent in arrears.

Section 1.11 Rent Review - INTENTIONALLY DELETED

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Section 1.12 Naming Rights

The Tenant shall not name or rename, or sell the right to name or rename to a third party, the Premises or the Licensed Area, or any portion thereof (including individual rooms), without first having obtained the consent in writing of the Landlord, which consent may be withheld.

Section 1.13 Excess Rent

Notwithstanding any other provision in this lease, if as a result of any assignment, sublease, setting over, or otherwise parting with possession of the Premises or letting any third party into possession of the Premise the Tenant directly or indirectly receives from the assignee, subtenant or occupant (collectively referred to herein as the "Transferee") any payment, fee or any other consideration, whether in the form of cash, negotiable instrument, goods, services or in any other form whatsoever (the "Consideration") which is in excess of the Rent or any other amount payable by the Tenant to the Landlord under this lease then such Consideration will be deemed to be and will be rent payable to the Landlord under this Lease, payable at the same time as such Consideration is payable by the Transferee to the Tenant.

ARTICLE 2

Section 2.1 No Damage

The Tenant shall not suffer, cause nor permit any damage or injury to the Premises other than reasonable wear and tear.

Section 2.2 Snow off Sidewalks

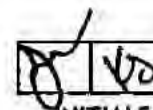
The Tenant covenants that it will keep adjacent sidewalks clear of snow and ice to comply with the requirements of the Street and Traffic By-law of the City of Vancouver and that it will indemnify and save harmless the Landlord from all costs, loss, damages, compensation and expenses suffered by the Landlord and sustained or caused by the Tenant's failure to remove snow and ice from the sidewalks. PROVIDED THAT if the Tenant does not remove snow and ice as required by the Street and Traffic By-law, the Landlord may clear the sidewalks and the cost of such removal shall be paid by the Tenant to the Landlord.

Section 2.3 Renovations

The Tenant shall not carry out or cause to be carried out any additions, renovations or alterations to the Premises or redecoration of the Premises ("Alterations") without the Landlord's prior written consent and in the giving of such consent the Landlord may attach whatever conditions, directions, stipulations, prohibitions or deadlines as it deems appropriate and the same shall be conditions of this lease. All such works shall be wholly at the Tenant's expense but shall be the Landlord's absolute property except to the extent that the same may be reasonably categorized as trade fixtures.

By consenting to any Alterations, the Landlord is not in any way (either in its capacity as landlord or as a regulatory public body) stating, warranting or representing that the

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Alterations are permitted under the City of Vancouver Zoning and Development By-law No. 3575 and amendments thereto, the City of Vancouver Building By-law No. 6134 and amendments thereto, and other relevant by-laws. No consent given by the Landlord (and no failure to enforce this section of this lease) will affect the Tenant's obligations to comply at its sole expense with all such by-laws pursuant to Section 9.1 of this lease.

Section 2.4 Maintenance & Repairs

The arrangements concerning maintenance and repairs as of the date of this Agreement are contained in Schedule "C" attached hereto (the "Service Level Agreement") and the Landlord and the Tenant shall carry out their respective responsibilities as set out therein. The Service Level Agreement may be amended in writing from time to time by the Landlord and the Tenant by mutual agreement.

The Tenant shall keep and maintain the Premises in a sanitary, neat, tidy and safe condition and free from nuisance at all times and in good repair as would a reasonable and prudent owner of such premises, reasonable wear and tear and structural elements or defects excepted, and the Landlord shall have access to the Premises for purpose of inspection during normal business hours and the Tenant shall repair according to notice. Without limiting the generality of the foregoing, the Tenant will promptly replace at its own cost and expense all damaged glass, plate glass, doors and windows (whether exterior or interior) within the Premises unless such damage is caused by the negligence of the Landlord. If the Tenant shall fail promptly to commence repairs and diligently prosecute same to completion after receipt of notice from the Landlord requiring repairs, then the Landlord may carry out or cause to be carried out such repairs, the costs of which shall be payable by the Tenant, and the Landlord and its employees, agents, contractors and subcontractors shall not be liable to the Tenant for any inconvenience, annoyance, disruption, loss of income or liability suffered or incurred by the Tenant by reason of the Landlord effecting such repairs unless caused by the negligence of the Landlord or those for whom the Landlord is responsible in law.

Section 2.5 Liens and Encumbrances

In connection with all labour performed in, or materials supplied for, the making, erection, installation or alteration of any work or installations made by or for the Tenant in the Premises, the Tenant will comply with all the provisions of the Builders Lien Act, as amended or substituted from time to time, and other statutes from time to time applicable thereto, including any provision requiring or enabling the retention of any sum as a holdback.

The Tenant will not create any mortgage, security agreement or other encumbrance in respect of any of its leasehold improvements or trade fixtures or permit any such mortgage, security agreement or other encumbrance to attach to the Premises.

If and whenever any builders lien or other lien for work, labour, services or materials supplied to or for the Tenant or for the cost of which the Tenant may be in any way liable, or claims therefore arise or are filed or any such mortgage, security agreement or other encumbrance attaches to the title to the Premises, the Tenant will, within fifteen (15) days after receipt of notice thereof, procure the discharge thereof, including any certificate of pending litigation or other notation or charge registered in respect of any lien, by payment or giving security or in such other manner as may be required or permitted by law. Provided however, that in the event of a bona fide dispute by the Tenant of the validity or correctness

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of any claim for any such lien, the Tenant will not be bound by the foregoing, but will be entitled to defend against the same in any proceedings brought in respect thereof after first paying into a court of competent jurisdiction the amount claimed or sufficient security therefore, and such costs as the court may direct. This section shall not prevent the Tenant mortgaging or encumbering its chattels, inventory, trade fixtures or equipment which are not fixtures.

Pursuant to Section 3(2) of the Builders Lien Act, the Landlord may file in the Land Title Office notice of its fee simple interest in the land on which the Premises are located, as is required by law to ensure that the Landlord's title does not become charged with liens related to this lease.

ARTICLE 3

Section 3.1 Limitation of Liability

The Landlord and its officers, employees and agents shall not be responsible in any way for:

- (a) any personal injury, death or consequential damage of any nature whatsoever, however caused, that may be suffered or sustained by the Tenant or by any other person who may be in or about the Premises; or
- (b) any loss or damage of any nature whatsoever, however caused, to the Premises, any property belonging to the Tenant or to any other person while such property is in or about the Premises,

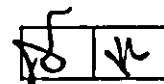
whether in the course of the performance of the Landlord's obligations under this lease or otherwise, unless resulting from the negligence of the Landlord.

Section 3.2 Exclusion of Liability

The Landlord and its officers, employees and agents shall not under any circumstances be liable or responsible in any way for:

- (a) any personal injury, death or consequential damage of any nature whatsoever, that may be suffered or sustained by the Tenant or by its officers, employees or agents or any other person who may be in or about the Premises, or any loss or damage of any nature whatsoever to the Premises or to any property belonging to the Tenant or to its officers, employees or agents or to any other person while such property is in or about the Premises,
 - (i) caused by failure, by reason of breakdown or other cause, to supply adequate drainage, or by interruptions of any utility or other services, or by steam, water, rain, snow, or other substances leaking, entering, issuing or flowing onto or into any part of the Premises; or
 - (ii) however caused, if the Landlord or its officers, employees or agents enter upon the Premises in the case of an emergency;

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- (b) any loss or damage of any nature whatsoever, however caused, to books, records, files, money, securities, negotiable instruments, papers or other valuables of the Tenant or its officers, employees or agents;
- (c) any business, economic or indirect loss or damage suffered or sustained by the Tenant or its officers, employees or agents of any nature whatsoever, however caused; or
- (d) any loss which the Tenant is obligated to insure against hereunder or has insured against.

Section 3.3 Indemnification

The Tenant agrees to indemnify and save harmless the Landlord and its officers, employees and agents in respect of all claims for bodily injury or death, property damage or other loss or damage arising from the conduct of any work by, or any act or omission of, or relating to or arising from the occupation or possession of the Premises by the Tenant, and in respect of all costs, expenses and liabilities incurred by the Landlord in connection with or arising out of all such claims, including the expenses of any action or legal proceeding pertaining thereto and the liabilities or obligations incurred or sustained by or imposed upon the Landlord or in respect of any of its officers, employees or agents, and in respect of any loss, cost, expense or damage suffered or incurred by the Landlord arising from any breach by the Tenant of any of its covenants and obligations under this lease, PROVIDED HOWEVER the Tenant's covenant to indemnify and save harmless the Landlord and its officers, employees and agents shall not apply to the extent that the loss or damage is caused by negligence on the part of the Landlord or its officers, employees and agents.

