

Your electronic signature is a representation that you are a subscriber as defined by the Land Title Act, RSBC 1996 c.250, and that you have applied your electronic signature in accordance with Section 168.3, and a true copy, or a copy of that true copy, is in your possession.

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

Deduct LTSA Fees? Yes

2. PARCEL IDENTIFIER AND LEGAL DESCRIPTION OF LAND:
[PID] [LEGAL DESCRIPTION]

STC? YES

3. NATURE OF INTEREST	CHARGE NO.	ADDITIONAL INFORMATION
-----------------------	------------	------------------------

4. TERMS: Part 2 of this instrument consists of (select one only)
(a) Filed Standard Charge Terms D.F. No. (b) Express Charge Terms Annexed as Part 2
A selection of (a) includes any additional or modified terms referred to in Item 7 or in a schedule annexed to this instrument.

5. TRANSFEROR(S):

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

7. ADDITIONAL OR MODIFIED TERMS:

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

Officer Signature(s)

Execution Date		
Y	M	D

Transferor(s) Signature(s)

EXECUTIONS CONTINUED**Execution Date**

Transferor / Borrower / Party Signature(s)

[illegible]

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

EXECUTIONS CONTINUED**Execution Date**

Transferor / Borrower / Party Signature(s)

Y	M	D
---	---	---

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

EXECUTIONS CONTINUED**Execution Date**

Transferor / Borrower / Party Signature(s)

[illegible]

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

LAND TITLE ACT
FORM E

SCHEDULE	PAGE	OF	PAGES
NATURE OF INTEREST	CHARGE NO.	ADDITIONAL INFORMATION	

NATURE OF INTEREST	CHARGE NO.	ADDITIONAL INFORMATION
--------------------	------------	------------------------

NATURE OF INTEREST	CHARGE NO.	ADDITIONAL INFORMATION
--------------------	------------	------------------------

NATURE OF INTEREST	CHARGE NO.	ADDITIONAL INFORMATION
--------------------	------------	------------------------

NATURE OF INTEREST	CHARGE NO.	ADDITIONAL INFORMATION
--------------------	------------	------------------------

NATURE OF INTEREST	CHARGE NO.	ADDITIONAL INFORMATION
--------------------	------------	------------------------

LAND TITLE ACT
FORM E

SCHEDULE	PAGE	OF	PAGES
NATURE OF INTEREST	CHARGE NO.	ADDITIONAL INFORMATION	

NATURE OF INTEREST	CHARGE NO.	ADDITIONAL INFORMATION
--------------------	------------	------------------------

NATURE OF INTEREST	CHARGE NO.	ADDITIONAL INFORMATION
--------------------	------------	------------------------

NATURE OF INTEREST	CHARGE NO.	ADDITIONAL INFORMATION
--------------------	------------	------------------------

NATURE OF INTEREST	CHARGE NO.	ADDITIONAL INFORMATION
--------------------	------------	------------------------

NATURE OF INTEREST	CHARGE NO.	ADDITIONAL INFORMATION
--------------------	------------	------------------------

LAND TITLE ACT
FORM E

SCHEDULE	PAGE	OF	PAGES
----------	------	----	-------

ENTER THE REQUIRED INFORMATION IN THE SAME ORDER AS THE INFORMATION MUST APPEAR ON THE FREEHOLD TRANSFER FORM, MORTGAGE FORM, OR GENERAL INSTRUMENT FORM.

TERMS OF INSTRUMENT - PART 2

INNER-CITY LOCAL EMPLOYMENT AND PROCUREMENT AGREEMENT

BETWEEN

B.C. PAVILION CORPORATION

AND

1010094 B.C. LTD.

AND

PARQ HOLDINGS LIMITED PARTNERSHIP

AND

EDGEWATER CASINO ULC

AND

CITY OF VANCOUVER

FOR

PARQ

(39 SMITHE STREET)

DATED FOR REFERENCE: April 28, 2015

WHEREAS:

- A. It is understood and agreed that this Agreement will be read as follows:
- (a) the Transferor, **B.C PAVILION CORPORATION** is called “**PavCo**”;
 - (b) the Transferor as to its leasehold interest, **1010094 B.C. Ltd.**, is called the “**Tenant**”;
 - (c) the covenantor, **PARQ HOLDINGS LIMITED PARTNERSHIP**, is called “**PHLP**”;
 - (d) the covenantor, **EDGEWATER CASINO ULC**, is called the “**Operator**”;
 - (e) PavCo, the Tenant, PHLP and the Operator are hereinafter collectively called the “**Owner**”; and
 - (f) the Transferee, **CITY OF VANCOUVER**, is called the “**City**” when referring to the corporate entity and “**City of Vancouver**” when referring to geographical location;
- B. All capitalized terms not otherwise defined in these Recitals will have the meanings ascribed thereto in Article 1.1 of this Agreement;
- C. PavCo is the registered owner of the Lands;
- D. PavCo made an application to rezone the Lands from BCPED (BC Place/Expo District) to CD-1 (Comprehensive Development) District (the “**Rezoning**”) for the purposes of developing the Lands with a 23-storey mixed-use building consisting of retail stores and lobby areas on the ground floor, a hotel with 188 rooms on the 7th through 15th levels, a hotel (JW Marriott) with 329 rooms on the 6th through 23rd levels, meeting rooms and ballrooms on the 4th and 5th floor levels, Casino - Class 2 with 600 slot machines and 75 gaming tables on the 2nd and 3rd levels, and 4 levels of underground parking accessed from Smithe Street, Expo Boulevard and Pacific Boulevard (the “**Project**”), and after a public hearing to consider the said application, the Rezoning was approved by City Council in principle, subject to, inter alia, fulfilment of the following condition which was further described in the Vancouver City Staff report in respect of the Rezoning:
- “Execution of an Inner-City Local Employment and Procurement Agreement between the applicant, the operator of the Edgewater Casino and the City for the construction and Operation of the project on the Rezoning Site” (the “**Rezoning Condition**”);*
- E. The Rezoning Condition was not fulfilled prior to enactment of the Rezoning and so by way of a No Development Covenant registered in the LTO on November 28, 2011 under number BB1356841, PavCo agreed that no development would take place on the Lands until the Rezoning Condition has been fulfilled to the satisfaction of the General Manager and the Director of Legal Services and until this Agreement is fully executed and, if required, registered in the LTO;
- F. By way of a lease made effective as of November 21, 2014 between PavCo, as landlord, and the Tenant, as tenant, PavCo granted to the Tenant a ground lease of

the Lands for a term of 70 years, which lease was registered in the LTO under number CA4127165 (the “**Ground Lease**”);

- G. The Tenant is the nominee, agent and bare trustee of and for PHLP, which is the party responsible for obtaining the permits for the construction of the Project and carrying out the construction of the Project on the Lands;
- H. The Operator is the service provider under the COSA pursuant to which (1) the Operator operates the existing Edgewater Casino located at 760 Pacific Boulevard, Vancouver, B.C., and (2) once the Project is completed, the Operator will operate the casino intended to form part of the Project;
- I. As of the date of this Agreement, the City has issued Building Permit BU460798 (the “**Below Grade Permit**”) which authorizes the Owner to commence construction of the below-grade component of the Project; and
- J. PavCo, the Tenant, PHLP and the Operator have each agreed to enter into this Agreement with the City and in particular, PavCo, as registered owner of the Lands, and the Tenant, as registered holder of the Ground Lease, have agreed to grant Section 219 Covenants in favour of the City in respect of the use of the Lands to ensure that the Owner, among other things, performs the Building Permit Conditions, the Occupancy Permit Conditions and the Ongoing Obligations all in accordance with this Agreement, PavCo agrees to ensure that any successors who acquire an interest in the Lands or operate all or portions of the Project comply with all such conditions and PHLP and the Operator covenant to fulfill all obligations and covenants of the Owner as set out herein.