ARTICLE 4

Section 4.1 Definitions

In this lease, the following words and expressions shall have the following meanings:

- (a) "Environment" has the meaning given to it in the Canadian Environmental Protection Act (Canada) as of the date of this lease;
- (b) "Hazardous Substances" means any Substance capable of creating harm to people, property and/or the Environment including, without limitation, any flammable liquids, flammable or reactive solids, oxidizers, poisons, gases (compressed, liquefied or dissolved), explosives, radioactive materials, ureaformaldehyde, asbestos materials, underground tanks, compounds known as chlorobiphenyls, Pollutants, contaminants, hazardous, corrosive or toxic Substances, special waste or waste of any kind, including, without limitation, any Substance the storage, manufacture, disposal, treatment, generation, use, transport, remediation or Release into the Environment of which is prohibited, controlled, regulated or licenced by any federal, provincial or municipal authority;

- (c) "Medium" means any land, water or air and includes the Premises;
- (d) "Pollute" is a verb which means to Release into or onto any Medium any Substance that:
 - (i) alters the physical, biological or chemical nature of that Medium;
 - (ii) alters the capacity of the Medium to support any living thing, whether animal or plant life;
 - (iii) injures or is capable of injuring the health or safety of a person in, on or near the Medium;
 - (iv) injures or is capable of injuring property or any life form in, on or near the Medium;
 - (v) interferes with or is capable of interfering with visibility or the dispersion of light or any photochemical activity within the Medium;
 - (vi) interferes with or is capable of interfering with the normal conduct of business in, on, near or from the Medium;
 - (vii) causes or is capable of causing physical discomfort to a person in, on or near the Medium;
 - (viii) damages or is capable of damaging the Environment; or
 - (ix) is Waste,

and "Polluted" is an adjective, and "Pollution" and "Pollutant" are nouns, which have meanings that correspond to the meaning contained in this paragraph;

- (e) "Release" includes release, spill, leak, pump, pour, dump, abandon, emit, empty, discharge, spray, inoculate, deposit, seep, throw, place, exhaust, inject, escape, leach, dispose, infuse or introduce;
- (f) "Waste" has the meaning given to it in the Environmental Management Act, S.B.C. 2003, c. 53, as amended or substituted from time to time but if the Environmental Management Act is repealed, "Waste" has the meaning given to it on the day immediately preceding the repeal of that Act or if that Act is amended so that the term "Waste" is no longer used in it, then "Waste" has the same meaning as the term which replaces it in that Act; and
- (g) "Substance" has the meaning given to it in the Canadian Environmental Protection Act (Canada) as of the date of this lease.

Section 4.2 Suitability of the Premises

The Tenant acknowledges and agrees that the Landlord, either itself or through its officers, employees or agents, has not made and the Tenant has not relied upon any representations or warranties from the Landlord or its officers, employees or agents as to:

- (a) the state of repair of the Premises;
- (b) the suitability of the Premises for any business, activity or purpose whatever;
- (c) the suitability of the Premises for use by the Tenant;
- (d) the existence, nature or extent of any Pollution on or of the Premises; or
- (e) the need to take any remedial action in relation to any Pollution on or of the Premises.

Section 4.3 Tenant's Inspection of the Premises

The Tenant acknowledges and agrees that it has been afforded all reasonable opportunity to inspect the Premises and all relevant documentation in respect thereof and to carry out such audits, investigations, tests and surveys as it considers reasonably necessary to ascertain:

- (a) the state of repair of the Premises;
- (b) the suitability of the Premises for use by the Tenant;
- (c) the existence, nature or extent of any Pollution on the Premises; and
- (d) the need to take any remedial action in relation to any Pollution on or of the Premises;

and the Tenant has independently made all such inspections, audits, investigations, tests and surveys as it regards as being necessary for the above purposes. It is understood and agreed that the Premises are being leased to the Tenant on an "as is" basis.

The Tenant hereby assumes any and all duties, obligations or liabilities under any relevant law in respect of the Premises, including but not limited to any costs, expenses or liabilities for any remedial action for any Pollution of the Premises caused by the Tenant during the Term.

Section 4.4 Release and Indemnification

The Tenant hereby releases the Landlord and its officers, employees and agents from any and all costs, expenses, damages, losses or liabilities that may be incurred or suffered by the Tenant by reason of or resulting from or in connection with or arising in any manner whatsoever out of:

- (a) the Premises not being suitable for use by the Tenant;

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- (b) the Premises being, or being found to be at any time, Polluted; or
- (c) the need to take any remedial action and the taking of such action as a result of such Pollution on or off the Premises.

The Tenant shall indemnify, defend and save harmless the Landlord in respect of all claims for bodily injury (including death), property damage or other loss or damage, including damage to property outside the Premises, arising out of or in any way connected with the manufacture, storage, transportation, handling and discharge of Hazardous Substances on or from the Premises by the Tenant or any one for whom the Tenant is responsible in law.

Section 4.5 Removal of Hazardous Substances

The Tenant shall not bring upon the Premises or any part thereof, or cause or suffer the bringing upon the Premises or any part thereof, any Hazardous Substances and if at any time there shall be any Hazardous Substances upon the Premises or a part thereof as a result of the breach of this covenant, the Tenant shall, at its own expense:

- (a) immediately give the Landlord notice to that effect and thereafter give the Landlord from time to time written notice of the extent and nature of the Tenant's compliance with the following provisions of this Article;
- (b) promptly remove the Hazardous Substances from the Premises in a manner which conforms with all laws and regulations governing the movement of the same; and
- (c) if requested by the Landlord, obtain at the Tenant's cost and expense from an independent consultant designated or approved by the Landlord verification of the complete and proper removal of the Hazardous Substances from the Premises or, if such is not the case, reporting as to the extent and nature of any failure to comply with the foregoing provisions of this Section 4.5.

Section 4.6 Breach of Laws Relating to Hazardous Substances

Without limiting the generality of Section 4.5, the Tenant shall immediately give written notice to the Landlord of the occurrence of any event on the Premises constituting an offence under or a breach of any statutes, by-laws, regulations or orders from time to time enforced relating to Hazardous Substances, and at its own cost and expense, comply with all laws and regulations from time to time in force relating to the Landlord, the Tenant, the activities carried out on the Premises relating to Hazardous Substances and the protection of the Environment and shall immediately give written notice to the Landlord of the occurrence of any event on the Premises constituting an offence thereunder or a breach thereof and, if the Tenant shall, either alone or with others, cause or suffer the happening of such event, the Tenant shall, at its own expense:

- (a) immediately give the Landlord notice to that effect and thereafter give the Landlord from time to time written notice of the extent and nature of the Tenant's compliance with the following provisions of this Section 4.6;

- (b) promptly remove the Hazardous Substances from the Premises in a manner which conforms with all laws and regulations governing the movement of the same; and
- (c) if requested by the Landlord, obtain at the Tenant's cost and expense from an independent consultant designated or approved by the Landlord a report verifying the complete and proper removal thereof from the Premises or, if such is not the case, a report as to the extent and nature of any failure to comply with the foregoing provisions of this Section 4.6.

The Tenant shall, at its own expense, remedy any damage to the Premises caused by such event within the Premises or by the performance of the Tenant's obligations under this Section 4.6 as a result of such occurrence.

If any governmental authority having jurisdiction shall require the cleanup of any Hazardous Substances held, Released, spilled, abandoned or placed upon the Premises or Released into the Environment from the Premises during the Term, then the Tenant shall, at its own expense, prepare all necessary studies, plans and proposals and submit the same for approval, provide all bonds and other security required by governmental authorities having jurisdiction and carry out the work and shall keep the Landlord fully informed and provide to the Landlord full information with respect to proposed plans and comply with the Landlord's requirements with respect to such plans. AND the Tenant agrees that if the Landlord determines, in its sole discretion, that the Landlord, its property or its reputation is placed in any jeopardy by the requirement for any such work, the Landlord may itself undertake such work or any part thereof at the cost and expense of the Tenant, pursuant to Section 10.7 of this lease.

Section 4.7 Enquiries Pertaining to Hazardous Substances

The Tenant hereby authorizes the Landlord to make enquiries from time to time of any government or governmental agency with respect to the Tenant's compliance with any and all laws and regulations pertaining to the Tenant, the Tenant's activities on the Premises and the Premises including without limitation laws and regulations pertaining to Hazardous Substances and the protection of the Environment; and the Tenant covenants and agrees that the Tenant will from time to time provide to the Landlord such written authorization as the Landlord may require in order to facilitate the obtaining of such information.

Section 4.8 Landlord's Inspection of Goods

The Landlord may at any time and from time to time inspect the Tenant's goods upon the Premises and the Tenant's records relating thereto for the purpose of identifying the nature of the goods and the existence or absence of any Hazardous Substances and the Tenant shall assist the Landlord in so doing.

Section 4.9 Ownership Remains With Tenant

If the Tenant shall bring or create upon the Premises any Hazardous Substances or suffer the bringing or creation upon the Premises of any Hazardous Substances or if the conduct of the Tenant's business shall cause there to be any Hazardous Substance upon the Premises then, notwithstanding any rule of law or equity to the contrary, such Hazardous

Substance shall be and remain the sole and exclusive property of the Tenant and shall not become the property of the Landlord and notwithstanding the degree of affixation of the Hazardous Substance or the goods containing the Hazardous Substance to the Premises and notwithstanding the expiry or earlier termination of this lease.

Section 4.10 Environmental Covenants Survive Termination

The obligations of the Tenant in this Article 4 shall survive the expiry or earlier termination of this lease save only that, to the extent that the performance of those obligations requires access to or entry upon the Premises or any part thereof the Tenant shall have such entry and access only at such times and upon such terms and conditions as the Landlord may from time to time specify; and the Landlord may, at the Tenant's cost and expense, undertake the performance of any necessary work in order to complete such obligations of the Tenant; but having commenced such work, the Landlord shall have no obligation to the Tenant to complete such work.

ARTICLE 5

Section 5.1 Tenant's Insurance

The Tenant shall, without limiting any of its obligations or liabilities under this lease, obtain and continuously carry during the term of this lease at its own expense and cost, insurance coverage with minimum limits of not less than those specified, as follows:

- (a) comprehensive general liability insurance with limits of \$2,000,000 dollars per occurrence or such higher limit of coverage as the Landlord's Director of Risk Management may require from time to time and the policy shall:
 - (i) indemnify and protect the Tenant, its employees, agents and contractors against all claims for loss, damage, injury or death to any person or persons and for damage to the Premises or to any public or private property occurring within or about the Premises or arising by virtue of the Tenant's occupation or possession of the Premises;
 - (ii) insure the Tenant, the Landlord and their respective officers, employees and agents in the same manner and to the same extent as if separate policies had been issued to each and apply with respect to any action brought against one party by the other or by any officer, employee or agent of one party and any breach of a condition of the policy by any party or by any officer, employee or agent of one party shall not affect the protection given by the policy to any other party or to any officer, employee or agent of any party;
 - (iii) add the Landlord, its officials, officers, employees and agents as additional insureds;
 - (iv) include All Risk (Broad Form) Tenant's Legal Liability insurance for an amount equal to the full replacement cost of the Premises, such

coverage to include the activities and operations conducted by the Tenant and third parties in the Premises;

- (v) include blanket contractual liability covering liability arising directly or indirectly out of the performance of this lease: and
 - (vi) provide for a limit of deductibility not greater than Two Thousand Dollars (\$2,000.00) or such other minimum limit as the Landlord's Director of Risk Management may sanction from time to time.
- (b) All Risk (Broad Form) insurance on property of every description and kind owned by the Tenant or for which the Tenant is legally liable or installed by or on behalf of the Tenant (and which is located in the Premises), including without limitation furniture, fittings, installations, alterations, additions, partitions, fixtures, trade fixtures and any display model, project, prototype, tool, instrument or device within the Premises in an amount not less than ninety percent (90%) of the full replacement cost thereof. The City of Vancouver shall be added as named insured and loss payee for its interest.

Section 5.2 General Requirements of Insurance

The following shall apply to all insurance policies:

- (a) the policies shall be with insurers duly authorized to carry on business in the Province of British Columbia, in a form and in amounts satisfactory from time to time and acceptable to the Landlord's Director of Risk Management and shall provide the Landlord with 30 days prior written notice of material change or cancellation. Notice shall be given to the City of Vancouver, c/o Risk Management Division, Attention: Insurance Administrator. Notice must identify the name of the Tenant as set out in this lease and the location or address of the Premises;
- (b) neither the providing of insurance by the Tenant in accordance with the requirements hereof, nor the insolvency, bankruptcy or the failure of any insurance company to pay any claim accruing shall be held to relieve the Tenant from any other provisions of this lease with respect to liability of the Tenant or otherwise;
- (c) the insurance coverage shall be primary insurance as respects the Landlord and any insurance or self-insurance maintained by or on behalf of the Landlord, its officials, officers, employees or agents shall be excess of this insurance and shall not contribute with it; and
- (d) subject to the provisions of this Article 5, the Tenant shall provide at his/their own cost any additional insurance which the Tenant is required by law to provide or which the Tenant considers necessary.

Section 5.3 Evidence of Insurance

Prior to the commencement of the lease, the Tenant shall provide evidence of each policy of insurance required to be taken out by the Tenant in the form of a City of Vancouver Certificate of Insurance. If required by the Landlord, the Tenant shall provide certified copies of the policies signed by the insurers. Although not required to do so, if the Tenant fails to adduce satisfactory proof of such coverage being in full force and effect at all times, the Landlord may secure such insurance and the Tenant shall pay the cost of same as additional rent.

ARTICLE 6

Section 6.1 Termination on Damage or Destruction

If the Premises are substantially damaged or destroyed to the extent that the Premises or a substantial area of the Premises are rendered unusable by the Tenant or convenient access to the Premises cannot be had, all as determined by the Landlord in its sole discretion, the Landlord may, at its option, elect to not rebuild or repair the Premises and may terminate this lease and the Tenant's liability for rent will end as of the date of such damage or destruction but such termination will not operate so as to relieve the Tenant of any liability arising from such damage or destruction. There will be no compensation to the Tenant on account of such termination.

Section 6.2 Repair of Damage or Destruction

If the Landlord elects to rebuild or repair the Premises, the Landlord will commence rebuilding or repairing within 60 calendar days of the occurrence of the damage or destruction. If the Landlord does not initiate the rebuilding or repairing within such time period or, having commenced rebuilding or repairing, does not prosecute same to completion with reasonable dispatch, then the Tenant may give the Landlord 14 calendar days notice of the termination of this lease but such termination will not operate so as to relieve the Tenant of any liability arising from such damage or destruction. There will be no compensation to the Tenant on account of such termination.

Section 6.3 Abatement of Rent

In the event of damage or destruction to the Premises to the extent that the Premises or part of the Premises are rendered unusable or convenient access to the Premises cannot be had, which in either case is not caused by the default or negligence of the Tenant or those for whom it is responsible in law, the rent will abate in the same proportion that the area of which the Tenant is deprived bears to the total area as determined in the opinion of the Landlord and such abatement will continue only so long as the Landlord determines its continuance to be reasonable.

ARTICLE 7

Section 7.1 Assignment

The Tenant shall not assign its leasehold interest in the Premises save and except upon the written consent of the Landlord, which consent the Landlord may not unreasonably withhold but nevertheless if there are personal covenants herein on the part of the Tenant which, in the opinion of the Landlord's solicitors will not run with the lease, then the Landlord may withhold its consent to assignment unless the prospective assignee covenants with the Landlord to be bound by such personal covenants as if such covenants had been made between the Landlord and the prospective assignee.

Any amalgamation of the Tenant with any other party, and any change of effective control of the Tenant, will constitute an assignment of the Tenant's interest under this lease and will be subject to all of the provisions of this Section 7.1. Change of effective control of the Tenant includes any transfer, voluntary or involuntary, direct or indirect, which results in a change in the person or persons exercising or who might exercise effective control of the Tenant or the business required to be carried on in the Premises.

Section 7.2 Subleasing

The Tenant shall not sublease, license, set over or otherwise part with possession of the Premises or let any third party into possession of the Premises save and except upon written consent of the Landlord, which consent the Landlord may not unreasonably withhold.

Section 7.3 Assignment of Sublease Rent

Notwithstanding Section 7.2 hereof, the Tenant hereby assigns to the Landlord all rents and fees payable to the Tenant under any sublease, license or occupation agreement with any third party, which assignment shall supersede any provisions regarding the Tenant in bankruptcy and any claims of the creditors of the Tenant whether by execution, attachment, garnishing order or otherwise PROVIDED HOWEVER the Landlord agrees to refrain from enforcing the said assignment so long as the Tenant shall not be in default in the payment of rent or the performance or observance of its covenants hereunder. Upon the Tenant falling into default in the payment of its rent or the performance or observance of its other covenants hereunder, the Landlord may forthwith direct the sub lessee, licensee or such other third party to pay to the Landlord the sublease rent, license fees or other monies as would otherwise be owing to the Tenant from time to time and the payment of such monies to the Landlord shall pro tanto discharge the sub lessee's, licensee's or other third party's obligations to the Tenant and the Landlord shall apply such monies to the rent and the performance and observance of the Tenant's covenants hereunder notwithstanding any claims on the part of the Tenant's trustee in bankruptcy or the Tenant's creditors, whether by execution, attachment, garnishing order or otherwise. If the sub lessee, licensee or other third party fails to abide by the Landlord's directions in this behalf then, at the Landlord's election, the sublease, license or other third party agreement shall cease and determine and the Landlord may forthwith re-enter the subleased, licensed or occupied portion of the Premises and arrange for new occupants thereof whose occupation shall be subject to the provisions of this paragraph.

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Section 7.4 Mortgage of Lease

Under no circumstances whatever may this lease be mortgaged or otherwise encumbered by way of sublease, assignment or otherwise.

ARTICLE 8

Section 8.1 Bankruptcy

If the Term or any of the goods or chattels of the Tenant are at any time seized or taken in execution by any creditor of the Tenant, or if the Tenant makes a general assignment for the benefit of creditors, or if the Tenant institutes proceedings to have the Tenant adjudicated as bankrupt or insolvent, or if the Tenant becomes the subject of bankruptcy or insolvency proceedings, or if a judgment, decree or order be entered by a court of competent jurisdiction adjudging the Tenant bankrupt or insolvent, or if the Tenant is unable to meet all debts as they fall due for a period of not less than three (3) months, or if the Tenant or its directors shall pass any resolution authorizing the dissolution or winding-up of the Tenant, or if a receiver, interim receiver, manager, receiver-manager, trustee or liquidator of all or any part of the Tenant's property shall be appointed or applied for by the Tenant or by one or more of the Tenant's creditors, then the Landlord shall be so notified and the then current rent plus an additional three (3) months current rent shall immediately become due and be paid and the Landlord may immediately claim the same together with any arrears of rent and, at the option of the Landlord, the Term is subject to termination forthwith. If the Tenant becomes defunct or amalgamates with any other body without obtaining the prior written consent of the Landlord or if a committee is appointed under the Patients Property Act, R.S.B.C. 1996, c. 349, as amended or substituted from time to time, to lawfully deal with the Tenant's estate then at the option of the Landlord the Term shall forthwith terminate. If the Tenant surrenders up its certificate of incorporation or otherwise ceases to exist the Term terminates as of such surrender or dissolution. If the Tenant is a natural person, at any time after the Tenant's death the Landlord may terminate the Term upon sixty (60) days' notice to any executor or administrator of his estate.

ARTICLE 9

Section 9.1 Statutes and By-laws

The Tenant covenants to promptly and faithfully observe and comply with all federal, provincial or civic statutes, by-laws, regulations and orders now or hereafter which are in force and in effect which touch and concern the Premises or the Tenant's activities within the Premises, including, without limitation, any applicable environmental guidelines, and any amendments thereto, which deal with environmental protection and safety and/or Hazardous Substances. If any such statutes, by-laws, regulations, orders or guidelines are directed at owners, the Tenant shall perform and observe same at his own expense in the place and stead of the Landlord.