CONSIDERATION

NOW THEREFORE this Agreement witnesses that for one dollar (\$1.00) and other good and valuable consideration (the receipt and sufficiency of which is hereby acknowledged and agreed to by the parties), the parties, for themselves and their successors and assigns, hereby covenant and agree as follows:

ARTICLE 1 DEFINITIONS

1.1 Definitions

The terms defined in this Section 1.1 will have the following meanings for all purposes in this Agreement, except where specifically otherwise provided herein:

- (a) “**Building**” means any building or structure used, occupied or constructed on the Lands as part of the Project at any time following the date of this Agreement and includes any portion of such building or structure but does not include temporary buildings or structures on the Lands during the period of and required for the purposes of construction on the Lands;
- (b) “**Building Permit**” means a building permit or any partial building permit, other than the Below Grade Permit, issued by the City authorizing any building on the Lands, or any portion of the Lands, at any time following the date this Agreement is fully executed by the parties;

- (c) **“Building Permit Conditions”** means those conditions to be satisfied by the Owner prior to issuance of the Building Permit and set out in Section 2.1;
- (d) **“City”** means the City of Vancouver as a corporate entity;
- (e) **“City Engineer”** means the chief administrator from time to time of the City’s Engineering Services Department and his successors in function and their respective nominees;
- (f) **“City Personnel”** means any and all of the elected and appointed officials, and officers, employees, agents, nominees, delegates, permittees, contractors, subcontractors and volunteers of the City;
- (g) **“Completion Date of Construction”** means that date on which an Occupancy Permit has been issued for all or a portion of the Project and if for a portion of the Project, then means the date on which the Occupancy Permit is issued for that portion;
- (h) **“Completion of the Project”** means the date of substantial completion (as defined in the *Builders Lien Act*) of the construction of the Project;
- (i) **“Construction Period”** means that period during which the Project, or any portion thereof, will be constructed on the Lands commencing on the date of issuance of a Building Permit for all or that portion of the Project and ending upon the Completion Date of Construction for all or that portion of the Project;
- (j) **“Contractor”** means any entity entering into a Contract, following the date of this Agreement, to provide labour, work, services, goods, products, tools, materials or equipment for the construction or development of the Project or the on-going operations of the Project, respectively, provided that the Contractor excludes an entity providing professional services governed by a professional regulatory body including only architects, engineers, lawyers and accountants, and the defined term **“Contractors”** means more than one such Contractor;
- (k) **“Contract”** means any agreement including a construction contract, subcontract, lease, license, operations and management agreement, entered into between any of PavCo, the Tenant, PHLP and the Operator, or any subsidiary, affiliate or related entity thereof, and any third party for the construction or operation of all or any part of the Project;
- (l) **“COSA”** means the amended and restated casino operational services agreement dated with effect January 31, 2007 between the Operator and British Columbia Lottery Corporation;
- (m) **“Director of Legal Services”** means the chief administrator from time to time of the Legal Services Department of the City and her successors in function and respective nominees;
- (n) **“Estimated Project Cost”** has the meaning set out in Section 2.1(b);

- (o) **“Event of Force Majeure”** means acts of God or public enemy, wars (declared or undeclared), revolution, riots, insurrections, civil commotions, fires, floods, slides, epidemics, quarantine restrictions, strikes or lockouts, including illegal work stoppages or slowdowns, or stop work orders issued by a court or public authority, including the City (provided that such orders were not issued as a result of an act or omission of the Owner or anyone employed or retained by the Owner), freight embargos, or power failures, provided that any such event or circumstance reasonably constitutes a material disabling event or circumstance which is beyond the reasonable control of a party, does not arise from the neglect or default of a party, and which results in a material delay, interruption or failure by a party in carrying out its duties, covenants or obligations under this Agreement, but which does not mean or include any delay caused by the Owner's lack of funds or financial condition (and for greater certainty, a strike or lockout, including illegal work stoppages or slowdowns, will be considered events or circumstances beyond the reasonable control of a party and not events or circumstances arising from the neglect or default of that party, it being understood that the terms of settlement of any labour disturbance, dispute, strike or lockout will be wholly in the discretion of that party);
- (p) **“Final Construction Report”** has the meaning set out in Section 4.3(b);
- (q) **“General Manager”** means the City's General Manager of Community Services;
- (r) **“Ground Lease”** has the meaning set out in Recital F of this Agreement;
- (s) **“Halfway Point of Construction”** has the meaning set out in Section 2.1(c);
- (t) **“Inner-City”** means the Downtown East Side, Strathcona and Mount Pleasant neighbourhoods within the City of Vancouver;
- (u) **“Inner-City Local Employment and Procurement Director”** means that person engaged and retained by the Owner at its cost who is responsible for carrying out the functions set out in Schedule B of this Agreement during the Construction Period and Operations Period;
- (v) **“Land Title Act”** means the *Land Title Act*, R.S.B.C. 1996, c. 250;
- (w) **“Lands”** means the parcel or parcels of land situate in the City of Vancouver, Province of British Columbia, described in Item 2 of the General Instrument Part 1 and includes any parcel into which such land is consolidated or further subdivided;
- (x) **“Local Business”** means either a business located in the Inner-City or a Social Enterprise;
- (y) **“Losses”** means all damages, losses, costs, actions, causes of action, claims, demands, builders liens, liabilities, expenses, indirect or consequential damages (including loss of profits and loss of use and damages arising out of delays);