Section 9.2 Quiet Enjoyment

Subject to the provisions of this lease and subject to the provision that nothing contained or implied herein shall prejudice or affect the Landlord's rights and powers in the exercise of its functions pursuant to the Vancouver Charter, S.B.C. 1953, c. 55, as amended or substituted from time to time, and the rights and powers of the Landlord under all of its public and private statutes, by-laws and regulations, all of which may be as fully and effectively exercised in relation to the Premises as if this lease had not been executed and delivered by the Landlord and the Tenant, the Landlord covenants with the Tenant for quiet enjoyment.

Section 9.3 Performance of Obligations

The Tenant covenants with the Landlord to faithfully and promptly pay the rent and perform and observe its obligations herein.

Section 9.4 No Registration of Lease

The Landlord is not obligated to deliver this lease in registrable form. The Tenant shall not register this lease in the Land Title Office.

ARTICLE 10

Section 10.1 Breach of Covenants

If and whenever:

- (a) any Rent payment or any part thereof is not made on the day appointed for payment thereof; or
- (b) the Tenant is in default in the payment of any money, other than Rent, required to be paid by the Tenant under the terms of this lease and such default continues for ten (10) days following any specific due date on which the Tenant is to make such payment or, in the absence of such specific due date, for ten (10) days following notice requiring the Tenant to pay the same; or
- (c) the Tenant defaults in performing or observing any of the provisions of this lease other than those requiring payment of money to the Landlord and such default continues for a period of twenty (20) days after notice thereof to the Tenant, except for a default which to be cured with all due diligence would require a longer period, then after such longer period, or if the Tenant fails to proceed promptly and diligently and continuously after the service of such notice to cure same; or
- (d) the Premises are vacated or unoccupied for ten (10) or more consecutive days while the Premises can be used for the Permitted Use, without the consent of the Landlord; or

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- (e) the Premises are abandoned by the Tenant; or
- (f) this lease is terminated;

then and in every such case, it shall be lawful for the Landlord at any time thereafter without notice or demand, with or without process of law and by forcible entry if necessary, to re-enter into and upon the Premises, and to terminate this lease by leaving upon the Premises notice in writing of such termination. If the Landlord terminates this lease pursuant to this section, or otherwise as a result of default of the Tenant, there shall immediately become due and owing to the Landlord, in addition to any other sums payable to the Landlord hereunder as damages suffered by the Landlord as a result of the Tenant's breach, the then current month's rent, together with the rent accruing for the remainder of the Term. This provision for notice and termination shall not be construed so as to delay or supercede any specific remedy to which the Landlord may have recourse in this lease.

Section 10.2 Distraint

The Tenant waives and renounces the benefit of any present or future law taking away or limiting the Landlord's rights against the property of the Tenant and, notwithstanding any such law, the Landlord may seize and sell all the Tenant's goods and property, whether within the Premises or not, and apply the proceeds of such sale towards any arrears of rent (including amounts deemed to be rent under this lease) and the costs of the seizure and sale. The Tenant further agrees that if it abandons the Premises and any arrears of rent remain unpaid, the Landlord, in addition to any remedy otherwise provided by law, may seize and sell the goods and property of the Tenant at any place to which the Tenant or any other person may have removed them from the Premises, in the same manner as if such goods and property had remained in, about or upon the Premises.

Section 10.3 Right to Re-let

If the Landlord becomes entitled to re-enter the Premises the Landlord shall have the right, if it thinks fit, to enter the Premises as the agent of the Tenant either by force or otherwise without being liable for any prosecution therefor, and as agent of the Tenant to re-let the Premises or any part or parts thereof at the risk of the Tenant and, as agent for the Tenant, to receive the rent therefor and, as agent for the Tenant, to take possession of any furniture, equipment and other property therein and sell the same at public or private sale without notice. Such rent and proceeds from the sale of the furniture, equipment and other properties shall be allocated first to the Landlord's cost of so entering and re-letting, then to interest on amounts due by the Tenant to the Landlord hereunder and unpaid, and then to the payment of such unpaid sums. The balance of such rent and proceeds, if any, may be applied by the Landlord on account of the rent due hereunder to the Landlord.

Section 10.4 Forfeiture

The Tenant hereby expressly waives any and all rights of redemption granted by or under any present or future laws in the event the Tenant shall be evicted or dispossessed from the Premises for any cause, statutory or otherwise; or if the Landlord re-enters the

Premises following the occurrence of any default by the Tenant hereunder, or if this lease is terminated before the expiration date thereof originally fixed herein.

Section 10.5 Remedies Generally

Mention in this lease of any particular right or remedy of the Landlord in respect of the default by the Tenant shall not preclude the Landlord from any other right or remedy in respect thereof, whether available at law or in equity or by statute or expressly provided for in this lease. No right or remedy shall be exclusive or dependent upon any one or more of such rights or remedies independently or in combination, such rights or remedies being cumulative and not alternative. Whenever the Tenant seeks a remedy in order to enforce the observance or performance of any of the terms, covenants and conditions contained in this lease on the part of the Landlord to be observed or performed, the Tenant's only remedy (except where another remedy is expressly provided herein, in which event the Tenant shall be restricted to that remedy) shall be for such damages as the Tenant shall be able to prove in a court of competent jurisdiction that the Tenant has suffered as a result of a breach (if established) by the Landlord in the observance and performance of any of the terms, covenants and conditions contained in this lease on the part of the Landlord to be observed and performed. The parties hereby waive trial by jury in any action, proceeding or counterclaim brought by either party against the other on any matter whatsoever arising out of or in any way connected with this lease, the relationship of the Landlord and the Tenant created hereby, the Tenant's use or occupancy of the Premises or any claim for any injury. In the event the Landlord commences any action or proceeding for non-payment of rent, the Tenant agrees not to interpose any counterclaim of any nature or description in any such action or proceeding. In the event of any breach or threatened breach by the Tenant of any of the terms and provisions of this lease, the Landlord shall have the right to injunctive relief as if no other remedies were provided herein for such breach. The Tenant hereby expressly waives any right to assert a defence based on merger and agrees that neither the commencement of any action or proceeding, nor the settlement thereof, nor the entry of judgment therein shall bar the Landlord from bringing any subsequent action or proceeding from time to time. If the Tenant shall default hereunder prior to the date fixed as the commencement of any renewal or extension of this lease, whether by a renewal or extension option herein contained or by separate agreement, the Landlord may cancel such option or agreement for renewal or extension of this lease, upon written notice to the Tenant.

Section 10.6 Expenses

If any legal proceeding is brought for recovery of possession of the Premises, for the recovery of rent or because of the breach of any other terms, covenants or conditions herein contained on the part of the Tenant to be kept or performed, the Tenant shall pay to the Landlord as additional rent, upon demand, all costs and expenses incurred therefor (including without limitation, all professional and consultant fees, and all legal fees on a solicitor and his own client basis, disbursements, and all court costs and expenses of any legal proceeding; and the term "proceeding" shall include, without limitation, any arbitration, administrative, governmental, quasi-governmental or any other mediation proceeding and the term "costs" shall include the pro-rata portion of the wages, salaries and all other remuneration of the Landlord's officers and employees reasonably attributed to the matter).

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Without limiting the generality of the immediately preceding paragraph or any other provisions of this lease, the Tenant shall pay to the Landlord, as additional rent upon demand, all costs and expenses (including, without limitation, those fees, disbursements, costs and expenses set out in the bracketed insert in the immediately preceding paragraph of this Section 10.6) which the Landlord may incur or pay out by reason of, or in connection with:

- (a) any proceeding by the Landlord to terminate this lease or for the recovery of possession of the Premises or for the recovery of rent;
- (b) any other proceeding by the Landlord against the Tenant or any indemnitor;
- (c) any distress levied by the Landlord against the Tenant's goods, chattels and inventory or any of them on the Premises for the recovery of rent;
- (d) any default by the Tenant in the observance or performance of any obligations of the Tenant under this lease whether or not the Landlord commences any proceeding against the Tenant or any indemnitor;
- (e) any proceeding brought by the Tenant against the Landlord (or any officer, employee or agent of the Landlord) in which the Tenant fails to secure a final judgment against the Landlord;
- (f) any other appearance by the Landlord (or any officer, employee or agent of the Landlord) as a witness or otherwise in any proceeding whatsoever involving or affecting the Landlord, the Tenant, this lease, the indemnity agreement (if any) or the Premises;
- (g) any amendment, modification or change in any of the terms of this lease or the indemnity agreement, if any (and any request or negotiations pertaining thereto, whether or not such amendment, modification or change is finally agreed on);
- (h) any renewal, extension, surrender, or release of this lease or the indemnity agreement, if any (and any request or negotiations pertaining thereto, whether or not such renewal, extension, surrender or release becomes effective);
- (i) any transfer of this lease (and any request or negotiations pertaining thereto, whether or not such transfer is approved and finally agreed on); and
- (j) any Alterations of or to the Premises (and any request or negotiations pertaining thereto, whether or not such Alterations are approved and finally agreed on).

The Tenant's obligations under this Section 10.6 shall survive the expiration or earlier termination of this lease.

Section 10.7 Landlord May Remedy Tenant's Default

If the Tenant fails to pay, when due, any amount required to be paid by the Tenant pursuant to this lease, the Landlord, after giving two (2) days' notice in writing to the Tenant, may, but shall not be obligated to, pay all or any part of it. If the Tenant is in default in the performance of any of its covenants or obligations hereunder (other than the payment of rent required to be paid by the Tenant pursuant to this lease), the Landlord may from time to time after giving such notice as it considers sufficient (or without notice in the case of an emergency) having regard to the circumstances applicable, perform or cause to be performed any of such covenants or obligations, or any part thereof, and for such purpose may do such things as may be required, including, without limitation, entering upon the Premises and doing such things upon or in respect of the Premises or any part thereof as the Landlord considers requisite or necessary. All expenses incurred and expenditures attributable to or made (including all employee, overhead and other internal costs) pursuant to this Section 10.7, shall be paid by the Tenant to the Landlord as additional rent upon demand. The Landlord shall have no liability to the Tenant or any other person for any claims resulting from any such action, entry or performance of any work by the Landlord upon the Premises.

Section 10.8 Security Agreement

- (a) The Tenant hereby grants to the Landlord a security interest ("Security Interest") in all of the Tenant's personal property of any kind including, without limiting the generality of the foregoing, all goods, chattels, trade fixtures, furniture, equipment, inventory, stock-in-trade, chattel paper, instruments, documents of title, supplies, securities, the business on the Premises, accounts receivable, book debts and intangibles (collectively, "Collateral") which are or may be at any time hereafter on the Premises or elsewhere, to secure the payment of all rent and the fulfillment of the other obligations of the Tenant under this lease. Except for the Security Interest, the Tenant agrees that all Collateral on the Premises shall be the unencumbered property of the Tenant. The Tenant agrees to enter into, on the Landlord's request, a separate security agreement, mortgage or similar other charge or security instrument, in addition to this security agreement, or to document separately the Security Interest hereby granted, containing such terms as the Landlord shall reasonably require, on all of the Collateral at any time during the Term, including all after-acquired items forming part of the Collateral, as security for the payment of rent and performance by the Tenant of all of its other obligations pursuant to this lease. Whether or not any additional or separate security agreement, mortgage, charge or other security instrument is requested by or given to the Landlord as aforesaid, the Tenant confirms and agrees that the Security Interest is complete and valid without the necessity of the Tenant's giving any other or further documentation in respect thereof. The Tenant agrees that the Security Interest shall attach to the Collateral immediately upon the execution of this lease and that, to the extent necessary to give full effect to this Section 10.8, this lease is intended to constitute a security agreement as defined in the Personal Property Security Act, R.S.B.C. 1996 c. 359 as amended or substituted from time to time. This security agreement is separate from and shall survive the termination, expiry or disclaimer of this lease.

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- (b) On default by the Tenant under this lease, the Landlord may itself, or by its agents or employees, or by a receiver or any replacement thereof appointed in writing by Landlord, take possession of the Collateral, carry on the business on the Premises, in such manner as Landlord or such receiver determines, and realize upon the Collateral and enforce its rights under the Security Interest by any remedy or proceeding authorized or permitted hereby or at law including, without limitation, all rights and remedies available to a secured party under the Personal Property Security Act and any other similar statutes; included in such rights of the Landlord is the right to recover the reasonable expenses of retaking, holding, repairing, processing, preparing for disposition and disposing of the Collateral and all other reasonable expenses, including legal costs, incurred by the Landlord, the Landlord may exercise any rights as provided by this Section 10.8 on the Premises and for such purpose may lock the Premises, change any locks on the Premises and by any means exclude the Tenant from all or any parts of the Premises and the Landlord shall not thereby be terminating this lease in the absence of express written notice terminating this lease.
- (c) This Security Interest shall not be deemed to have been satisfied, discharged or redeemed by reason of the Tenant not being indebted to the Landlord at any time or from time to time and no payment shall reduce the amount secured by this Security Interest except to the extent expressly approved by the Landlord in writing.
- (d) This Security Interest is given in addition, and not as an alternative, and may be exercised by the Landlord without prejudice to any other rights of the Landlord under this lease or at law including, without limitation, the Landlord's right of distress.

ARTICLE 11

Section 11.1 Vacant Possession

Upon termination of the Term, whether by the passage of time or otherwise, the Tenant shall deliver up vacant possession of the Premises and shall leave the Premises in a sanitary, neat, tidy, safe and empty condition free from all nuisance, debris, rubbish and stock-in-trade and shall ensure that the Premises are to the standard of repair and decoration required of the Tenant pursuant to Article 2 hereof.

Section 11.2 Trade Fixtures

- (a) If the Tenant is not in default hereunder at the expiration of the Term, the Tenant shall have the right to remove its trade fixtures from the Premises but shall make good any damage caused to the Premises resulting from the installation or removal thereof.

- (b) If the Tenant fails to remove any of its trade fixtures and restore the Premises as provided in Section 11.2(a), all such trade fixtures shall become the property of the Landlord except to the extent that the Landlord requires removal thereof pursuant to Section 11.2(d).
- (c) If the Tenant abandons the Premises or this lease is terminated before the proper expiration of the Term due to a default on the part of the Tenant, as of the moment of such default by the Tenant, all trade fixtures and furnishings of the Tenant (whether or not attached in any manner to the Premises) shall, except to the extent the Landlord requires the removal thereof pursuant to Section 11.2(d), become and be deemed to be the property of the Landlord, without compensation to the Tenant but without prejudice to any other right or remedy of the Landlord at law or in equity.
- (d) Notwithstanding that any trade fixture is or may become the property of the Landlord, the Tenant shall forthwith remove all or part of the same and shall make good any damage caused to the Premises resulting from the installation or removal thereof, all at the Tenant's expense, should the Landlord so require by notice to the Tenant.
- (e) If the Tenant, after receipt of a notice from the Landlord pursuant to Section 11.2(d), fails to promptly remove any trade fixture in accordance with such notice, the Landlord may enter into the Premises and remove therefrom all or part of such trade fixture and make good any damage caused to the Premises resulting from the installation or removal thereof, without any liability accruing against the Landlord and at the expense of the Tenant, which expense shall forthwith be paid by the Tenant to the Landlord.

Section 11.3 Overholding

If the Tenant continues to occupy the Premises after the expiration of the Term, and the Landlord shall accept Rent, the new tenancy thereby created shall be a tenancy from month to month and not from year to year, at a monthly Rent equal to 150% of the Rent payable by the Tenant in the last month of the Term or any renewal term. Any month-to-month tenancy shall be subject to the covenants and conditions herein contained so far as may be applicable to a tenancy from month to month, and shall be determined by one month's prior notice in writing. Nothing contained in this Section 11.3 shall be construed to limit or impair any of the Landlord's rights of re-entry or eviction or constitute a waiver.

ARTICLE 12 RIGHT OF ENTRY

Section 12.1 For Showings/Inspection

The Landlord or its agents have the right to enter the Premises at any reasonable time (and upon twenty-four (24) hours written notice to the Tenant) to examine them or to show them to prospective purchasers, tenants or mortgagees, and to enter the Premises at times mutually agreed between the Landlord and the Tenant (or on reasonable prior notice) to

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make such repairs as the Landlord may deem necessary or desirable and the Landlord will be allowed to take all required material into and upon the Premises without such entry constituting an eviction of the Tenant in whole or in part nor a breach of the Landlord's obligations and the rent reserved will in no way abate by reason of loss or interruption of the business of the Tenant or otherwise while the repairs are being made, provided the Landlord takes all commercially reasonable steps to perform the work expeditiously and with as little inconvenience to the Tenant as is possible in the circumstances.

Section 12.2 Landlord's Access to Records

The Landlord may at any reasonable time and upon twenty-four (24) hours written notice to the Tenant enter (or permit governmental authorities to enter) the Premises or any other office of the Tenant's for the purpose of ensuring the Tenant's compliance with this lease, including without limitation, by auditing the Tenant's environmental and financial records and by conducting soil, water and other tests, provided that the Landlord takes reasonable steps to avoid interfering with the Tenant's use and occupation of the Premises.

Section 12.3 "For Lease/Sale" Signs

During the six (6) months prior to the expiration of the Term, the Landlord may place upon the Premises the usual notices "For Lease" or "For Sale" and the Tenant will permit the notices to remain without interference or interruption. The Landlord may at any time within six (6) months before the end of the Term enter the Premises and bring others at all reasonable hours for the purposes of showing the Premises to prospective tenants or purchasers.

Section 12.4 Emergency Access

If and when for any reason an emergency will exist or be contemplated, the Landlord or its agents may enter the Premises by a master key, or may forcibly enter them, provided reasonable care is exercised, without rendering the Landlord or such agent liable, and without in any manner affecting the Tenant's obligations under this lease. However, despite the above, the Landlord has no obligation, responsibility or liability, for the care, maintenance or repair of the Premises except as otherwise specifically provided.

ARTICLE 13


Section 13.1 Option to Renew - INTENTIONALLY DELETED

ARTICLE 14

Section 14.1 Landlord Released

In the event of the sale or lease by the Landlord of the Premises or the assignment by the Landlord of its interest in this lease, the Landlord will without further written agreement be released and relieved of and from such liabilities and obligations.

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Section 14.2 Tenant's Covenant

The Landlord may sell, transfer or otherwise dispose of the Premises, or any portion of the Premises, to any party and upon the conveyance to such party of the Premises or any portion of them, the Tenant will attorn to and become the Tenant of such party under the terms of this lease and the Tenant will provide such party with an acknowledgment in writing binding upon the Tenant that it will perform the obligations and satisfy the liabilities of the Tenant, and any indemnifier or covenantor will execute and deliver a new covenant or indemnity agreement to such party on the same terms as any existing agreement with the Landlord.

Section 14.3 Status Statement

The Tenant will provide within three (3) days of the request of the Landlord a status statement for the Landlord, addressed to the Landlord and any potential buyer or mortgagee, binding upon the Tenant, confirming:

- (a) that the Tenant has accepted possession of the Premises;
- (b) whether or not the Landlord has carried out all of its obligations pursuant to this lease;
- (c) that this lease constitutes the whole of the agreement between the parties (or setting out such other agreements);
- (d) that this lease is in full force and effect and that there are no defences or set offs which the Tenant claims against the Landlord (or setting out any such claims); and
- (e) such other matters as may be reasonably required by the Landlord or any potential or actual purchaser of the Premises.