- (z) **"LTO"** means the land title office for the jurisdiction in which the Lands are situate;
- (aa) **"Multi-barriered"** means persons who have two or more significant barriers to employment (including physical or mental health challenges, low-income, addiction or housing challenges) and require specific programs and supports designed to enhance their employability and community engagement;
- (bb) **"Neutral Third Party"** means an external or independent person or entity, (which precludes internal staff employed by the Owner) engaged and retained by the Owner at its cost, who will be responsible for carrying out the roles and responsibilities set out in Schedule A of this Agreement for the duration of the Construction Period and the Operations Period;
- (cc) **"Occupancy Permit"** means a permit issued by the City authorizing the use and occupation of any Building, development or partial development on the Lands or any portion of the Lands;
- (dd) **"Occupancy Permit Conditions"** means those conditions to be satisfied by the Owner prior to issuance of an Occupancy Permit and set out in Section 4.3;
- (ee) **"Ongoing Obligations"** means those obligations of the Owner set out in Section 6.1
- (ff) **"Operations Period"** means that period during which all or a portion of the Project is in operation on the Lands commencing upon the Completion Date of Construction and only terminating on the Ultimate Expiry Date;
- (gg) **"Operator"** means Edgewater Casino ULC, and includes any successors or assigns of the Operator's interest in the COSA or any subsequent party holding a casino operational services agreement in respect of the operation of the casino in the Project;
- (hh) **"Owner"** has the meaning set out in Recital A of this Agreement;
- (ii) **"PHLP"** means Parq Holdings Limited Partnership, and includes any successors or assigns of PHLP's interest in the agreements pursuant to which PHLP will be carrying out the construction of the Project on the Lands as contemplated in Recital G;
- (jj) **"PavCo"** means B.C. Pavilion Corporation, and includes any successors in title to the Lands or a portion of the Lands;
- (kk) **"Progress Report"** has the meaning set out in Section 4.2;
- (ll) **"Project"** has the meaning set out in Recital D of this Agreement;
- (mm) **"Project Cost"** has the meaning set out in Section 4.1(b);
- (nn) **"Qualified Business"** means:
 - (i) a Local Business; or

- (ii) a business that is not located in the Inner-City but which provides on-going support to Inner-City community development initiatives by recruiting and/or employing Residents, including Residents who are Multi-barriered; or acquiring goods, products, equipment and services from a business or businesses located in the Inner-City or from a Social Enterprise,

and the defined term “**Qualified Businesses**” means more than one such Qualified Business;

- (oo) “**Residents**” means all individuals residing in the Inner-City, or, subject to the approval of the General Manager as set out herein, Grandview-Woodland, Hastings Sunrise or other neighbourhoods, with priority given to groups who are considered vulnerable and/or have been traditionally marginalized, including Urban Aboriginal and First Nations residents, women, people with disabilities, low-income residents overcoming addictions, ethnic and/or cultural minorities who are Unemployed, Underemployed, or Multi-barriered;
- (pp) “**Rezoning Condition**” has the meaning set out in Recital D to this Agreement;
- (qq) “**SAG**” means the Strategic Advisory Group, being the group which will facilitate and support the Owner in meeting its obligations as set out in Schedule C of this Agreement;
- (rr) “**Social Development Agencies**” means organizations approved by the City that provide meaningful employment and training services to ensure job readiness and provide on-going support to those experiencing barriers to employment by delivering education, training, counselling, support and financial services designed to help members overcome barriers to success and self-sufficiency including, without limitation, EMBERS, Open Door, ACCESS/BladeRunners, Immigrant Services Society of BC, and Potluck Café’s Society Recipes for Success;
- (ss) “**Social Enterprise**” means a for-profit or non-profit entity that is directly involved in the production and/or selling of goods and services with a clear mission for achieving social, cultural and/or environmental objectives that provide direct benefits for Residents and other businesses in the Inner-City;
- (tt) “**Tenant**” means 1010094 B.C. Ltd., and includes any successors or assigns of the Tenant’s interest in the Ground Lease or any subsequent tenant holding a registered leasehold interest in the Lands or a portion of the Lands;
- (uu) “**Ultimate Expiry Date**” means the date on which all portions of the casino to be constructed on the Lands have fully and permanently ceased operations and all gaming tables and slot machines located therein have been removed from the Lands;
- (vv) “**Underemployed**” means persons who are not engaged in work that makes full use of their skills and experience and/or not sufficiently compensated for their skills and experience; and
- (ww) “**Unemployed**” means persons without a paid job but available for work.

1.2 Interpretation

- (a) Any interest in land created hereby, including those noted in the Form C attached to and forming part of this Agreement, as being found in certain Articles, Sections, paragraphs or parts of this Agreement, will be construed, interpreted and given force in the context of those portions of this Agreement:
 - (i) that define the terms used in this Agreement;
 - (ii) that deal with the interpretation of this Agreement; and
 - (iii) that are otherwise of general application.
- (b) In this Agreement, the words “include” and “including” are to be construed as meaning “including, without limitation”.
- (c) The Schedules attached to this Agreement constitute an integral part of this Agreement.

1.3 Headings

The division of this Agreement into Articles and Sections and the insertion of headings are for the convenience of reference only and will not affect the construction or interpretation of this Agreement. The terms “this Agreement”, “hereof”, “hereunder” and similar expressions refer to this Agreement and not to any particular Article or other portion hereof and include any agreement or instrument supplemental or ancillary hereto. Unless something in the subject matter or context is inconsistent therewith, references herein to Articles and Sections are to Articles and Sections of this Agreement.

1.4 Number

Words importing the singular number only will include the plural and vice versa, words importing the masculine gender will include the feminine and neuter genders and vice versa, and words importing persons will include individuals, partnerships, associations, trusts, unincorporated organizations and corporations and vice versa.

1.5 Governing Law

This Agreement will be governed by and construed in accordance with the laws of the Province of British Columbia and the laws of Canada applicable in British Columbia. Any reference to a statute is to the statute and its regulations in force on the date the Form C General Instrument - Part 1 is fully executed and to subsequent amendments to or replacements of the statute or regulations.

1.6 Parties Jointly and Severally Liable

Each of PavCo, the Tenant, PHLP and the Operator hereby agree that all obligations and covenants herein required of the Owner are binding upon each of PavCo, the Tenant, PHLP and the Operator and that PavCo, the Tenant, PHLP and the Operator, by executing this Agreement, are all contractually bound and jointly and severally liable to fulfill all of the obligations and covenants of the Owner as set out herein.

ARTICLE 2 PRE-BUILDING PERMIT DELIVERABLES

2.1 Deliverables Prior to Building Permit Issuance

The Owner hereby covenants and agrees to prepare a construction schedule for the City and provide documentation setting out the following:

- (a) the proposed phasing of the construction of the Project;
- (b) the total estimated and approximate cost (from the proposed beginning of the anticipated and approximate date to the anticipated and approximate Completion Date of Construction) required to construct the Project and each portion thereof (the “**Estimated Project Cost**”);
- (c) the anticipated and approximate halfway point of the Construction Period (the “**Halfway Point of Construction**”) for each portion of the Project and the anticipated and approximate Completion Date of Construction for each portion of the Project;
- (d) confirmation that the Owner has identified and contacted the Social Development Agencies approved by the City and Qualified Businesses for the Project;
- (e) confirmation that the Owner has engaged, at its cost, a Neutral Third Party as approved by the City to fulfill the roles and responsibilities set out in Schedule A of this Agreement during the Construction Period;
- (f) confirmation that:
 - (i) the Owner has engaged, at its cost, an Inner-City Local Employment and Procurement Director who will be retained for the duration of the Construction Period and will perform the functions set out in Schedule B of this Agreement during the Construction Period; or
 - (ii) the Owner has determined that it will delegate to internal staff currently employed by the Owner the functions set out in Schedule B until such time as the City determines, acting reasonably, that it is necessary to hire a separate, full time employee to serve as an Inner-City Local Employment and Procurement Director, at which time it will engage, at its cost, an Inner-City Local Employment and Procurement Director and advise the City in writing; and
- (g) the name of at least one representative of PHLP and the Operator who will be appointed to the SAG.

The requirements in this Section 2.1 are collectively referred to herein as the “**Building Permit Conditions**”.

ARTICLE 3 BUILDING PERMIT HOLD

3.1 Building Restriction

PavCo covenants and agrees with the City, as a covenant running with and binding the Lands, the Tenant covenants and agrees with the City, as a covenant running with and binding the Tenant's interest in the Lands under the Ground Lease during the term and any renewal or extension of the term of the Ground Lease (and, in its capacity as landlord under the Ground Lease, Pavco consents to the foregoing covenant), in both cases pursuant to Section 219 of the *Land Title Act*, and PHLP and the Operator also covenant with the City as a personal covenant and contractual obligation, that notwithstanding that the Owner may be otherwise entitled:

- (a) the Owner will not construct, nor permit to be constructed any Building on the Lands or any portion of the Lands, except as authorized under the Below Grade Permit, and will take no action to compel the issuance of a Building Permit for such Building; and
- (b) the City will be under no obligation to issue a Building Permit,
until the Owner has satisfied the Building Permit Conditions.

3.2 Discharge of Section 219 Covenant

Upon the Owner complying with Section 2.1, subject to as hereinafter provided, the City will execute a discharge of the Section 219 Covenant in Section 3.1 from title to the Lands and the Ground Lease, provided that:

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

3.3 If Building Permit Issued Inadvertently

The Owner covenants and agrees that any Building Permit, other than the Below Grade Permit, for any Building issued inadvertently or otherwise prior to the Owner complying with Section 2.1 may be revoked by the City at any time and further agrees that if the Owner commences construction of any Building or other improvement in contravention of this Agreement, the City may pursue all remedies, including injunctive relief.

ARTICLE 4 CONSTRUCTION OBLIGATIONS

4.1 Owner's Obligations During Construction Period

The Owner hereby covenants and agrees that it will, during the Construction Period, complete the following, including providing supporting documentation as may be required, all to the satisfaction of the General Manager, acting reasonably:

- (a) at the Owner's expense:
 - (i) continuously retain the Neutral Third Party, and should the Neutral Third Party need to be changed or replaced during the Construction Period, such change or replacement will be by way of a process approved by the General Manager, with the successful candidate subject to the approval of the General Manager; and
 - (ii) ensure internal staff is carrying out the functions of the Inner-City Local Employment and Procurement Director set out in Schedule B until such time as the City determines, acting reasonably, that it is necessary to hire a separate, full time employee to serve as an Inner-City Local Employment and Procurement Director, at which time it will engage and continuously retain an Inner-City Local Employment and Procurement Director and advise the City in writing;
- (b) with respect to local procurement:
 - (i) use best efforts to ensure that an aggregate total amount of not less than 10% of the total cost of all labour and all procured goods required to construct the Project, including Contracts and subcontracts (the "Project Cost"), are procured from Qualified Businesses, and to diversify local procurement, including Contracts and subcontracts, among Qualified Businesses; and
 - (ii) insert, and to cause its Contractors to insert, in its Contracts, purchase orders, and request for bids, and/or other procurement documents the requirement to use best efforts to procure locally and from Qualified Businesses not less than 10% of the value of all Contracts, and a requirement to use best efforts to diversify local procurement, including Contracts and subcontracts, among Qualified Businesses;
- (c) with respect to the 10% Inner-City local procurement requirement set out above:
 - (i) priority is to be given to Qualified Businesses located in the Downtown East Side, and then the Strathcona and Mount Pleasant neighbourhoods. If not available within these neighbourhoods, then consideration may be given to Grandview-Woodlands, Hastings-Sunrise or any other neighbourhood, subject to the satisfaction of the General Manager, acting reasonably, based on advice from the Neutral Third Party; and

- (ii) the Owner will use best efforts to ensure that on site food services, project clean-up work and landscaping work are procured from Qualified Businesses with priority given to those in the Downtown East Side and then the remainder of the Inner-City neighbourhoods;
- (d) with respect to local employment, use best efforts to ensure that no fewer than 10% of full-time equivalent employment for the construction of the Project during the Construction Period are held by Residents, who may be recruited or hired under a program run by one or more Social Development Agencies, as may also be facilitated by the Neutral Third Party, and provide, to the City's satisfaction, acting reasonably, confirmation that the Owner has:
 - (i) agreed with the City on one or more Social Development Agencies that the Owner may engage in furtherance of the mandate of matching construction industry jobs with opportunities for Residents; and
 - (ii) with respect to Contracts and subcontracts with Contractors entered into following the date of this Agreement, inserted language in such Contracts and subcontracts with Contractors, or obtained letters of undertaking from such Contractors, requiring each Contractor to:
 - (A) agree with the City on Social Development Agencies located primarily in the Downtown East Side, Strathcona and Mount Pleasant prior to the commencement of any on-site work by such Contractor and thereafter, from time to time during the "on-site" work undertaken by such Contractor in respect of such Contract, to work with Social Development Agencies for employment opportunities available through Social Development Agencies in respect of such Contractor and such Contract to ensure that the Owner has fulfilled its contractual Inner-City local employment obligation during the Construction Period;
 - (B) work cooperatively with Social Development Agencies to remove or reduce barriers to employment for Residents to construction-related employment opportunities; and
 - (C) ensure that all Residents hired by such Contractor under the Social Development Agencies program have the same pay rate and terms commensurate with other employees occupying similar skill levels and with similar experience; and
- (e) with respect to the 10% Inner-City local employment requirement set out above:
 - (i) Residents must be compensated at a rate commensurate with other employees occupying positions requiring similar skill levels and experience; and
 - (ii) the City may agree to expand the area in which Residents may live to include Grandview-Woodland, Hastings-Sunrise and other neighbourhoods, provided that it is demonstrated to the satisfaction of the General Manager, acting reasonably, that sufficient levels of

employees cannot be hired from the Inner-City, but in such event the City may place limits or conditions on the percentage of full-time equivalent employees who may reside in Grandview-Woodland, Hastings-Sunrise or any other neighbourhood. Should the City agree to expand the employee area outside the Inner-City, the hiring process would be subject to the City's approval based on advice of the Neutral Third Party.

4.2 Progress Report

The Owner agrees, at the Halfway Point of Construction, to have a performance meeting with the City and provide the City with a written report which may be reported to City Council (the "**Progress Report**"), along with supporting documentation, that:

- (a) outlines in sufficient detail, satisfactory to the City, acting reasonably, the efforts used to date to meet the 10% Inner-City local employment and 10% local procurement requirements pursuant to this Agreement;
- (b) if applicable, sets out the adjusted Project Cost;
- (c) if applicable, provides the City with an explanation as to the reasons why the objectives of the 10% Inner-City local employment or 10% local procurement, as the case may be, have not yet been met and how the Owner intends to meet said requirements prior to Completion of the Project; and
- (d) sets out the Owner's experience (challenges and opportunities) to date resulting from this Agreement during the construction of the Project and provides suggestions, if any, to the City with respect to future objectives.