ARTICLE 15

Section 15.1 Delivery of Notices

Any notice required to be given hereunder must be in writing and the sender must deliver it by hand or by telecopier or by mail to the party to which it is to be given, as follows:

- (a) to the Tenant:
SOUTH VAN BOTTLE DEPOT (ZIM'S) LTD.
2605 Kaslo Street
Vancouver, BC V5M 1Y8

Attention: Kulbir Rana

and

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(b) to the Landlord:

City of Vancouver
c/o Director, Real Estate Services
453 West 12th Avenue
Vancouver BC V5Y 1V4

or to such other address or telecopier number as the party may designate and will be deemed to have been received on the day of delivery or telecopying if within business hours on a business day and otherwise on the next succeeding business day and, if mailed, the fifth day after mailing, provided that if there is between the time of mailing and the actual receipt of the notice a mail strike, slow-down or other labour dispute which might affect delivery of such notice then such notice shall only be effective if actually delivered.

Section 15.2 Administration of Lease

Where this agreement requires or permits on the part of the Landlord any authority, reservation, discretion, disallowance, approval or other act of supervision or the giving of any notice, such act or action shall be well and truly performed on the part of the Landlord when performed by the Landlord's Director of Real Estate Services or his nominee.

Section 15.3 Covenants Survive Termination

The covenants herein on the part of the Landlord and the Tenant which, as of termination of this lease or the Term whether by passage of time or otherwise, remain unfulfilled, undischarged or otherwise outstanding shall nevertheless survive such termination and remain in full force and effect and be binding upon the parties and their respective successors and assigns so long as there is any liability or indebtedness by either party to the other or so long as any such covenant remains unfulfilled, undischarged or otherwise outstanding, whether in whole or in part, notwithstanding anything herein to the contrary.

Section 15.4 Time is of the Essence

Time shall be of the essence of this lease, save as herein otherwise specified.

Section 15.5 Captions and Headings

The captions and headings throughout this lease are for convenience and reference only and the words and phrases contained therein shall in no way be held or deemed to define, limit, describe, explain, modify, amplify or add to the interpretation, construction or meaning of any provision of or the scope or intent of this lease nor in any way affect this lease.

Section 15.6 Interpretation

Words herein importing the singular number or the masculine gender only shall include more persons, parties or things of the same kind than one, and females or corporations as well as males, and the converse whenever the context requires; these presents shall extend to, be binding upon and enure to the benefit of the Landlord and the Tenant and the

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successors and assigns of the Landlord and the heirs, executors, administrators, successors and permitted assigns of the Tenant.

Section 15.7 Joint and Several

Any covenant, agreement, condition or proviso made by two (2) or more persons shall be construed as several as well as joint.

Section 15.8 Waiver

No waiver of or neglect to enforce this lease upon a default by the Tenant will be deemed to be a waiver of any such right upon any subsequent similar default. Without limiting the generality of this Section 15.8, the acceptance by the Landlord of part payment of any sums, including rent, required to be paid under this lease will not constitute a waiver or release of the Landlord's right to payment in full of such sums.

Section 15.9 Entire Agreement

The Tenant acknowledges that there are no covenants, representations, warranties, agreements, terms or conditions expressed or implied relating to this lease or the Premises except as expressly set out in this lease, and that this lease may not be modified except by an agreement in writing executed by both the Landlord and the Tenant.

Section 15.10 Governing Law

This lease will be governed by and interpreted in accordance with the laws of British Columbia and the parties irrevocably attorn to the jurisdiction of the courts of British Columbia.

Section 15.11 Severability

If any provision or provisions of this lease are determined by a court to be illegal or not enforceable, it or they shall be considered separate and severable from this lease and the remaining provisions of this lease shall remain in full force and be binding upon the parties.

Section 15.12 Relationship between Landlord and Tenant

Nothing contained in this lease nor any acts of the Landlord or the Tenant will be deemed to create any relationship between the Landlord and the Tenant other than the relationship of landlord and tenant.

Section 15.13 Force Majeure

Despite anything contained in this lease to the contrary, if the Landlord or the Tenant is, in good faith, delayed or prevented from doing anything required by this lease because of a strike, labour trouble, inability to get materials or services, power failure, restrictive governmental laws or regulations, riots, insurrection, sabotage, rebellion, war, act of God, or any other similar reason, that is not the fault of the party delayed or of its officers, employees or agents, the doing of the thing is excused for the period of the delay and the



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party delayed will promptly do what was delayed or prevented within the appropriate period after the delay. The preceding sentence does not excuse the Tenant from payment of rent or the Landlord from payment of amounts, if any, that it is required to pay, in the amounts and at the time specified in this lease.

IN WITNESS WHEREOF the parties hereto have executed this lease as of the day and year first above written.

CITY OF VANCOUVER

per:


Authorized Signatory

GORDON MacKAY
Real Estate Services

SOUTH VAN BOTTLE DEPOT (ZIM'S) LTD.

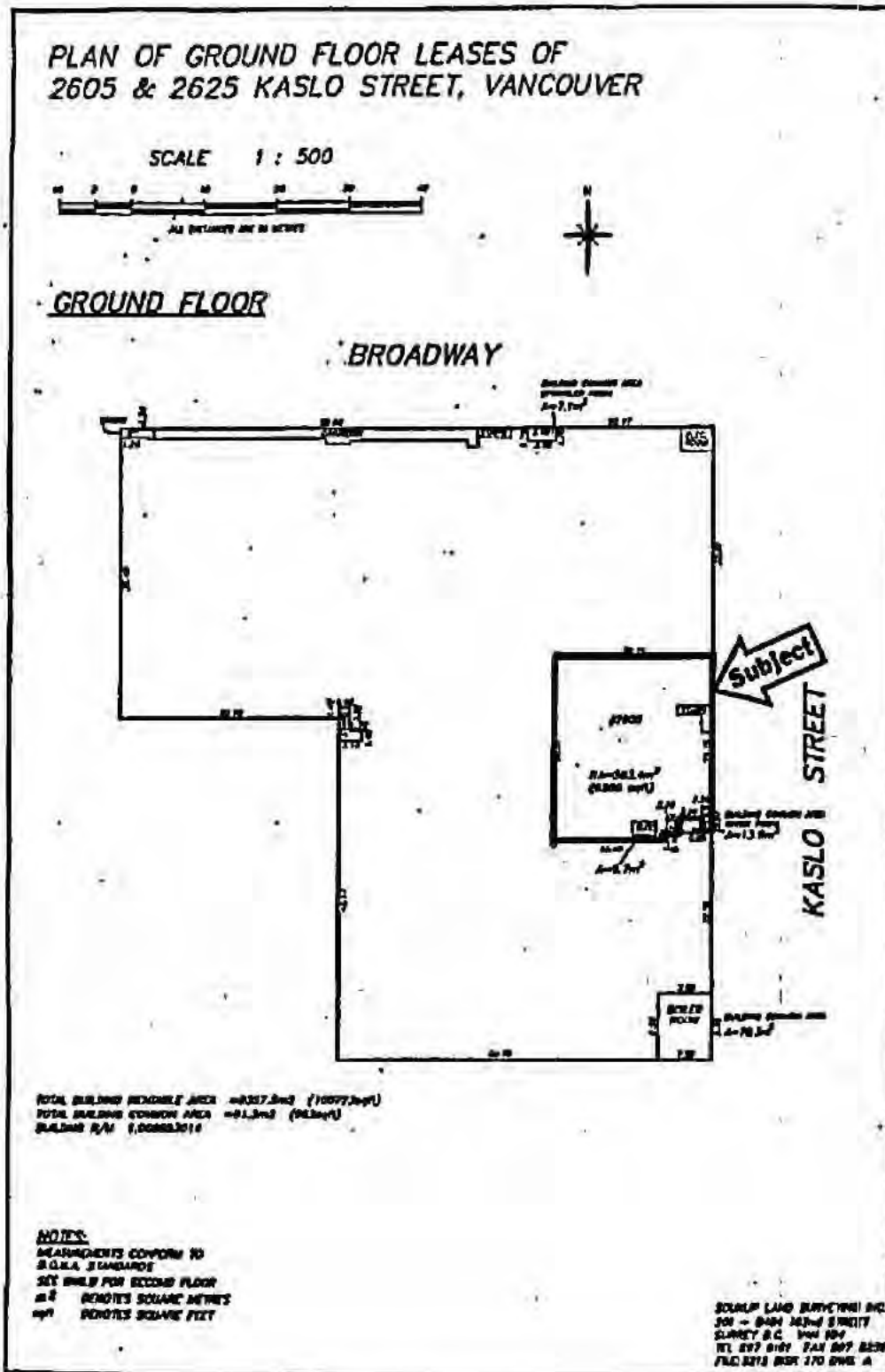
per:


Authorized Signatory

Approved by the Landlord's General Manager, Real Estate and Facilities Management
on July 24th, 2019

This is the signatory page of a Lease between the CITY OF VANCOUVER as Landlord
and SOUTH VAN BOTTLE DEPOT (ZIM'S) LTD. as Tenant
concerning 2605 Kaslo Street (the Premises).

**SCHEDULE A
PLAN OF PREMISES**



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SCHEDULE B
GENERAL CERTIFICATE OF INSURANCE

Section 8 b) - City staff to select the required # of days Written Notice before sending the certificate out for completion
Section 2 through 8 - to be completed and executed by the Insurer or its Authorized Representative

1. THIS CERTIFICATE IS ISSUED TO: City of Vancouver, 453 W 12th Avenue, Vancouver, BC, V5Y 1V4
and certifies that the insurance policies as listed herein have been issued to the Named Insured(s) and are in full force and effect as of the effective date of the agreement described below.