4.3 Deliverables Prior to Occupancy Permit Issuance

The Owner covenants and agrees that it will, at its own cost, complete the following (including providing supporting documentation if requested by the City), all to the satisfaction of the General Manager, acting reasonably:

- (a) confirm with supporting documentation that the Owner has made best efforts to satisfy the requirements set out in Section 4.1; and
- (b) within ten (10 days) of the Completion of the Project, hold a performance meeting with the City and the Neutral Third Party and provide the City with a written report which may be reported to City Council (the "**Final Construction Report**") that outlines in sufficient detail (satisfactory to the General Manager, acting reasonably) the following:
 - (A) the Project Cost;
 - (B) the efforts used to meet the 10% Inner-City local employment and 10% local procurement requirements pursuant to this Agreement;
 - (C) the total percentage of the Project Cost procured from Contractors who are Qualified Businesses;

- (D) written confirmation that the on-site food services, Project clean-up work, and landscaping work were procured from contractors who are Qualified Businesses in accordance with Section 4.1(c)(ii); and
- (E) if applicable, an explanation regarding the reasons as to why the objectives of 10% Inner-City local employment or 10% local procurement, as the case may be, were not met.

The requirements set out in this Section 4.3 are collectively referred to herein as the “Occupancy Permit Conditions”.

ARTICLE 5 OCCUPANCY PERMIT HOLD

5.1 Occupancy Restriction

PavCo covenants and agrees with the City, as a covenant running with and binding the Lands, the Tenant covenants and agrees with the City, as a covenant running with and binding the Tenant’s interest in the Lands under the Ground Lease during the term and any renewal or extension of the term of the Ground Lease (and, in its capacity as landlord under the Ground Lease, Pavco consents to the foregoing covenant), in both cases pursuant to Section 219 of the *Land Title Act*, and PHLP and the Operator also covenant with the City as a personal covenant and contractual obligation, that notwithstanding that the Owner may be otherwise entitled:

- (a) the Owner will not apply for an Occupancy Permit in respect of, and will not suffer or permit the occupation of any Building and will take no action to compel the issuance of an Occupancy Permit for such Building; and
- (b) the City will be under no obligation to issue an Occupancy Permit permitting the use and occupation of any Building, notwithstanding completion of construction of any Building,

until the Owner has satisfied the Occupancy Permit Conditions.

5.2 Discharge of Section 219 Covenant

Upon the Owner complying with Section 4.3, subject to as hereinafter provided, the City will execute a discharge of the Section 219 Covenant in Section 5.1 from title to the Lands and the Ground Lease, provided that:

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

5.3 If Occupancy Permit Issued Inadvertently

The Owner covenants and agrees that any Occupancy Permit for any Building issued inadvertently or otherwise prior to the Owner complying with Section 4.3 may be revoked by the City at any time and further agrees that if the Tenant, PHLP or the Operator occupies any Building or other improvement in contravention of this Agreement, the City may pursue all remedies, including injunctive relief.

ARTICLE 6 ONGOING OBLIGATIONS

6.1 Owner's Obligations During Operations Period

PavCo covenants and agrees with the City, as a covenant running with and binding the Lands, the Tenant covenants and agrees with the City, as a covenant running with and binding the Tenant's interest in the Lands under the Ground Lease during the term and any renewal or extension of the term of the Ground Lease (and, in its capacity as landlord under the Ground Lease, PavCo consents to the foregoing covenant), in both cases pursuant to Section 219 of the *Land Title Act*, and PHLP and the Operator also covenant with the City as a personal covenant and contractual obligation, that during the Operations Period, the Owner will complete the following, including providing supporting documentation, all to the satisfaction of the General Manager, acting reasonably:

- (a) with respect to local procurement:
 - (i) use best efforts to ensure that an aggregate total amount of not less than 10% of all labour costs and procured goods used by each portion of the Project, including Contracts and subcontracts, are procured from Qualified Businesses, and to diversify local procurement, including Contracts and subcontracts, among Qualified Businesses; and
 - (ii) insert, and to cause its Contractors to insert, in its Contracts, subcontracts, purchase orders, and request for bids, and/or other procurement documents the requirement to use best efforts to procure locally and from Qualified Businesses not less than 10% of the value of all Contracts, and a requirement to use best efforts to diversify local procurement among Qualified Businesses;
- (b) with respect to the 10% Inner-City local procurement requirement set out above, priority is to be given to those located in the Downtown East Side, and then the Strathcona and Mount Pleasant neighbourhoods. If not available within these neighbourhoods, then consideration may be given to the rest of Vancouver, subject to the satisfaction of the General Manager, acting reasonably, based on advice from the Neutral Third Party;
- (c) with respect to Inner-City local employment, use best efforts to ensure that no fewer than 10% of full-time equivalent employment for each part of the Project during the Operations Period are held by Residents, who may be recruited or hired under a program run by one or more Social Development Agencies, as may also be facilitated by the Neutral Third Party, and provide, to the City's satisfaction, acting reasonably, confirmation that the Owner is:

- (i) unless otherwise agreed to by the City, continuously engaging, at its cost, a Neutral Third Party for the duration of the Operations Period who will fulfill the roles and responsibilities set out in Schedule A of this Agreement, as may be amended from time to time, provided that the person in the role of the Neutral Third Party may change or be replaced over time by way of a process approved by the General Manager, with the successful candidate subject to the approval of the General Manager;
- (ii) unless otherwise agreed to by the City, continuously engaging an Inner-City Local Employment and Procurement Director for the duration of the Operations Period who will fulfill the functions set out in Schedule B of this Agreement, as may be amended from time to time, provided that the person in the role of the Inner-City Local Employment and Procurement Director may change or be replaced, over time, with the approval of the General Manager;
- (iii) continuously entering into a typical arrangement with one or more Social Development Agencies in furtherance of the mandate of matching available jobs with opportunities for Residents; and
- (iv) with respect to Contracts with Contractors entered into following the date of this Agreement for any portion of the Project, cause its Contractors to insert language in such agreements requiring each Contractor to:
 - (A) agree with the City on Social Development Agencies from which the Owner can hire/recruit Residents, which hiring may be facilitated through the Neutral Third Party, provided that the Owner's direct hiring practices (for example, through its website) may contribute to the 10% local employment if verified through regular monitoring by the Neutral Third Party; and
 - (B) ensure that all Residents hired by such Contractor, tenant or subtenant under the Social Development Agencies program have the same pay rate and terms commensurate with other employees occupying similar skill levels and with similar experience;
- (d) with respect to the 10% Inner-City local employment requirement set out above:
 - (i) Residents must be compensated at a rate commensurate with other employees occupying positions requiring similar skill levels and experience;
 - (ii) the City may agree to expand the area in which Residents may live to include Grandview-Woodland, Hastings-Sunrise and other neighbourhoods, provided that it is demonstrated to the satisfaction of the General Manager, acting reasonably, that sufficient levels of employees cannot be hired from the Inner-City, but in such event the City may place limits or conditions on the percentage of full-time

equivalent employees who may reside in Grandview-Woodland, Hastings-Sunrise or any other neighbourhood. Should the City agree to expand the employee area outside the Inner-City, the hiring process would be subject to the City's approval based on advice of the Neutral Third Party; and

- (iii) the Owner's direct hiring practices, including through its website, may contribute to the 10% Inner-City local employment requirement provided that such hiring is verified through monitoring by the Neutral Third Party.