2. NAMED INSURED: (must be the same name as the Permittee/Licensee or Party(ies) to Contract and is/are either an Individual(s) or a legally incorporated company(ies))

MAILING ADDRESS:

LOCATION ADDRESS:

DESCRIPTION OF OPERATION, CONTRACT, AGREEMENT, LEASE, PERMIT OR LICENSE:

3. PROPERTY INSURANCE naming the City of Vancouver as a Named Insured and/or Loss Payee with respect to its interests and shall contain a waiver clause in favour of the City of Vancouver.

(All Risks Coverage Including Earthquake and Flood) INSURED VALUES: (Replacement Cost)
INSURER: Building and Tenants' Improvements: \$
TYPE OF COVERAGE: Contents and Equipment \$
POLICY NUMBER: Deductible Per Loss: \$
POLICY PERIOD: From to

4. COMMERCIAL GENERAL LIABILITY INSURANCE (Occurrence Form)

Including the following extensions: LIMITS OF LIABILITY: (Bodily Injury and Property Damage Inclusive)
Personal Injury
Products and Completed Operations
Cross Liability or Severability of Interest
Employees as Additional Insureds
Blanket Contractual Liability
Non-Owned Auto Liability
INSURER:
POLICY NUMBER:
POLICY PERIOD: From to

5. AUTOMOBILE LIABILITY INSURANCE for operation of owned and/or leased vehicles

INSURER: LIMITS OF LIABILITY:
POLICY NUMBER: Combined Single Limit \$
POLICY PERIOD: From to
If vehicles are insured by ICBC, complete and provide Form APV-47.

6. UMBRELLA OR EXCESS LIABILITY INSURANCE

INSURER: LIMITS OF LIABILITY: (Bodily Injury and Property Damage Inclusive)
POLICY NUMBER: Per Occurrence: \$
POLICY PERIOD: From to Aggregate: \$
Self-Insured Retention: \$

7. OTHER INSURANCE (e.g. Boiler & Machinery, Business Interruption, Crime, etc.) - Please specify Name of Insurer(s), Policy Number, Policy Period, and Limit

8. POLICY PROVISIONS:

Where required by the governing contract, agreement, lease, permit or license, it is understood and agreed that:
a) The City of Vancouver, its officials, officers, employees, servants and agents have been added as Additional Insureds with respect to liability arising out of the operation of the Named Insured pursuant to the governing contract, agreement, lease, permit or license;
b) THIRTY (30) days written notice of cancellation or material change resulting in reduction of coverage with respect to any of the policies listed herein, either in part or in whole, will be given by the insurer(s) to the Holder of this Certificate; the exception is cancellation for non-payment of premiums in which case the applicable statutory conditions will apply;
c) The insurance policy (policies) listed herein shall be primary with respect to all claims arising out of the operation of the Named Insured. Any insurance or self-insurance maintained by the City of Vancouver shall be in excess of this insurance and shall not contribute to it.

SIGNED BY THE INSURER OR ITS AUTHORIZED REPRESENTATIVE

Dated, _____

PRINT NAME OF INSURER OR ITS AUTHORIZED REPRESENTATIVE, ADDRESS AND PHONE NUMBER

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Handwritten initials/signature

**SCHEDULE C
SERVICE LEVEL AGREEMENT**

The intention of this Service Level Agreement (the "SLA") is to outline the responsibilities of each party. Generally, the Tenant will pay their portion of costs associated with the day to day operation of their business related to services and equipment located within and/or exclusively serving the Premises. Generally, the Landlord shall be responsible for structural issues related to the building and repair and maintenance of shared services serving multiple tenants, if applicable. The parties mutually agree to be consistent with industry practice.

Approved Vendor:

Where noted in the comments pertaining to an item of work, prior to commencing that work, the Tenant will request and the Landlord shall provide the contact information for vendors approved by the Landlord to perform specific items of work (the "Approved Vendor"). The Tenant will ensure that only an Approved Vendor's may perform certain items of work.

Life Cycle Replacement:

Life Cycle Replacement is based on fair wear and tear. The need of such replacement is at the Landlord's discretion. Notwithstanding the foregoing, it is a condition hereof that the Landlord's obligation to maintain, repair, and replace parts of the Premises as indicated in this SLA is always subject to the availability of funds currently budgeted by the Landlord for such purposes at the Premises.

TENANCY PROFILE		Multiple Tenant		
Item	Description	Party to Perform Work	Party to Pay for Work	Comment
1.0	Heating, Ventilation and Air Conditioning			
1.1	Heating, Ventilation and Air Conditioning exclusive to or within the Premises (<i>excluding common equipment/systems</i>)			
	a) annual inspection	Tenant	Tenant	COV AV
	b) routine maintenance and repair	Tenant	Tenant	COV AV
	c) provision & replacement of filter material	Tenant	Tenant	COV AV
	d) cleaning of ducts	Tenant	Tenant	COV AV
	e) life cycle replacement (Capital Maintenance)	Tenant	Tenant	COV AV
1.2	Common Heating, Ventilation and Air Conditioning (<i>if applicable, systems serving more than the Premises</i>)			
	a) annual inspection, maintenance and repair	COV	COV	
	b) life cycle replacement	COV	COV	
2.0	Plumbing Systems			
2.1	Plumbing Systems exclusive to the Premises (<i>excluding common systems/equipment</i>)			
	a) preventive maintenance and repairs to hydronic heating systems	Tenant	Tenant	COV AV
	b) major repairs and replacement of hydronic heating systems	Tenant	Tenant	COV AV
	c) preventive maintenance and repairs to domestic cold and hot water systems	Tenant	Tenant	COV AV
	d) major repairs and replacement of domestic cold and hot water systems	Tenant	Tenant	COV AV

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SERVICE REQUIREMENT (SRA)
COV AV - City of Vancouver Approved Vendor

TENANCY PROFILE		Multiple Tenant		
Item	Description	Party to Perform Work	Party to Pay for Work	Comment
e)	maintenance and repairs to all fixtures including faucets, unplugging toilets and all other routine repairs	Tenant	Tenant	COV AV
f)	preventive maintenance and repairs to backflow preventor, if applicable	Tenant	Tenant	COV AV
g)	life cycle replacement of domestic cold and hot water systems, fixtures and piping	Tenant	Tenant	COV AV
h)	life cycle replacement of hydronic heating systems	Tenant	Tenant	COV AV
i)	life cycle replacement of fixtures (eg. faucets, urinals, water closets, drinking fountains, etc.)	Tenant	Tenant	COV AV
2.2	Common Plumbing Systems (systems serving more than the Premises)			
a)	annual inspection, maintenance and repair	COV	COV	
b)	life cycle replacement of domestic cold and hot water systems; hydronic heating systems if applicable	COV	COV	
c)	life cycle replacement of fixtures (eg. faucets, urinals, water closets, drinking fountains, sump pump, etc.) in common washrooms	COV	COV	
3.0	Mechanical Systems			
3.1	Mechanical Systems exclusive to the Premises (excluding common systems/equipment)			
a)	preventive maintenance and repairs	Tenant	Tenant	COV AV
b)	life cycle replacement	Tenant	Tenant	COV AV
c)	installation, maintenance and replacement of additional equipment provided and installed by the occupant	Tenant	Tenant	COV AV
d)	elevator - maintenance and repair	n/a	n/a	
e)	elevator - life cycle replacement	n/a	n/a	
3.2	Common Mechanical Systems (systems serving more than the Premises)			
a)	annual inspection, maintenance and repair	COV	COV	
b)	life cycle replacement	COV	COV	
4.0	Fire Protection and Suppression Systems			
4.1	Fire Protection & Suppression exclusive to the Premises			
a)	monthly inspection of fire extinguishers, and smoke detectors	Tenant	Tenant	COV AV
b)	annual inspection of fire extinguishers	Tenant	Tenant	COV AV
c)	repairs and recharging of fire extinguishers	Tenant	Tenant	COV AV
d)	annual inspection, maintenance, repairs, and life-cycle replacement of smoke/heat detectors connected to the main building fire alarm system	Tenant	Tenant	COV AV
e)	life cycle replacement of fire alarm system	Tenant	Tenant	COV AV
f)	annual inspection, maintenance and repair of fire sprinkler system	Tenant	Tenant	COV AV
g)	life cycle replacement of fire sprinkler system	Tenant	Tenant	COV AV
4.2	Common Fire Protection & Suppression (if applicable, systems serving more than the Premises)			
a)	annual inspection, maintenance and repairs of the fire alarm system	COV	COV	