The requirements set out in this Section 6.1 are collectively referred to herein as the "Ongoing Obligations".

6.2 Reporting During Operations Period

The Owner agrees to provide the City with an annual written report based on reports prepared by the Neutral Third Party, which annual report may be reported to City Council, along with supporting documentation, that:

- (a) outlines, in sufficient detail, satisfactory to the General Manager, acting reasonably, confirmation that the Owner is meeting the Ongoing Obligations;
- (b) outlines in sufficient detail, satisfactory to the General Manager, acting reasonably, the efforts used in the previous year to meet the 10% Inner-City local employment and 10% local procurement requirements pursuant to this Agreement;
- (c) if applicable, provides the City with an explanation as to the reasons why the objectives of the 10% Inner-City local employment or 10% local procurement requirements, as the case may be, were not met in the previous year and how the Owner intends to meet said requirements for the following year; and
- (d) sets out the Owner's experience (challenges and opportunities) to date resulting from this Agreement during the previous year and provide suggestions, if any, to the City with respect to future objectives.

6.3 Discharge of Section 219 Covenant

Upon the Ultimate Expiry Date, subject to as hereinafter provided, the City will execute a discharge of the Section 219 Covenant in Section 6.1 from title to the Lands and the Ground Lease, provided that:

- (a) the Owner will make reasonable efforts to retain Residents hired as of the Ultimate Expiry Date pursuant to the requirements of Section 6.1, and will act in compliance with all applicable employment, labour and human rights laws;
- (b) the City will have no obligation to execute such discharge until a written request therefor from the Owner has been received by the City, which request will include the form of discharge in registrable form;

- (c) the cost of preparation of such discharge and the cost of registration of the same in the LTO will be paid by the Owner; and
- (d) the City will have a reasonable time within which to execute such discharge and return same to the Owner for registration.

ARTICLE 7 INDEMNITIES

7.1 Release and Indemnity

Except in each case to the extent attributable to the wilful misconduct of the City or City Personnel, PavCo, the Tenant, PHLP and the Operator hereby each waives, remises, releases and discharges absolutely the City and all City Personnel, and covenants and agrees to indemnify and save harmless the City and City Personnel, from and against all Losses which may arise or accrue to PavCo, the Tenant, PHLP or the Operator or any person, firm or corporation against the City or any City Personnel or which the City or any City Personnel may pay, incur, sustain or be put to:

- (a) by reason of the City or City Personnel:
 - (i) withholding any Building Permit or Occupancy Permit pursuant to this Agreement; and
 - (ii) requiring the Owner to carry out any work or obligations required to be carried out pursuant to this Agreement, including the Building Permit Conditions, the Occupancy Permit Conditions and the Ongoing Obligations; and
- (b) exercising any of its rights under the Section 219 covenants granted to the City pursuant to this Agreement, whether or not such Losses are the result of, or relate in any way to any negligent acts or omissions on the part of the City or the City Personnel.

7.2 Survival Of Release And Indemnities

The indemnities in Section 7.1 will be both personal covenants of each of PavCo, the Tenant, PHLP and the Operator and, with respect to PavCo and the Tenant, are integral parts of the Section 219 covenants granted in this Agreement. PavCo, the Tenant, PHLP, the Operator and the City each acknowledge and agree that the indemnity set forth in Section 7.1 will apply and continue in full force and effect from the date of this Agreement notwithstanding:

- (a) completion of the Building Permit Conditions;
- (b) completion of the Occupancy Permit Conditions;
- (c) modification of, or partial release or release of the covenants granted in this Agreement; or
- (d) termination of this Agreement upon the Ultimate Expiry Date.

**ARTICLE 8
EXERCISE OF AUTHORITY**

8.1 General Manager

A power or discretion exercisable hereunder by the General Manager may be exercised by his or her designate.

**ARTICLE 9
NOTICES**

9.1 Notices

Any notice, approval or request required or permitted to be given under this Agreement will be in writing and may be given by delivering such notice, approval or request to a representative of the party for whom it is intended, either by personal delivery or by mailing such notice, approval or request by prepaid registered mail from any post office in British Columbia and:

- (a) in the case of PavCo, addressed to it at:

B.C. Pavilion Corporation
200 - 999 Canada Place
Vancouver, British Columbia
V6C 3C1

Attention: Chief Executive Officer
Fax: (604) 484-5154

- (b) in the case of the Tenant, addressed to it at:

1010094 B.C. Ltd.
220 - 858 Beatty Street
Vancouver, British Columbia
V6B 1C1

Attention: President
Fax: (604) 336-6512

- (c) in the case of PHLP, addressed to it at:

Parq Holdings Limited Partnership
220 - 858 Beatty Street
Vancouver, British Columbia
V6B 1C1

Attention: President
Fax: (604) 336-6512

- (d) in the case of the Operator, addressed to it at:

Edgewater Casino ULC
220 - 858 Beatty Street
Vancouver, British Columbia
V6B 1C1

Attention: President
Fax: (604) 336-6512

- (e) and in the case of the City, addressed to it at:

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

Attention: City Clerk

with concurrent copies to the City Engineer, Fax No. 604.871.6119 and the Director of Legal Services, Fax No. 604.873.7445;

or at such other address as the parties may from time to time advise by notice in writing. Any such notice, approval or request will be deemed to have been received on the date of delivery of such notice, approval or request, or the third business day next following the date of such mailing if mailed as aforesaid, provided that if mailed should there be, between mailing and the actual receipt of such notice, approval or request, a mail strike, slowdown or other labour dispute which might affect the delivery of such notice, approval or request, such notice, approval or request will only be effective if actually delivered.

ARTICLE 10 MISCELLANEOUS

10.1 Unionized Labour

The City acknowledges that (a) certain of the Contractors may be parties to collective agreements or otherwise employ unionized labour, (b) the Owner and any such Contractor may be required to make employment or procurement decisions that comply with such collective agreements, and (c) provided any such employment or procurement decision is made on a *bona fide* basis as determined by the City, acting reasonably, no such decision will be deemed to contravene the “best efforts” standard described in this Agreement.

10.2 Air Space Parcels

In the event the Lands are subdivided by an air space parcel subdivision plan prior to issuance of an Occupancy Permit, the Owner covenants and agrees that it will ensure the appropriate agreements among the various owners of the resultant parcels of the Lands regarding access to and cost-sharing, maintenance, repair, replacement and operation of the works existing on such resultant parcels of the Lands will be entered into, including the necessary easements to ensure that each owner of the resultant parcels of the Lands may access the other resultant parcels for the aforementioned purposes and an express acknowledgement of the City’s rights of access hereunder. Notwithstanding the subdivision of the Lands by an air space parcel subdivision plan, the Owner acknowledges and agrees that

it will remain solely liable to perform and observe the Owner's covenants herein at the sole cost and expense of the Owner.