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TENANCY PROFILE		Multiple Tenant		
Item	Description	Party to Perform Work	Party to Pay for Work	Comment
	b) life cycle replacement of fire alarm system	COV	COV	
	c) annual inspection, maintenance and repair of fire sprinkler system	COV	COV	
	d) life cycle replacement of fire sprinkler system	COV	COV	
5.0	Security			
5.1	Security Systems dedicated to or within the Premises			
	a) system monitoring, inspection, maintenance and repair	Tenant	Tenant	
	b) life cycle replacement	Tenant	Tenant	
	c) repair, replacement, re-keying of all locks, fobs, and access devices (Tenant MUST provide a key to COV)	Tenant	Tenant	COV AV
5.2	Common Security Systems (if applicable, systems serving more than the Premises)			
	a) system monitoring, inspection, maintenance and repair (including enterphones)	COV	COV	
	b) life cycle replacement	COV	COV	
	c) security personnel	COV	COV	
6.0	Electrical Distribution Systems			
6.1	Electrical Distribution Systems exclusive to the Premises (excluding common systems/equipment)			
	a) repairs and upgrades required by Code or initiated by Landlord	Tenant	Tenant	COV AV
	b) repairs and upgrades required by Code and initiated by Tenant	Tenant	Tenant	COV AV
	c) inspection, maintenance and repair of wiring, breakers and electrical panels	Tenant	Tenant	COV AV
	d) life cycle replacement of wiring, breakers and panels	Tenant	Tenant	COV AV
	e) repair or replacement of switches, receptacles, cover plates	Tenant	Tenant	COV AV
	f) additions, extensions, or enhancements to meet tenant's needs including future maintenance	Tenant	Tenant	COV AV
6.2	Common Electrical Distribution Systems (systems serving more than the Premises on service side)			
	a) inspection, maintenance and repair of electrical distribution systems	COV	COV	
	b) life cycle replacement of electrical distribution systems to the leased premises	COV	COV	
	c) maintenance, repair and replacement of auxiliary power generating systems	COV	COV	
7.0	Lighting Systems			
7.1	Lighting Systems exclusive to the Premises			
	a) lamp (eg. Bulbs, tubes) replacement for interior and exterior lighting	Tenant	Tenant	
	b) annual inspection and maintenance of interior emergency/exit lighting	Tenant	Tenant	
	c) interior and exterior lighting fixture (eg. ballast) replacement	Tenant	Tenant	COV AV
	d) life cycle replacement of fixtures	Tenant	Tenant	COV AV
	e) cleaning of interior and exterior light fixtures	Tenant	Tenant	

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TENANCY PROFILE		Multiple Tenant		
Item	Description	Party to Perform Work	Party to Pay for Work	Comment
f)	provision, maintenance, repair and life cycle replacement of other lighting fixtures including portable, specialty fixtures, including exterior lighting related to the premises	Tenant	Tenant	
7.2	Common Lighting Systems (if applicable, systems serving more than the Premises)			
a)	inspection, maintenance, repair, and cleaning of interior and exterior lighting	COV	COV	
b)	life cycle replacement of base building fixtures including emergency/exit lighting	COV	COV	
8.0	Windows			
8.1	Interior Windows exclusive to the Premises			
a)	breakage, routine repair and replacement of interior windows caused by occupant or occupant's operations	Tenant	Tenant	COV AV
b)	cleaning of windows and surfaces of interior windows	Tenant	Tenant	COV AV
c)	life cycle replacement	Tenant	Tenant	COV AV
8.2	Exterior Windows exclusive to the Premises			
a)	breakage, routine repairs and replacement of exterior windows not caused by occupant or occupant's operations	Tenant	Tenant	COV AV
b)	breakage, routine repairs and replacement of exterior windows caused by occupant or occupant's operations	Tenant	Tenant	COV AV
c)	cleaning (interior and exterior surfaces)	Tenant	Tenant	COV AV
d)	life cycle replacement	COV	COV	COV AV
8.3	Common Interior or Exterior Windows (if applicable)			
a)	breakage, routine repairs and replacement of exterior windows not caused by occupant or occupant's operations	COV	COV	
b)	breakage, routine repairs and replacement of exterior windows caused by occupant or occupant's operations	COV	Tenant	chargeback
c)	cleaning (interior and exterior surfaces)	COV	COV	
d)	life cycle replacement	COV	COV	
9.0	Doors			
9.1	Interior Doors exclusive to the Premises			
a)	maintenance and repair of interior doors	Tenant	Tenant	COV AV
b)	life cycle replacement of interior doors	Tenant	Tenant	COV AV
9.2	Exterior Doors exclusive to the Premises			
a)	maintenance and repair of exterior doors	COV	Tenant	TI Review
b)	life cycle replacement of exterior doors	COV	COV	TI Review
9.3	Common Interior or Exterior Doors			
a)	maintenance and repair	COV	COV	
b)	life cycle replacement	COV	COV	
10.0	Surfaces			
10.1	Interior & Exterior Surfaces exclusive to the Premises			
a)	interior life cycle repainting	Tenant	Tenant	



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TENANCY PROFILE		Multiple Tenant		
Item	Description	Party to Perform Work	Party to Pay for Work	Comment
b)	provision of, maintenance and cleaning of window applications including, but not limited to blinds and curtains	Tenant	Tenant	
c)	repairs to interior walls and ceilings, including minor painting and wallpaper cleaning	Tenant	Tenant	
d)	life cycle replacement of ceiling tiles	Tenant	Tenant	
e)	interior repairs (excluding the tenant's improvements, furnishings, fittings and equipment) due to building system failures such as roof leaks, exterior walls and foundation leaks not caused by the occupant or operations	COV	COV	
f)	maintenance and repairs of floor coverings, such as carpet and tile	Tenant	Tenant	
g)	life cycle replacement of flooring including underlay and coverings	Tenant	Tenant	TI Review
h)	maintenance, repair, and replacement of millwork and other finish carpentry	Tenant	Tenant	
i)	provision, maintenance, repair, and replacement of exterior awnings	n/a	n/a	
10.2	Common Area Interior Surfaces			
a)	all maintenance and repairs	COV	COV	
b)	all capital maintenance or replacements	COV	COV	
10.3	Common Area Exterior Surfaces			
a)	maintenance and repairs of roof and walls	COV	COV	
b)	capital maintenance or life cycle replacement including repainting	COV	COV	
c)	repairs and painting of exterior surfaces including windows, trim, fascia and soffits	COV	COV	
d)	cleaning of roof areas and drains, eavestroughs, gutters and awnings	COV	COV	
11.0	Major Structural Systems			
11.1	Major Structural Systems exclusive to the Premises			
a)	repairs or replacements of foundations, flooring sub-structure, building envelope including bearing walls and roofing <u>not</u> due to damage by the tenant	COV	COV	
b)	repairs or replacements of foundations, flooring sub-structure, building envelope including bearing walls and roofing due to damage by the tenant	COV	COV	
11.2	Common Major Structural Systems			
a)	maintenance, repairs and replacement (eg. structure, foundations, building envelope)	COV	COV	
12.0	Site Services			
12.1	Common Site Services (Including the Shared Outdoor Amenity Space, EXCLUDING FENCED YARD AREA)			
a)	landscaping repairs including hardscapes, maintenance and replacement	COV	COV	
b)	grass cutting	COV	COV	
c)	general cleaning of grounds, litter disposal	COV	COV	
d)	graffiti removal	COV	COV	

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TENANCY PROFILE				
Item	Description	Multiple Tenant		
		Party to Perform Work	Party to Pay for Work	Comment
e)	snow and ice removal from roof areas	COV	COV	
f)	snow and ice removal from steps, walkways, entrances including the provision of de-icing materials	COV	COV	
g)	removal of snow from entrance to parking areas	COV	COV	
h)	maintenance and repair of external walkways, steps	COV	COV	
i)	maintenance and minor repair of parking areas	COV	COV	
j)	replacement of external walkways and steps and repaving of parking and loading areas	COV	COV	
k)	maintenance, repair and replacement of gates and fences (excluding tenant specific gates and fences)	COV	COV	
l)	repairs of water and sewage systems (beyond the building perimeter), unless deemed to be caused by the occupant or occupants operations	COV	COV	
m)	irrigation repairs, maintenance, including DDC controls and replacement	COV	COV	
13.0	Signage			
13.1	Exterior Signage exclusive to the Premises			
a)	maintenance, repair, and replacement (subject to prior approval of the CoV), including temporary signage	Tenant	Tenant	
13.2	Interior Signage exclusive to the Premises			
a)	maintenance, repair and replacement of Interior building and wayfinding signage	Tenant	Tenant	
14.0	Janitorial			
14.1	Janitorial Services exclusive to the Premises			
a)	routine janitorial/custodial services	Tenant	Tenant	
b)	pest control services (interior and exterior)	Tenant	Tenant	COV AV
c)	provision of all washroom and cleaning supplies	Tenant	Tenant	
d)	garbage and recycling removal services and bins	Tenant	Tenant	
14.2	Common Area Janitorial Services			
a)	routine janitorial/custodial services	n/a	n/a	
b)	pest control services (interior and exterior)	COV	COV	
c)	provision of all washroom and cleaning supplies	n/a	n/a	
d)	garbage and recycling removal services and bins	COV	COV	
15.0	Fittings, Furnishings and other Equipment			
15.1	Fittings Furnishings & Equipment exclusive to the Premises			
a)	inspection, maintenance and repair of all non-building equipment including stoves, refrigerators, microwaves, coolers, free standing cabinets, track lighting	Tenant	Tenant	
b)	replacement of all appliances, program and non-installed equipment	Tenant	Tenant	
c)	maintenance, repair and replacement of furniture	Tenant	Tenant	
16.0	Renovations and Upgrades			

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TENANCY PROFILE		Multiple Tenant		
Item	Description	Party to Perform Work	Party to Pay for Work	Comment
16.1	Renovations and Upgrades exclusive to the Premises			
a)	any upgrades, additions, enhancements or improvements initiated by the Tenant following the lease agreement Commencement Date (subject to prior approval by CoV) including remediation of hazardous materials	Tenant	Tenant	TI Review by Landlord Required
17.0	Utilities			
17.1	Utilities			
a)	separately metered electricity, gas, water and sewer	Tenant	Tenant	
b)	all other utility charges (eg. cable, communications, etc.)	Tenant	Tenant	
18.0	Business Operations			
18.1	Business Operations			
a)	Tenant's staff costs	Tenant	Tenant	
c)	insurance (CGL, business interruption, contents, tenant improvements, etc.)	Tenant	Tenant	
d)	insurance (building shell)	COV	COV	
d)	supplies and equipment for Tenant's premises, including for bathroom and kitchen	Tenant	Tenant	
e)	security services related directly to tenant's space, if required by Tenant	Tenant	Tenant	

INITIALS