10.3 Severability

All the obligations and covenants contained in this Agreement are severable, so that if any one or more of the obligations or covenants are held by or declared by a court of competent jurisdiction to be void or unenforceable; the balance of the obligations and covenants will remain and be binding.

10.4 Joint and Several

If any of PavCo, the Tenant, PHLP or Operator consists of more than one person, each such person will be jointly and severally liable to perform the obligations of PavCo, the Tenant, PHLP and the Operator, as the case may be, under this Agreement.

10.5 Registration

PavCo and the Tenant agree to cause the registrable interests in land expressly agreed to be granted pursuant to this Agreement to be registered as first registered charges against the Lands, save only for any reservations, liens, charges or encumbrances:

- (a) contained in any grant from Her Majesty the Queen in Right of the Province of British Columbia respecting the Lands; or
- (b) registered against title to the Lands as of the date of execution of this Agreement.

10.6 City's Other Rights Unaffected

Nothing contained or implied herein will derogate from the obligations of the Owner under any other agreement with the City or, if the City so elects, prejudice or affect the City's rights, powers, duties or obligations in the exercise of its functions pursuant to the *Vancouver Charter* as amended from time to time and the rights, powers, duties and obligations of the City under all public and private statutes, by-laws, orders and regulations, which may be, if the City so elects, as fully and effectively exercised in relation to the roads and the Lands as if this Agreement had not been executed and delivered by the Owner and the City.

10.7 Further Assurances

The parties to this Agreement will do such things and execute such documents and in such form as may reasonably be necessary in order to perfect the intention of this Agreement.

10.8 Force Majeure

If an Event of Force Majeure occurs or is likely to occur, the Owner will promptly notify the City of the particulars of the relevant event or circumstance and, if reasonably possible, supply supporting evidence. The Owner will use best efforts to remove, curtail or contain the cause of the delay, interruption or failure (provided that the terms of settlement of any labour disturbance, dispute, strike or lockout will be wholly in the discretion of the Owner) and to resume, with the least possible delay, its compliance with duties, covenants

and obligations under this Agreement. Neither the City nor the Owner will be liable to the other for any delay, interruption or failure in the performance of its duties, covenants, or obligations under this Agreement if caused by an Event of Force Majeure, and the date limited for the performance of such duties, covenants or obligations under this Agreement will be postponed for a period equal to the delay occasioned by such an Event of Force Majeure.

10.9 No Waiver

The Owner acknowledges and agrees that no failure on the part of the City to exercise and no delay in exercising any right under this Agreement will operate as a waiver thereof nor will any single or partial exercise by the City of any right under this Agreement preclude any other or future exercise thereof or the exercise of any other right. The remedies provided for in this Agreement will be cumulative and not exclusive of any other remedies provided by law and all remedies stipulated for the City in this Agreement will be deemed to be in addition to and not, except as herein expressly stated, restrictive of the remedies of the City at law or in equity.

10.10 Time of Essence

Time will be of the essence of this Agreement.

10.11 Party Costs

Unless otherwise provided, the Owner will be responsible for all costs and expenses incurred to comply with its obligations under this Agreement.

10.12 PavCo's Representations and Warranties

PavCo represents and warrants to and covenants and agrees with the City that:

- (a) it has the full and complete power, authority and capacity to enter into, execute and deliver this Agreement and to bind all legal and beneficial interests in the title to the Lands with the interests in land created hereby;
- (b) upon execution and delivery of this Agreement and registration thereof, the interests in land created hereby will encumber all legal and beneficial interests in the title to the Lands;
- (c) this Agreement will be fully and completely binding upon PavCo in accordance with its terms and PavCo will perform all of its obligations under this Agreement in accordance with its terms; and
- (d) the foregoing representations, warranties, covenants and agreement will have force and effect notwithstanding any knowledge on the part of the City whether actual or constructive concerning the status of PavCo with regard to the Lands or any other matter whatsoever.

10.13 Tenant's Representations and Warranties

The Tenant represents and warrants to and covenants and agrees with the City that:

- (a) it has the full and complete power, authority and capacity to enter into, execute and deliver this Agreement and to bind all legal and beneficial interests in the Tenant's interest in and under the Ground Lease;
- (b) upon execution and delivery of this Agreement and registration thereof, the interests in land created hereby will encumber all legal and beneficial interests in the Tenant's interest in and under the Ground Lease;
- (c) this Agreement will be fully and completely binding upon the Tenant in accordance with its terms and the Tenant will perform all of its obligations under this Agreement in accordance with its terms; and
- (d) the foregoing representations, warranties, covenants and agreement will have force and effect notwithstanding any knowledge on the part of the City whether actual or constructive concerning the status of the Tenant with regard to the Lands and the Ground Lease or any other matter whatsoever.

10.14 PHLP's Representations and Warranties

PHLP represents and warrants to and covenants and agrees with the City that:

- (e) it has the full and complete power, authority and capacity to enter into, execute and deliver this Agreement;
- (f) this Agreement will be fully and completely binding upon PHLP in accordance with its terms and PHLP will perform all of its obligations under this Agreement in accordance with its terms; and
- (g) the foregoing representations, warranties, covenants and agreement will have force and effect notwithstanding any knowledge on the part of the City whether actual or constructive concerning the status of PHLP.

10.15 Operator's Representations and Warranties

The Operator represents and warrants to and covenants and agrees with the City that:

- (h) it has the full and complete power, authority and capacity to enter into, execute and deliver this Agreement;
- (i) this Agreement will be fully and completely binding upon the Operator in accordance with its terms and the Operator will perform all of its obligations under this Agreement in accordance with its terms; and
- (j) the foregoing representations, warranties, covenants and agreement will have force and effect notwithstanding any knowledge on the part of the City whether actual or constructive concerning the status of the Operator.

10.16 Enurement

This Agreement will enure to the benefit of and be binding upon the parties hereto and their respective successors, administrators and permitted assigns.

10.17 Owner's Obligations to be Performed by the Tenant, PHLP and the Operator

Notwithstanding that PavCo is a party to this Agreement and is one of the parties constituting the Owner, the parties hereto agree that the Tenant, PHLP and the Operator and their respective successors and assigns are solely responsible for all of the Owner's obligations hereunder, unless and until such time as the Ground Lease has expired or is terminated or PavCo is in occupation of the Lands to the exclusion of the Tenant, PHLP and the Operator and their respective successors and assigns. For greater certainty, the employment and procurement obligations under this Agreement will not apply to PavCo with respect to the Development of the Project and PavCo's undertaking of any works on the Lands under the terms of the Ground Lease or any other agreement or commitment entered into by PavCo in connection with the development of the Project prior to the date of this Agreement.

IN WITNESS WHEREOF the City, the Tenant and PavCo have each executed this Agreement on the General Instrument - Part 1 which is attached hereto and forms part hereof and PHLP and the Operator has agreed to be bound by executing where indicated below.

Execution Date

Y	M	D
15		
15		

Solicitor/Notary Public -

(as to both signatures)

Solicitor/Notary Public -

(as to both signatures)

PARQ HOLDINGS LIMITED PARTNERSHIP,
by its General Partner, **PARQ HOLDINGS**
GP INC., by its authorized signatory(ies):

Print Name:

Print Name:

EDGEWATER CASINO ULC, by its
authorized signatory(ies):

Print Name:

Print Name:

SCHEDULE A ROLES AND RESPONSIBILITIES OF NEUTRAL THIRD PARTY

At the expense of the Owner and to the satisfaction of the City, acting reasonably, the Owner will retain a Neutral Third Party, who will report independently to the SAG for the duration of the Construction and Operations Periods and the Owner will use best efforts to ensure that the Neutral Third Party:

1. Maintains shared statistics and reports results to the City and the Owner from time to time based on any established agreements;
2. Administers and facilitates the SAG, with the involvement of the chairs of the SAG, including developing meeting agendas and monitoring and recording follow-up on action items.
3. Conducts outreach, develops and maintains relationships with Social Development Agencies and other stakeholders.
4. Refers individuals, procurement groups, and social development agencies to the Inner-City Local Employment and Procurement Director for opportunities.
5. Develops criteria, indicators, and sets interim quantitative and qualitative performance targets, in assisting the Owner to meet the 10% Inner-City local employment and 10% local procurement requirements.
6. Develops specific indicators to help identify success or need for adjustments for the recruitment and retention of Aboriginal community. Members of the Aboriginal community will be included among the 10% Inner-City local employment and 10% local procurement requirements within the Inner-City.
7. Identifies data and information needs and ensures that the Owner provides data to the Neutral Third Party as requested, including access to relevant information on Contractors, subcontractors and employees to meet Contract compliance.
8. Conducts on-going monitoring and evaluation, with on-going input from the City, PavCo, PHLP, the Operator or the Tenant, and Social Development Agencies in moving towards Contract compliance for the duration of the Agreement(s). This monitoring will include periodic follow up on applications and referrals for employment and procurement opportunities.
9. Mediates and problem solves to address differences of opinions and issues as they arise between Social Development Agencies and the Inner-City Local Employment and Procurement Director.
10. Analyzes and interprets trends based on sophisticated and complex data analyses, design effective reporting systems and if required, make recommendations for improvement.
11. Provides a written report semi-annually or as otherwise required, for the SAG, City staff, senior government and other stakeholders, including Social Development Agencies.

The above-listed roles and responsibilities of the Neutral Third Party will be subject to:

1. re-assessment of the scope of services during the Construction Period occurring one year following the issuance of the Building Permit and re-assessed on each anniversary of the date of issuance of the Building Permit; and
2. re-assessment of the scope of services during the Operations Period annually on each anniversary of the date of issuance of Occupancy Permit.

The City will determine if the scope of services should be changed based upon its review of performance evaluations for and input from the Neutral Third Party.

The Owner will be responsible for all costs and expenses as necessary to be expended to meet the objectives.

SCHEDULE B
FUNCTIONS OF INNER-CITY LOCAL EMPLOYMENT AND PROCUREMENT DIRECTOR

At the expense of the Owner and to the satisfaction of the City, acting reasonably, the Owner will retain an Inner-City Local Employment and Procurement Director for the duration of the Construction Period and the Operations Period, and use best efforts to ensure that the Inner-City Local Employment and Procurement Director performs the following functions:

1. Provides on-going employment support for Residents employed at the Project as part of the 10% Inner-City local employment requirement - in particular, those who are Underemployed, Unemployed and Multi-barriered (including vulnerable employees who struggle with mental health and addictions) - in consultation with Social Development Agencies.
2. Provides a central point of contact between Contractors, subcontractors, and Social Development Agencies.
3. In conjunction with Social Development Agencies and resources available, ensures one-on-one targeted training, career and employment counselling, mentorship, and coaching designed to ensure employee retention and advancement for Residents employed at the Project as part of the 10% Inner-City local employment requirement.
4. Maintains and fosters relationships with City staff and representatives of other levels of government (e.g., provincial agencies such as the Ministry of Social Development and Social Innovation, Ministry of Aboriginal Relations and Reconciliation, *etc.*) to assist the Owner in meeting its contractual obligations.
5. Advances opportunities for local procurement by Qualified Businesses with priority given to those located in the Downtown East Side, then the remainder of the Inner-City neighbourhoods as required to meet the 10% local procurement requirement.
6. Tracks resource requirements to fulfill the function of Inner-City local employment and local procurement and identify where there may be resources lacking.

SCHEDULE C ROLES AND RESPONSIBILITIES OF SAG

In order to facilitate and support the Owner to meet the obligations set out in this Agreement, the SAG will be created. The SAG will be co-chaired by the City and the Neutral Third Party with representatives from PHLP, the Operator and other levels of government (e.g., provincial agencies such as the Ministry of Social Development and Social Innovation, Ministry of Aboriginal Relations and Reconciliation, *etc.*), and Social Development Agencies, as determined by the City after its consideration of input from PHLP.

The SAG will:

1. advise and problem-solve on any issues that may arise with respect to meeting the 10% Inner-City local employment and local procurement requirements as well as provide input for semi-annual reports.
2. be accountable to the City during the Construction Period and the Operations Period.
3. maintain and foster relationships with City staff and representatives of other levels of government (e.g., provincial agencies such as the Ministry of Social Development and Social Innovation, Ministry of Aboriginal Relations and Reconciliation, *etc.*) to assist the Owner in meeting its contractual obligations.
4. meet quarterly during the Construction Period and bi-annually, or more frequently as necessary, during the Operations Period. The Neutral Third Party will be responsible for the coordination and facilitation of the SAG.
5. develop “Terms of Reference” for the SAG which will be agreed to by all parties.

CONSENT AND PRIORITY INSTRUMENT

In this consent and priority instrument:

- (a) “Existing Charges” mean mortgage numbers CA4142829 and CA4142831 and Assignments of Rents numbers CA4142830 and CA4142832;
- (b) “Existing Chargeholder” means Computershare Trust Company of Canada;
- (c) “New Charge” means the Section 219 Covenant contained in the attached Terms of Instrument - Part 2; and
- (d) words capitalized in this instrument, not otherwise defined herein, have the meaning ascribed to them in the attached Terms of Instrument - Part 2.

For ten dollars and other good and valuable consideration, the receipt and sufficiency of which the Existing Chargeholder acknowledges, the Existing Chargeholder:

- (a) consents to the Owner granting the New Charges to the City; and
- (b) agrees with the City that the New Charge charges the Lands in priority to the Existing Charges in the same manner and to the same effect as if the Owner had granted the New Charge, and it had been registered against title to the Lands, prior to the grant or registration of the Existing Charges or the advance of any money under the Existing Charges.

To witness this consent and priority instrument, the Existing Chargeholder has caused its duly authorized signatories to sign the attached General Instrument - Part 1.

END OF DOCUMENT